

WEEKLY FINANCIAL MARKETS.

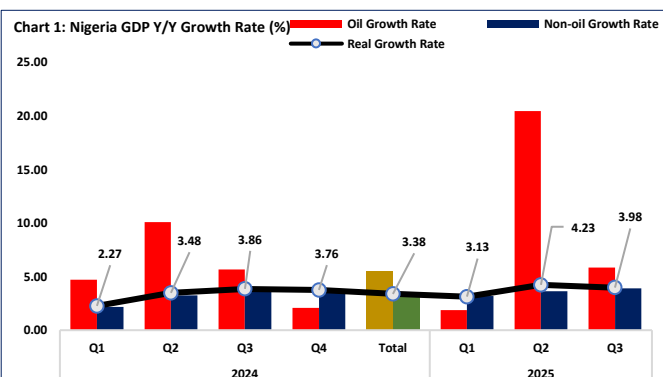


Friday, 5 December 2025

DOMESTIC ECONOMIC UPDATE

Nigeria Economy Expands by 3.98%/y/y in Q3'25 as Service Sector Led Growth

During the week, the National Bureau of Statistics (NBS) published one of the major economic indication data, Gross Domestic Product (GDP) for the third quarter (Q3) of 2025. According to the report, Nigeria's economy expanded by 3.98%/y/y in Q3'25 to ₦57.0 trillion from ₦54.9 trillion in Q3'24. Although, this represents a slower expansion compared to 4.23%/y/y growth in Q2'25, it is faster than 3.86% y/y growth recorded in Q3'24, showing mixed recovery across key sectors. On a quarter-on-quarter basis, GDP rose by 11.39%q/q from ₦51.2 trillion in Q2'25, reflecting improved economic activity supported by easing inflation pressures, a stable FX market, and better supply chain conditions withing the quarter.

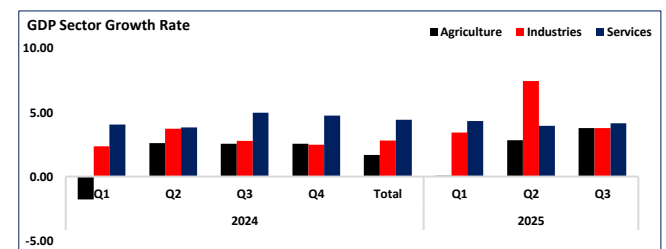


Source: NBS, AIICO Capital

Industry and agriculture recorded strong real growth, while services continued to account for the largest share of overall output. Notably, the services sector contributed 53.02% of real GDP, followed by agriculture at 31.21%, while Industries contributed 15.77% to the economy's performance. Key drivers included Financial & Insurance crop production, telecommunications, real estate, trade, and financial services.

The oil sector posted a real growth of 5.84%/y/y, a slight increase from 5.66%/y/y in Q3-2024, but significantly lower than 20.46%/y/y growth in Q2-2025. This was driven by the mixed performance in average crude oil production within the periods amidst oil price volatility. On average, crude production rose by 11.56%/y/y to 1.64mbpd in Q3-2025 from 1.47mbpd in Q3-2024 but declined 2.38% q/q from 1.68mbpd in Q2-2025, impacting oil contribution to GDP with slight improvement to 3.44%, compared to 3.38% in Q3 2024 but lower 4.05% in Q2-2025.

However, the non-oil sector expanded by 3.91%, outperforming Q2-2025 (3.64%) and Q3-2024 (3.79%). The Services sector had a comeback performance expanded by 4.15%/y/y (vs 3.94%/y/y in Q2-2025), but slower than the 4.97%/y/y recorded in Q3-2024. This was largely driven by a 19.63%/y/y growth rate compared 16.13%/y/y growth rate in Q2-2025 and a 4.33%/y/y growth rate in Q3-2024, amidst the recapitalization process in the banking and insurance sectors.



Source: NBS, AIICO Capital

In terms of other sub-components of the GDP, Agriculture grew by 3.79%, mainly driven by crop production, which accounted for nearly 66% of the sector's nominal output. Manufacturing's real growth slowed to 1.25%, down from 1.74% in Q2-2025, contributing 7.62% to GDP. Construction grew with a real growth of 5.57%, slightly below 6.80% y/y, contributing at 3.80%. Trade witnessed a 1.98% real growth, accounting for 16.42% of GDP. ICT with 5.78% real growth contributed 9.10% to GDP. Real estate expanded by 3.50%. Education and Health grew slightly at 2.51% and 2.89% respectively.

MARKET COMMENTARY

System Liquidity: Liquidity Remain Strong Amidst rising SDF Placement and Multiple Inflows

Interbank system liquidity remained stable and robust throughout the week, supported by sustained DMB placements at the CBN’s SDF window as well as OMO & NTB maturities. Liquidity moderately improved at the start of the week driven by sustained DMBs placement in SDF window.

By mid-week, liquidity got further improved amidst inflows of ₦772.9 billion from OMO maturities and ₦10.2 billion bond coupon. Towards the end of the week, a positive net flow from NTB auction (₦709.6 billion) and 4-Dec-2025 NTB maturity (₦805.9 billion) sustained the market liquidity. Consequently, system liquidity closed the week at ₦3.2 trillion, up from ₦2.2 trillion at the start of the week.

Despite the liquidity improvement, average funding rates held steady at 22.61%, as the OPR closed flat at 22.50%, while the O/N rate inched up slightly by 1bp w/w to 22.72%.

Outlook: Amidst the expected inflow of ₦1.1 trillion from 9-Dec-2025 OMO maturity and ₦512.0 billion maturity into the system and expected outflow of ₦750 billion from NTB auction, we expected the average funding cost to ease slightly, provided there is no funding activities.

SYS. LIQ. (₦'BN)		Diff.
5-Dec-25	3,204.57	↑ 1,242.12
28-Nov-25	1,962.45	

Source: CBN, AIICO Capital

Treasury Bill: NTB Market Trade Positively Despite Higher Auction Stop-Rate as DMO Revises Calendar

During the week, the NTB secondary market experienced a volatile and positive sentiment, driven mainly by robust liquidity surplus in the financial system various market update like the NTB auction and revised auction calendar. The week began on a calm note as investors focus on the mid-week NTB auction of ₦700 billion. Notably, the NTB auction eventually cleared higher with an allotment of ₦709.6 billion from a subscription of ₦774.8 billion, while the stop rate on the 354-days tenor increased by 146bps to 17.50% from 16.04% at the previous auction.

As the week progresses, the sentiment remained cautious but slightly positive despite the release of the revised NTB issuance calendar by the DMO, which signalled increased expected outflows from NTB PMAs in 2025.

Overall, the robust liquidity-driven demand pulled discount rate lower, bringing the average benchmark rates down by 8bps w/w to 15.55%.

Outlook: Market is likely to trade cautiously in line with the prevailing market liquidity ahead of the ₦750 billion NTB auction on Wednesday.

NTB AUCTION RESULT - 03 December 2025			
AUCTION DATE	03-Dec-25		
SETTLEMENT DATE	04-Dec-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	5-Mar-26	4-Jun-26	3-Dec-26
OFFER AMOUNT (₦'BN)	100.0000	150.0000	450.0000
SUBSCRIPTION AMOUNT (₦'BN)	44.1723	33.3770	697.2903
ALLOTMENT AMOUNT (₦'BN)	42.8043	30.3570	636.4603
RANGE OF BIDS	14.990% - 19.000%	14.950% - 19.500%	15.000% - 19.430%
CURRENT STOP RATE: DISCOUNT (YIELD)	15.300% (15.300%)	15.500% (15.500%)	17.500% (21.200%)
LAST STOP RATE: DISCOUNT (YIELD)	15.300% (15.907%)	15.500% (16.798%)	16.040% (19.236%)
CHANGE: DISCOUNT (YIELD)	+0.000% (-0.607%)	+0.000% (-1.298%)	+1.460% (+1.964%)

Source: DMO, AIICO Capital

BENCHMARK T-BILLS DISCOUNT RATES			
	05-Dec-25	28-Nov-25	Change in Rates
90 DAYS	15.24%	15.53%	↓ -0.29%
181 DAYS	15.56%	15.56%	→ 0.00%
363 DAYS	17.22%	17.50%	↓ -0.28%

Source: FMDQ, AIICO Capital

AUCTION DATE	TENOR	OFFER AMOUNT (₦'MN)	LAST STOP RATE
10-Dec-25	91-Day	100,000.00	15.30%
10-Dec-25	182-Day	150,000.00	15.50%
10-Dec-25	364-Day	500,000.00	17.50%

Source: DMO, AIICO Capital

FGN Bonds: Bonds Market Traded Bearish as Investors React to Higher Stop Rate in NTB PMA.

Over the week, the domestic FGN Bond market traded with a broadly cautious tone throughout the week. Activity opened on a subdued note, with mild buying interest concentrated at the short-to-mid segment of the curve, while the long end experienced limited flows and marginal sell-offs. This calm trading pattern continued into mid-week, with yields largely steady as investors shifted focus to the NTB auction.

Market conditions shifted slightly on thereafter, as a mixed but mostly bearish session emerged. Repricing in the mid-tenor segment—driven by the outcome of the NTB PMA and the release of the revised NTB auction calendar—pushed yields higher, most notably on the 20-Nov-29, 23-Jul-29 and 21-Feb-31 bonds which rose significantly by 19bps (16.02%), 42bps (16.27%) and 62bps (16.49%), respectively.

The week concluded quietly on Friday, with pockets of demand reappearing in the short-to-mid tenors even as quotes adjusted upward across the curve.

Overall, the average benchmark yield rose by 2bpsw/w, closing at 15.64%.

Outlook: We anticipate sustained investors sentiment at the domestic space in the near term.

BENCHMARK FGN BOND YIELDS

	05-Dec-25	28-Nov-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	15.79%	15.81%	↓ -0.02%
10 YRS: 22.60% 29-JAN-2035	15.31%	15.31%	→ 0.00%
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, AIICO Capital

Eurobonds: Improved Multiple Economic Data Sustain Eurobond Bullish Run

The Africa Eurobond market traded mostly bullish in most part of the week as market participants react to improved economic data and strong Fed rate cut expectation. The week began on a cautious note amidst profit taking from the recent bullish run, but sentiment improved as investors positively react to the Nigeria Q3-2025 GDP data that came at 3.98%/y, higher than market expectations.

By mid-week, sentiment improved following investors strong bet on U.S. Fed rate cut next week, improved weekly U.S. jobless claim data which came lower than market expectation the prior week reading as well as rising yield in U.S. Treasuries, which pushed investors to Africa market as save-haven. We saw the short-dated NOV 2027 Eurobond and the longer-dated SEP 2033 bond setting the baseline for the week.

By the end of the week, sentiment remain steadily positive across oil producing Africa economies like Angola, Egypt and Nigeria driven by the rising global oil prices as the Nigerian Eurobond saw sharpest drops of the week.

Consequently, the Nigeria Eurobond yields declined across the curve, pulling the average benchmark yield lower by 29bps w/w to 7.14%.

Outlook: The market is likely to trade cautiously positive ahead of the Fed decision next week, with sentiment remaining strong for a rate cut. However, the outcome of the FOMC meeting will drive market performance till the rest of the week.

BENCHMARK FGN EUROBOND YIELDS

	05-Dec-25	28-Nov-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.18%	6.48%	↓ -0.30%
10 YRS: NGERIA 7.375% 09/29/33	7.18%	7.50%	↓ -0.32%
15 YRS: NGERIA 7.696% 23/02/38	7.55%	7.88%	↓ -0.33%
30 YRS: NGERIA 8.25% 09/29/51	8.30%	8.53%	↓ -0.23%
8.75% ETI 06/17/31*	7.01%	7.30%	↓ -0.29%

Source: FirstBank Uk, AIICO Capital

Nigerian Equities: Positive Sentiment Resurface Amidst Bargain-Hunting in Fundamental Stocks

The Nigerian equities market began the first week of December on a positive note and the All-Share Index by rose by 2.45% w/w to 147,040.07 points, pushing the year-to-date performance to +42.9%. The positive performance was driven by bargain hunting in fundamentally strong stocks as investors took advantage of price drop in November, while positioning for a possible year-end rally. Significant gains in DANGCEM (+15.0%), UBA (+9.7%), NB (+12.4%), GTCO (+3.0%), and ZENITHBANK (+3.7%)

Market activity was mixed, with trading volume rising 59.8%, while trading value declined 17.2% w/w. Sector performance was broadly positive: the Industrial Goods (+7.4%), Banking (+3.2%), Consumer Goods (+1.6%), and Insurance (+1.5%) indices recorded gains, whereas the Oil & Gas (-0.6%) index was the only laggard for the week.

Outlook: We expect sustained positive sentiment next week as bargain-hunting sentiment improved as well as portfolio rebalancing for the year end rally.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 1.08%	↑ 2.45%	↑ 2.45%	↑ 42.86%
NSE Banking Index	↑ 1.31%	↑ 3.20%	↑ 3.20%	↑ 31.49%
NSE Insurance Index	↓ -0.61%	↑ 1.48%	↑ 1.48%	↑ 53.02%
NSE Industrial Goods Index	↑ 2.06%	↑ 7.38%	↑ 7.38%	↑ 54.32%
NSE Consumer Goods Index	↑ 0.83%	↑ 1.56%	↑ 1.56%	↑ 100.64%
NSE Oil & Gas Index	↓ -0.08%	↓ -0.57%	↓ -0.57%	↓ -1.03%

Source: NGX, AIICO Capital

Top 5 Equity Advancers W-o-W

Name (Symbol)	Closing Price	Gain(N)	% Change
NCR	72.70	18.05	↑ 33.03%
UACN	96.80	17.90	↑ 22.69%
GUINNESS	198.00	31.00	↑ 18.56%
DANGCEM	614.90	90.30	↑ 17.21%
NB	75.00	8.25	↑ 12.36%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
RTBRISCOE	3.00	-0.44	↓ -12.79%
LEGENDINT	5.00	-0.60	↓ -10.71%
UNIONDICON	6.30	-0.70	↓ -10.00%
ABCTRANS	3.10	-0.34	↓ -9.88%
CORNERST	5.50	-0.50	↓ -8.33%

Source: NGX, AllCO Capital

Foreign Exchange: Naira Depreciates by 0.3%w/w on Higher Demand Pressure

The Nigerian naira depreciated by ₦3.69 per USD during the week, buoyed by higher demand pressure than the available supply levels. Although, during the week, the market recorded inflows from Foreign Portfolio Investors (FPIs) and occasional CBN intervention to improve supply but was unable to the demand pressure lower. Overall, the naira gained 0.25% w/w to close at ₦1,450.43/USD. Meanwhile, external reserves extended their rally, rising by \$374.7 million to \$45.0 billion as of December 4, it's highest since July 25, 2019.

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

NFEM RATE (\$/N)		Diff.
5-Dec-25	1,450.4287	↑ 3.6866
28-Nov-25	1,446.7421	

Source: CBN, AllCO Capital

Commodities: Oil Rebound while Gold Recede on Mixed Reaction to Expected Fed Rate Cut

Oil prices edged up nearly 1% to a two-week high on increasing expectations the U.S. Federal Reserve will cut interest rates next week, which could boost economic growth and energy demand, as well as geopolitical uncertainty that could limit supplies from Russia and Venezuela. Brent crude futures for February settled at \$63.75 per barrel, up \$1.37 or 2.20%, while West Texas Intermediate (WTI) futures closed at \$60.08 per barrel, gaining \$1.53 or 2.61%.

Gold prices fell w/w as firmer U.S. Treasury yields outweighed support from a softer dollar, with investors

growing cautious ahead of upcoming U.S. inflation data that could shape the Federal Reserve’s interest-rate outlook. Consequently, spot gold shed 0.79% to finish at \$4,197.25 per ounce.

Outlook: Markets are likely to remain cautiously optimistic next week, with gold and oil prices supported by expectations of a Federal Reserve rate cut and a softer dollar — although rising Treasury yields may continue to cap upside for gold.

MACRO INDICATORS	
GDP (Q2 2025)	+3.98% (Q2: 2025 +4.23% y/y)
INFLATION (OCTOBER 2025)	16.05% (Sept'25: 18.02%)
EXTERNAL RESERVE (US\$'BILLION)	45.04 (+10.19% YTD as of 04-Dec-25)
MONETARY POLICY RATE (SEPT'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*63.75 (+1.37 w/w)

Source: CBN, NBS, Bloomberg, AllCO Capital

Important Disclaimers
This document has been issued and approved by AllCO Capital and is based on information from various sources that we believe are reliable. However, no representation is made that it is accurate or complete. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors or fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer or solicitation to any person to enter into any trading transaction. Investments discussed in this report may not be suitable for all investors. This report is provided solely for the information of AllCO Capital clients who are then expected to make their own investment decisions. AllCO Capital conducts designated investment business with market counter parties and customers and this document is directed only to such persons. AllCO Capital accepts no liability whatsoever for any direct or consequential loss arising from any use of this report or its contents. This report is for private circulation only and may not be reproduced, distributed or published by any recipient for any purpose without prior express consent of AllCO Capital. Users of this report should bear in mind that investments can fluctuate in price and value. Past performance is not necessarily a guide to future performance. AllCO Capital is regulated by the Securities and Exchange Commission and is licensed to provide fund and portfolio management services in Nigeria.