WEEKLY BRIEF

Week of 1st – 5th September, 2025

PREPARED BY:

Wealthbridge Economic Advisory

NEWS HIGHLIGHTS

Key Highlights During the Week

International News

- **United States:** US job growth weakened sharply in August; unemployment rate rises to 4.3%

- **UK & Eurozone:** Inflation Near ECB Target; UK Rate-Cut Prospects Fade

- **Asia: China**: China Stocks Rebound on Liquidity Boost Amid Strong Services PMI, New U.S. Tariffs Escalate Trade Tensions.

  Japan: Japanese Records Higher Wage Growth while Yen Strengthens, Japanese Stocks Gain as U.S. Cuts Tariffs .

- **Africa: South Africa:** Rand Rises on Dollar Weakness, Reserves Surges while PMI Signals Tepid Growth

- **Ghana**: Ghana Inflation Rate Nears 4-Year Low.

Local News

- CBN launches compliance department to oversee financial crimes and ESG risks

- Nigeria's private sector growth hits 19-month high as demand surges and inflation eases.

- Leadway Holdings to acquire PAL Pensions to expand footprint in Nigeria

- Fuel scarcity looms as NUPENG, Dangote clash.

- Nigeria's local bonds surges as Eurobonds Weaken; Strong Liquidity Spurs T-Bill Demand, Short-Term Rates Rise.

Key Macroeconomic Indices

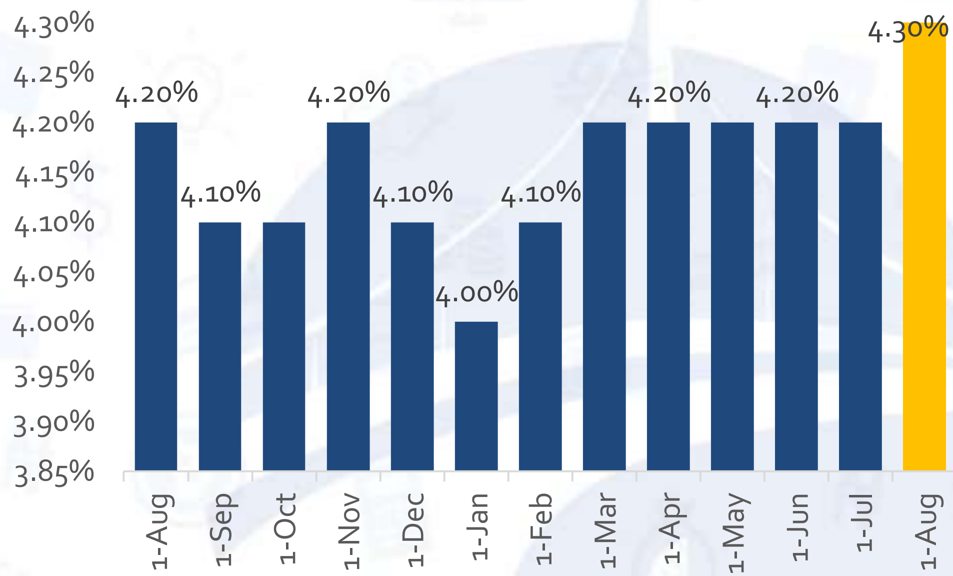
NAFEM (₦/$)	Monetary Policy Rate	Brent Crude oil price ($/Barrel)	Inflation Rate	GDP Growth Rate
₦1,514.87/$1 (05/09/25)	**27.50%** (July 2025)	**$65.23** (05/09/25)	**21.88%** (July 2025)	**3.13%** Q1 2025

dge

The United States

US job growth weakened sharply in August; unemployment rate rises to 4.3%

- The August jobs report released Friday by the Bureau of Labor Statistics (BLS) showed that just 22,000 new jobs were added to the economy last month, far fewer than forecast and the latest sign that the US labor market has cooled in recent months. The unemployment rate rose to 4.3% last month.
- The number of unemployed increased by 148 thousand to 7.384m in the period. In turn, the labor force increased by 436 thousand to 170.778 million, driving the labor force participation rate to increase by 0.1 percentage point from the over two-year low in the previous month to 62.3%.



Unemployment rate (Aug 2024 – Aug 2025)
Source: US Bureau of Labor Statistics , WealthBridge Research

What to expect:

- Due to the significant labour market weakness Fed may be forced into a 50 bps "jumbo" rate cut, not just the expected 25 bps.
- Markets will initially celebrate a cut, but a larger move signals deeper economic trouble, risking a shift from euphoria to growth fears and stagflation pricing

US Stocks Closed Mix With Drag From Nvidia, AMD

- The S&P 500 Index pulled back from an intraday record as declines in Nvidia Corp. and other tech megacaps offset a rally in Broadcom Inc. that had earlier led tech and chip stocks higher.
- Energy stocks slipped 2% as oil prices fell, after Saudi Arabia said it wants OPEC+ to consider reviving more production.
- Gold stocks broke a 2011 high as anxiety, geopolitics and threats to the US central bank's independence have driven investors to the safety of the precious metal.

Drivers

- Weak job reports and slower growth mean Americans may drive and consume less energy, hurting oil demand.
- Fear of lack of independence of the Fed

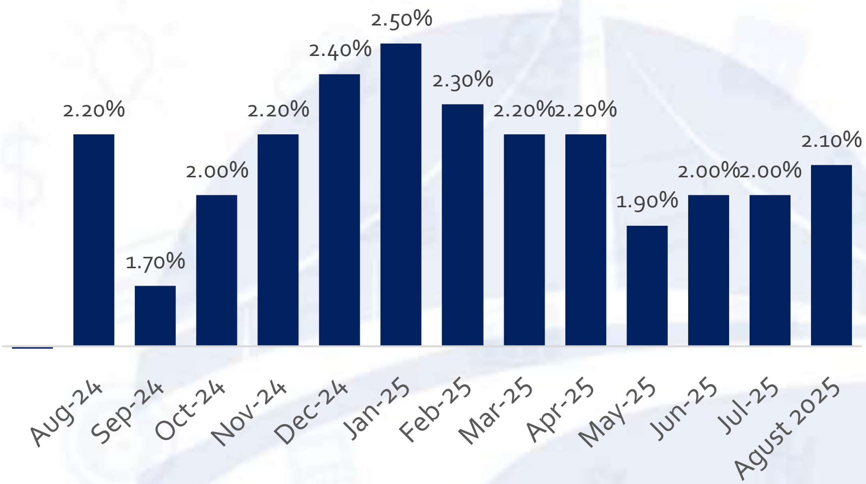
Indices' Performance

S&P 500	6,481.5	0.33% ▲
Nasdaq Composite	21,700.39	1.14% ▲
Dow Jones Industrial average	45,400.86	0.32% ▼

UK & Eurozone

Inflation Near ECB Target; UK Rate-Cut Prospects Fade

- Eurozone inflation edged up to 2.1% in August, staying close to the ECB's 2% goal, while core inflation held steady at 2.3% .
- Unemployment dipped to 6.2% from 6.3% in July, pointing to a resilient labor market despite weaker retail sales. ECB policymakers signaled rates would remain unchanged in September, reinforcing expectations that easing has ended.
- In the UK, mortgage approvals rose but house prices gave mixed signals, rising 2.2% annually in August above expectations of 2%. Bank of England officials warned of "considerable doubt" over further rate cuts due to inflation risks and labor market concerns.



Inflation Rate (August 2024 – August 2025)
Source: Trading Economics , WealthBridge Research

What to expect:

- Rates are likely to stay on hold for a prolonged period; no further cuts unless growth weakens sharply.

European Stocks Drops Amid Weak US Job Data and Rising Inflation

- In local currency terms, the pan-European STOXX 600 Index ended 0.17% lower amid concerns about global growth after weak U.S. jobs data and a stronger euro.
- Major stock indexes were mixed. Italy's FTSE MIB gave up 1.39%, France's CAC 40 Index slipped 0.38%, and Germany's DAX fell 1.28%. The UK's FTSE 100 Index, on the other hand, added 0.23%..

Drivers

- Weak U.S. jobs data raised fears that demand worldwide may slow, hitting investor confidence.
- A stronger euro makes European exports less competitive and weighs especially on export-heavy markets like Germany and Italy.

Indices' Performance

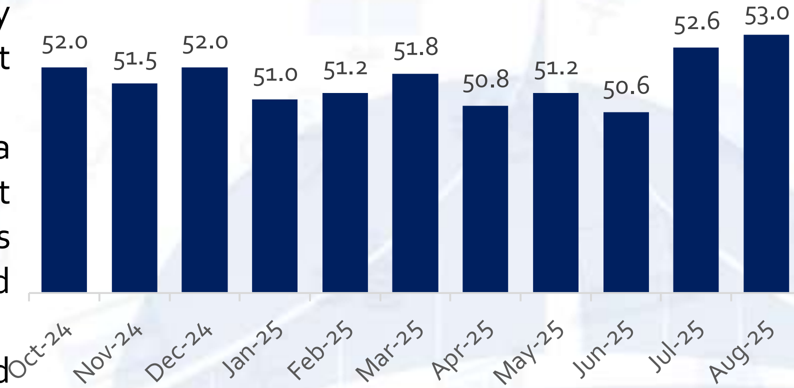
FTSE 100	9,208.21	0.23% ▲
DAX index	23,596.98	1.28% ▼
CAC 40	7,674.78	0.38% ▼
FTSE MIB	41,607.81	1.39% ▼

•This rebound came partly because **Trump signed an order cutting tariffs on Japanese cars from 27.**

Asia

China Stocks Rebound on Liquidity Boost Amid Strong Services PMI, New U.S. Tariffs Escalate Trade Tensions

- China's Caixin General Services PMI rose to 53.0 in August, the highest since May 2024, signaling faster sector expansion, but companies cut staff due to cost concerns and non-replacement of exits.
- China imposed tariffs of 33.3% to 78.2% on certain U.S. optical fiber products after a probe found exporters were evading anti-dumping rules. The levies took effect Thursday, targeting "cut-off shifted single-mode optical fiber." The move escalates U.S.-China trade tensions, adding to disputes already spanning technology and agriculture.
- The Shanghai Composite gained 1.24% and the Shenzhen Component surged 3.89%, rebounding from a prior selloff.. The PBoC bolstered sentiment with a 1 Trn Yuan liquidity injection via reverse repos to stabilize markets.



China Service PMI (Oct 2024-August 2025)

Source: TradingEconomics, Wealthbridge Research

Shanghai Composite	3812.5	1.24% ▲
Hang Seng Index	25,417.98	1.36% ▲
Nikkei 225 index	43,018.75	0.70% ▲

What to expect

- China's economy and markets are likely to see moderate growth with phases of volatility, supported by continued government interventions, but external pressures like trade tensions could constrain stronger expansion.

Japanese Records Higher Wage Growth while Yen Strengthens, Japanese Stocks Gain as U.S. Cuts Tariffs

- Japan's wage growth strengthened in July, with nominal wages up 4.1% year-on-year vs. 3.0% expected, while real wages turned positive for the first time in 2025.
- The data has fueled speculation that the Bank of Japan could raise interest rates as early as October if the economy and prices evolve in line with forecasts.
- The yen strengthened toward 148/$, supported by Trump's tariff cut on Japanese cars to 15% from 27.5% tied to a $550bn Japanese investment pledge, and a weaker dollar on US labor data boosting Fed cut bets.
- Japanese equities rallied for a second session, with the Nikkei 225 up 1.03% to 43,019 and the Topix gaining 0.82% to 3,105.

Outlook

- The tariff cut eased pressure on Japan's key auto sector. Domestically, real wages turned positive in August, boosting prospects for Bank of Japan rate hikes as underlying inflation is still below the 2% target.
- Externally, a weaker dollar from soft U.S. labor data added to yen gains.

Rand Rises on Dollar Weakness, Reserves Surges while PMI Signals Tepid Growth

- The South African rand rallied toward 17.5 per USD, reaching a two-week high, aided by a weaker dollar and rising gold prices.
- Additional support came from foreign exchange reserves climbing to historic highs and declining bond yields, reflecting perceived economic stability and capacity to manage external obligations.
- Gross foreign exchange reserves in South Africa rose to a new historical high of $70.420 billion in August 2025 from $69.161 billion in the previous month, this was mainly driven by higher gold reserve.
- However, the S&P Global PMI slipped slightly to 50.1 from 50.3, signaling only marginal growth as exports weakened.
- Job numbers fell slightly in August, after two consecutive months of employment growth.

Outlook:

Reserves and bond market stability provide a solid buffer against external shocks, but structural weaknesses and sluggish demand mean growth is likely to remain modest.

Ghana Inflation Rate Nears 4-Year Low

- Ghana's annual consumer inflation fell to 11.5% in August 2025 from 12.1% in July, a new low since October 2021, extending its downward trend for the eighth month. This figure is below the government year-end target of 11.9%.
- Food inflation cooled down to 14.8% in August from 15.1% in July, while non-food price growth eased to 8.7% from 9.5%.
- On a month-on-month basis, overall prices fell by 1.3% indicating that prices actually decreased between July and August 2025.
- With inflation easing, the Bank of Ghana may continue with gradual rate cuts to support growth, but will tread carefully to avoid currency pressures returning.

Domestic Economy and Markets Highlights

Snapshot of Key Macroeconomic Indicators

Indicators	Current	Previous	
Inflation rate	21.88% (July 2025)	22.22% (June 2025)	▼ (52 bps)
MPR	27.50% (July 2024)	27.50% (February 2024)	— (0 bps)
Quarterly GDP Growth Rate	3.13% (Q1 2025; y/y)	3.76% (Q4 2024; y/y)	▼ (63 bps)
Yearly GDP Growth Rate	3.38% (FY 2024; y/y)	3.04% (FY 2023; y/y)	▲ (34 bps)
GDP (Nominal)	₦94.051 Trn (Q1 2025)	₦104.469 Trn (Q3 2024)	▼ (9.97%)
Brent Crude oil price	$65.23 (05/09/25)	$66..89 (29/08/25)	▼ (2.48%)
Exchange rate (NAFEM W-O-W% , ₦/$)	₦1,514.87/$1 (05/09/25)	₦1,531.57/$1 (29/08/25)	▼ (1.09%)
Parallel Market Exchange Rate (₦/$)	₦1,535/$1 (05/09/25)	₦1,545/$1 (29/08/25)	▼ (0.65%)
External Reserve	$41.499 billion (05/09/25)	$41.268 billion (29/08/25)	▲ (0.56%)

Monetary & Fiscal Policy News

CBN launches compliance department to oversee financial crimes and ESG risks

- The Central Bank of Nigeria (CBN) has formally announced the establishment of a dedicated Compliance Department, marking a significant step in its ongoing efforts to enhance regulatory effectiveness and streamline supervisory responsibilities.
- The Compliance Department now oversees key areas including; Financial Crime Supervision, Market Conduct Supervision, Enterprise Security Supervision and corporate Governance and ESG Supervision.
- The CBN has directed all regulated financial institutions to channel future reports, correspondence, and inquiries related to these areas to the Director of the Compliance Department via established communication protocols.

Key Economic News

Nigeria's private sector growth hits 19-month high as demand surges and inflation eases.

- Nigeria's private sector recorded its strongest expansion in over a year and a half, as the Stanbic IBTC Bank Purchasing Managers' Index (PMI) rose to 54.2 in August, up from 54.0 in July, marking a 19-month high in new order growth and a four-month high in output.
- The PMI reading, which has remained above the 50.0 threshold for nine consecutive months, signals sustained improvement in business conditions.
- Firms expanded staffing for a third month but at a slower pace, while input buying eased despite inventory build-up.
- Inflationary pressures moderated, with input costs rising at the slowest pace since March 2023 and output price inflation hitting its lowest since April 2020.
- Stanbic projects headline inflation to fall further, potentially reaching 17.2–17.9% by November 2025, and expects up to 150bps in rate cuts next year.

The strong PMI signals continued resilience in Nigeria's private sector, but softer business confidence suggests growth may moderate. Easing inflationary pressures could give the Central Bank room to cut rates in 2025, supporting demand and investment, though manufacturing weakness remains a drag.

Fuel scarcity looms as NUPENG, Dangote clash

- Nigerians may face fuel shortages from September 8, 2025, as tanker drivers under NUPENG plan to halt fuel loading nationwide.
- This crisis is arising from the plan by the Dangote refinery to import 4,000 Compressed Natural Gas-powered trucks for the direct distribution of fuel to retailers.
- The union's grievance is as result of alleged anti-labor practices by Dangote management, including refusal to allow recruited CNG truck drivers to join trade unions.
- The union alleges Dangote is scheming to monopolize distribution, crush competition, enslave the sector, and raise prices, which would ultimately result in an attack on the living standards of the masses of ordinary Nigerians.

Market News

Leadway Holdings to acquire PAL Pensions to expand footprint in Nigeria

LEADWAY

- Leadway Holdings has announced that it has reached a definitive agreement to acquire 100 per cent ownership of PAL Pensions, a move that will significantly strengthen its position in the Nigerian pension fund administration (PFA) market.
- The acquisition follows a major divestment in July, when Hassan-Odukale, Leadway Holdings, and its subsidiaries sold 2,288,798,807 shares in First HoldCo, valued at ₦70.8bn.
- Industry analysts suggest that the acquisition of PAL Pensions signals Leadway Holdings' ambition to consolidate its presence in Nigeria's financial services sector, especially in pensions, which remains one of the most competitive segments of the Nigerian capital market.

Equities Market

The Nigerian Equities Market Ended The Week Bearish

- Market Capitalisation: ₦87.937 Trillion (▼ 0.94% W-oW)
- All Share Index: 138,980.01 (▼ 0.94% W-o-W)
- Year-to-Date 35.03% (▼ 128 bps W-o-W)
- Total Turnover (Trades): 3.117 Bn shares (▼ 2.56% W-o-W)
- Value of Trades: ₦90.295 bn (▲ 5.73% W-o-W)

Fixed Income Market

FGN Bonds

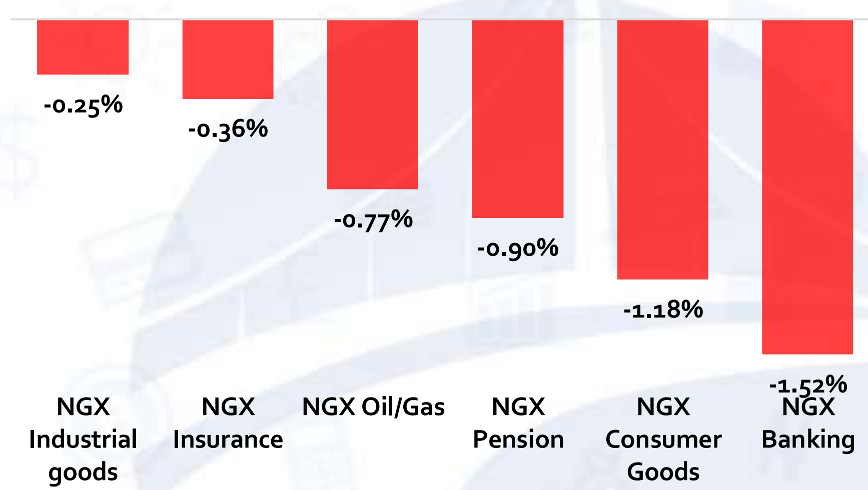
The Nigerian bond market showed mixed sentiment last week as local bonds rallied on strong demand, driving average yields down by 13 bps to 16.97%, while Eurobonds weakened, with yields rising 5 bps to 8.01% on the back of cautious global risk appetite and higher U.S. Treasury yields

NTB and Money Markets

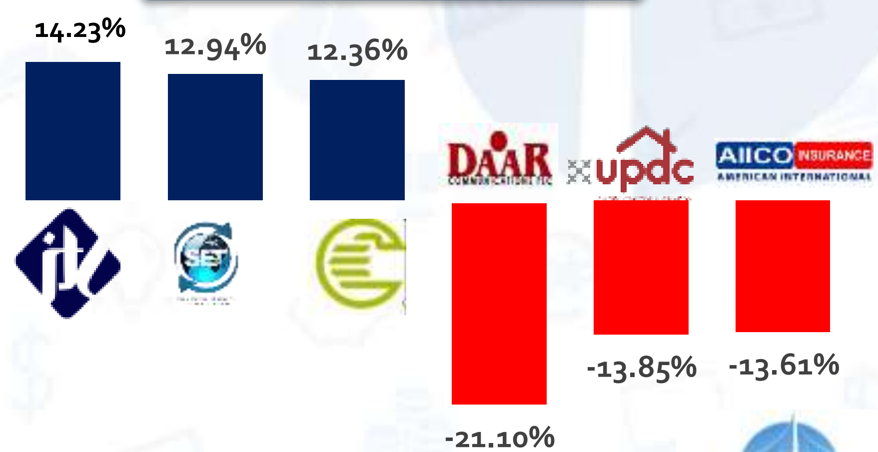
System liquidity stayed strong at about N2trn despite CBN and DMO mop-up efforts, keeping funding rates mixed. OPR was flat at 26.50%, Overnight Repo rose 5bps to 27.00%, and Overnight NIBOR spiked 14ppts to 26.92%.

Treasury bill yields dropped 6.92ppts to 18.57% on strong demand, with the NTB auction attracting N1.0tn bids versus N480bn offered; DMO allotted N585.3bn, with stop rates mixed 91-day down 3bps to 15.32%, 182-day flat at 15.50%, and 364-day up 25bps to 17.69% on concentrated demand for longer tenors.

Sectoral Performances



Top Gainers & Decliners*



CONTACT US

For more info call:
+234 809 999 4372

E-mail address

info@wealthbridge.com.ng

Visit us at:

21, Bourdillon Road, Ikoyi, Lagos

100, Ademola Adetokunbo street, Wuse II, Abuja

Visit our website

www.wealthbridge.com,ng