

N499.6bn liquidity inflows set to boost market sentiment amid softer yield outlook

Executive Summary

- ❖ System liquidity is projected to improve significantly in the coming week, supported by an estimated N499.65 billion in total inflows from NTB maturities (N391 billion), FGN bond coupon payments (N98 billion), and minor corporate redemptions. In addition, over N2 trillion in FAAC allocations is expected to bolster market liquidity.
- ❖ In the fixed income market, yields trended lower across instruments as investors priced in expectations of a potential policy rate cut in November. Average bond yields declined by 12bps WoW to 15.82%, while T-bills and OMO bills traded largely sideways, closing at 17.37% and 20.58%, respectively.
- ❖ In the money market, funding pressures remained modest. The Overnight (O/N) and Open Repo (OPR) rates averaged 24.92% and 24.51%, respectively.
- ❖ On the FX front, the Naira depreciated slightly at the official window to N1,473/\$, while appreciating at the parallel market to N1,482.50/\$, narrowing the spread to N9.50k. External reserves rose marginally by 0.21% to \$42.66 billion.
- ❖ Meanwhile, the equities market extended its bullish momentum, with the NGX All-Share Index advancing by 1.35% WoW to 148,977.64 points on sustained buying interest in DANGCEM, BUAFOODS, and STANBIC, pushing the year-to-date gain to 44.73%.

Global Growth Revised Up to 3.2% as Nigeria's Investment Momentum Strengthens

IMF Upgrades Global Growth Forecast to 3.2%

The IMF's October 2025 World Economic Outlook projects global growth of 3.2% in 2025 and 3.1% in 2026, up from 2.8% in April. The Fund notes that resilient consumer demand and improving trade volumes offset tight financing and geopolitical risks.

Implication: Improved growth prospects could support risk sentiment globally, though elevated rates and debt sustainability concerns may constrain capital flows to emerging markets.

Global Public Debt Projected to Exceed 100% of GDP by 2029

Fiscal challenges intensify across major economies

The IMF's October 2025 Fiscal Monitor warns that global public debt will surpass 100% of GDP by 2029, driven by rising borrowing needs in advanced economies and slower fiscal consolidation in emerging markets. The Fund urges stronger medium-term frameworks to restore sustainability.

Implication: Persistent fiscal deficits could sustain high global yields and increase refinancing costs for frontier issuers.

Gold Extends Record Rally Past \$4,200

Safe-haven demand rises on Fed rate-cut expectations

Gold prices surged above \$4,200/oz, hitting a record high amid growing bets on U.S. rate cuts and geopolitical uncertainty. The rally reflects stronger investor demand for safe-haven assets as Treasury yields stabilise.

Implication: Sustained gold strength signals market caution and could temper risk appetite for emerging-market assets.

U.S. Shutdown Could Cost Economy \$15bn Weekly

Fiscal standoff threatens near-term growth momentum

The U.S. Treasury estimates that a prolonged government shutdown could shave \$15 billion per week from output, compounding existing fiscal strain. Analysts warn that extended disruptions could dampen consumer spending and weaken Q4 GDP growth.

Implication: Heightened fiscal uncertainty may push investors toward safe assets, reinforcing global risk aversion.

World Bank Upgrades Sub-Saharan Africa Growth to 3.8%

The outlook for Sub-Saharan Africa is showing resilience, despite a challenging external environment with uneven prospects in commodity prices, still tight borrowing conditions, and a deterioration of the global trade and aid landscape. Economic growth is projected to remain steady at 4.1 percent in 2025 with a modest pickup in 2026, supported by macroeconomic stabilization and reform efforts in key economies.

Nigeria Developments

Nigeria Secures \$2bn Shell Gas Project

Energy investment to boost gas output and FX inflows

Nigeria signed a \$2 billion gas development agreement with Shell to expand gas supply infrastructure and improve energy access. The deal aligns with the government's gas monetisation strategy.

Implication: Increased upstream investment could strengthen FX inflows and support fiscal revenue.

India's Shift from Russian Oil Boosts Nigeria's Export Prospects

Trade realignment favours West African crude suppliers

India has agreed to halt Russian oil imports, opening market opportunities for Nigeria's Bonny Light crude. Analysts expect this could stabilise demand and improve export revenue.

Implication: Higher crude exports to India could strengthen Nigeria's current account and support naira stability.

Nigeria Woos Foreign Investors Ahead of \$2.3bn Eurobond Issue

Roadshows target renewed foreign participation

Ahead of its planned Eurobond issuance, Nigeria has embarked on investor roadshows to attract global fund managers. The move follows improved FX liquidity and fiscal transparency measures.

Implication: Successful investor engagement could lower borrowing costs and support secondary market confidence.

Yields decline across Bonds and T-Bills as market prices in November policy easing

Treasury Bill

T-bill yields declined modestly across the curve during the week from the average yield of 17.62 to 17.37 (-25bps), reflecting improved market liquidity and renewed buying interest by dealers.

Short-term maturities: (Nov 2025 – Jan 2026): Traded mostly stable, recording marginal cumulative declines of about 3bps across the curve as dealers rolled over positions ahead of the next auction.

Mid-tenor bill: Traded mixed, averaging a mild 3 bps increase overall. The Mar-26 paper recorded a notable yield decline (-25bps) on renewed buying interest, while the Aug-26 bill rose (+21bps) amid mild profit-taking as dealers rebalanced positions.

Longer-dated bill (Sep–Oct 2026): Stayed largely unchanged, easing modestly by 3 bps, reflecting subdued activity and balanced market sentiment.

FGN Bonds

The bond market traded mildly bullish during the week, with yields trending lower across most maturities. The average yield on benchmark FGN bonds declined to 15.82%, from 15.94% the previous week, reflecting a 12bps week-on-week drop amid steady system liquidity and renewed interest from local institutional investors.

Short- to mid-tenor bonds (2027–2032): Yields moderated by 9bps, with selective demand on the Mar-27, Mar-28, Feb-31 and April-32 as investors rebalanced ahead of expected policy easing.

Long-dated maturities (2034–2053): Mostly stable, with light trades observed. Minor downward corrections were recorded on the Jun-38 (-21bps) and Mar-35 (-14bps) papers, supported by duration appetite from investors.

OMO

OMO yields traded largely range-bound during the week, with the average yield closing at 20.58%, compared to 20.56% the previous week, a marginal 2bps increase. Market activity was mixed, dominated by selective trades and position adjustments across tenors.

Dec-25 paper spiked by around 300bps, likely driven by isolated sell pressure and thin market depth.

Jan-26, Feb-26, and Mar-26 maturities posted average yield increases of about 130bps, reflecting portfolio reshuffling.

In contrast, the **Jul-26** paper declined by roughly 160bps, supported by selective demand and mild duration interest from investors seeking longer exposure.

Benchmarked FGN Bonds		OMO bills yield movement		Treasury bills yield movement	
Category	Average Yield	Maturity date	Yield for the week	Maturity date	Yield for the week
Short-term	0.0	4-Nov-25	-0.02	6-Nov-25	-0.03
Mid-term	0.01	2-Dec-25	3.01	4-Dec-25	-0.03
Long-term	-0.04	6-Jan-26	1.22	8-Jan-26	-0.03
		3-Feb-26	1.63	5-Feb-26	-0.03
		3-Mar-26	1.09	5-Mar-26	-0.25
		14-Apr-26	0.39	9-Apr-26	0.09
		7-Jul-26	-1.61	7-May-26	-0.03
				4-Jun-26	0.08
				9-Jul-26	0.08
				6-Aug-26	0.21
				3-Sep-26	-0.06
				8-Oct-26	0.00

N499.6bn liquidity inflows expected this week, driven by NTB and FGN bond coupon payments

System Liquidity Review (Week Ended 17 Oct 2025)

recDate	Inflow	Outflow	System Liquidity
17/10/2025	1.804 trn	-	1.804 trn
16/10/2025	1.803 trn	-	1.803 trn
15/10/2025	1.616 trn	-	1.616 trn
14/10/2025	2.154 trn	-	2.154 trn
13/10/2025	2.034 trn	-	2.034 trn

Security type	Liquidity
FGN Bond coupon payment	N98.32 bn
Corporate Bond coupon payment	N5.53 bn
PM repayment	N391 bn
OMO repayment	-
CP maturity	N4.8 bn
Total expected liquidity	N499.65 bn

Liquidity & Money Market

System liquidity is projected to improve significantly in the coming week, supported by an estimated N499.65bn in total inflows. The main drivers include N391bn NTB maturities, N98bn FGN bond coupon payments, and minor inflows from corporate maturities and coupon disbursements. Over N2 trillion expected from FAAC allocation also has potential to strengthen liquidity in the market.

Money market rates were broadly steady, with the O/N rate up slightly by 4bps to **24.92%**, while the OPR averaged **24.51%**, nearly unchanged from the previous week, reflecting balanced liquidity conditions.

Foreign Exchange Market

In the FX market, the Naira weakened by **0.52% WoW** at the official window to an average of **N1,473/\$**, while it appreciated by **1.17%** in the parallel market to **N1,482.50/\$**. The official-parallel spread narrowed to **N9.50** from **N34.60**, reflecting improved FX liquidity and convergence between market segments.

System liquidity fluctuated within a tight range during the week, averaging around N1.88 trillion, compared to N3.56 trillion in the previous week. The marginal moderation reflected limited inflows from government securities maturities

Key Observations

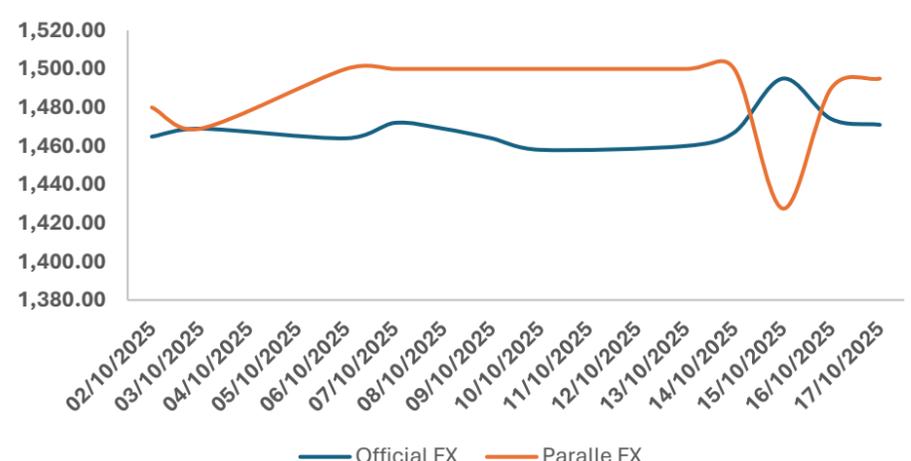
Opening balances trended lower from N472.75bn on Monday to N97.45bn by Friday, indicating gradual tightening of free cash.

Standing Deposit Facility (SDF) volumes remained elevated (N1.6–1.7trn daily average), showing banks continued to park excess liquidity with the CBN.

The liquidity position was supported by recurring PM repayments on Monday (N29bn), Wednesday (N194m), Thursday (N359m), and Friday (N93bn), alongside a major OMO repayment of N481bn on Tuesday.

Key Market Indicators	Latest Week Avg.	Previous Week Avg.	%Δ (WoW)
OPR	24.51	24.5	0.04%
O/N	24.92	24.88	0.16%
	Latest Week Avg.	Previous Week Avg.	% Δ (WoW)
Official (N/\$)	1,473	1,465.40	0.52%
Parallel Market (N/\$)	1,482.5	1,500	-1.17%
External Reserves (USD'bn)	42.66	42.57	0.21%

Exchange rate movement so far in October



NGX-ASI up 1.35% WoW amid broad-based gains

Equities Market

The Nigerian equities market closed the week on a positive note, sustaining its bullish momentum as investors continued to take positions in key blue-chip stocks. The NGX All-Share Index (ASI) rose by 1.35% week-on-week (WoW) to settle at 148,977.64 points, while market capitalisation expanded by N1.3 trillion to N94.56 trillion. This brought the year-to-date (YtD) return to 44.73%.

The week's rally was driven largely by strong buying interests in DANGCEM (+4.35%), BUAFOODS (+3.22%), TRANSPOWER (+8.92%), and STANBIC (+8.26%), which together lifted the industrial and consumer goods counters.

Market breadth also strengthened to 1.35x (from 1.29x), indicating a wider spread of gainers across sectors.

Trading activity improved, as total volume traded rose by 24.43% to 481.0 million units WoW, while market value advanced by 48.94% to N16.78 billion. UBA emerged as the most traded stock by volume on Friday (59.2 million units), while DANGCEM led the value chart with trades worth N2.6 billion.

Sectoral performance was largely positive. The Consumer Goods (+1.27%) and Insurance (+0.92%) indices led the pack, buoyed by buying interest in BUAFOODS (+3.22%) and SOVRENINS (+9.51%), respectively. The Industrial (+0.29%) and Banking (+0.01%) indices also closed higher, supported by gains in WAPCO (+1.88%) and STANBIC (+0.81%), while the Oil & Gas (-0.11%) index lagged, weighed down by profit-taking in OANDO (-1.46%).

Top Gainers for the Week

Tickers	Close Price (N)	Previous Price (N)	▲ %
Sovrenins	3.57	3.21	11.21%
Royalex	2.4	2.16	11.11%
Eunisell	48.4	44	10.00%
Omatek	1.5	1.37	9.49%
Transpower	342	314	8.92%
Stanbic	118	109	8.26%

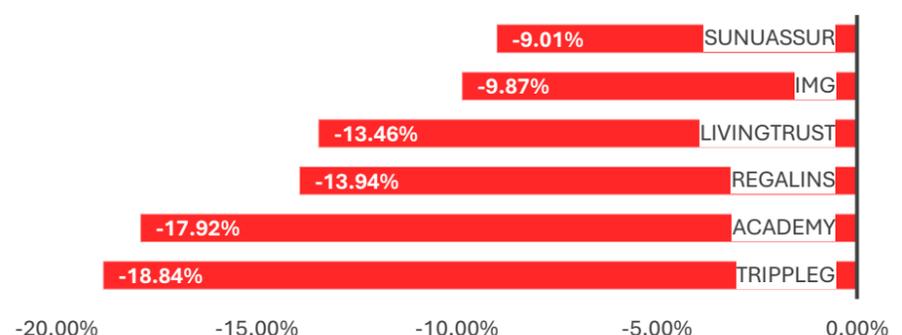
Top Losers for the Week

Tickers	Close Price (N)	Previous Price (N)	▼ %
TRIPPLEG	4.91	6.05	-18.84%
ACADEMY	7.88	9.6	-17.92%
REGALINS	1.42	1.65	-13.94%
LIVINGTRUST	4.5	5.2	-13.46%
IMG	32.4	35.95	-9.87%
SUNUASSUR	5.25	5.77	-9.01%

Top gainers



Top losers



Key Market Indicators

Key Market Indicators	Close	Previous	% Δ
Index (points)	148,977.64	146,988.04	1.35%
Market Cap. (N'trn)	94.56	93.3	1.35%
Trade Volume (mn)	480.99	386.57	24.43%
Trade Value (N' mn)	16,775.40	11,263.09	48.94%
No. of Deals	22,854	21,842	4.63%