

COWRY WEEKLY FINANCIAL MARKETS

REVIEW & OUTLOOK (CWR)



Cowry Research

DOMESTIC ECONOMY: Nigeria's Inflation Cools to 14.45% in November 2025 as Disinflation Streak Holds Grounds.....

Nigeria's inflation story continued to improve in November 2025, with the latest Consumer Price Index from the National Bureau of Statistics showing headline inflation easing further to 14.45% year-on-year from 16.05% in October. This marks the eighth consecutive month of deceleration since the CPI rebasing earlier in the year, reinforcing the narrative of gradually moderating price pressures across the economy.

The sustained slowdown reflects notable easing in both food and core inflation, supported by calmer foreign exchange conditions and the lagged impact of tight monetary policy. The elevated Monetary Policy Rate at 27% and constrained liquidity levels appear to be gaining traction in tempering demand-side pressures. Excluding a brief uptick in March, headline inflation has trended downward consistently since the start of the year averaging 21.03% versus 33.03% in the same period of 2024.

However, month-on-month dynamics tell a more nuanced story. Headline inflation accelerated to 1.22% in November from 0.93% in October, pointing to renewed short-term price volatility. This pickup was largely driven by energy-related pressures, with the energy index rising by 1.08% month-on-month, up from 0.50% previously, reflecting higher fuel and cooking gas costs. Food prices also edged higher, as the farm produce index increased by 0.79% after remaining flat in October. Services inflation climbed to 1.82% from 1.54%, while the goods sub-index rose to 0.79% from 0.63%, underscoring lingering cost pressures across key consumption segments.

Food inflation on a year-on-year basis printed at 11.08% in November 2025, a sharp 28.85 percentage-point decline from 39.93% in November 2024. This steep moderation is largely attributable to base-year effects following the CPI rebasing. On a month-on-month basis, however, food inflation rebounded to 1.13%, reversing two consecutive months of deflation, including a -0.37% reading in October. Price increases were driven by higher costs of items such as dried tomatoes, cassava tubers, shelled periwinkle, ground pepper, eggs, crayfish, unshelled egusi, oxtail and fresh onions, highlighting persistent vulnerabilities in food supply chains due to logistics bottlenecks, seasonal weather disruptions and security challenges in major producing regions.

Elsewhere, the core inflation, which strips out volatile food and energy components, continued its downward trajectory. The core index eased to 18.04% year-on-year in November 2025, down from 28.75% a year earlier, representing a significant 10.71 percentage-point decline. This trend signals a gradual normalization of underlying inflation and points to improving medium-term macroeconomic stability. On a month-on-month basis, core inflation slowed to 1.28% from 1.42% in October, indicating softer underlying price momentum.

Inflation pressures varied widely across states. On a year-on-year basis, Rivers recorded the highest headline inflation at 17.78%, followed by Ogun at 17.65% and Ekiti at 16.77%. In contrast, Plateau at 9.13%, Kebbi at 10.32% and Katsina at 10.60% posted the slowest increases. Month-on-month readings showed sharp spikes in Bayelsa at 6.58%, Gombe at 5.11% and Edo at 4.45%, while Plateau (-2.54%), Delta (-2.38%) and Kaduna (-2.24%) recorded outright declines.

Food inflation patterns were equally uneven. Year-on-year food inflation was highest in Kogi at 17.83%, Ogun at 16.52% and Rivers at 16.11%, while Imo at 3.52%, Katsina at 3.65% and Akwa Ibom at 4.52% recorded the slowest increases. On a month-on-month basis, food inflation surged in Yobe at 9.52%, Katsina at 6.61% and Ondo at 6.04%, but declined sharply in Imo (-6.49%), Nasarawa (-5.48%) and Enugu (-2.54%).

Overall, Cowry Research notes that the headline inflation trajectory remains firmly disinflationary, underpinned by base effects and the impact of tight monetary conditions aimed at restricting excess liquidity amid an elevated policy rate at a record 27%. While the food index has benefited from seasonal factors and improved supply conditions, food remains the most fragile component of the inflation basket, with structural challenges continuing to cap the pace of relief for households. Core inflation is expected to ease further, albeit gradually, as cost pressures from transport, housing and essential services remain sticky. Energy prices have been volatile, but their relatively small weight in Nigeria's CPI limits their ability to significantly distort the headline figure.

Looking ahead, we expect some reversal of the disinflation trend in December 2025, driven by festive-season spending, and renewed FX demand pressures linked to Christmas-related imports. But may be offset by expectation for potential adjustments to PMS pump prices in December 2025. These pressures are likely to show up more clearly in month-on-month readings, even as improved food supply dynamics and favourable base effects provide partial offsets. Cowry Research therefore projects headline inflation to edge up to 14.72% in December 2025, bringing the annual average inflation rate to 20.50%, underscoring that while progress has been made, short-term inflation risks remain very much alive.

EQUITIES MARKET: Santa Rally Roars as NGX Breaks 152,000 in Year-End Risk-On Surge, ASI Gains 1.76% w/w With N1.67trn.....

Risk appetite dominated the Nigerian equities market this week as broad-based buying interest swept across blue-chip names, large caps and fundamentally sound stocks ahead of the Christmas holiday. The familiar year-end calendar effect and window-dressing activities came through strongly, reinforcing bullish sentiment and pushing several stocks to fresh 52-week highs as investors tested new frontiers in the rally.

Against this backdrop, the benchmark index climbed 1.76% week-on-week to close at 152,057.38 points, extending the year-end rally and underscoring sustained confidence in financial and consumer-facing stocks. With investors aggressively taking positions, year-to-date returns strengthened further to 47.73%. Market capitalization mirrored the index performance, rising by 1.76% to N96.94 trillion as the market pressed closer to the psychologically significant N100 trillion mark. Consequently, equity investors reaped N1.67 trillion in one week.

Trading activity turned sharply upbeat, reflecting renewed participation and broad-based conviction. This was clearly evident in market breadth, which closed at a strong 1.57x, with 55 advancers outweighing 35 decliners. Weekly trading volume surged by 125.2% to 9.85 billion units, while turnover value jumped by 212.6% to N305.89 billion. These trades were executed across 126,637 deals, highlighting a decisive return of risk-on behaviour and stronger liquidity across the market.

Sectoral performance leaned firmly bullish, with five of the six sectors under coverage closing in positive territory. The Consumer Goods sector led the advance, gaining 2.75%, buoyed by strong performances in GUINNESS and CHAMPION BREWERIES. The Banking sector followed closely with a 2.73% gain as investors increased exposure to fundamentally robust names such as FIRSTHOLDCO and AFRIPRUD.

The Industrial Goods sector also delivered solid gains, advancing by 1.09% on the back of buying interest in BUA CEMENT and BERGER. Insurance and Commodity indices edged higher by 0.96% and 0.34% respectively, supported by selective accumulation in OKOMU OIL, SUNU ASSURANCES and SOVEREIGN TRUST INSURANCE. The lone laggard was the Oil and Gas sector, which dipped marginally by 0.17% amid mild profit-taking in JAPPAUL GOLD and ETERNA.

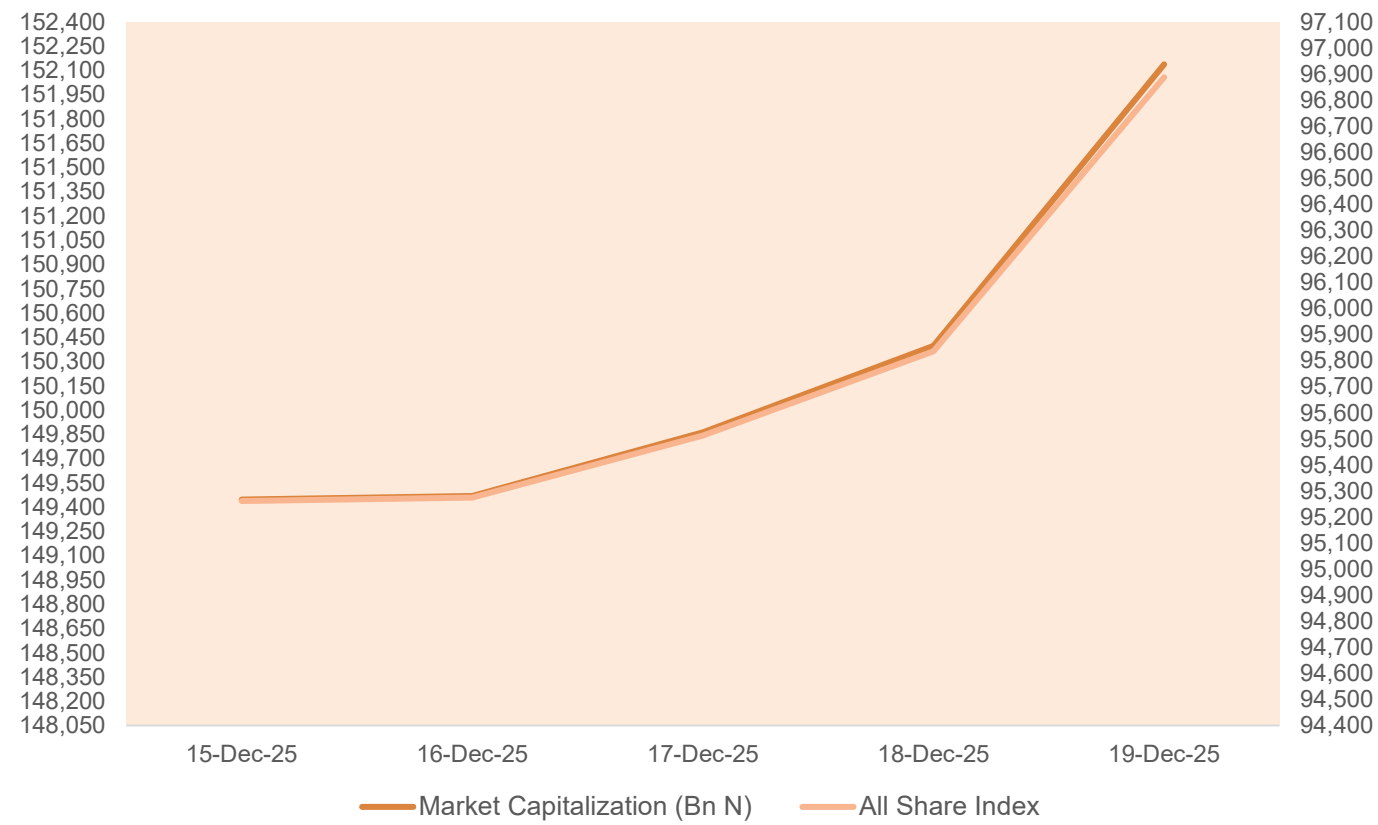
On the performance leaderboard, ALUMINIUM EXTRUSION COMPANY (ALEX) topped the chart with a remarkable 59.4% weekly gain, followed by MECURE at 44.9%, FIRSTHOLDCO at 42.9%, GUINNESS at 33.0% and NPF Microfinance Bank at 20.6%. Conversely, LIVESTOCK FEEDS, JAPPAUL GOLD, INTERNATIONAL ENERGY INSURANCE, FTN COCOA and STANBIC IBTC recorded losses of 11.4%, 10.5%, 9.9%, 9.8% and 9.3% respectively, as some investors locked in profits or rebalanced portfolios.

Technically, the market remains firmly in an uptrend, with the index sustaining a pattern of higher highs and higher lows. However, momentum indicators on some heavily traded stocks are beginning to flash signs of overextension, suggesting the possibility of short-term consolidation or mild pullbacks. Such pauses are viewed as healthy within the broader bullish structure and are likely to present fresh entry points for medium-term investors.

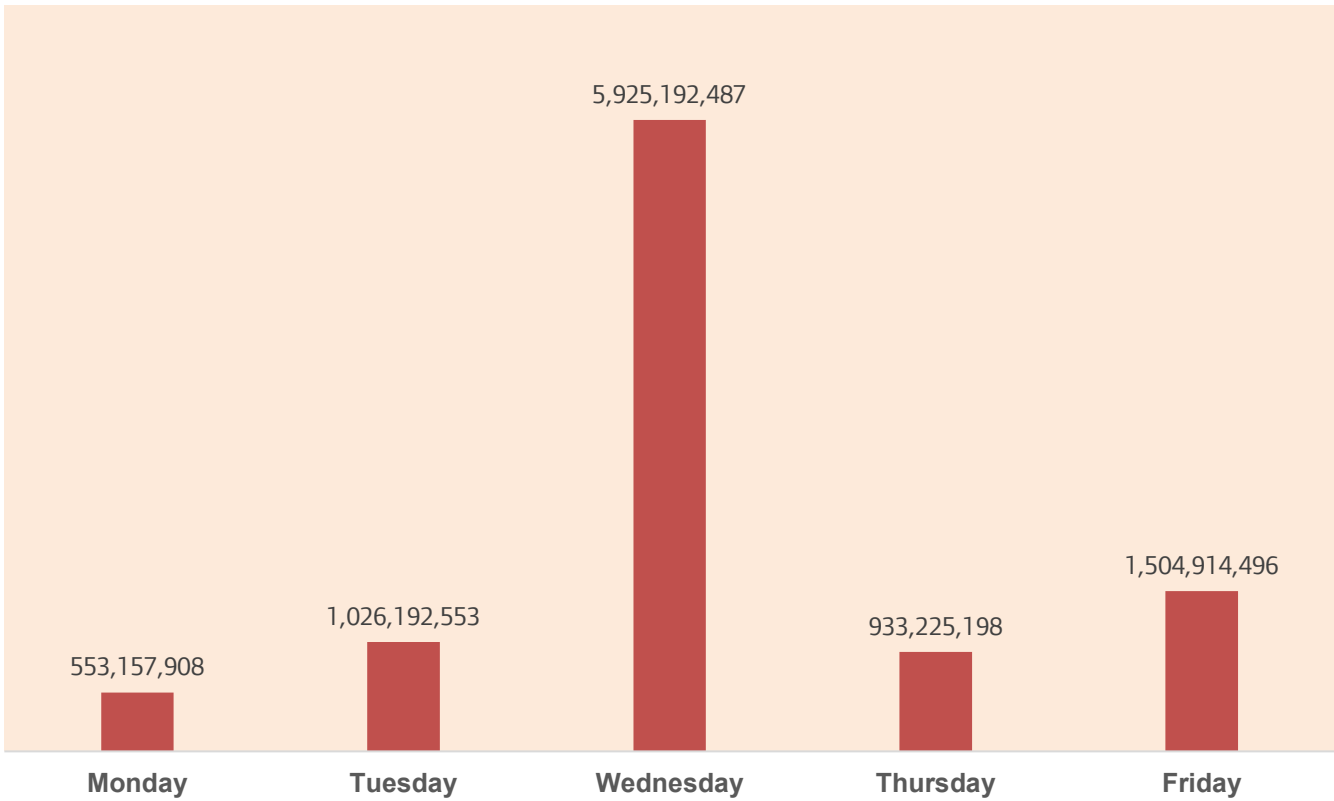
Looking ahead into the Christmas week, market sentiment is expected to remain positive, though increasingly selective. Sector rotation should persist, with investor focus skewed toward stocks offering strong fundamentals, reasonable valuations and clear earnings visibility. While profit-taking may temper sharp upside moves, any price weakness is likely to attract bargain hunters, keeping the broader market bias tilted to the upside. Meanwhile, we will continue to advise investors to take position in fundamentally sound stocks.



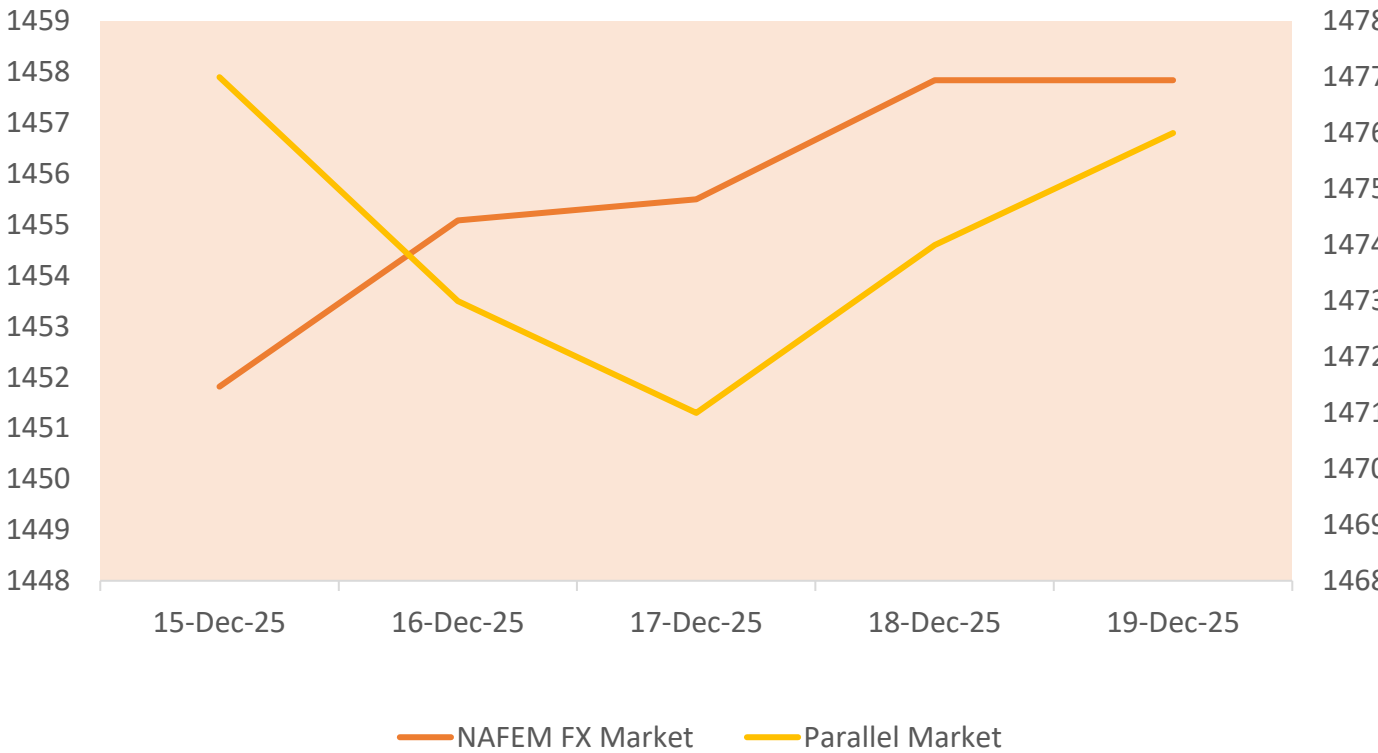
Evolution of Equities Performance Gauges



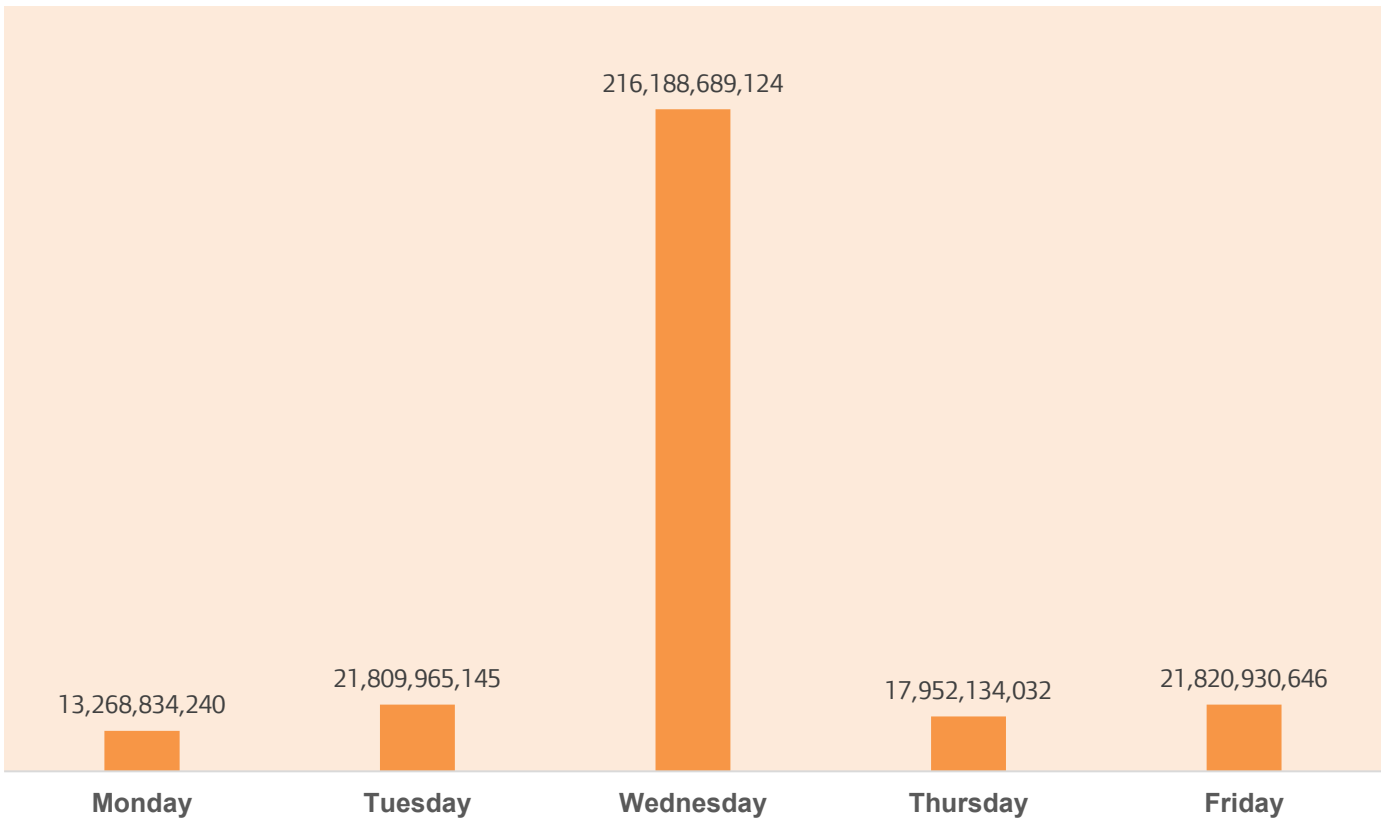
Daily Traded Volume



Evolution of NGN/USD Exchange Rates



Daily Traded Value





Weekly Top Gainers and Losers as at Friday, December 19, 2025

Top Ten Gainers				Bottom Ten Losers			
Symbol	19-Dec-25	12-Dec-25	% Change	Symbol	19-Dec-25	12-Dec-25	% Change
ALEX	12.35	7.75	59.4%	LIVINGTRUST	3.35	3.78	-11.4%
MECURE	55.00	37.95	44.9%	JAPAULGOLD	2.38	2.66	-10.5%
FIRSTHOLDCO	44.95	31.45	42.9%	INTENEGINS	2.27	2.52	-9.9%
GUINNESS	289.70	217.80	33.0%	FTNCOCOA	4.42	4.90	-9.8%
NPFMCRFBK	3.74	3.10	20.6%	STANBIC	95.20	105.00	-9.3%
CHAMPION	16.95	14.15	19.8%	ROYALEX	1.77	1.93	-8.3%
SUNUASSUR	4.73	4.01	18.0%	HONYFLOUR	17.75	19.2	-7.6%
TANTALIZER	2.69	2.33	15.5%	ETERNA	28.50	30.20	-5.6%
SOVRENINS	3.87	3.40	13.8%	REDSTAREX	8.70	9.20	-5.4%
AFRIPRUD	13.60	12.00	13.3%	OMATEK	1.09	1.15	-5.2%

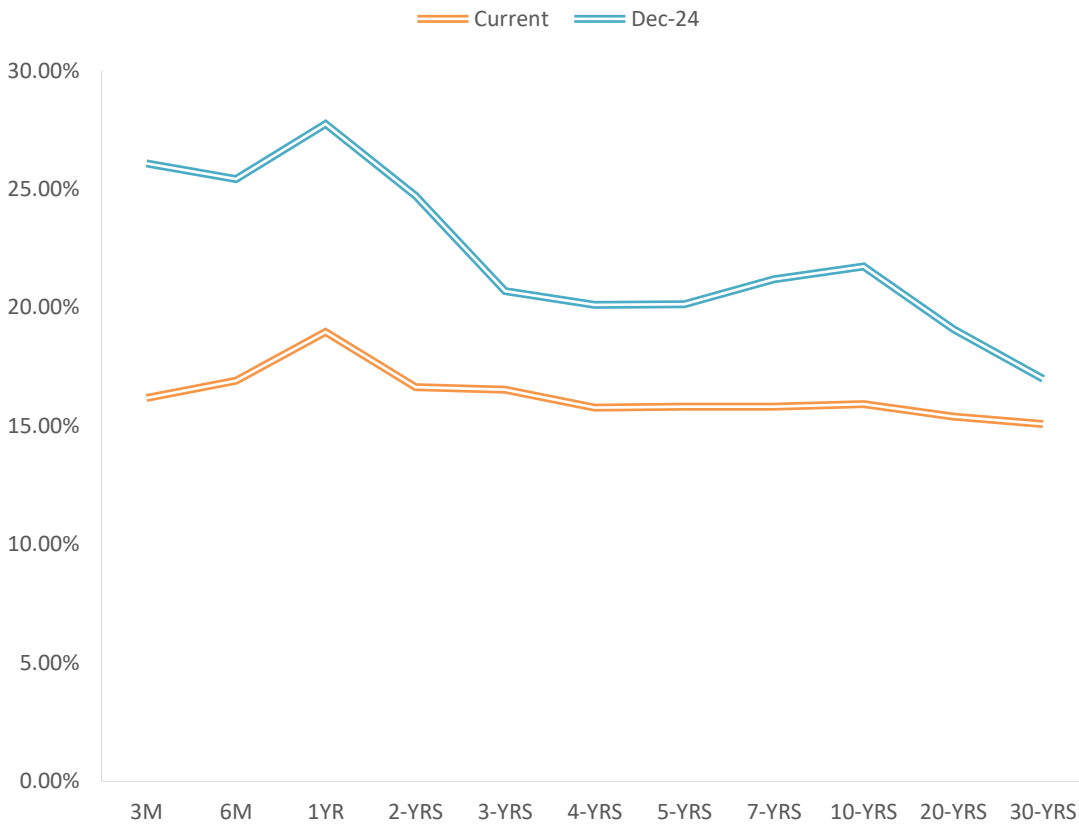
FGN Eurobonds Yields as at Friday , December 19, 2025

FGN Eurobonds	19-Dec-25 Weekly 19-Dec-25 Weekly					
	Issue Date	TTM (years)	Price (N)	USD Δ	Yield	PPT Δ
	28-Nov-17	1.94	101.26	0.24	5.8%	(0.14)
	28-Sep-21	2.78	100.28	0.09	6.0%	(0.04)
	24-Mar-22	3.26	106.13	0.20	6.3%	(0.08)
	23-Feb-18	4.18	102.97	0.26	6.3%	(0.07)
	21-Nov-18	5.09	108.88	0.19	6.7%	(0.04)
	16-Feb-17	6.16	104.16	0.60	7.0%	(0.12)
	28-Sep-21	7.78	101.07	0.69	7.2%	(0.12)
	23-Feb-18	12.19	100.02	(0.04)	7.7%	0.00
6.50 NOV 28, 2027	28-Nov-17	21.96	93.76	(0.68)	8.2%	0.07
6.125 SEP 28, 2028	21-Nov-18	23.11	108.24	(0.15)	8.4%	0.01
8.375 MAR 24, 2029	28-Sep-21	25.79	97.54	(0.62)	8.5%	0.06
7.143 FEB 23, 2030						
8.747 JAN 21, 2031						
7.875 16-FEB-2032						
7.375 SEP 28, 2033						
7.696 FEB 23, 2038						
7.625 NOV 28, 2047						
9.248 JAN 21, 2049						
8.25 SEP 28, 2051						

Weekly Stock Recommendations as at Friday, December 19, 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
NESTLE NIGERIA PLC	91.4	117	-25	-78.78	21.41x	1958	795.3	1,958	2506.2	1664.3	2251.7	28.00	Buy
ECOBANK TRANSNATIONAL PLC	19.48	25.19	149.86	0.25	1.95x	39.9	23.5	37.90	49.0	32.2	43.6	29.33	Buy
BUA FOODS	22.52	29.31	33.35	21.02	31.13x	734.2	373.5	734.2	955.6	624.1	844.3	30.16	Buy
UNITED BANK FOR AFRICA	13.56	18.99	113.62	0.35	2.95x	50.55	22.95	40.00	56.0	34.0	46.0	40.00	Buy
DANGOTE CEMENT	43.82	56.38	145.41	4.19	13.92x	665.00	349.20	610.00	784.9	518.5	701.5	28.67	Buy

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U.S.-Dollar Foreign Exchange Rates as at 4:30 PM GMT+1, Friday, December 19, 2025

MAJOR	19-Dec-25	Previous	Δ from Last	Weekly	Monthly	Yearly
EURUSD	1.1724	1.1722	0.02%	-0.13%	1.71%	13.20%
GBPUSD	1.3368	1.3381	-0.10%	0.00%	2.27%	6.80%
USDCHF	0.7956	0.7941	0.18%	-0.03%	-1.31%	-12.35%
USDRUB	80.4600	79.8135	0.81%	-0.37%	-0.37%	-29.73%
USDNGN	16.7393	16.7209	0.11%	0.63%	0.51%	-5.33%
USDZAR	16.7393	16.7209	0.11%	-0.76%	-2.77%	-11.17%
USDEGP	47.5900	47.5282	0.13%	0.11%	0.40%	-6.30%
USDCAD	18.00	17.9977	0.01%	-0.09%	-2.40%	-4.31%
USDMXN	18.00	17.9977	0.01%	-0.05%	-2.08%	-13.66%
USDBRL	5.51	5.5215	-0.28%	1.52%	3.13%	-11.05%
AUDUSD	0.5756	0.5777	-0.36%	-0.42%	2.85%	7.02%
NZDUSD	0.5756	-0.0600	-0.36%	-0.83%	2.93%	2.93%
USDJPY	7.0359	7.0324	0.05%	1.05%	-0.01%	0.07%
USDCNY	7.0359	7.0324	0.05%	-0.25%	-1.15%	-4.11%
USDINR	89.8090	90.2603	-0.50%	-0.84%	1.21%	4.92%

Global Commodity Prices as at 3:30 PM GMT+1, Friday, December 19, 2025

Commodity		19-Dec-25	Previous	Δ from Last	Weekly	Monthly	Yearly
CRUDE OIL	USD/Bbl	56.4	56.0	0.75%	-1.77%	-4.37%	-21.33%
BRENT	USD/Bbl	60.2	59.8	0.67%	-1.47%	-4.98%	-19.32%
NATURAL GAS	USD/MMBtu	3.9	9.8	0.39%	-4.61%	-15.93%	7.99%
GASOLINE	USD/Gal	1.7	1.7	0.73%	-2.58%	-10.44%	-15.09%
COAL	USD/T	108.3	108.6	-0.28%	-0.41%	-2.43%	-13.53%
GOLD	USD/t.oz	4,324.7	4,331.2	-0.15%	0.62%	6.08%	64.79%
SILVER	USD/t.oz	66.1	65.4	1.06%	6.67%	30.56%	129.03%
WHEAT	USD/Bu	507.9	507.7	0.03%	-4.04%	-3.63%	-7.91%
PALM-OIL	MYR/T	3,906.0	3,978.8	-1.83%	-2.79%	-5.95%	-12.11%
COCOA	USD/T	5,901.0	5,934.3	-0.56%	-6.02%	15.53%	-48.70%

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