WEEKLY FINANCIAL MARKETS.

Friday, 28 November2025

DOMESTIC ECONOMIC UPDATE

MPC Decides: Hold Rate at 27% to Maintain Disinflationary Pressure

During the week, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) held its final meeting for the year 2025 on November 24-25 and unanimously agreed to retain the Monetary Policy Rate (MPR) at 27.0%. A decision aimed at sustaining the progress made towards achieving moderate inflationary pressure following the sharp drop in the October inflation rate (16.05%y/y) compared to the September inflation rate of 18.02%. Also, the committee left Liquidity Ratio unchanged at 30%; Cash Reserve Ratio maintained at 45% for the Deposit Money Banks (DMBs), 16% for the Merchant Bank and 75% for non-TSA public sector deposits; but adjusted the Standing Facility Corridor from +250/-250 bps to +50/-450 bps around the MPR, to strengthen liquidity management.

MPC Meeting in November 2025	Current	Previous	Remark
Monetary Policy Rate (MPR)	27.00%	27.00%	Hold
System Facility Corridor Around the MPR	+50/-450 bps	+250/-250 bps	Adjusted
Cash Reserve Ratio (CRR)	DMBs-45%; MB-16%; Non-TSA-75%	DMBs-45%; MB-16%; Non-TSA-75%	Hold
Liquidity Ratio	30.00%	30.00%	Hold
Source: CBN, AIICO Capital			

Note: *DMBs – Deposit Money Banks; MB – Merchant Banks; Non-TSA – Non-TSA (Treasury Single Account) public sector deposits*

Meanwhile, while acknowledging the 7th consecutive months of deceleration in the inflation rate as of October 2025, which was attributed to the sustained tightening of the MPR, stable exchange rate, increased capital inflows, a surplus current account, relatively stable price of Premium Motor Spirit (PMS) and improved food supply from the bumper harvest season.

Despite the improved development, the committee decided to maintain the current policy stance to allow the effect of previous rate tightening to transmit to the real economy amidst existing global uncertainties.

On other developments, the committee commended the collaborative efforts of both the fiscal and monetary authorities, leading to the delisting of Nigeria from the FATF grey list and the upgrade of the credit rating by major rating agencies. In addition, the committee expressed satisfaction in the banking system's resilience, which led to sixteen (16) banks meeting the new racialization programme.

Going forward, we expect monetary policy easing in the next meeting, supported by projections of a stable exchange rate and improved food supply conditions. This is despite an anticipated spike in inflationary pressure in December 2025 and January 2026, amidst base year effects. Precisely, headline inflation is projected to temporarily trend towards 28%-32% during this period. However, a broader disinflation trajectory is expected to resume thereafter, driven by sustained policy measures. As such, we anticipate a 25bps – 50bps reduction in the MPR at the February 2026 meeting scheduled for the 23rd and 24th.

MARKET COMMENTARY

System Liquidity: *Liquidity Remain Strong After MPC Adjustment on the SFC*

Interbank system liquidity remained stable throughout the week, supported by sustained DMB placements at the CBN's SDF window. Liquidation got boosted on Tuesday by an inflow of ₦1.11 trillion from 25-Nov-2025 OMO maturity. Meanwhile, despite the Monetary Policy Committee (MPC) decision to adjust the System Facility Corridor (SFC) to +50/-450 from +250/-250 and an outflow of ₦583.52 billion from Aug-2030 and Jun-2032 FGN bond auction settlement, liquidity remained stable but at a moderate level. By close of the week, system liquidity remain firm, driven by positive SDF placement. As such, average funding rates eased significantly by 206bps to 22.61%. The OPR shed 200bps to 22.50%, while the O/N rate dipped 212bps w/w to 22.71%.

Outlook: *Amidst the expected inflow of ₦450 billion from 2-Dec-2025 and ₦10.2 billion Bond coupon payment into the system and expected outflow of ₦700 billion from NTB auction, we expected the average funding cost to remain at similar level, provided there is no funding activities.*

SYS. LIQ. (₦'BN)		Diff.
28-Nov-25	1,962.44	
21-Nov-25	1,305.11	657.33
Source: CBN		

Treasury Bill: *Market Participants Shift Focus to Money Market Amidst Robust Liquidity*

During the week, the NTB secondary market experienced a volatile and positive sentiment, driven mainly by robust liquidity surplus in the financial system and occasional market participants repositioning across maturities. The week began on a calm and mildly bearish note as investors focus on the November Bond auction, pushing yields higher on mid- to long-term bills, while targeted demand kept short-tenor yields subdued.

As the week unfolded after the MPC adjusted the System Facility Corridor from +250/-250 to +50/-450 around the MPR, strong liquidity quickly shifted momentum toward buyers, leading to widespread yield declines-especially on the long end, where heavy demand reversed earlier increases and produced sharp drops in yields.

As liquidity remain elevated towards the end of the week, scattered demand across maturities, although the 1-year NTB continued to show slight softness. Overall, despite initial fluctuations, robust liquidity-driven demand pulled yields lower, bringing the average benchmark yield down by 11bps w/w to 15.57%.

Outlook: *Trading is likely to remain in line with the prevailing market liquidity ahead of the ₦700 billion NTB auction on Wednesday*

BENCHMARK T-BILLS DISCOUNT RATES	28-Nov-25	21-Nov-25	Change in Rates
83 DAYS	15.45%	15.48%	-0.03%
174 DAYS	15.25%	15.50%	-0.25%
356 DAYS	16.03%	15.88%	0.16%
Source: FMDQ DQL for 28-Nov-2025			

AUCTION DATE	TENOR	OFFER AMOUNT (₦'MN)	LAST STOP RATE
03-Dec-25	91-Day	100,000.00	15.30%
03-Dec-25	182-Day	150,000.00	15.50%
03-Dec-25	364-Day	450,000.00	16.04%

FGN Bonds: *November Bond Action Results Drives Market Performance*

Over the week, the domestic FGN Bond market maintained a largely quiet tone, with investor attention centred on November Bond auction and MPC developments. Trading began on a subdued note as participants positioned ahead of the November FGN Bond PMA—where the DMO allotted roughly ₦583.5 billion in the 2030 and 2032 issues at 15.90% (+6.8bps) and 16.00% (+15bps), respectively, compared to the previous auction result—and awaited the MPC decision. This cautious stance contributed to only mild yield compression at the short end.

By midweek, sentiment remained restrained after the MPC kept major policy rates unchanged but adjusted the System Facility Corridor (SFC), resulting in only slight adjustments around the mid-tenor area. As the week advanced, mild bearish pressure surfaced, particularly on long-dated bonds, reflecting profit-taking and a more guarded view on duration risk. Toward the week's close, risk-off positioning grew across the short- to mid-dated segment, leading to noticeable yield increases as investors reduced exposure.

Consequently, the average benchmark yield climbed by 14bps w/w to close at 15.61%.

Outlook: *Activity should stay cautious in the near term*

NOVEMBER2025 FGN BOND AUCTION RESULTS		
Auction Date	November 24, 2025	
Settlement Date	November 26, 2025	
Maturity Date	August 27, 2030	June 25, 2032
Bond Nomenclature	17.945% FGN AUG 2030	17.95% FGN JUNE 2032
Offered Amount (₦'Bn)	230.000	230.000
Subscription Amount (₦'Bn)	147.870	509.390
Allotment Amount (₦'Bn)	134.800	448.720
Stop Rates (%)	**15.9000**	**16.0000**
Previous Stop Rates (%)	15.8320	15.8500
Change (%)	**0.0680**	**0.1500**

BENCHMARK FGN BOND YIELDS	28-Nov-25	21-Nov-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	15.81%	15.47%	0.34%
10 YRS: 22.60% 29-JAN-2035	15.31%	15.30%	0.01%
13 YRS: 15.45% 21-JUN-2038	15.26%	15.26%	0.00%
28 YRS: 15.70% 21-JUN-2053	15.08%	15.08%	0.00%
Source: FMDQ DQL for 28-Nov-2025			

Eurobonds: *Investors Strong Bet on December Rate Cut Push Eurobond Market Higher*

The Africa Eurobond market recorded a strong bullish performance through out the week, driven by a continued rise in global risk appetite and growing expectations of a possible December rate cut from the U.S. Federal Reserve. The market kicked off on a strong note as renewed hopes for monetary easing helped reverse earlier risk-off sentiment linked to declines in global tech stocks, fuelling broad-based buying interest.

This positive momentum persisted despite softer global oil prices at the early part of the week, with investors largely brushing aside short-term supply–demand worries and placing greater weight on supportive global monetary conditions. By midweek, bullish sentiment deepened as confidence strengthened around the prospect of another Fed cut before year-end, resulting in yield compression across most Africa Eurobond tenors, though some selective profit-taking emerged.
Toward the close of the week, the risk-on environment remained intact, aided by the return of U.S. investors after the Thanksgiving holiday and positioning ahead of a busy data calendar. This helped maintain demand even as oil market dynamics remained subdued. Consequently, yields declined across the curve, pulling the average benchmark yield lower by 32bps w/w to 7.38%.

Outlook: *The market is expected to trade cautiously, as profit-taking may emerge following the already priced-in Fed rate cut. In addition, OPEC+ meeting outcome to further drive market performance.*

BENCHMARK FGN EUROBOND YIELDS			
	28-Nov-25	21-Nov-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.48%	6.84%	-0.36%
10 YRS: NGERIA 7.375% 09/29/33	7.50%	7.88%	-0.38%
15 YRS: NGERIA 7.696% 23/02/38	7.88%	8.24%	-0.36%
30 YRS: NGERIA 8.25% 09/29/51	8.53%	8.81%	-0.28%
8.75% ETI 06/17/31*	9.21%	7.81%	1.40%
Source: FBN UK Runs for 28-Nov-2025			

	D-o-D	W-o-W	MTD	YTD
NGX ASI	0.20%	-0.14%	-6.88%	39.44%
NSE Banking Index	0.25%	0.67%	-5.77%	27.41%
NSE Insurance Index	-2.29%	-0.07%	-12.06%	50.79%
NSE Industrial Goods Index	0.13%	-1.92%	-13.81%	43.71%
NSE Consumer Goods Index	0.57%	-0.70%	-3.20%	97.56%
NSE Oil & Gas Index	-0.19%	-0.23%	-7.33%	-0.47%
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Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
IKEJAHOTEL	30.25	9.40	45.08%
NCR	54.65	13.55	32.97%
UACN	78.90	8.90	12.71%
CWG	17.95	1.90	11.84%
VERITAKAP	1.78	0.18	11.25%
Source: NGX, AIICO Capital			

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
MEYER	13.10	-3.05	-18.89%
SUNUASSUR	3.92	-0.68	-14.78%
UPDC	5.02	-0.68	-11.93%
TANTALIZER	2.25	-0.26	-10.36%
ABBEYBDS	5.85	-0.65	-10.00%
Source: NGX, AIICO Capital			

Nigerian Equities: *Bellwether Stocks Sustain Equity Market Bearish Trend*

The Nigeria equities market closed the week in negative territory, extending its weekly bearish streak amid sell pressure in highly capitalised stocks and the MPC's surprise decision to retain the MPR at 27.00%. The All-Share Index (ASI) dipped by 0.14% w/w to 143,520.53 points, pressured by declines in BUACEMENT (-4.8%), NB (-2.6%), UBA (-1.2%), and OANDO (-2.9%). Consequently, the market recorded its monthly decline since March as the MTD performance fell to -6.88%, while YTD gains moderated to +39.4%.
In terms of market activity, trading volume and value rose by 55.2% w/w and 9.1% w/w, respectively. Sectoral performance was largely negative, with the Industrial Goods (-1.92%), Oil & Gas (-0.23%), Consumer Goods (-0.70%), and Insurance (-0.07%) indices closing lower, leaving the Banking index (+0.7%) as the only sector to record a gain for the week.

Outlook: *We anticipate a market rebound as investors seek opportunities following November's price declines and position for a potential year-end rally; however, concerns over the planned implementation of the new CGT in 2026 may continue to weigh on sentiment.*

Foreign Exchange: *Naira Appreciates by 0.7%w/w on FPIs and CBN supply*

The Nigerian naira appreciated by ₦9.98 per USD during the week, buoyed by improved foreign currency supply from Foreign Portfolio Investors (FPIs) who sold USD positions, boosting market liquidity and easing demand pressures. The steady inflow of foreign funds strengthened supply conditions across key benchmarks, resulting in a consistent appreciation of the naira as USD availability outpaced demand. Overall, the naira gained 0.69% w/w to close at ₦1,446.74/USD. Meanwhile, external reserves extended their rally, rising by $344.9 million to $44.6 billion as of November 27.

Outlook: *The Naira is likely to maintain its current trading range.*

NFEM RATE ($/₦)		Diff.
28-Nov-25	1,446.7421	(9.9828)
21-Nov-25	1,456.7249	
Source: FMDQ		

Commodities: *Volatile Week for Commodities Market Amid Peace-Talk and Possible Rate Cut.*

Oil prices slipped slightly on Friday but still posted a weekly gain as investors weighed the geopolitical risk premium amid protracted Russia–Ukraine peace negotiations, while also looking ahead to Sunday's OPEC+ meeting for indications of possible production adjustments. Brent crude futures for January settled at $62.38 per barrel, up $0.43 or 0.71%, while West Texas Intermediate (WTI) futures closed at $58.55 per barrel, gaining $0.49 or 0.84%.Gold also advanced, supported by expectations that the U.S. Federal Reserve will cut interest rates next month, boosting appetite for the non-yielding metal. Silver similarly climbed to a new record high. Consequently, spot gold rose 4.05% to finish at $4,230.63 per ounce.

Outlook: *We expect next week's markets to remain reactive to global cues, with oil prices influenced by OPEC+ developments and Russia-Ukraine geopolitical risks, while gold may continue its upward trend on sustained expectations of a U.S. Federal Reserve rate cut.*

MACRO INDICATORS	
GDP (Q2 2025)	+4.23% (Q1: 2025 +3.13% y/y)
INFLATION (OCTOBER 2025)	16.05% (Sept'25: 18.02%)
EXTERNAL RESERVE (US$'BILLION)	44.61 (+9.12% YTD as of 27-Nov-25)
MONETARY POLICY RATE (SEPT'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US$/BBL	*62.38 (+0.44 w/w)
Source: NBS,CBN, AIICO Capital	