

FIRST IDEAS CAPITAL MARKET REPORT

FIRST IDEAS CAPITAL MARKET REPORT

A quarterly publication of First Ideas Limited

Number 84 August 2025

August 2025

KEY ECONOMIC INDICATORS

THE ECONOMY

	NIGERIA KEY ECONOMIC INDICATORS														
	31/3/22	30/6/22	30/9/22	31/12/22	31/3/23	30/6/23	30/9/23	31/12/23	31/3/24	30/6/24	30/9/24	31/12/24	31/3/25	30/6/25	Change
Bonny Light Crude Oil Prices (USD/B)quarter average	106.29	117.85	106.78	90.86	83.96	80.25	89.91	86.6	85.69	86.92	82.08	75.65	77.47	69.6	-10%
Average Crude Oil production quarter ended (mb/d)	1.49	1.43	1.2	1.34	1.51	1.22	1.45	1.55	1.57	1.41	1.47	1.54	1.62	1.68	4%
Real GDP growth Quarter ended	3.11%	3.54%	2.25%	3.52%	2.31%	2.51%	2.54%	3.46%	2.27%	3.48%	3.86%	3.76%	3.13%	4.23%	1.10%
Industry capacity utilization quarter ended	55.40%	47.69%	53.80%	52.87%	50.33%	51.59%	52.29%	52.41%	48.56%	50.10%	47.66%	51.33%			
External reserves (USD billion)*	39.28	39.22	37.39	36.55	35.14	33.75	32.79	33.22	32.292	34.7	39.29	40.19	37.82	37.32	-1%
Exchange Rate (N/USD)	416.25	415.72	432.87	449.05	461.38	770.88	769.26	899.89	1330.76	1470.69	1601.53	1535	1536.82	1529.71	0%
Net inflow of forex through CBN(USD billion)	-0.8	0.30	-1.30	-1.30	-1.70	-1.00	-0.80	0.10	-0.90	2.80	4.70	1.41			
Forex sales by CBN quarter ended(USD billion)	8.44	8.45	8.54	7.51	8.9	6.4	7.2	4.9	9	5.7	7.31	10.137			
I&E Fx interventon(USD billion)	1.4														
Headline Inflation Month ended	15.92%	18.60%	20.77%	21.34%	22.04%	22.79%	26.72%	28.92%	33.20%	34.19%	32.70%	34.80%	24.23%	22.22%	-2.0%
MPR	11.5%	13.0%	15.5%	16.5%	18.0%	18.5%	18.75%	18.75%	24.75%	26.25%	27.25%	27.50%	27.50%	27.50%	0.0%
91 days treasury bill yield	2.68%	4.64%	7.29%	4.54%	5.46%	2.99%	4.43%	4.95%	16.52%	19.09%	18.67%	26.08%	18.91%	18.45%	-0.5%
Interbank Call Rate Month ended	11.33%	11.10%	0.00%	12.00%	14.75%	11.66%	12.73%	16.99%	27.95%	25.13%	27.92%	28.71%	28.09%	25.14%	-3.0%
30 days NIBOR rate	1.99%	7.37%	12.12%	11.50%	16.33%	6.65%	7.50%	16.25%	23.20%	23.30%	26.99%	28.11%	26.90%	26.27%	-0.6%
FGN 10 years bond Yield	10.87%	12.50%	13.85%	14.75%	14.75%	14.70%	15.45%	16.00%	20.45%	21.50%	20.05%	22.00%	19.99%	18.53%	-1.5%
Prime Lending Rate(quarter average)	11.77%	12.03%	12.23%	13.08%	13.75%	13.99%	14.32%	14.20%	14.86%	15.64%	16.67%	18.09%	18.27%	18.17%	-0.1%
Credit growth to private sector quarter ended	3.30%	5.70%	5.40%	3.20%	3.00%	22.60%	14.10%	6.70%	13.70%	2.80%	3.60%	2.90%	-2.20%	0.20%	2.4%
Gross Banking Credit (Naira trillion)	23.45	25.00	26.16	27.27	28.03	35.01	36.17	40.97	49.61	55.71	58.57				
New Jobs created (Formal and Informal sectors)**															
CBN Standing lending Facilities granted (SLF) Nbillion	902.17	3,619.12	3,404.68	7,049.50	4,956.40	4,773.92	5,825.75		31,399.79	3,781.54	7,860.08		16,488	1,930	-88.3%
CBN Standing Deposit Facilities accepted (SDF) Nbillion	1,365.90	894.88	536.5	669.46	1924.2	1,296.40	2,442.89		1,695.04	4,964.02	4,646.32		5,186	14,218	174.2%
CBN credit to banks outstanding at quarter ended (N bil.)	1,729	1,961	2,006	1,937	1,944	1,917	1,720	1,643	1,503	1,431	1,316.58	1,293			
Foreign Direct investments Equites (USDm)	155	147	82	84	48	86	60	184	119	30	104	422	126		-70%
Foreign Portfolio Investments(Equities) (USDm)	32	13	7	5	222	9	8	11	49	150	85	144	117		-19%
Foreign Portfolio Investments (Bonds) (USDm)	310	322	204	144	301	85	21	67	421	178	70	331	877		165%
Foreign Portfolio Investments (Money Mkt.)(USDm)	616	423	231	136	126	13	58	232	1,605	1,077	745	3,524	4,210		19%
Foreign Other Investments (Loans/Trade Credit/Others)	461	631	636	691	434	837	508	595	1,181	1,170	250	668	311		-53%
Total Foreign Portfolio Investments (USDm)	958	757	442	285	649	107	87	310	2,076	1,405	899	3,999	5,205		30%
Total Foreign Investment Inflows (USDm)	1,573	1,535	1,160	1,061	1,131	1,030	655	1,088	3,376	2,605	1,253	5,089	5,642		11%
Note															
* External Reserves for 30/6/25 is 30 days moving average.															

Key Highlights in Q2 2025

- Nigeria's improved Real GDP Growth of 4.23% in Q2 2025 being highest quarterly growth in four years.

- *Enactment of Nigeria's Investment and Securities Act 2025 incorporating regulations for digital assets and investment contracts. The Act also incorporates regulations for Commodities Exchanges, strengthens Nigeria's Securities and Exchange Commission's (SEC) powers to regulate corporate restructurings and specifies stiffer penalties for market infractions, insider trading, market manipulation and unapproved Investment Schemes.*
- *Fitch Rating Agency upgrade of Nigeria's Rating from B- to B with Stable Outlook attributed to Federal Government of Nigeria (FGN) commitment to economic reforms.*
- *IMF downward revision of Nigeria's 2025 GDP Forecast on 22nd April 2025 from 3.4% to 3.0% arising from expected impact of Trump Tariffs on global oil prices and global demand.*
- *Moody's upward review of Nigeria's Rating from Caa1 to B3 with Stable Outlook attributed to significant improvement in Nigeria's External Fiscal Position.*
- *Publication of World Bank Global Economic Prospects for June 2025 on 11th June 2025 reviewing downwards 2025 Global GDP Growth by 0.4% to 2.3%. World Bank however reviewed upwards Nigeria's 2025 GDP forecast by 0.1% to 3.6%.*
- *Central Bank of Nigeria (CBN) termination of regulatory forbearance on COVID 19 Non-Performing Loans of Banks and breaches on the 20% Single Obligor Limits of Banks effective June 30th 2025. CBN also announced temporary suspension of dividend payment, staff bonuses and investment in foreign subsidiaries until breaches are resolved.*
- *Enactment of Nigeria's Tax Act 2025 and two subsidiary Tax Acts on 26th June 2025 aimed at increasing tax revenues, broadening the tax base and simplifying multiple tax laws. The Tax law which takes effect from January 1, 2026 exempts those earning below N800,000/annum from income tax while increasing taxation on those earning above N20 million/annum. The threshold for qualifications for income tax exemption of small companies was also increased from turnover of N20 million to N50 million. The new law however increased capital gains tax to 30% and removes the current exemption from capital gains tax on capital market investments for transactions of more than N150 million within the year. Capital gains will however be computed after offsetting capital losses and will only apply if proceeds are not reinvested in securities. Many current and prospective investors have expressed strong reservations on the impact of the capital gains tax provision.*

Nigeria recorded impressive economic growth in the second quarter of 2025 with year-on-year Real GDP Growth of 4.23%. This was the highest growth rate in 4 years post 2021 COVID-19 recovery. This performance was attributable principally to recovery in Nigeria's crude oil production. Nigeria's Oil Real GDP Growth increased from 1.87% in Q1 2025 to 20.46% in Q2 2025, highest growth rate since Q3 2017. Non-Oil Real GDP Growth also increased from 3.19% in Q1 2025 to 3.64% in Q2 2025. Nigeria's H1 2025 Real GDP Growth was 3.7%, ahead of World Bank 2025 Full Year Forecast of 3.6% and IMF July 2025 forecast of 3.4%.

The key drivers of Non-Oil GDP Growth in the second quarter are Agriculture, Telecommunications, Real Estate/Construction and Finance with Real GDP Growth of 2.82%, 7.39%, 4.11% and 16.13% respectively. All major economic sectors recorded positive growth during the quarter.

ANALYSIS OF SECTORAL CONTRIBUTION IN Q2 2025				
Sector	% Contribution	year on year	quarter on quarter	Weighted cont. to growth
		Q2 2025/Q2 2024	Q2 2025/Q1 2025	
		Growth%	Growth %	
Oil	4%	20.46%	6.01%	0.8%
Non-oil	96%	3.64%	3.67%	3.5%
Agriculture	26%	2.82%	16.40%	0.7%
Telecom	9%	7.39%	12.24%	0.7%
Real Estate & Construction	16%	4.11%	-5.64%	0.7%
Finance	3%	16.13%	-7.13%	0.5%
Trade	18%	1.29%	4.18%	0.2%
Manufacturing	8%	1.60%	-15.81%	0.1%

International crude oil prices crashed in April 2025 following the announcement of United States tariffs on trading partners. The price of Brent crude declined by 14% on 4th April to a low of USD64/barrel and declined further to 4 years low of USD60/barrel during the month. Prices partly recovered during the quarter as tariffs were reviewed, and implementation deferred but remained depressed as OPEC+ increased production quotas from May 2025. The average price of Nigeria's Bonny light Crude declined by 10% from USD77.47/barrel in Q1 2025 to USD69.6/barrel in Q2 2025.

Nigeria's crude oil production however recovered in the second quarter with average production increasing from 1.62 million barrels per day (mbpd) in Q1 2025 to 1.68 mbpd in Q2 2025, the highest level in 4 years. This trend has continued in the third quarter with Nigeria's July 2025 average and peak production of crude oil and condensates of 1.71 mbpd and 1.84 mbpd respectively. This trend has been attributed to enhanced security, decline in oil diversion and increasing investment in oil infrastructure.

Nigeria's Trade Balance in Goods increased from N5.2 trillion in Q1 2025 to a recent high of N7.5 trillion in Q2 2025. This is attributable to the 7% decline in imports and 3% increase in exports. The increase in exports is attributable to the 73% increase in exports of refined petroleum products and gas which offset the decline in crude oil and non-oil exports. Nigeria's Current Account Balance increased from USD3.7 billion in Q1 2025 to USD5.3 billion in Q2 2025 representing 8.02% of GDP.

Nigeria's Gross External reserves declined marginally from USD37.82 billion on 31/3/25 to USD37.32 billion on 30/6/25. Naira exchange rate remained stable during the quarter with official rate appreciating marginally from N1,536/USD on 31/3/25 to N1,529.71/USD on 30/6/25. The parallel market/BDC rate however declined marginally by 1% to N1,570/USD on 30/6/25.

Nigeria's Inflation rates remained high but declined marginally during the second quarter accelerating the declining trend in the first quarter. Headline Inflation declined from 24.23% in March 2025 to 22.22% in

June 2025. This is attributable to the stability in Naira exchange rates and decline in pump prices of Petroleum Products. Core Inflation (All Items less Farm Produce) declined from 24.15% in March 2025 to 22.43% in June 2025.

This trend continued in the third quarter with Headline Inflation declining to 20.12% in August due principally to decline in Food Inflation. Month-on-month Headline Inflation annualized declined from 26.7% in July 2025 to 9.3% in August 2025. The Inflation outlook in the last quarter is positive with the onset of the Harvest season.

Credit Growth to the Private Sector turned positive in the second quarter with marginal growth of 0.2%. Higher lending growth is expected in the second half with anticipated easing of monetary tightening by the CBN and as banks conclude their capital raising exercises.

Recent Developments

Conclusion of 2025 IMF Article IV Consultation with Nigeria

IMF Board concluded the 2025 Article IV Consultation with Nigeria on 2nd July 2025 confirming the conclusions of the April 2025 staff assessment. The IMF commended the successful implementation of major economic reforms by the Nigerian Government which has resulted in improved macroeconomic stability, improved funding of the foreign exchange market, enhanced investor confidence and resumption of foreign portfolio inflows. IMF revised Nigeria's 2025 GDP Growth Forecast from 3% to 3.4%, slightly below World Bank revised forecast of 3.6%.

Some key economic forecasts of Nigeria's economy in the July 2025 IMF report are set out below:

	2024 Estimate	2025 forecast
Inflation (annual average)	31.4%	24%
Inflation (end of year)	15.4%	23%
Fiscal Deficit/GDP	-2.6%	-4.7%
Gross Fed Govt Public Debt/GDP	52.9%	52%
Fed Govt Interest/Revenue	41.1%	47.3%
Current Account/GDP	9.2%	7.0%
Export Growth	-4.5%	-6%
Import Growth	-0.8%	-6.8%
Price of Nigeria's Bonny light crude/barrel	USD79.9	USD67.7
External Debt (Public and Private)	USD102.2 billion	USD105.9 billion
Gross External Reserves	USD40.2 billion	USD36.4 billion
Import cover for goods and services	5.7 months	7.5 months

2025 Nigeria's GDP Rebasing

Nigeria Bureau of Statistics published the outcome of the 2025 rebasing exercise in July 2025 changing the base year for GDP computation from 2010 to 2019. The rebasing estimates also reflects changes in the structure of Nigeria's economy increasing the share of Agriculture sector from 22.12% to 25.83% while reducing the share of Industry from 27.65% to 21.08% in the base year. The share of Services Sector increased from 50.22% to 53.09%. The rebased Nominal GDP figures increased significantly with 2019 Nominal GDP increasing by 41.7% over the previous computations, 39% increase in 2020, 38.9% increase in 2021, 36.1% increase in 2022, 34.6% increase in 2023 and 35.4% increase in 2024.

Other notable changes arising from the rebasing exercise include:

- Better coverage of Water Transport activity and Service Sector.
- Better coverage of Agricultural activities.
- Increase in contribution of Informal Sector to GDP from 41.4% to 42.5%.

Nigeria Insurance Sector Recapitalization

The Nigerian insurance Industry Reform Act 2025 was enacted on 31st July 2025 increasing the minimum capital requirement of insurance companies by 400% and capital requirement for reinsurance companies by 250%. The new capital requirements for Life, Non-Life, Composite and Reinsurance are N10 billion, N15 billion, N25 billion and N35 billion respectively effective 30th June 2026 for existing operators. The law also introduced a risk-based capital framework by specifying minimum capital adequacy ratio of 100% for each line of business. Insurance Capital Adequacy Ratio is defined as Capital divided by Required Risk Based Capital for chosen lines of business as specified by National Insurance Commission (NAICOM). NAICOM is expected to issue guidelines on the composition of minimum capital, acceptable forms of capital, qualifying assets and standardised template for computation of minimum capital.

Schedule of Insurance Industry new Minimum Capital Requirement			
Naira Billion			
	Old	New	
Life	2	10	
Non-Life	3	15	
Composite	5	25	
Reinsurance	10	35	



Empowering Businesses, Enabling Growth.

Your Trusted Banking Partner



Corporate
Banking



Business
Banking



Prestige
Banking



Global
Custody



International
Banking

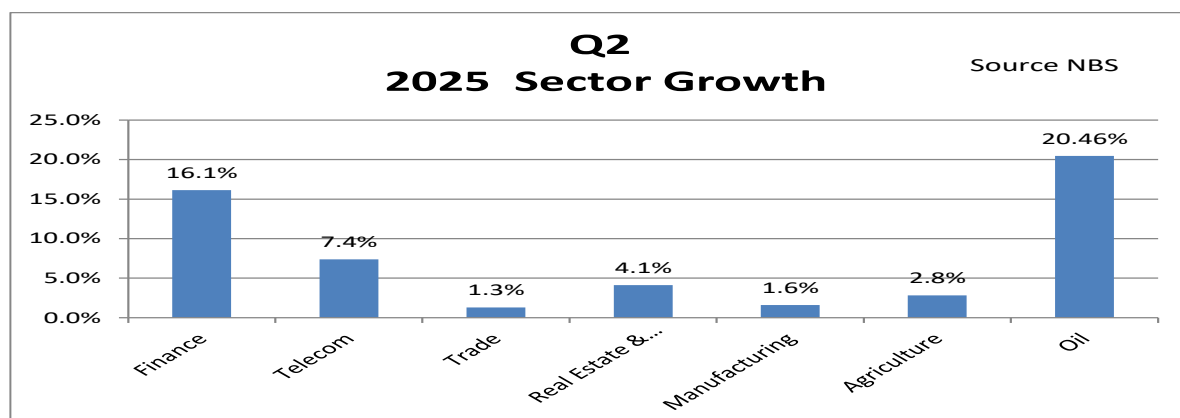
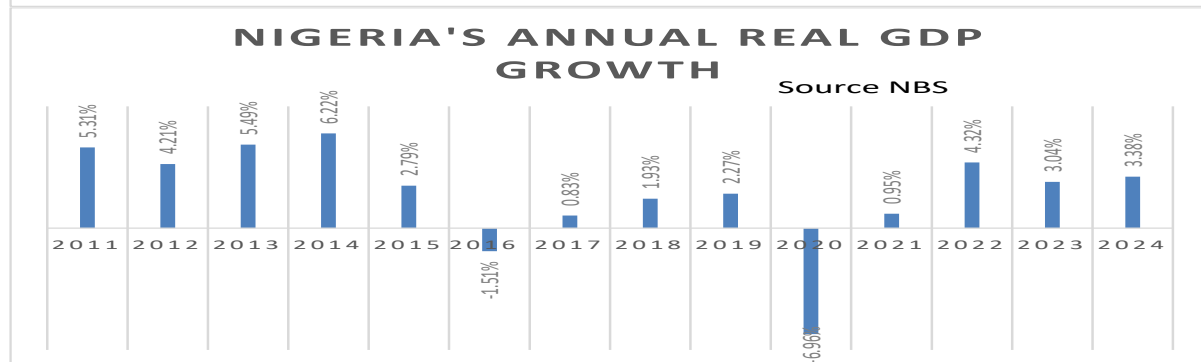
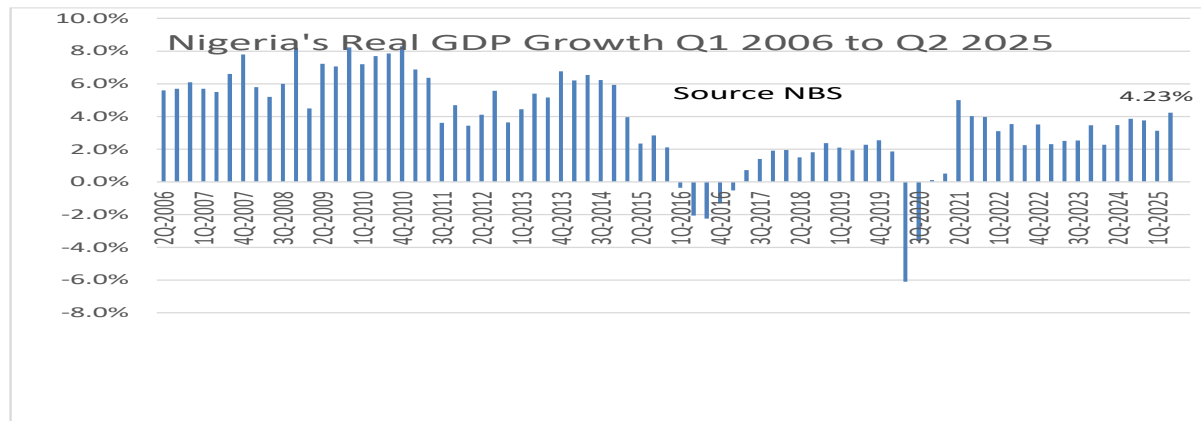
FSDH Merchant Bank

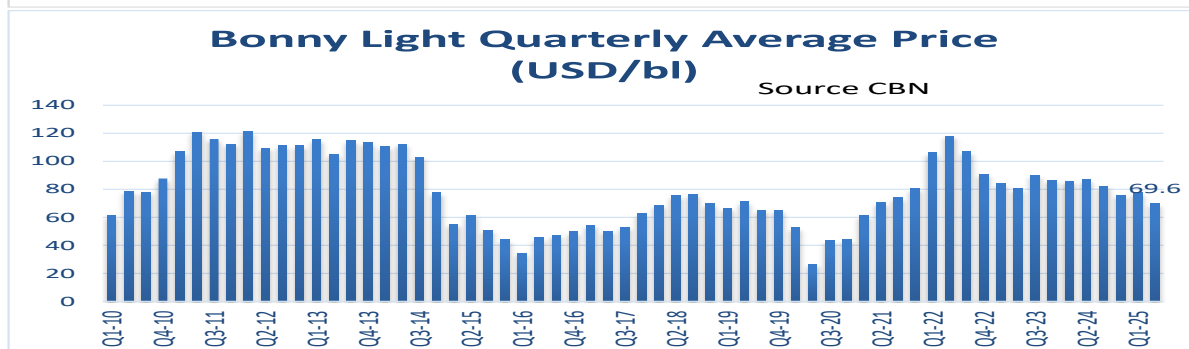
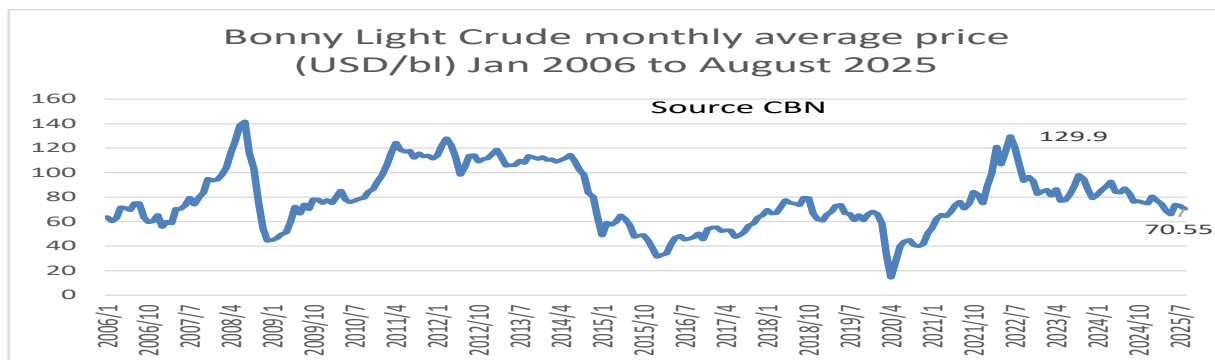
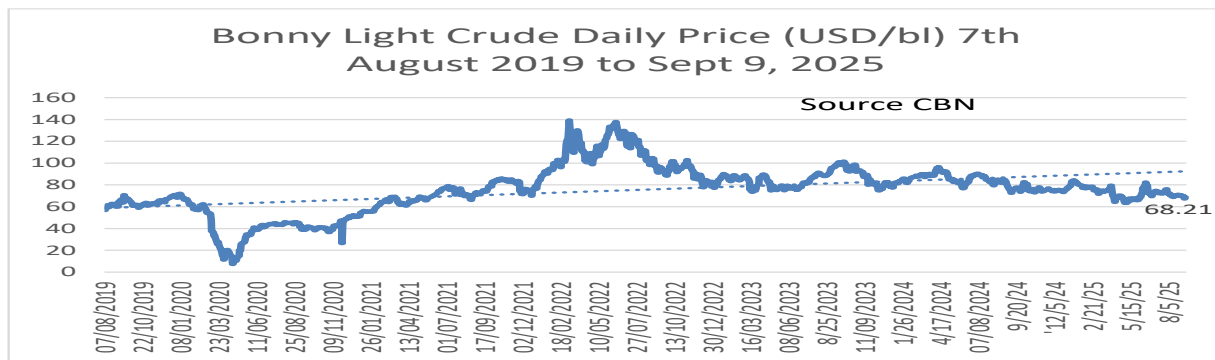
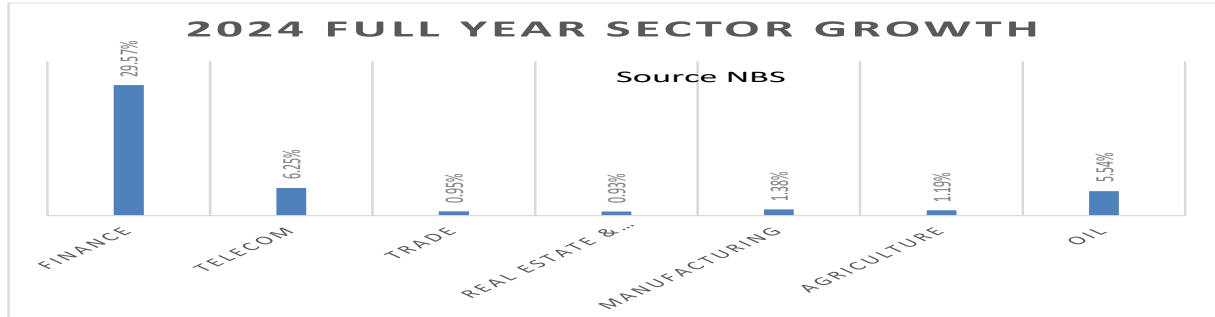
Your trusted partner on your journey to success

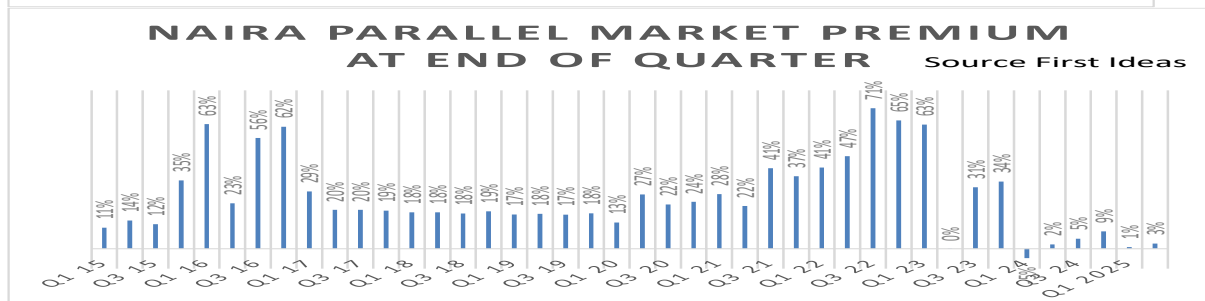
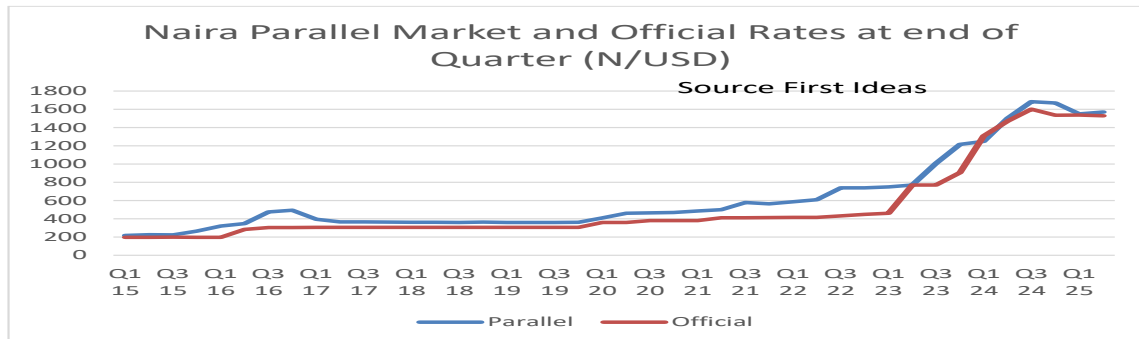
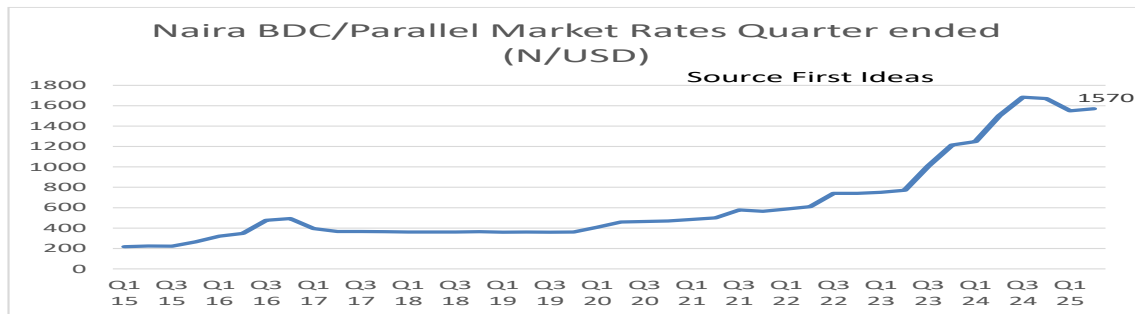
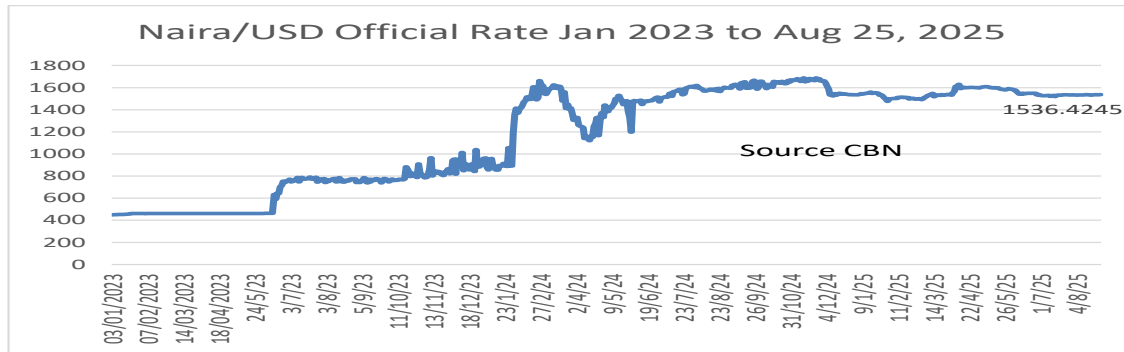
5th, 6th & 8th Floor, UAC House, 1/5 Odunlami Street, Marina, Lagos.
☎ 02-012702880 | 02-017008890 ✉ customerservice@fsdhgroup.com

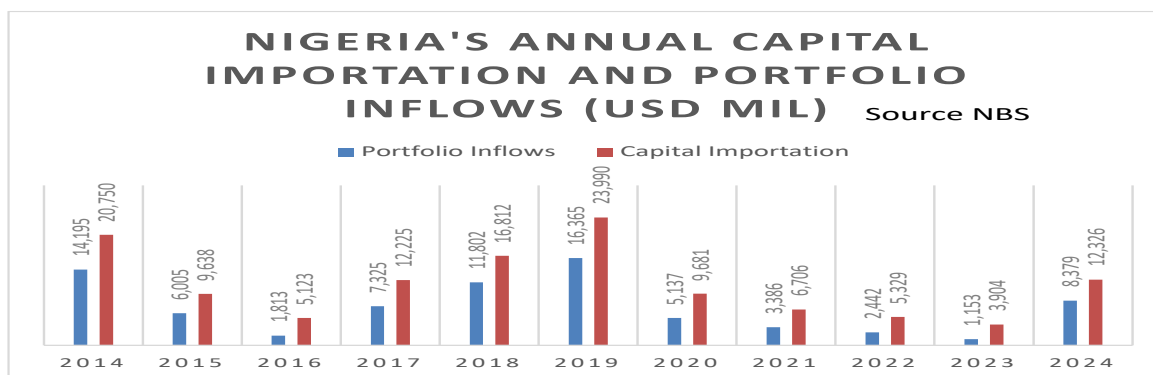
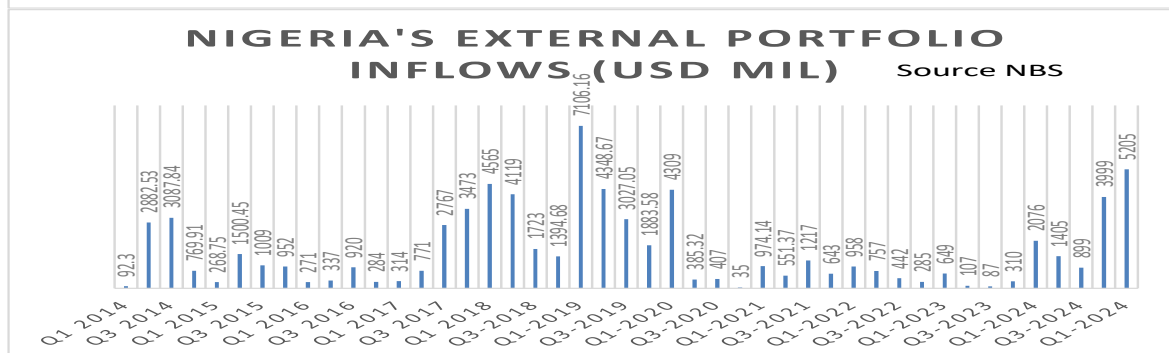
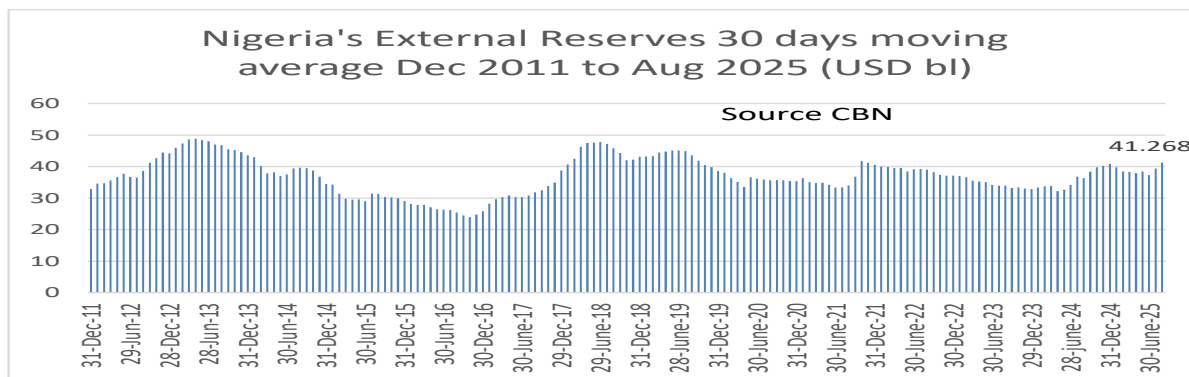
www.fsdhmerchantbank.com

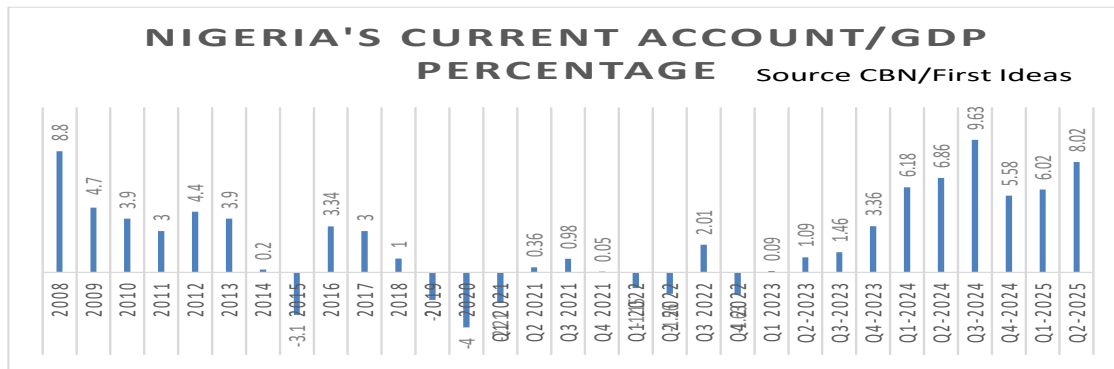
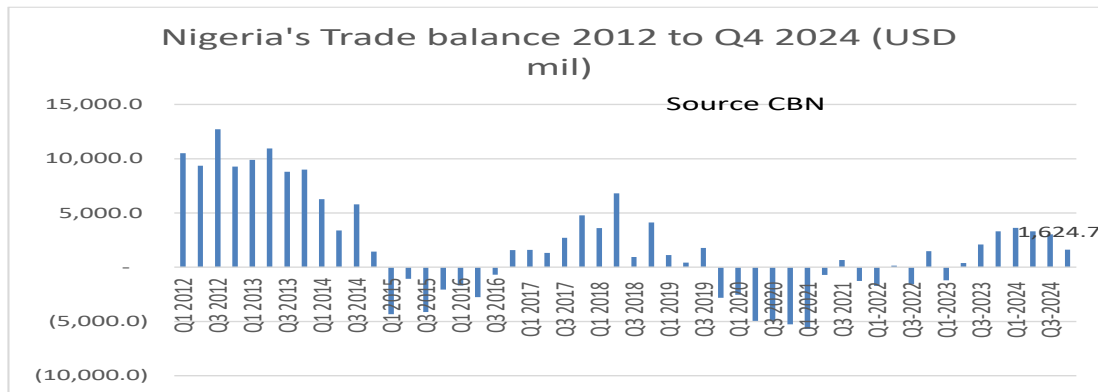
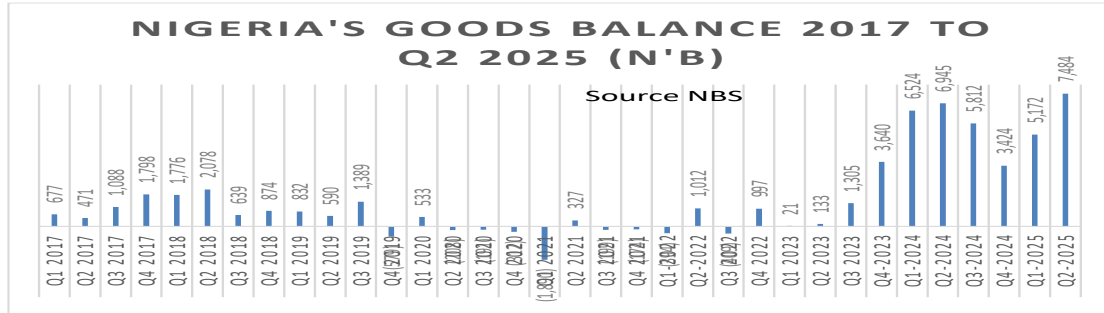
Together, we achieve more.

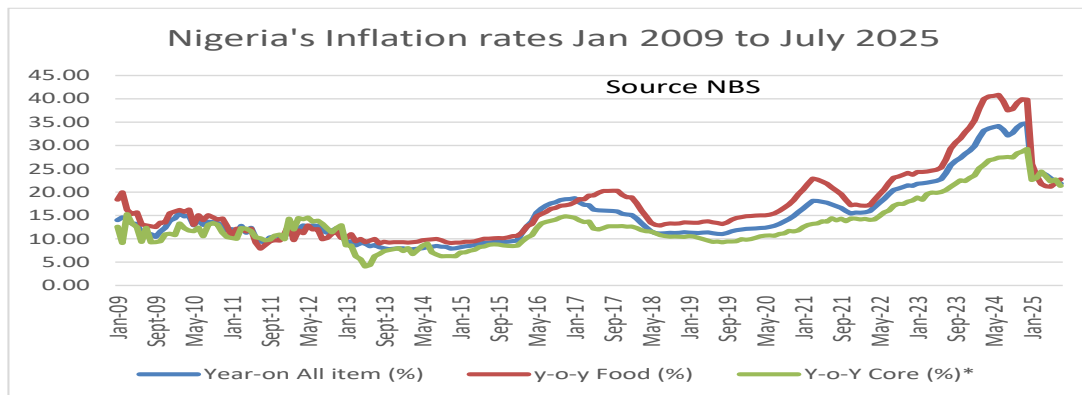
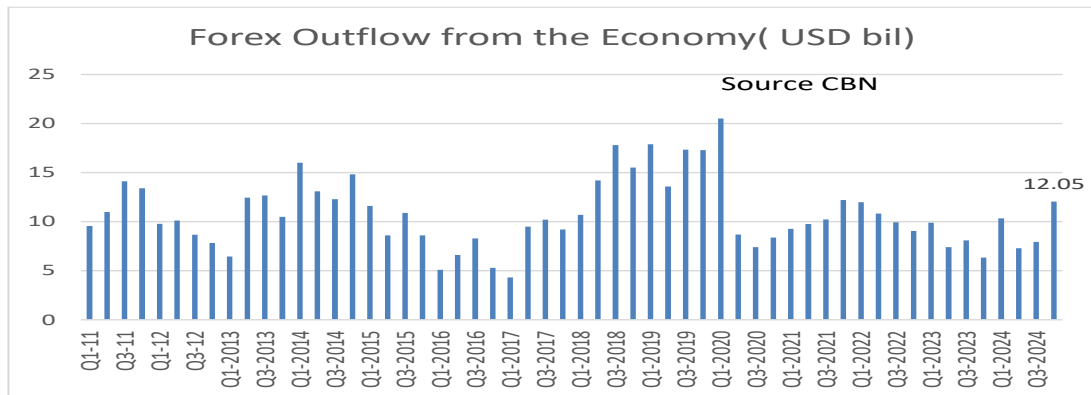
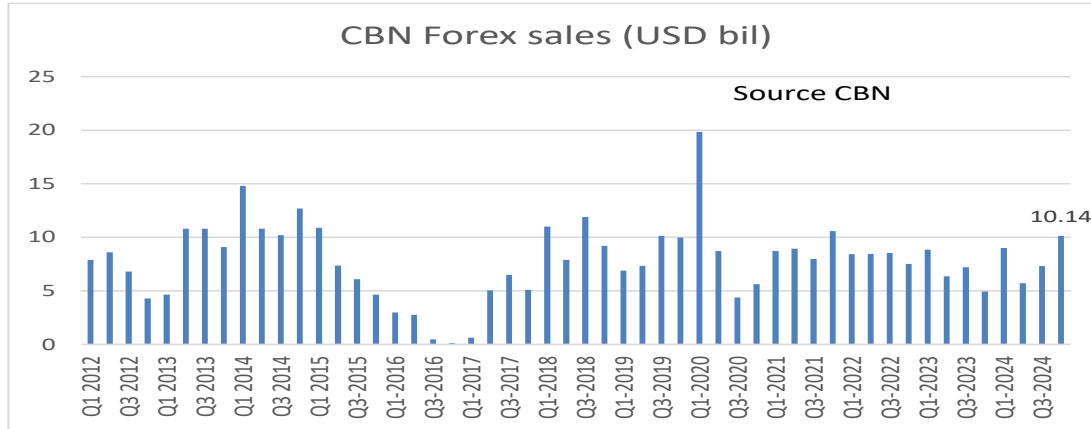


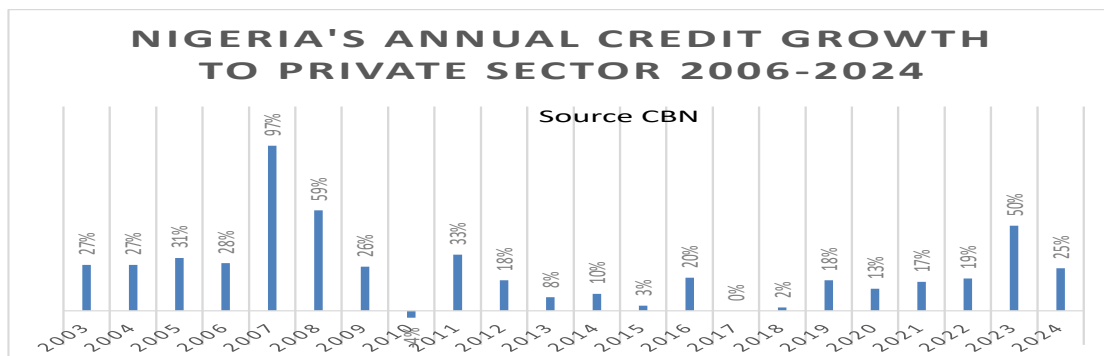
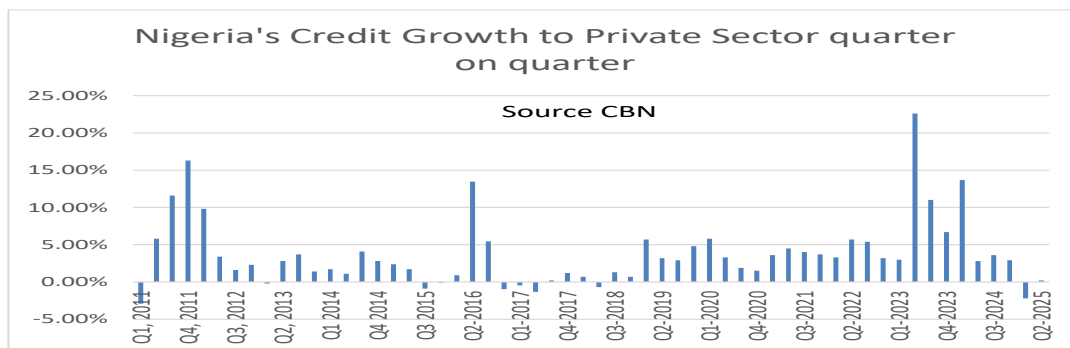
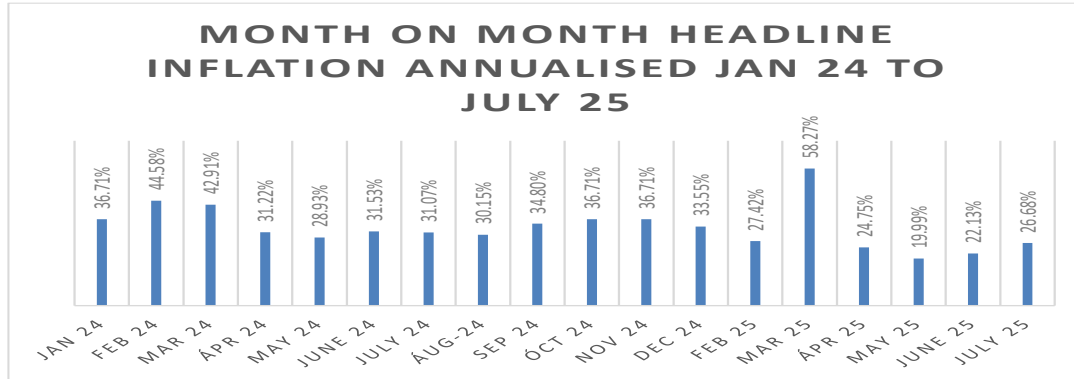




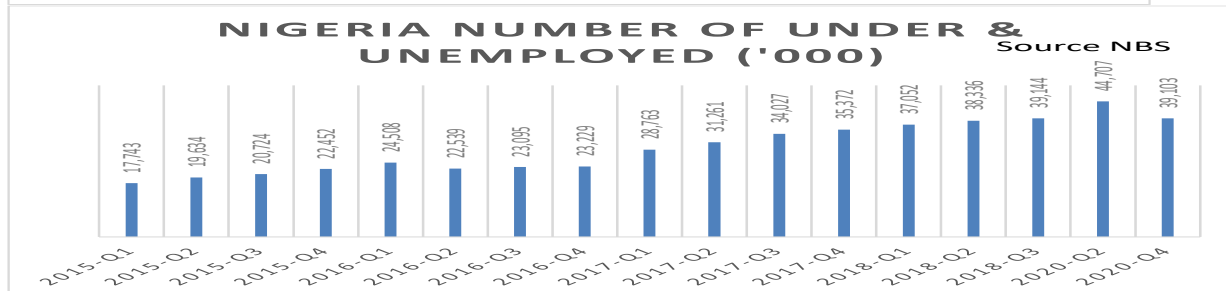
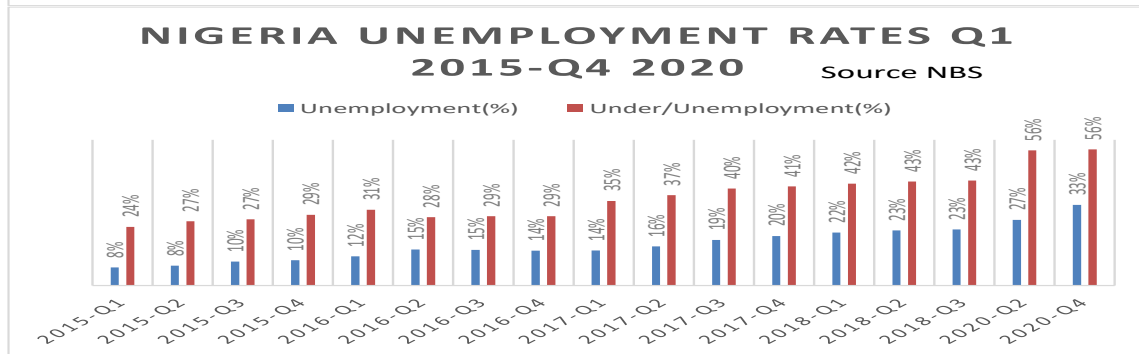
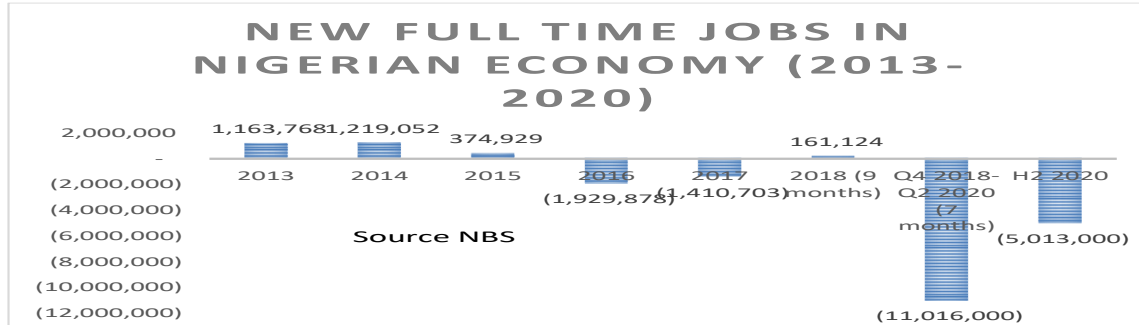








STATES INDEBTEDNESS TO IGR								
			Domestic Debt	External Debt	External Debt	Total Debt	Total Debt/IGR	Dom Debt/IGR
SN	State	2024 IGR	30/6/25	USD 30/6/25	Naira 30/6/25	30/6/25	%	%
1	Fct	282,364,055,025.74	71,039,338,984.16	19,269,113.14	29,466,530,139.38	100,505,869,123.54	36%	25%
2	Jigawa	59,455,563,495.20	852,491,342.21	24,513,242.03	37,485,907,101.32	38,338,398,443.53	64%	1%
3	Delta	157,785,188,072.55	204,666,760,117.20	57,074,566.88	87,279,026,955.85	291,945,787,073.05	185%	130%
4	Enugu	180,500,141,598.36	180,485,161,520.83	114,347,639.58	174,861,611,095.95	355,346,772,616.78	197%	100%
5	Rivers	317,303,986,832.38	364,393,017,374.54	181,072,746.67	276,898,345,471.60	641,291,362,846.14	202%	115%
6	Lagos	1,261,556,415,048.56	1,041,357,087,184.18	1,049,792,354.34	1,605,353,491,076.45	2,646,710,578,260.63	210%	83%
7	Akwa Ibom	75,768,017,871.08	105,824,394,610.86	40,346,871.68	61,698,859,815.21	167,523,254,426.07	221%	140%
8	Bayelsa	64,013,288,202.51	65,993,834,388.94	56,539,731.99	86,461,151,826.29	152,454,986,215.23	238%	103%
9	Ogun	194,933,884,872.57	162,920,708,896.41	214,725,589.66	328,360,626,326.76	491,281,335,223.17	252%	84%
10	Kano	74,771,014,335.51	56,892,550,590.17	114,252,564.30	174,716,220,979.49	231,608,771,569.66	310%	76%
11	Kogi	32,012,618,177.80	18,792,839,601.84	55,353,153.07	84,646,622,882.75	103,439,462,484.59	323%	59%
12	Oyo	65,287,038,267.92	83,156,151,128.99	88,551,558.24	135,413,972,651.97	218,570,123,780.96	335%	127%
13	Osun	54,767,865,323.88	82,338,117,792.57	80,271,117.84	122,751,436,247.67	205,089,554,040.24	374%	150%
14	Borno	27,803,527,850.21	22,278,670,480.92	56,213,085.94	85,961,641,256.85	108,240,311,737.77	389%	80%
15	Zamfara	25,455,960,759.33	56,881,890,339.74	30,115,702.39	46,053,248,309.66	102,935,138,649.40	404%	223%
16	Ondo	31,251,840,302.79	10,648,962,168.83	77,845,226.63	119,041,737,937.48	129,690,700,106.31	415%	34%
17	Anambra	42,689,648,058.74	28,067,504,864.23	98,519,843.60	150,657,579,291.48	178,725,084,155.71	419%	66%
18	Plateau	31,139,826,680.23	74,409,154,362.03	37,289,166.35	57,022,984,718.67	131,432,139,080.70	422%	239%
19	Nassarawa	25,518,692,329.97	23,936,985,062.53	58,728,259.29	89,807,870,752.99	113,744,855,815.52	446%	94%
20	Katsina	39,152,790,613.55	20,190,133,136.12	114,614,170.81	175,269,193,451.45	195,459,326,587.57	499%	52%
21	Abia	40,009,340,912.93	48,583,564,446.34	105,229,454.09	160,917,986,103.70	209,501,550,550.04	524%	121%
22	Kebbi	16,971,704,831.43	14,973,180,758.10	52,431,168.89	80,178,293,993.86	95,151,474,751.96	561%	88%
23	Sokoto	20,845,754,441.54	49,626,468,400.28	52,213,646.40	79,845,656,318.17	129,472,124,718.45	621%	238%
24	Edo	91,153,908,548.19	80,317,889,106.83	337,810,095.49	516,582,745,029.31	596,900,634,136.14	655%	88%
25	Gombe	20,724,823,840.00	76,919,781,892.37	38,797,673.54	59,329,809,752.94	136,249,591,645.31	657%	371%
26	Yobe	11,084,367,202.33	38,014,515,821.27	23,083,952.53	35,300,222,590.38	73,314,738,411.65	661%	343%
27	Ekiti	35,213,748,270.98	49,980,503,415.66	121,117,403.95	185,214,005,853.08	235,194,509,268.74	668%	142%
28	Niger	34,660,234,106.71	141,522,659,382.18	69,058,839.69	105,605,502,771.77	247,128,162,153.95	713%	408%
29	Benue	20,434,774,732.75	133,525,573,968.57	23,409,729.23	35,798,403,740.67	169,323,977,709.24	829%	653%
30	Taraba	17,460,514,087.44	93,930,389,545.01	33,314,187.78	50,944,405,752.15	144,874,795,297.16	830%	538%
31	Cross River	47,018,239,529.33	147,279,394,623.54	201,453,244.35	308,064,416,519.09	455,343,811,142.63	968%	313%
32	Imo	25,270,602,765.46	97,982,924,684.97	107,672,568.13	164,654,021,746.36	262,636,946,431.33	1039%	388%
33	Adamawa	20,298,222,818.56	75,352,240,348.65	99,975,215.10	152,883,148,670.68	228,235,389,019.33	1124%	371%
34	Ebonyi	13,177,829,475.63	15,768,074,459.57	95,554,378.26	146,122,758,556.16	161,890,833,015.73	1229%	120%
35	Bauchi	32,427,554,765.85	143,620,360,833.67	172,778,161.11	264,214,178,140.10	407,834,538,973.77	1258%	443%
36	Kaduna	71,574,658,542.97	24,088,652,881.87	658,707,751.77	1,007,302,810,438.08	1,031,391,463,319.95	1441%	34%
37	Kwara	71,197,075,565.91	57,317,235,717.36	4,988,382,278.00	7,628,286,557,531.52	7,685,603,793,248.88	10795%	81%
	Total	3,633,054,718,156.89	3,963,929,164,233.54	9,750,425,452.74	14,910,452,981,797.30	18,874,382,146,030.80	520%	109%



LABOUR FORCE STATISTICS Q4 2020								
State	Labour Force	Work 40 Hrs	Work 20 -39 Hrs	Full/Under-employee	Total unemployed	total unemployed	Unemployment Rate	Unemployment Rate
		Fully employed	Underemployed			Underemployed		Underemployment Rate
Imo	1,946,682	340,034	504,123	844,157	1,102,525	1,606,648	56.64%	82.53%
Adamawa	1,639,013	334,964	404,413	739,377	899,636	1,304,049	54.89%	79.56%
Cross River	1,860,552	531,024	331,325	862,350	998,203	1,329,528	53.65%	71.46%
Yobe	579,117	149,878	124,793	274,671	304,446	429,239	52.57%	74.12%
Akwa Ibom	2,475,522	799,644	413,272	1,212,917	1,262,605	1,675,877	51.00%	67.70%
Abia	1,635,467	557,064	259,477	816,541	818,926	1,078,403	50.07%	65.94%
Edo	1,446,453	507,889	229,466	737,354	709,099	938,564	49.02%	64.89%
Kaduna	2,505,417	826,930	567,396	1,394,327	1,111,091	1,678,487	44.35%	66.99%
Anambra	2,150,796	845,310	354,426	1,199,737	951,059	1,305,485	44.22%	60.70%
Borno	1,061,155	349,193	253,053	602,246	458,909	711,962	43.25%	67.09%
Rivers	3,940,441	1,606,693	694,827	2,301,520	1,638,921	2,333,747	41.59%	59.23%
FCT Abuja	1,643,252	763,787	215,533	979,320	663,931	879,464	40.40%	53.52%
Ebonyi	1,069,939	405,094	235,167	640,261	429,678	664,845	40.16%	62.14%
Kogi	1,983,882	639,056	571,628	1,210,684	773,198	1,344,826	38.97%	67.79%
Niger	1,716,829	648,164	402,501	1,050,665	666,164	1,068,665	38.80%	62.25%
Jigawa	1,462,821	292,872	603,972	896,843	565,978	1,169,949	38.69%	79.98%
Lagos	4,971,488	2,900,094	224,790	3,124,884	1,846,604	2,071,394	37.14%	41.67%
Bayelsa	955,031	315,844	288,838	604,682	350,349	639,187	36.68%	66.93%
Bauchi	1,792,629	641,220	537,881	1,179,102	613,527	1,151,409	34.22%	64.23%
Ekiti	1,450,037	675,929	307,084	983,013	467,025	774,109	32.21%	53.39%
Enugu	1,712,751	806,520	364,616	1,171,135	541,616	906,231	31.62%	52.91%
Taraba	990,728	319,819	358,347	678,166	312,561	670,909	31.55%	67.72%
Gombe	826,246	279,272	288,687	567,959	258,287	546,974	31.26%	66.20%
Delta	2,669,869	1,197,426	640,963	1,838,388	831,481	1,472,444	31.14%	55.15%
Nasarawa	1,102,696	431,276	342,494	773,769	328,927	671,421	29.83%	60.89%
Plateau	1,284,574	607,157	335,864	943,021	341,553	677,417	26.59%	52.73%
Kano	2,827,830	1,228,531	882,213	2,110,744	717,086	1,599,299	25.36%	56.56%
Katsina	1,735,849	888,365	408,676	1,297,041	438,808	847,484	25.28%	48.82%
Oyo	3,315,261	2,067,690	651,242	2,718,932	596,329	1,247,571	17.99%	37.63%
Kebbi	1,237,910	595,193	429,148	1,024,341	213,570	642,717	17.25%	51.92%
Ondo	2,495,918	1,466,286	603,095	2,069,381	426,537	1,029,632	17.09%	41.25%
Kwara	1,458,151	937,371	279,430	1,216,801	241,350	520,780	16.55%	35.72%
Ogun	2,370,574	1,748,592	234,080	1,982,672	387,902	621,983	16.36%	26.24%
Sokoto	1,121,328	743,911	215,068	958,978	162,349	377,417	14.48%	33.66%
Zamfara	1,559,110	705,966	650,577	1,356,542	202,568	853,144	12.99%	54.72%
Benue	2,832,948	1,260,804	1,232,833	2,493,637	339,311	1,572,144	11.98%	55.49%
Osun	1,847,205	1,157,580	474,344	1,631,924	215,281	689,624	11.65%	37.33%



FROM BUILDING WEALTH TO SECURING YOUR FUTURE

We've got you covered

Our Services

- ✓ Securities Trading
- ✓ Corporate Finance & Advisory
- ✓ Asset Management
- ✓ Insurance Brokerage &
- ✓ Outsourcing / Management Services



Plot 688, Ahmodu Tijani Close
Off Sanusi Fafunwa Street
Victoria Island, Lagos

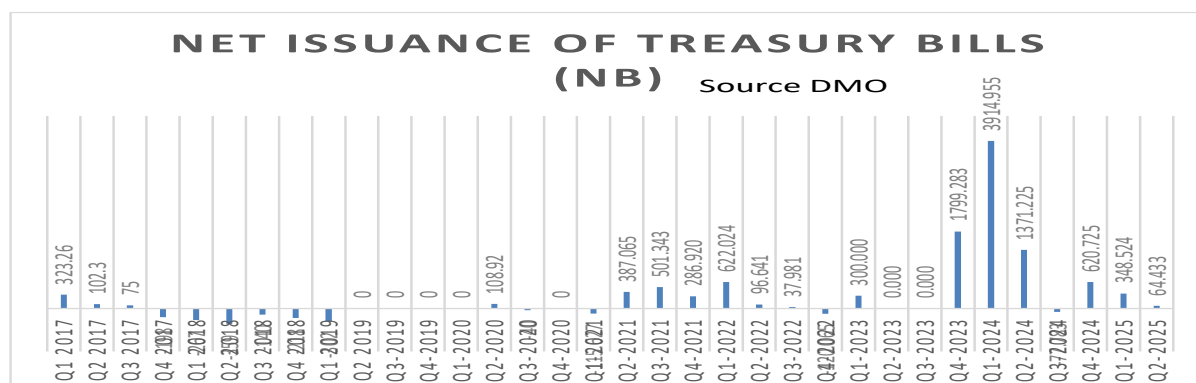


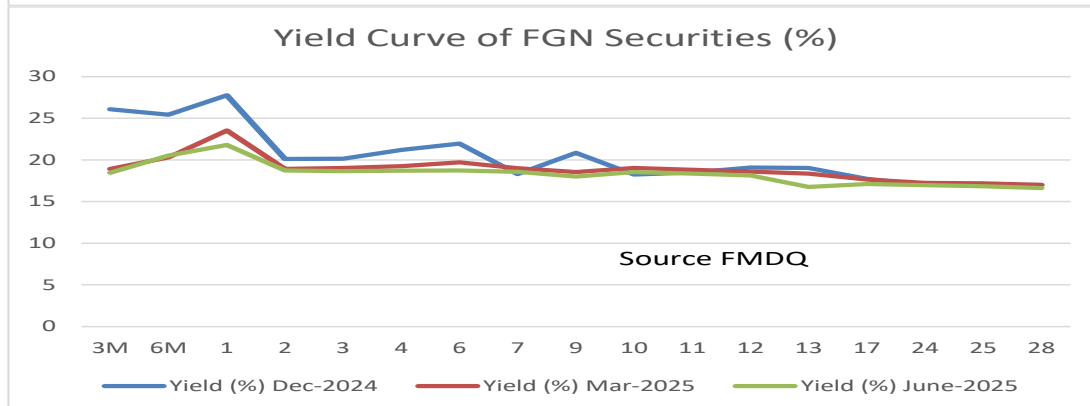
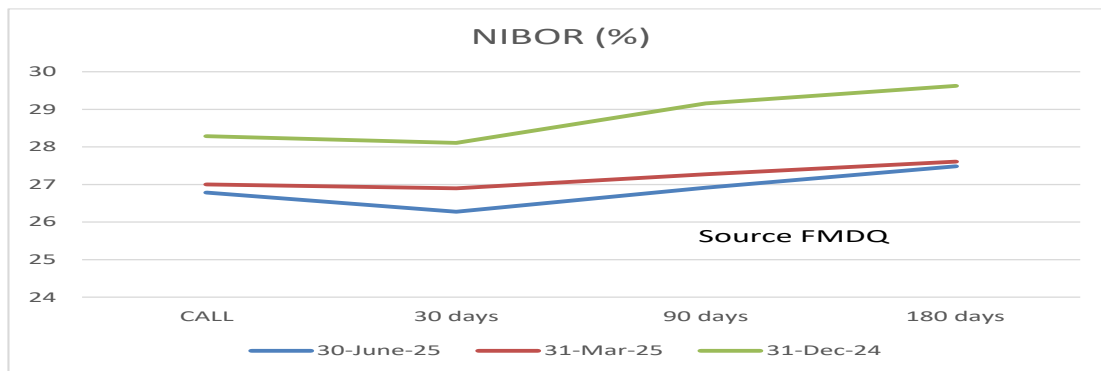
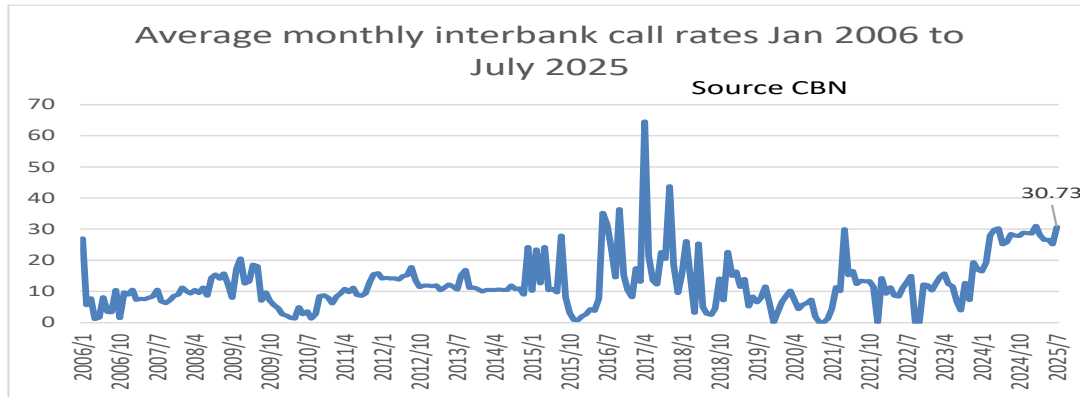
081-515-90112

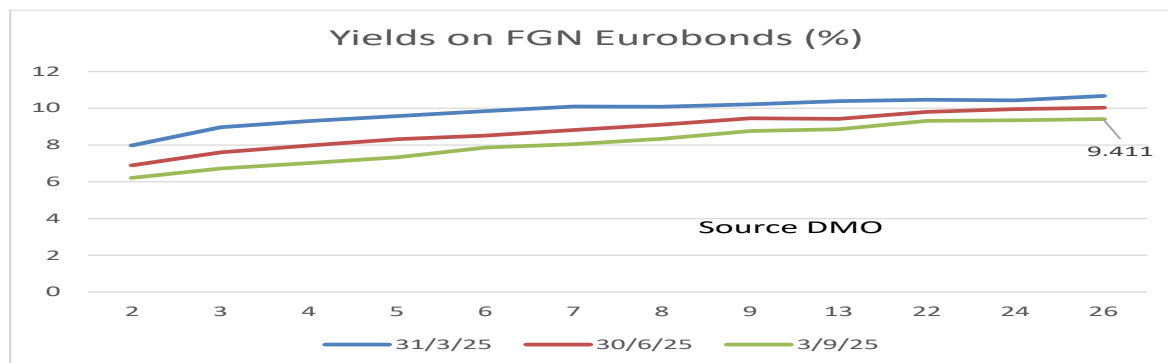
FSL Capital Limited is registered and regulated by the Securities and Exchange Commission, Nigeria

THE MONEY MARKET

Short term interest rates in Nigeria continued to decline in the second quarter reflecting improving liquidity, increasing demand for fixed interest securities by foreign and domestic investors and decline in volume of treasury bills issued by Federal Government of Nigeria (FGN). Net new issue of Nigeria Treasury Bills declined by 82% in the second quarter. Monthly average interbank rates declined from 28.9% in March 2025 to 25.14% in June 2025. NIBOR declined by an average of 37 basis points during the quarter with 3 months and 6 months NIBOR closing at 26.91% and 27.41% respectively on 30/6/25. Nigeria Treasury Bill yields declined sharply by an average of 266 basis points with 3 months, 6 months and 1-year bills closing at 18.45%, 20.51% and 21.79% respectively. Real yields on money market instruments have however remained negative as the high Inflation rates continue to trend downwards.







THE BOND MARKET

The yield curve of FGN Bonds remained inverted with the highest yields at the short end. Average yields on medium to long term FGN Bonds declined by 55 basis points in the second quarter with secondary market yields on the benchmark 10 years bond closing at 18.53%, slightly above the primary market yield of 17.95%. This is broadly in line with the trend in money market yields. A major driver of the decline in yields was the scaling back of supply at the monthly auctions with net issuance of FGN Bonds declining by 51%, from N1.9 trillion in Q1 2025 to N0.9 trillion in Q2 2025. Bid to Cover ratio in June 2025 DMO FGN Bond auction was a recent high of 603% representing unsuccessful bid value of N503 billion. Gross FGN Bond issuance at the DMO auctions in H1 2025 was N2.8 trillion while total net issuance of FGN Bonds including restructured Ways and Means securities during the period was N5.6 trillion.

Turnover on the FGN Bond Over the Counter Market (OTC) declined by 10% from N8.1 trillion in Q1 2025 to N7.3 trillion in Q2 2025.

The volume of new issues of Corporate Bonds in the Nigerian capital markets increased from N82.5 billion in Q1 2025 to N152.9 billion in Q2 2025. Details of the three issues during the quarter are as follows:

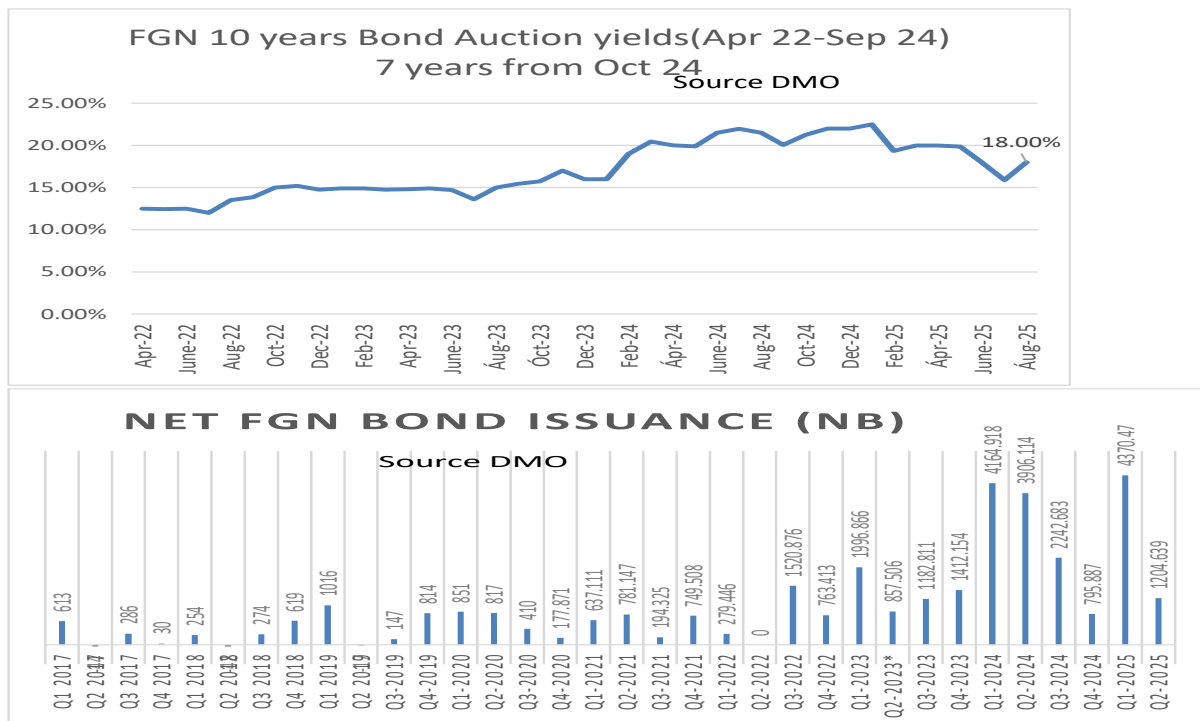
- Presco Plc N82.896 billion 23.75% 7 years Bonds due 2032.
- Taj Bank N20 billion 20.5% Perpetual Sukuk Bond.

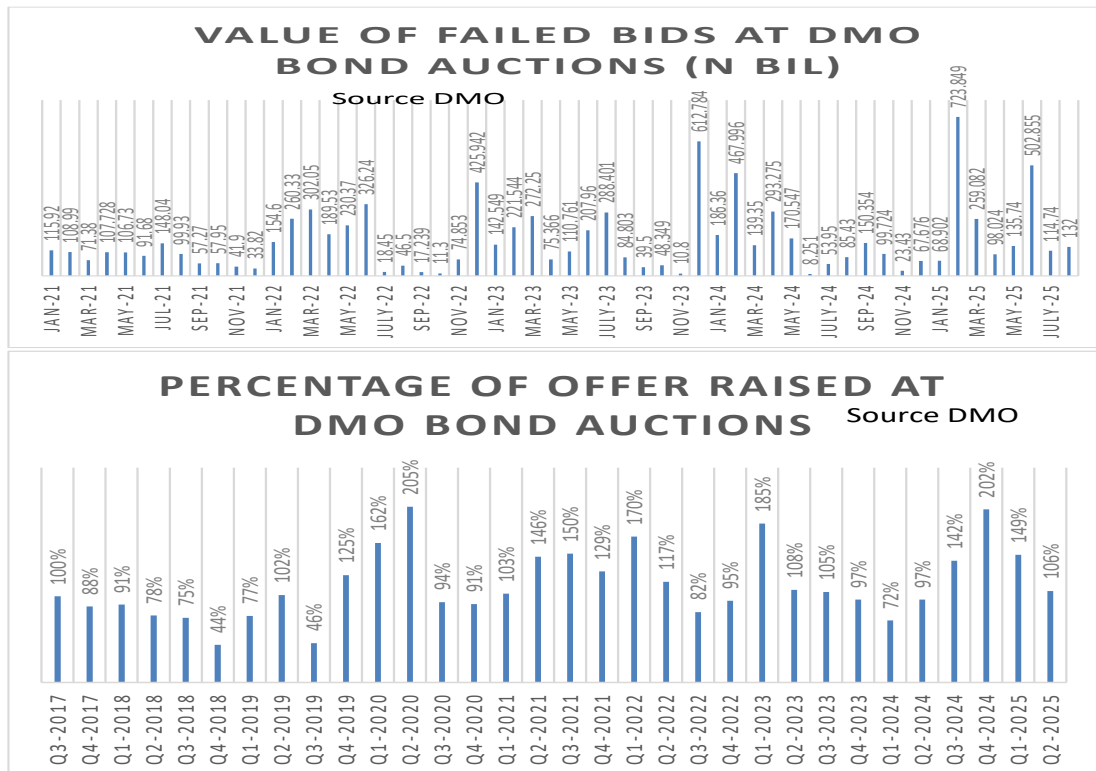
- TSL SPV Plc (Flow Mill Distribution Limited) N50 billion 21% 10 years Guaranteed Fixed Rate Infrastructure Bond due 2035. Bond guaranteed by Infrastructure Credit Guarantee Company (Infracredit).

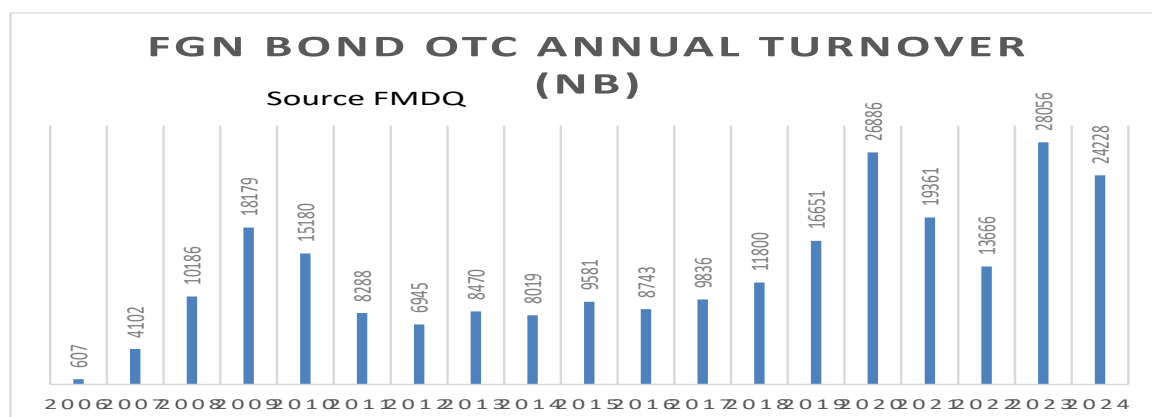
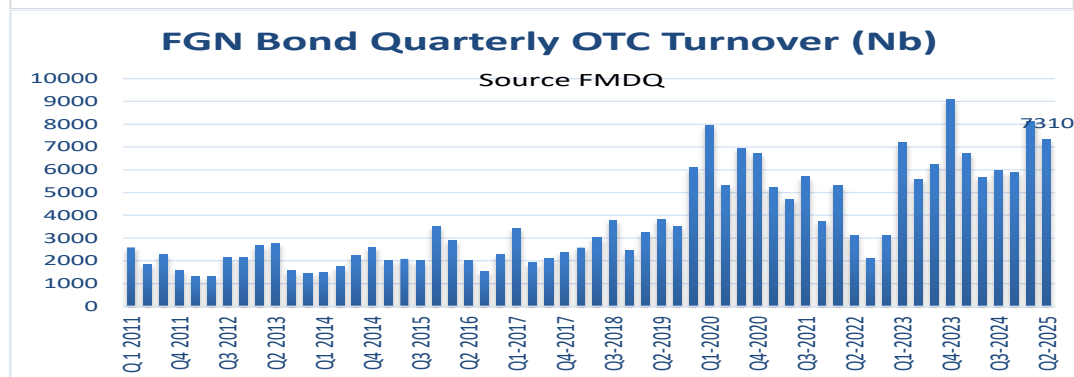
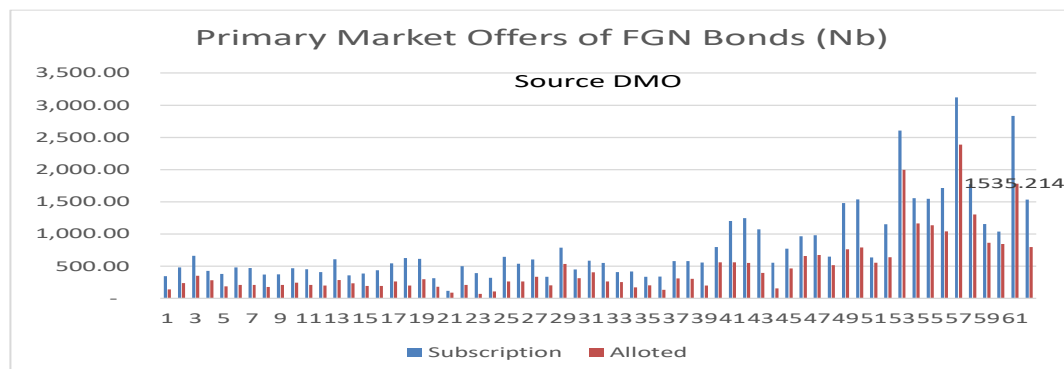
There was no Subnational Bond issued during the quarter. Special FGN Naira Bond issuance during the period include:

- FGN N300 billion 7 years 19.75% Sukuk Bond due May 2032.
- FGN N47.355 billion Green Bond at yield of 18.95%.

The major external borrowing concluded by domestic listed entities was the USD125 million 4 years Eurobond issued in May 2025 by Ecobank Transnational Incorporated (ETI) at yield of 10.125%.







THE EQUITY MARKET

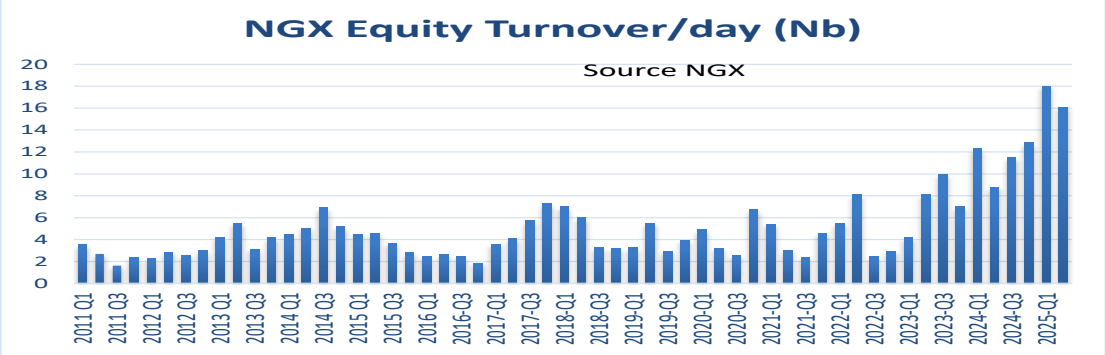
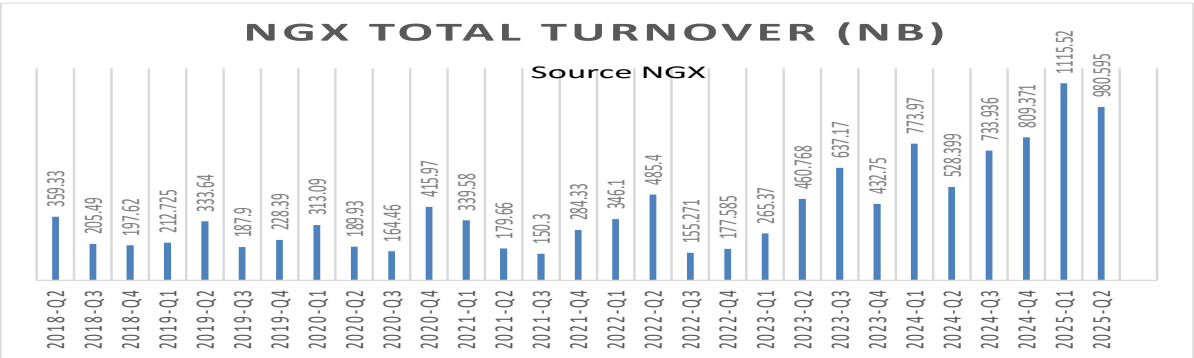
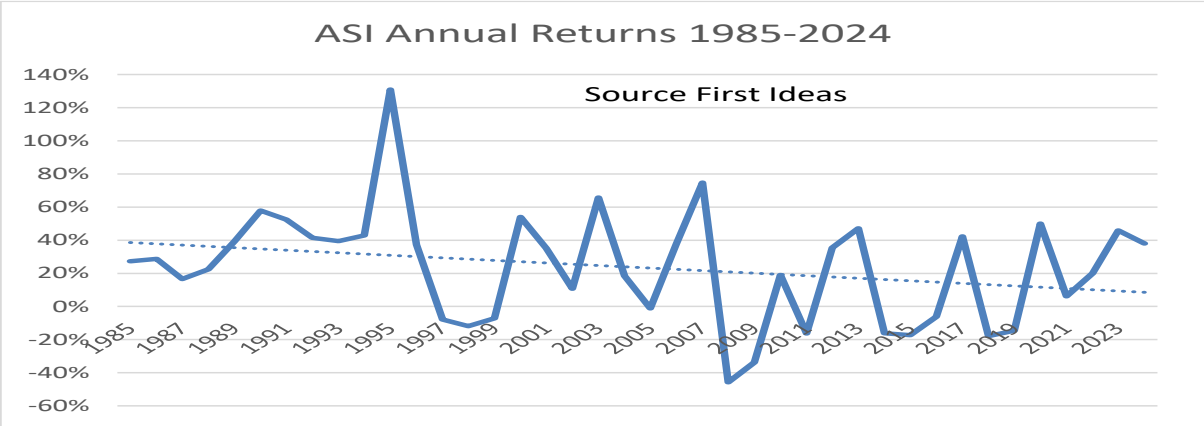
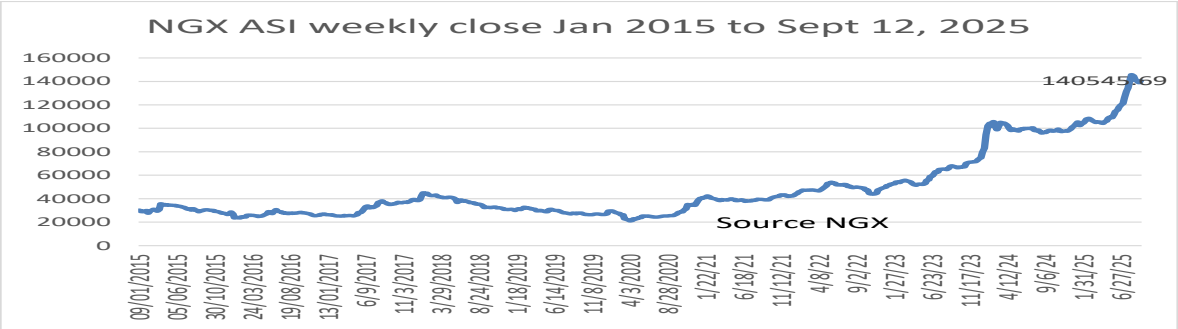
Activities in the primary market for equities declined further in the second quarter, from N388 billion in Q1 2025 to N231.3 billion in Q2 2025. Details of the four issues during the quarter are as follows:

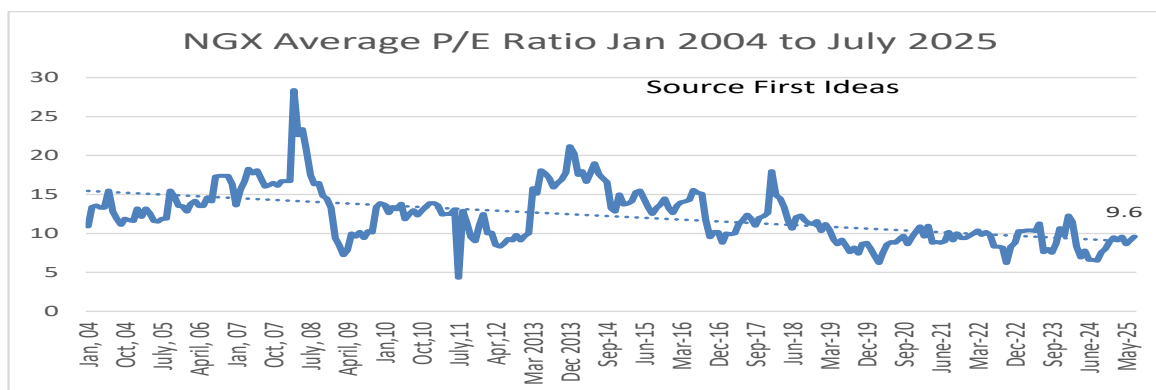
- Wema Bank Plc N149.3 billion Rights issue of ordinary shares at N10.45/share. The issue which opened on 14th April 2025 was fully subscribed.
- Wema Bank Plc N50 billion Private Placement at N11/share. The issue was fully subscribed.
- Multi-Trax Integrated Foods Plc N3.2 billion Private Placement of ordinary shares.
- Sterling Financial Holdings Company Plc N28.8 billion Rights Issue of ordinary shares at N4/share. Issue was 93% subscribed.

Bank recapitalization exercises are expected to sustain new issue activities in the second half ahead of compliance deadline of March 31st 2026.

Other developments in the equity market during the quarter include:

- Completion of First Holdco Plc N149.6 billion Rights Issue at N25/share. The issue was 125% subscribed.
- Listing by introduction of Legend Internet plc on the NGX at N5.64/share representing valuation of N11.28 billion.
- Airtel Africa Plc announcement of opening of the second tranche of its Share Buy Back Program valued at USD55 million.
- Opening of N650 million mandatory offer to minority shareholders of Great Nigeria Insurance Plc at N1.3/share on 11th June 2025. The offer by Resources Consulting Services Limited for 13% shareholding followed its acquisition of 75% controlling shareholding in May 2016.
- Announcement on 12th June 2025 of the result of the N38.99 billion Mandatory Offer to minority shareholders of Guinness Nigeria Plc at N81.6/share. The offer received 58% acceptance valued at N22.9 billion.





NSE ALL SHARE INDEX QUARTERLY PERFORMANCE

Date	Q2 2024	Q3 2024	Q4 2024	31.12.24 Year	Q1 2025	Q2 2025	H1 2025
ASI	100,057.49	98,558.79	102,926.4	102,926.4	105,660.64	119,978.57	119,978.57
Growth	-4.31%	-1.5%	+4.43%	+37.65	+2.66%	+13.55%	+16.57%

Average Dividend Yield as at 30/6/25 (First Ideas Index): 3.7%

2025 Prospective P/E Ratio (First Ideas Index un-weighted) as at 30/6/25: 9.1

Market Capitalization (Equity) as at 31/12/24: N62.763 trillion (USD40.9 billion)

Market Capitalization (Equity) as at 30/6/25: N70.46 trillion (USD46.06 billion)

Equities Daily Average Turnover in Q2 2025: N16.08 billion (USD10.51 million)

Currency Exchange rate (NAFEM) as at 31/12/24: N1,535.81/USD. Change in 2024: -71%

Currency Exchange rate (NAFEM) as at 30/6/25: N1,529.71/USD. Change in H1 2025: 0%

Trading days Q2 2025: 61

2024 Full Year Comparative Indices Performance in local currency

NGX All Share Index (ASI): +37.65%

JSE All Share Index (JSE AS): +9.35%

Egypt EGX 30: +19.47%

MSCI Emerging Markets (USD): +5.05%

Kenya NSE 20: +33.94%

H1 2025 Comparative Indices Performance in local currency

NGX All Share Index (ASI): +16.6%

JSE All Share Index (JSE AS): +14.5%

Egypt EGX 30: +10.5%

MSCI Emerging Markets (USD): +13.7%

Kenya NSE 20: +21.4%

The Nigerian Stock Market turned bullish in the second quarter as a result of improving macroeconomic indices, stability in exchange rate, declining Inflation rates, dividend growth by quoted banks and strong turnaround in earnings of non-bank corporates. Growth in the NGX All Share Index (ASI) increased from 2.66% in the first quarter of 2025 to 13.55% in the second quarter. Growth in the ASI of 16.57% compares favorably with the performance of comparative indices and the Morgan Stanley Emerging Market Index growth of 13.7%.

Equity Turnover on the NGX declined by 12% in the second quarter principally due to the block sale of Guinness Nigeria Plc in the first quarter. Q2 2025 Equity Turnover increased by 25% after adjustment of Q1 2025 Turnover. This growth was principally driven by increased participation of domestic investors. Domestic Retail Investors were net buyers during the period while Domestic Institutional Investors were net sellers. Foreign Portfolio Equity inflows declined by 58% in the second quarter while Foreign Portfolio Equity Outflows declined by 63%. Net Foreign Portfolio Equity Inflows was positive reflecting the sharper slowdown in outflows.

All major NGX Sector Indices except Oil & Gas recorded positive growth during the quarter. The leading sectors in H1 2025 were Consumer Goods and Banking with positive growth of 52% and 18% respectively. The worst performance was recorded by the Oil & Gas Sector Index with negative growth of -10%.

NGX Sector Rankings					
Sector	Full year 2024	Q1 2025	Q2 2025	H1 2025	
Consumer Goods	54%	5%	45%	52%	
Banking	21%	7%	10%	18%	
Insurance	123%	-3%	8%	5%	
Industrials	32%	-2%	4%	2%	
Oil & Gas	160%	-9%	-1%	-10%	

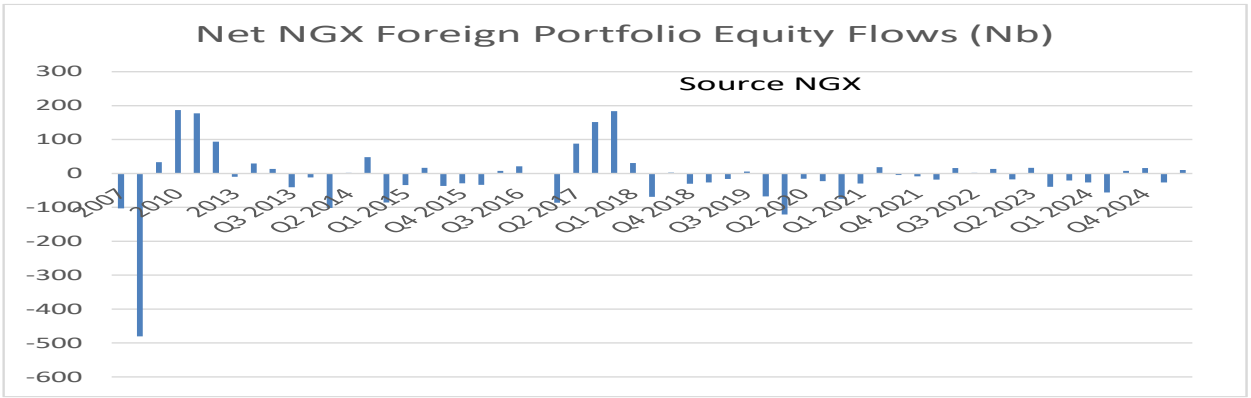
The leading sectors in our First Ideas unweighted Index in H1 2025 are Pharmaceuticals, Agriculture, Breweries and Food Beverages with average capital appreciation of 125%, 123%, 87% and 54% respectively. Sectors with the worst performance were Construction and Oil & Gas with negative return of -28% and -9% respectively.

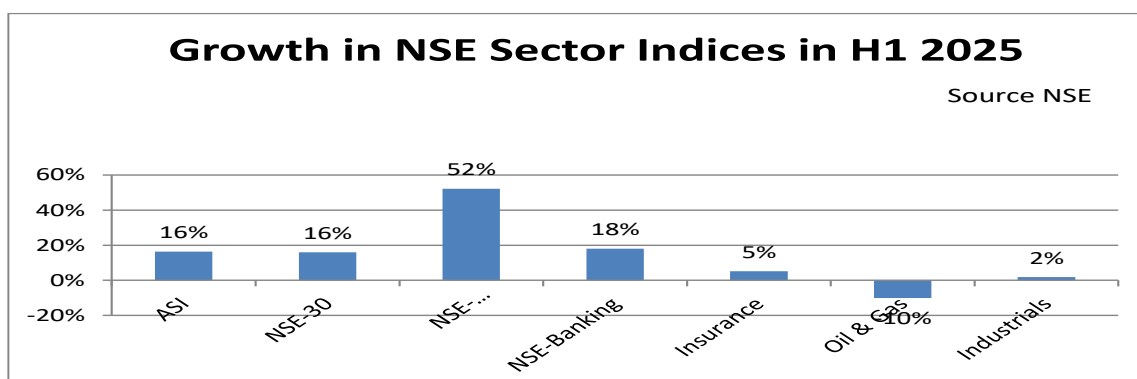
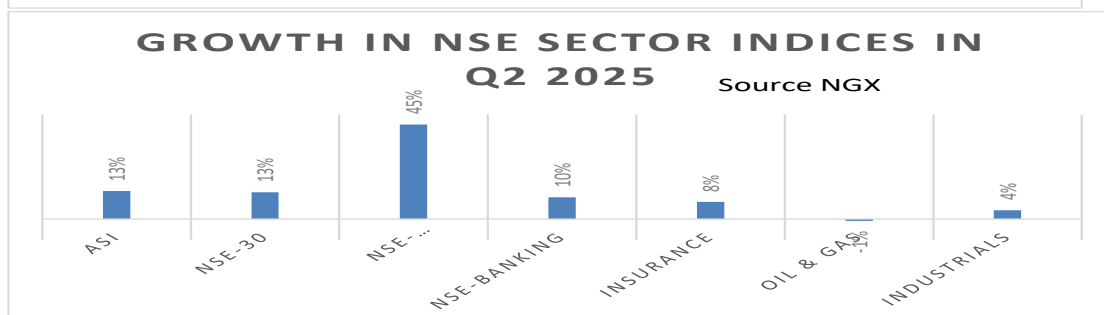
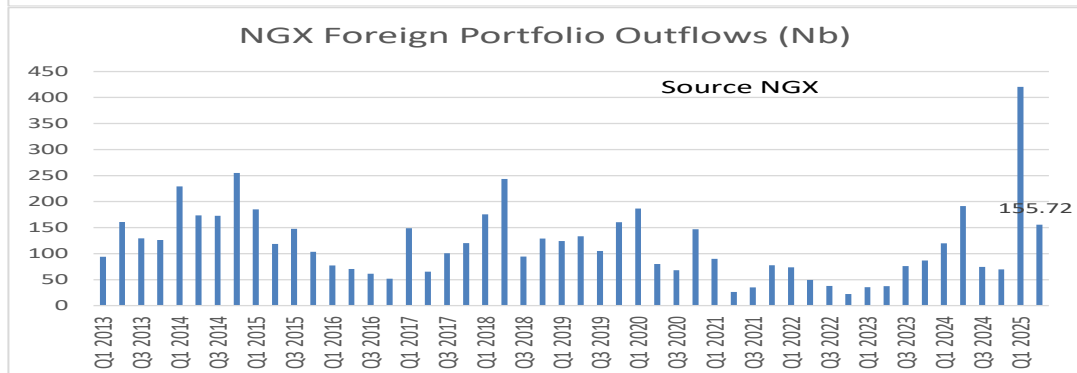
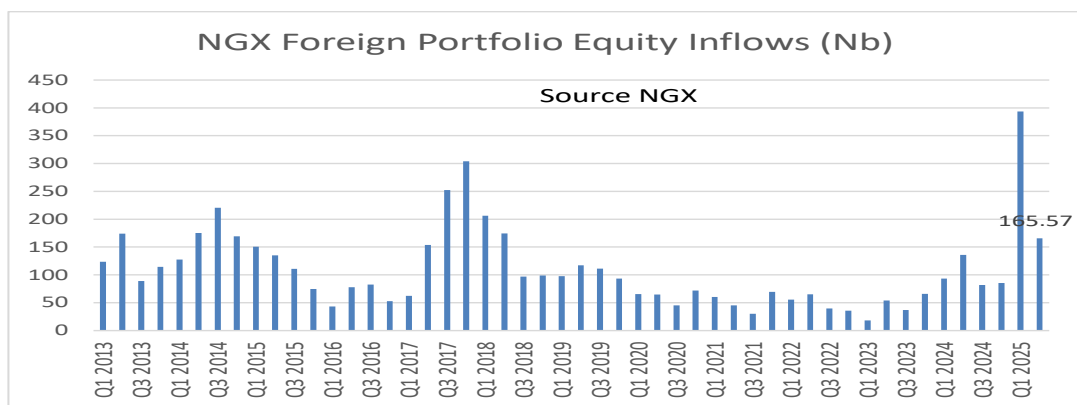
MARKET OUTLOOK AND RECOMMENDATIONS

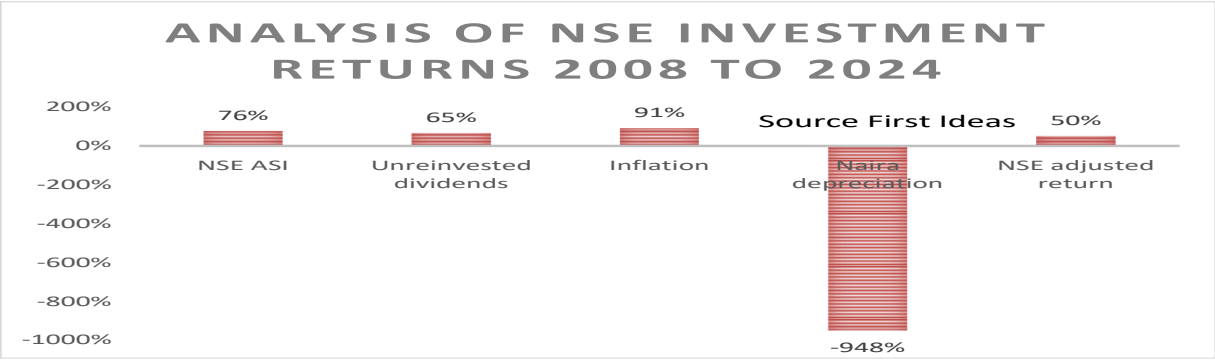
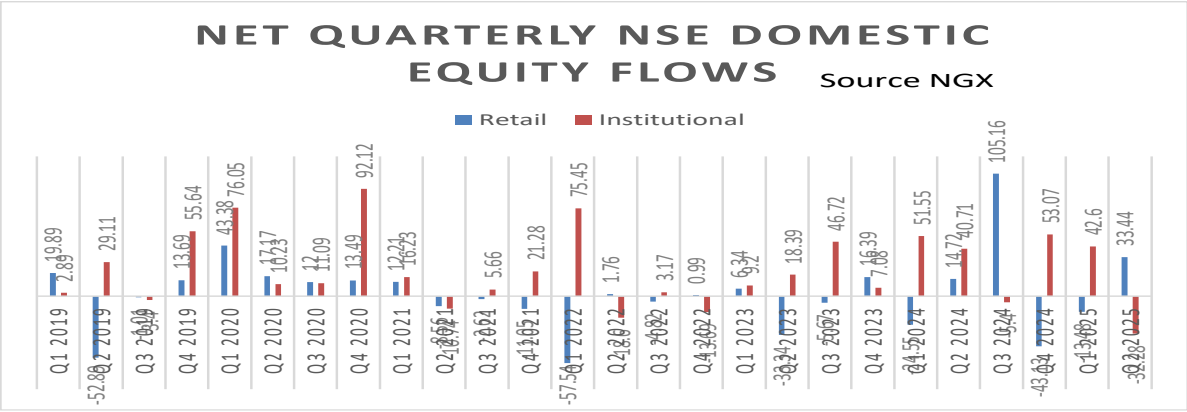
The bullish trend in the Nigerian Stock Market has accelerated in the third quarter driven by strong first half financial performance of large non-bank corporates, continuing stability in the Naira Forex market, declining interest rates and improving investor sentiments. The NGX is expected to close the year strongly with projected growth in ASI of 40%-45%.

Our preferred sectors for second half of 2025 are as set out below:

Sector	Investment Rationale
Cement	Strong earnings growth
Telecommunications	Strong earnings growth/tariff review/stable exchange rates
Agriculture	Strong earnings growth
Banking	Strong dividend yield







Average Prospective P/E Ratio by Sector	
30/6/25	
Sector	P/E
Banking	2.7
Pharmaceuticals	5.8
Agriculture	7.7
Paint	8
Insurance	8.3
Cement	8.7
Food	10
Conglomerate	11.2
Construction	12.6
Breweries	15.1
Oil & Gas	16.1
Telecomm	19.7
Power	43.4
Average Dividend Yield by Sector	
30/6/25	
Sector	Yield
Banking	7.2%
Cement	5.0%
Paint	4.4%
Agriculture	3.9%
Insurance	3.9%
Oil & Gas	3.6%
Construction	2.9%
Conglomerate	1.9%
Telecomm	1.3%
Power	1.2%
Pharmaceuticals	1.0%
Food	0.7%
Breweries	0.0%
Profit Growth of select sectors	
Period ended 30/6/25	
Paint	326%
Cement	318%
Telecom	264%
Agriculture	132%
Breweries	118%
Conglomerates	105%
Food	88%
Banking*	65%
Pharmaceuticals	51%
Power	4%
Oil & Gas	-39%
Insurance	-39%
Construction	-65%
Note * Reports published as at 31/8/25	

RANKING OF SECTORS BY CAPITAL APPRECIATION				
H1 ended	Quarter ended			
30/6/25	31/3/25	Sector	Capital Appreciation	
1	8	Pharmaceuticals	125%	
2	1	Agriculture	123%	
3	9	Breweries	87%	
4	6	Food/Beverages	54%	
5	2	Conglomerates	48%	
6	3	Telecomm	43%	
7	5	Paint	42%	
8	7	Banking	18%	
9	4	Insurance	17%	
10	11	Cement	6%	
11	10	Power	-6%	
12	12	Oil & Gas	-9%	
13	13	Construction	-28%	

Structure of Pension Fund Investments (N millions)								Old/New Limits (Min-Max)						
							Growth	Prudential	Fund 1	Fund 2	Fund 3	Fund 4	Fund 5	Fund 6
	6/30/24	9/30/24	12/31/24	3/31/25	30/6/25	Percentage	Q1 2025	Max Limits						
Domestic ordinary shares	1,967,463	2,053,979	2,241,924	2,570,869	3,080,945	11%	15%	25%	17.5%-30%	7.5%-25%	5%-10%	0%-5%	0%-5%	0%-25%
Foreign ordinary shares	279,741	270,431	267,987	263,389	292,775	1%	-2%							
Private Equity/Infrastructure	271,688	313,058	362,187	398,236	472,180	2%	10%	5%	2.5%-10%	2.5%-5%	0.00%	0.00%	2.5%-10%	0%-20%
Open/Closed Funds	67,989	86,615	58,785	84,322	106,003	0%	43%	20%	0%-25%*	0%-20%*	0%-10%	0%-5%		0%-20%
Govt Securities	13,220,123	13,726,637	14,365,198	14,734,173	15,427,447	63%	3%	80%	0%-70%	0%-85%	0%-100%	0%-100%	0%-75%	0%-85%
Corporate Bonds/Supra-National	2,229,955	2,272,592	2,267,280	2,368,473	2,285,256	10%	4%	35%	0%-35%	0%-40%	0%-45%	0%-45%	0%-35%	0%-40%
Money Market instruments	1,913,057	1,958,627	2,215,529	2,078,213	2,237,431	9%	-6%	35%	0%-30%	0%-30%	0%-35%	0%-35%	0%-60%	0%-30%
Real Estate/REIT	293,471	201,307	305,616	328,807	333,757	1%	8%	5%	0%-10%*	0%-5%*				
Others/cash	240,745	496,209	427,839	502,288	394,176	2%	17%							
Total	20,484,232	21,379,454	22,512,346	23,328,771	24,629,970	100%	4%							
Note * Minimum for private equity includes open/closed end funds and Real estate.														
**54% of RSA Funds in Fund 2 and 33% in Fund 3														

BANKING RATIOS AS AT 31st March 2025															
S/N	BANK	Total Assets	Gross Earnings	PBT	PAT	Equity****	COST/INCOME*	COR	CAR***	ROA (pre tax)	ROE (after tax)	Market/Book**	NPL***	Interest	Securities/Risk Assets
		31/3/25	3 months	3 months	3 months	31/3/25								Margin	
		N'mil	N mil	N mil	N mil	N il	%	%	%	%	%				%
Tier 1 Banks (Total assets above N15 trillion)															
1	Zenith Bank Plc	32,415,395	949,857	350,815	311,646	4,440,523	43%	1.3%	25.0%	4.3%	28%	0.7	3.2%	11.2%	40%
2	UBA	31,712,733	709,136	204,266	183,014	3,553,207	53%	0.6%	24.6%	2.6%	21%	0.6	2.5%	7.1%	67%
3	Access Bank Plc	39,085,825	1,382,375	222,782	173,399	3,296,931	92%	0.8%	20.7%	2.3%	21%	0.5	3.0%	3.7%	47%
4	GTBank Plc	15,905,709	515,311	300,377	254,486	2,913,519	29%	1.6%	39.3%	7.6%	35%	1.2	4.5%	17.0%	60%
5	First Bank of Nigeria Plc	26,521,397	729,320	186,695	169,529	2,679,154	53%	1.7%	16.5%	2.8%	25%	0.5	12.9%	9.2%	31%
Tier 2 Banks (Total assets between N3 trillion and N15 trillion)															
6	Fidelity	10,451,646	315,421	105,770	91,101	933,139	55%	0.5%	20.3%	6.4%	39%	1.1	3.2%	11.9%	31%
7	Stanbic IBTC bank Plc	7,396,476	232,931	116,415	81,036	745,971	44%	0.0%	14.3%	6.3%	44%	2.2	4.4%	13.8%	46%
8	FCMB Plc	7,405,326	252,697	35,020	32,173	683,418	62%	1.3%	17.9%	1.9%	19%	0.6	9.6%	10.4%	33%
9	Sterling Bank Plc	3,636,603	95,237	18,264	17,231	321,439	66%	0.8%		2.0%	21%	1.0	5.5%	8.3%	32%
10	Wema	3,606,364	139,627	41,158	35,801	271,222	51%	0.3%	19.7%	4.6%	53%	1.6	3.9%	10.4%	46%
Average (Industry)							55%	1%	22%	4%	31%	1.0	5%	10%	43%
Average Tier 1 banks							54%	1%	25%	4%	26%	0.7	5%	10%	49%
Average Tier 2 banks							56%	1%	18%	4%	35%	1.3	5%	11%	38%
Note															
* Income adjusted to exclude forex and valuation gains.															
** Market price as at 31/7/25															
*** CAR for Zenith, UBA, FBN, Stanbic and Wema as at 31/12/24. NPL for UBA, Access, FCMB and Wema as at 31/12/24															
**** Equity is defined as Shareholders Equity and excludes additional Tier 1 capital and preference shares															
NA: Not available															
COR: Cost of Risk															
NPL : Non Performing Loan ratio															
Ranking by Shareholders Equity.															
Banks Mandatory Reserves with CBN as at 31/3/25* (N' millions)															
		Reserves	Reserves			Deposits	Ratio								
	Bank	31/12/24	31/3/25			31/3/25	%								
	Access	4,326,765	4,485,446			23,032,487	19%								
	UBA	3,929,953	3,455,423			22,863,614	15%								
	Zenith	5,356,128	5,995,648			22,681,836	26%								
	FBN	3,744,031	3,984,464			17,269,907	23%								
	GTB	1,964,213	2,561,266			10,892,268	24%								
	Fidelity	1,586,350	1,661,825			6,599,016	25%								
	FCMB	1,441,465	1,243,711			4,125,371	30%								
	Stanbic	737,857	757,976			3,045,637	25%								
	Sterling	714,790	717,641			2,580,553	28%								
	Wema	838,595	891,781			2,409,592	37%								
		24,640,147	25,755,181			115,500,281	22%								
Note															
* Statutory CRR was increased from 32.5% to 45% on 27th February 2024 and 50% on 24th September 2024.															

