

NOVA Weekly Economic Report

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22nd – 28th July 2025

INTERNATIONAL NEWS

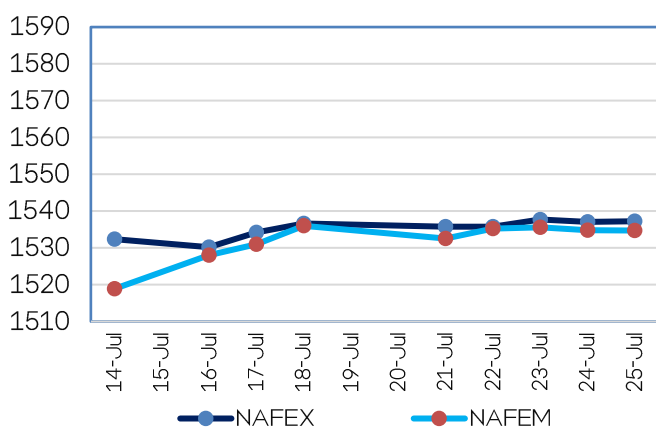
The EU has agreed to a 15% tariff deal with the U.S., conceding to pressure from Donald Trump's administration after failing to secure better terms. Initially pushing for zero tariffs, the EU settled for a compromise to avoid harsher U.S. measures and economic uncertainty. The deal, seen as favoring the U.S., includes a vague EU pledge of \$600 billion in U.S. investments. Internal divisions and dependence on American digital services limited the EU's ability to retaliate.

LOCAL NEWS

- The contribution of Nigeria's real estate sector to the economy surged to N41.3tn in 2024, making it the country's third-largest economic sector, behind only trade and crop production.
- In July 2025, the Central Bank of Nigeria (CBN) kept its benchmark interest rate at 27.5% to support ongoing disinflation and economic stability.
- Foreign reserves rose to \$38.63 billion, boosted by reforms, increased remittances, and a surge in foreign portfolio inflows.
- GDP grew 3.13% in Q1 2025, and the country recorded a \$6.83 billion balance of payments surplus. Analysts remain optimistic, citing stable FX markets and improving investor confidence.

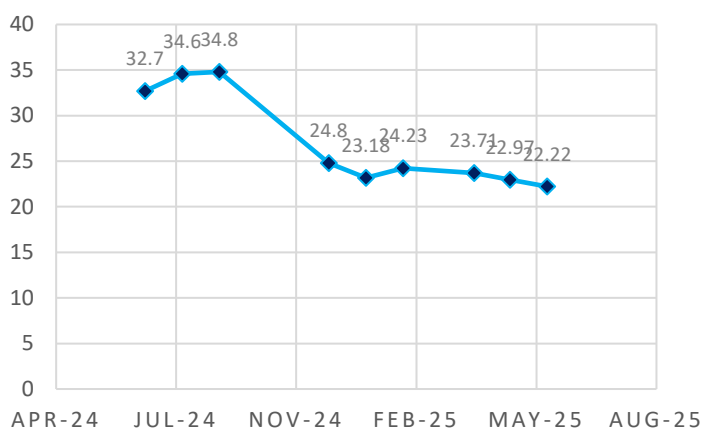
FOREIGN EXCHANGE MARKET

At the NAFEX window, the naira closed at **1,537.25** and the NAFEM rate appreciated from **1,534.79 to 1,534.72**.



MACROS

INFLATION RATE (YoY%)



Nigeria's year-on-year (YoY) headline inflation slowed to 22.22% in June, down from 22.97% in May, continuing a downward trend driven by a lower rate of annual price increases and the recent CPI rebasing.

However, month-on-month (MoM) inflation rose to 1.68%, up from 1.53% in May, indicating that while long-term inflationary pressure is easing, short-term price increases remain elevated, particularly in food, Housing and Transport.

This reflects a mixed inflation outlook, annual trends are improving, but cost-of-living pressures persist at the monthly level.

ECONOMIC INDICATORS

INDICATORS	CURRENT	PREVIOUS
INFLATIONRATE (YoY%)	22.22	22.97
OIL PRICE (BRENT) (US\$/BARREL)	69.09	65.41
OIL PRODUCTION (MBPD)	1,7	1.47
FX RESERVE(USD MILLION)	\$38.63BN	\$38.38BN
MONETARY POLICY RATE	27.50	27.50

BONDS

The FGN Bonds space recorded a quiet session, as investors remained on the sidelines ahead of the 1st FGN Bond Auction of the Quarter, set to hold on Monday. Nonetheless, we saw minimal activity on the 29s, 33s and 35s. With Few trades consummating on them.

COUPON RATE- % p.a.	FGN BONDS	CLOSING YIELD (%)
16.29	17-Mar-27	16.90
19.30	17-Apr-29	16.50
18.50	21-Feb-31	16.18
19.00	21-Feb-34	16.16
13.00	21-Jan-42	15.68
15.70	21-Jun-53	15.68

MONEY MARKET

System liquidity opened with a positive balance of N1.35Trn. (Opening balance was 355.6bn, Standing Deposit Facility was N991.52Bn, and Standing Lending Facility was at 1.56Bn). The increase in system liquidity was due to additional FAAC disbursement

MONEY MARKET RATES	18-JULY-25	17-JULY-25
Open Repo (OPR)	26.50	26.50
Overnight (O/N)	26.92	27.00

Sources: FMDQ

T-BILL

The bills market recorded a calm session, with a bearish undertone. We saw offers on 23-Jul at 15.55% average. We also saw movements on the 5-Mar and 4 June papers. Across the OMO curve, sell off sentiments were seen on the 26-Aug, 2-Sep and 14-Apr bills, with few interest to match. Ultimately, just a pocket of deals closed in the session.

TYPE	SECURITY	DISCOUNT RATES (%)
NTB	7-Aug-25	16.25
NTB	21-Aug-25	16.29
NTB	18-Sept-25	16.38
NTB	9-Oct-25	15.52
OMO	19-Aug-25	25.13
OMO	23-Sept-25	24.46
OMO	6-Jan-26	21.68

COMMODITIES

COMMODITIES	CURRENT RATE	PREVIOUS RATE
WHEAT (\$/BU.)	535	544
COCOA (\$/mt)	8,239	7,932
GOLD (\$/t. oz)	3,337	3,364
COTTON (\$/lb.)	66.90	66.44
SUGAR(\$/lb.)	16.35	16.90
PALM OIL(MYR/T)	4,276	4,297
NATURAL GAS (\$/MMBtu)	3.0956	3.4267

Sources: FMDQ

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