CFG AFRICA RESEARCH

JULY 2025

MONTHLY MARKET REPORT

Global Economic and Financial Market Trends with a Spotlight on Nigeria

OUTLINE

EXECUTIVE SUMMARY

Executive Summary

Global Highlights

Global markets ended July higher, driven by easing trade tensions and strong corporate earnings. U.S. GDP expanded by 3% in Q2, while inflation inched up to 2.7%, suggesting renewed growth alongside rising price pressures.. The UK's 3.6% inflation fueled rate cut expectations, while Eurozone growth was modest at 0.1% with improving sentiment. The U.S. dollar gained 3.37%, Brent crude rose 7.83% on strong demand, and gold fell 0.39% as safe-haven demand eased.

In August, momentum may be tested by central bank moves, inflation data, and currency swings. Energy prices and signs of slower growth will be key watchpoints, with potential volatility shaping positioning across asset classes

Domestic Highlights

Inflation eased to 22.22% in June from 22.97% in May, aided by base effects, while reserves rose 5.79% to $39.36bn in July on higher oil prices. The naira was stable, slipping 0.13% at NAFEM but gaining 1.65% in the parallel market. Oil output rose 3.57% to 1.505mbpd, above OPEC quotas, as Brent closed at $72.53/bbl.

The CBN kept the MPR at 27.50% to sustain inflows and FX stability. Q3 outlook remains hinged on U.S. Fed policy and inflation, with risks from food prices, FX demand, and oil volatility, though stronger reserves offer some support.

Market Highlights

The NGX All-Share Index rose 17.74% in July to 141,263.05 points, lifting YTD returns to 37.25% on strong Q2 earnings, dividends, and sector gains. Institutional inflows boosted turnover to 29.73bn shares from 14.77bn in June. In fixed income, strong demand lowered bond stop rates, while NTB auctions were oversubscribed, driving yields down amid ample liquidity and stable rate expectations.

> Global Equities Rally as Nigerian Markets Surge, Yields Ease on Strong Demand

GLOBAL ECONOMY

Economy Overview

Global Economy

In July, financial markets remained focused on trade related developments, with investor sentiment buoyed by a series of newly announced trade agreements.

The US reached deals with Vietnam early in the month, followed by agreements with Japan and the European Union (EU), providing greater policy clarity and reducing the risk of an escalating trade war.

These developments, alongside the passage of the One Big Beautiful Bill Act (OBBBA), helped support risk appetite and injected a measure of certainty into global markets.

However, concerns linger ahead of the August 1st deadline, which could still bring renewed trade tensions.

United States

Signs of economic resilience and persistent inflation kept the Fed on hold, as policymakers left rates unchanged at 4.5% while awaiting further clarity on the effects of tariffs and broader fiscal policy. Political pressure for lower rates has also intensified, complicating the Fed's path forward.

On the growth front, U.S. GDP rebounded strongly in Q2, expanding by 3.0% versus expectations of 2.3%, reversing the prior quarter's contraction. Business activity remained solid, buoyed by strength in the services sector, although manufacturing showed signs of softening.

Inflation edged higher in June, with headline CPI rising to 2.7% y/y, reinforcing the Fed's cautious stance. The combination of firm growth and elevated inflation has kept policymakers in a holding pattern, awaiting clearer signals before making further adjustments.

Eurozone & UK Economy Overview

Eurozone

Economic activity showed tentative signs of resilience in July as underlying momentum weakened compared to earlier in the year. The flash composite PMI rose to 51.0, slightly above expectations, with improvements seen in both services and manufacturing. However, second quarter GDP growth slowed to just 0.1% quarter on quarter, down from 0.6% in the first quarter, pointing to persistent economic softness.

Headline inflation held at 2.0% y/y in June, up slightly from 1.9%, while core CPI remained unchanged at 2.3%.

The European Central Bank maintained interest rates at 2.15% in July, reflecting continued caution in light of uncertain growth prospects, following four rate cuts earlier in the year. Looking ahead, the recently announced EU-US trade agreement is expected to influence transatlantic dynamics and could lend further support to investor sentiment in the period ahead.

United Kingdom

Rising inflation and policy recalibration shaped the economic backdrop in July. Investors reacted to a hotter-than-expected CPI print, as headline inflation accelerated to 3.6% y/y in June from 3.4%, driven largely by higher transport, clothing, and recreation costs. Core inflation also picked up, rising to 3.7% from 3.5%, reinforcing concerns about persistent price pressures.

Despite two rate cuts earlier this year bringing the Bank of England's policy rate to 4.25%, the IMF has urged further easing to support growth.

Markets are now pricing in at least one more 25bps cut at the August 7 meeting, as the BoE attempts to strike a delicate balance between curbing above-target inflation and stimulating an economy that continues to show signs of fragility.

Key Economic Data – United States

- Core PCE (YoY, Jun): Held steady at 2.8% (2.7% expected), remaining above the Fed's 2% target and suggesting persistent underlying inflation.

- Core Retail Sales (MoM, Jun): Rose 0.5% (0.3% expected), rebounding from May's –0.2% decline, indicating firm consumer spending.

- CPI (YoY, Jun): Accelerated to 2.7% (2.6% expected), up from 2.4% in May, reflecting broad-based price pressures.

- Fed Rate Decision: Held at 4.50% (4.50% expected), with policymakers signaling a wait-and-see approach.
- GDP (QoQ, Q2): Expanded 3.0% (2.5% expected), a sharp rebound from Q1's –0.5%, supported by robust consumer activity and business investment.

- Nonfarm Payrolls (Jun): Increased by 147K (111K expected), slightly above prior, pointing to a resilient labor market.
- Unemployment Rate (Jun): Fell to 4.1% (4.3% expected), from 4.2% in May, suggesting a modest tightening in labor conditions

- PMI (Jul):
  - Manufacturing: Dropped to 49.5 (52.7 expected), entering contraction.
  - Services: Rose to 55.2 (53.0 expected), showing strong expansion and continued demand in the sector.
  - Composite: Improved to 54.6, up from 52.9 in June, reflecting broad economic momentum.

Key Economic Data – United Kingdom

- CPI (YoY, Jun): Rose to 3.6% (3.4% expected), up from May's 3.4%, driven by persistent services inflation.

- GDP (MoM, May): Contracted –0.1% (+0.1% expected), down from flat growth in April.

- Retail Sales (Jun): Increased 0.9% MoM (1.2% expected), recovering from May's –2.8%.

- PMI (Jul):
  - Composite: Slowed to 51.0 (51.8 expected), indicating softening momentum..
  - Manufacturing: Improved slightly to 48.2 (47.9 expected), but remained in contraction
  - Services: Fell to 51.2 (52.8 expected), reflecting weaker expansion in the sector.

Key Economic Data – Eurozone

- CPI (YoY, Jun): Held at 2.0% (2.0% expected), up from May's 1.9%, keeping inflation just above target.
- ECB Interest Rate Decision (Jul): Held steady at 2.15% (2.15% expected), with policymakers adopting a cautious tone.
- GDP (QoQ, Q2): Expanded 0.1% (0.0% expected), slowing from 0.6% in Q1 as growth momentum cooled.
- Unemployment Rate (Jun): Unchanged at 6.2% (6.3% expected), reflecting labor market stability
- PMI (Jul):
  - Manufacturing: Rose to 49.8 (49.7 expected), still indicating contraction.
  - Services: Improved to 51.2 (50.6 expected), showing modest expansion.
  - Composite: Increased to 51.0 (50.8 expected), signaling modest private sector growth.

GLOBAL
MARKET

Equities Overview

Improved risk sentiment and a breakthrough in trade talks between the U.S. and key partners provided a supportive backdrop for global equities in July. Optimism was further bolstered by strong second quarter earnings, particularly in the U.S., where corporate performance exceeded expectations.

Equities	Previous Month Close	Month High	Month Low	Month Close	Month Change	Ytd Change
S&P 500 (US)	6204.94	6427.02	6177.97	6339.38	2.17%	7.39%
NDQ 100 (US)	22679.01	23589.37	22388.09	23218.12	2.38%	9.93%
FTSE 100 (UK)	8760.96	9190.73	8726.92	9132.81	4.24%	11.74%
STOXX 50 (EUR)	5303.23	5470.81	5265.94	5319.91	0.31%	8.78%

Source: Trading View

The S&P 500 rose by 2.17%, closing the month at 6,339.38, while the Nasdaq 100 outperformed with a 2.38% gain, driven by robust tech earnings and continued enthusiasm around AI innovation and cloud adoption, despite ongoing political turbulence. The VIX, a measure of market volatility, edged slightly lower to 16.71, reflecting continued calm in financial markets during the month.

In the United Kingdom, the FTSE 100 advanced 4.24%, outperforming its peers. Gains were supported by stabilizing economic indicators and growing investor optimism ahead of a potential rate cut by the Bank of England in August.

Meanwhile, the STOXX 50 posted a modest 0.31% gain as economic momentum showed signs of softening. Although July's PMI data showed marginal improvement, inflation remained stable. Still, slowing GDP growth and the European Central Bank's cautious policy stance weighed on investor sentiment.

Currency Markets

The U.S. dollar staged a broad-based rally, with the Dollar Index (DXY) closing July at 100.05, up 3.37% M/M but still down 7.81% YTD. This marked a notable reversal from its weaker performance in the first half of the year and reflected renewed demand for the greenback. This is supported by robust U.S. economic data, a steady policy stance, and progress on trade negotiations, all of which helped bolster sentiment in July.

Currencies	Previous Month	Month High	Month Low	Month Close	Month Change	YTD Change
EUR/USD	1.1787	1.1831	1.1401	1.1416	-3.15%	10.25%
USD/JPY	143.9750	150.8420	142.6810	150.7200	4.68%	-4.19%
GBP/USD	1.3731	1.3789	1.3186	1.3203	-3.85%	5.53%
USD/CHF	0.7931	0.8152	0.7872	0.8123	2.42%	-10.40%
AUD/USD	0.6581	0.6625	0.6424	0.6425	-2.38%	3.86%
USD/CAD	1.3607	1.3859	1.3557	1.3857	1.84%	-3.68%
NZD/USD	0.6097	0.6120	0.5888	0.5889	-3.41%	5.28%

Source: Trading View

The dollar's resurgence weighed heavily on other major currencies, most of which weakened against the U.S. dollar. The euro fell 3.15% to 1.1416, the British pound dropped 3.85% to 1.3203, and the yen depreciated 4.68% to 150.72. Losses were also broad-based across other currencies, with the Australian and New Zealand dollars declining 2.38% and 3.41%, respectively.

Overall, July's FX market was dominated by a renewed dollar narrative, as confidence in the U.S. outlook reversed earlier softness and pushed most other currencies lower in comparison.

Commodities

Commodities saw mixed performance in July, with oil prices rebounding on geopolitical concerns and seasonal demand, while gold eased slightly amid reduced safe-haven flows and a stronger U.S. dollar.

Commodities	Previous Month Close	Month High	Month Low	Month Close	Month Change	YTD Change
Gold (per ounce)	3303.150	3439.035	3268.120	3290.120	-0.39%	25.33%
Brent Oil (per barrel)	66.574	73.619	66.304	71.784	7.83%	-4.04%

Source: Trading View

Gold: Prices slipped 0.39% to close at $3,290.12 per ounce, as improving global risk sentiment and robust U.S. economic data weighed on safe-haven demand. Despite the decline, gold remains up 25.33% YTD, reflecting earlier gains tied to macro uncertainty.

Brent Crude Oil: Prices climbed 7.83% to settle at $71.78 per barrel, boosted by renewed geopolitical tensions, temporary supply risks, and summer demand. However, Brent remains down 4.04% YTD, pressured by ongoing concerns around OPEC+ output and the global demand outlook.

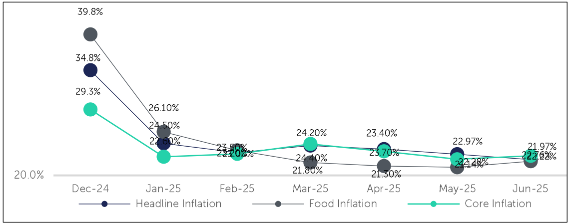
NIGERIA
ECONOMY

Nigeria's Macroeconomic Snapshot

			Period
GDP Growth (Real)	3.13%	Q-o-Q -0.71%	Q1 2025
MPR (Monetary Policy Rate)	27.50%	No change	July 2025
Inflation (Headline Inflation)	22.22%	M-o-M -0.75%	June 2025
NAFEM Rate	₦1,534/$		July 31, 2025
Parallel Market	₦1,548/$		July 31, 2025
FX Reserves	$39.36bn	M-o-M +5.78%	July 2025
Unemployment Rate	4.30%		Q2, 2024
Oil Production	1.505mbpd	M-o-M +3.57%	June 2025
NGX Market Cap	₦88.42T	M-o-M 16.42%	July 31, 2025
All Share Index	139,863.52	M-o-M 16.57%	July 2025

Disinflation Persists: June Inflation Eases Further from May's Print

Headline, core & food inflation YoY (%)



Source: NBS, Trading Economics, CFG Africa Research.

Headline Inflation Rate

Month/Year	Headline Index	Year-on-Year Headline Inflation Rate
April 2025	119.9	22.22%
May 2025	121.35	
June 2025	123.40	

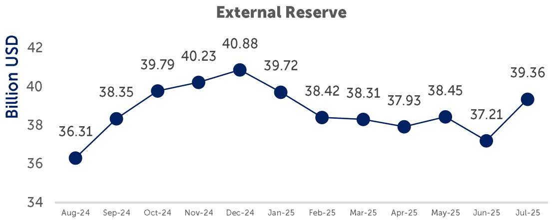
Source: NBS, CFG Africa Research

- Headline inflation eased to 22.22% in June 2025, down from 22.97% in May, marking the third consecutive month of decline. The Consumer Price Index (CPI) rose to 123.40 from 121.35 in May, reflecting a 2.05-point month-on-month increase. This indicates that while prices are still rising, the pace of increase has moderated. On a year-on-year basis, headline inflation declined by 11.97 percentage points from 34.19% in June 2024, largely due to a high base effect. Food
- The food inflation rate stood at 21.97% in June 2025, 18.93 percentage points lower than the 40.87% recorded in June 2024. This significant drop is primarily attributable to the change in the base year.
- Month-on-Month: Food inflation was 3.25% in June 2025, up by 1.07 percentage points from 2.19% in May 2025. The increase was driven by higher prices of items such as green peas (dried), fresh pepper, dried white shrimps, crayfish, fresh meat, fresh tomatoes, plantain flour, and ground pepper.

Naira Depreciates Across Segments in July 2025 Amid Declining Reserves

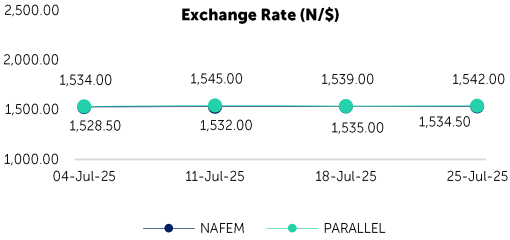
- In July, Nigeria's foreign exchange reserves rose by 5.79% month-on-month, increasing from $37.21 billion in June to $39.36 billion. The $2.15 billion uptick is largely attributable to the rebound in oil prices, which climbed as high as $73.07 per barrel in July, compared to a low of $64.78 per barrel in June.

- The official exchange rate at the NAFEM window depreciated by 0.13% in July 2025, closing at ₦1,534/$, compared to ₦1,532/$ in June. The marginal weakening of the Naira was primarily driven by a spike in demand for the U.S. dollar, largely stemming from increased forex requirements associated with summer travel and holiday-related spending.



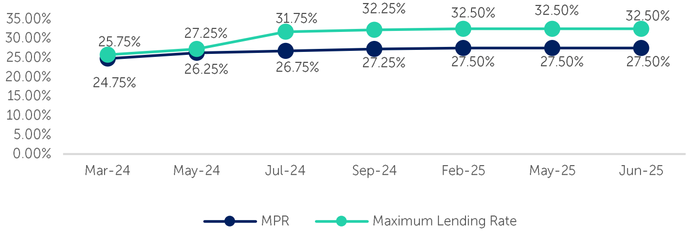
- As of July 31, 2025, the Nigerian Naira appreciated in the parallel market, closing at ₦1,548/$—a 1.65% gain from ₦1,574/$ at the end of June. The gap between the parallel and official markets narrowed by ₦14, indicating a convergence between both rates and suggesting an improved capacity of the official market to absorb foreign exchange demand.

- We expect the CBN to intervene in the foreign exchange market to maintain the exchange rate within the current band, should a surge in demand place upward pressure on the Naira.



Source: CBN ,FMDQ, CFG Africa Research

FX Stability Remains CBN's Unwavering Focus



Source: CBN, CFG Africa Research

- The Central Bank of Nigeria (CBN) held its 301st Monetary Policy Committee (MPC) meeting on July 21, 2025, and unanimously voted to maintain all key monetary policy parameters. The Monetary Policy Rate (MPR) was retained at 27.50%, with an asymmetric corridor of +500/-100 basis points, despite the ongoing disinflationary trend.
- While inflation has moderated significantly from the elevated levels of 2024, the CBN remains cautious, implying that an interest rate cut could discourage Foreign Portfolio Investors (FPIs), whose participation has supported the supply of U.S. dollars in the economy.
- Looking ahead to the September 2025 MPC meeting, the policy stance of the U.S. Federal Reserve may play a key role in determining whether the CBN considers a rate cut.

Timeline of MPC meetings

22nd & 23rd of September 2025

The next meeting of the Monetary Policy Committee is scheduled to take place on 22nd & 23rd of September 2025

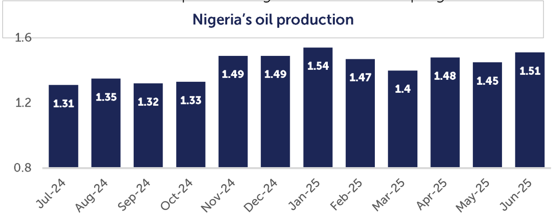
Nigeria's crude oil output surged in July 2025, rising well above OPEC quota amid operational resilience and intensified anti-theft efforts.

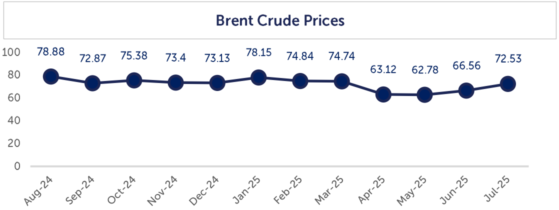
- Nigeria's crude oil production rose by 3.57% in June 2025, averaging 1.505 million barrels per day (bpd), up from 1.453 million bpd in May, according to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). This puts the country slightly above its 1.5 million bpd OPEC production quota, achieving 100.4% compliance. When condensates are included, total output increased to 1.697 million bpd, up from 1.657 million bpd in the previous month.

- During the month, daily oil production fluctuated between 1.61 million and 1.82 million bpd, reflecting a mixed performance across key terminals. While the overall uptick provides some fiscal relief, output remains below the government's 2025 budget target of 2.06 million bpd. According to NNPC, efforts are now focused on gradually scaling production to this level by 2027, with near-term expectations capped at around 1.9 million bpd—contingent on sustained progress in tackling crude theft and pipeline vandalism.

- Meanwhile, Brent crude prices saw moderate fluctuations in July 2025, driven by shifting global sentiment. Early in the month, prices edged lower, falling to around $69 per barrel as traders digested weak economic data from China and expectations of increased OPEC+ supply. Mid-month, prices rebounded on the back of tightening U.S. inventories and renewed geopolitical tensions in the Middle East, briefly pushing Brent above $73 per barrel.

- However, gains were limited as macroeconomic concerns and a stronger dollar capped bullish momentum. Brent eventually closed the month at $72.53 per barrel, up from June's close, supported by resilient demand and signs of improving refinery activity.





Source: Trading Economics, Investing.com, Nigerian Upstream Petroleum Regulatory Commission, CFG Africa Research

EQUITY & FIXED INCOME MARKET

Nigerian Stocks Surge as Earnings Season Sparks Buying Frenzy

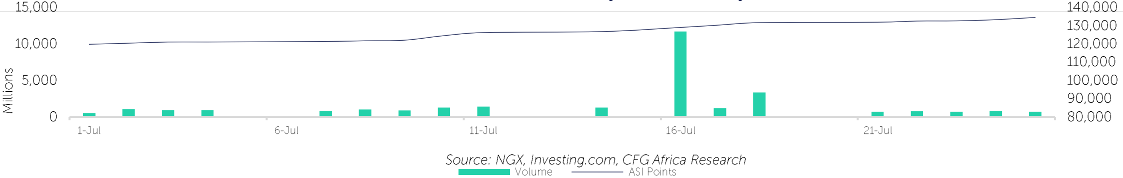
- The Nigerian equities market delivered an exceptional performance in July, with the NGX All-Share Index surging 17.74% to close at 141,263.05 points—its strongest monthly gain so far in 2025. This rally lifted the year-to-date return to 37.25%, supported by broad-based gains across major sectors and renewed investor appetite for equities. Market sentiment was buoyed by a stronger-than-expected earnings season and robust dividend announcements.

- Investor confidence was further strengthened by market-moving corporate developments. Notably, UACN's acquisition of a majority stake in CHI Plc spurred optimism in the consumer goods sector, reinforcing expectations of consolidation and value creation across industries. In the insurance sector, speculation over an imminent recapitalization drive triggered renewed buying interest, with investors positioning ahead of potential capital raises.

- Strong institutional inflows into banking and industrial stocks also contributed to the rally, driving market turnover volume to 33.78 billion shares—more than double June's 14.77 billion shares.

- Overall, July's performance reflected a combination of solid corporate fundamentals and improving macroeconomic signals, setting a constructive tone for Q3 market positioning..

NGX ASI Value and Volume – 1st July 2025 to 31st July 2025



Source: NGX, Investing.com, CFG Africa Research

The NGX posted solid growth in July, as financials rallied and sentiment remained upbeat.

	July End	June End	MtD	YtD
NGX All-Share Index (ASI)	141,263.05	119,978.57	17.74%	37.25%
NGX30 Index	5185.55	4,423.04	17.24%	36.03%
NGX Banking Index	1618.91	1,280.41	26.44%	49.27%
Insurance Index	886.95	7,55.52	17.40%	23.53%
NGX Pension Index	6914.46	5,798.71	19.24%	52.94%
NGX Consumer Good Index	2929.38	2,635.86	11.14%	69.17%
NGX Industrial Index	5055.71	3,638.15	38.96%	41.53%
NGX Oil & Gas	2436.63	2,437.47	-0.03%	-10.16%

Source: NGX, CFG Africa Research

- The NGX All-Share Index surged by 17.74% in July to close at 141,263.05 points, marking its strongest monthly performance in 2025 and lifting year-to-date gains to 37.25%. The rally was fueled by robust Q2 earnings and dividend declarations, with notable strength in banking, consumer goods, and industrial goods stocks.
- Market activity also strengthened significantly, as total traded volume jumped to 29.73 billion shares—up from 14.77 billion in June—driven by heightened activity in cement majors and Tier-1 banks amid renewed institutional inflows and improved earnings sentiment.
- Sector performance was led by Industrial Goods (+38.96% MTD), followed by Banking (+26.44%) and Pension (+19.24%), supported by solid corporate results and increased investor appetite. In contrast, the Oil & Gas sector underperformed, edging lower by 0.03% for the month.

Top gainers and losers in July 2025

No	Top 10 Gainers	July End (₦)	June End (₦)	MTD	YTD
1	ACADEMY	11.26	5.10	120.78%	275.33%
2	ABCTRANS	4.89	2.45	99.59%	297.56%
3	UACN	80.30	40.90	96.33%	155.33%
4	TRIPPLEG	4.24	2.25	88.44%	106.83%
5	NGXGROUP	74.60	42.90	73.89%	173.76%
6	THOMASWY	3.19	1.88	69.68%	68.78%
7	UPDC	5.40	3.25	66.15%	239.62%
8	MBENEFIT	1.82	1.10	65.45%	198.36%
9	MEYER	16.50	10.05	64.18%	95.73%
10	CADBURY	68.00	41.50	63.86%	216.28%

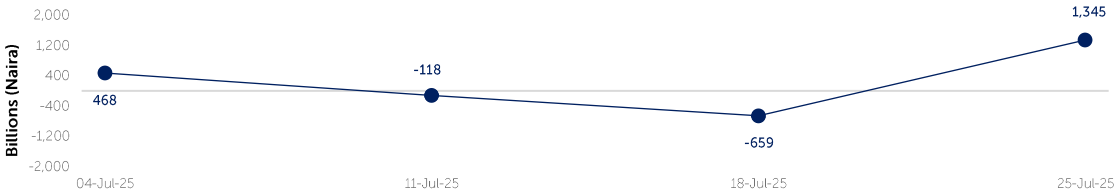
No	Top 10 Losers	July End (₦)	June End (₦)	MTD	YTD
1	LEGENDINT	5.88	7.45	-21.07%	-14.00%
2	NNFM	93.15	108.00	-13.75%	112.19%
3	SUNUASSUR	4.50	5.14	-12.45%	-58.14%
4	LIVESTOCK	8.00	8.90	-10.11%	94.17%
5	SCOA	5.00	5.39	-7.24%	142.72%
6	ETERNA	39.95	43.00	-7.09%	64.40%
7	LINKASSURE	1.45	1.54	-5.84%	22.88%
8	GUINEAINS	0.86	0.90	-4.44%	6.17%
9	NIDF	113.00	118.00	-4.24%	1.16%
10	JOHNHOLT	7.30à	7.40	-1.35%	-6.29%

Source: NGX, CFG Africa Research

July 2025 — Liquidity Conditions Stabilize After Sharp Mid-Month Dip.

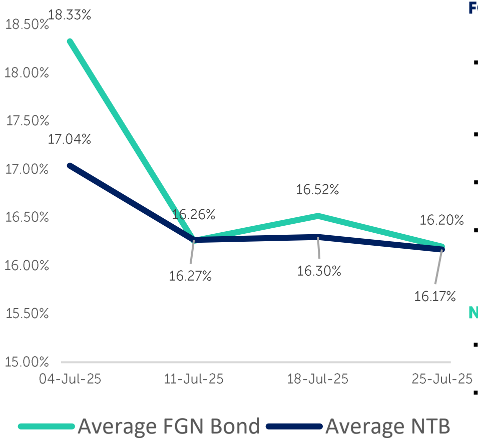
- Liquidity conditions in July 2025 were marked by significant intra-month swings but ended on a strong note. System liquidity opened at ₦980.86 billion and dipped steadily into negative territory by July 8, reaching a low of −₦973.63 billion. The mid-month tightness reflected funding pressures and muted inflows.
- However, from July 17 onward, liquidity conditions improved sharply on the back of NTB maturities and reduced placements in the CBN's Standing Deposit Facility (SDF). These inflows drove a sharp turnaround, with liquidity peaking at ₦1.99 trillion on July 21 and closing the month at ₦1.28 trillion.
- At its July 22 MPC meeting, the Central Bank of Nigeria held all key parameters unchanged: the Monetary Policy Rate (MPR) at 27.50%, the Cash Reserve Ratio (CRR) at 45% for commercial banks and 14% for merchant banks, and the liquidity ratio at 30%, with the asymmetric corridor maintained at +500/−100 basis points.
- Despite the volatility in system balances, money market rates remained broadly stable at the end of the month. The Overnight Policy Rate (OPR) and Open Buy-Back (OBB) closed the month at 27.00% and 26.50%, respectively, supported by improved liquidity in the final stretch of the month..

July 2025 System Liquidity



Source: CFG Africa Research

Yield Compression Deepens as Demand Surges Across NTB and FGN Bond Markets



Source: CFG Africa Research, FMDQ

FGN Bond Market

- The FGN bond market opened July on a cautious note, with light activity despite buoyant system liquidity, which ranged from ₦1.35 trillion to –₦973 billion. Investors remained on the sidelines early in the month, awaiting macroeconomic data and policy direction.
- As the month progressed, sentiment tilted bullish, supported by strong liquidity and declining yield expectations, following a favourable inflation print and the MPC's decision to hold all policy parameters.
- At the July bond auction, the DMO reopened the 2029 and 2032 bonds, recording total subscriptions of ₦300.7 billion. It allotted ₦185.9 billion — well above the ₦80 billion offer — with demand concentrated in the 2032s.
- Following the auction, sentiment turned bearish as the DMO's aggressive allotment created uncertainty around its borrowing strategy. The auction instruments came under pressure in the secondary market, with yields rising significantly amid intensified sell-offs.

Nigeria Treasury Bill Market

- The NTB market traded actively in July, supported by improved system liquidity and strong demand across both primary and secondary markets.
- At the July 9 and 23 auctions, the CBN offered a combined ₦530 billion and received total subscriptions of ₦2.01 trillion. Allotments stood at ₦491.85 billion, with demand largely skewed toward the 364-day paper. Despite the strong interest, the CBN maintained a cost-conscious issuance stance.
- In the secondary market, yields declined across the curve, as investors positioned ahead of anticipated policy stability and further disinflation.

OUTLOOK FOR AUGUST

Global Economy Outlook

Economic Growth

- Global economic activity remains service-driven, with divergent momentum across major economies. While the expansion is underpinned by a resilient services sector, the absence of a sustained manufacturing recovery continues to limit the breadth of growth heading into August.

Geopolitical Risk

- Geopolitical uncertainty remains a prominent risk factor for August. Focus areas include evolving U.S.–China trade relations, the ongoing Russia–Ukraine conflict, and renewed instability in parts of the Middle East. These risks are likely to sustain a cautious tone in market sentiment and increase the potential for short-term volatility across asset classes.

Interest Rates

- We expect monetary policy to remain cautious, with the Federal Reserve likely to keep rates on hold, while the Bank of England is expected to cut rates to support economic growth.

Local Economy Outlook

Exchange Rates

- We expect the naira to remain relatively stable through August, supported by steady CBN interventions, improved oil receipts, and modest FX inflows. While external risks and uneven portfolio flows may cause some volatility, major depreciation is unlikely.

Inflation

- We expect inflation to continue easing in August, driven by base effects, exchange rate stability, and improved food supply. However, lingering cost pressures, particularly from food and transportation, may limit the pace of moderation.

Equities

- We expect the equities market to trade with a more cautious tone in August, following an extended rally that saw the All-Share Index gain in July. While sentiment remains broadly positive supported by strong earnings, FX stability, and institutional flows—profit-taking and stretched valuations could drive a temporary pullback as investors lock in gains and reposition tactically.

Fixed Income

- We expect cautious trading across the fixed income market in August. In the NTB space, recent rate reversals may prompt cautious bidding at auctions, despite ample system liquidity. Bond market sentiment is likely to remain mixed, with interest focused on the mid- to long-end of the curve. Eurobond performance is expected to remain measured, driven by global rate expectations and geopolitical developments.

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THANK YOU

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About CFG Africa

CFG Africa is an institution, established to function as a comprehensive platform for **executing a diverse range of investment and financial operations**. Our primary focus is on **Asset Management and Advisory services**, encompassing the strategic generation and professional management of financial assets. We optimize these assets in **global markets** through brokerage and securities trading to generate competitive returns for our stakeholders. Additionally, we are strongly committed to providing **transactional advisory services** for both the public and private sectors, **corporate finance, actuarial services**, and expertise in **ESG and climate impact assessments**.

What We Do

Asset Management

The Asset Management business serves as **our group's liability raising and client coverage arm**, dedicated to developing specialized products and services that align with the investment objectives of wholesale and affluent clients. We integrate value-adding wealth management policies, carefully considering the investment values of our clients.

Corporate Finance

The Corporate Finance Team encapsulates our capital management activities, **operating in areas such as structured and project finance**, especially for medium and semi-large-scale enterprises, business optimization, and outsourcing of Financial Control Services. This team also manages our structured products designed to offer capital support through invoice discounting facilities, working capital financing, repo financing, cash swaps, among other financial solutions.

Global Markets, Trade & Brokerage

Our trading and brokerage services facilitate seamless trading and portfolio management. We ensure efficient execution of trades, enabling clients to buy and sell stocks, bonds, and other securities easily. Our platforms and brokers provide timely execution and access to a wide range of financial instruments. With access to global markets, we support trading across multiple asset classes, including equities, fixed income, commodities, and currencies.

Investment Banking

We offer comprehensive M&A advisory services, including identifying acquisition targets or buyers, conducting due diligence, negotiating terms, and structuring transactions. We also provide post-merger integration support to ensure acquisitions are financially sound and strategically beneficial. Our corporate restructuring services optimize operations and finances, improve efficiency, reduce costs, and enhance profitability.

Transaction Advisory

Our transaction advisory services offer strategic financial planning, risk management, and corporate governance support for businesses. We help develop effective financial strategies through financial modeling, budgeting, and forecasting, ensuring alignment with business objectives. We assist in identifying, assessing, and mitigating financial risks, providing frameworks and ongoing support to manage risks effectively.

Corporate Services

The Corporate Services team serves as the business support and shared services division within the group. This team **provides robust support to all revenue-generating businesses**, encompassing a comprehensive risk management framework, compliance and internal control, technology solutions, corporate communications, legal services, talent management, human resources, operations, administrative support, and financial architecture. These elements ensure the successful day-to-day running of the business.

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