

NOVA Weekly Economic Report

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12th – 18th August 2025

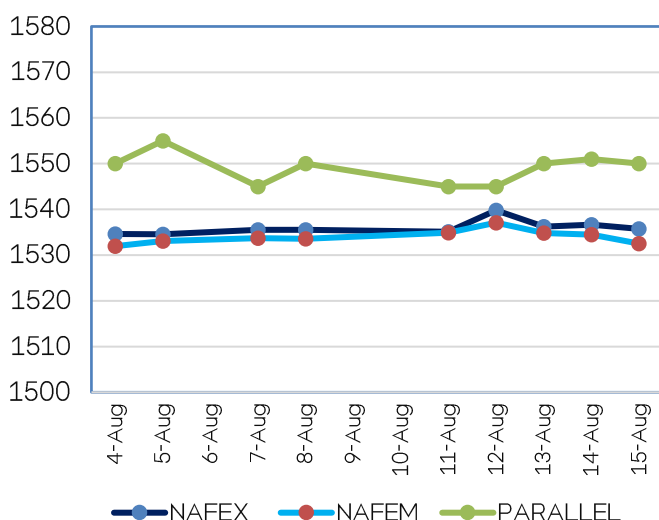
INTERNATIONAL NEWS

Oil prices rose after U.S. adviser Peter Navarro criticized India for funding Russia's war by buying its oil, warning it must stop to remain a U.S. strategic partner. His comments reignited market concerns over geopolitical tensions. Prices had earlier dipped after Trump met Putin to push a Ukraine peace deal. Trump may later consider tariffs on countries buying Russian oil, like China and India. Investors also await Fed Chair Powell's remarks on interest rates at Jackson Hole.

LOCAL NEWS

Nigeria's manufacturers are shifting to local raw materials due to naira devaluation and dollar scarcity caused by currency reforms under President Tinubu. The Central Bank's move to float the naira triggered volatility, forcing companies to cut foreign dependence and adapt supply chains. This change has led to cost savings, with firms like CAP now sourcing 90% of key materials locally. About 800 manufacturers shut down in 2024 due to rising costs and limited access to foreign exchange. Multinationals also scaled back operations. Still, some companies have adapted successfully, despite challenges like weak infrastructure and supplier capacity.

FOREIGN EXCHANGE MARKET



T-BILLS

The Treasury bills market opened the day on a calm note. Albeit there was significant buying interest seen on the 6 August NTB, which traded at an average yield of 16.20%. On the OMO side, the 17-Feb OMO paper traded actively at average yields of circa 24%. Overall, yields inched marginally lower across the curve.

TYPE	SECURITY	DISCOUNT RATES (%)
NTB	21-Aug-25	16.29
NTB	11-Aug-25	16.36
NTB	18-Sept-25	16.38
NTB	9-Oct-25	15.68
OMO	19-Aug-25	26.94
OMO	23-Sept-25	25.20
OMO	6-Jan-26	22.34

MONEY MARKET

System liquidity opened with a negative balance of N94.6Bn. (Opening balance was 190.45bn, Standing Deposit Facility was N104.07Bn, and Standing Lending Facility was at 389.1Bn).

MONEY MARKET RATES	15-AUG-25	14-AUG-25
Open Repo (OPR)	32.31	32.30
Overnight (O/N)	32.60	32.60

BONDS

The NTB market traded quietly with a mild bullish tone as benchmark yields fell 5bps to 18.01%, ahead of next Wednesday's ₦230bn PMA. Investors showed cautious interest, especially in short to mid-tenor bills, anticipating attractive stop rates.

COUPON RATE- % p.a.	FGN BONDS	CLOSING YIELD (%)
16.29	17-Mar-27	16.48
19.30	17-Apr-29	16.87
18.50	21-Feb-31	17.02
19.00	21-Feb-34	16.74
13.00	21-Jan-42	15.60
15.70	21-Jun-53	15.92

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

COMMODITIES

	CURRENT RATE	PREVIOUS RATE
Wheat(\$/bu)	502.4	504.3
Cocoa(\$/Mt)	8235.0	8224.0
Gold(\$/t.oz)	3347.7	3339.5

ECONOMIC INDICATORS

KEY INDICATOR	CURRENT	PREVIOUS
Inflation Rate (YoY%)	22.22%	22.97%
MPR (%)	27.50%	27.25%
Brent Crude	65.72	65.8
FX Reserve	\$40.72BN	\$40.65BN

Sources: FMDQ

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