

COWRY RESEARCH

MONTHLY MARKET REPORT

NOVEMBER 2025



Nigeria's Economy Fires Up 3.98% in Q3'25, Masks Continued Expansion in Non-Oil Corridor.....

According to the latest data from the National Bureau of Statistics (NBS), Nigeria's economy experienced another solid growth in the third quarter of 2025, with real Gross Domestic Product (GDP) growing by 3.98% year-on-year. This represents a slight deceleration from the 4.23% recorded in Q2 2025 but remains above the 3.86% growth posted in Q3 2024.

This solid expansion was supported by strong performances in agriculture, trade, information and communications, financial and insurance services, and construction sectors. The modest slowdown followed the rebasing of the national accounts to a 2019 base year and marks another strong quarterly performance since 2021.

Growth in Q3 2025 was supported by mild expansions in both the oil and non-oil sectors, with the oil segment emerging as a notable driver.

The oil sector recorded real growth of 5.84% year-on-year, an increase of 0.18 percentage points compared to Q3 2024, although it contracted by 14.62% relative to the strong performance in Q2 2025.

The slower growth in Q3 relative to the previous quarter was due to weaker crude oil output, resulting from temporary disruptions in oil production at several export terminals. These disruptions were caused by a three-day oil workers' strike and scheduled maintenance at key facilities.

According to the NBS report, Nigeria's average crude oil production rose to 1.64 million barrels per day, up from 1.47mbpd in Q3 2024 but slightly below the 1.68mbpd recorded in the previous quarter. Consequently, the oil sector contributed 3.44% to GDP, marginally higher than the 3.38% seen in Q3 2024.

Meanwhile, the non-oil sector grew by 3.91%, outperforming the 3.79% recorded in Q3 2024 and the 3.64% in Q2 2025. Key growth drivers included crop production, telecommunications, real estate, financial services, trade, construction, and manufacturing.

Despite its relatively moderate pace compared to historical trends, the non-oil sector remained the dominant contributor to national output, accounting for 96.56% of GDP, which is slightly below its 96.62% share in Q3 2024 but higher than the 95.95% recorded in Q2 2025.

Sectoral performance was broadly positive across the three broad economic classifications. Agriculture grew by 3.79% year-on-year, up from 2.55% in Q3 2024, with crop production remaining the primary driver.

This was supported by seasonal harvest which boosted food supplies during the period. The industrial sector expanded by 3.77% compared with 2.78% in Q3 2024.

Services sector continued its strong performance as it contributed 53.02% to aggregate GDP, higher than the 52.93% recorded in the corresponding period of 2024. The sector grew by 4.15%, compared to 4.97% in Q3 2024. Within services, ICT expanded by 5.78%, raising its GDP share to 8.95% as against the 11.18% in the previous quarter.

Real growth in the manufacturing sector stood at 1.25% y/y in Q3 2025, reflecting mild growth across 13 subsectors. This was slightly higher than the same period in 2024 but 0.34 percentage points lower than the previous quarter. On a quarterly basis, the sector recorded a strong 8.65% growth. Manufacturing contributed 7.62% to real GDP in Q3 2025, down from 7.82% in Q3 2024 and 7.81% in Q2 2025.

Cowry Research expects Nigeria's economy to grow moderately in 2026, supported by rising oil production, ongoing policy reforms, and steady expansion in non-oil sectors such as telecoms, finance, construction, and trade. Structural challenges like high production costs, infrastructure gaps, and tight liquidity may limit growth. The non-oil sector, particularly agriculture and services, is likely to remain the main driver, while the oil sector is expected to contribute

positively due to improved production and upstream investments. Overall, GDP growth is projected at 4.1% in 2026, slightly above 2025's 3.86%, though global oil price swings, inflation, and external imbalances pose risks.

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.

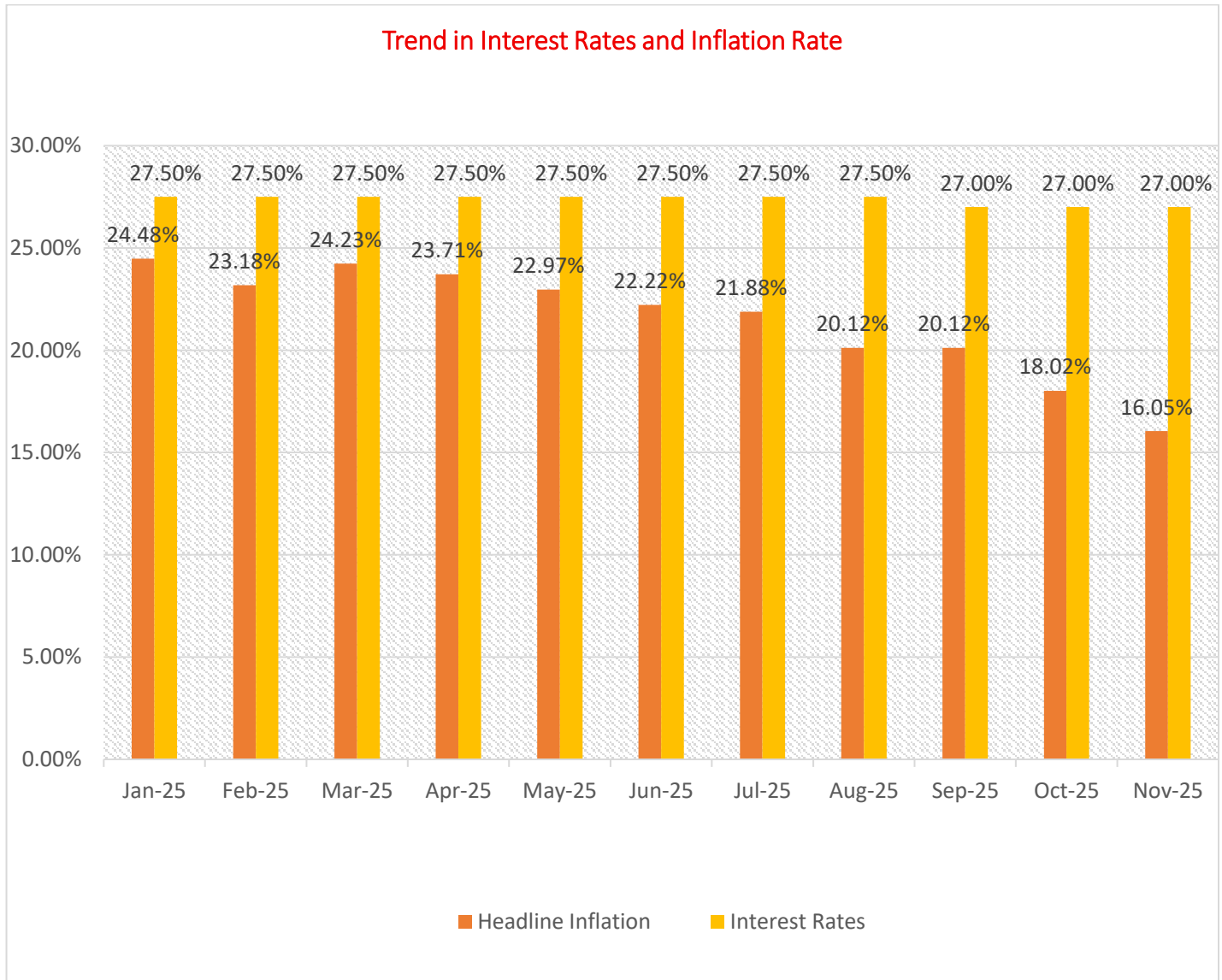
Meanwhile, core inflation (excluding food and energy) continued its downward trend, printing at 18.69% y/y, a significant 9.68 percentage-point drop from the 28.37% recorded in October 2024.

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.

From Cowry Research's perspective, October 2025 marked the seventh consecutive month of declining inflation, supported by a stable exchange rate, better food supply, and a stronger external position. Despite this progress, the MPC kept policy unchanged, warning that inflation remains vulnerable to food supply disruptions, logistics issues, insecurity, and global price shocks.

Trend in Interest Rates and Inflation Rate



Source: NBS, Cowry Research

Nigeria Records Steady Inflation Decline to 16.05% Amid Stable FX and Softer Energy Costs.....

The latest Consumer Price Index (CPI) report from the National Bureau of Statistics (NBS) shows that Nigeria's headline inflation slowed again in October 2025, dropping to 16.05% y/y from 18.02% in September.

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The uptick was driven by higher prices of everyday staples—onions, citrus fruits like oranges and pineapple,

vegetables such as ugu and okazi, shrimp, groundnuts, and meat items including goat meat, cow tail, and liver. These movements reveal that food supply chains remain exposed to logistics constraints, seasonal weather disruptions, and insecurity in major producing regions.

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Across states, regional inflation dynamics in August 2025 revealed significant variation. Year-on-year headline inflation was highest in Ekiti (20.14%), Nasarawa (18.97%), and Zamfara (18.81%), while Bauchi (9.99%), Anambra (11.72%), and Gombe (11.73%) posted the lowest increases.

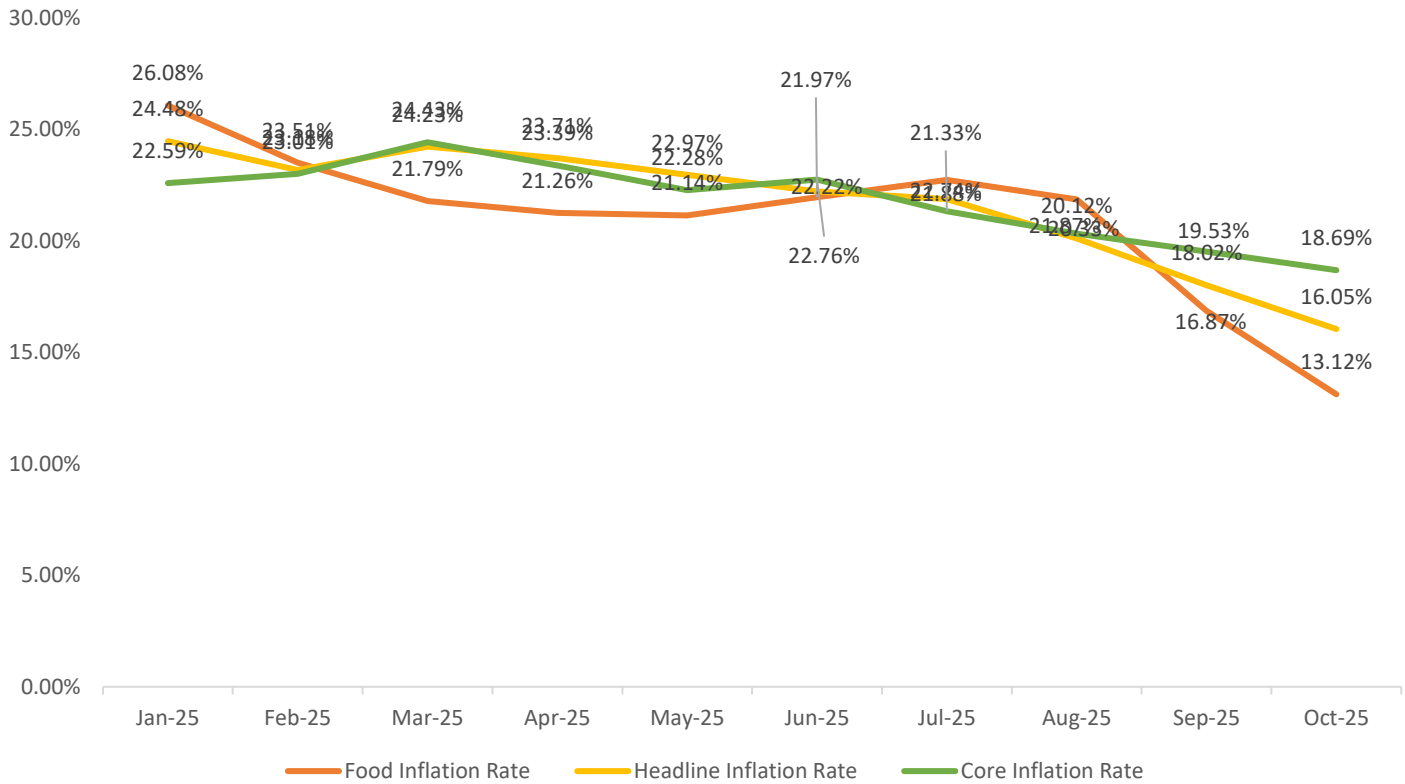
Month-on-month pressures were strongest in Niger (4.90%), Anambra (4.90%), and Enugu (4.75%). In contrast, Edo (-4.00%), Katsina (-3.26%), and Adamawa (-3.10%) recorded outright price declines.

Food inflation displayed a similarly uneven pattern across the country. Year-on-year, food prices rose most sharply in Ogun (20.85%), Nasarawa (19.96%), and Ekiti (19.70%), while Akwa Ibom (3.98%), Katsina (4.15%), and Yobe (4.29%) recorded the mildest increases.

Month-on-month, food inflation was strongest in Bauchi (6.77%), Abuja (5.11%), and Niger (4.84%), whereas states such as Katsina (-7.72%), Oyo (-5.89%), and Taraba (-4.89%) experienced declines, suggesting localized supply improvements or seasonal harvest inflows.

From Cowry Research's perspective, Inflation is expected to keep easing in the near term due to a steadier exchange rate, better food supply, and favourable base effects, though month-on-month pressures remain. Food inflation will moderate slowly because of supply disruptions, climate issues, and security challenges, while core inflation should decline gradually despite ongoing cost pressures. Energy price volatility is unlikely to significantly affect headline inflation given its small weight in Nigeria's CPI. Overall, headline inflation is projected to fall to about 15.52% in November 2025.

Monthly Evolution of Nigeria's Inflation



Source: NBS, Cowry Research

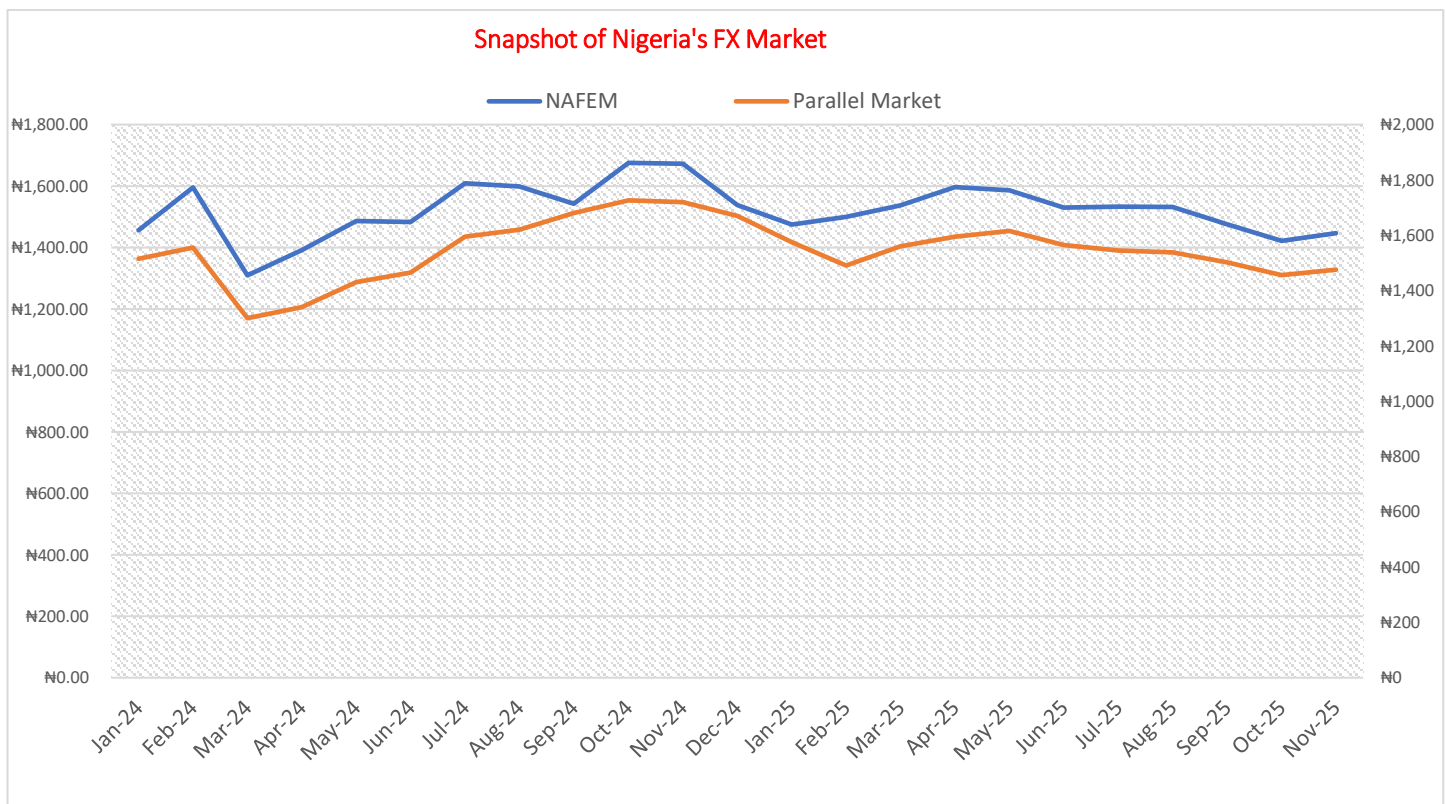
Naira Weakens 1.73% in November as Seasonal Demand and Global Headwinds Overpower Domestic Gains

The foreign exchange market posted a mixed performance in November, as the naira dropped by 1.73% month-on-month at the official window to close at ₦1,446.74/\$1 in November, compared with ₦1,421.73/\$1 at the end of October. This mild reversal followed a period of appreciation driven by disinflationary trends and FX supply enhancements, but succumbed to seasonal dollar demand and external headwinds, including a resurgent U.S. dollar amid escalating U.S–China trade tensions and tariff expectations. The weakening occurred despite supportive domestic measures, with the Central Bank of Nigeria maintaining the Monetary Policy Rate at 27.0% at its November MPC meeting to anchor inflation expectations,

while the NNPC continued rolling out naira-denominated crude sales to local refineries, helping to ease USD demand.

In the parallel market, the naira similarly weakened to ₦1,476/\$1 by late November from ₦1,456/\$1 in October, causing a slight widening of the official-parallel premium. Convergence between the two markets remains relatively narrow, supported by steady diaspora remittances and moderated dollar demand. Nevertheless, the sustainability of this fragile stability is in doubt, given Nigeria's persistent external sector vulnerabilities and continued volatility in global oil markets, which is the economy's primary source of foreign exchange.

Looking into December, we expect the naira to face renewed pressure as dollar demand typically rises toward year-end, in line with holiday imports, travel outflows, and corporate settlements. Overall, we project the naira to trade within a fragile stability band, with the risk skewed toward mild depreciation unless oil prices rebound decisively or FX supply improves significantly.



Source: CBN, Abokiforex, Naira Rates.com, Cowry Research

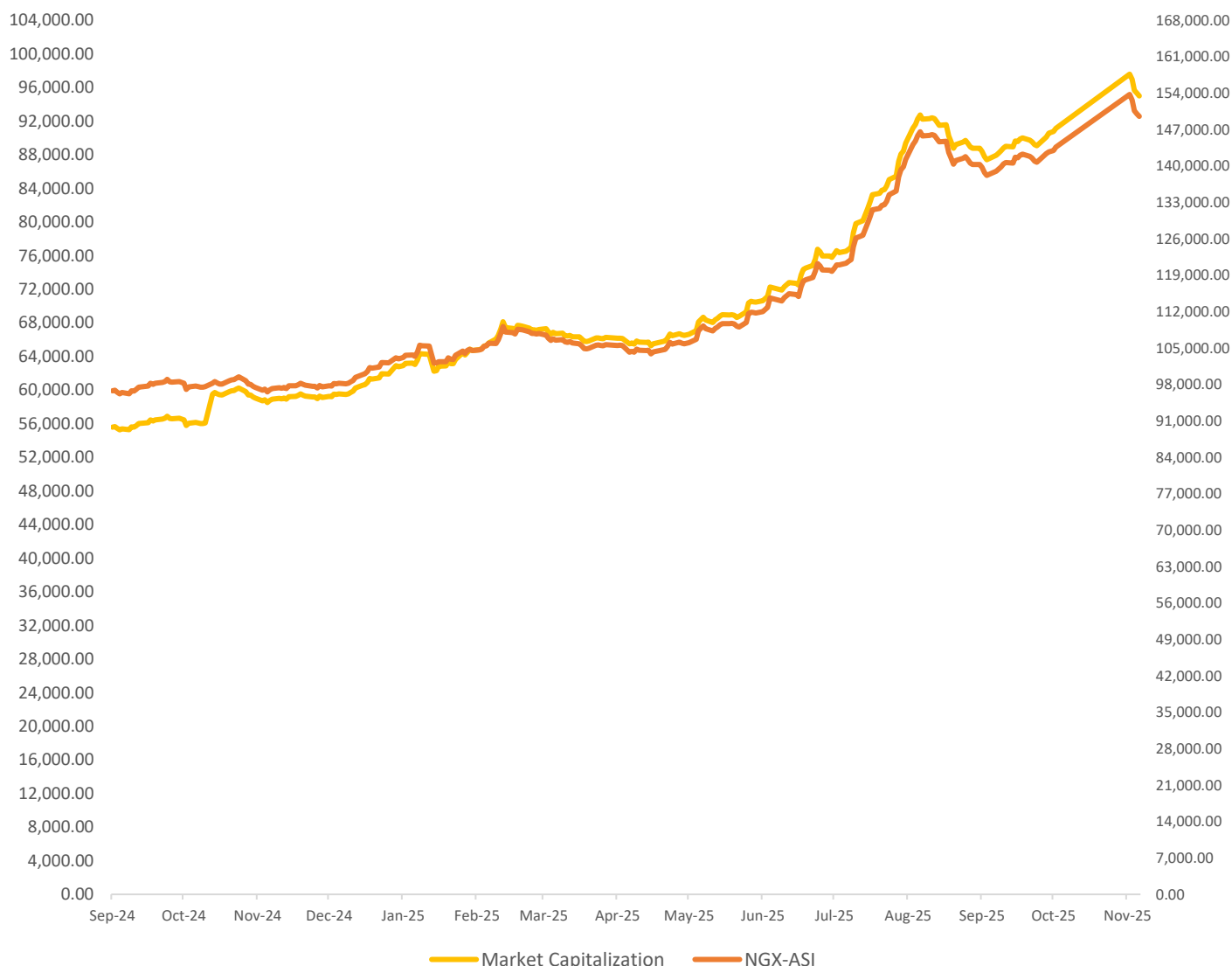
Market Capitalization Dips to N91.29 Trillion Following November Equities Sell-Off.....

The equities market experienced a sharp decline in November, with the benchmark All-Share Index (ASI) falling 6.88% month-on-month to 143,520.53 points from 154,126.45 points in October. Market capitalization also contracted by 6.68% to N91.29 trillion. Despite this monthly drop, the exchange has delivered a moderate year-to-date return of 39.44%.

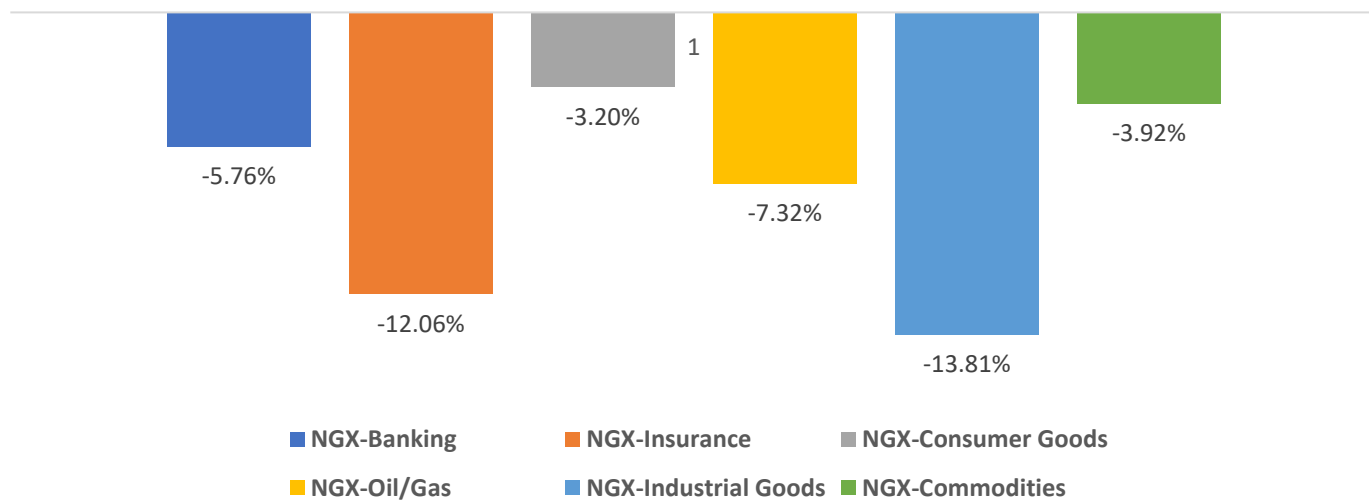
Sectoral performance reflected broad weakness, with the Industrial sector leading losses at -13.81% month-on-month, followed by Insurance (-12.06%). Other sectors also posted declines: Oil & Gas (-7.32%), Banking (-5.76%), Consumer Goods (-3.20%), and Commodities (-3.92%), month-on-month, respectively.

Looking forward to December, after a steep 6.88% drop in November, the equities market may experience continued volatility in December. Investor sentiment is likely to remain cautious amid broad sectoral weakness, particularly in Industrials and Insurance. Market activity could be influenced by year-end portfolio adjustments, profit-taking, and macroeconomic developments. However, selective buying opportunities may emerge in fundamentally strong stocks, supporting moderate recovery potential before the year closes.

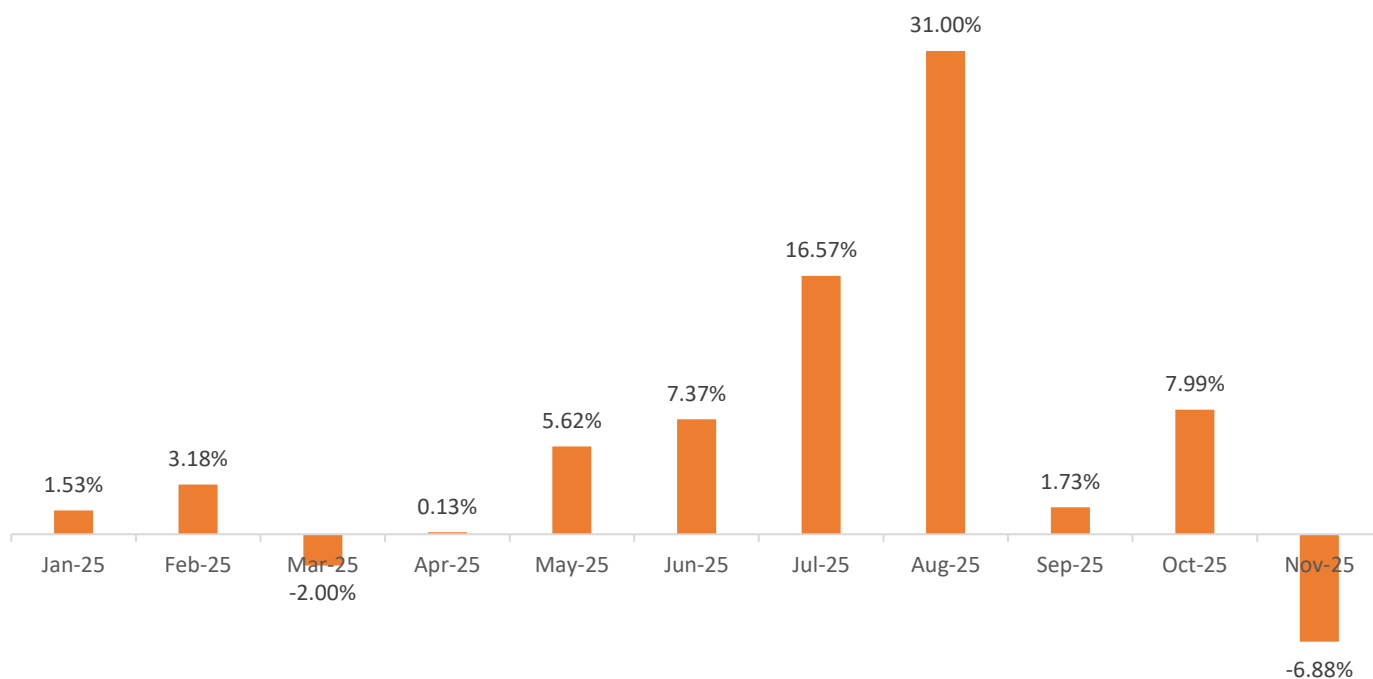
Movement in the NGX-ASI & Market Capitalisation



November 2025 Sectoral Performance



Monthly performance of the equities market



Source: NGX Data Portal, Cowry Research

November Liquidity Surges as Interbank Rates Fall, Investors Eye Longer-Dated Treasury Bills....

The money market was highly liquid throughout November, setting a positive tone for short-term instruments and funding conditions. System liquidity was buoyed by over ₦1.35 trillion in T-bill maturities and ₦1.76 trillion in OMO maturities. Combined with the ₦2 trillion FAAC inflow, these factors left banks awash with cash, easing funding pressures and pushing interbank rates downward.

The Overnight NIBOR fell sharply by 814bps month-on-month to 22.86%, while the 1-month, 3-month, and 6-month tenors declined moderately by 649bps, 550bps, and 578bps, settling at 24.00%, 24.89%, and 28.52%, respectively. This broad decline reflected the liquidity-driven relief across the banking system.

Despite softer interbank rates, investor attention shifted to treasury instruments, where demand for higher yields remained firm. The NITTY curve trended lower, signaling improved investor appetite. The 12-month NITTY rose by 2.28% to 19.04%, while the 1-month, 3-month, and 6-month benchmarks declined by 1.59%, 1.39%, and 1.94% month-on-month.

In the secondary market, strong buying interest was evident across the short, mid, and long ends of the curve as

investors increased exposure to tenor-rich instruments. This momentum drove average T-bill yields down by 355bps month-on-month to 16.84%.

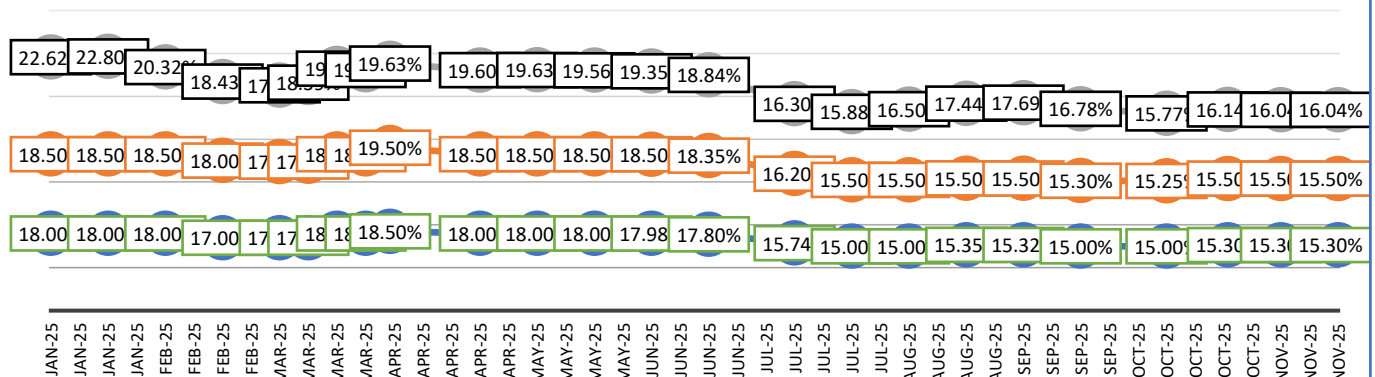
The OMO market mirrored this trend. Although the CBN offered ₦600 billion across the 174-day and 188-day maturities, total subscriptions reached ₦980.35 billion (a 1.63x bid-cover ratio), with more than ₦300 billion funnelled into the longer 188-day paper. Ultimately, ₦903.35 billion was allotted, with stop rates settling at 20.45% (174-day) and 20.54% (188-day).

At the final NTB auction of the month, investor preference leaned heavily toward the longer 364-day tenor as a hedge against reinvestment risk amid rate volatility. Against a ₦700 billion offer (₦100bn for 91-day, ₦150bn for 182-day, and ₦450bn for 364-day), total demand stood at ₦396 billion, with nearly 90% concentrated in the 364-day paper.

The DMO allotted ₦1.09 trillion, with the stop rate on the 364-day bill easing to 16.04% from 16.14% in the prior month, while the 91-day and 182-day rates remained unchanged at 15.30% and 15.50%, respectively. The bid-to-cover ratio rose sharply to 1.55x from 1.16x, indicating that despite ample liquidity, investors' bids were becoming increasingly selective

Looking into December, December money market conditions are expected to remain broadly liquid, though slightly tighter than November due to year-end funding needs and corporate demand. Interbank rates may edge higher but are unlikely to spike unless the CBN intensifies OMO interventions. Investor focus in the fixed income market is likely to remain on longer-dated instruments, with yields under mild upward pressure at the short end. Overall, liquidity will stay elevated, market activity selective, and sentiment shaped by CBN actions, inflation expectations, and FX developments.

Stop Rates at NT-Bills Primary Auctions



Source: CBN Auctions, Cowry Research

Domestic Bond Market Ends November Strong as Yields Drop; Eurobonds Follow Bullish Trend...

The domestic bond market closed November on a bullish note, with average yields dropping sharply by 182bps month-on-month to 15.61%, reflecting improved investor sentiment. However, demand remained subdued in the short-term segment, while the mid- to long-term segment stayed relatively muted.

At the primary auction, the Debt Management Office (DMO) doubled its offer size to N460 billion, up from N260 billion in October. Despite this increase, investor appetite moderated, with total bids amounting to N657.3 billion versus N1,270.95 billion previously, resulting in a weaker bid-to-cover ratio of 1.43x compared to 4.89x in October.

Ultimately, the DMO allotted N583.5 billion, significantly higher than the N313.8 billion in the prior month. Demand was concentrated in the reopened 7-year benchmark (Jun '32), which attracted N509.4 billion in subscriptions but

cleared at a higher marginal rate of 16.00%, up from 15.85% in October. The newly issued 5-year bond (Aug '30) also drew strong interest at N147.9 billion, with N134.8 billion sold at a clearing rate of 15.90%.

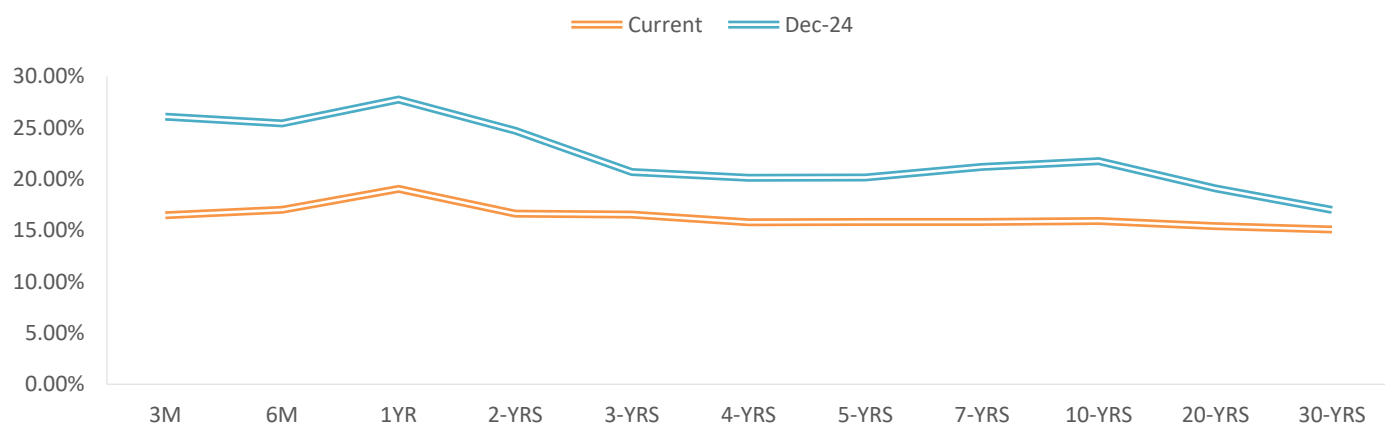
Looking ahead to December, the domestic bond market is expected to remain supported, though demand may stay selective as investors weigh year-end liquidity pressures. Short-term bonds could see moderate interest, while mid- to long-term papers may experience steady but cautious participation. The DMO's continued auction activity, coupled with Eurobond market stability, should sustain investor confidence, keeping yields relatively contained despite local funding challenges. Overall, both domestic and external fixed-income markets are likely to maintain a broadly constructive trajectory with pockets of opportunity.

Similarly, the Eurobond market remained bullish in November, supported by strong buying interest and improved sentiment toward emerging market debt, with notable demand across MAR '29, FEB '32, and SEP '38 instruments. Confidence was further strengthened by the \$1.118 billion maturity of the November 2025 sovereign bond.

Nigeria's return to the international capital market was also highly successful, as its \$2.35 billion Eurobond issuance attracted \$13 billion in orders an oversubscription of 453% despite U.S. political tensions. The issuance, which included maturities in 2036 and 2046 with coupon rates of 8.625% and 9.125%, reinforced investor confidence in Nigeria's reform trajectory and contributed to the sustained bullish momentum in the Eurobond market throughout the month.

Average Eurobond yields fell by 23bps to 7.43% from 7.66% in October, signaling renewed investor confidence in Nigeria's external debt outlook, even as domestic fixed-income markets continue to navigate elevated local funding conditions.

NAIRA YIELD CURVE



Source: FMDQ Data Portal, Cowry Research

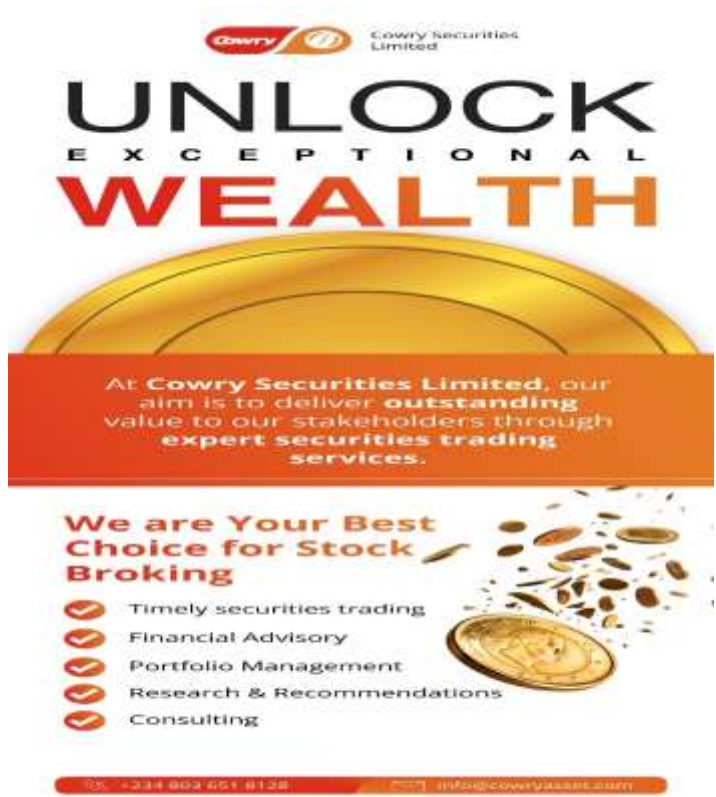


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