COWRY WEEKLY FINANCIAL MARKETS REVIEW & OUTLOOK (CWR)

Cowry Research

DOMESTIC ECONOMY: Inflation Slide in Expectation: Stable Naira and Lower Food Prices Anchor October Outlook…….

As the National Bureau of Statistics (NBS) prepares to release the October 2025 Consumer Price Index (CPI) on Monday, Cowry Research projects headline inflation to ease further to 17.83%, supported by continued naira stability, improved FX liquidity, and sustained food supply from the ongoing harvest season. Although the upward adjustment in PMS prices in early October introduced mild cost pressures, the overall impact on headline inflation should remain limited due to petrol's relatively low weighting in the CPI basket.

This projection builds on Nigeria's encouraging inflation path. In September 2025, headline inflation moderated to 18.02%, down from 20.12% in August—marking the sixth consecutive month of disinflation and beating Cowry Research's forecast of 19.73%. Month-on-month inflation slowed to 0.72%, from 0.74% in August, signalling softer price increases across key CPI divisions. On a year-on-year basis, headline inflation was 14.68 percentage points lower than the 32.70% recorded in September 2024, the softest annual print since May 2022 (17.71%).

Key Contributors and Inflation Dynamics

On a y/y basis, the major divisional contributors to headline inflation were Food & Non-Alcoholic Beverages (7.21%), Restaurants & Accommodation Services (2.33%), and Transport (1.92%). Similarly, on a m/m basis, food remained the single largest driver, contributing 0.29%, followed by Restaurants (0.09%) and Transport (0.08%).

Food inflation delivered the most notable relief, moderating sharply to 16.87% y/y in September from 37.77% a year earlier—reflecting both strong base effects and improved supply during the harvest season. Prices of maize, garri, beans, onions, and fresh produce softened significantly. On a m/m basis, food inflation printed –1.57% in September compared with 1.65% in August, confirming a rare deflationary trend.

Core inflation also eased to 19.53% y/y, from 27.43% in September 2024. On a monthly basis, core inflation printed 1.42%, slightly below 1.43% in August, supported by greater FX market stability and improved dollar liquidity that helped reduce import-driven cost pressures.

Energy, FX and Imported Price Movements

Bonny Light crude averaged $66.15/bbl in October 2025, down 5.77% from $70.20/bbl in September. Conversely, PMS prices rose from N865/litre in early October to N992/litre mid-month due to supply disruptions linked to the PENGASSAN industrial action. Prices later moderated to N922/litre as distribution recovered. The temporary spike exerted upward pressure on transportation, hospitality, and food services—sectors typically sensitive to energy costs.

The naira recorded a strong performance in the FX market, appreciating by 2.55% to average N1,459.54/$1 in October, compared with N1,497.79/$1 in September. This appreciation helped moderate prices of several imported goods, with the average price of imported rice dropping 0.71% m/m.

Cowry Research maintains that the sustained decline in headline inflation, combined with the CBN's September rate cut, reinforces expectations of an additional easing when the MPC meets in November 2025. A further 50 basis-point reduction remains likely, supported by improved macroeconomic stability in recent months. While emerging risks—from policy uncertainties to public commentary—may pose mild headwinds, we expect timely interventions to contain any potential spillovers.

EQUITIES MARKET: Market Sees Mayhem as Capital Gains Tax Fears Rock Bourse, ASI Dips 1.68% w/w……

The Nigerian equities market extended its bearish stretch this week, closing at 147,013.59 points, down 1.68% week-on-week, as investors continued to price in the potential repercussions of the proposed 2026 capital gains tax on portfolio valuations. The policy uncertainty triggered widespread panic on Tuesday, culminating in a historic single-session decline of 5.01%, the steepest daily loss in several years.

Sentiment, however, stabilised after the Federal Government hinted at a possible review of the tax proposal, helping the market record its first positive close for November midweek as bargain hunters and institutional players cautiously re-entered the market. Overall, market capitalisation dipped by N1.50 trillion to N93.50 trillion, moderating the NGX All-Share Index's year-to-date return to 42.83%, still one of the best in Africa.

Market breadth printed at 1.07x, with 48 gainers against 45 decliners, indicating that pockets of resilience persisted despite the broader downturn. Trading activity delivered a mixed picture: the total number of deals fell by 7.60%, yet traded volume and value surged 104.87% and 46.17% to 7.32 billion units and N156 billion, respectively—signalling increased institutional block trades amid muted retail participation.

Sector performance leaned positive: Insurance (+2.42%) led the advance on renewed speculative and value-driven interest, while Banking (+1.26%), Consumer Goods (+0.46%), and Oil & Gas (+0.01%) also closed higher. Conversely, the Industrial Goods sector (-6.97%) experienced a heavy pullback due to sustained selloffs in major counters, while the Commodity Index (-2.02%) reflected broad-based profit-taking.

Top performers for the week included NCR (+32.3%), ASOSAVINGS (+14.4%), CHAMPION (+11.5%), INTENEGINS (+11.5%), and NSLTECH (+10.7%), buoyed by solid buying interest. On the flip side, UNIONDICON (-18.7%), AUSTINLAZ (-18.6%), MULTIVERSE (-14.5%), ACADEMY (-10.0%), and DANGCEM (-10.0%) recorded the sharpest losses, weighed down by elevated profit-taking and weakening investor sentiment.

With sector leadership rotating rapidly, liquidity shifting toward institutional blocks, and technical indicators flashing overextended conditions, the market sits at an inflection point. Although the ASI remains up 42.58% YTD, the underlying tone is cautious, and near-term direction will depend on whether the current rotation broadens or fizzles out.

Heading into next week, we expect tempered activity as investors weigh year-end profit-taking against evolving macro cues. Key catalysts include the October 2025 inflation print and the November MPC decision, both of which will shape expectations around interest rates, liquidity conditions, and equity risk premium. While macro stability and improved sentiment offer a layer of support, momentum is likely to stay soft with a mild bearish bias—unless a significant upside trigger restores conviction across the board…..

BOND MARKET: Yields Retreat as Confidence Surges in Nigeria's Bonds and Eurobonds….

The Nigerian secondary bond market concluded the week on a bullish note, driven by sustained investor demand across short, medium, and long-tenor government securities. Market activity remained robust, highlighting a resurgence of confidence in fixed-income instruments despite lingering uncertainties in equities and other high-risk asset classes.

The strong demand exerted downward pressure on yields, with the average benchmark yield falling 20 basis points to 15.57%, suggesting a growing preference among investors for predictable returns amid broader market volatility.

The surge in local bond interest appears to be underpinned by several factors: improving fiscal signals from the federal government, ongoing monetary policy stability, and a strategic search for safer yield amid cautious sentiment in equities. This trend also reflects the market's recognition of the relative attractiveness of Nigerian sovereign debt compared to other domestic and regional instruments.

Similarly, the Nigerian sovereign Eurobond market extended its positive momentum, with the average yield declining 21 basis points week-on-week to 7.77%. This reflects renewed investor confidence in Nigeria's external debt, potentially driven by a combination of improving risk sentiment toward the country and the relative stability of global fixed-income markets.

The compression in Eurobond yields signals a readiness by investors to accept lower returns for perceived safer exposure to Nigerian sovereign risk.

Looking ahead, the outlook for both the local bond and Eurobond markets remains constructive. Sustained investor interest, improving macroeconomic fundamentals, and indications of fiscal stability are likely to keep yields on a gradual downward trajectory. The approaching maturity of the NOV-2025 Eurobond may further attract investor attention, driving additional yield compression as demand intensifies. For market participants, these developments reinforce the strategic value of allocating to Nigerian fixed-income instruments in a diversified portfolio, particularly as hedges against volatility in equities and other riskier asset classes……

FOREIGN MARKET: Naira Stumbles as FX Demand Intensifies Across Markets Amidst Firmer Reserves….

The naira came under renewed pressure this week, weakening across both the official and parallel FX markets despite sustained interventions by the Central Bank of Nigeria (CBN).

At the official window, the currency slipped 0.41% week-on-week to close at N1,442.43/$, while the parallel market recorded a sharper 1.49% decline, settling at N1,472/$. The pullback reflects persistent demand pressures and deep-rooted structural mismatches that continue to shape Nigeria's FX landscape.

Nigeria's external reserves, however, provided a modest buffer, rising 0.18% w/w to $43.43 billion from $43.35 billion. The accretion was largely supported by steady crude oil earnings, improved non-oil inflows, and a sustained trade surplus—factors that collectively strengthened the CBN's capacity to moderate volatility in the FX market.

In the global commodities space, oil prices surged as renewed Ukrainian drone strikes targeted Russia's critical Novorossiysk export hub, heightening fears of potential supply disruptions. WTI crude gained 2.71% to $60.28/bbl, while Brent crude rose to $64.54/bbl.

The escalation forms part of Ukraine's intensified campaign on Russian refinery infrastructure. Analysts expect further upside risks as upcoming U.S. sanctions on Rosneft and Lukoil, effective November 21, threaten to constrain Russian supply even more.

Looking to the week ahead, the naira is expected to trade with a relatively stable tone, supported by firmer external reserves, steady FX inflows, and an increasingly orderly market structure. Sentiment also remains bolstered by Nigeria's recent Eurobond issuance, which has eased supply concerns and anchored expectations of narrow-band consolidation in the near term. Additionally, improved market liquidity is likely to give the local currency some breathing room.

We also expect the global risk-off mood, which lifted traditional safe-haven currencies such as the Japanese yen and Swiss franc, to weigh on the U.S. dollar. A softer dollar could boost naira demand and provide short-term support for the local currency……..

MONEY MARKET: Cash Wave Sweeps Through Markets as Liquidity Hits N6.17trn….

System liquidity opened the week firmly in surplus at N3.8 trillion, only slightly below the previous close of N3.91 trillion. The improvement was underpinned by increased placements at the CBN's Standing Deposit Facility (SDF), alongside OMO maturities and primary market repayments, which collectively pushed net liquidity to a hefty N6.17 trillion. This represents a remarkable 57.80% week-on-week surge from the preceding week's N3.91 trillion.

The abundant cash in the system translated into softer funding pressures, as banks had little need to borrow. The Overnight NIBOR moderated by 2bps to 24.86%, while the 1-month, 3-month, and 6-month tenors declined by 9bps, 64bps, and 18bps, settling at 25.57%, 25.78%, and 27.08%, respectively. In contrast, the overnight rate inched up 13bps to 24.92%, while the funding rate held steady at 24.50%.

Across the NITTY curve, yields mostly declined, except for the 1-month NITTY, which edged higher by 0.07 percentage points to 16.62%. The 3-month, 6-month, and 12-month yields fell sharply by 16bps, 32bps, and 86bps, closing at 16.46%, 17.05%, and 17.99%.

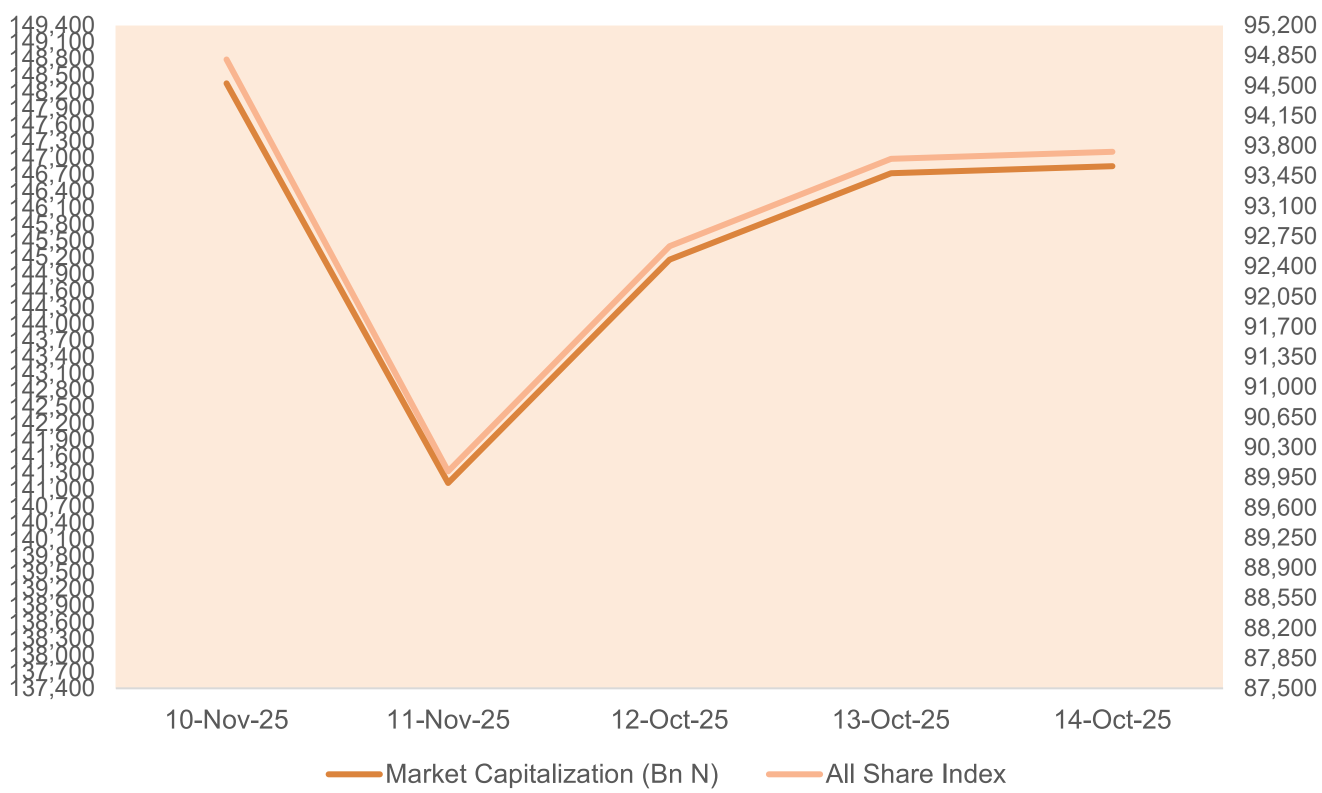
Momentum in the secondary Treasury Bills market was solid throughout the week as strong demand filtered across short-, mid-, and long-dated maturities. The newly issued 5-Nov bill led the rally, tightening from 15.70% to around 15.30% as unmet auction bids spilled into the secondary market. This firm buying interest dragged the average NTB yield lower by 44bps to 16.98%.

OMO market activity was equally vigorous, powered by the system's liquidity glut. Average OMO yields dipped by 15 percentage points to 21.74%, with trading heavily concentrated on the newly issued 5-May OMO bill.

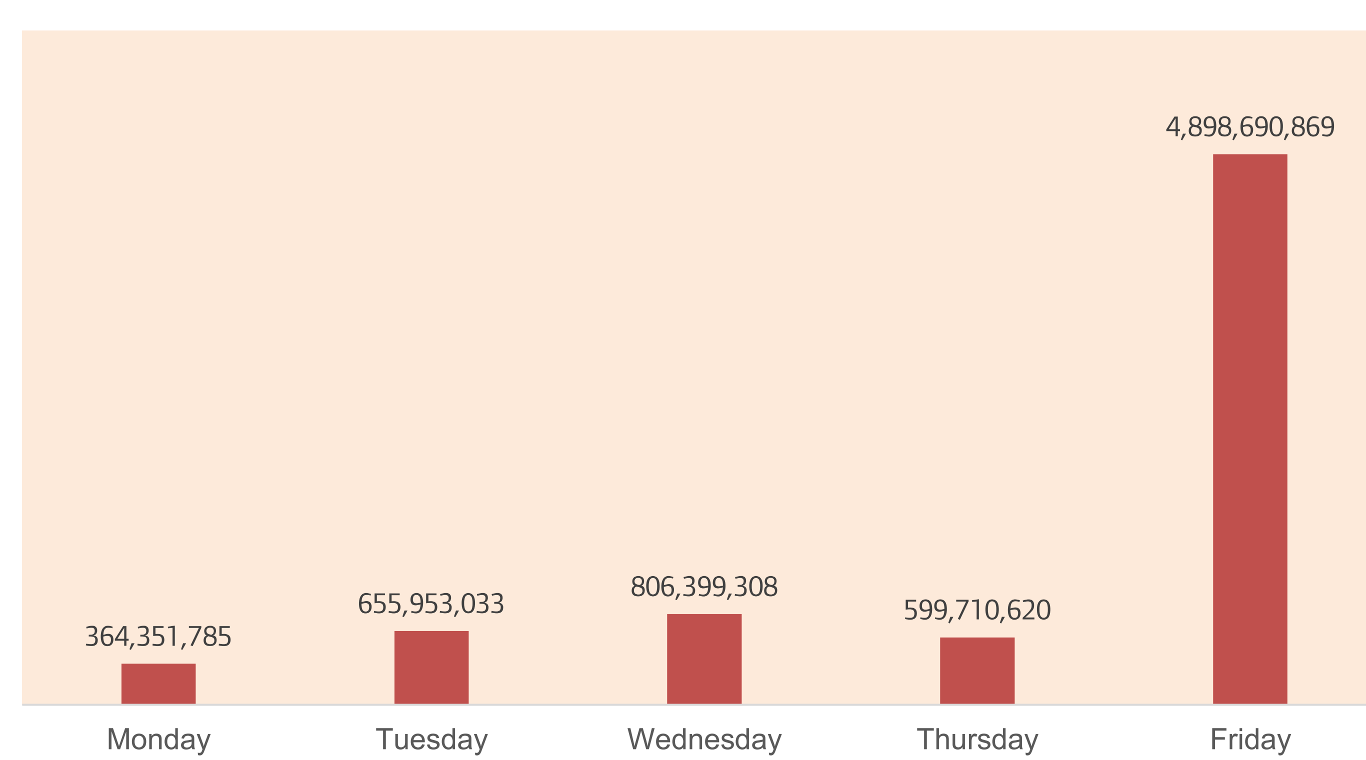
The week's major highlight was the November 13 OMO auction, where the CBN sold N2,547.55 billion across the 152-day and 173-day bills. The 152-day tenor cleared at N645.15 billion with a stop rate of 20.59%, while the 173-day tenor saw a massive N2,445.40 billion sold at 20.69%. Demand was overwhelming, with total subscriptions hitting N3,090.55 billion, marking a staggering 515% oversubscription.

Looking ahead, sentiment is expected to remain broadly positive as the market prices in continued expectations of easing inflation. Attention now shifts to the NTB auction on 19 November, where the DMO seeks to raise N700bn to refinance N689.55bn in maturities. With substantial inflows expected, the CBN is likely to conduct at least two OMO auctions next week to manage the excess liquidity building in the system………

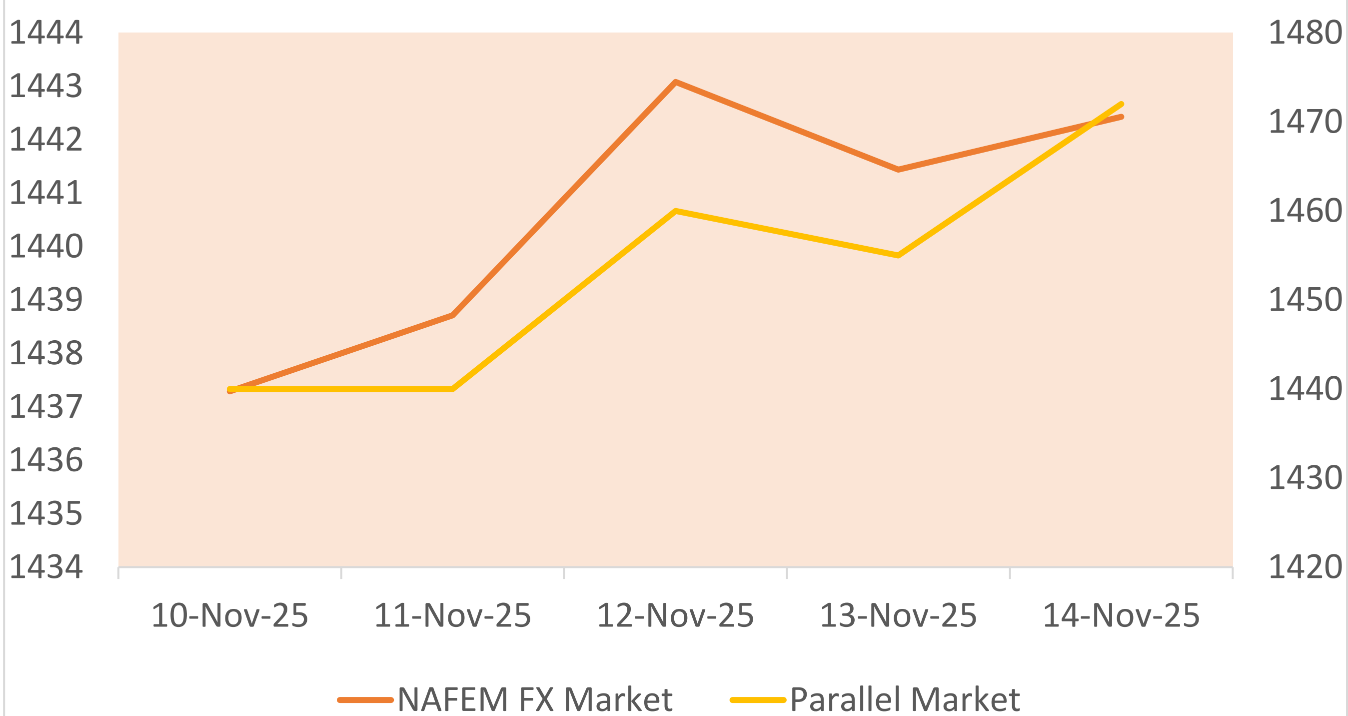
Evolution of Equities Performance Gauges



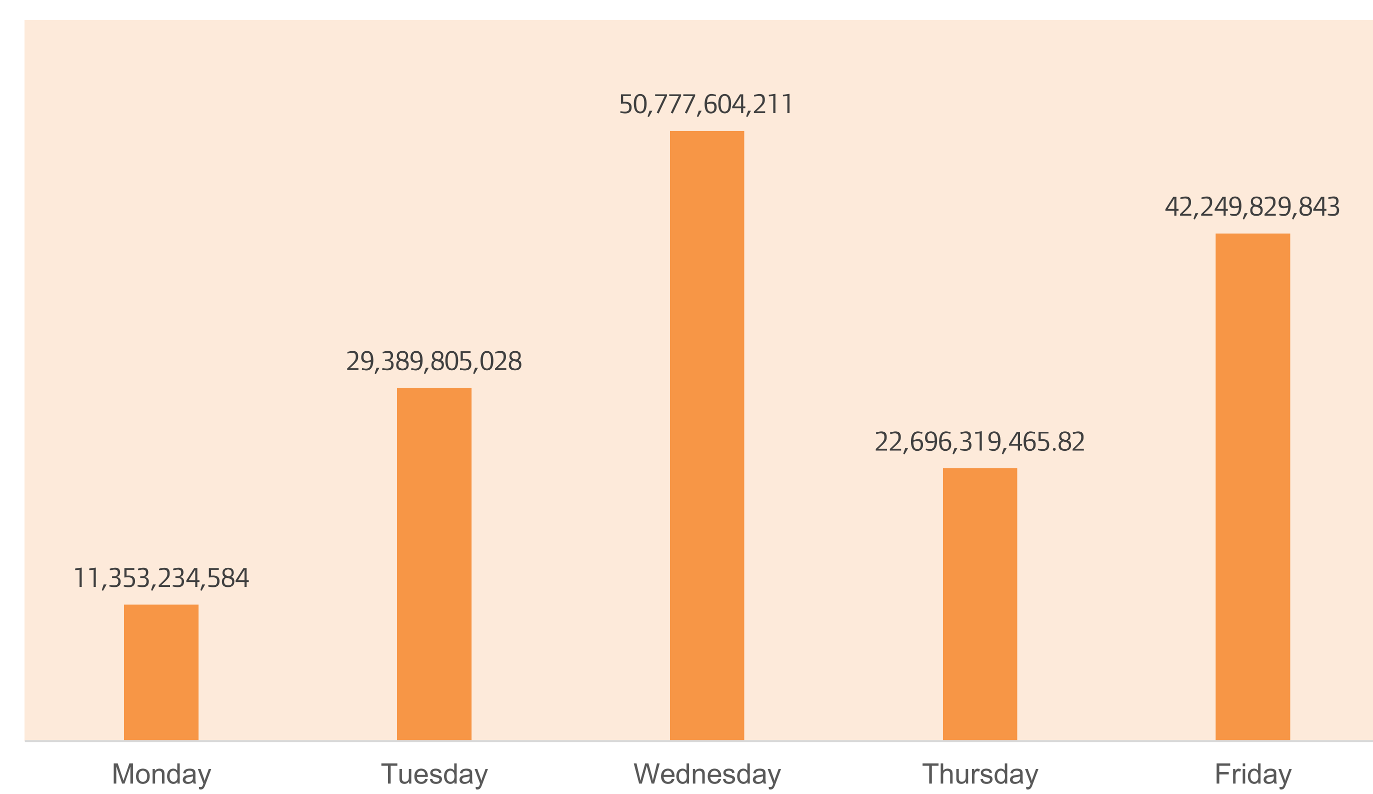
Daily Traded Volume



Evolution of NGN/USD Exchange Rates



Daily Traded Value



Weekly Top Gainers and Losers as at Friday, November 14, 2025

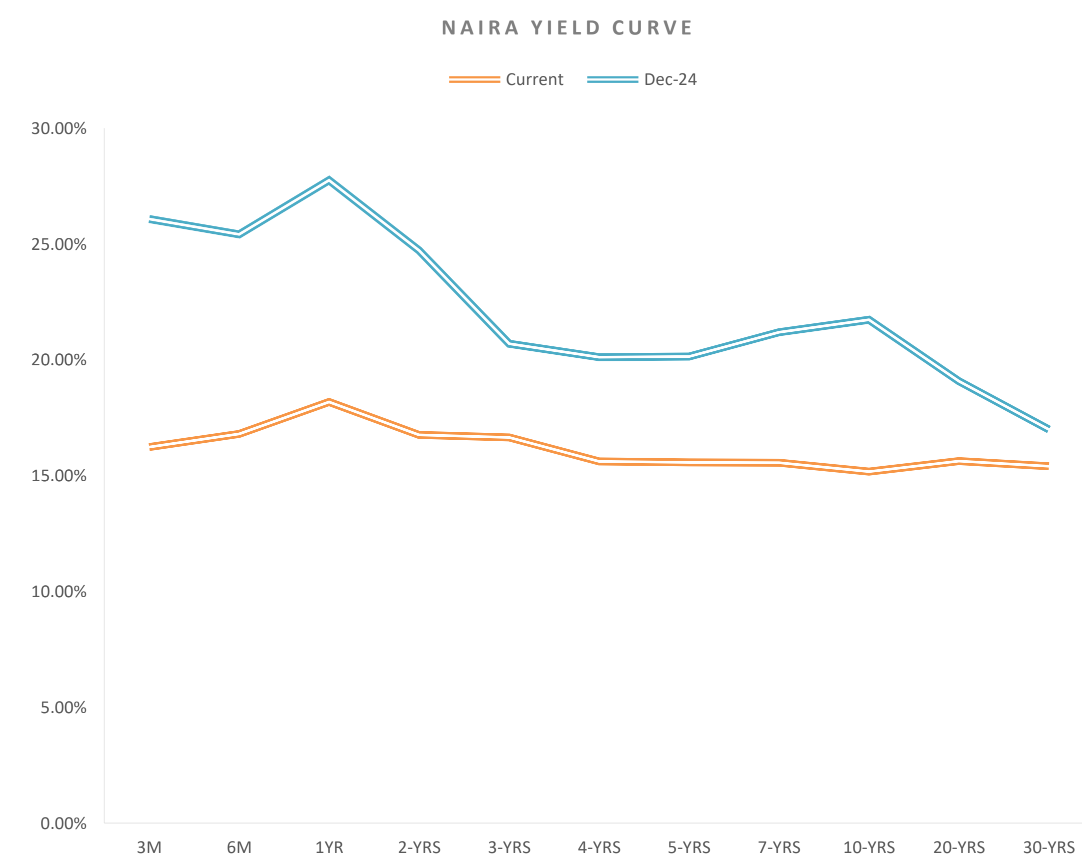
Top Ten Gainers				Bottom Ten Losers			
Symbol	14-Nov-25	7-Nov-25	% Change	Symbol	14-Nov-25	7-Nov-25	% Change
NCR	25.60	19.35	32.3%	UNIONDICON	6.30	7.75	-18.7%
ASOSAVINGS	1.03	0.90	14.4%	AUSTINLAZ	2.36	2.9	-18.6%
CHAMPION	14.50	13.00	11.5%	MULTIVERSE	10.05	11.75	-14.5%
INTENEGINS	2.72	2.44	11.5%	ACADEMY	6.75	7.50	-10.0%
NSLTECH	0.83	0.75	10.7%	DANGCEM	594.00	660.00	-10.0%
CORNERST	6.10	5.52	10.5%	TRANSPOWER	307.8	342	-10.0%
JAPAULGOLD	2.29	2.09	9.6%	TRIPPLEG	4.42	4.91	-10.0%
GUINEAINS	1.26	1.15	9.6%	ABCTRANS	3.82	4.24	-9.9%
FTNCOCOA	5.25	4.80	9.4%	REDSTAREX	9.20	10.20	-9.8%
LEGENDINT	5.74	5.26	9.1%	ABBEYBDS	6.50	7.20	-9.7%

FGN Eurobonds Yields as at Friday, November 14, 2025

			14-Nov-25	Weekly	7-Nov-25	Weekly
FGN Eurobonds	Issue Date	TTM (years)	Price (N)	USD Δ	Yield	PPT Δ
7.625 21-NOV-2025	21-Nov-18	0.02	100.01	0.01	6.3%	-0.96
6.50 NOV 28, 2027	28-Nov-17	2.04	99.89	0.20	6.6%	-0.10
6.125 SEP 28, 2028	28-Sep-21	2.87	97.81	0.30	7.0%	-0.11
8.375 MAR 24, 2029	24-Mar-22	3.36	103.30	0.52	7.2%	-0.18
7.143 FEB 23, 2030	23-Feb-18	4.28	99.49	0.87	7.3%	-0.24
8.747 JAN 21, 2031	21-Nov-18	5.19	104.61	0.57	7.7%	-0.13
7.875 16-FEB-2032	16-Feb-17	6.26	99.47	0.34	8.0%	-0.07
7.375 SEP 28, 2033	28-Sep-21	7.88	95.92	0.54	8.1%	-0.10
7.696 FEB 23, 2038	23-Feb-18	12.28	94.44	1.61	8.4%	-0.22
7.625 NOV 28, 2047	28-Nov-17	22.05	88.97	1.10	8.8%	-0.13
9.248 JAN 21, 2049	21-Nov-18	23.20	102.78	0.99	9.0%	-0.10
8.25 SEP 28, 2051	28-Sep-21	25.89	92.59	1.10	9.0%	-0.12
7.625 21-NOV-2025	21-Nov-18	0.02	100.01	0.01	6.3%	-0.96

Weekly Stock Recommendations as at Friday, November 14, 2025

Stock	Current EPS	Forecast EPS	BV/S	P/B Ratio	P/E Ratio	52 WKs' High	52 WKs' Low	Current Price	Price Target	Short term Stop Loss	Short term Take Profit	Potential Upside	Recommendation
STANBIC IBTC	10.91	14.83	59.82	1.76	9.63x	121.10	52.95	105.00	142.8	89.3	120.8	36.00	Buy
ZENITH BANK PLC	12.96	17.36	111.24	0.58	4.94x	78.50	35.10	64.00	85.8	54.4	73.6	34.00	Buy
TRANSCORP	6.41	8.34	28.10	1.60	7.03x	61.95	10.40	45.10	58.6	38.3	51.9	30.00	Buy
OKOMU OIL	49.83	69.77	81.99	13.54	22.27x	1120	338.1	1110	1554.0	943.5	1276.5	40.00	Buy
ETI	17.64	22.58	147.15	0.24	1.96x	38.05	20.45	34.65	44.4	29.5	39.8	28.00	Buy



U.S.-Dollar Foreign Exchange Rates as at 4:30 PM GMT+1, Friday, November 14, 2025

MAJOR	14-Nov-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1650	1.1633	0.14%	0.71%	0.02%	10.54%
GBPUSD	1.3168	1.3190	-0.17%.	0.06%	-1.75%.	4.38%
USDCHF	0.7881	0.7929	-0.61%.	-2.18%.	-1.05%.	-11.25%.
USDRUB	80.9594	80.7012	0.32%	-0.30%.	2.62%	-19.29%.
USDNGN	17.1587	17.0327	0.74%	0.43%	-1.63%.	-13.46%.
USDZAR	17.1587	17.0327	0.74%	-0.89%.	-1.18%.	-5.80%.
USDEGP	47.2000	47.1906	0.02%	-0.21%.	-0.97%.	-4.28%.
USDCAD	18.37	18.3181	0.29%	-0.20%.	-0.15%.	-0.46%.
USDMXN	18.37	18.3181	0.29%	-0.48%.	-0.50%.	-9.73%.
USDBRL	5.30	5.2982	0.09%	-0.54%.	-2.78%.	-8.50%.
AUDUSD	0.5686	0.5673	0.23%	0.55%	0.24%	1.07%
NZDUSD	0.5686	-0.0600	0.23%	1.10%	-0.49%.	-2.99%.
USDJPY	7.0931	7.0973	-0.06%.	0.23%	1.84%	-0.30%.
USDCNY	7.0931	7.0973	-0.06%.	-0.47%.	-0.52%.	-1.98%.
USDINR	88.6200	88.8154	-0.22%.	-0.04%.	0.92%	4.96%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, November 14, 2025

Commodity		14-Sep-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	59.7	58.7	1.73%	-0.12%.	2.41%	-10.82%.
BRENT	USD/Bbl	63.9	63.0	1.45%	0.44%	3.23%	-10.03%.
NATURAL GAS	USD/MMBtu	4.5	9.8	-3.00%.	4.70%	49.79%	60.03%
GASOLINE	USD/Gal	2.0	2.0	0.58%	1.79%	7.58%	1.51%
COAL	USD/T	109.6	109.5	0.05%	-0.99%.	5.54%	-22.58%.
GOLD	USD/t.oz	4,091.6	4,170.8	-1.90%.	2.62%	-2.45%.	60.22%
SILVER	USD/t.oz	51.4	52.3	-1.65%.	6.75%	-2.50%.	71.23%
WHEAT	USD/Bu	543.8	535.3	1.59%	3.04%	9.03%	1.36%
PALM-OIL	MYR/T	4,125.0	4,125.8	-0.02%.	0.37%	-7.80%.	-18.83%.
COCOA	USD/T	5,216.9	5,486.8	-4.92%.	-14.04%.	-11.02%.	-39.99%.

CONTACT US

HEAD OFFICE
Plot 1319, Karimu Kotun Street,
Victoria Island
Lagos
Website: www.cowryasset.com
Email: research@cowryasset.com

ABUJA OFFICE
Statement Suites Hotel D03 (3rd Floor), Plot 1002,
1st Avenue, Off Ahmadu Bello Way
Central Business District,
Abuja
Website: www.cowryasset.com
Email: research@cowryasset.com

PORT HARCOURT OFFICE
UPDC Complex, 26 Aba Road,
Port-Harcourt
River State
Website: www.cowryasset.com
Email: research@cowryasset.com

RESEARCH TEAM

CHARLES ABUEDE

Cabuede@cowryasset.com

TAIWO LUPO

Tlupo@cowryasset.com

TOMIWA JIMOH

Tjimoh@cowryasset.com

www.cowryasset.com www.twitter.com/cowryassetmgt www.facebook.com/cowryasset