

LBS BREAKFAST SESSION



**IS NIGERIA'S ECONOMIC
RECOVERY AUTHENTIC??**

YES, IT IS!

OUTLINE



Last meeting Recap –Key Forecasts



Global And Regional Highlights



Macroeconomic Scorecard & Outlook



Economic Recovery
Market Recovery



Proxies



The New Economy



Politics Updates & Outlook

KEY FORECAST IN THE LAST LBS MEETING -SEPTEMBER 23'25

- 1
Headline inflation will decline to 21.4%
●
- 2
The price of PMS will fall to ₦830 per litre
●
- 3
The exchange rate will trade flat at ₦1520 - ₦1560/\$
●
- 4
Gross external reserves will inch up to ₦42bn
●
- 5
NGX Market capitalization will rise above ₦90trn
●



GLOBAL & REGIONAL HIGHLIGHTS





GLOBAL AND REGIONAL HIGHLIGHTS

- The IMF has revised global GDP growth upwards from 2.8% to 3%, driven by strong economic performances in China and Southeast Asia
- The World Bank also revised upwards its growth forecast for Nigeria, Ethiopia, and Ivory Coast
- Analysts estimate an increase in EV sales in America as consumers rush to beat the expiry of tax credits on purchases
- Tesla has launched a cheaper model following the end of U.S. EV subsidies
- The new standard version, priced at \$37,990, is 15% less expensive than the previous base offering — FT
- Nike expects tariff costs to reach \$1.5 trillion as profit dropped by 31% this quarter. Revenue growth was a mere 1%
- Warren Buffett's Berkshire Hathaway is buying Occidental Petroleum's petrochemical division for \$10 billion



GLOBAL AND REGIONAL HIGHLIGHTS – BIG GLOBAL DEALS

- Berkshire is Occidental's longest-standing shareholder
- Occidental was the investor that established Eko Hotels in 1975
- Global Infrastructure Partners (GIP), owned by BlackRock, is buying AES, a utility company that owns and operates power plants, for \$38 billion
- GIP owns stakes in London's Gatwick Airport, renewable energy projects, and a large pipeline of infrastructure developments
- BlackRock is expected to explore major infrastructural opportunities in Nigeria following Bayo Ogunlesi's visit to the Nigerian President
- Nvidia plans to invest \$100 billion in OpenAI to expand data center capacity
- Nvidia is also taking a \$51 million stake in Intel. Intel's stock has jumped significantly since the announcement, gaining over 20%.



GLOBAL AND REGIONAL HIGHLIGHTS

- Alibaba, the Chinese online retailer, share price reached a 4-year high after a partnership with Nvidia
- Apple share price is surging after falling over 20% in the last month
- The price rise is after launching its latest devices, including iPhone Air
- With Lisa Cook still on the board of the Fed at least till January
- the Fed will not cut rates by 25bps in October
- This means that mortgage sales will not fall as fast as the White House wants

Corporate Humor A

Light travels faster than sound. This is why some people appear bright until they speak.

-Steven Wright

Education is what one does after he has forgotten everything he learned at school.

-Albert Einstein

Economists are like weather forecasters: they can tell you what happened in the past but have no idea what's going to happen in the future.

- Anonymous



Giving money and power to the government is like giving whiskey and car keys to teenage boys

-P. J. O'Rourke

Inflation is like toothpaste: once it's out, you can hardly get it back in again

- Karl Otto Pohl

At 20, we worry about what others think of us. At 40, we stop caring what they think. At 60, we realize they were never thinking of us at all

- Ann Landers





Age is mind over matter. If you don't mind, it doesn't matter

- **Mark Twain**

Common sense is like deodorant. The people who need it most never use it

- **Anonymous**

When you're dead, you don't know you're dead. It's only painful for others. The same applies when you're stupid

- **Ricky Gervais**

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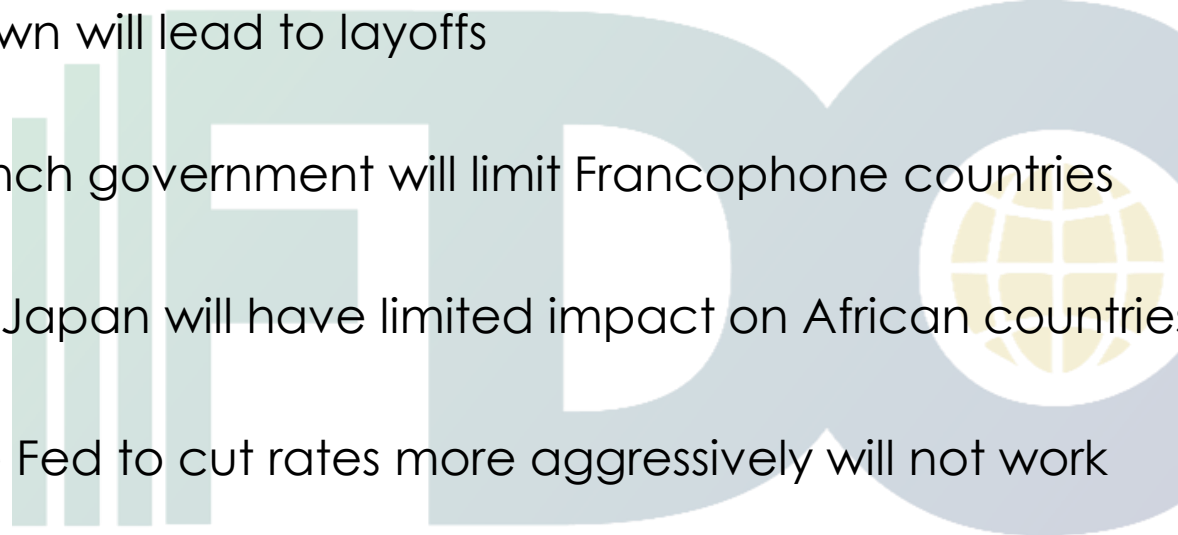


IMPLICATIONS OF GLOBAL DEVELOPMENTS FOR NIGERIA

- A deal in Gaza will help push oil prices lower and hurt Nigeria's BOT and fiscal deficit
- At \$60pb, Nigeria's fiscal deficit could climb towards 4.5–5% of GDP
- The MPC will be more cautious in November in cutting rates
- We believe a 25bps cut in the MPR might be enough to keep the lid on inflation
- With the price of gold now above \$4,000 per ounce — the first time in history — Nigeria's external reserves in gold could be in second place
- The weaker the U.S. dollar, the higher the price of gold
- Nigeria's Eurobond regulation in November will be cheaper than current sales
- \$1bn and €1bn to be refinanced, plus another \$2bn of new Eurobond, will support the reserves.



IMPLICATIONS OF GLOBAL DEVELOPMENTS FOR NIGERIA

- Political crisis in three countries will have undue impact on inflation
 - U.S. government shutdown will lead to layoffs
 - The deadlock in the French government will limit Francophone countries
 - The new government in Japan will have limited impact on African countries
 - The new pressure on the Fed to cut rates more aggressively will not work
- 

A large green number '2' centered within a white dashed circle.

MACROECONOMIC SCORECARD

&

OUTLOOK

MACROECONOMIC SCORECARD

Leading Indicators

	Aug'25	Sept'25	% Change	Oct'25*	Q4'25*
Exchange rate, official (₱/\$)	1,536.42	1,488.26	3.24	1,440	1,445*
Exchange rate, parallel (₱/\$)	1,542	1,494	3.21	1,450	1,455*
Money supply growth(%)	15.8 (July)	11.5 (Aug)	-4.1	10.4(Sept)	10.00*
PMI	54.2	53.4	-1.48	54.7 (Sept)	53*
MPR (%)	27.50	27	-0.5	27	26.75*
365-day t-bills (%)	16.50	16.78	1.70	16.8	17.25*

Coincidental Indicators

GDP growth(%)	3.13 (Q1'25)	4.23 (Q2'25)	1.1	3.9(Q3'25)	3.82*
Oil production (mpbd)	1.51 (Jul'25)	1.43 (Aug'25)	-4.84	1.5	1.55*
Brent Oil price (\$/bl) (EoP)	68.8	69.42	0.90	65	63*



MACROECONOMIC SCORECARD CONT'D

Lagging Indicators

	Aug'25	Sept'25	% Change	Oct'25*	Q4'25*
Inflation (%)	21.88(Jul'25)	20.12(Aug'25)	1.76	19.65*(Sept'25)	18.10*
Gross external reserves (\$'bn)	41.19	42.23	2.52	42.42	44.8*
Stock market cap. (₱' trn)	89.49	89.34	-0.16	90.51	90.23*

Risk Indicators

Power Outages	189 (hours)	425 (hours)	125	113(hours)
Terrorist Attack	1	2	100	1
Fatalities	85	53	37.6	50

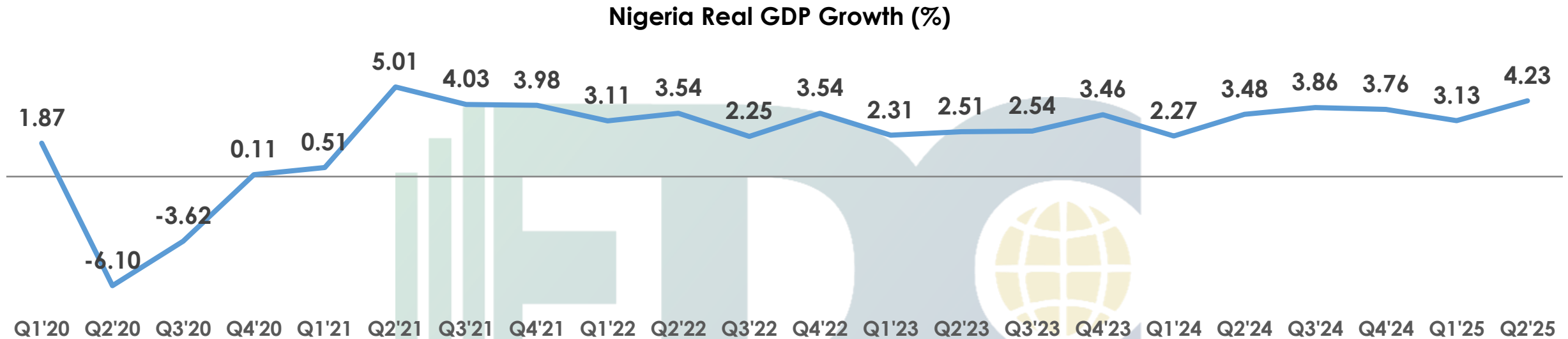
Overall score:

10

5

Source: NBS, CBN

Q2 REAL GDP HITS 4-YEAR HIGH



- Real GDP growth expanded by 4.23% in Q2'25, a 4-year high since Q2'2021 (5.01%)
- Of the 46 activities: 32 activities expanded, 10 slowed and 4 contracted
- Major drivers of the growth include:
 - Industry (+7.45%)
 - Service (+3.94%)
 - Agriculture (+2.82%)

EXPANDING ACTIVITIES ARE LABOUR-INELASTIC

Sector Performance

25 Expanded Sectors

54.35%



- Crude Petroleum and Natural Gas
- Coal Mining
- Quarrying and Other Minerals
- Oil Refining
- Wood and Wood Products
- Pulp, Paper and Paper Products
- Non-Metallic Products
- Plastic and Rubber products
- Electrical and Electronics
- Financial Institutions
- Insurance
- Road, Rail, water & air Transport
- Fishing
- Water Supply, Sewerage

17 Slowed Sectors

36.96%



- Trade
- Construction
- Crop Production
- Forestry
- Real Estate
- Cement
- Food, Beverage & Tobacco
- Education
- Electricity, Gas, Steam & Air Conditioning Supply
- Chemical & Pharmaceutical Products
- Arts, Entertainment & Recreation

4 Contracted Sectors

8.7%



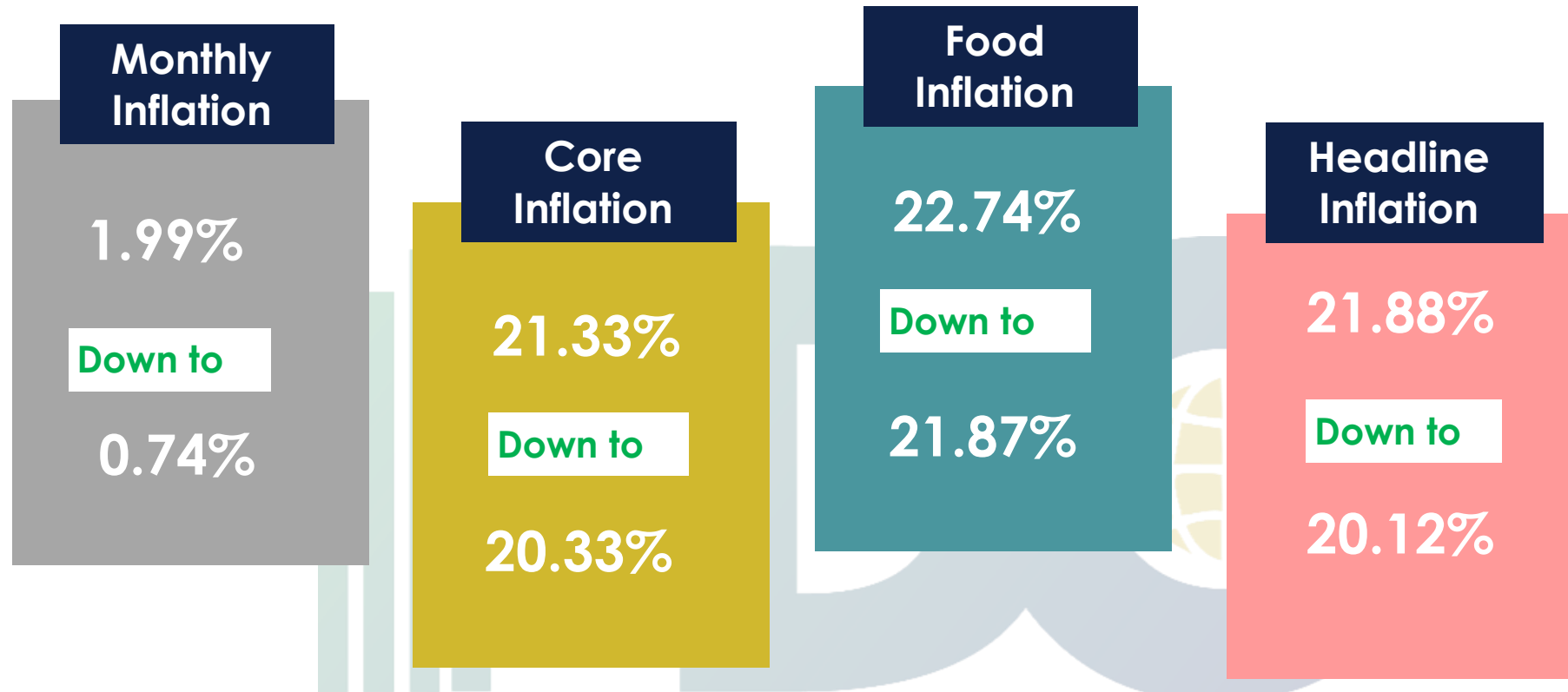
- Metal Ores
- Textile, Apparel & Footwear
- Motor Vehicle & Assembly
- Other Services

Q2'25

Vs.

Q1'25

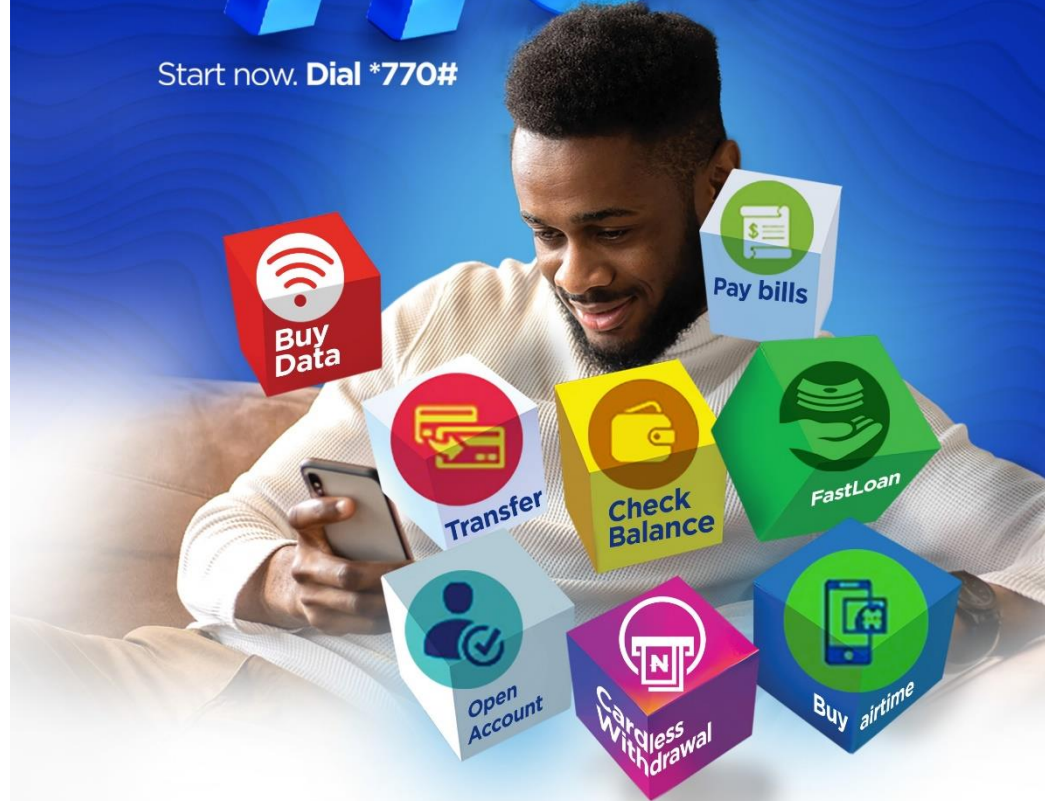
INFLATION SLOWS, POSITIVE OUTLOOK AHEAD



- Transient and structural factors are beginning to give way
- Inflation has incessantly declined for five consecutive months
- ❑ **Caveat:**
 - Increased consumption due interest rate cut can increase liquidity
 - Falling global oil prices
- ❑ **Outlook:**
 - Inflation will decline further to 19.65% in September

*770#

Start now. Dial *770#



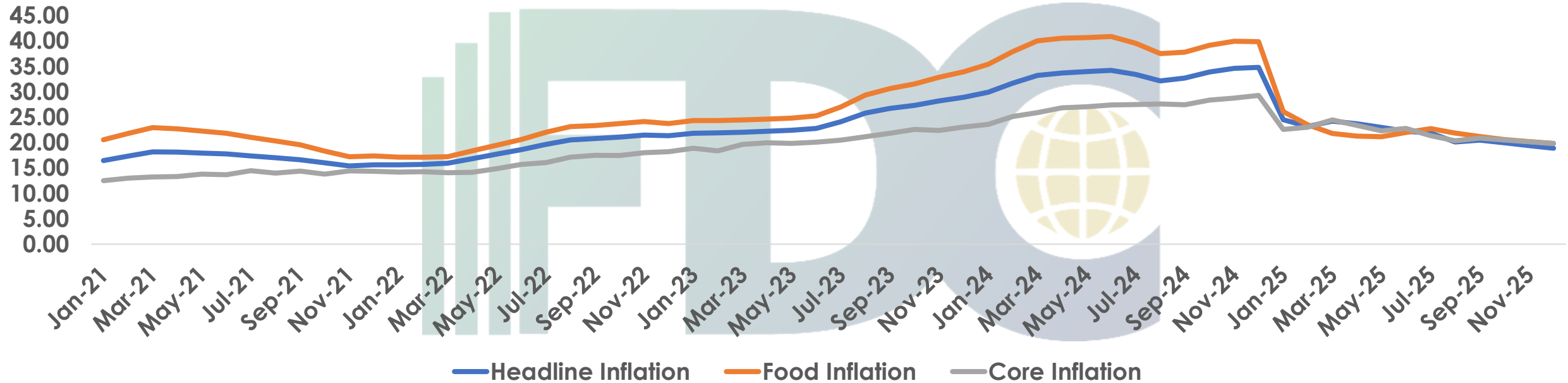
Contact Us: trueserve@fidelitybank.ng

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OUTLOOK - INFLATION TO MODERATE & FALL IN 2026

Inflation Forecast

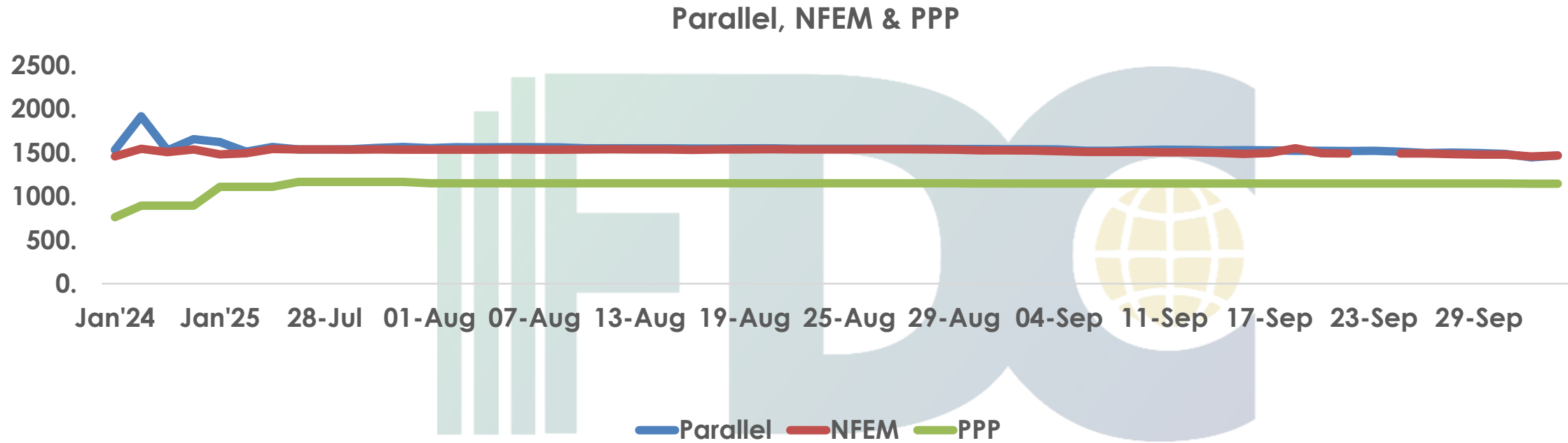


- Inflation will continue to moderate in 2025
- EIU forecast inflation of 17.8% at end-2025

IMPACT OF MONETARY LOOSENING



CURRENCY MARKET CALMER AND LESS VOLATILE



- Naira undervalued by 21.86%
- The fair value of the Naira is estimated at ₦1,430
- Currency is expected to trade toward its fair value within 2–3 years, if there are no distortions

PPP Value
₦1,144.03/\$

Official
₦1,464/\$

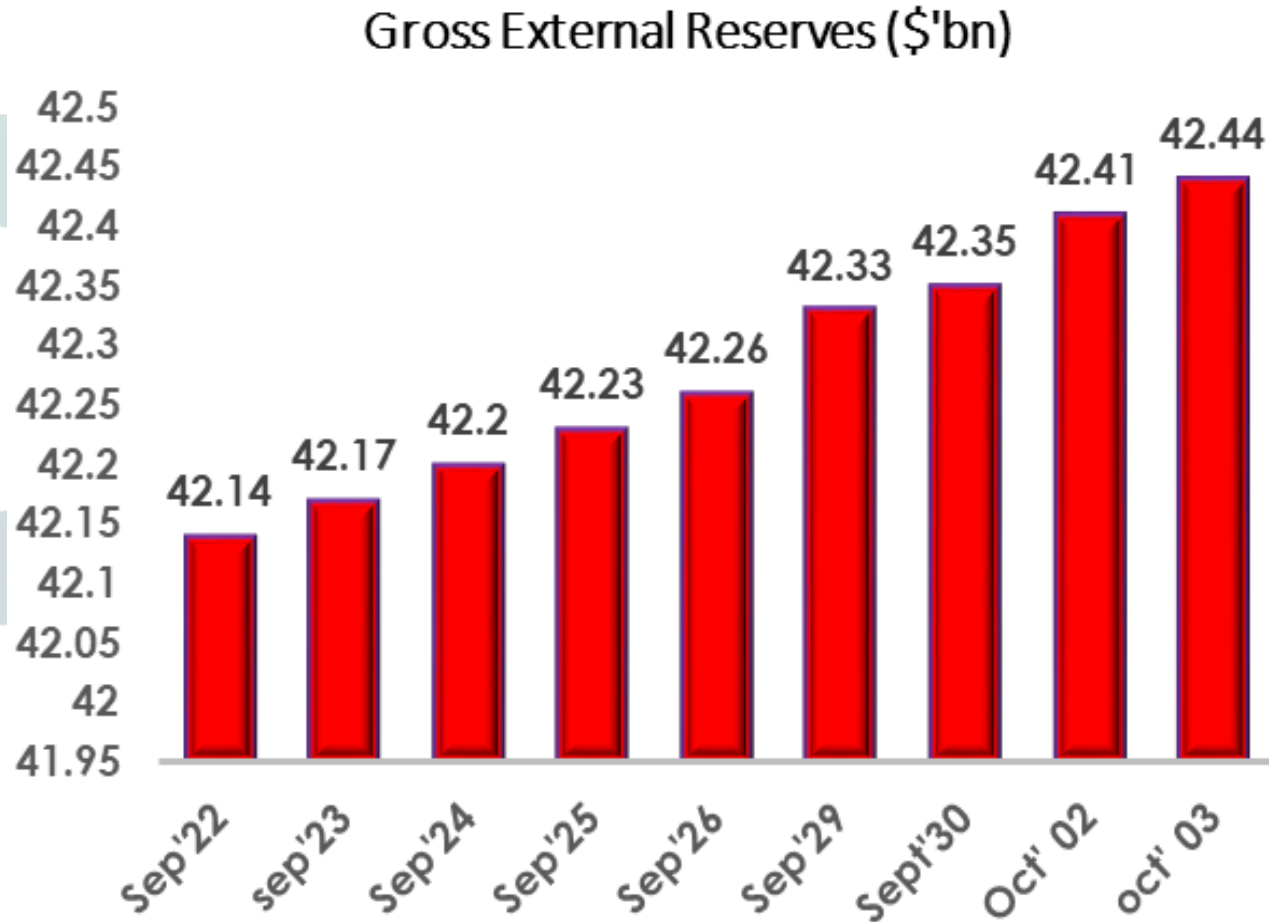
Parallel
₦1,488/\$

CURRENCY FUNDAMENTALS

Variable	Jan'25	Oct'25	Difference	
Brent Oil Price (\$/bl)	80.70	65.58	-15.12	↓
Crude Oil Production (mbpd)	1.38	1.43 (Aug)	0.05	↑
Trade Balance (\$trn)	5.17 (Q1'25)	5.81 (Q3'25)	0.64	↑
Current Account Balance (\$bn)	3.73	5.28	1.55	↑
Gross External Reserves (\$bn)	40.58	42.44	1.86	↑
Remittances (\$mn)	125.6	600	474.4	↑
FPI inflows (\$bn)	1.85	3.2	1.35	↑
Inflation	24.5	20.12 (Aug'25)	-4.38	↓
Interest-inflation differential (%)	3.02	6.88 (Aug'25)	3.86	↑
Terms of trade	101.32 points	102.40* points	101.32 points	↑
Export cover	8.41 months	9.63 months	1.22	↑

GROSS EXTERNAL RESERVES – SIGNIFICANT RECOVERY, 6-YEAR HIGH

- The level of Nigeria's gross external reserves increased slightly by 0.07% (\$30mn) to \$42.44bn on October 03 from \$42.41bn on October 02
- The imports and payments cover surged by 0.10% to 9.63 months
- CBN holds approximately 687,402 troy ounces
- CBN's gold holdings are now worth approximately \$2.75 billion at a gold price of \$3,994.5 per troy ounce



MONEY MARKET- MONEY SUPPLY RISING, BUT GROWTH RATE DECLINING

Quasi Money

Up to ~~₦~~80.21trn
from ~~₦~~77.5trn
in August



Credit to Private Sector

From ~~₦~~76.1trn
declined
To ~~₦~~75.8trn
in August



Demand Deposits

From ~~₦~~35.4trn
Declined
To ~~₦~~34.8trn
in August



Currency Outside Banks

From ~~₦~~4.49trn
Declined
To ~~₦~~4.45trn
in August



- Broad money supply reversed its downward trend and rose to ~~₦~~119.52 trillion in August from ~~₦~~117.4 trillion in June
- Money supply growth down by 4.3% to 11.50% from 15.8%
- Money supply is still growing in absolute terms, but the rate of growth is declining
- MS growth will decline further in September to 10.4% due to monetary policy restrictions

Increase in quasi-money = more funds tied in savings/time deposits, less immediate liquidity

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Corporate Humor B

The trouble with the rat race is that even if you win, you're still a rat

- **Lily Tomlin**

Wisdom comes from experience. Experience is often the result of lack of wisdom

- **Terry Pratchett**

Courage is knowing what not to fear. Wisdom is knowing what to ignore

- **Anonymous**



Love conquers all things except poverty and toothache

- **Mae West**

A pessimist is a man who thinks everybody is nasty as himself and he hates them for it

- **George Bernard Shaw**

When a man opens a car door for his wife, it's either a new car or a new wife

- **Prince Philip**



Love is blind and marriage is the institution for the blind

- **James Graham**

Getting divorced is not like a bereavement at all, because if he died, I'd have my mortgage paid and I could have danced on his grave

- **Sarah Milican**

One man's wage rise is another man's price increase

- **Harold Wilson**

A large, green number '3' is centered within a white circle that has a dashed black border. The number is bold and sans-serif.A decorative graphic on the left side of the slide features a thick, green ribbon that spirals upwards and then curves downwards. The ribbon has a white stripe running through its center. At the bottom of the slide, there are several green, five-pointed stars of varying sizes scattered across a light green background.

ECONOMIC RECOVERY
&
MARKET RECOVERY

In the last 50 years, there have been

8 recessions,

Multiple slowdowns,

zero depressions, and

8 recoveries





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QUOTES!

**Ned Lamont****89th governor of Connecticut**

Unless we address our unserved broadband challenges in our urban, suburban, and rural areas, we will not have equitable access for all and achieve the economic recovery that we need.

**Tommy Tuberville****Senior United States Senator from Alabama**

A government subsidized economic recovery, is not an economic recovery - it's an entitlement state.

DEFINITION OF RECESSION

A recession is a significant and widespread decline in economic activity that typically lasts more than a few months. A common rule of thumb is that it occurs when a country's real gross domestic product (GDP) contracts for two consecutive quarters.

- **Characterized by;**
 - high corporate mortality
 - reduction in consumer spending
 - decreased production
 - high unemployment

DEFINITION OF ECONOMIC RECOVERY

Economic recovery refers to the phase in the economic cycle when an economy begins to grow again after a period of recession or economic downturn.

- **Characterized by improvements in key economic indicators such as:**

- GDP growth
- inflation stabilization
- employment rates
- increased business and consumer confidence



COUNTRY SPECIFIC REVIEW – ROBUST & FRAGILE RECOVERY

ROBUST RECOVERY

SPAIN

	2008/09	2015/16
Inflation	1.95%	-0.45%
GDP growth	-1.5%	3.5%
Current account balance	-\$101.65bn	\$31.89bn

GREECE

	2011	2019
Inflation	4.7%	0.8%
GDP growth	-9.9%	2.3%
Current account balance	-\$28.72bn	-\$4.58bn

FRAGILE RECOVERY

ARGENTINA

	2014	2015	2016
Inflation	14.3%	23.9%	40.5%
GDP growth	-2.5%	2.7%	-2.1%
Current account balance	-\$9.18bn	-\$17.62bn	-\$15.1bn

MILD RECOVERY

TURKEY

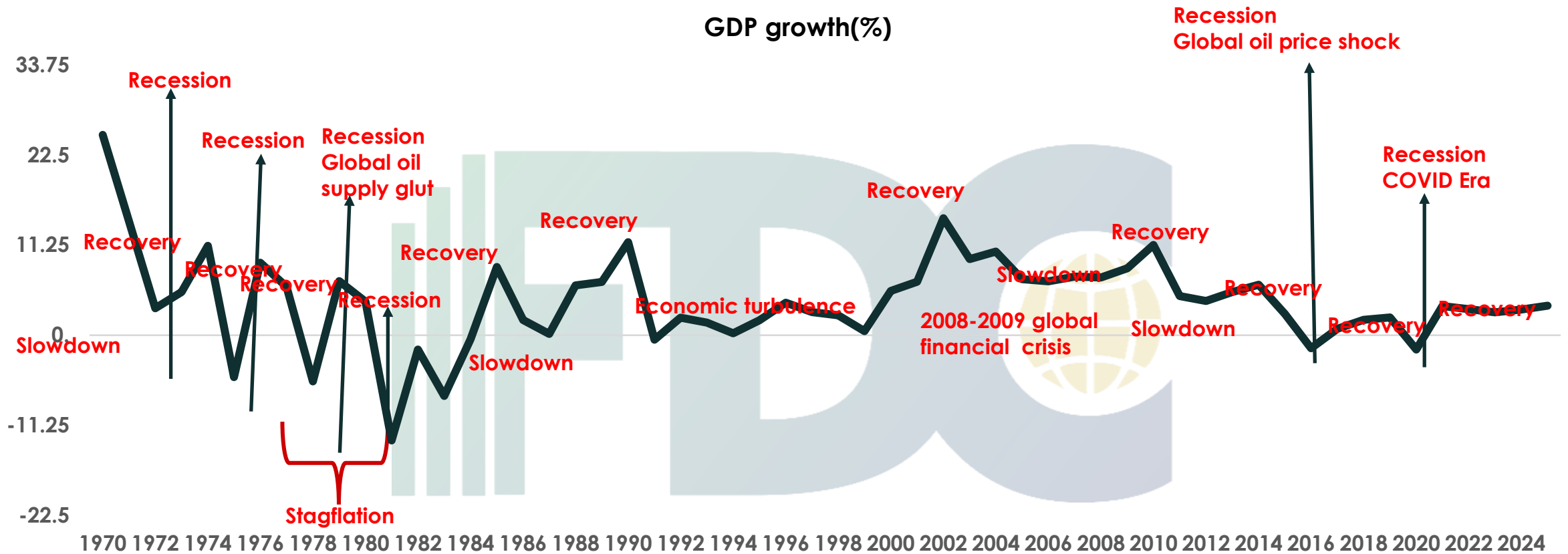
	2001	2004	2009
Inflation	54.2%	8.6%	6.3%
GDP growth	-5.8%	9%	-4.8%
Current account balance	\$3.76bn	-\$14.2bn	\$44.62bn



IS THE ECONOMIC RECOVERY FOR REAL?

	THEN (2024)	NOW	% Change	
Subsidy removal (PMS)	₦985/litre (Sept'2024)	₦841/litre (Oct'25)	-14.62	Recovery can be shallow or deep, depending on the level and extent of the shock The shock may be exogenously induced or a combination of external and internal factors
FX liberalization	₦1,900/\$ (Feb'24)	₦1,488/\$ (Oct'25)	-21.68	
High inflation	34% (Dec'24)	20.12% (Aug'25)	13.88	
Tighter monetary policy	27.5%p.a	27%p.a	0.5	
Real GDP	3.48% (Q2'24)	4.23% (Q2'25)	0.75	
Expanding activities	10	32	22	
Fiscal deficit as % Of GDP	7.5	5	2.5	

NIGERIA'S PATH IN THE LAST 50 YEARS – HISTORICAL TREND

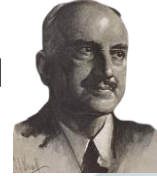


Following periods of economic contraction or downturns, Nigeria's economy often stabilizes slowly at the bottom; in some cases, the recovery is aborted, while in others it gradually resumes a path of long-term growth

LESSONS FROM PAST RECOVERIES

“Those who cannot learn from history are doomed to repeat it”.

By George Santayana



- ✓ **Economic diversification is critical:** Nigeria's heavy dependence on oil revenue has repeatedly worsened economic downturns when oil prices fall
- ✓ **Social inclusion and job creation:** Economic growth without corresponding improvements in employment and poverty reduction often failed to translate into broad welfare gains
- ✓ **Political stability and policy continuity:** Much of Nigeria's economic progress and setbacks have aligned with political changes
- ✓ Inconsistent reform implementation and policy reversals hindered long-term growth





IS IT SUSTAINABLE? AND IF SO, WHY?

Economic recovery shows promising signs, manifesting itself in....

Recovery is close to dynamic equilibrium
Key variables are stabilizing

1

Labour productivity

2

Investors' confidence is increasing
Consumers' confidence is increasing

3

GDP growth reached a 4-year high at 4.23%

4

Exchange rate misalignment changed (Parallel and Official window narrowed to ~~¥~~24)

5

Fiscal responsibilities changing

6

- Unlike past recoveries, this recovery is different
- Is not just about growth, some fundamentals are changing



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IMPACT OF THIS RECOVERY ON.....

Government revenue

Total revenue inflow up by 43% to ₦14.27trn in H1 '25 from ₦9.98trn in H1 '24



Export cover

The imports and payment cover rose by 74.2% to 9.63 months in Oct. 7, 2025 from 37.31 in Oct. 7, 2024



Debt service

External debt service fell to \$2.86 billion in the first three quarters in 2025, from \$3.06 billion same period in 2024



Factor productivity

The factor productivity and gross formation is evidence of optimization of capital stock



RISKS AND PITFALLS AHEAD



- Sharp drop in oil price to \$60pb

01



- FPI reversal

02



- Market & price distortions

03



- Power sector deficits

04





PITFALLS – RISING COST OF GOVERNANCE

	MILITARY (1998)	NOW
Cost of Governance	₦27.7bn	₦54.99trn
No. of Commissioners	36	720
No. of States	36	36
No. of Senators	-	109
Total public debt	\$28.7bn (Q1'98)	\$97.24bn (Q1'25)
	<small>Debt forgiveness in 2003 Under highly indebted poor countries</small>	
Capital expenditure	₦19.4bn	14.85trn
Recurrent expenditure	₦8.3bn	₦14.12

- The rising cost of governance today is a major impediment to capital accumulation and investment in critical projects, especially when compared to the leaner government expenditure during military rule
- For the recovery to be sustainable, there is an urgent need to reduce the cost of governance

TO SUSTAIN THE RECOVERY

- Power sector debt forbearance
- Incentive for domestic investments
- Improve tax collection under the new tax law
- HDMI
- Concessioning of Airports and Seaports
- Sell government owned refineries

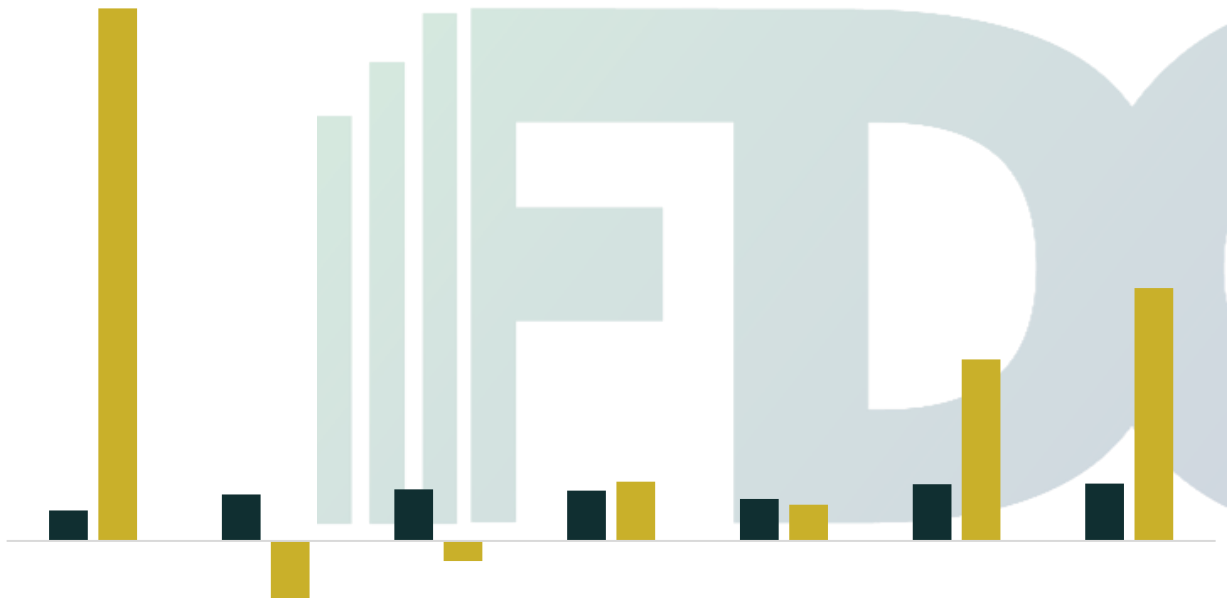


MARKET RECOVERY

NGX MARKET RETURNS OUTPERFORMING GDP GROWTH

GDP Growth VS NGX ASI Return

■ GDP Growth Rate(%) ■ NGX Return (%)

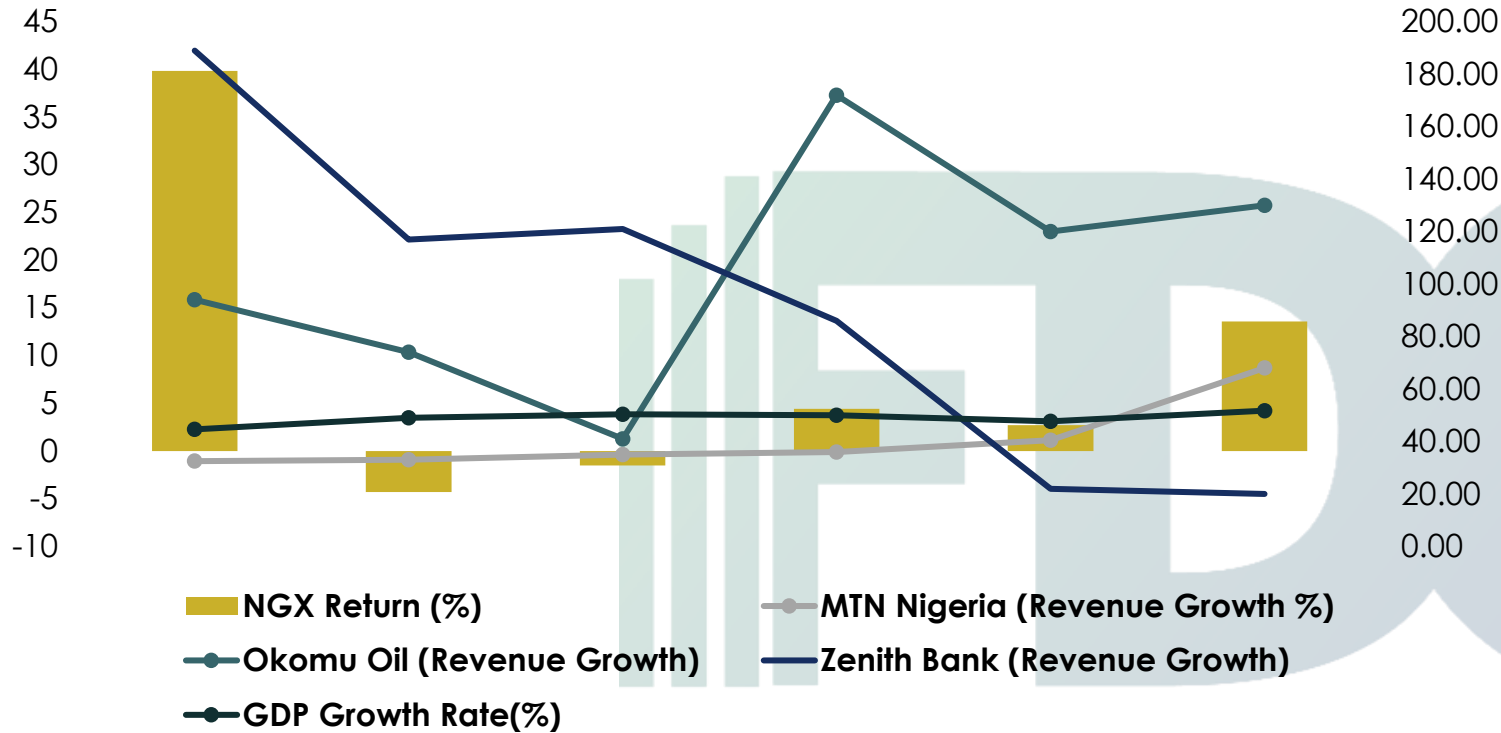


	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25	Q2'25	Q3'25*
■ GDP Growth Rate(%)	2.27	3.48	3.86	3.76	3.13	4.23	4.30
■ NGX Return (%)	39.84	-4.31	-1.5	4.43	2.7	13.57	18.9

- The ASI index is not fully reflective of economic activity
- Stronger activity drove sales in banks, consumer goods, telecoms, and cement
- Pension, foreign, and retail inflows fueled returns above real GDP growth
- Q1'24 rally came from reform optimism and naira adjustment.
- NGX is dominated by banks, cement, telecoms, and consumer giants
- These sectors can grow profits faster than the broader economy

IT IS A TIDE THAT DOESN'T LIFT ALL BOATS

GDP, NGX, Corporate Growth Trends (Q1'24-Q2'25)



- Corporate dominance, governance and profitability are critical factors for success
- The telecom (7.39%), and financial institution (16.18%) sectors outperformed the GDP in Q2'25
- Dominant players within the sectors also outperformed the industry in earnings

MTN Nigeria

PAT up 180%

Share price up 125%YTD

Okomu Oil

PAT up 402%

Share price up 130%YTD

Zenith Bank

PAT down 8%

Share price up 50.8%YTD

SUSTAINED ECONOMIC RECOVERY TO BOOST MARKET CONFIDENCE

ASSUMPTIONS

FX stability, Positive GDP Growth, Declining Inflation, Decline in Interest rate, Rise in External Reserves

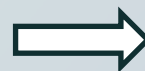
Impact on NGX

- Lower discount rates and reduced risk premia will push sector P/E multiples higher
- As credit and consumption recover, listed companies report stronger top-line and margin recovery
- Pension funds and foreign portfolios rotate into equities as fixed-income yields decline
- Macro stability will reduce tail-risk pricing and compresses equity risk premia

Banks



FMCGS



Construction



Telcos



Oil & Gas



Impact on Sectors

- Stronger loans, better asset quality, margin recovery
- Higher real incomes → volume growth and margin recovery if input costs fall
- FAAC- and oil-funded infrastructure will spur sustained volume growth
- Lower funding costs accelerates network rollouts and monetization of data services
- Higher production directly boosts earnings of upstream players




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NGX OUTLOOK FOR Q4'25/H1'26

- Q4 performance will depend on Q3 earnings
 - Big players within the telecom, crop production, brewery, cement, and FMCG space will deliver robust earnings
 - Increasing positive sentiment supported by early easing signals from the CBN will lift valuation multiples for interest-rate-sensitive stocks
 - Rotation into earnings-growth names, investors will chase sustainable EPS growth in telcos, staples (manufacturers)
 - Declining borrowing costs should revive credit demand and lift banks' net interest income
 - Recapitalized large banks will attract the bulk of investor flows and trading activity
 - Stronger banks will steadily consolidate market share at the expense of weaker peers
 - Distressed banks could be acquired at weak valuations, creating bargain opportunities for buyers
- 

ALTERNATIVE ASSETS

- The last time gold rose 50% was in 1979
- Followed by two recessions, one in 1981 and another in 1982
- This year Bitcoin is up 35%
- S&P is up 14% in 2025
- Gold is up by 50%

Gold



\$4,068.50

Bitcoins



\$122,525.9

**S&P
500**

\$6,714.59



MARKET PROXIES



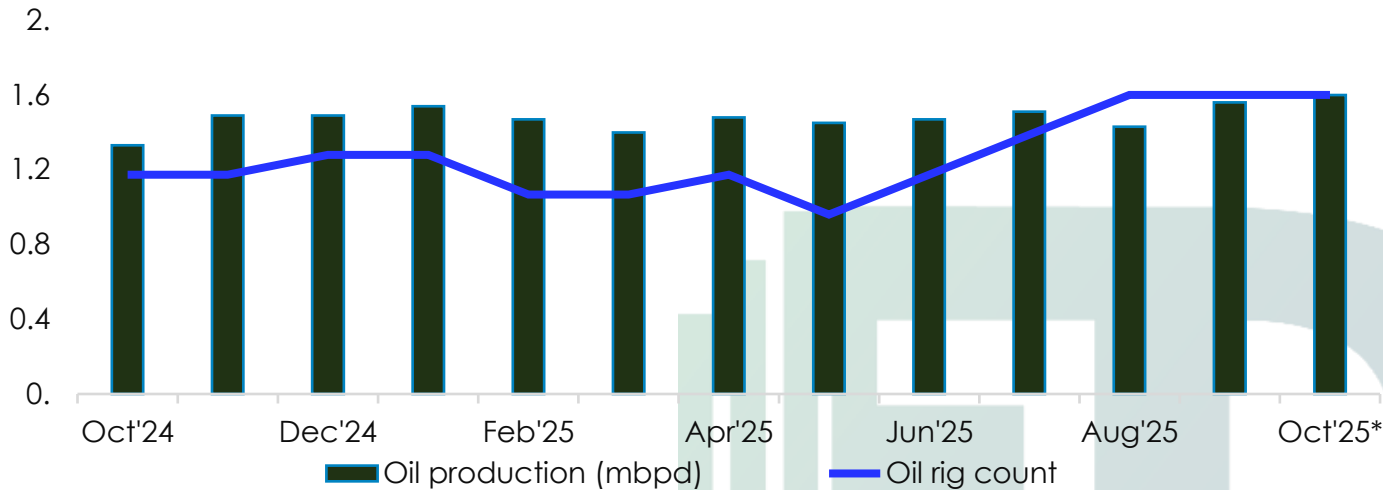
PROXIES NEGATE GROWTH TRAJECTORY

Market proxies	August 2025	September 2025		% change
Oil production (mbpd)	1.51 (Jul'25)	1.43 (Aug'25)	↓	4.84
Oil Rigs	13 (Jul'25)	15 (Aug'25)	↑	15.38
FAAC disbursement (N'trn)	2.00 (Jul'25)	2.22(Aug'25)	↑	11
PMI	54.2	53.4	↓	1.48
Ships awaiting berth	22	16	↓	27.27
Value of transaction (N'trn)	108.88	107.56	↓	1.21

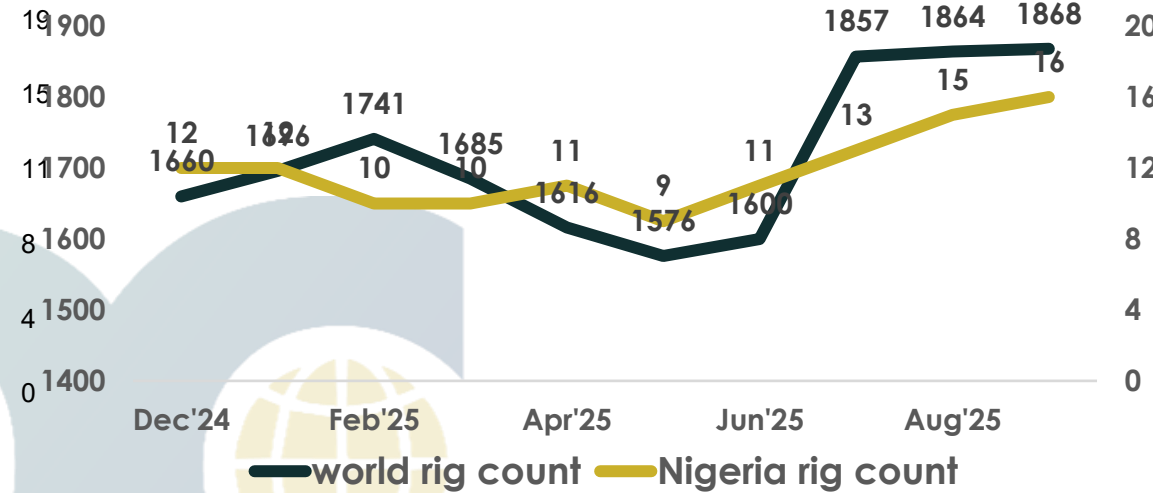


OIL OUTPUT LIKELY TO REBOUND IN SEPTEMBER

Oil production (Mbpd) & Oil rig count



World vs Nigeria rig count



Source: OPEC, FDC think tank

- Oil production fell in August to 1.43 mbpd, a 5.30% decline from July (1.51 mbpd), driven by a single day of unscheduled maintenance at an oil facility
- Oil production is projected to rise to 1.5mbpd in September, driven by increased oil rig count to 15 from 13 in July
- Assuming a 20% rise in output among OPEC members, a global supply glut could emerge, leading to a price decline



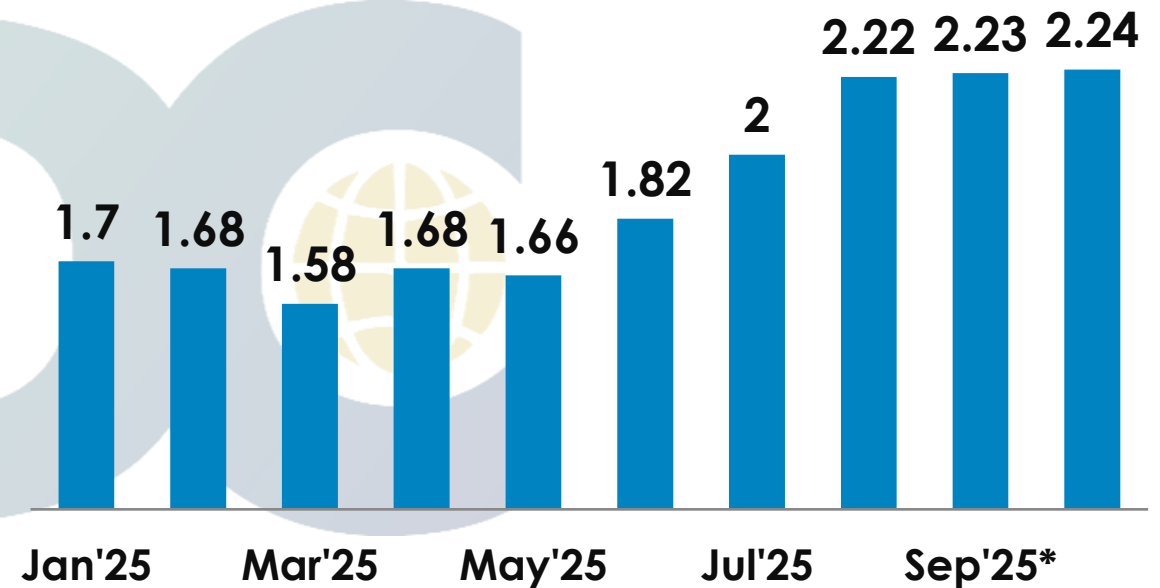
UPWARD TREND IN FAAC DISBURSEMENTS TO PERSIST

- FAAC disbursement up by 11% in August to ~~N~~2.22 trillion from ~~N~~2 trillion in July

- 75% (789.65 billion) of states and LGAs' FAAC kept as cash reserve ratio with the CBN could result in:

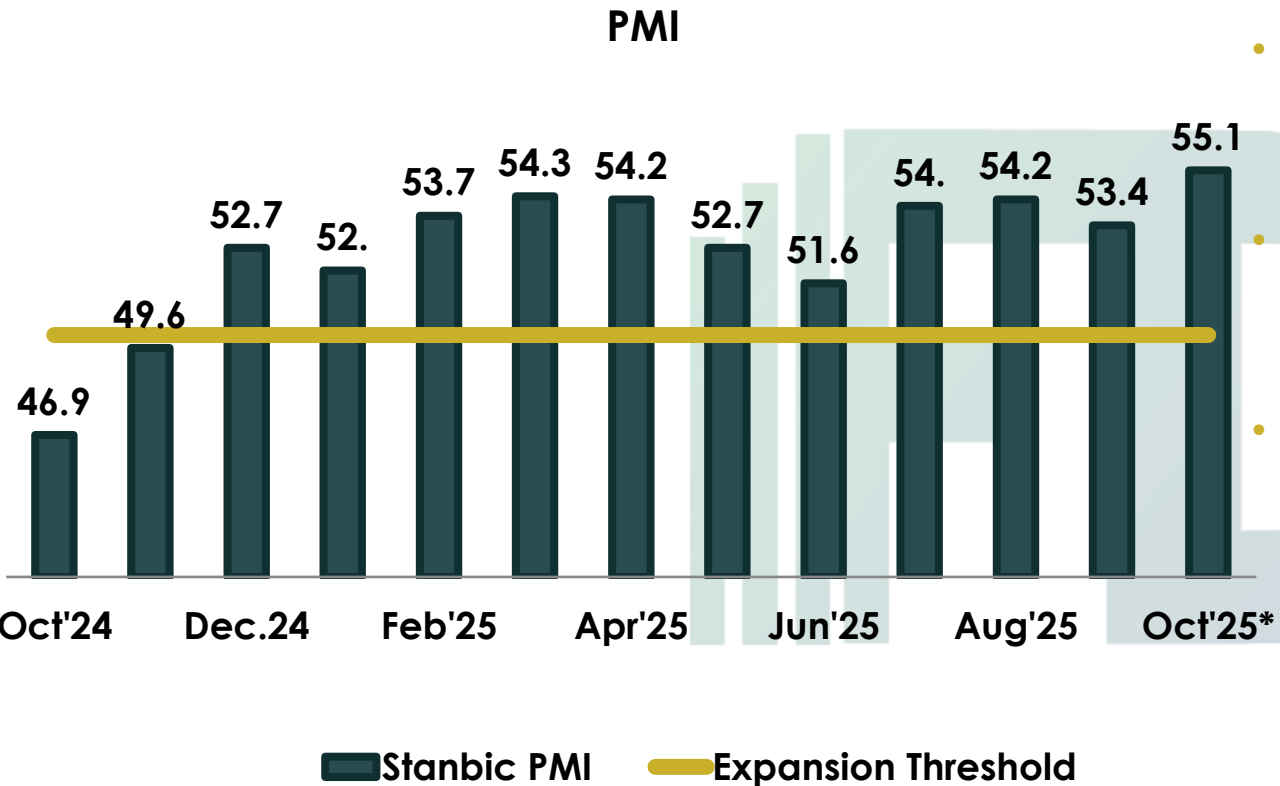
- Lower multiplier effect of FAAC
- Encourage budget discipline among states and LGAs
- Curb excessive spending and support monetary stability
- Reduced money supply and control inflation

FAAC Disbursement (N'trn)





SLOWED PMI INDICATE POSITIVE, BUT NOT ASTRONOMICAL GROWTH



- PMI fell by 1.48% to 53.4 points in September from 54.2 points recorded in August
- A GDP growth rate of 4.23% alongside a declining PMI indicates a positive, but not astronomical growth
- PMI is likely to experience growth in Q4'25
 - Supported by increased output and new orders fueled by stronger seasonal demand
 - Slowdown in input costs, translating into a moderate pass-through to consumers

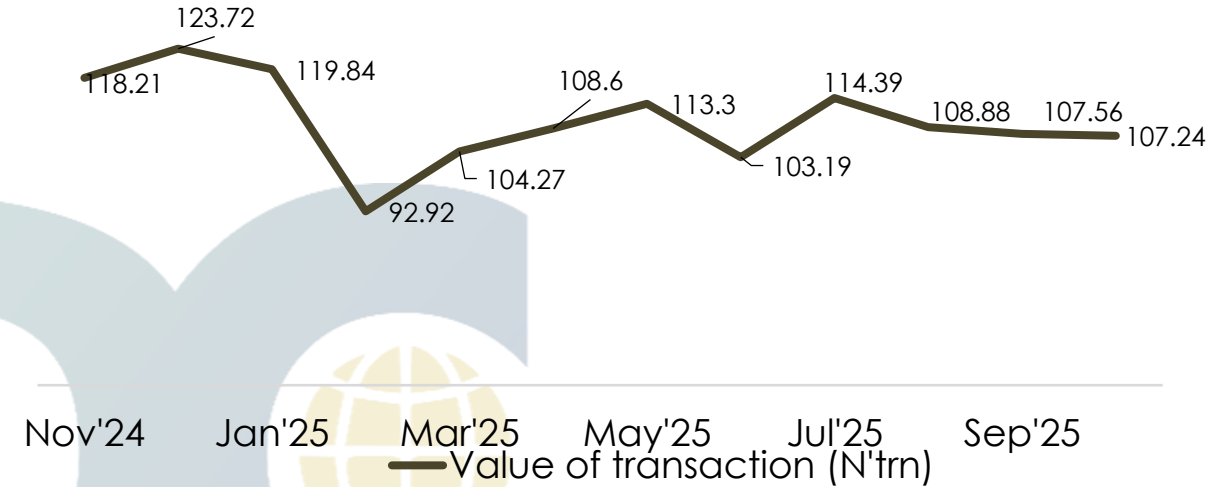
SHIPS AWAITING BERTH TO RISE IN Q4'25

	Lagos-Apapa	Lagos-Tincan	Calabar port	Warri port	Onne port	Rivers port	Lekki deep sea	Total
Aug'25	6	8	0	2	0	0	6	22
Sep'25	5	3	0	2	0	0	6	16
Oct'25*	6	4	0	3	0	1	6	20

- Ships awaiting berth fell by 27.27% to 16 in September from 22 recorded in August
- Over 95% of the activities are concentrated in Lagos State (Apapa, Tincan & Lekki deep sea) and Warri due to a good road and rail network
- Public-private partnerships and road concessioning are expected to enhance activities at other ports

CASH TRANSACTION TO REDUCE, TOTAL TRANSACTION WILL INCREASE

Mode of payment	Aug'25 (N'trn)	Sep'25 (N'trn)	Change (%)		Oct'25* (N'trn)
NIP	97.59	97.25	-0.35	↓	97.12
POS	5.71	4.82	-15.59	↓	4.72
NEFT	5.32	5.21	-2.07	↓	5.10
CHEQUES	0.258	0.278	7.75	↑	0.30
Total	108.88	107.56	-1.21	↓	109.56



- Value of transactions fell by 1.21% to ₦107.56 trillion in September from ₦108.88 trillion in August
- Notably, the CBN capped daily POS cash transactions at ₦1.2 million and ₦100,000 for individual customers
- This new policy will likely dampen POS transaction value in the near term but encourage transfer payments
- Overtime, it is expected to enhance transparency, security and long-term growth in the payment ecosystem

IMPLICATIONS OF THE NEW ELECTRICITY LICENCES ISSUED BY LASERC

- Lagos State Electricity Regulatory Commission (LASERC) issued power distribution licences to Excel Distribution Company Limited and IE Energy Lagos Limited
- This formalises the state's regulatory authority while preserving the operational structure of Ikeja Electric and Eko DisCo.
- Implications:
 - Market liberalisation and competition
 - It could accelerate embedded generation and microgrid projects
 - Attract private investment
- However, this might result in operational fragmentation



Corporate Humor C

Teach a parrot the terms supply and demand and you have got an economist

- **Thomas Carlyle**

People who say money can't buy happiness just do not know where to shop

- **Tara Palmer Tomkinson**

The lack of money is the root of all evil

- **Anonymous**



Nothing is impossible for the man who doesn't have to do it himself

- **A.H. Weiler**

Don't cry because its over, just smile because it happened

- **Dr. Seuss**

Gratitude is a currency, we can spend without fear of Bankruptcy

- **Anonymous**



Earth provides enough to satisfy every man's needs but not every man's greed

-Mahatma Gandhi

What we do for ourselves dies with us what we do for others and the world remains and is immortal

- Albert Pike

Our vanity is the constant enemy of our dignity

- Anne Sophie Swetchine



5

**AVIATION
&
THE NEW ECONOMY**

AVIATION

GLOBAL AVIATION UPDATES

- First-class flight bookings jumped 20% year-on-year (June–August 2025), driven by wealthy travellers' shift from goods to experiences
- Around 820 private jets will be delivered in 2025 — a 7.3% increase, showing sustained demand for exclusive travel
- Airlines and hotels are raising rates, with revenues per available luxury room and seat rising despite slightly lower occupancy
- EasyJet Holidays launched a luxury tier offering speedy boarding, posh hotels, and fine dining, signaling “affordable luxury” growth
- Global travellers are spending less on luxury goods and more on memorable, status-driven travel experiences



PASSENGER DEMAND GROWS 4.6% IN AUGUST - IATA

- Global air passenger demand was up 4.6% YoY in August, with airlines operating at a record-high load factor of 86%
- North America showed the weakest growth (+1.8%), with international load factor declining for the fourth straight month
- Tighter U.S. immigration rules and geopolitical tensions have discouraged travel to America in 2025
- Africa had the strongest growth (8.9%) as connectivity and tourism improved
- Despite economic and geopolitical uncertainties, airlines plan to expand capacity by 3.4% in October



NIGERIA EXPANDS GLOBAL AIR CONNECTIVITY

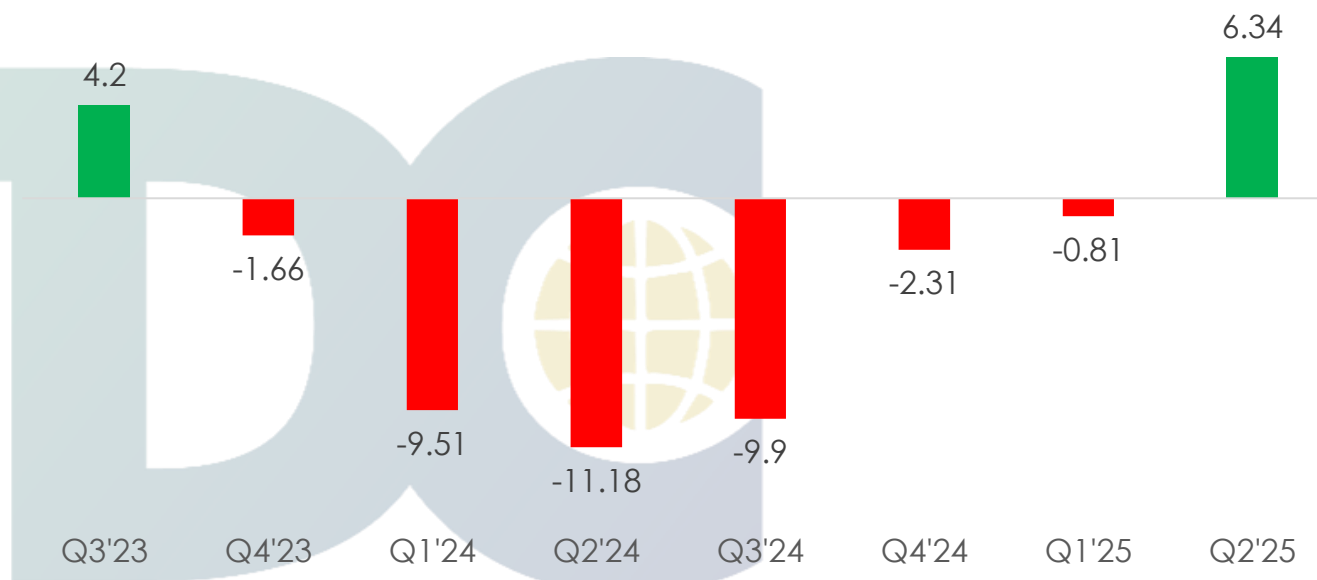
- Nigeria and Brazil signed a new Bilateral Air Services Agreement in 2025, leading to the launch of Air Peace's first direct Lagos–São Paulo flights
- Nigeria and Trinidad & Tobago finalized a Bilateral Air Services Agreement in early 2025 to enable direct flights between Lagos and Port of Spain
- Emirates will add six extra weekly flights on the London Heathrow–Dubai route starting 26 October 2025, increasing total weekly flights from 42 to 48
- This 14 % increase in frequency intensifies competition with British Airways, given that both airlines are among the few offering first-class cabins on this route
- However, visa restrictions affecting Nigerians, especially stricter rules in Gulf states, may limit how fully Nigeria can benefit from this added connection



NIGERIA'S AVIATION SECTOR GROWS AFTER 6 QUARTERS OF DECLINE

- The air transport sector grew by 6.34% in Q2'25,
- marking its first growth after six consecutive quarters of contraction
- This was largely due to forex stability, clearing of FX backlog and ease in fuel costs
- which improved business environment and encouraged growth in operating airlines

Air Transport Sector Growth (%)



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OUTLOOK

- Sustained growth expected as forex stability and appreciation continues
- Rising travel demand driven by both business and tourism activity will boost passenger volumes in the near term
- Tightening U.S. visa rules could dampen international travel demand, especially from emerging markets like Nigeria
- New entrants like ValueJet are boosting competition in Nigeria's domestic market, likely leading to lower fares.
- Weaker carriers may be forced out of the market amid rising competition and thinning profit margins.



***THE NEW ECONOMY-
CREATIVE ECONOMY***

THE CREATIVE INDUSTRY IS CYCLICAL, NOT DEFENSIVE

- **Cyclical sectors:** moves with the economy, strong in booms, weak in downturns.
- During COVID-19, film, music, advertising, and live events sharply declined due to lockdown and lower consumer spending
- **Example** Live Nation, the world's largest concert promoter, saw revenues plunge by 84% \$1.86bn in 2020, as live shows were cancelled globally.
- The downturn showed the industry's reliance on discretionary spending.
- As economies reopened, demand for entertainment and media rebounded strongly.



NIGERIA'S CREATIVE INDUSTRY AT ITS GROWTH STAGE

Introduction Stage

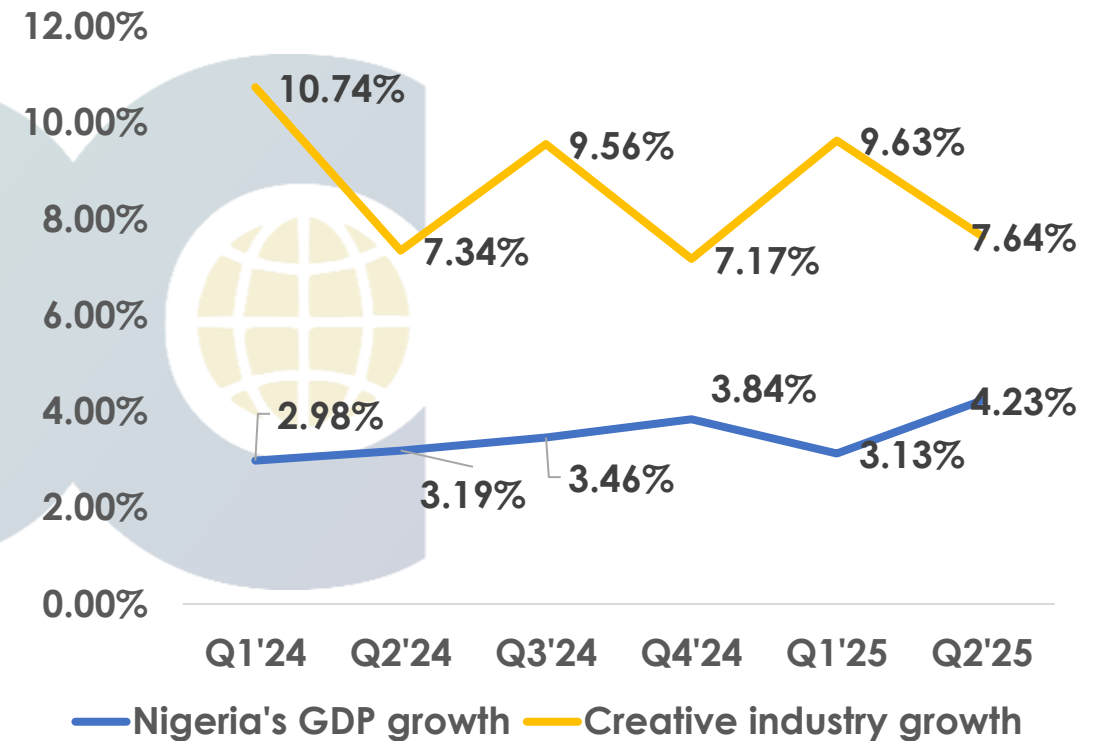
- ✓ Birth of Nollywood and Afrobeats
- ✓ Informal operations with minimal funding
- ✓ Content largely produced for local audiences

Growth Stage

- ✓ Gradual rise in the adoption of digital platforms like YouTube (2011) and Netflix (2016)
- ✓ Increased private investment and regional recognition
- ✓ Post-COVID digital acceleration and global streaming adoption (Spotify 2021)
- ✓ Rising export value of music, film, sports and fashion.

CREATIVE INDUSTRY OUTPERFORMS THE NATION'S GDP

- Nigeria's creative industry grew 7.64% in Q2'25, outpacing GDP growth of 4.23%.
- The sector has expanded by approximately 15% over the past five years, reflecting rapid growth
- Key growth drivers include a youthful population, increasing internet penetration, broader digital platform adoption, and rising global demand for Nigerian content.



IMPEDIMENTS TO NIGERIA'S CREATIVE SECTOR GROWTH

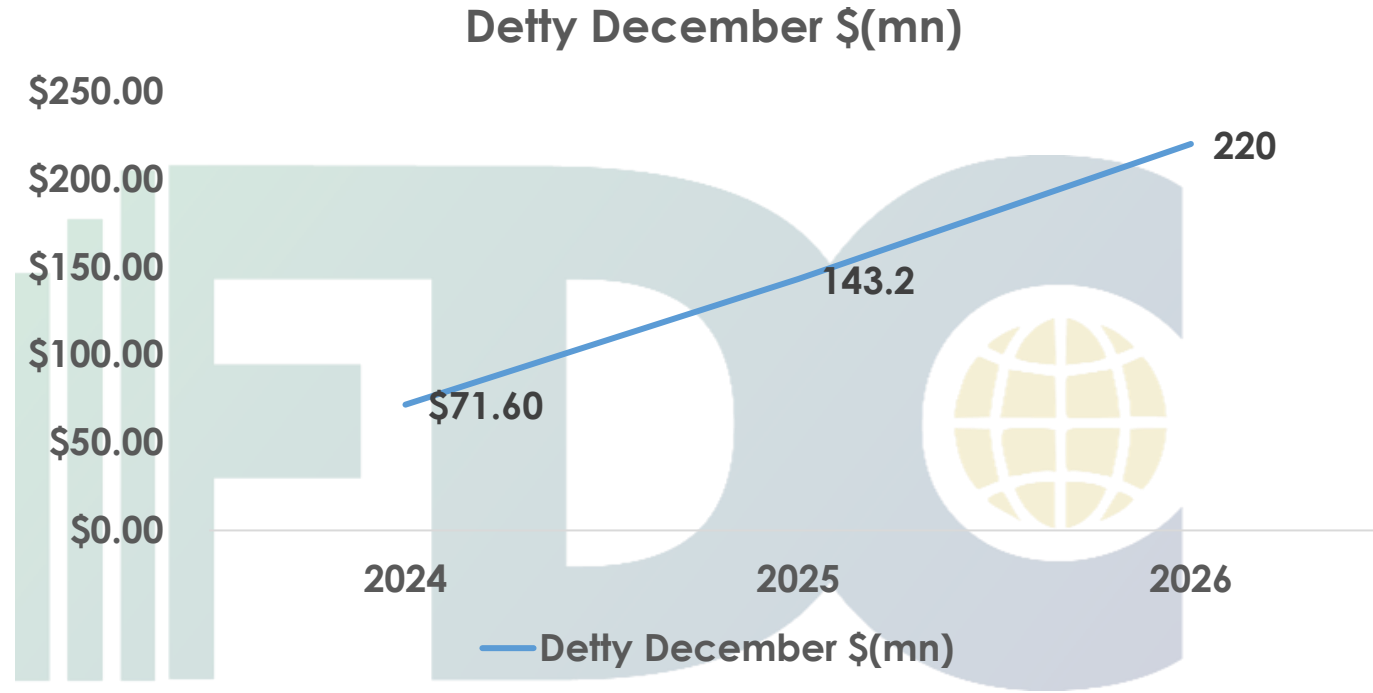
- Trump's tariffs on Non-US films
- Visa challenges restricting international mobility
- Piracy and intellectual property enforcement issues
- Inconsistent government policies and regulation

Solutions

- New focus on Europe and Canada
- Talent development programs to enhance skills in film, music, and digital arts
- Improve access to funding
- Strengthen intellectual property protection



DETTY DETTY DECEMBER TO PUSH GROWTH



GROWING, GROWING AND KEEPS GROWING

- Favorable exchange rate
- Increase in concerts and events
- Growth in nightlife, restaurants, and retail sectors

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POLITICS UPDATES & OUTLOOK



POLITICAL UPDATES

- APC is consolidating its base in the South-west and South-south
- Building alliances across the North-west and North-central
- New INEC appointments will be carefully calibrated
- The elections in Anambra is a slam dunk for the incumbent
- Same for Ekiti State
- The opposition is still leaderless and underfunded
- The only positive sign for the opposition is if there is a total economic collapse
- If the economy continues to recover slowly and naira remains strong
- The opposition's chances of victory becomes a long shot



POLITICAL UPDATES CONT'D

- The more fragmented the opposition and the bigger the incumbent's war chest, the more difficult it is to tip the scale
- At this point, the 2027 race is looking like a one-trick pony
- Osun State is beginning to look like an interesting race
- The incumbent appears to have political ground game and infrastructure versus the federal could be a flash point
- In politics there are always imponderables that cannot be foreseen
- The minister of technology falling on his sword may lead to more whistle blowing and consequences
- According to James Carville it is always going to be "it's the economy stupid"





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OUTLOOK FOR OCTOBER/ NOVEMBER 2025

- Nigeria is expected to have a strong showing at the upcoming World Bank/IMF meetings
- The country is likely to raise at least one-fourth of its planned Eurobond issuance to:
 - A. Refinance maturing Eurobonds
 - B. To provide buffers for the external reserves and keep inflation in check
- The MPC will most likely cut the MPR by 25bps to 26.75% p.a
- The impact of the CRR of 75% on non-TSA funds will lead to further tightening in the monetary market
- Oil price will fall towards \$60pb after the Gaza ceasefire
- At that price, Nigeria will make the fiscal picture temporarily difficult
- The state government will need to make some adjustments
- They will increase their payment to contractors



OUTLOOK FOR OCTOBER/ NOVEMBER 2025 CONT'D

- At 26.75% p.a., the debt service burden of the FGN and state governments will fall by approximately ₦1.5trn in 2026
- The naira will trade in a range of ₦1,450–₦1,550 in November
- The price of PMS will be pushed down by Dangote Refinery to ₦820 across the country approximately 50% below its 2024 peak
- Q3 earnings will be released with huge differentials between dominant companies and fringe players
- Total market cap will rise above \$95trn because of increasing telco stocks, building materials, and FMCGs
- The 2026 budget is going to be presented with more reasonable assumptions
- International airfares will fall in early November before rising sharply in December



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OUTLOOK FOR OCTOBER/ NOVEMBER 2025 CONT'D

- Emirates will take the Flight to B/A with six additional flights between Heathrow and Dubai.
- In all, there are 46 Emirates flights between London and Dubai
- There will be massive import to meet December demand in November
- Inflation will slip from 20.12% towards 18% in November



Corporate Humor D

Fortune reveres the brave and overwhelms the cowardly

-Marcus Seneca

There are 3 types of people - Those who make things happen,
those who watch things happen and those who wondered what happened

- Tommy Lasonda

Fortune favours the bold

- Terrence



If the risk-reward ratio is right, you can make big money buying trouble

-Anonymous

Results are what you expect, consequences are what you get

- Anonymous

Life is the art of drawing sufficient conclusions from insufficient premises

- Anonymous





Many persons of high intelligence have notoriously poor judgement

-Sydney Harris

It is better to be a failure at something you LOVE than to be a success at something you hate

- George Burns



A decorative graphic on the left side of the slide consists of a thick, 3D-style green ribbon that loops and curves. At the bottom of the slide, there is a horizontal line of green stars of varying sizes, some with soft halos, set against a white background.

THANK YOU

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