

A high-angle photograph showing the lower legs and feet of several people walking on a paved surface. The scene is backlit, creating long, dark shadows on the ground. The people are dressed in business attire.

# **FMDA Weekly Market Report**

**22<sup>nd</sup> December  
2025**



# Executive Summary



# EXECUTIVE SUMMARY

- Global markets continued to tilt toward monetary easing, with the U.S. Federal Reserve and the Bank of England cutting rates, while several other central banks either eased policy or signalled flexibility.
- This strengthens expectations that Nigeria could begin a gradual rate-cut cycle in 2026, especially as domestic yields continue to soften.
- Concerns around crude oil oversupply intensified, with oil prices dipping further last week to an average of \$58.89 per barrel.
- This has compounded Nigeria’s challenges in placing over 20 million barrels of crude oil for December and January loading.
- As anticipated, the naira faced less pressure last week compared with the prior week.
- Looking ahead, the naira may see modest support from reduced liquidity pressure, as maturing securities, particularly OMO maturities, are lower this week, although persistent weakness in crude oil prices remains a key downside risk.
- Projected maturities of N849.19 billion this week are expected to provide moderate support for system liquidity, slightly higher than last week’s N712.68 billion.
- The equities market extended its positive momentum, with the NGX-ASI rising 1.76% WoW, pushing year-to-date returns higher to 47.73%



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# The Global & Macro Backdrop



## Economists raise questions over the quality of the latest U.S. inflation data



**UK inflation fell to 3.2% in November (from 3.6%)**



**Canada's inflation held steady at 2.2%**



**ECB revised 2026 inflation forecast up to 1.9%**



**US inflation slowed to 2.7% in November, but doubt persists over the authenticity of the data**



**Japan headline inflation eased to 2.9% in November**



# After a long run of rate cuts, big central banks are now shifting toward a wait-and-see stance



Bank of England cut rates to 3.75% (from 4.0%) but signalled caution on further easing.



Bank of Japan raised rates to 0.75%, a 30-year high, and signalled more hikes ahead.



Trump signalled preference for a future Fed chair supportive of aggressive rate cuts.



ECB kept policy rate unchanged at 2%.



China set to keep rates steady for seventh month despite slowing economy.





# Key Macroeconomic Indicators

Country	GDP Growth(%)	Inflation (%)	Interest Rates (%)	Unemployment rate (%)
United States	2.1	2.7	3.75	4.4
China	4.8	0.7	3	5.1
Japan	2.3	2.9	0.75	2.6
Germany	0.3	2.3	2.15	6.3
United Kingdom	1.3	3.2	3.75	5
India	8.2	0.71	5.25	5.2
Brazil	0.1	4.68	15	5.6
South Africa	0.6	3.5	6.75	31.9
Egypt	5.3	12.5	21	6.4
Nigeria	3.98	14.45	27	4.3

## Africa & Nigeria-Specific Developments

- South Africa's inflation eased to 3.5%, reinforcing expectations of further rate cuts.
- Morocco's annual inflation rises to 0.3% in November.
- West African oil struggles to find buyers as global surplus builds.
- World Bank set to approve a \$500m loan for Nigeria.
- Nigeria spent 105% of revenue on salaries and debt servicing (fiscal strain).
- Tinubu presents N58.18 trn 2026 budget.

WHAT IS  
FOREX  
TRADING?



# Liquidity & FX Trading Conditions

# Crude oil continues to slip as optimism around Russia-Ukraine peace talks reduced supply fears



Crude oil average price

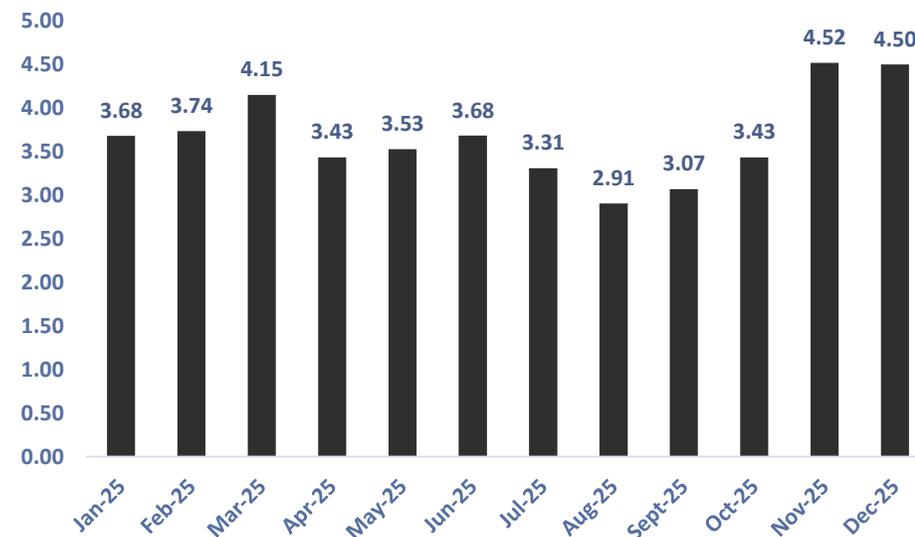
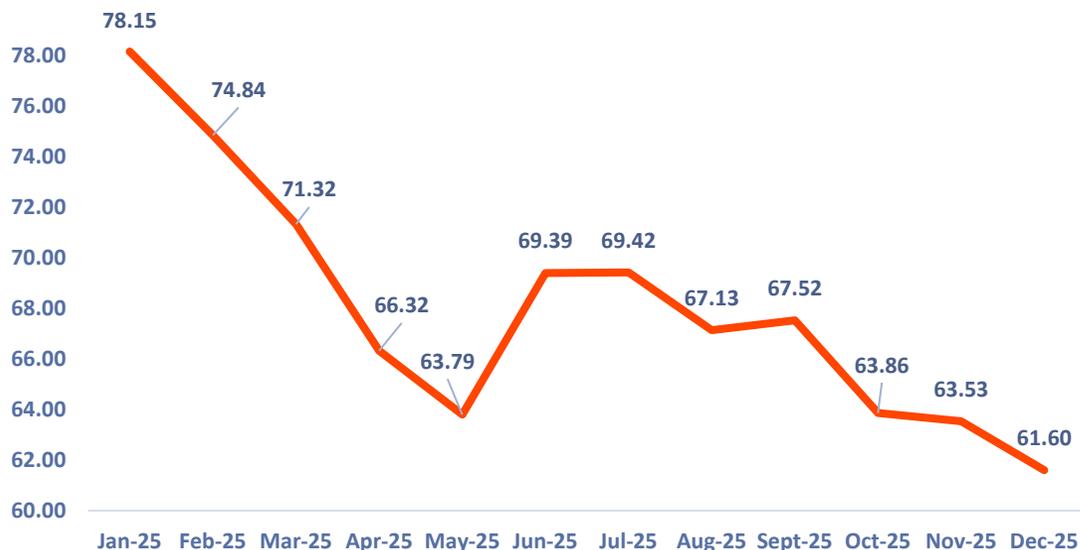
**\$61.60** ↓ 3.12%

Crude oil price continues to slide, as WoW drops 3.12%.

Natural gas average price

**\$4.50** ↓ 11.58%

Natural gas dipped again by 11.58% WoW.



Crude oil price will slip further to \$59 in 2026, according to average forecast from Bank of America Corp, Citigroup inc., Goldman Sachs Group inc., JPMorgan Chase & Co. and Morgan Stanley.

Natural gas prices fell as forecasts of milder U.S. winter weather point to weaker heating demand.

# Naira depreciated by 0.25% WoW

## Exchange rate determinant factors

Variable	Oct.	Nov.	Dec.	Trend
Brent Oil Price (\$/bl)	63.86	63.37	61.59	↓
Crude Oil Production (mbd)	1.401	1.436	***	↑
Gross Foreign Reserves (\$bn)	42.78	43.86	45.21	↑

Variable	Q1' 25	Q2' 25	Q3' 25	Trend
Trade Balance (\$bn)	3.41	4.74	4.40	↓
Current Account Balance (\$bn)	3.73	***	***	
Remittances (\$bn)	4.93	***	***	



- According to MTEF document (2026-2028), “the CBN expects the Naira exchange rate to be generally stable over the medium term, oscillating from an average of N1,500/\$ in 2025, to N1,512/\$ in 2026 and appreciating to N1,432.15/\$ in 2027.”
- Reuters reports that roughly 20 million barrels of Nigerian crude for December–January loading were still unsold as of December 18, 2025.
- Against this backdrop, combined with declining oil prices, the naira is likely to remain under pressure due to weak FX inflows.

Parameter	Value
Average System Liquidity	N2.92 trn <span style="color: red;">↓</span>
CBN Open Market Operations	N537.75 bn net injection <span style="color: green;">↑</span>
CBN Primary Market	674.46 bn net withdrawal <span style="color: red;">↓</span>
OVN	22.76% <span style="color: green;">⇒</span>
OPR	22.5% <span style="color: green;">⇒</span>

# Average system liquidity declined by **10.98% WoW**

As envisaged, average system liquidity declined from N3.28 trillion two weeks ago to N2.92 trillion last week, driven by lower security maturities.

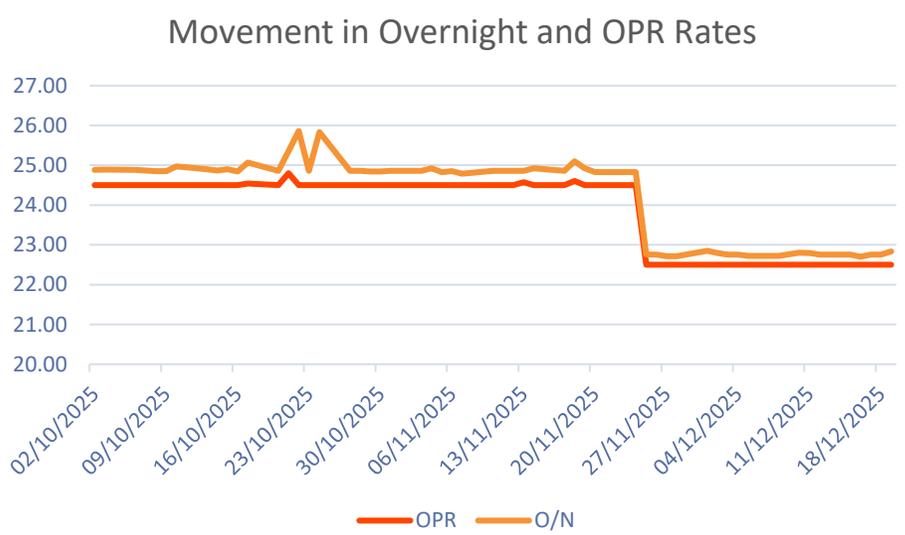
However, CBN liquidity operations were mixed:

- **OMO maturities: N537.75 billion net injection**
- **Primary market activities: N674.46 billion net withdrawal**

The liquidity boost eased funding pressures, pushing short-term rates lower:

- **OVN rate** on the average was flat at 22.76%
- **OPR rate** was also flat at 22.50%

*According to MTEF (2026-2028), CBN expected money supply to grow by an average of 9.24% in 2026 and 9.02% in 2027.*



# Fixed Income Highlights



# Investors are demanding higher returns amid policy uncertainty

Bonds Yield	Two Weeks Ago	Last Week	% 
1YR	16.85%	16.86%	0.01
3YR	17.10%	17.02%	-0.08
5YR	17.33%	17.20%	-0.13
7YR	17.05%	17.09%	0.04
10YR	16.45%	16.17%	-0.28
30YR	15.08%	15.03%	-0.05
Avg Yield	16.64%	16.56%	-0.08

Treasury Bill Yield	Two Weeks Ago	Last Week	% 
1 MTH	16.90%	16.70%	-0.20
3 MTH	16.30%	16.08%	-0.22
6 MTH	17.06%	17.14%	0.08
9 MTH	17.98%	18.66%	0.68
12 MTH	20.31%	20.06%	-0.25
Avg. Yield	17.71%	17.73%	0.02

## Bonds and Treasury Bills

- Bond market bounced back from the high yield from the previous week.
- The market is currently characterized by an inverted yield curve and high short-term rates.
- While long-term bond yields are softening, the Treasury Bill market, specifically the 9-month and 12-month tenors, continues to offer premium returns above 18%, suggesting a preference for short-term liquidity and a high-interest-rate environment.

# Global 10-year bonds softened

Bonds Yield	Two Weeks ago	Last Week	% 
US 10 YR	4.17	4.15	-0.02
JPY 10 YR	1.96	1.98	0.02
UK 10 YR	4.51	4.50	-0.01
ZAF10YR	8.46	8.40	-0.06
KEN10 YR	12.80	12.90	0.10
CHN10YR	1.86	1.81	-0.05
NIG 10YR	16.45	16.17	-0.28

- Global yields are broadly softening, particularly in the U.S., UK, China and South Africa, reinforcing expectations that the global tightening cycle is largely behind us.
- This supports risk appetite for emerging and frontier markets.
- Nigeria's 10Y yield fell more sharply than peers, signaling strong domestic demand for duration, likely driven by expectations of moderating inflation, improved liquidity conditions, or positioning ahead of policy easing.

# Total of N849.19 bn in maturities and coupon inflows expected this week



<b>Inflow source</b>	<b>This Week Amount (N)</b>	<b>Next Week Amount (N)</b>
<b>T-bills Maturities</b>	<b>70.86 bn</b>	<b>281.53 bn</b>
<b>OMO Maturities</b>	<b>537.75 bn</b>	<b>250 bn</b>
<b>FGN Bond Coupons</b>	<b>74.25 bn</b>	<b>112.15 bn</b>
<b>Corporate Bond Coupons</b>	<b>2.98 bn</b>	<b>8.93 bn</b>
<b>FGN Bond Maturities</b>	<b>-</b>	<b>-</b>
<b>Corporate Bond Maturities</b>	<b>4.9 bn</b>	<b>-</b>
<b>Commercial Paper Maturities</b>	<b>21.94 bn</b>	<b>196.58 bn</b>
<b>FAAC (States &amp; LG)</b>	<b>-</b>	<b>-</b>
<b>Total Estimated Inflow</b>	<b>712.68 bn</b>	<b>849.19 bn</b>

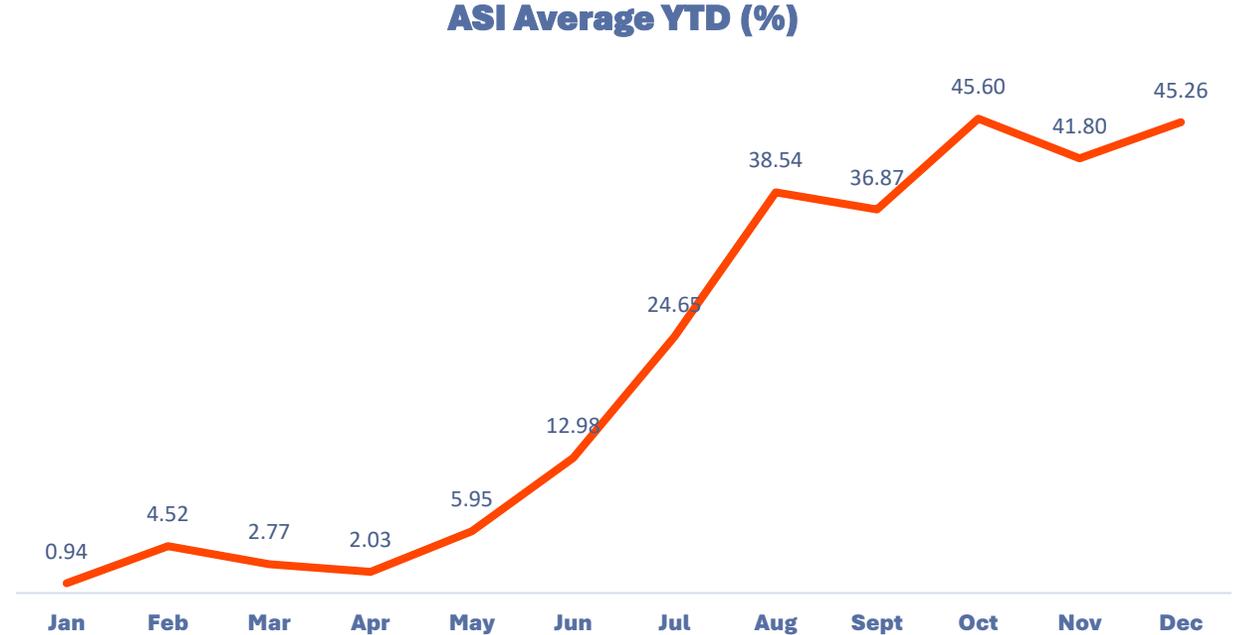


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# Stock Market

# ASI increased by 1.76% WoW

Key Market Indicators	Two weeks ago close	Last week close	%  
NGX All-Share	<b>149,433.25</b>	<b>152,057.38</b>	<b>1.76%</b>
Market Cap. (N'trn)	<b>95.264</b>	<b>96.937</b>	<b>1.76%</b>
Trade Volume (bn)	<b>0.572</b>	<b>1.504</b>	<b>162.94%</b>
Trade Value (N' bn)	<b>29.043</b>	<b>21.814</b>	<b>-24.89%</b>
No. of Deals	<b>20,418</b>	<b>25,644</b>	<b>25.60%</b>



The Nigerian equities market closed the week on a bullish note. NGX-ASI increased by 1.76% WoW to settle at 152,052.38 points.

Market capitalisation increased by N1.673 trillion to N96.937 trillion. The bullish run was largely driven by sustained interest in tickers like FIRSHTHOLDCO, BUAFOODS, BUACEMENT, GUINNESS, etc. Consequently, the market's year-to-date return increased to 47.73%.

Total traded volume improved by 162.94% to 1.504 billion units (WoW). The Financial Services industry led the volume chart with 8.295 billion shares valued at N232.223 billion traded in 50,351 deals; thus contributing 84.22% and 75.93% to the total equity turnover volume and value respectively.

# ASI increased by 1.76% WoW

## Top Price Gainers

Tickers	Open	Close	% $\triangle$
ALUMINIUM EXTRUSION IND. PLC	7.75	12.35	59.35%
MECURE INDUSTRIES PLC	37.95	55	44.93%
FIRST HOLDCO PLC	31.45	44.95	42.93%
GUINNESS NIG PLC	217.80	289.70	33.01%
NPF MICROFINANCE BANK PLC	3.10	3.74	20.65%
CHAMPION BREW. PLC	14.15	16.95	19.79%

## Top Price Losers

Tickers	Open	Close	% $\nabla$
LIVINGTRUST MORTGAGE BANK PLC	3.78	3.35	-11.38%
JAPPAUL GOLD & VENTURES PLC	2.66	2.38	-10.53%
INTERNATIONAL ENERGY INSURANCE PLC	2.52	2.27	-9.92%
FTN COCOA PROCESSORS PLC	4.90	4.42	-9.80%
STANBIC IBTC HOLDINGS PLC	105	95.20	-9.33%
ROYAL EXCHANGE PLC	1.93	1.77	-8.29%



The near-perfect correlation ( $r = 0.99$ ) between ASI and NGX30 suggests that the Nigerian equity market's overall performance is overwhelmingly influenced by the top 30 companies listed on the Nigerian Exchange (NGX)



# Forward Outlook

# Impact of global highlight on Nigeria

U.S. Fed Rate Cuts
Russia-Ukraine Peace Talks
Easing Inflation in Major Economies

- Lower U.S. interest rates reduce global dollar funding costs and encourage carry trades into high-yield emerging markets such as Nigeria.
  - This improves the outlook for foreign portfolio inflows into Nigerian fixed income and equities, supporting market liquidity and easing financial conditions.
- 
- Progress toward a peace deal has reduced geopolitical risk premiums in the oil market, pushing crude prices lower, with Brent averaging around \$59.89/bbl last week.
  - With major banks (JP Morgan, Goldman Sachs) projecting prices near \$59, Nigeria faces continued pressure on oil revenues and FX inflows, given its heavy reliance on crude exports.
- 
- Slowing inflation across advanced economies strengthens expectations of further global rate cuts, improving risk appetite for emerging markets.
  - For Nigeria, this supports portfolio inflows and naira stability, partially offsetting the negative impact of weaker oil prices on external balances.

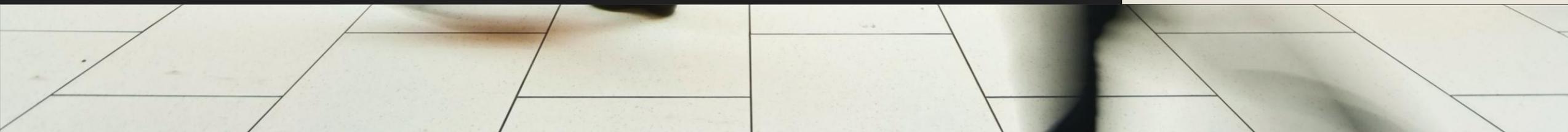
# Highlight for member banks & discount houses

<p>Asset side</p>
<p>Liability Side</p>
<p>What members should do</p>

- Lower interest rates in the U.S. and U.K. could support increased capital inflows into Nigeria, improving liquidity conditions and providing some support for bond and equity valuations.
  - However, weaker oil prices, compounded by difficulties in placing over 20 million barrels of Nigerian crude, will continue to weigh on FX inflows and keep pressure on the naira.
- 
- Global disinflation and easing monetary policy abroad could lower international borrowing costs for Nigerian banks accessing the Eurodollar and offshore funding markets.
  - Meanwhile, domestic interbank rates are likely to remain largely stable this week, as liquidity inflows from maturities and coupon payments remain modest.
- 
- **Position for a softer rate environment in 2026**, as CBN projects money supply growth of 9.24% and global central banks (Fed, BoE) are expected to continue easing.
  - **Maintain exposure to longer-tenor assets**, as declining rates would support valuations and capital gains.
  - **Adopt FX-risk-aware strategies**, given the MTEF (2026–2028) projection of naira depreciation toward N1,512/\$, including prudent hedging and balance-sheet matching.



**Thank you**



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