COWRY WEEKLY FINANCIAL MARKETS REVIEW & OUTLOOK (CWR)

Cowry Research

DOMESTIC ECONOMY: Policy on Ice, Prices on Fire: CBN Maintains 27% MPR as Inflation Loses Some Steam…….

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria held its last meeting for the year with all twelve members present. The Committee reviewed global and domestic macroeconomic conditions and assessed the balance of risks facing the economy. After extensive deliberations, the MPC opted to maintain its tight policy stance. It retained the Monetary Policy Rate (MPR) at 27.0%, adjusted the asymmetric corridor to +50/-450 basis points, and left the Cash Reserve Requirement unchanged at 45% for Deposit Money Banks, 16% for Merchant Banks, and 75% for non-TSA public sector deposits. The Liquidity Ratio was also held at 30%.

This policy configuration reflects the Committee's desire to preserve the disinflation momentum that has steadily built over the past months. By maintaining a high MPR and tightening the corridor, the MPC sends a clear signal that controlling inflation to maintain price stability remains its top priority. The high CRR at 45% continues to restrain a significant portion of bank deposits, intentionally curbing system liquidity. This tight liquidity environment is aimed at curbing speculative demand for foreign exchange, keeping financial conditions sufficiently restrictive, and reinforcing the downward pressure on consumer prices.

Another consideration to the committee's decision was on inflation dynamics which provided the strongest justification. Nigeria's headline inflation slowed again in October 2025, dropping to 16.05% y/y from 18.02% in September. This marks the seventh straight month of disinflation and comes in below our projection of 17.83%, reinforcing that price pressures are easing faster than expected. Notably, October's figure is now the lowest since 2022 and reflects the impact of a more orderly FX market, ease in energy costs, and lingering favourable base effects following the CPI rebasing earlier in the year.

However, the monthly data tells a more complicated story with the month-on-month inflation climbing to 0.93% in October, up from 0.72% in September, suggesting that while the broader trend is improving, short-term price pressures remain unstable. Most of this volatility came from the food basket, which still carries the largest weight in Nigeria's inflation structure.
Both food and core inflation eased on a year-on-year basis, supporting the broader disinflation narrative. Yet, underlying pressures remain visible across several service-related components. Structural bottlenecks, such as poor logistics, high transportation costs, and housing-related pressures, continue to keep service prices sticky. Sub-sectors such as restaurants and accommodation (2.07%), transportation (1.71%), and housing utilities (1.35%) remained key contributors to October's price increases. These categories highlight the stubborn nature of non-food inflation, even as the headline index cools.

A closer look at the drivers of the food basket shows the continued importance of improved supply conditions. Food inflation fell sharply to 13.12% y/y in October from 16.87% in September, helping to anchor the headline figure. But month-on-month food inflation rose by 0.37%, reversing the unusually strong -1.57% recorded in September. The uptick was driven by higher prices of everyday staples such as onions, citrus fruits like oranges and pineapple, vegetables and meat items. These movements reveal that food supply chains remain exposed to logistics constraints, seasonal weather disruptions, and insecurity in major producing regions. Meanwhile, core inflation (excluding food and energy) continued its downward trend, printing at 18.69% y/y, a significant 9.68 percentage-point drop from the 28.37% recorded in October 2024. This is a major signal that underlying inflation is gradually normalizing and that the medium-term macroeconomic environment is becoming more stable. On a monthly basis, core inflation inched down to 1.416% from 1.417% in September, coming almost flat, but still moving in the right direction.

For Cowry Research, October 2025 marked the seventh straight month of declining headline inflation, largely driven by stable exchange rates, improved food supply, moderate PMS prices, and a stronger external account position. Yet, the MPC emphasised that although inflation is trending downward, it remains far above comfort levels. The Committee recognises that Nigeria's inflation is still vulnerable to food supply disruptions, logistics bottlenecks, insecurity in farming regions, and global commodity price swings. Thus, maintaining the current stance was seen as necessary to allow the lagged effects of earlier aggressive rate hikes to fully transmit into lending rates, consumer demand, and corporate pricing behaviour.

We think the retained monetary parameters will continue to keep borrowing costs high for businesses which could slow expansion and delay investment decisions, but compels firms to be more efficient and reduces demand-side inflation. In the financial markets, the decision keeps fixed-income yields elevated. Short- to mid-tenor government securities are likely to remain attractive, sustaining foreign interest in Nigeria's debt market. Equities, on the other hand, may face intermittent pressure as investors continue to rebalance toward higher-yielding risk-free instruments.

EQUITIES MARKET: Bears Holds Ground as Investors Loses N128bn Despite Fleeting Signs of Strength, ASI Slips 0.14% w/w……

The Nigerian equities market slipped further this week, extending its bearish stretch even though three out of five trading sessions managed to show mild gains. The NGX All-Share Index closed at 143,519.81 points, down 0.14% week-on-week, as the market continued to feel the weight of intensified profit-taking. Investors are still digesting the outcome of the recent MPC meeting, where the Committee held all policy parameters constant—a decision that typically encourages portfolio reshuffling, especially with year-end approaching and a pre-election year coming into view. This cautious repositioning pushed total market capitalization down by the same margin to N91.29 trillion, eroding N128 billion in value and easing the year-to-date return to 39.44%.

Market sentiment remained clearly weak. Market breadth settled at a fragile 0.38x, with only 26 stocks managing to gain against 68 that closed lower. Yet, beneath the surface, activity levels told a more complex story. Trading volume jumped by 56.37% and turnover value rose by 9.09%, even though total deals slipped by 4.99%. By week's end, 4.13 billion units worth N116 billion had been traded across 102,256 deals, underscoring a market where investors are active but increasingly selective.

Sector performance highlighted the uneven mood across the market. Banking stocks were among the few bright spots, rising 0.67% as renewed interest flowed into names like JAIZBANK and ACCESSCORP. The Consumer Goods sector followed with a modest 0.62% lift, helped by recoveries in mid-tier counters such as MCNICHOLS and UNILEVER. Outside these pockets of resilience, most other sectors ended lower. Industrial Goods suffered the steepest decline, slipping 1.92% as heavyweight names like MEYER and BUACEMENT retreated. Oil & Gas shed 0.81% as selling pressure filtered into upstream and downstream names including CONOIL, while the Insurance sector eased by 0.07% on weakness in underwriters such as SUNUASSUR and REGALINS. Commodity-related counters also softened, edging down 0.04%, largely dragged by OANDO.

A number of stocks, however, stood out for their remarkable gains. NCR led the week with a stunning 113.5% rise, followed by IKEJAHOTEL at 68.1%, UACN at 31.5%, PRESTIGE at 19.4%, and UPL at 17.6%, all buoyed by strong accumulation. Meanwhile, the worst performers reflected the strain of sustained sell pressure: MEYER fell 18.9%, INTENEGINS dropped 17.3%, DEAPCAP declined 16.7%, SUNUASSUR lost 16.6%, and UPDC shed 15.6%.

Fundamentally, the market continues to navigate a delicate balance between caution and emerging pockets of optimism. Inflationary pressures, FX volatility, and elevated borrowing costs remain key headwinds, yet there is a quiet build-up of confidence in companies with strong cash flows, tighter operating controls, and diversified earnings. Some investors are already positioning ahead of the upcoming dividend season in Q1 2026, a trend gradually showing in select accumulation-heavy names.

Looking into the new week, the market is likely to retain its cautious tone. Year-end profit-taking should continue to drive sentiment, but fundamentally strong and oversold stocks may attract bargain hunters seeking early entry points before momentum shifts……

BOND MARKET: FGN Bond Yields Climb as Eurobonds Shine Amid Selective Investor Activity….

The Nigerian secondary bond market closed the week on a bearish note, pressured by broad-based sell-offs across most tenors. Trading volumes remained subdued, reflecting fragile market sentiment and a muted appetite for local fixed-income instruments, even as other asset classes grapple with uncertainty.

Activity in the market was selective, concentrated largely on the 2034, 2037, and 2038 maturities, which helped keep benchmark yields relatively steady. Nevertheless, the week ended with upward pressure on yields, as the average rose by 14 basis points to 15.61%, signaling low confidence in government securities and cautious positioning among local investors.

Early in the week, the DMO auctioned FGN bonds totaling N460 billion, up from N260 billion in the previous auction, split evenly between the AUG-2030 and JUN-2032 maturities at N230 billion each. Demand was positive but noticeably lower than the prior auction, which had seen overwhelming investor appetite. Total subscriptions reached N657.26 billion, with the bulk of interest favoring the JUN-2032 paper at N509.39 billion. Total allotments stood at N583.52 billion, or N589.52 billion when including non-competitive bids, translating to a bid-to-cover ratio of 1.28x. Stop rates inched higher to 15.90% and 16%, as investors sought to lock in yields amid expectations of future repricing.

In contrast, the Nigerian sovereign Eurobond market experienced a markedly positive trend, with the average yield dropping by 33 basis points week-on-week to 7.43%. The rally reflected growing investor confidence in Nigeria's external debt instruments, underpinned by favourable macroeconomic developments and expectations of prudent fiscal management.

Looking ahead, the Cowry Research team anticipates continued pressure on the local secondary bond market as risk aversion persists among domestic investors, likely keeping yields elevated in the near term. Meanwhile, the Eurobond segment is expected to sustain its bullish momentum, supported by ongoing foreign interest and the positive backdrop of stable macroeconomic indicators…….

FOREIGN MARKET: Naira Finds Its Footing Across Segments as Market Liquidity Improves and Volatility Fades….

The naira traded with a noticeably firmer tone this week, holding a tight range around the mid-N1,440s as the sharp volatility of the previous week gave way to a more orderly market. What stood out was not a spike in inflows, but the emergence of deeper, more balanced two-way interest.

Liquidity improved, bid–offer spreads narrowed, and the market appeared to settle into a more stable pricing corridor. In the official window, the currency appreciated by 0.69% to close at N1,446.74 per dollar, even as the parallel market eased slightly by 0.07% to N1,476 per dollar.

Nigeria's external reserves added further calm to market sentiment, rising 0.68% week-on-week to $44.56 billion. The MPC's reaffirmation of the willing-buyer–willing-seller framework also helped anchor expectations, signalling that FX pricing will remain largely market-driven with minimal direct intervention.

Oil markets, however, painted a softer picture. Prices retreated as optimism around a potential Russia–Ukraine peace deal and anticipation ahead of Sunday's OPEC+ meeting weighed on sentiment. WTI slipped to $58.33 per barrel, while Brent settled at $62.83 per barrel amid expectations that OPEC+ will maintain its current production strategy. With Thanksgiving-thinned liquidity, crude remains susceptible to further downside unless demand strengthens meaningfully. Even so, Nigeria's Bonny Light bucked the broader trend, rising 3.45% week-on-week.

Looking ahead, the naira may still experience mild pressure as persistent FX demand and lingering structural imbalances continue to shape the market. However, the steady uptick in external reserves should provide a buffer. Month-end inflows are also expected to add short-term support, while the calmer post-MPC environment reduces uncertainty and allows price discovery to remain driven by genuine market dynamics rather than reactive sentiment……….

MONEY MARKET: System Liquidity Strengthens as Money Market Reacts to MPC Hold and OMO Inflows….

System liquidity returned to positive territory this week, closing with a net surplus of N1.96 trillion, a 49.98% increase from N1.31 trillion recorded the previous week. The improvement was largely driven by OMO maturities amounting to roughly N360 billion and inflows from FGN bond coupon payments, providing banks with enhanced access to funding.

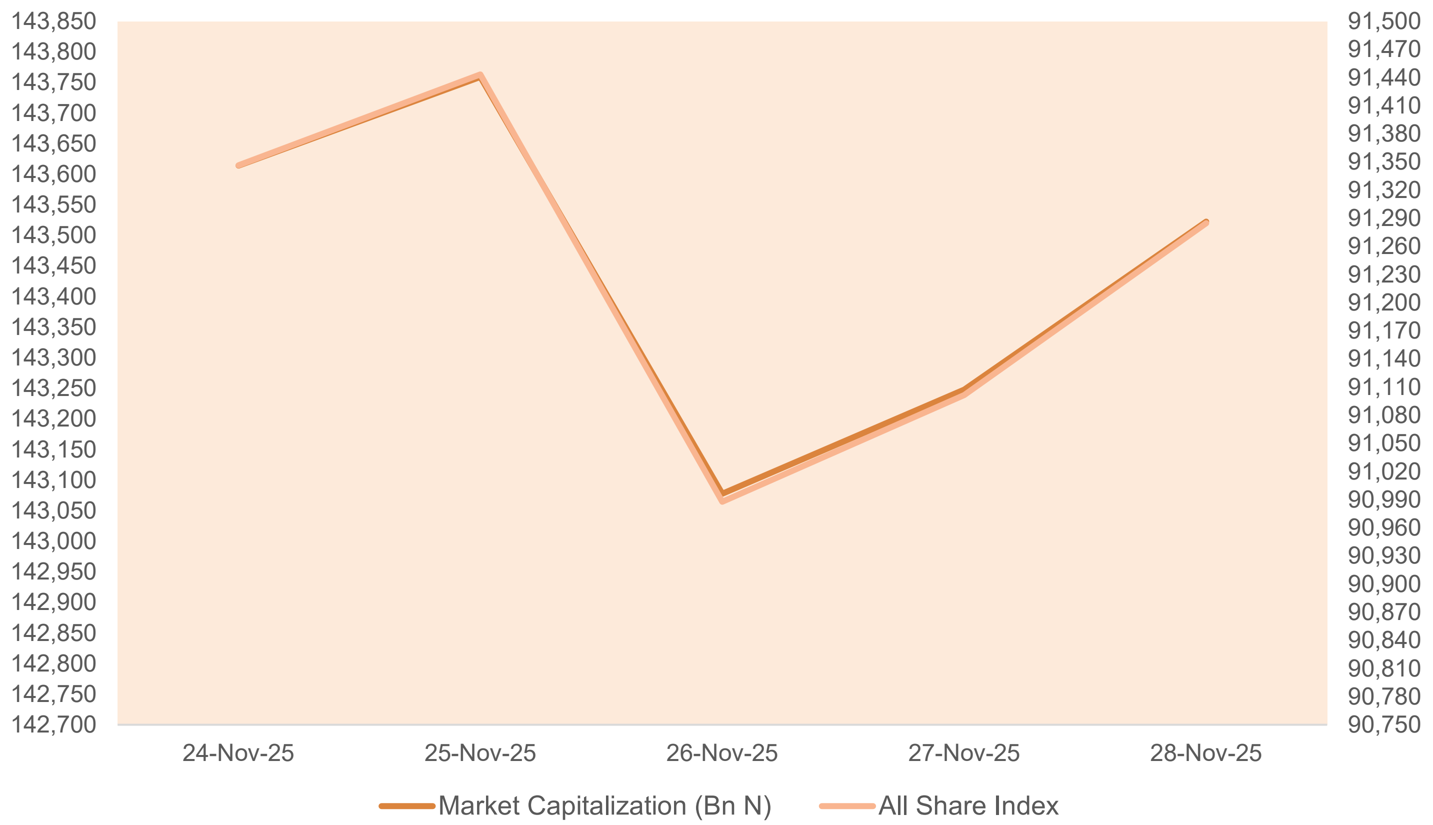
The MPC's decision to hold monetary policy steady, while tightening the asymmetry corridor to +50bps/-450bps around the MPR, further reinforced market confidence, prompting increased activity at the CBN's Standing Lending and Deposit Facilities.

The improved liquidity translated into a sharp decline in money market rates. The Overnight NIBOR fell by 198 basis points, reflecting the combination of ample market liquidity and the hold on policy rates. Similarly, the 1-Month, 3-Month, and 6-Month NIBORs all trended lower, driven by active participation from banks across CBN windows and continued OMO inflows. Key funding rates mirrored this trend: the OPR declined 2 percentage points week-on-week to 22.50%, while the Overnight rate eased 2.12 percentage points to 22.71%.

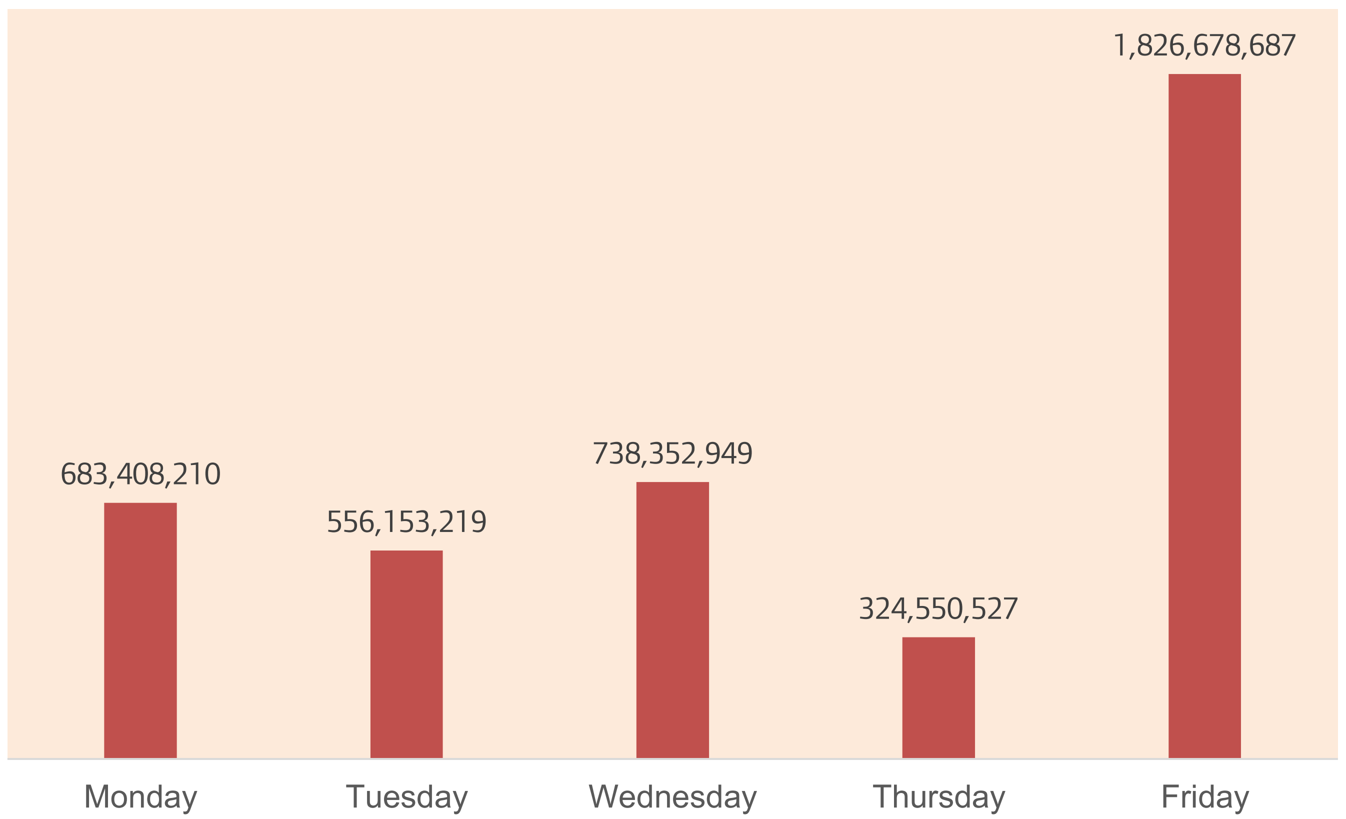
Meanwhile, the NITTY market showed mixed signals. The 1-Month tenor fell 23bps week-on-week to 16.29%, as investors shifted focus toward long-dated maturities amid falling inflation and attractive returns in the broader fixed-income space. In contrast, the 3-Month, 6-Month, and 12-Month NITTYs inched higher by 17bps, 1bp, and 39bps respectively, reflecting optimism around the high MPR and expectations of positive returns ahead of next week's primary market auction for treasury bills.

Looking ahead, activity is likely to concentrate along the belly of the curve as the new month begins, supported by sizeable inflows expected to maintain balanced liquidity. Attention will also turn to the mid-week NTB auction, where the DMO plans to raise N700 billion against maturities worth N805.88 billion. With recent rate adjustments and improving market sentiment, a competitive auction is anticipated, particularly if stop rates come in lower than prior offerings, signaling renewed investor appetite for short- to medium-term government securities……….

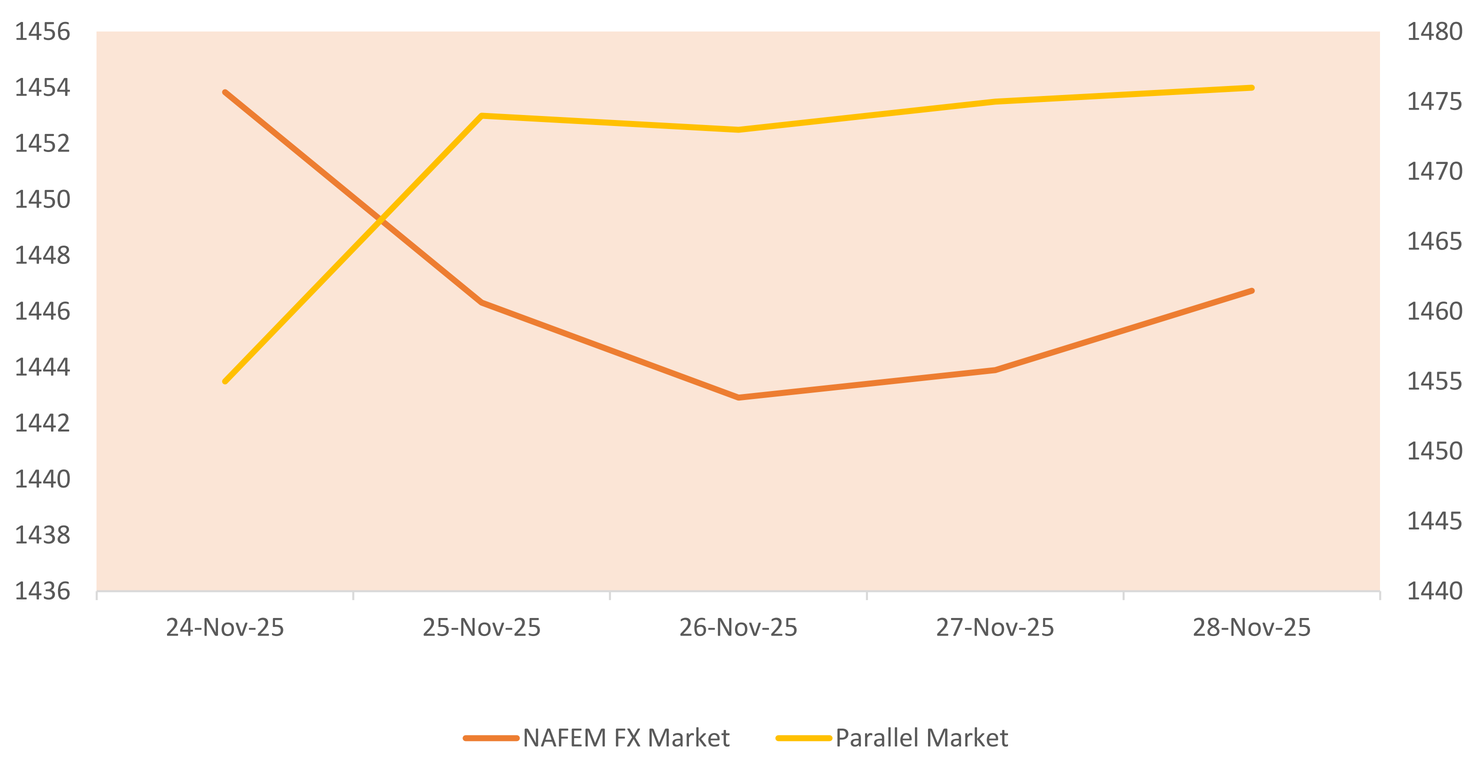
Evolution of Equities Performance Gauges



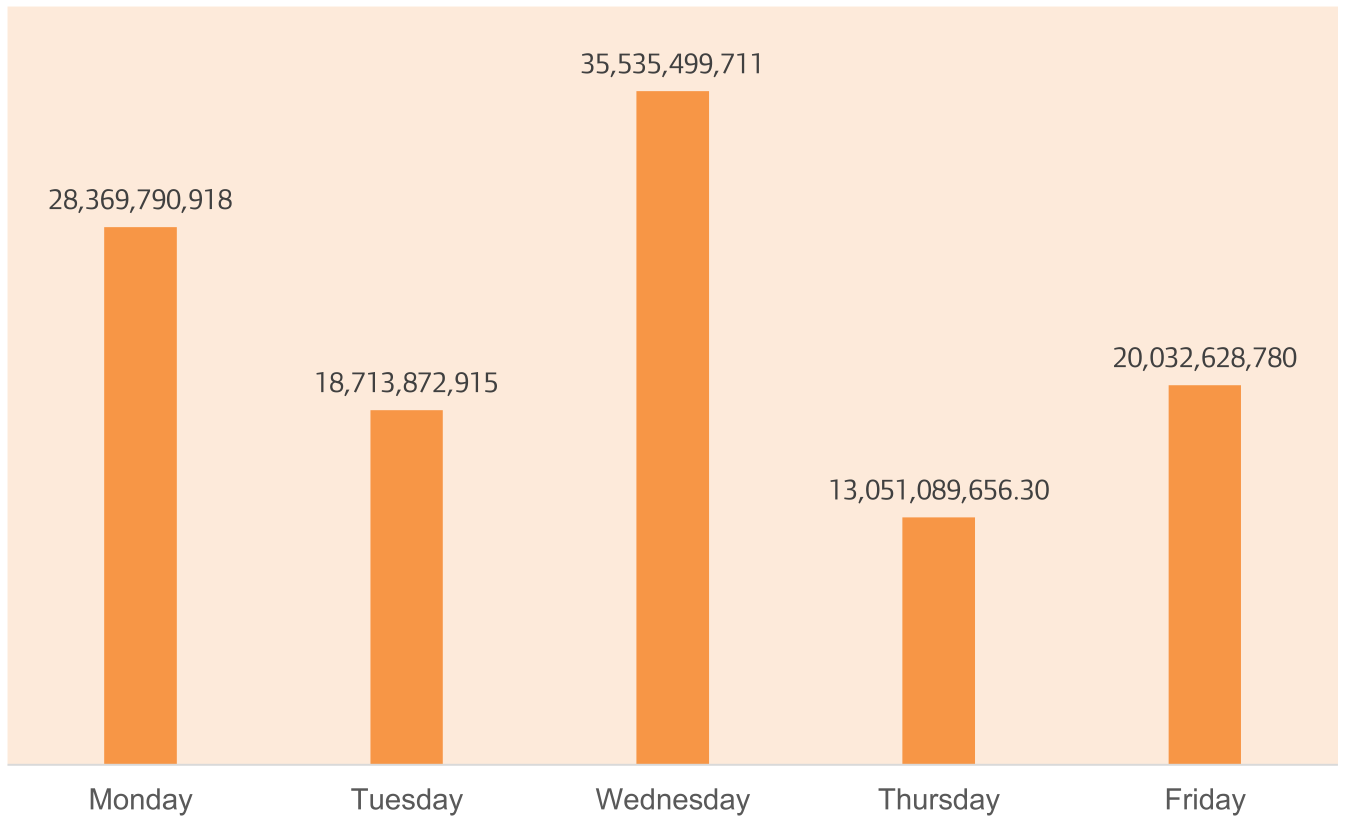
Daily Traded Volume



Evolution of NGN/USD Exchange Rates



Daily Traded Value



Weekly Top Gainers and Losers as at Friday, November 28, 2025

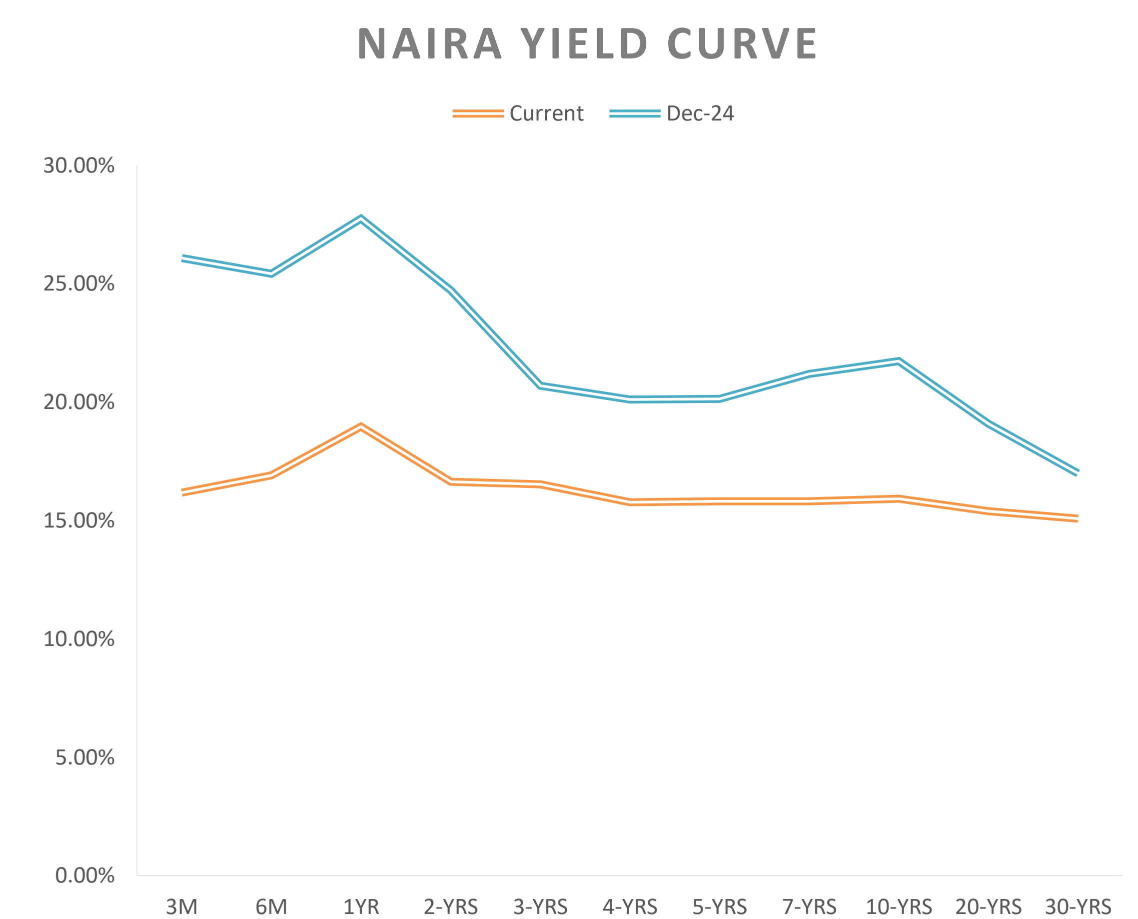
Top Ten Gainers				Bottom Ten Losers			
Symbol	28-Nov-25	21-Nov-25	% Change	Symbol	28-Nov-25	21-Nov-25	% Change
NCR	54.65	25.60	113.5%	MEYER	13.10	16.15	-18.9%
IKEJAHOTEL	30.25	18.00	68.1%	INTENEGINS	2.25	2.72	-17.3%
UACN	78.90	60.00	31.5%	DEAPCAP	1.50	1.80	-16.7%
PRESTIGE	1.60	1.34	19.4%	SUNUASSUR	3.92	4.70	-16.6%
UPL	6.00	5.10	17.6%	UPDC	5.02	5.95	-15.6%
ELLAHLAKES	13.85	12.25	13.1%	CONHALLPLC	3.72	4.40	-15.5%
EUNISELL	81.00	72.80	11.3%	LIVINGTRUST	3.58	4.14	-13.5%
UNIONDICON	7.00	6.30	11.1%	CHAMS	2.95	3.40	-13.2%
CAVERTON	5.15	4.70	9.6%	NEM	26.00	29.80	-12.8%
ETRANZACT	14.45	13.25	9.1%	GUINEAINS	1.10	1.26	-12.7%

FGN Eurobonds Yields as at Friday, November 28, 2025

			28-Nov-25	Weekly	21-Nov-25	Weekly
FGN Eurobonds	Issue Date	TTM (years)	Price (N)	USD Δ	Yield	PPT Δ
6.50 NOV 28, 2027	28-Nov-17	2.00	100.52	0.49	6.2%	-0.26
6.125 SEP 28, 2028	28-Sep-21	2.84	99.05	0.94	6.5%	-0.37
8.375 MAR 24, 2029	24-Mar-22	3.32	105.17	1.18	6.6%	-0.40
7.143 FEB 23, 2030	23-Feb-18	4.24	101.38	1.38	6.8%	-0.38
8.747 JAN 21, 2031	21-Nov-18	5.15	107.13	1.55	7.1%	-0.35
7.875 16-FEB-2032	16-Feb-17	6.22	102.28	1.97	7.4%	-0.40
7.375 SEP 28, 2033	28-Sep-21	7.84	98.57	1.91	7.6%	-0.33
7.696 FEB 23, 2038	23-Feb-18	12.25	97.93	2.58	8.0%	-0.35
7.625 NOV 28, 2047	28-Nov-17	22.01	92.66	2.69	8.4%	-0.29
9.248 JAN 21, 2049	21-Nov-18	23.16	105.98	2.29	8.6%	-0.23
8.25 SEP 28, 2051	28-Sep-21	25.85	96.38	2.35	8.6%	-0.24
7.625 21-NOV-2025	21-Nov-18	2.00	100.52	0.49	6.2%	-0.26

Weekly Stock Recommendations as at Friday, November 21, 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
ACCESSCORP PLC	6.07	9.72	103.75	0.20	3.46x	28.95	19	21	33.6	17.9	24.2	60.00	Buy
GTCO	13.15	17.10	87.72	0.98	6.57x	103.20	43.20	86.40	112.3	73.4	99.4	30.00	Buy
HONEYWELL FOUR	0.33	0.92	5.07	3.60	55.60x	30.20	3.97	18.25	39.0	15.5	21.0	113.70	Buy
NIGERIAN BREWERIES	2.85	4.00	17.73	3.76	23.39x	78.7	26	66.75	93.5	56.7	76.8	40.00	Buy
UACN	2.51	3.27	24.87	3.17	31.37x	106.8	22	78.9	102.6	67.1	90.7	30.00	Buy



U.S.-Dollar Foreign Exchange Rates as at 4:30 PM GMT+1, Friday, November 28, 2025

MAJOR	28-Nov-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1566	1.1596	-0.26%.	0.45%	-0.30%.	9.36%
GBPUSD	1.3217	1.3241	-0.18%.	0.90%	0.17%	3.82%
USDCHF	0.8057	0.8050	0.08%	-0.32%.	0.69%	-8.59%.
USDRUB	78.0860	77.9535	0.17%	-1.28%.	-2.39%.	-26.68%.
USDNGN	17.1191	17.1448	-0.15%.	-0.40%.	-0.33%.	-14.10%.
USDZAR	17.1191	17.1448	-0.15%.	-1.40%.	-0.44%.	-5.14%.
USDEGP	47.6500	47.6262	0.05%	0.53%	0.59%	-3.82%.
USDCAD	18.33	18.3519	-0.10%.	-0.62%.	0.51%	0.07%
USDMXN	18.33	18.3519	-0.10%.	-0.72%.	-0.76%.	-9.97%.
USDBRL	5.34	5.3563	-0.26%.	-1.18%.	-0.39%.	-10.59%.
AUDUSD	0.5713	0.5724	-0.18%.	1.08%	-0.71%.	0.26%
NZDUSD	0.5713	-0.0600	-0.18%.	1.81%	-1.10%.	-3.49%.
USDJPY	7.0703	7.0745	-0.06%.	-0.16%.	2.23%	4.22%
USDCNY	7.0703	7.0745	-0.06%.	-0.49%.	-0.38%.	-2.45%.
USDINR	89.4770	89.3608	0.13%	-0.14%.	1.23%	5.83%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, November 28, 2025

Commodity		28-Sep-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	59.0	58.7	0.63%	1.63%	-2.44%.	-14.02%.
BRENT	USD/Bbl	62.3	62.5	-0.43%.	-0.46%.	-3.18%.	-13.96%.
NATURAL GAS	USD/MMBtu	4.7	9.8	0.46%	-1.95%.	21.90%	39.44%
GASOLINE	USD/Gal	1.8	1.9	-0.94%.	-1.86%.	-2.67%.	-3.47%.
COAL	USD/T	109.7	111.2	-1.35%.	-1.22%.	5.18%	-21.37%.
GOLD	USD/t.oz	4,173.4	4,159.7	0.33%	2.82%	6.24%	57.14%
SILVER	USD/t.oz	53.8	53.4	0.80%	7.76%	13.31%	76.05%
WHEAT	USD/Bu	522.0	522.0	0.00%	-0.94%.	-1.32%.	-1.92%.
PALM-OIL	MYR/T	4,114.0	4,089.1	0.61%	1.13%	-3.25%.	-18.10%.
COCOA	USD/T	5,165.2	5,068.4	1.91%	1.65%	-14.49%.	-43.19%.

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