

# WEEKLY FINANCIAL MARKETS.



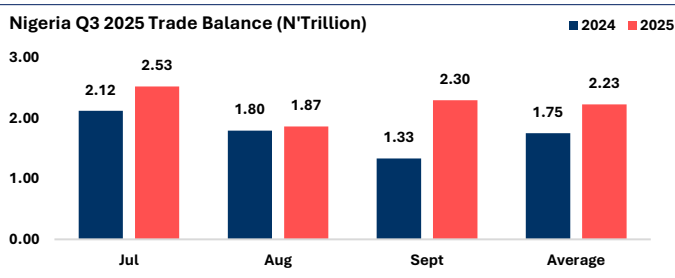
Friday, 12 December 2025

## DOMESTIC ECONOMIC UPDATE

### *Mixed Foreign Trade Performance as Imported Refined Oil Dip.*

During the week, the National Bureau of Statistics published the Nigeria Foreign Trade data for Q3-2025. According to the data, the Nigeria balance of trade in Q3-2025 fell by 10.4%q/q but rose by 27.3% y/y to ₦6.7 trillion, compared to ₦7.5 trillion in Q2-2025 and ₦5.3 trillion in Q3-2024. Although the trade surplus moderated from Q2-2025, the trade balance however remained in expansion territory as exports outpaced imports.

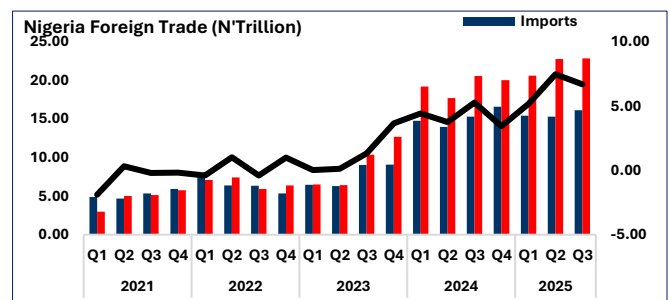
Notably, total exports rose slightly by 0.3%q/q to ₦22.81 trillion in Q3-2025, compared to ₦22.75 trillion in Q2-2025. On a year-on-year basis, exports increased by 11.1%y/y, up from ₦20.54 trillion in Q3-2024. Accordingly, Mineral Products, which include crude oil and other mineral resources, recorded a 10.15% y/y increase to ₦20.0 trillion (vs. ₦18.16 trillion in Q3-2024) and accounted for 87.71% of total exports. This performance was driven by higher crude oil production within the quarter, supported by increased rig count and reduced oil theft. Another major export component was Chemical & Allied Industries Products, which grew by 175.35% y/y to ₦845.00 billion, contributing 3.70% to total export value.



Source: NBS, AIICO Capital

On the import side, Mineral Products accounted for 32.45% of total imports but recorded a 10.31%y/y decline to ₦5.23 trillion, down from ₦5.84 trillion in Q3-2024—largely reflecting rising domestic output from the Dangote Refinery. Additionally, Machinery and Appliances contributed 10.06% to total imports but grew marginally by 0.51% y/y to ₦2.59 trillion.

In terms of export destinations, Europe topped the list, receiving 38.16% of Nigeria's exported products, mainly crude oil. Europe was followed by Asia (28.07%) and other African countries (21.49%). Meanwhile, only 11.31% of exports went to America, indicating a limited impact of Trump's Liberation Day tariff on Nigerian goods. On the import side, Asia accounted for 50.30% of total imports, followed by America (24.31%), and Europe (21.32%), putting Nigeria in a positive trade balance against the Liberation Day tariff.



Source: NBS, AIICO Capital

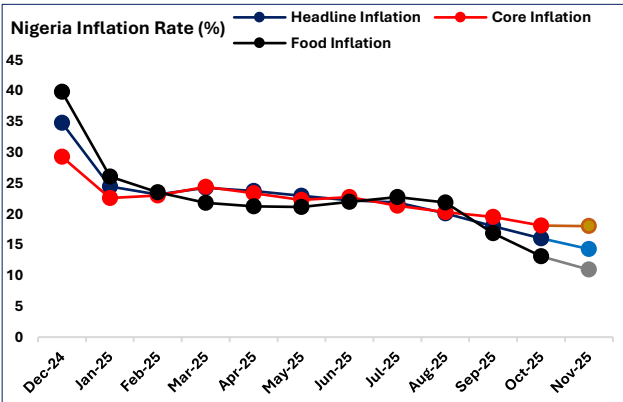
### Our View

Nigeria maintained a 12 consecutive quaters of trade surplus in Q3-2025, supported by higher export earnings—especially from crude oil—despite a slight decline in surplus compared to Q2-2025. Imports remained elevated due to continued reliance on foreign goods, even as mineral imports declined with increased local refining output from Dangote Refinery. Asia remained Nigeria's main import source, while Europe was the largest destination for exports.

Particularly, a positive trade balance has supported the Central Bank of Nigeria (CBN) effort in strengthening the naira by boosting foreign exchange inflows. During the quarter, the currency faces less pressure due to higher crude oil export, and less import of refined crude oil products driven by Dangote Refinery. As a result, the gains from the surplus supported by Foreign Portfolio Investment (FPI) poised a 3.55%q/q strength to the Naira to NGN1,475.35 per USD (vs N1,529.71 per USD in Q2-2025) and support the overall macroeconomic stability.

*Bumper Food Harvest, Stable FX and Base-Year Effect to Sustain Headline Deceleration in November*

In the week ahead, the National Bureau of Statistics (NBS will publish the Consumer Price Index (CPI) for the month of November 2025. The CPI shows the direction of movement (up or down) of the general price level (inflation rate) in the country. As such, we conducted a pre-CPI report analysis, our findings suggest that the Headline inflation rate (a measure of the average change in the price level of both food and non-food items) will ascend by a minimum of 175bps to 14.30%/y/y from 16.05%/y/y in the month of October. This drop in inflation, we believe, will be driven by both the core (i.e non-food items price) and food Inflation.



Source: NBS, AIICO Capital

Our position is based on projections regarding the convergence of the two components of headline food price and core price indexes—in November. Our analysis indicates that core inflation, which reflects changes in the average price of non-farm produce, is expected to ease by a minimum of 16bps to 1.17% m/m and 10bps to 18.02% y/y. This anticipated decline is largely attributable to base-year effects, despite the Monetary Policy Committee’s (MPC) decision to hold the Monetary Policy Rate (MPR) at 27.00%, while adjusting the Standing Facility Corridor from +250/-250bps to +50/-450bps around the MPR—thereby allowing room for lower funding costs among lenders. Meanwhile, the naira ended a three-month appreciation streak, weakening by 1.76% m/m to ₦1,446.74/USD, amid stronger dollar demand.

In addition, the food inflation price index, which reflects changes in the average price of farm produce, is expected to increase by 9bps to -0.28% m/m but dipped by 215bps 10.90%/y/y in November, compared to -0.37% m/m and 13.12% y/y in October. This decline could be attributed to the bumper harvest season effect.

**Overall, we expect a stable exchange rate, bumper food harvest and base year effect to push the inflation rate to a minimum of 1.09% m/m and 14.30% y/y.**

**MARKET COMMENTARY**

*System Liquidity: System Liquidity Moderate as Funding Cost Rose by 2bps w/w*

Interbank system liquidity remained firm throughout the week, buoyed by sustained Deposit Money Banks (DMB) placements at the CBN’s Standard Deposit Facility (SDF) window as well as OMO & NTB maturities. Liquidity opened strongly with a surplus balance of ₦3.27 trillion, main by the DMBs placement in the SDF window

By mid-week, liquidity got further improved to ₦4.30 trillion, amidst inflows of ₦1.07 trillion from OMO maturities and ₦124.47 million bond coupon. Towards the end of the week, a negative net flow from NTB and OMO auction (₦788.20 billion and ₦1.32 trillion respectively) and NTB maturity (₦512.00 billion) moderate the system liquidity to ₦2.13 trillion. Consequently, system liquidity moderated by ₦482.54 billion to closed the week at a surplus of ₦2.72 trillion.

The decline in liquidity prompted an increase in average funding rates by 2bps to 22.63% with OPR closing flat at 22.50%, while the O/N rate inched up by 4bps w/w to 22.75%.

**Outlook:** Amidst the expected inflow of ₦537.75 billion from 16-Dec-2025 OMO maturity and ₦70.88 billion maturity into the system and expected outflow of ₦700 billion from NTB auction, we expected the average funding cost to rose slightly, provided there is no funding activities.

SYS. LIQ. (N'BN)		Diff.
12-Dec-25	2,722.04	↓ (482.54)
5-Dec-25	3,204.59	

Source: CBN, AIICO Capital

*Treasury Bill: Bear Dominates NTB Market as Auction Closed at Higher Rate.*

During the week, the NTB secondary market experienced a volatile and negative sentiment, despite the ample liquidity surplus in the financial system. The week began on a calm note as the CBN’s announced ₦600bn OMO auction which ended with no allotments and investors focus on the mid-week NTB auction of ₦750 billion. Notably, the NTB auction eventually cleared higher with an allotment of ₦788.2 billion from a subscription of ₦1,689.2 billion, while the stop rate on the 354-days tenor increased by 45bps to 17.96% from 17.50% at the previous auction.

As the week progresses, the sentiment improved on, with renewed buying interest in the 10- Dec-26 and 3-Dec-26 bills. However, a large ₦1.32trn OMO allotment at 19.39% and 19.49% tempered activity in the secondary OMO market.

Overall, the market ended the week on a softer footing, with the average benchmark NTB yield rising 54bps w/w to 16.20%.

**Outlook:** Market to sustain cautions trading in line with the prevailing market liquidity ahead of the ₦700 billion NTB auction on Wednesday.

NTB AUCTION RESULT - 10 December 2025			
AUCTION DATE	10-Dec-25		
SETTLEMENT DATE	11-Dec-25		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	12-Mar-26	11-Jun-26	10-Dec-26
OFFER AMOUNT (₦BN)	100.0000	150.0000	500.0000
SUBSCRIPTION AMOUNT (₦BN)	106.0692	23.5969	1,559.5622
ALLOTMENT AMOUNT (₦BN)	103.3587	13.6360	671.2032
RANGE OF BIDS	14.500% - 16.000%	15.000% - 19.810%	15.290% - 22.000%
CURRENT STOP RATE: DISCOUNT (YIELD)	15.300% (15.300%)	15.500% (15.500%)	17.950% (21.864%)
LAST STOP RATE: DISCOUNT (YIELD)	15.300% (15.300%)	15.500% (15.500%)	17.500% (21.200%)
CHANGE: DISCOUNT (YIELD)	+0.000% (+0.000%)	+0.000% (+0.000%)	+0.450% (+0.664%)

Source: DMO, AIICO Capital

BENCHMARK T-BILLS DISCOUNT RATES			
	12-Dec-25	05-Dec-25	Change in Rates
90 DAYS	15.15%	15.40%	↓ -0.25%
188 DAYS	16.10%	15.44%	↑ 0.66%
363 DAYS	16.88%	17.95%	↓ -1.07%

Source: FMDQ, AIICO Capital

AUCTION DATE	TENOR	OFFER AMOUNT (₦ MN)	LAST STOP RATE
17-Dec-25	91-Day	100,000.00	15.30%
17-Dec-25	182-Day	100,000.00	15.50%
17-Dec-25	364-Day	500,000.00	17.95%

Source: DMO, AIICO Capital

### FGN Bonds: Bond Market Remain Bearish Amid Investors Focus on Dec PMA

The FGN bond market remained broadly bearish during the week as investors stayed cautious ahead of the December Bond Primary Market Auction. Yields rose early on, led by a 91bps jump in the 2029 bonds, and selling pressure intensified after the DMO signaled heavy supply, pushing mid-curve yields into the 17% range.

Midweek trading saw brief profit-taking and limited demand in the 2031 and 2032 bonds, while activity remained muted toward week's end as investors awaited the auction.

Overall, the market closed defensively, with the average benchmark yield rising 99bps w/w to 16.63%.

**Outlook:** We expect market participants focus to be on the Dec PMA where about ₦460bn worth of bonds will be offered through the AUG-2030 and JUN-2032 papers.

BENCHMARK FGN BOND YIELDS			
	12-Dec-25	05-Dec-25	Change in Yield
5 YRS: 19.30% 17-APR-2029	17.01%	15.79%	↑ 1.21%
10 YRS: 22.60% 29-JAN-2035	16.78%	15.31%	↑ 1.47%
13 YRS: 15.45% 21-JUN-2038	16.27%	15.26%	↑ 1.00%
28 YRS: 15.70% 21-JUN-2053	15.08%	15.08%	↑ 0.00%

Source: FMDQ, AIICO Capital

DECEMBER 2025 FGN BOND AUCTION NOTICE				
Security	Tenor	Offer (₦ Bn)	Previous Stop Rates	Expected Stop Rates
17.9450% FGN AUG 2030	4 Years 8 Months	230.00	15.9000%	17.1000% - 17.4500%
17.9500% FGN JUN 2032	6 Years 6 Months	230.00	16.0000%	17.1500% - 17.5000%

Source: DMO, AIICO Capital

### Eurobonds: Fed Cut Rate by 0.25%, While Eurobonds Yield Rises by 10bps w/w on Early Profit-taking

The Africa Eurobond market opened the week on a weak note, as profit-taking and risk-off positioning dominated trading at the early part of the week. Investors remained cautious ahead of the FOMC decision, while softer oil prices added to the negative sentiment.

However, Sentiment improved sharply after the FOMC's decision to cut rate by 25bps to a range of 3.50%-3.75%, while the Fed's Chair remarks suggesting payroll data may have been overstated, which influenced expectations around policy normalization in 2026. The improved tone carried into Friday, keeping demand supported. Nevertheless, yields closed the week 10bps higher w/w, with the average benchmark yield settling at 7.24%.

**Outlook:** Market optimism from late last week is expected to carry into the new week, though volatility in oil prices could temper strong investor sentiment.

BENCHMARK FGN EUROBOND YIELDS			
	12-Dec-25	05-Dec-25	Change in Yield
5 YRS: NGERIA 8.375% 03/24/29	6.30%	6.18%	↑ 0.12%
10 YRS: NGERIA 7.375% 09/29/33	7.25%	7.18%	↑ 0.07%
15 YRS: NGERIA 7.696% 23/02/38	7.69%	7.55%	↑ 0.14%
30 YRS: NGERIA 8.25% 09/29/51	8.44%	8.30%	↑ 0.14%
8.75% ETI 06/17/31*	7.21%	7.30%	↓ -0.09%

Source: FirstBank UK, AIICO Capital

### Nigerian Equities: Investors Cherry-Pick on Bellwethers Pushed Equities Higher by 1.6%w/w

The domestic stock market ended the week on a positive note, buoyed by bargain hunting in high capped stocks like MTNN (+13.0%), NB (+9.9%), DANGSUGAR (+11.2%), ZENITHBANK (+2.9%), and GUINNESS (+10.0%), driving the All-Share Index (ASI) up 1.6% w/w to 149,433.25 points. As a result, month-to-date and year-to-date gains rose to +4.1% and +45.2%, respectively.

Trading activity recorded a 33.9% drop in volume, while value traded increased by 1.9% w/w. Sector performance was broadly positive, with Insurance (+3.4%), Consumer Goods (+1.1%), Banking (+0.4%), and Industrial Goods (+0.2%) all advancing, whereas Oil & Gas (-0.1%) was the only sector to close lower.

**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	↑ 1.00%	↑ 1.63%	↑ 4.12%	↑ 45.18%
NSE Banking Index	↓ -0.54%	↓ -0.12%	↑ 3.08%	↑ 31.33%
NSE Insurance Index	↑ 0.51%	↑ 3.40%	↑ 4.93%	↑ 58.22%
NSE Industrial Goods Index	↑ 0.01%	↑ 0.23%	↑ 7.63%	↑ 54.67%
NSE Consumer Goods Index	↑ 1.53%	↑ 2.64%	↑ 4.24%	↑ 105.94%
NSE Oil & Gas Index	↓ -0.09%	↓ -0.13%	↓ -0.69%	↓ -1.16%

Source: NGX, AIICO Capital

Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
MORISON	4.69	1.15	↑ 32.49%
MECURE	37.95	8.15	↑ 27.35%
JAPAUFGOLD	2.66	0.56	↑ 26.67%
SOVRENINS	3.40	0.50	↑ 17.24%
PZ	47.00	6.55	↑ 16.19%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
ETERNA	30.20	-5.30	↓ -14.93%
UACN	83.00	-13.80	↓ -14.26%
ETRAZACT	12.60	-1.40	↓ -10.00%
TRANSCORP	155.60	-17.20	↓ -9.95%
CHELLARAM	13.20	-1.45	↓ -9.90%

Source: NGX, AIICO Capital

## Foreign Exchange: Naira Weakens Amid Persistent Demand Pressure

Despite continued intervention by the CBN, demand pressure pushed the Nigerian Naira lower against the USD in the Nigerian Foreign Exchange Market (NFEM), weakening by ₦3.98 per USD (-0.27% w/w). Notably, the Naira traded within a range of ₦1,450.25 to ₦1,459.00 per USD throughout the week, with appreciation observed only on Friday. Meanwhile, external reserves extended uptrend, rising by \$328.1 million to \$45.4 billion as of December 11, it's highest since July 25, 2019.

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

NFEM RATE (\$/N)		Diff.
12-Dec-25	1,454.4123	↑ 3.9836
5-Dec-25	1,450.4287	

Source: CBN, AIICO Capital

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

Oil prices closed lower on Friday, marking a 4% weekly decline as a supply glut and a potential Russia-Ukraine peace deal outweighed worries about any impact from the U.S. seizure of an oil tanker near Venezuela. Brent crude futures for February settled at \$61.12 per barrel, down \$2.63 or 4.13%w/w, while West Texas Intermediate (WTI) futures closed at \$57.44 per barrel, losing \$2.64 or 4.39%w/w.

In contrast, gold prices hit its highest level in more than a month after the U.S. Federal Reserve's quarter-point rate cut pushed the dollar lower, while silver surged to a record high during the week. Consequently, spot gold rose by 2.51% to finish at \$4,302.43 per ounce.

**Outlook:** Markets are likely to remain cautious but tilted toward safe-haven assets like gold amid lingering Fed uncertainty and geopolitical risks, while oil prices may see mixed direction as supply and demand concerns balance price support.

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)	45.44 (+11.16% YTD as of 11-Dec-25)
MONETARY POLICY RATE (SEPT'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*\$61.12 (-2.63 w/w)

Source: CBN, NBS, Bloomberg, AIICO Capital

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