

# The Investors' Compass: From Insight to Action

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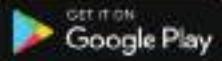
MONTHLY ECONOMIC AND FINANCIAL REPORT  
NOVEMBER 2025



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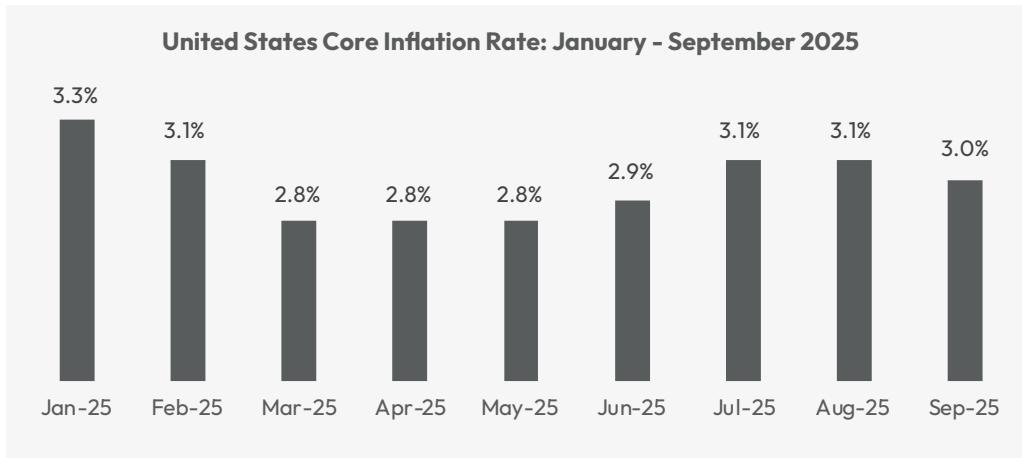
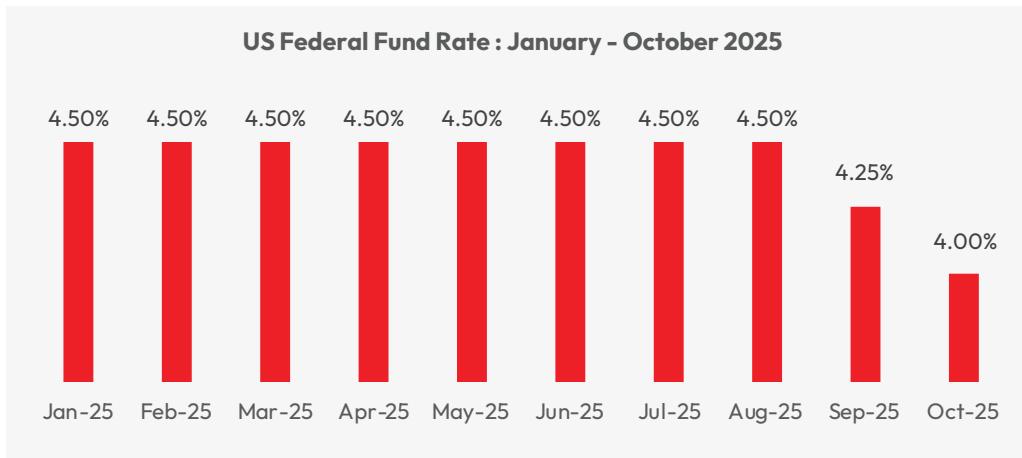
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# Global Economy



# Global Economy



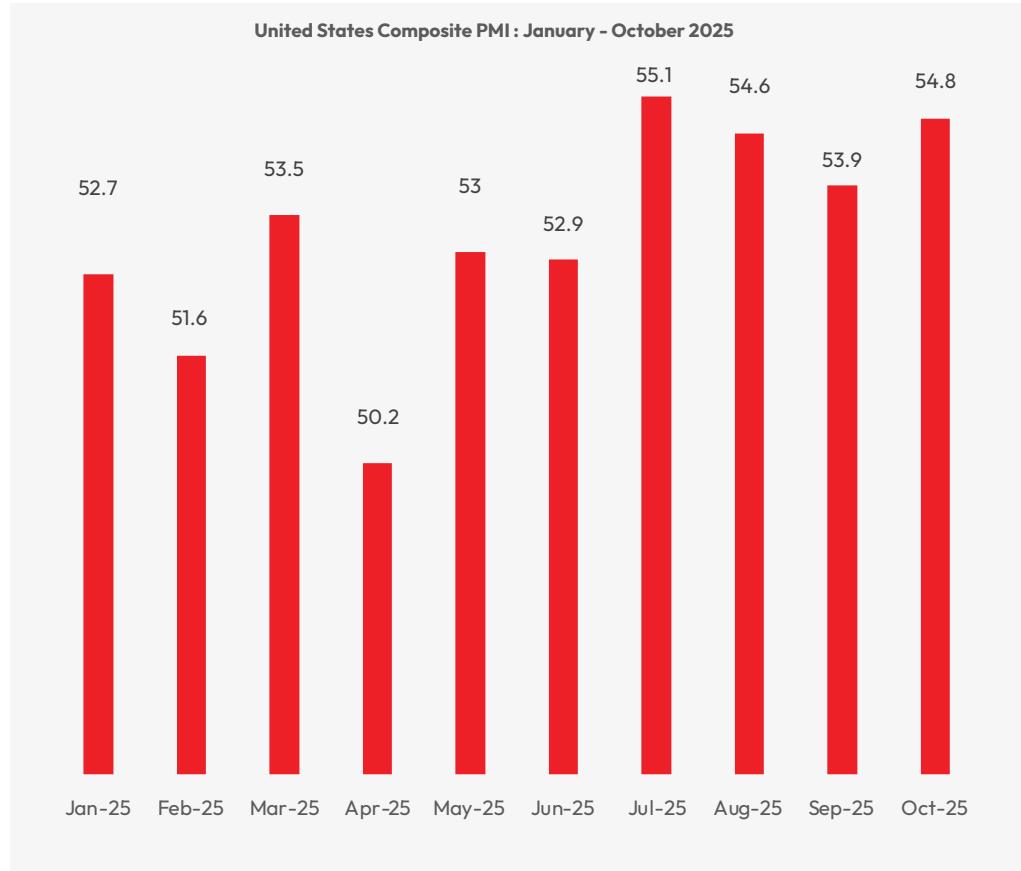
## US: FOMC Lowers the Federal Fund Rate

- The Federal Open Market Committee (FOMC) of the US Federal Reserve cut the Federal Fund Rate by 0.25% in October 2025, the second interest rate cut in 2025
- Weak labour market data reinforced Fed's decision to lower interest rate
- There are strong expectation that FOMC will implement another rate cut in December

## US: China - US Deal Lifts Trade Outlook

- The US cut tariffs on Chinese goods from 20% to 10% after a positive Trump-Xi meeting
- The deal stopped a 100% tariff set for November 01, easing trade and market pressures

## ■ GLOBAL ECONOMY [CONT'D]



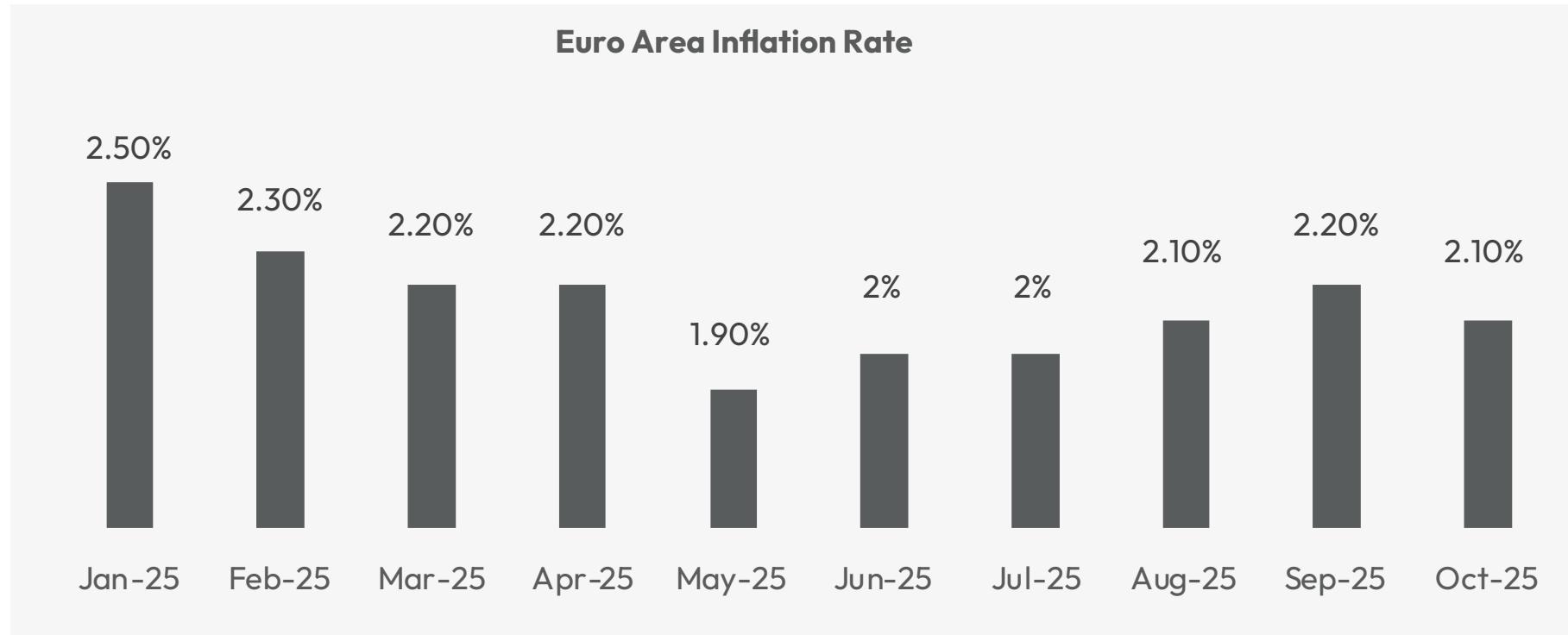
### US: Cooling Inflation, Steady Momentum

- The core inflation rate slipped from 3.1% in August to 3% in September 2025
- Inflation eased as rent growth slowed and service demand weakened
- However, the shelter index rose 3.6% compared to the corresponding period in 2024
- Shelter Index is cost of housing and related expenses consumers pay to live in their homes

### US: Purchasing Managers' Index (PMI) Accelerates

- US Composite PMI rose to 54.8 points in October from 53.9 points in September 2025
- US Manufacturing PMI rose to 52.5 points in October from 52.0 points in September
- Similarly, US Services PMI increased to 55.2 in October from 54.2 in September
- Both manufacturing and services PMI rose as flows of new orders increased at fastest rate

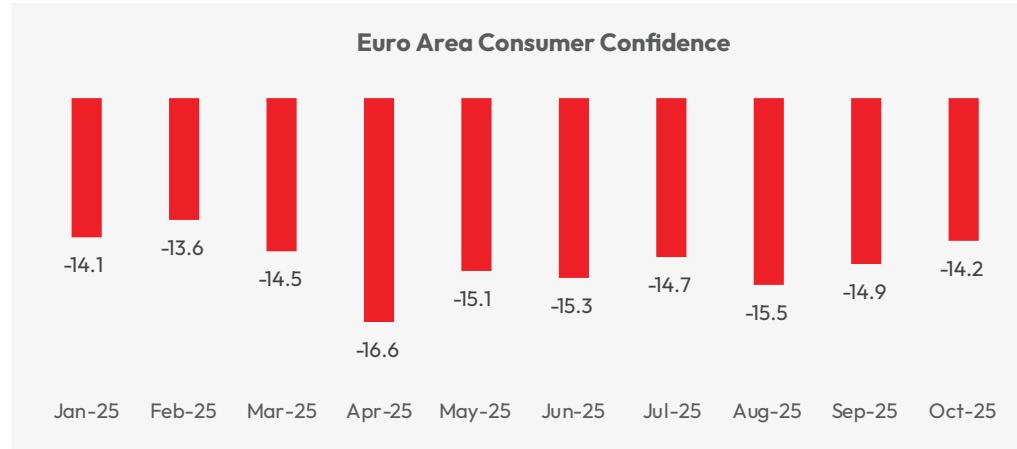
## ■ GLOBAL ECONOMY [CONT'D]



### Europe: ECB Maintains Rates; Eurozone GDP Rises 0.2% in Q3

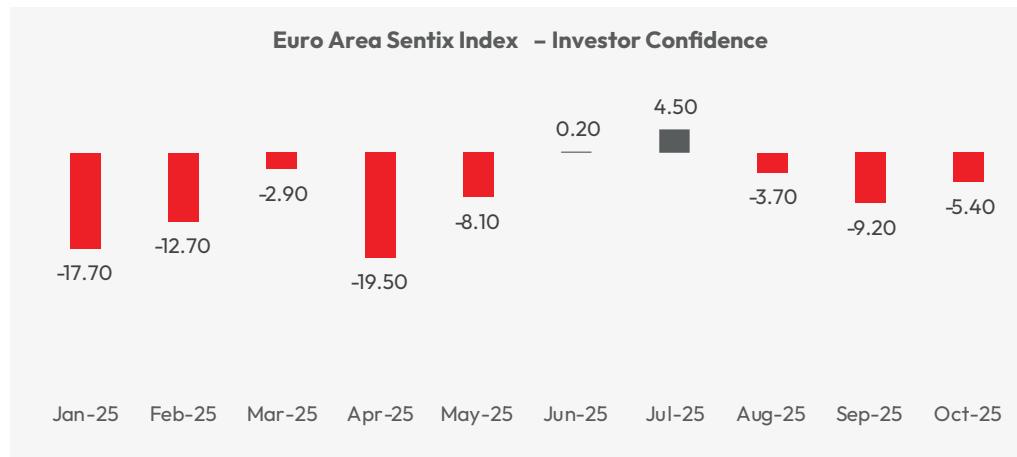
- European Central Bank (ECB) kept its interest rate steady at 2% for the third straight meeting
- The Euro Area economy grew by 1.3% in Q3 2025, 0.9% in Q3 2024

## ■ GLOBAL ECONOMY [CONT'D]



### Europe: Signs of Caution Amid Mild Optimism

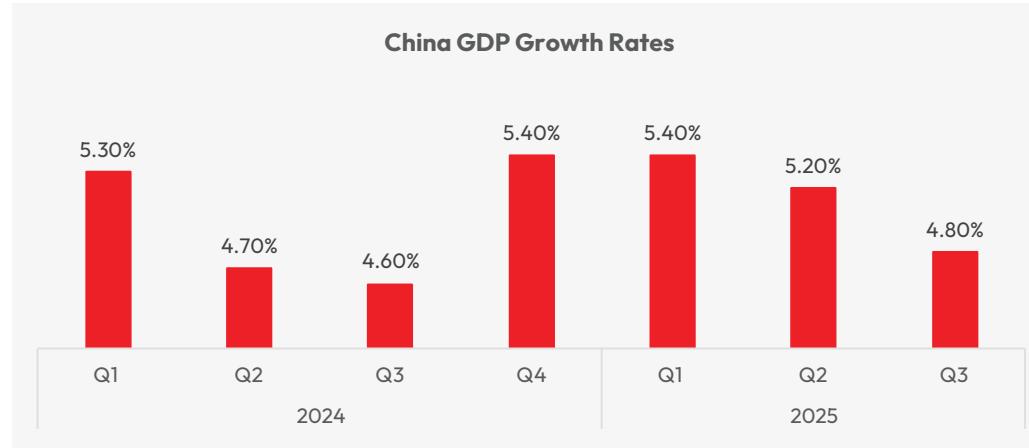
- Euro Area consumer confidence improved slightly from -14.9 to -14.2 points in October 2025
- The IMF's October report highlights slow growth and weak reforms in Europe
- Inflation in Euro Area dropped to 2.1% in October from 2.2% in September 2025



### Europe: Improved Confidence, Policy Supports

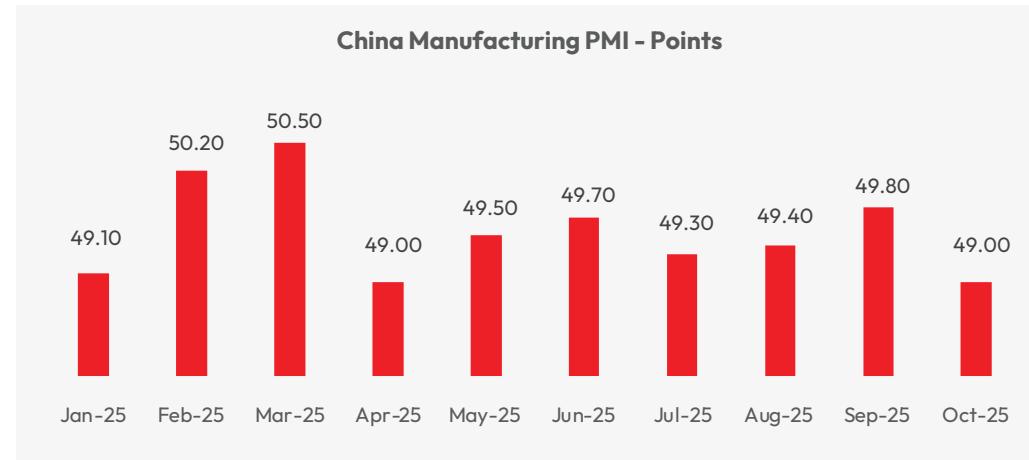
- J.P. Morgan upgraded Euro Area's equities to "overweight" on better valuations & policy support
- Investors' morale (Sentix Index) improved to -5.4 in October compared to -9.2 in September
- A positive Sentix Index value means more investors are optimistic than pessimistic
- A negative Sentix Index value means more are pessimistic than optimistic
- ECB researchers highlighted that US tariff risks are dampening EU business and job confidence

## ■ GLOBAL ECONOMY [CONT'D]



### China: China's Economy Grew by 4.8%

- China's economy grew by 4.8% year on year in Q3 2025, up from 4.6% in Q3 2024
- In September, industrial output rose by 6.5%, while retail sales slowed to around 3.0%
- China held its prime rates (1-year at 3.0% and 5-year at 3.5%) constant
- This is the fifth consecutive month of no change in its benchmark loan prime rates



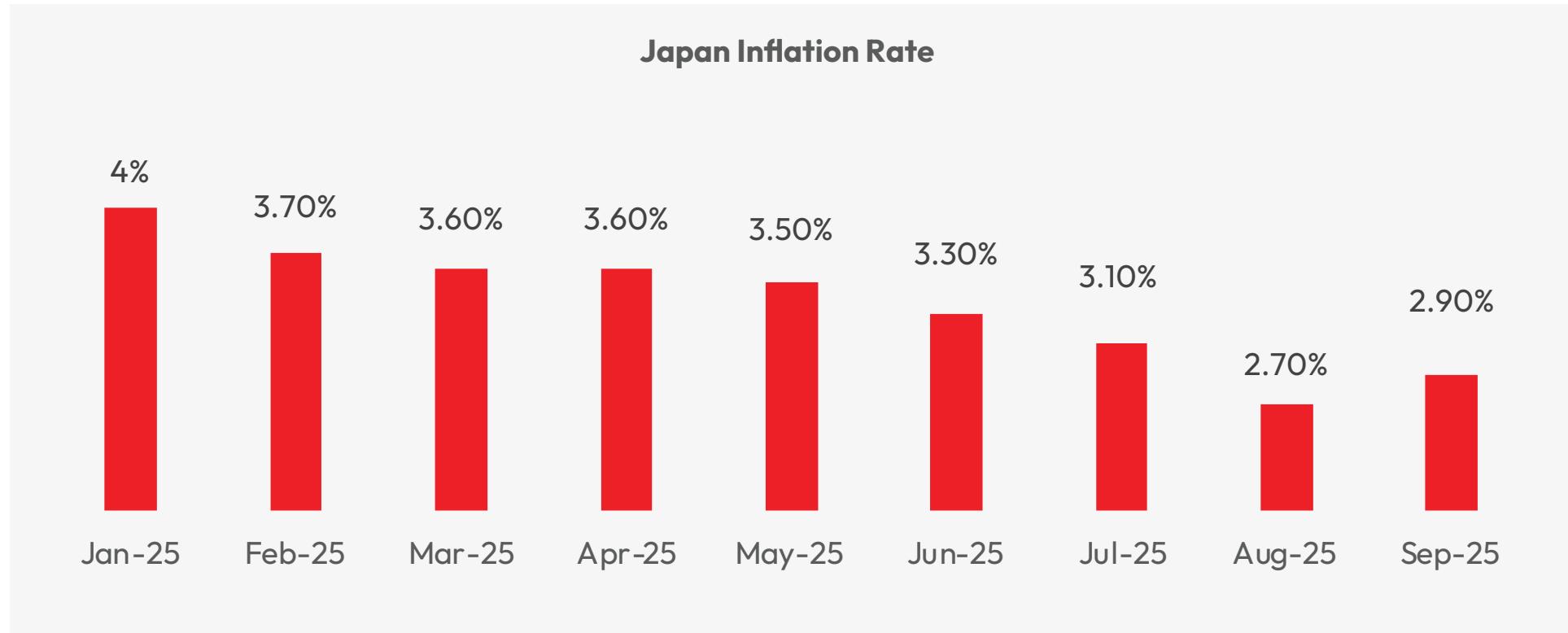
### China: Stimulus Support Amid Economic Strain

- Beijing rolled out ¥500bn (\$70bn) in new financing tools to spur investment
- Manufacturing PMI stayed in contraction at 49.0, making 7th months of factory weakness

### Europe: Improved Confidence, Policy Supports

- China pursues "all about production" strategy amid intensifying US strategic pressure
- China export grew by 7.1% as it shifts focus away from US markets in response to tariff wars

## ■ GLOBAL ECONOMY [CONT'D]



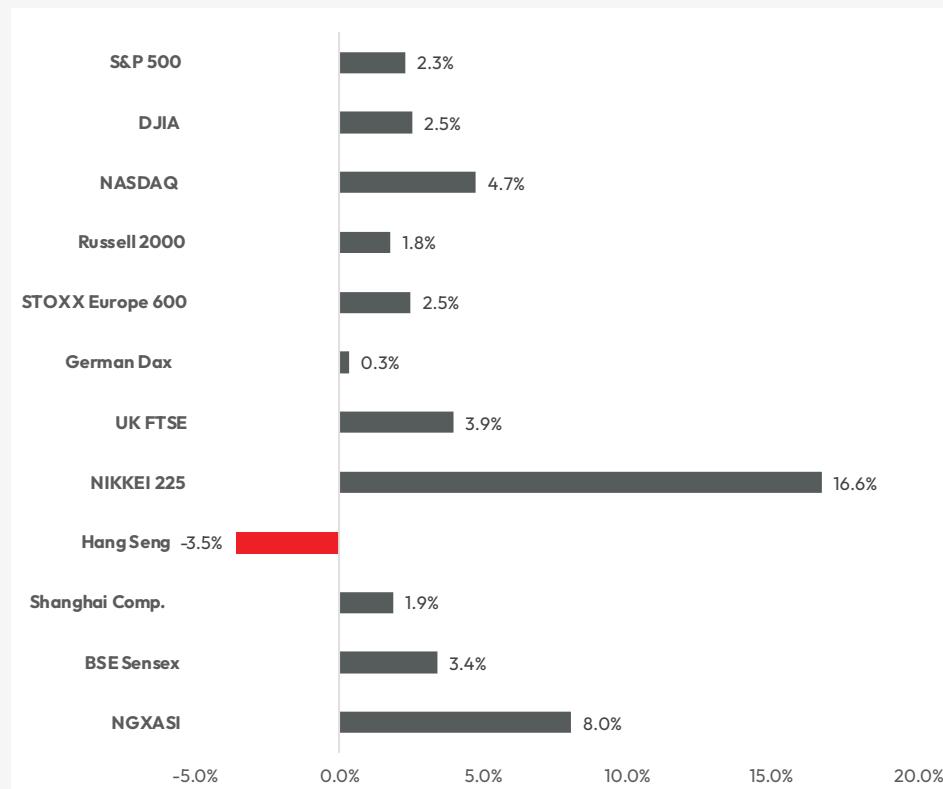
### Japan: Tariff Risk & Policy Caution

- Bank of Japan (BoJ)'s governor noted, inflation was on track to meet BoJ's target of 2%
- Japan's annual inflation rate in September stood at 2.9%, an uptick from 2.7% in August
- BoJ could delay rate hike only if inflation and growth stay on track

## GLOBAL ECONOMY [CONT'D]

### Global Stock Market Performance Month on Month (M/M)

Global equities markets rally on bullish sentiment following the US Fed rate cut and easing trade tensions between the US and China



### Global Government Securities – Monthly Performance

Most 10-year sovereign yields declined in October as investors expect the US Federal Reserve to consider a second rate cut

Government Securities	Yields		Change M/M
	September's Average	October's Average	
NGR 10 Year Bond Yield	16.65%	15.73%	(0.92%)
India 10 Year Yield	6.50%	6.52%	0.02%
Hong Kong 10 Year Yield	3.07%	2.95%	(0.12%)
China 10 Year Yield	1.85%	1.79%	(0.06%)
Japan 10 Year Yield	1.61%	1.66%	0.05%
UK 10 Year Yield	4.58%	4.53%	(0.05%)
France 10 Year Yield	3.52%	3.44%	(0.08%)
Germany 10 Year Yield	2.71%	2.63%	(0.08%)
US 2 Year Treasury Yield	3.60%	3.52%	(0.06%)
US 5 Year Treasury Yield	3.67%	3.65%	(0.02%)
US 10 Year Treasury Yield	4.12%	4.05%	(0.07%)

# Sub-Saharan Africa (SSA)



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## World Bank Sees Stronger Growth for Sub-Saharan Africa (SSA)

- World Bank's October edition of Africa's Pulse, revises SSA 2025 growth to 3.8% from 3.5% in 2024. Growth in the region is expected to increase to 4.4% in 2026-27
- SSA is well-positioned to absorb the impact of higher US tariffs because of its relatively low trade exposure to the US and the reorientation of trade to other market destinations
- Favourable external position and strengthening currencies are driving down inflation in SSA
- Consequently, monetary policy is gradually easing and supportive of private consumption and investments.
- Fiscal consolidation, because of wide public deficits and high levels of public indebtedness will continue to weigh down economic activity
- Growth per capita in Sub-Saharan Africa is set to accelerate to 1.3% in 2025, from 1.0% in 2024, and to further inch up to 1.9% in 2026-2027

## SUB-SAHARAN AFRICAN (SSA) [CONT'D]

Top Economies by GDP in Sub-Saharan Africa Countries						
Rank	Countries	GDP US\$ Billion	GDP Growth Rate *		Inflation Rate **	
			2024	2025	2024	2025
1	South Africa	410.34	0.5%	0.9%	4.4%	3.5%
2	Nigeria	188.27	4.1%	4.2%	33.2%	23.8%
3	Kenya	131.67	4.7%	4.5%	4.5%	5.0%
4	Ethiopia	117.46	8.1%	7.2%	26.7%	16.6%
5	Angola	113.34	4.4%	2.3%	28.2%	20.4%
6	Côte d'Ivoire	94.48	6.0%	6.3%	3.5%	1.3%
7	Ghana	88.33	5.7%	4.3%	22.9%	15.4%
8	Tanzania	85.98	5.5%	6.0%	3.1%	3.4%
9	Congo, Dem. Rep.	79.12	6.5%	5.1%	17.7%	8.9%
10	Uganda	64.28	6.1%	6.3%	3.2%	3.7%

\*Real GDP Growth at Constant Market Prices \*\*Consumer Price Index (annual change)  
Sources: IMF, World Bank, United Capital Research

### Europe: ECB Maintains Rates; Eurozone GDP Rises 0.2% in Q3

- Inflation across SSA eased, marking SSA's most positive macroeconomic shifts in recent years
- Median consumer price inflation rate fell from 9.3% in 2022 to around 4.5% in 2024
- It is expected to stabilise near 3.9% – 4.0% in 2025–26, according to the World Bank

These positive developments will continue to drive both real and financial investments to the region

## ■ SUB-SAHARAN AFRICAN (SSA) [CONT'D]

Financial Action Task Force (FATF) : Status Updates Pre and Post October 2025				
	Nigeria	South Africa	Mozambique	Burkina Faso
FATF Status Pre - October 2025	Has been on Grey List since 2022	Has been on Grey List since 2023	On Grey List (since 2022)	On Grey List (since 2021)
FATF Status Post - October 2025	Was removed in October 2025	Was removed in October 2025	Was removed in October 2025	Was removed in October 2025
Key Reform Actions	Strengthened anti-money laundry enforcement; improved banking transparency	Enhanced financial oversight; improved compliance systems	Expanded anti-money laundering framework	Strengthened cross-border financial controls
Expected Market Impact	Boost in foreign capital inflows, stronger FX reserves	Improved investor sentiment, lower risk premium	Restored donor and investor confidence	Encourages greater regional financial integration

### Financial Action Task Force (FATF) Move Boosts Investor Trust in SSA Countries

- FATF removed South Africa, Nigeria, Mozambique and Burkina Faso from its grey list
- This stemmed from efforts to combat money laundering and terrorist financing
- This development could boost investor confidence in the nation's economy
- This will bolster credibility and increase foreign participation
- The FATF monitors how countries implement laws and systems to prevent illicit financial activities. Based on a country's level of compliance, it assigns a status that signals how risky or compliant a country is in global finance
- Removal from the FATF list lowers financial risk, reduces transaction costs, attracts investment, and strengthens the country's global financial standing.

### Kenya: Kenya Cuts Key Rate as Inflation Holds Steady

- Central Bank of Kenya (CBK) cuts policy rate by 0.25% from 9.50% to 9.25% to boost lending
- This is as inflation steadied at 4.6% year on year signalling scope for gradual easing

### Côte d'Ivoire: Business Activity Accelerates

- IMF approved the disbursement of US\$843.9 million for Côte d'Ivoire, under various IMF facilities.

# Sub-Saharan Africa (SSA) - Outlook

Economic sentiment across Sub-Saharan Africa remains broadly positive heading into November 2025

This is supported by easing inflation, improving external financing conditions, and reform-driven growth momentum in several economies

Policymakers may sustain a delicate balance between growth stimulation and fiscal discipline

Investors may monitor how fiscal and structural reforms could translate into real sector momentum, especially in infrastructure, manufacturing, and digital services

Capital inflows into African sovereigns could strengthen as global banks consider policy rate easing in advanced countries

Inflation trends are expected to stay on a downward path, anchoring real income gains and policy stability

Geopolitical flashpoints in the Middle East and Eastern Europe could trigger new price pressures and market volatility

Currency weakness in high-debt economies remains a concern amid fragile reserves

Climate shocks, particularly flooding in East and Southern Africa, may test food price stability and infrastructure resilience

Overall, November 2025 is shaping up as a steady consolidation month for Sub-Saharan Africa

We expect further signs of macroeconomic stabilisation, measured policy easing, and rising investor engagement, particularly in reform-driven economies

Regional growth could remain uneven in the upcoming month

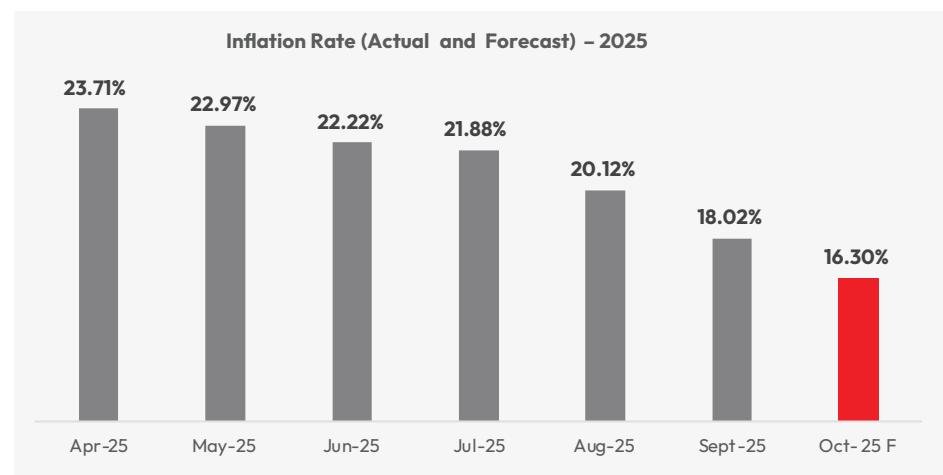
Africa's macroeconomic trajectory points toward sustained, more inclusive growth into 2026 assuming reform efforts persist and global conditions stay benign

# Nigerian Economy



# Domestic Economy

Inflation Highlights			
	August 2025	September 2025	Change
Headline Inflation	20.12%	18.02%	(10.44%)
Food Inflation	21.87%	16.87%	(22.86%)
Core Inflation	20.33%	19.53%	(3.94%)
Urban Inflation	19.75%	17.50%	(11.39%)
Rural Inflation	20.28%	18.26%	(9.0%)



## Inflation Highlights:

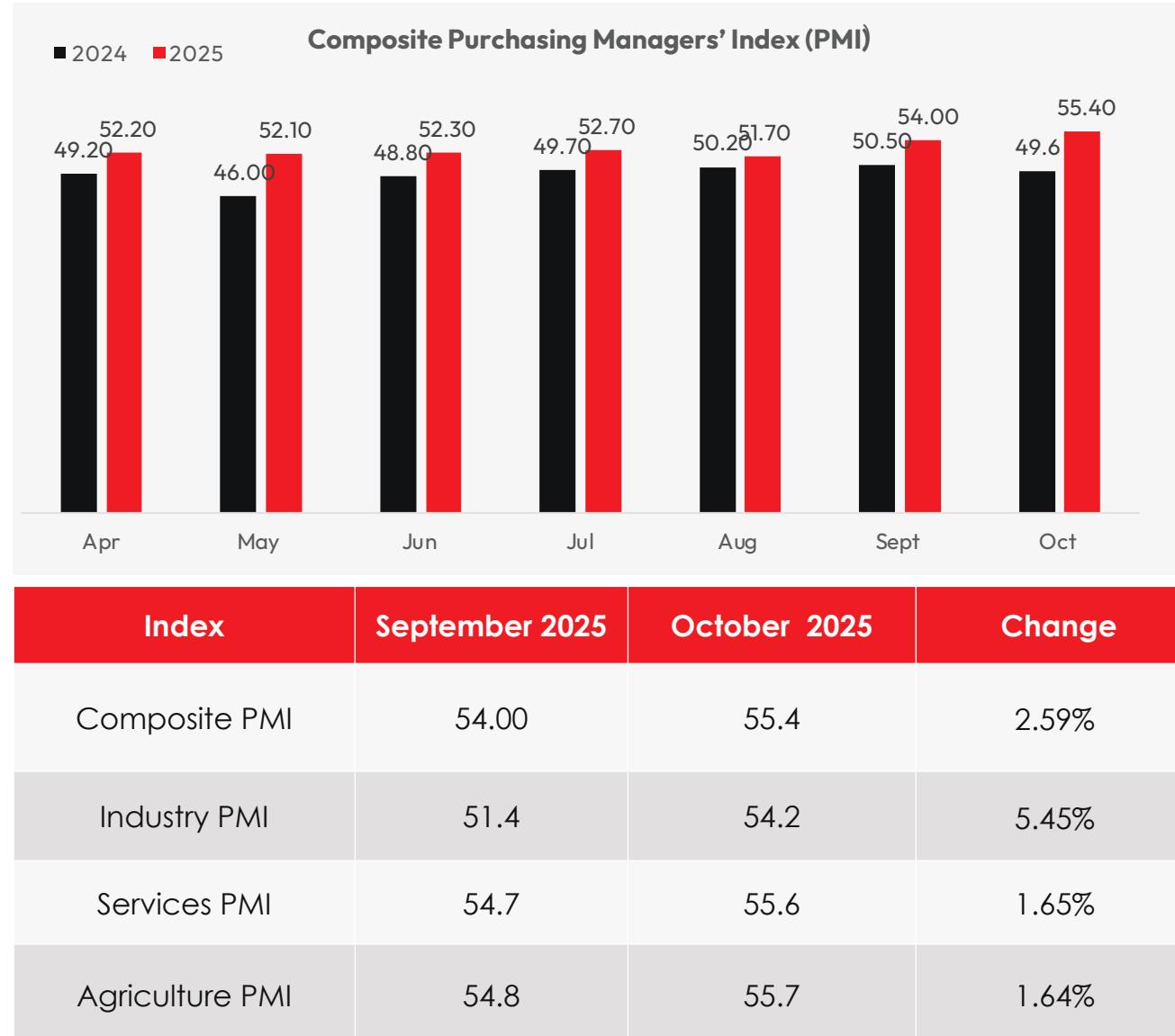
- Headline inflation settled at 18.02% in September, lower than 20.12% in August
- All the measures of inflation dropped during the month, with food inflation leading
- United Capital Research forecasts 16.30% for October's headline inflation
- The forecast is due to further decline in food prices and appreciation in the value of the Naira against the US Dollar
- However, the prices of Premium Motor Spirit rose in October due to supply shortage

## Monetary Policy Committee (MPC) Expectations:

- Monetary Policy Committee (MPC) of the Central Bank of Nigeria will hold its final meeting from November 24 – 25, 2025
- United Capital Research expects MPC to-
  - Cut the MPR 1% to 26%.
  - Maintain the asymmetric corridor around the MPR at +5%/-1%.
  - Reduce the Cash Reserve Requirement (CRR) for Commercial Banks to 40%.
  - Retain the CRR for Merchant Banks at 16%.
  - Keep the Liquidity Ratio at 30%

Although the value of Naira depreciated early November following statements related to insecurity, FGN is stepping up measures to strengthen the country's security architecture.

## NIGERIAN ECONOMY [CONT'D]



## NIGERIAN ECONOMY [CONT'D]

### October 2025 Purchasing Managers' Index (PMI)

Composite PMI rose to 55.4 points in September

This is the 10th consecutive month of expansionary PMI

October's PMI is the highest PMI recorded since January 20

Industry sector improved from 51.4 to 54.2 points

Services sector rose significantly from 54.7 to 55.6 points

Agriculture sector increased from 54.8 to 55.7 points

Generally, all the sectors are in the expansionary range

Increase in PMI signals a rise in investments

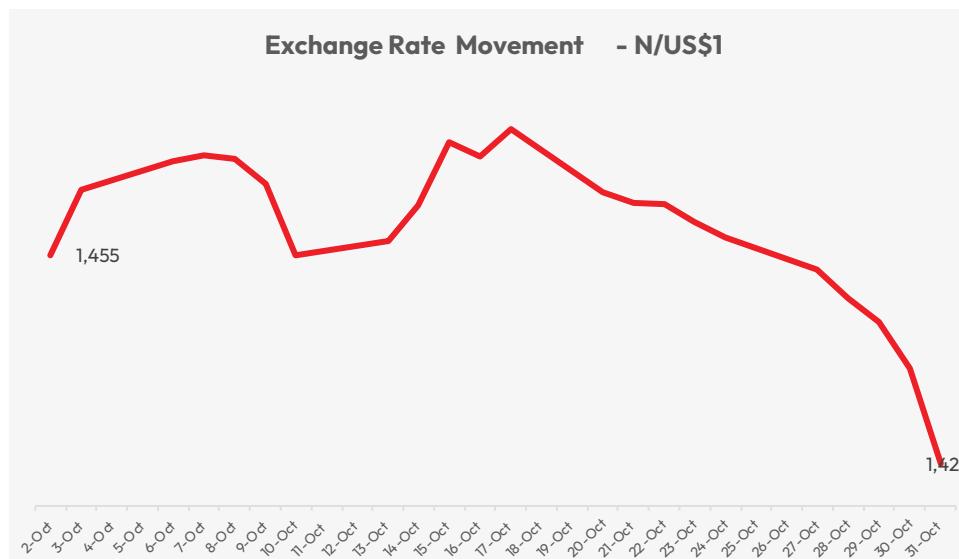
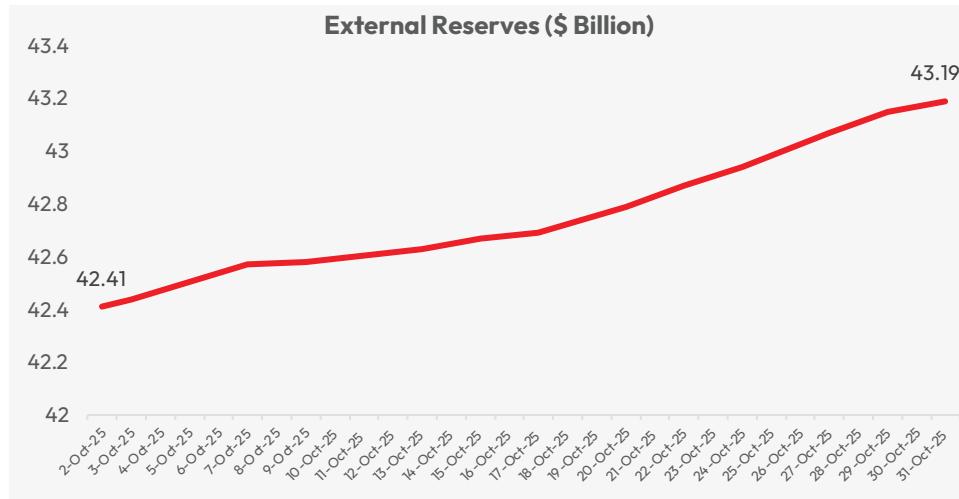
It also indicates increase in capital inflows

PMI above 50 points signals economic expansion

**PMI is a leading indicator of economic health. It is used to gauge the direction of the economy before official GDP figures are released.**

A sustained expansion in the PMI often signals higher GDP growth, increased employment, and rising business confidence. This, in turn, can support lower interest rates and further encourage investment in the financial markets.

## NIGERIAN ECONOMY [CONT'D]



### Nigeria's Foreign Reserves Climb to \$43 Billion

- External reserves rose to \$43.19bn as of 31 October 2025 from \$42.41bn on 02 October
- This position was supported by steady foreign exchange inflows into the country
- This provides over 8 months of import cover, strengthening confidence in Nigeria's external buffers
- This could have positive impacts on exchange rate and investors confidence

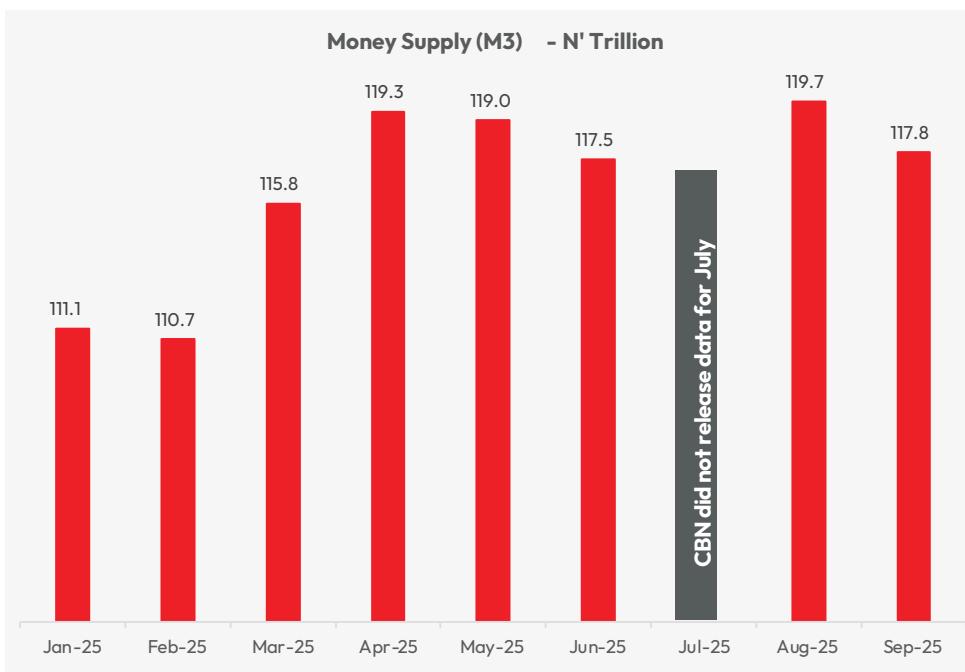
### Federation Account Allocation Committee (FAAC) Announced N2.10tn Disbursement

- The exchange rate also appreciated during month
- The opening rate was N1,455/US\$1 to close at N1,422/US\$1
- The average exchange rate in the month of October was N1,455.54/US\$1 from N1,497.79/US\$1 in September, representing a gain of N38.25/US\$1
- Although the value of Naira depreciated early November following statements related to insecurity, FGN is stepping up measures to strengthen the country's security architecture

## NIGERIAN ECONOMY [CONT'D]

### Federal Government (FG) Forecasts 5% GDP Growth

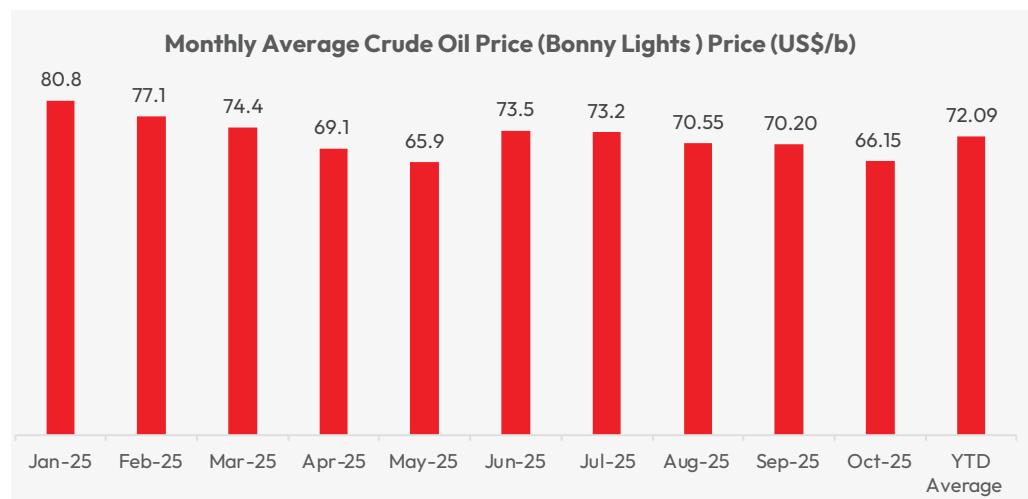
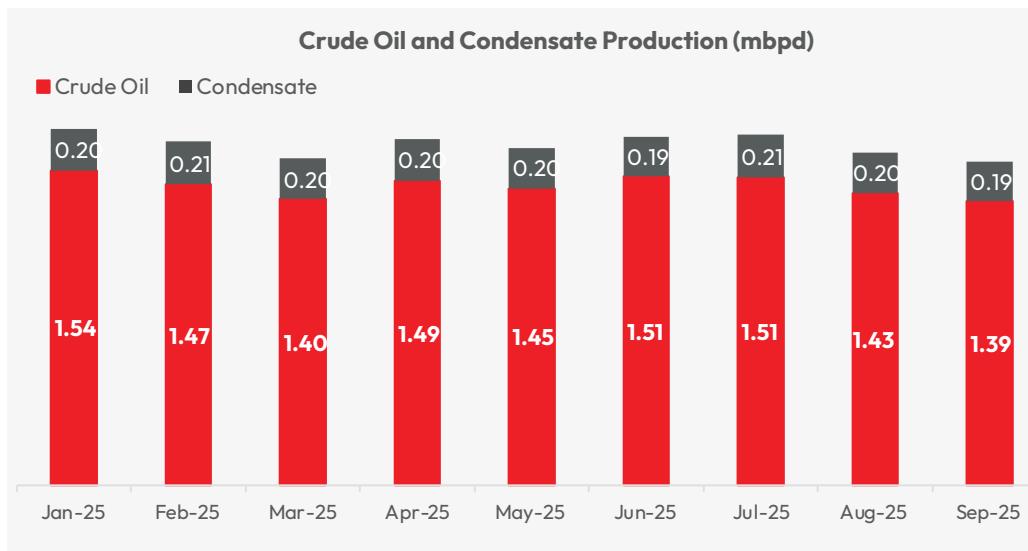
- FGN expects a Gross Domestic Product (GDP) growth rate of 5% in 2025
- This signals heightened confidence in the economic reforms
- Central Bank of Nigeria earlier released a forecast of 4.17% for Nigeria
- Meanwhile, International Monetary Fund (IMF) projects 3.4% growth for Nigeria in 2025
- United Capital Research revised its Q3 forecast to 5.11% and annual year on year forecast to 4.47



### Money Supply

- Broad money supply (M3) stood at N117.8 trillion in September 2025 from N119.7trillion in August 2025
- The contraction was driven mainly by a decline in quasi money
- Quasi money includes savings, fixed deposits, treasury bills
- Quasi money dropped by 2% from N80trillion in August to N78.7trillion in September
- Bank reserves increased from N30.8trillion to N34.6trillion
- Bank reserves are balances that commercial banks hold at the CBN to meet liquidity and regulatory requirements
- This implies that current monetary policy is effectiv

## ■ NIGERIAN ECONOMY [CONT'D]



### Crude Oil Production

- Only the crude oil production figures for the month of September were available from Nigeria Upstream Petroleum Regulatory Commission (NUPRC) at the time of writing this report
- Crude oil production dropped to 1.39 million barrels per day (mbpd) in September from 1.43mbpd in August
- The strike action by the oil workers in September was responsible for this drop
- Nigeria met Organization of Petroleum Exporting Countries (OPEC)'s quota of 1.5 million barrels per day (mbpd) in January, June and July 2025
- Crude Oil (Bonny Light) price averaged US\$72.09b year till date
- Crude Oil (Bonny Light) price averaged US\$66.15b in October 2025
- There are plans to increase crude oil production to 2mbpd in the short term
- Sustained high crude oil production will help sustain inflow of FX into the country
- Nigeria is also driving non-oil exports to provide stability for the exchange rate

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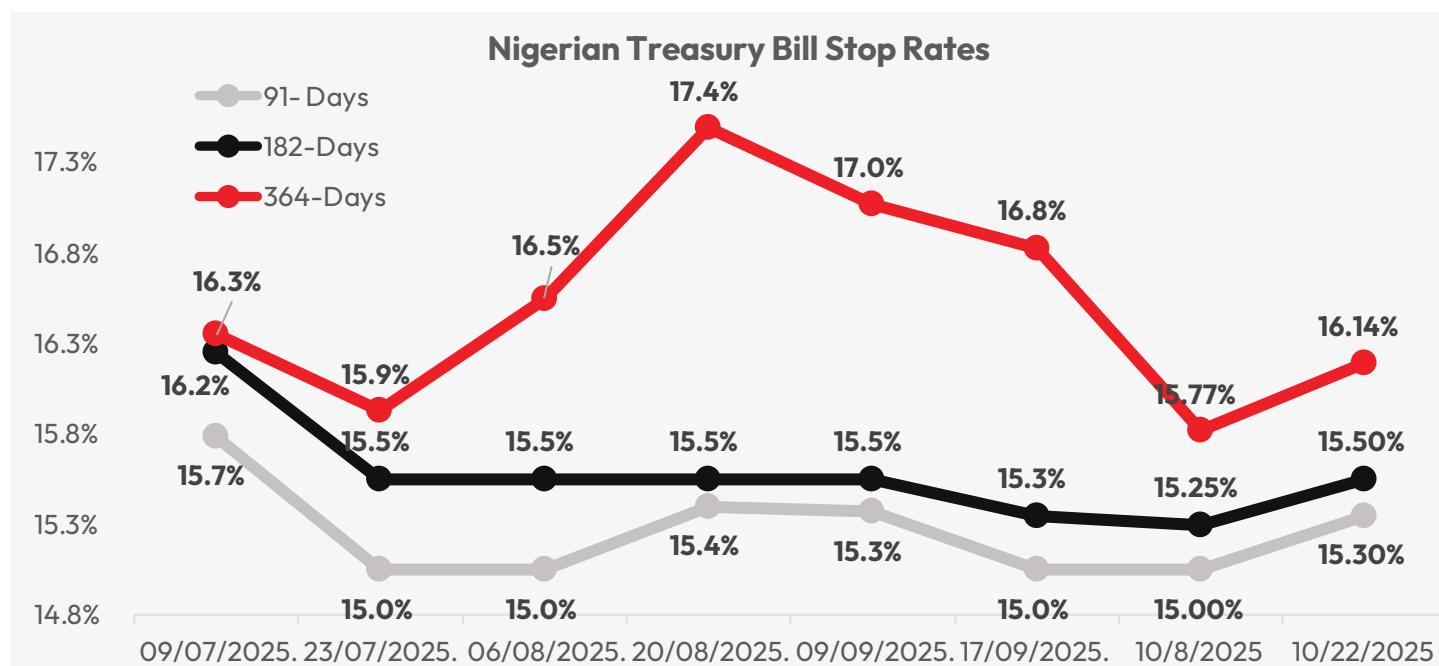
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# Fixed Income Market



# Money and Treasury Bills Market

Inter Bank Rate			
Tenor-Days	September	October	Change
OPR	24.50%	24.50%	0.00%
OVN	24.92%	24.86%	(0.06%)



## MONEY AND TREASURY MARKET [CONT'D]

Nigerian Treasury Bills (NTBs) Market Yields			
Tenor-Days	September 30	October 31	Change
91	17.62%	16.54%	(1.08%)
182	17.94%	17.29%	(0.65%)
364	18.76%	18.61%	(0.15%)

NTBs Auction Results of 08 October 2025 (N' Billion)					
Tenors	Offer	Subscription	Allotment	Range of Bids	Stop Rates
91	100	25.97	25.37	14.40% - 17.00%	15.00%
182	120	52.12	41.33	14.50% - 19.00%	15.25%
364	120	986.33	503.30	14.70% - 22.00%	15.77%

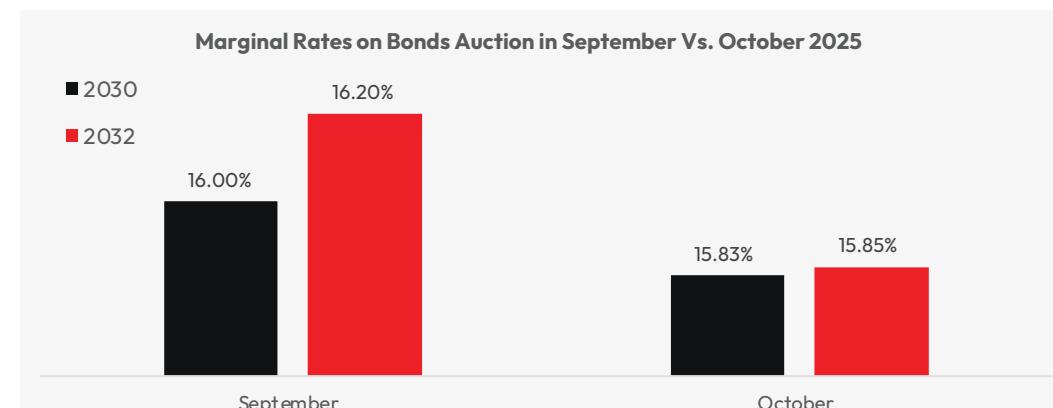
NTBs Auction Results of 22 October 2025 (N' Billion)					
Tenors	Offer	Subscription	Allotment	Range of Bids	Stop Rates
91	100	8.13	71.61	14.90% - 16.50%	15.30%
182	100	68.53	67.42	14.50% - 17.03%	15.50%
364	100	674.25	316.56	14.50% - 20.00%	16.14%

- The financial system opened October 2025 with a surplus balance of N5.95tn and ended the month lower on a surplus balance of N2.47tn
- Treasury bill rates fell across all tenors in October as liquidity stayed strong and demand increased
- The 91-day bill dropped the most, showing higher interest in longer tenors
- During the month, the CBN organised two NTB auctions
- Investors oversubscribed the auctions, with bids far above offers
- Fewer bids were accepted, which kept yields slightly lower
- Overall, in October, the market stayed liquid and driven by steady inflows from FAAC, OMO, and NTB maturities.

# FGN Bond And Eurobond Market

FGN Bonds Secondary Market Yields			
Tenor-Days	September	October	Change
5-year	16.47%	15.89%	(0.58%)
7-year	16.20%	15.84%	(0.36%)
10-year	16.14%	15.58%	(0.56%)

Eurobonds Secondary Market Yields			
Tenor-Days	September	October	Change
5-year	6.80%	6.75%	(0.05%)
7-year	7.48%	7.26%	(0.22%)
10-year	8.29%	7.97%	(0.32%)



October 2025 FGN Bond Primary Market Auction			
Tenor	2030	2032	Total
Offer (N' billion)	130	130	260.0
Subscription (N' billion)	212.66	1,058.29	1,270.95
Allotment (N' billion)	87.80	225.97	313.77
Subscription Rate	1.64x	8.14x	4.89x
Allotment Rate	0.41x	0.21x	0.25x
Marginal Rate	15.83%	15.85%	
Previous Marginal Rate	16.00%	16.20%	
Change	(0.17%)	(0.35%)	

- The Bond auction recorded a subscription rate of 4.89x in October
- Rates also declined in the secondary bonds market
- Investors' sentiments in the Nigerian Eurobond market improved across tenors
- In October, Nigeria's Eurobond yields fell supported by:
- Improvement in the macro-economic environment in Nigeria
- More favourable external environment in the form of Stability of the Naira and declining inflation rate

# Fixed Income Market - Maturing Obligations

## Fixed Income Securities Outlook in November 2025

United Capital Research projects that October 2025 inflation rate will ease to 16.30% . If this forecast materialises, we expect interest rate and yields in the fixed income market to drop

We also expect the Monetary Policy Committee(MPC) of the Central Bank of Nigeria (CBN) to cut the Monetary Policy Rate by 1% to 2%. This is also expected to have a moderating impact on interest rate and yields on fixed income securities

The CBN may also adopt a less aggressive stance on Open Market Operations (OMO) issuance due to the anticipated liquidity shortfall

Banks may start aggressive deposit mobilisation ahead of the end of financial year. This may lead to a marginal increase in deposit rate

Overall, yields may soften slightly on expectations of easing inflation and potential rate cuts, but tight system liquidity and new supply pressures could limit the extent of the decline

# Capital Gains Tax (Cgt) And Capital Market



# Capital Gains Tax (CGT) and Capital Market

## Capital Gains Tax - Current Vs New

S/N	Current Regime	New Regime
1	Flat CGT rate of 10%	Taxed based on payer's income band and rate. Please see table 2 below
2	Gains are isolated and taxed	CGT will be based on net of gains and losses
3	Capital losses are not relieved for tax purposes	
4	Re-investment relief available – no tax applied if the proceeds of stock investments are re-invested in the stock market either in the purchase of another stock or buying the same stock at lower prices	Re-investment relief still available – no tax applied if the proceeds of stock investments are re-invested in the stock market either in the purchase of another stock or buying the same stock at lower prices
5	Exemption on sale not exceeding N100m within a period of 12 months	Small companies pay 0% and individuals exempted (below N150million total proceed in a year and below N10million profit)
6	Low withholding Tax (WHT) rate on dividends at 10%	Low withholding Tax (WHT) rate on dividends at 10%
7	Re-organisation exemptions are not applicable	Re-organisation exemptions – mergers and acquisitions are now applicable
i. Small company means a company that earns annual turnover of N100 million or less and has total fixed assets not exceeding N250 million. These companies are exempted from the payment of CGT ii. Pension fund investment is exempted from the payment of Capital Gains Tax and withholding tax		

## CAPITAL GAINS TAX (CGT) AND CAPITAL MARKET [CONT'D]

### What We Know

- The Nigeria Tax Act 2025 introduced several changes to the Capital Gains Tax (CGT) regime, which are expected to influence investment and trading strategies in the Nigerian capital market going forward
- While the new tax law presents some opportunities, there remain several areas requiring further clarification regarding its implementation. Capital Market Associations are engaging the Presidential Fiscal Policy and Tax Reforms Committee on the implementation guidelines for the law
- Re-investment relief still available – no tax applied if the proceeds of stock investments are re-invested in the stock market either in the purchase of another stock or buying the same stock at lower prices
- Small companies pay 0% tax and individuals exempted below N150million total proceed in a year and below N10million profit
- Small company has annual turnover of N100million or less and fixed asset of N250million
- The Capital Gains Tax (CGT) framework encourages long-term participation in the equity market—promoting sustainable market growth—rather than short-term trading activities, which often create market distortions

### Certain Income Tax Exemptions

1. Dividend distributed by authorised collective investment schemes (Mutual funds)
2. Dividend or rental income received by a real estate investment company on behalf of its shareholders, where not less than 75% of the dividend of retail income is distributed within 12 months after the end of the financial year in which the dividend or retail income was earned
3. Pension fund, and assets created pursuant to the pension reform acts
4. Pension, gratuity, or any retirement benefits granted in accordance with the Pension Reform Act

## ■ CAPITAL GAINS TAX (CGT) AND CAPITAL MARKET [CONT'D]

# Impact Analysis of the Capital Gain Tax

**Short Term Effect (Q4 2025 to Q1 2026):** In the short term, investors who have leveraged their stock portfolios to take position in the stock market, may want to exit to book cash profit and buy back

The increase in the CGT rate on realised gains raises cost for investors who plan to make cash profit. Consequently, such investors may likely reduce turnover, lowering liquidity in some segments

Opportunity for investor to favour dividend-focused and tax-efficient strategies, such as pension funds, mutual funds, Real Estate Investment Trusts (REITs), and Exchange-Traded Funds (ETFs)

## CAPITAL GAINS TAX (CGT) AND CAPITAL MARKET [CONT'D]

Progressive Tax Rate that will Apply on Capital Gains Tax (CGT)		
S/N	Taxpayers' Income Range	Tax Rate*
1	People earning first N800,000 per year	0%
2	People earning next N2,200,000 per year	15%
3	People earning next N9,000,000 per year	18%
4	People earning next N13,000,000 per year	21%
5	People earning next N25,000,000 per year	23%
6	People earning next N50,000,000 per year	25%
7	Small companies	0%
8	Large companies	30%/25%**

i. \*This also the rate that investors will pay on their CGT  
 ii. Small company has annual turnover of N100million or less and fixed asset of N250million  
 iii. \*\* The current tax rate is 30% while there is a plan to reduce it to 25%.

### Further Exceptions

1. Institutional investors that enjoy corporate income tax exemption such as PFAs, REITs and NGOs are also exempted from CGT
2. Gains from investment in a labeled startup by venture capitalist, private equity fund, accelerators or incubators
3. Capital gains from foreign share disposals that are repatriated into Nigeria through CBN-authorised channels

How to Navigate the Capital Gain Tax		
Strategy	Action	Benefit
Maximise Reinvestment Relief	Reinvest proceeds from the sales of within the same year	This could proportionally reduce or avoid CGT liability on the gain
Maintain Excellent Records	Document the cost of acquisition, date of purchase, date of sale, and all associated transaction fees for every asset disposed of	Accurate computation of net gains to avoid overpayment of tax and to support any audit
Long -Term Focus	Prioritise long -term, buy -and -hold strategies over short-term speculation	Maximises compounding effect and benefits from reinvestment relief

## ■ CAPITAL GAINS TAX (CGT) AND CAPITAL MARKET [CONT'D]

### Allowable Deductions

Realised capital losses on share disposals

Transaction charges such as brokerage fees and regulatory levies

Expenses such as margin interest and realised foreign exchange losses proved to be incidental to the investment while exchange gains would be treated as taxable

Investors may now deduct certain costs that were previously disallowed under the old CGT regime ensuring that they are not taxed on a net loss position

## CAPITAL GAINS TAX (CGT) AND CAPITAL MARKET [CONT'D]

### Determination of Gains

For the purpose of CGT effective from 1 January 2026, the cost base for existing investments will be reset to the higher of:

- a) the actual acquisition cost
- b) the closing market price as at 31 December 2025

This ensures fairness and prevents the application of the new rule to gains accrued before the new law takes effect

### Filing and Payment Deadlines

- a) **Individuals** – On or before 31 March of the following year.
- b) **Companies** – Within six months after the financial year-end
- c) **Non-resident Investors** – Upon disposal of shares, except where reinvestment within the same year is expected. Brokers or exchanges may be authorised to deduct CGT at source

### Administration

- a) Resident individuals are required to pay CGT to their state of residence in Nigeria
- b) Resident companies are to file returns and remit applicable CGT to the Nigeria Revenue Service (NRS)
- c) Nonresident investors are to pay any applicable CGT to the NRS directly or through an appointed tax withholding agent

### Illustration of How Capital Gain Tax Will Work for Trading Portfolio

Assumptions - A	Assumptions - B
i. Stock trading portfolio	i. Portfolio earn net profit of 24% in 1st and 2nd rounds and 15% in 3rd round
ii. Initial principal amount: N2.5bn invested in one stock per time	ii. The equity is entirely self-funded (no debt financing)
iii. Portfolio turnover: Reinvested 3 times per year	iii. Investor intends to withdraw the proceeds from the sales after the 3rd round
iv. Portfolio of a large company	iv. There is no transaction cost

## CAPITAL GAINS TAX (CGT) AND CAPITAL MARKET [CONT'D]

### Illustration of Capital Gain Tax on Stock Investment – Trading Portfolio

1 <sup>ST</sup> Round of Trading – Profit of 24%						
Stocks	Allocation (N' Mn)	Purchase Price (N)	Units (Mn)	Exit Price (N)	Portfolio Value (N' Mn)	Profit (N' Mn)
A1	2,500	5	500	6.2	3,100	600
Total	2,500				3,100	600
2 <sup>ND</sup> Round of Trading – Profit of 24%						
Stocks	Allocation (N' Mn)	Purchase Price (N)	Units (Mn)	Exit Price (N)	Portfolio Value (N' Mn)	Profit (N' Mn)
A2	3,100	3	1,033	3.72	3,844	744
Total	3,100				3,844	744
3 <sup>RD</sup> Round of Trading – Profit of 15%						
Stocks	Allocation (N' Mn)	Purchase Price (N)	Units (Mn)	Exit Price (N)	Portfolio Value (N' Mn)	Profit (N' Mn)
A3	3,844	4	961	4.60	4,421	577
Total	3,844				4,421	577
Total Portfolio Profit at the Year End (N' Mn)						1,921
Total Taxable Profit for the Year (N' Mn)						577
CGT Payable Based on CGT rate of 30%* for a large company (N' Mn)						173
Tax Free Profit(N' Mn)						1,344
*The effective tax rate will be reduced to 25% effective from a date as may be determined in an order issued by the President on the advice of the National Economic Council.						

## ■ CAPITAL GAINS TAX (CGT) AND CAPITAL MARKET [CONT'D]

### Additional Clarifications

- **Corporate Reorganisation** – Mergers, acquisitions, or internal restructurings as stipulated under the Nigeria Tax Act 2025 are exempt from CGT
- **Transition Arrangements** – Gains earned on shares up to 31 December 2025 will be grandfathered (based on existing laws) and only taxed upon disposal where applicable, based on the law as at that date
- **Record Keeping** – Investors are expected to maintain documentation of acquisition costs, sales proceeds, and related expenses for audit and verification

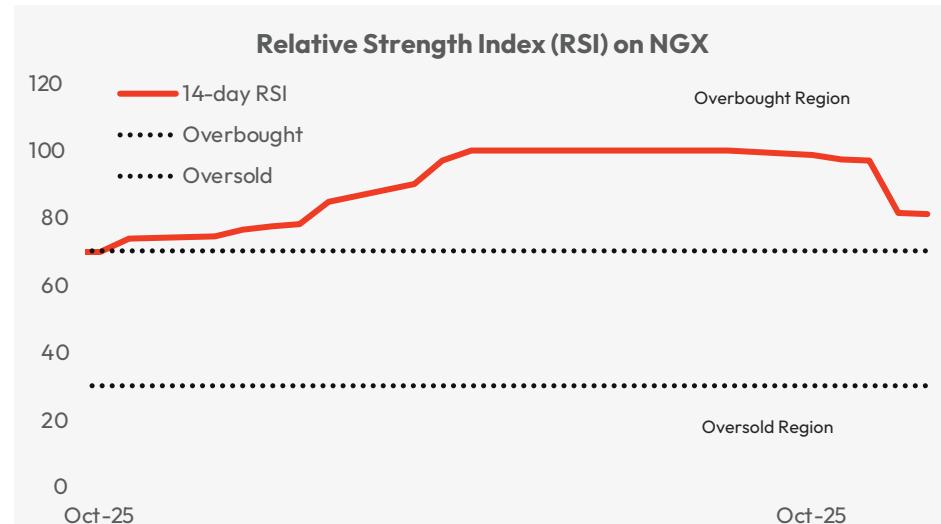
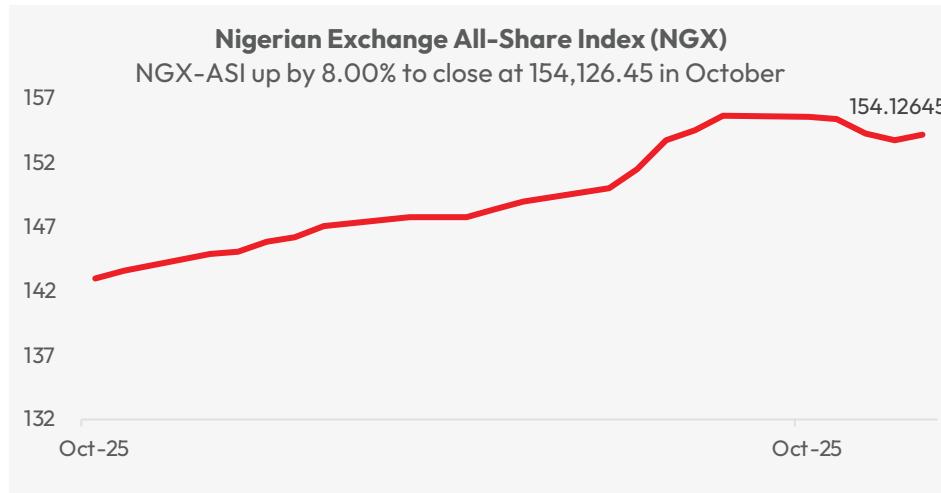
### Registration and Compliances

- Resident investors are required to register for tax and obtain a Tax ID
- Non-resident investors who earn only passive income (e.g. dividends or capital gains) are not required to obtain a Tax ID
- Self-assessment is the default compliance model, though regulations may be issued to introduce withholding or presumptive deductions at source through brokers or exchanges
- All applicable taxes are to be paid in Naira

# Equity Market



# Equity Market



Top Five (+) Index Drivers			
Symbol	Sept	Oct	Change
DANGCEM	525.1	660	25.69%
MTNN	423	520.1	22.96%
BUACEMENT	160	180	12.50%
SEPLAT	5379.3	5917.2	10.00%
BUAFOODS	629.7	692.5	9.97%

Top Five (+) Index Drivers			
Symbol	Sept	Oct	Change
FIDELITY	21	19	(9.52%)
ZENITHBANK	69	63	(8.70%)
UBA	43.2	40.05	(7.29%)
GTCO	93.9	89.5	(4.69%)
ACCESSCORP	25.65	24.45	(4.68%)

# Equity Market Outlook



Despite the short-term negative impact of the CGT, United Capital Research expects strategic positioning in the equity market for end of year corporate actions

Dividend paying stocks should be attractive to savvy investors

The outlook of the Nigeria economy is strong, and we expect this to improve investors confidence in the equity market

Anticipates a drop in inflation rate and yield in the fixed income securities market may encourage investors to allocat fund to the equity market

With appropriate trading strategies, investors would be able to navigate the new CGT regime

**Equity Market Outlook  
November 2025**

# Recent Corporate Actions

S/N	Company	Interim Dividend (₦)	Interim Dividend Yield	Bonus	Qualification Dates	Closure of Register	Payment Date
1	Legend Internet Plc	0.06	1.02%	-	29-Oct-25	30-Oct-25	7-Nov-25
2	Ikeja Hotel Plc	0.03	0.15%	-	7-Nov-25	10-Nov to 14-Nov	28-Nov-25
3	Okomu Oil Palm Plc	10.00	0.98%	-	31-Oct-25	03-Nov to 07-Nov	14-Nov-25
4	Presco Plc	20.00	1.30%	-	7-Nov-25	10-Nov to 14-Nov	21-Nov-25
5	NGX Group Plc	1.00	1.77%	-	7-Nov-25	10-Nov to 14-Nov	18-Nov-25
6	Berger Paints Nigeria Plc	0.40	0.94%	-	11-Nov-25	12-Nov-25	19-Nov-25
7	MTN Nigeria	5.00	0.96%	-	20-Nov-25	21-Nov-25	28-Nov-25
8	Seplat Energy	US 5 cents	1.80%	US2.5 cents	13-Nov-25	14-Nov-25	28-Nov-25
9	Aradel Holdings	10.00	1.28%	-	20-Nov-25	21-Nov-25	28-Nov-25

# Recent Earnings Announcements

S/N	Company	Period	2024	2025	Change	2024	2025	Change
			Turnover (₦' Billion)	Turnover (₦' Billion)		PAT (₦' Billion)	PAT (₦' Billion)	
1	Cadbury Nigeria Plc	Q3, September 2025	89.52	119.24	33%	-11.85	9.67	182%
2	Nestle Nigeria Plc	Q3, September 2025	665.28	884.53	33%	-184.27	72.48	139%
3	Guaranty Trust Holding company	Q3, September 2026	781.47	952.14	22%	1,085	699.64	(36%)
4	Ecobank Transnational	Q3, September 2025	2,931.53	3,548.36	21%	491.87	702.39	43%
5	Dangote Cement Plc	Q3, September 2025	2,560.57	3,154.75	23%	279.09	743.26	166%
6	United Capital Plc	Q3, September 2025	28.17	41.54	47%	15.98	21.17	32%
7	BUA Cement Plc	Q3, September 2025	583.4	858.73	47%	48.97	289.85	492%
8	Transnational Corporation Plc	Q3, September 2025	297.66	413.43	39%	75.9	91.4	20%
9	International Breweries Plc	Q3, September 2025	343.45	472.56	38%	-112.81	57.82	151%
10	Access Holdings Plc	Q3, September 2025	3,418.43	3,901.08	14.1%	457.74	447.55	(2.2%)
11	Mutual Benefits Assurance Plc	Q3, September 2025	44.34	60.85	37%	4.63	14.28	208%
12	Airtel Africa Plc(\$)	H1, June 2025	2.37	2.98	26%	0.07	0.37	429%

# Recent Earnings Announcements

S/N	Company	Period	2024	2025	Change	2024	2025	Change
			Turnover (₦' Billion)	Turnover (₦' Billion)		PAT (₦' Billion)	PAT (₦' Billion)	
13	Seplat Energy Plc	Q3, September 2025	1,070.90	3,356.20	213%	52.80	146.60	178%
14	Aradel Holdings Plc	Q3, September 2025	377.58	538.81	43%	110.58	245.12	122%
15	Oando Plc	Q3, September 2025	3,189.62	2,541.46	(20%)	76.30	201.31	164%
16	Wema Bank Plc	Q3, September 2025	289.12	458.51	59%	52.73	127.40	142%
17	Bua Foods Plc	Q3, September 2025	398.40	508.22	28%	73.71	147.37	100%
18	Nigeria Exchange Group Plc	Q3, September 2025	11.60	15.16	31%	4.31	7.88	83%
19	Sterling Financial Holdings Company	Q3, September 2025	189.16	262.42	39%	27.45	62.30	127%
20	Fidson Healthcare Plc	Q3, September 2025	59.73	93.08	56%	3.44	7.97	132%
21	MTN Nigeria Communications Plc	Q3, September 2025	2,370.24	3,731.00	57%	-513.94	750.19	246%
22	United Bank For Africa Plc	Q3, September 2025	2,398.00	2,468.91	3%	525.31	537.53	2%
23	Beta Glass Plc	Q3, September 2025	79.76	114.38	43%	8.32	27.22	227%
24	Dangote Sugar Refinery Plc	Q3, September 2025	484.43	626.24	29%	-184.36	-192.62	4%

# Recent Earnings Announcements

S/N	Company	Period	2024	2025	Change	2024	2025	Change
			Turnover (₦' Billion)	Turnover (₦' Billion)		PAT (₦' Billion)	PAT (₦' Billion)	
25	AIICO Insurance Plc	Q3, September 2025	130.88	153.40	17%	12.41	13.75	11%
26	AXA Mansard Insurance Plc	Q3, September 2025	98.24	120.53	23%	30.16	6.01	(80%)
27	Zenith Bank Plc	Q3, September 2025	1,947.11	2,740.95	41%	1002.84	917.41	(9%)
28	FirstHoldCo Plc	Q3, September 2025	1,633.01	2,292.38	40%	533.88	450.87	(16%)
29	Julius Berger Plc	Q3, September 2025	405.00	540.82	34%	12.31	18.25	48%

# Stock Recommendations

Stock Recommendation						
S/N	Stocks	Current Price	Target Price	Upside	Duration	Remark
1	UBA	39.5	60	51.90%	March 2026	BUY
2	ACCESSCORP	23	35	52.17%	March 2026	BUY
3	AIICO	3.56	5	40.45%	December 2025	BUY
4	PZ Cussons Nigeria Plc	39	50.72	30.05%	December 2025	BUY
5	ZENITH	61.55	80	29.98%	March 2026	BUY
6	FCMB	10.5	13.2	23.71%	March 2026	BUY
7	MBENEFIT	3.8	4.7	23.68%	December 2025	HOLD
8	INTBREW	13.05	16	22.61%	December 2025	BUY
9	TRANSCORP	50	58	16.00%	March 2026	BUY
10	OKOMU	1110	1250	12.61%	March 2026	HOLD
11	WAPCO	140	157	12.14%	March 2026	HOLD
12	BUACEMENT	180	200	11.11%	March 2026	HOLD
13	DANGCEM	660	670	1.52%	March 2026	HOLD
14	MTN	520.1	527	1.33%	March 2026	HOLD

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