



Nigerian capital market update

August 2025



Summary

The Nigerian capital market update report is an annual research report providing useful insights on the domestic capital market as well as some major activities in the domestic, regional and global markets.

This report covers events from July 2024 to June 2025

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01

Macroeconomic highlights

Macroeconomic overview

After months of turbulence, the Nigerian economy gradually reveals glimmers of optimism as macroeconomic pressures begin to ease

GDP Growth Rate

 3.13%

Period: Q1 2025*

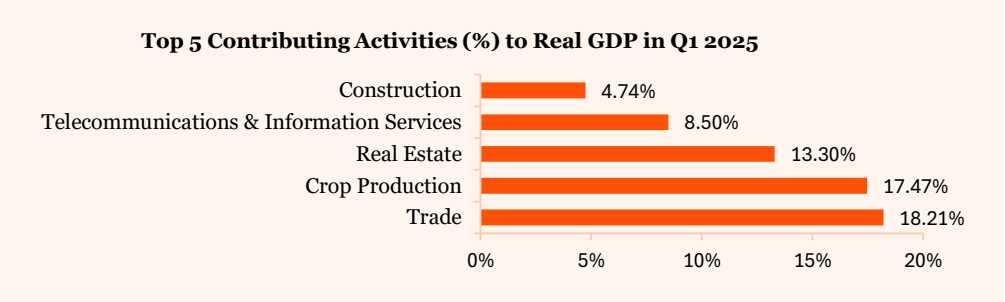
Y.o.Y: 37.89%▲

Q1 2024: 2.27%


The domestic economy wrapped up Q1 2025 with an impressive momentum, as real GDP grew by 3.13% Y-o-Y to ₦49.34 trillion relative to ₦47.85 trillion in Q1 2024. This also marks the first quarterly report under the newly rebased GDP series which uses 2019 as the base year to reflect current economic realities.

Economic growth was primarily driven by non-oil sector activities, which accounted for 96.03% of real GDP in Q1 2025, while the oil sector contributed 3.97%. Within the non-oil sector, Services emerged as the largest contributor, generating 57.50% of total output.

The annual GDP growth for 2024 was 3.38%.



MPR

 27.50%

Period: July 2025

Y.o.Y: 2.80%▲

July 2024: 26.75%

The CBN retained the MPR at 27.5% as of July 2025 citing the decline in inflation and improvement in macroeconomic conditions.

Inflation

 22.22%

Period: June 2025

Y.o.Y: 35.01%▼

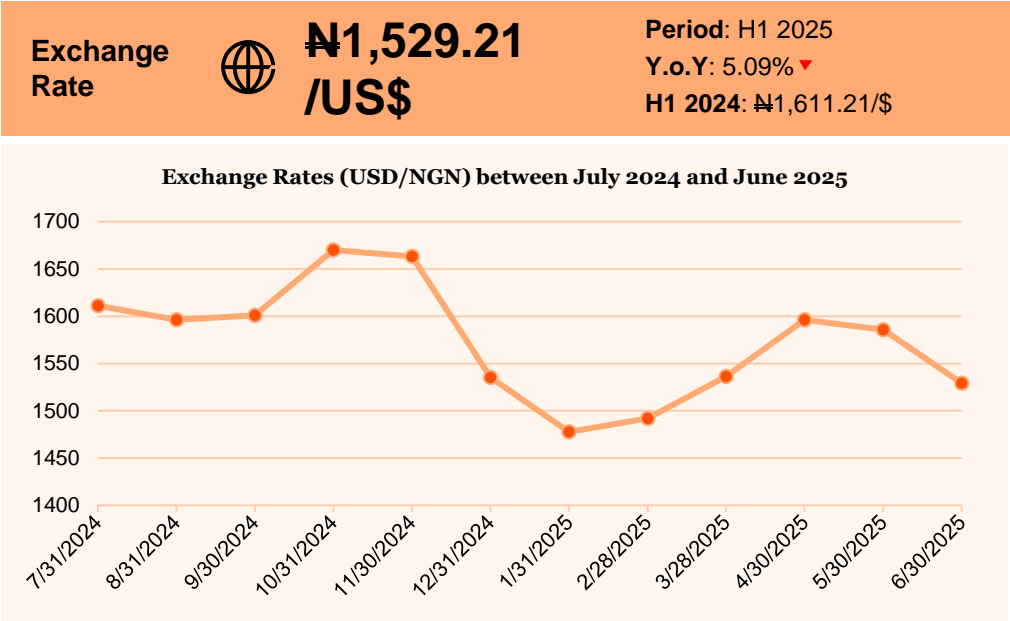
June 2024: 34.19%

June 2025 headline inflation stood at 22.22%, from 34.19% in June 2024. A decline of 35.01% Y-o-Y. This was majorly driven by rebasing of the consumer price index (CPI), tighter monetary policies by the CBN and stabilisation of the exchange rate.

Food inflation recorded a significant Y-o-Y decline of 46.24%, easing to 21.97% in H1 2025 from 40.87% in H1 2024 while core inflation also declined by 16.93% Y-o-Y to 22.76% from 27.40%. These are largely attributable to the recent rebasing of the CPI which shifted the base year from 2009 to 2024, resulting in a reduced weighting of items within the inflation index.

Sources :National Bureau of Statistics (NBS), Central Bank of Nigeria (CBN)
*Q2 2025 GDP numbers yet to be released

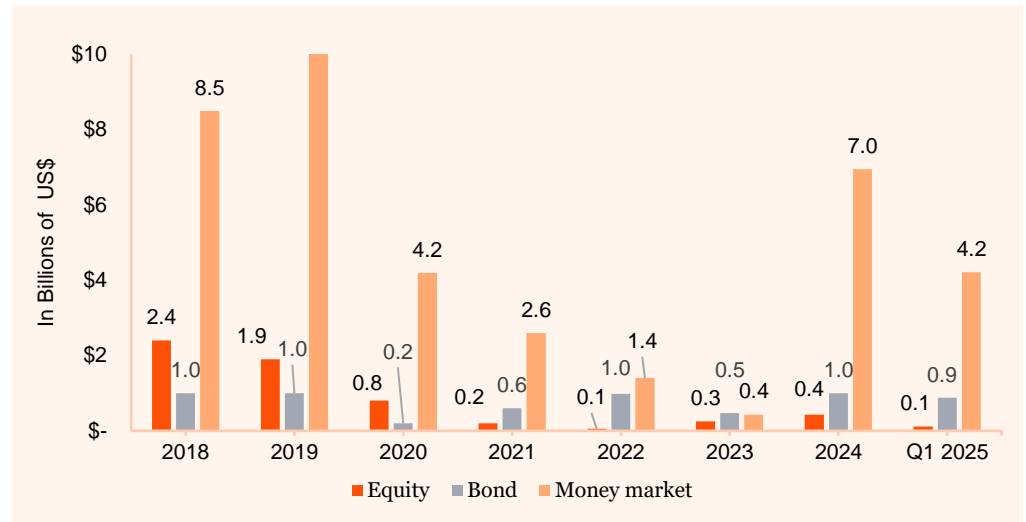
Macroeconomic overview



Macroeconomic overview

Foreign Portfolio Investment Trend 2020 - Q1 2025

Total portfolio investment grew by 150.75% Y-o-Y in Q1 2025.



80.89% of foreign portfolio investments were channeled into money market instruments in Q1 2025.

Source :National Bureau of Statistics (NBS)



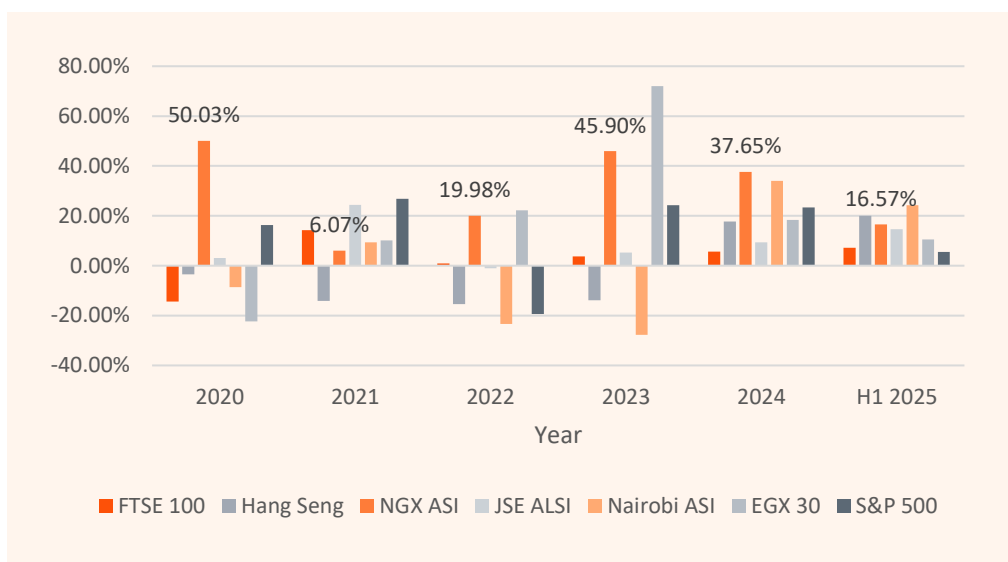
02

Equities market

Equities market

Nigerian Exchange All-Share Index (NGX ASI) maintained an upward trajectory amidst key reforms

NGX ASI V Global Indices 2020 – June 2025



Source: Respective stock exchanges, PwC Research

- Global indices reflected positive returns in equities markets around the world, despite the unrest in the Middle East, persistent inflation and ongoing trade tensions.
- The FTSE 100 (7.19%), Hang Seng (20%), NGX ASI (16.57%), JSE ALSI (14.67%), Nairobi ASI (24.25%), EGX 30 (10.48%), S&P 500 (5.50%) all recorded positive returns.
- The NGX ASI ranked second across Africa (H1 2025).
- The NGX ASI recorded an all-time high of 119,978.57 points in June 2025, a 16.57% increase from 102,926 points in Dec 2024.
- The domestic equities market has recorded positive returns amidst key reforms such as the recapitalisation exercise. These reforms are tailored towards enhancing stability and modernising the Nigerian market.

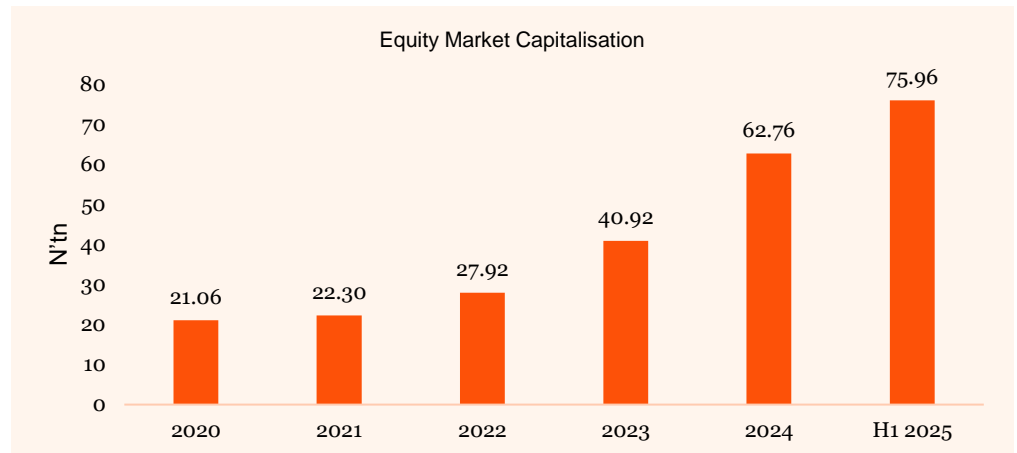
Listings and delistings on NGX

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14 | Follow-on offering

10 | Delistings

Equities market

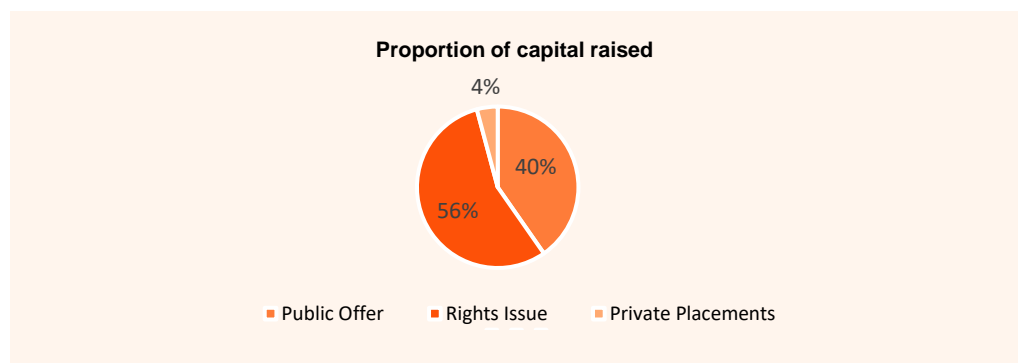


Source: NGX, PwC Research

- Market capitalisation increased by 21.04% in H1 2025, compared to December 2024. This was driven by new listings, equity issues by banks to meet CBN recapitalisation requirements and increased market activity.
- The total of stock market transactions on the NGX was ₦4.19 trillion in H1 2025, recording a 61% gain compared to ₦2.6 trillion in H1 2024. This reflects an increase in market activity, driven by increasing investor confidence in the Nigerian market as a result of ongoing reforms to enhance market stability.
- Foreign participation in equity trading stood at 27.08% (₦1.14 trillion) as of June 2025, compared to 20.75% (₦0.54 trillion) in June 2024.

Update on CBN Bank recapitalisation

In response to the CBN's bank recapitalisation directive, ten NGX-listed banks have raised ₦2.04 trillion in H1 2025 through public offers, rights issues, and private placements to meet the new minimum capital requirements.



With the March 2026 recapitalisation deadline looming, more banks are expected to tap the market for additional capital or explore mergers, potentially boosting market performance.

Equities market

The NASD equities market capitalisation stood at ~~₦~~1.96 trillion at H1 2025, a 7.19% decline from H1 2024's ~~₦~~2.1trillion.

**₦72.72
billion**

Three securities (Infracredit Ltd, Paintcom investment Nig. Plc and Adswitch plc) were admitted to trading on the NASD between H2 2024 and H1 2025

**₦3.05
trillion**

Two securities (Aradel Holdings Plc and Fan Milk Plc) were removed from trading on the NASD between H2 2024 and H1 2025

Aradel Holdings Plc listed on NGX during the same period

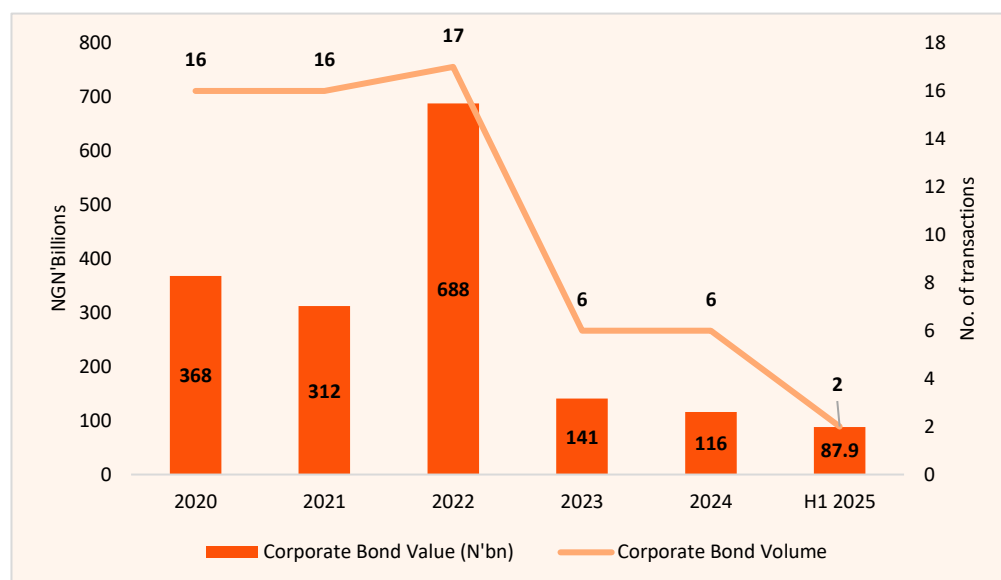


03

Debt market

Debt market

Corporate bond activities declined in the first half of 2025 amid high borrowing costs.



The corporate bond market witnessed a decline in the first half of 2025 with only two bond issuances recorded. This represents a 33.3% decline compared to the same period in 2024. This was largely driven by the steep rise in borrowing costs as issuers shield away from locking in high interest rates over the long-term leading to issuers turning to more short-term instruments to meet their funding needs. The high borrowing costs can be directly linked to the CBN's monetary policies in response to inflationary pressures in H2 2024 when the MPR was increased to an all time high of 27.50%. With headline inflation on the decline in June 2025, companies may seize the opportunity to issue bonds, potentially leading to a surge in corporate bond activity.

Infrastructure funds and bonds expand as Nigeria seeks to bridge financing gap

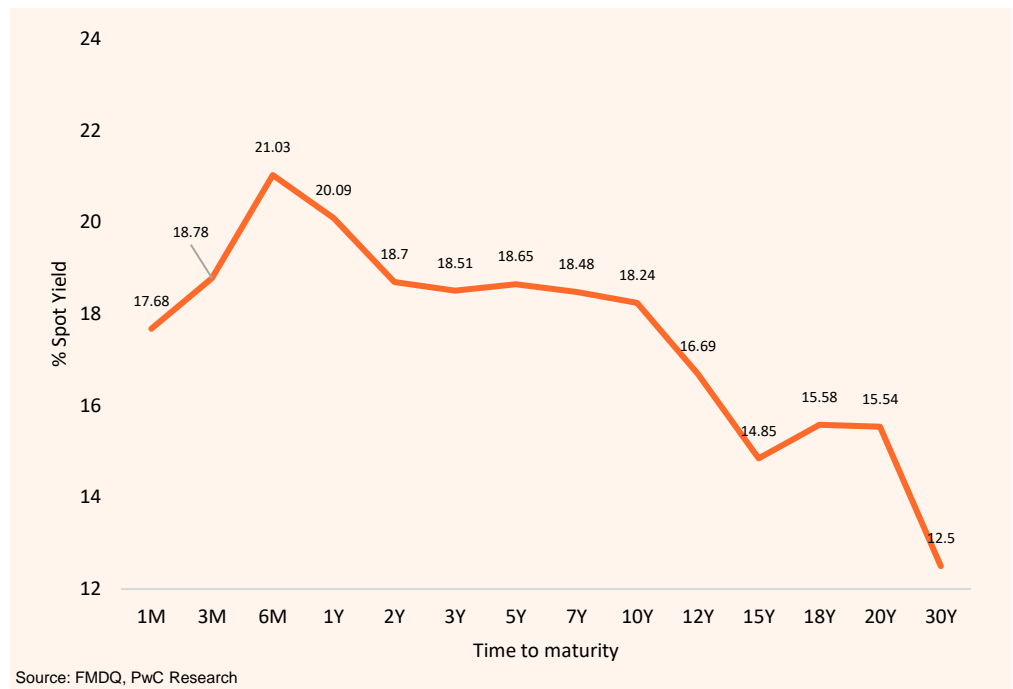
Nigeria's infrastructure financing landscape is gaining momentum. Between July 2024 and June 2025, at least ₦15.3billion infrastructure debt funds and bonds were raised in new and additional issues. This trend is expected to continue, with three (3) corporate infrastructure bonds awaiting listing on the NGX as at 30 June 2025. The Federal Government has also taken significant steps by issuing ₦300 billion in Sovereign Sukuk bonds to finance road projects. With an estimated \$100 billion infrastructure funding gap in Nigeria, the potential for further infrastructure financing remains vast.

Source: FMDQ, NGX, PwC Research

Debt market

FGN Yield Curve as of June 2025

The yield on the 10-year FGN bond declined by 6.3% from 19.47%¹ in June 2024 to 18.24%¹ in June 2025, reflecting a strategic shift by the government toward shorter-term instruments to manage debt obligations amid elevated interest as well as the decline in inflation rates.

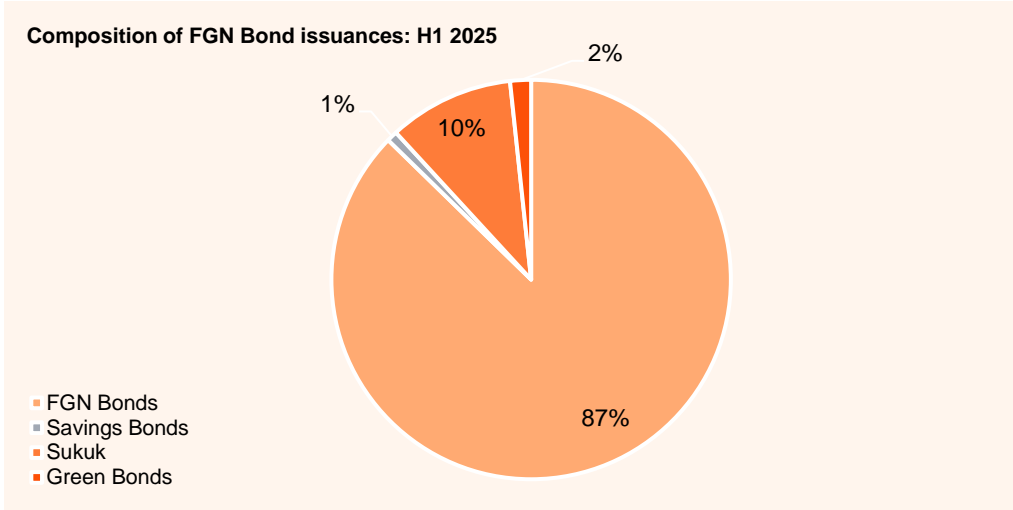
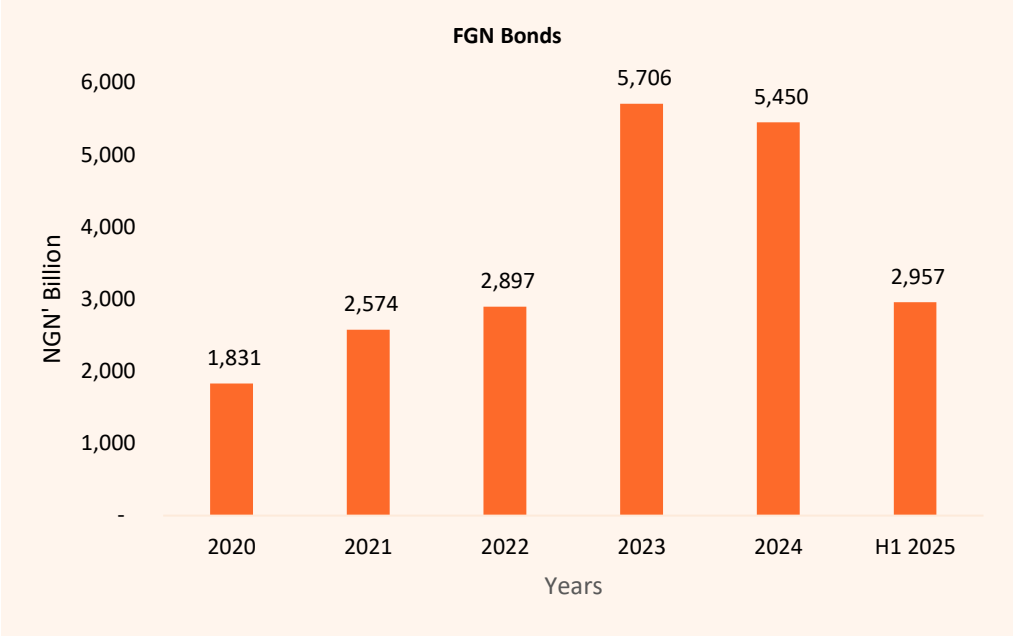


Sustainability financing gains momentum as the FGN launches another green bond

After a six-year pause, green bonds return as FGN reinforces its commitment to sustainability. The Federal government launched a ₦300bn sovereign Green Bond Series III in 2025 aimed at financing projects such as clean energy, green mass transit, water security and climate adaptation. The bond is being issued in two tranches: ₦50bn was issued in mid-June 2025 and ₦250bn which will be issued in October 2025.

The FGN has re-entered the green bond market but activity in the corporate space has remained quiet. No corporate green bonds have been issued in the capital market since 2021 highlighting a noticeable gap in private sector participation in sustainable finance.

Debt market



FGN bond issuances experienced a 24.96% decline to ₦4.6trn (July 2024 – June 2025) compared to ₦6.25trn in the same period last year.



Decline was largely driven by high borrowing costs and a more cautious funding strategy in response to challenging economic conditions.

Debt market

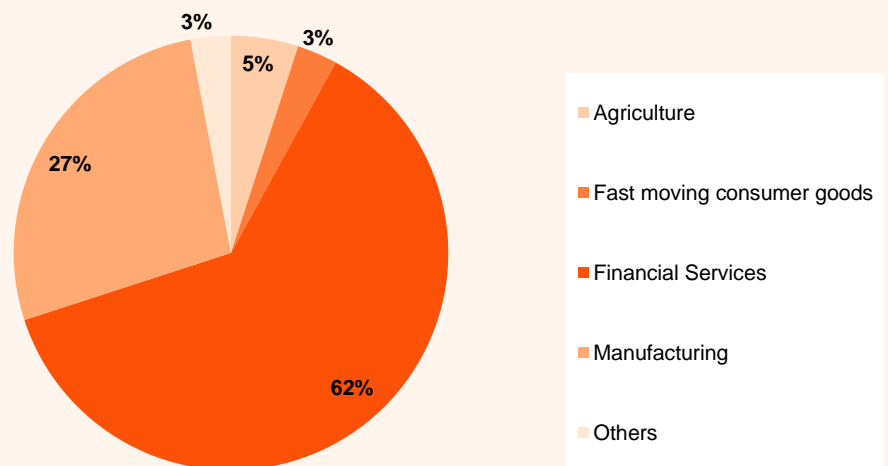
However, the commercial paper market gained traction in H1 2025 amid liquidity pressures

In the first half of 2025, the Nigerian commercial paper market recorded about N1066 billion raised across 75 Issuances. This represents a 70% increase in value compared to H1 2024, despite a 11% decline in volume. The growth was driven by increased short term funding needs as issuers, especially banks, seek to boost liquidity in the face of increased borrowing costs and CBN policies.

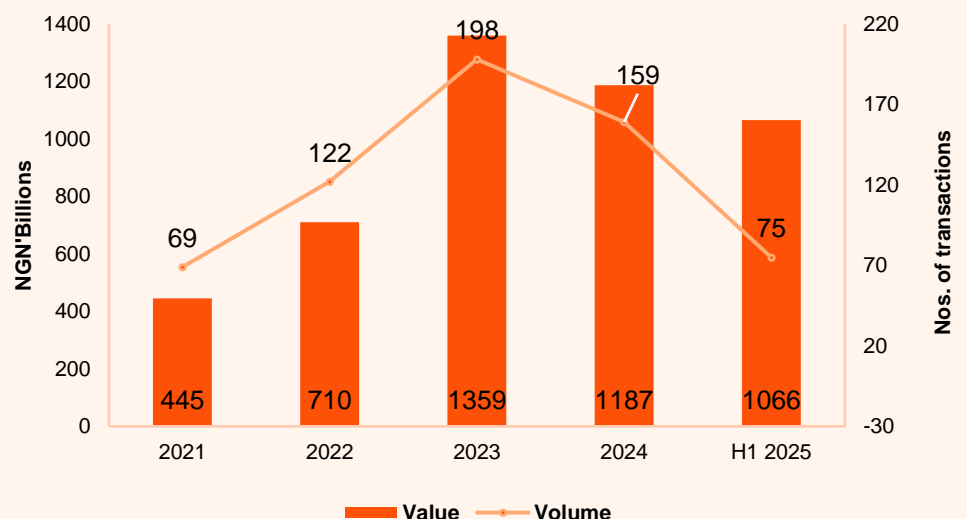
The Financial Services sector dominated the market, accounting for 62% of the total issuance value. The manufacturing sector followed with 27%, while agriculture and consumer goods contributed 5% and 3%, respectively. Other sectors, including the pharmaceuticals, oil and gas, and hospitality collectively accounted for the remaining 3%.

Access Bank Plc led as the top issuer, raising N400 billion, representing 38% of the total market value.

Share of commercial paper issuance by sector



Commercial Paper Activity (2021 - June 2025)



04

Private markets –
Venture capital

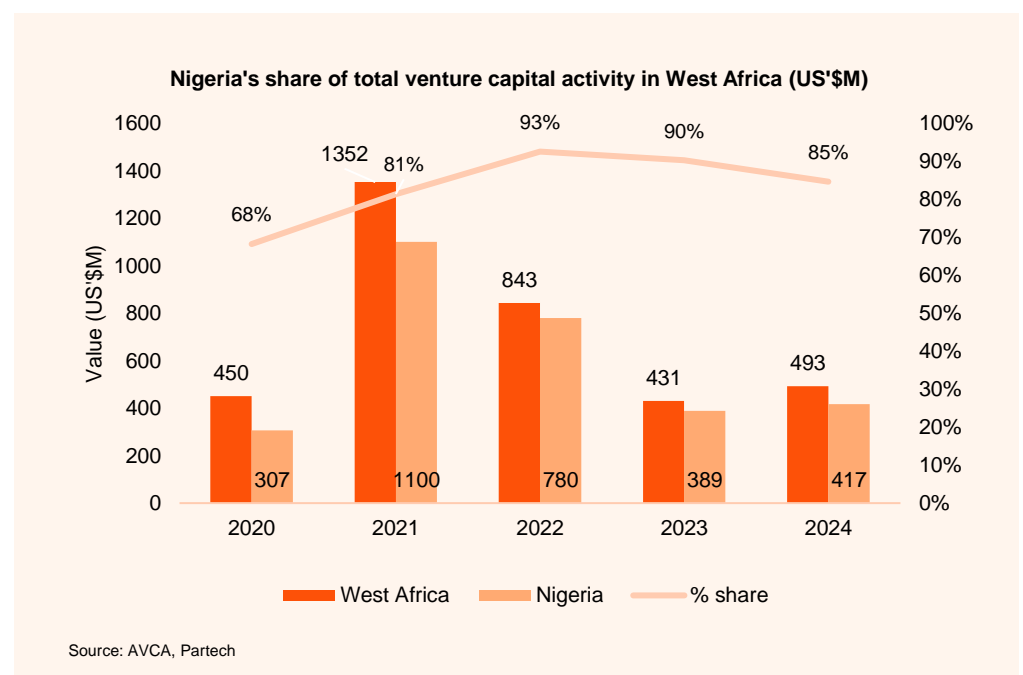
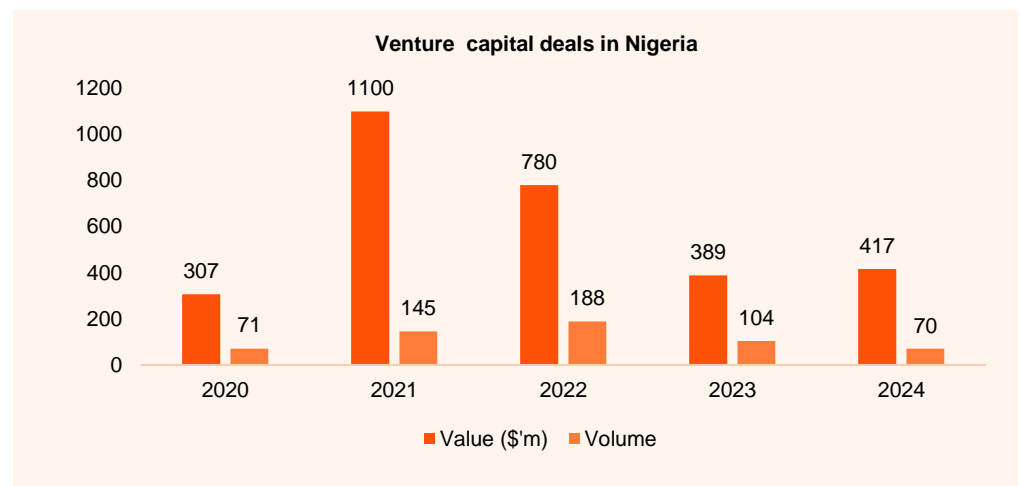
Private markets

– Venture capital

Nigeria retained its position as the powerhouse of West Africa's venture capital market

Nigeria continued to play a leading role in Africa's private capital landscape, maintaining strong momentum in venture capital activity despite macroeconomic headwinds. In 2024, the Nigeria closed 70 venture capital deals valued at US\$417 million, compared to 104 deals and US\$389 million in 2023. This 32% decline in deal volume alongside a 7% increase in value signals a strategic shift toward fewer but higher-value transactions, particularly in financial services and technology. This trend reflects investor focus on more strategically positioned companies in response to macroeconomic instability and market volatility.

Despite these challenges, Nigeria's venture capital ecosystem continues to demonstrate resilience and remains a top destination for private capital in Africa.



05

Summary of key
events in the
Nigerian market

Summary of key events in the Nigerian market

Nigeria enacts Investment and Securities Act, 2025

In March 2025, Nigeria enacted the Investment and Securities Act (ISA) 2025, effectively repealing the 2007 Act. ISA 2025 is designed to modernise the Nigerian capital market in line with global best practices and address market challenges not covered under the 2007 Act such as recognition of virtual assets and investment contracts as securities, expand the legal and regulatory powers of the Securities and Exchange Commission (SEC), etc. A summary of the changes in the ISA 2025 and their expected impact on the market can be found in the [thought leadership](#) issued by PwC Nigeria in May 2025.

New rules on issuance and allotment of private companies' securities

In April 2025, the SEC introduced new regulations governing the issuance and allotment of debt securities by private companies through public offers. The rules allow private companies to issue debt securities publicly, but equity securities offerings remain prohibited.

Private companies are restricted to a maximum of three debt securities issuances within a one-year period. The total amount that can be raised within a one-year period cannot exceed N15 million. Exceeding this limit requires re-registration as a public company.

The rule aim to provide regulatory oversight over public debt capital activities by private companies.

New rules on issuance of commercial papers ("CPs")

The new rules were issued by the SEC in December 2024. The rule introduces non-interest CPs and covers the eligibility criteria for issuers, registration and post issuance requirements

The rule allows for the issuance of CPs for tenors not less than 30 days and not more than 364 days.

Fitch upgrades Nigeria's credit ratings

In April 2025, Fitch Ratings upgraded Nigeria's long-term foreign-currency issuer default rating to from 'B-' to "B", citing a stable outlook. The upgrade was attributed to significant policy reforms, including exchange rate liberalisation, monetary policy tightening, and the removal of fuel subsidies. Consequently, the long-term credit ratings of four Nigerian states: Lagos, Oyo, Kaduna, and Kogi - were also upgraded from 'B-' to 'B'. This upgrade was linked to the intergovernmental fiscal framework, which underscores the federal government's substantial influence over state finances through transfer systems.

SEC to implement new settlement cycle for equities trading

The SEC plans to transition the equities segment of the market to a T+2 settlement cycle from the current T+3 cycle, effective November 2025.

This change is expected to enhance liquidity, reduce investors' exposure to counterparty risk as well as align with international best practice, thereby contributing to a more stable and resilient market.

06

Other African
markets

Other African markets

Ethiopia launches securities exchange after 50-year absence

Following years of effort to operationalise the Ethiopian capital market, the Ethiopian Securities Exchange (ESX) was finally launched on 10 January 2025 with Wegagen bank as the first listed company. The ESX is licensed to operate as a securities exchange and over-the-counter market. Post-inauguration, two investment banks were certified as trading members on the exchange and two more entities have been listed. The ESX is also involved in facilitating trading in money market securities and has entered into a strategic partnership with the International Finance Corporation (IFC) to strengthen its money market infrastructure.

Cote d'Ivoire unveils agricultural commodities exchange

Côte d'Ivoire launched its pioneer agricultural commodities exchange, Bourse des Matières Premières Agricoles (BMPA CI), in Abidjan. The exchange commenced trading with three inaugural products: cashew nuts, kola nuts, and maize. By establishing a formal, regulated platform, the exchange seeks to ensure fair pricing, transparency, and guaranteed quality commodities, effectively replacing informal trading practices

Africa Development Bank elects new president

Sidi Ould Tah, a former Mauritanian finance minister, has been elected the new president of the Africa Development Bank. He is expected to assume office on September 1, 2025, succeeding Akinwumi Adesina, an economist from Nigeria, who has led the bank for 10 years. The election was conducted by the Bank's Board of Governors during the its annual meetings in Abidjan, Cote d'Ivoire on May 29, 2025.

Ghana Stock Exchange (GSE) launches first regulated OTC market

The GSE launched its first regulated over-the-counter (OTC) market for the trading of non-listed securities. This is expected to promote transparency, liquidity and provide investors with more options across the Ghanaian market. The OTC market provides a trading platform for various financial instruments, such as ordinary shares, preference shares, depositary receipts, derivatives and securities issued by collective investment schemes, including unit trusts, mutual funds and others.

07

Global markets

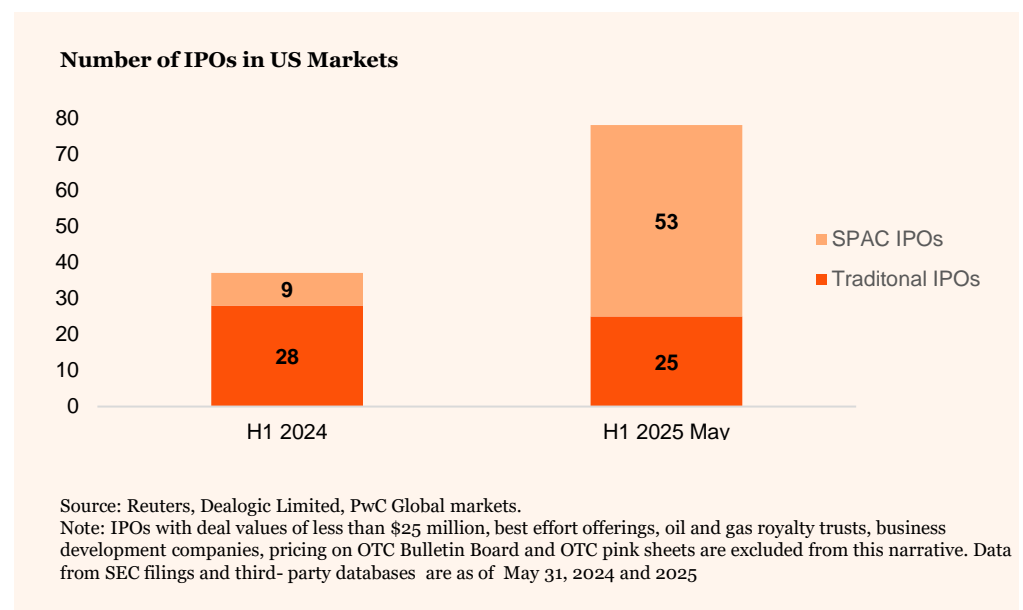
Global markets

Increased IPO activity in H1 2025

H1 2025 saw a surge in IPO activity, with over \$25.36 billion raised, a 39.1% increase from H1 2024. This marks the strongest start to a year since 2021. The growth is attributed to investor confidence, demand for tech and fintech IPOs, and private equity firms seeking to exit investments.

Some of the largest IPOs in 2025 include:-

- Venture Global Inc. (\$1.8 billion, NYSE)
- CoreWeave Inc. (\$1.5 billion, NASDAQ)
- Sailpoint Inc. (\$1.38 billion, NASDAQ)
- Circle Internet Group (\$1.05 billion, NYSE)



GTCO Plc's dual listing on LSE

Guaranty Trust Holding Company Plc (GTCO Plc) transitioned from a Global Depositary Receipts (GDR) structure to a listing on the London Stock Exchange (LSE) in July 2025. The Company also raised \$105 million in equity capital. This move establishes GTCO as a dual-listed company, with its shares now trading on both the Nigerian Exchange (NGX) and the LSE.

Launch of first naira-denominated global depositary notes backed by Nigerian sovereign debt

BNY Mellon and Standard Bank Group launched a naira-denominated global depositary notes (GDNs), providing international investors with streamlined access to Nigeria's high-yield debt market. This move is expected to boost foreign investment, liquidity, and market integration in Nigeria's capital market, showcasing the country's potential as a lucrative investment destination.

Global markets

Mergers and acquisitions globally showed a subtle shift

Global M&A activity in the first half of 2025 saw a slight decrease in total deal value to \$1.44 trillion from \$1.5 trillion in H1 2024, but average deal size increased significantly, indicating a trend towards larger, high-value transactions. Key trends include:

- Increased private equity role: Private equity deal value rose to \$370 billion, accounting for 36% of overall activity, up from \$270 billion (18%) in the previous year.
- Technology dominance: The technology sector remained dominant, driven by AI infrastructure investments, while the industrials sector saw renewed consolidation.

Some of the biggest M&A deals include Nippon Steel’s \$14.9 billion acquisition of U.S. Steel, Mars’ \$36 billion bid for Kellanova, and Macquarie’s strategic airport acquisitions in the UK.

U.S.-China trade truce offers temporary relief to global markets after tariff shockwaves

In April 2025, tensions in the U.S. China trade relationship resurfaced as a headline concern in the global capital markets, driven primarily by the imposition of a new round of tariffs reaching as high as 145% on Chinese imports. These tariffs particularly targeted products such as electric vehicles, semiconductors and green technologies. In response, the Chinese government swiftly retaliated by raising tariffs on U.S. goods, first to 84% then later to 125%.

Both powerhouses remain immensely interlinked economically as bilateral trade exceeded US\$582 billion in 2024 according to the U.S. Census Bureau.

As of June 2025, tariffs remain high, however a temporary truce has been put in place.

Impact on the United States	Impact on China	Impact on the global markets
Rising inflation and consumer costs	Potential for capital flight	Increased global market volatility
Supply chain disruptions	Reduced export demands especially in electronics & machinery	Decline in global trade volumes
Stock Market volatility	Increased deflationary pressures	Potential for slower growth in emerging markets

The U.S. maintains significant trade relationships with countries like China, Mexico and Vietnam but also runs large trade deficits with them. U.S. had a US\$17.2 billion trade deficit with China, US\$14 billion with Mexico, and US\$13.6 billion with Vietnam in April 2025. These deficits are a key driver behind the tariff strategy which aims to reduce reliance on foreign goods and encourage domestic production.

World Bank project global inflation to remain elevated at 2.9% in 2025 and 2026 following tariff hikes and trade tensions, with differing impacts across advanced and emerging economies.

08

The road ahead.....

The road ahead.....

The past year has seen the global economy navigating through a complex landscape of easing inflationary pressures and slow but steady recovery. With challenges such as geopolitical tensions, global trade war fueled by escalating trade tensions, and economic turbulence, the World Bank's projects global growth to slow to 2.3% in 2025, down from 2.6% in 2024 and at a more decelerated pace if trade restrictions intensify. Central banks remain cautious, maintaining higher interest rate policies due to lingering threats of inflation and trade tensions.

Zooming in from the global stage, Nigeria's economy continues to chart its recovery path, supported by a gradual easing of macroeconomic pressures and ongoing structural reforms. Improvement in the exchange rate stability, declining inflation, increased oil refining capacity, proposed tax reforms, and other government initiatives, point to growing macroeconomic resilience, setting the stage for a more favourable economic climate. Positive regulatory developments in the Nigerian capital market also signals a good outlook for the market.

These developments may bolster investor confidence, particularly as Nigeria continues to offer one of the most attractive yield environments among frontier markets. Investor appetite is picking up, following a steep decline in foreign direct investment in the previous period.

Amid these positive developments, there's a high likelihood that banks may intensify capital-raising efforts in the near term as recapitalization deadline approaches. We can also expect a resurgence in corporate bond issuances. This could provide new opportunities for investors, may enhance market activity and improve overall capital market performance.

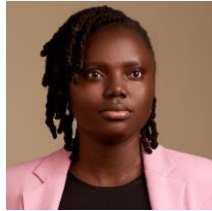
While the outlook remains cautiously optimistic, the path forward will depend on the ability of the Nigerian government to sustain structural reforms, navigate external shocks and secure other strategic trade agreements.

Overall, the Nigerian capital market is expected to remain dynamic, with opportunities for growth and investment. As the economy continues to navigate through challenges and opportunities, investor sentiment will be influenced by domestic and global economic developments.

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