WEEKLY BRIEF

Week of 8th – 12th September, 2025

PREPARED BY: Wealthbridge

Wealthbridge Economic Advisory

NEWS HIGHLIGHTS

Key Highlights During the Week

International News

- **United States:** Stocks climb higher amid rate cut expectations and AI optimism; August inflation remains elevated
- **UK & Eurozone:** ECB holds rates steady, raises forecasts slightly; UK economy stalls in July
- **Asia: China**: China's 10-Year Yield Falls Amid Renewed Tariff Woes, Warns Mexico Over Proposed 50% Tariff on Asian Cars

  Japan: Japan Industrial Output Shrinks less than Initially thought, Japanese Shares Extend Record Rally
- **Africa: South Africa:** South Africa Mining Output Growth Tops Forecasts, South Africa Seeks Tariff Relief in Upcoming U.S. Trade Talks
- **Ghana**: Ghana GDP Growth at Near 1-Year High.

Local News

- Nigeria's trade surplus soars 44% in Q2 2025 as non-oil exports surge
- Wema Bank surpasses CBN capital requirement with successful N150 billion rights issue
- Nigeria spends N4 trillion on fuel imports in H1 2025
- Nigeria's local bonds surges as Eurobonds Weaken; Strong Liquidity Spurs T-Bill Demand, Short-Term Rates Rise.

Key Macroeconomic Indices

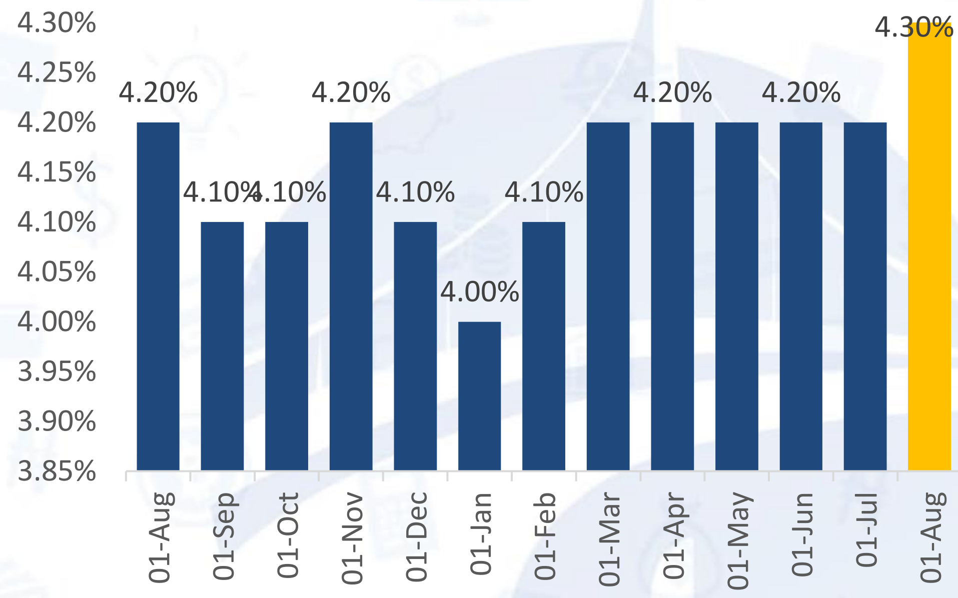
NAFEM (₦/$)	Monetary Policy Rate	Brent Crude oil price ($/Barrel)	Inflation Rate	GDP Growth Rate
₦1,501.50/$1 (12/09/25)	**27.50%** (July 2025)	**$66.92** (12/09/25)	**21.88%** (July 2025)	**3.13%** Q1 2025

GLOBAL ECONOMY & MARKETS

The United States

August inflation remains elevated but is seen as unlikely to derail rate cuts

- Consumer prices rose 2.9% year over year in August, up from July's 2.7%, according to the BLS. Core CPI, which excludes food and energy, increased 3.1% over the same period.
- Wholesale inflation eased unexpectedly, with the producer price index (PPI) rising 2.6% year over year versus 3.1% in July. Core PPI edged higher to 2.8% from 2.7%.
- Initial jobless claims rose to 263,000, the highest since October 2021, while revised payrolls showed 911,000 fewer jobs than first reported, highlighting a weakening labor market ahead of the Fed meeting.



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

Drivers

- Rising consumer prices and persistent inflation may keep investors focused on the Fed's next move..
- Weak labor data may boost rate-cut expectations but signal slower growth.

Stocks climb higher amid rate cut expectations and AI optimism

- Most major U.S. stock indexes finished the week higher ahead of the Federal Reserve's September 16–17 monetary policy meeting, where the central bank is widely expected to cut short-term interest rates. Investor optimism was further supported by the ongoing artificial intelligence (AI) boom, buoyed by Oracle's announcement of a significant guidance increase and several large new AI deals.
- The Dow Jones Industrial Average, S&P 500 Index, and Nasdaq Composite all reached new record highs during the week, although the Dow and S&P 500 eased slightly in a relatively quiet session on Friday. The Russell 2000 Index also advanced, marking its sixth consecutive week of gains.

What to expect:

- Excitement from AI news and strong company reports may keep the stock market rising before the Fed meeting.
- If the Fed cuts rates less than expected or sounds cautious, investors may worry about slower growth, and the market could get more volatile.

Indices' Performance

S&P 500	6,584.29	1.59% ▲
Nasdaq Composite	22,141.10	2.03% ▲
Dow Jones Industrial average	45,400.86	0.95% ▼

UK & Eurozone

ECB holds rates steady, raises forecasts slightly; UK economy stalls in July

- The ECB kept its key deposit rate at 2%, in line with expectations, as President Lagarde said the eurozone is "in a good place" with inflation at target.
- The central bank raised its 2025 inflation forecast to 2.1% and trimmed 2026 growth to 1%, signaling that the current rate-cutting cycle may be over. Economic growth this year was revised up to 1.2% from 0.9%, reflecting stronger activity, while 2026 is now expected to slow to 1% amid weaker global demand.
- UK GDP was flat in July, with slight growth in services and construction offset by a 1.3% drop in manufacturing, slowing the quarterly growth rate to 0.2% from 0.3%.

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

What to expect:

- Growth is likely to remain sluggish, so rates may stay on hold unless manufacturing weakness intensifies.

European Stocks Close Marginally Lower

- European stocks closed slightly lower on Friday as investors weighed the global rate outlook and awaited Fitch's review of France's credit rating. The STOXX 50 held steady at 5,387, while the STOXX 600 slipped 0.1%, weighed by the pharmaceutical sector.
- The ECB signaled its easing cycle is complete, with President Lagarde noting that growth risks are now more balanced. On the week, the STOXX 50 gained 1.3% and the STOXX 600 rose 1%.

Drivers

- Fitch's review of France's credit rating may keep investors cautious and add volatility to European markets.
- With the ECB signaling an end to its easing cycle, rate-sensitive sectors like banks and pharma could see muted gains or pressure.

Indices' Performance

FTSE 100	9,420.00	2.30% ▲
DAX index	23,698.45	0.43% ▲
CAC 40	7,825.21	1.96% ▲
FTSE MIB	41,948.99	0.82% ▲

Asia

China's 10-Year Yield Falls Amid Renewed Tariff Woes, Warns Mexico Over Proposed 50% Tariff on Asian Cars

- China's 10-year government bond yield fell to 1.79% as investors weighed U.S.-led tariff pressures on China and India over Russian oil. At the same time, Beijing opposed Mexico's plan to impose up to 50% tariffs on Chinese autos and other goods.
- China warned Mexico against its planned tariff hike on Chinese vehicles from 20% to 50%, saying it could hurt bilateral trade. Mexico confirmed the plan is part of a $52 billion import proposal awaiting approval. China pledged to protect its interests and called for free trade.
- The Shanghai Composite slipped 0.12% and the Shenzhen Component fell 0.43% on Friday as investors took profits, reversing early gains after recent multi-year highs fueled by AI optimism and strong fund inflows.

China Service PMI (Oct 2024-August 2025)

Source: TradingEconomics, Wealthbridge Research

Shanghai Composite	3,870.60	1.52% ▲
Hang Seng Index	26,388.16	3.82% ▲
Nikkei 225 index	44,769.61	4.07% ▲

What to expect

- China's markets may see modest gains with occasional pullbacks, supported by domestic inflows and AI optimism, but U.S.-led tariffs and Mexico's proposed auto duties could add volatility and limit stronger growth.

Japan Industrial Output Shrinks Less than Initially Thought

- Japan's industrial production fell 1.2% month-on-month in July 2025, easing from the preliminary 1.6% drop but reversing a 2.1% gain in June. This was the steepest decline since November 2024.
- The contraction was driven by US trade uncertainty, weak demand, and continued softness in key industries such as autos and steel.
- Output fell sharply in motor vehicles (-6.7% vs 0.5% in June), production machinery (-6.3% vs 0.5%), and general-purpose and business-oriented machinery (-4.5% vs 1.6%).
- Yearly, industrial output declined 0.4% in July, swinging from a 4.4% rise in June — the strongest annual growth since September 2022.

Outlook

- Japan's industrial output may stay weak in the near term as global demand, especially from the U.S., remains soft. Exports of autos and machinery are likely to remain under pressure despite policy support.
- Trade and currency risks could further weigh on sentiment, keeping production growth modest and uneven until global conditions improve.

South Africa Mining Output Growth Tops Forecasts, South Africa Seeks Tariff Relief in Upcoming U.S. Trade Talks

- South Africa's mining output rose 4.4% year-on-year in July 2025, up from a revised 2.5% in May and above the 3.2% forecast. It was the third straight monthly gain, driven by iron ore (+12.2%), PGMs (+6.2%), and other metallic minerals (+45.8%)
- On a seasonally adjusted basis, production grew 1% in July after a 0.4% rise in June. Output for the three months to July was up 5.8% versus the prior three months, showing continued momentum.
- South Africa sent officials to the U.S. to prepare trade talks aimed at reversing 30% tariffs
- The move follows months of failed negotiations under the Trump administration, which imposed the tariffs last month.
- The delegation will meet U.S. officials, lawmakers, and business leaders to ease trade tensions and restore cooperation.

Outlook:

South Africa Mining Output Accelerates to 4.4% in July 2025, but inflation, slow growth, and U.S. tariffs keep the outlook limited.

Ghana GDP Growth at Near 1-Year High

- Ghana's economy grew 6.3% year-on-year in Q2 2025, matching the revised Q1 pace, the fastest since Q3 2024. Services led the expansion with a 9.9% increase, driven by a 21.3% surge in ICT from rising data use.
- Other notable contributors included education (+16.6%), health and social work (+14.6%), other personal services (+11.3%), and finance and insurance (+9.7%).
- Agriculture grew 5.2%, led by livestock, while industry expanded modestly by 2.3%. Mining and quarrying, including oil and gas, contracted 1.8%, with oil and gas alone shrinking 22.5%.
- On the demand side, growth was supported by household consumption (+12.2%), gross capital formation (+17.1%), and net exports (+691.6%), while government consumption fell 0.2%. Seasonally adjusted quarterly GDP rose 1.4%, after a revised 1.6% advance in the previous quarter.

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	$66.92 (12/09/25)	$65.23 (05/09/25)	▲ (2.59%)
Exchange rate (NAFEM W-O-W% , ₦/$)	₦1,501.50/$1 (12/09/25)	₦1,514.87/$1 (05/09/25)	▲ 0.88%
Parallel Market Exchange Rate (₦/$)	₦1,503/$1 (12/09/25)	₦1,535/$1 (05/09/25)	▲ 2.08%
External Reserve	$41.663 billion (12/09/25)	$41.499 billion (05/09/25)	▲ 0.40%

Key Economic News

Nigeria's trade surplus soars 44% in Q2 2025 as non-oil exports surge

- ❑ Nigeria's external trade position improved strongly in Q2 2025, with the trade surplus rising by 44.3% to ₦7.46 trillion from ₦5.17 trillion in Q1. This reflects higher export earnings and slightly lower imports, according to the National Bureau of Statistics.
- ❑ Exports hit ₦22.75 trn (+10.5% q/q), while imports slipped to ₦15.29 trn (-0.9%). Crude oil fell, but gains in other petroleum products and non-oil exports (₦3.05 trn) lifted earnings.
- ❑ Manufactured exports jumped to ₦803.8 bn (+173% q/q) and solid minerals to ₦77.3 bn (+31%), signaling slow diversification, though oil still makes up 85%+.
- ❑ Asia supplied 50% of imports (₦7.65 trn); China led with ₦4.96 trn. Machinery, refined products, wheat, and drugs dominated the bill.
- ❑ The surplus boosts reserves and eases naira pressure, but high imports show the need for a stronger local industry.

Nigeria's widening trade surplus in Q2 2025 reflects stronger export earnings and a gradual shift beyond oil, but high import dependence highlights structural weaknesses. Gains in manufactured and solid mineral exports signal diversification potential, yet reliance on petroleum and foreign inputs keeps the economy exposed to external shocks.

Nigeria spends N4 trillion on fuel imports in H1 2025

- ❑ Nigeria spent N4 trillion on fuel imports in H1 2025, N1.76 trillion in Q1 and N2.3 trillion in Q2 putting it on track to match or exceed 2024's N15.4 trillion.
- ❑ Petrol-led imports from ECOWAS at N208.76 billion in Q2, with other items like silk fabrics also notable. It stayed among Nigeria's top five imports.
- ❑ Nigeria imported more crude oil from the U.S. than it exported in early 2025 — a historic reversal linked to changes in refining patterns and rising demand from the Dangote Refinery. The refinery is on track to hit 650,000 barrels per day this year and plans to build fuel storage tanks in Namibia to supply southern Africa.

Market News

Wema Bank surpasses CBN capital requirement with successful N150 billion rights issue

- Wema Bank has exceeded the CBN's N200 billion capital requirement for national banks after its N150 billion rights issue, lifting its capital to N214.7 billion ahead of the 2026 deadline.
- The April–May rights issue and a pending N50 billion special placement show the bank's strong finances and proactive compliance.
- CEO Moruf Oseni said the bank welcomed the recapitalization exercise and surpassed the benchmark with full confidence. He noted the milestone highlights Wema's solid financial standing and the trust it enjoys from shareholders.
- Shareholders also approved another N50 billion raise, underscoring Wema's resilience and growth focus under the CBN recapitalization plan.

Domestic Markets

Equities Market

The Nigerian Equities Market Ended The Week Bullish

- Market Capitalisation: **₦88.922 Trillion (▲ 1.22%** W-o-W)
- All Share Index: **140,545.69 (▲ 1.13%** W-o-W)
- Year-to-Date **36.55% (▲ 434 bps** W-o-W)
- Total Turnover (Trades): **3.188 Bn shares (▲ 2.28%** W-o-W)
- Value of Trades: **₦90.295 bn (▼ 5.42%** W-o-W)

Fixed Income Market

FGN Bonds

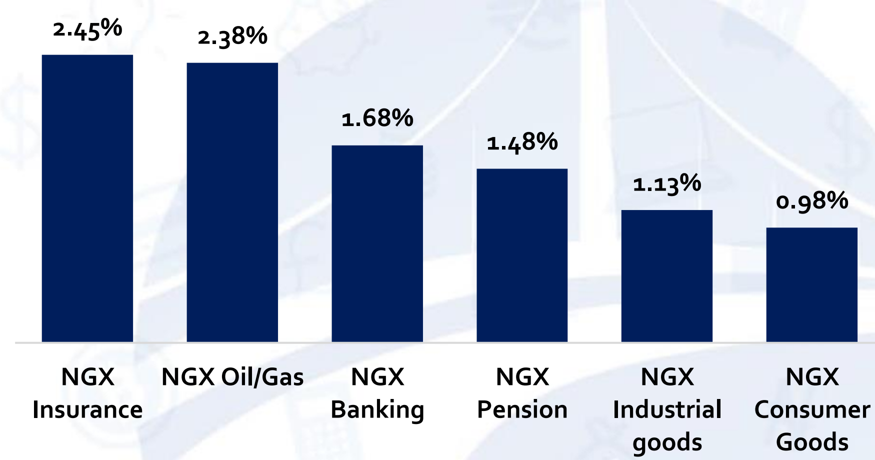
The Nigerian bond market strengthened last week as local bonds rallied on broad demand, pushing average yields down 29 bps to 16.67%, while Eurobonds also gained, with yields falling 15 bps to 7.86% amid improving risk appetite.

NTB and Money Markets

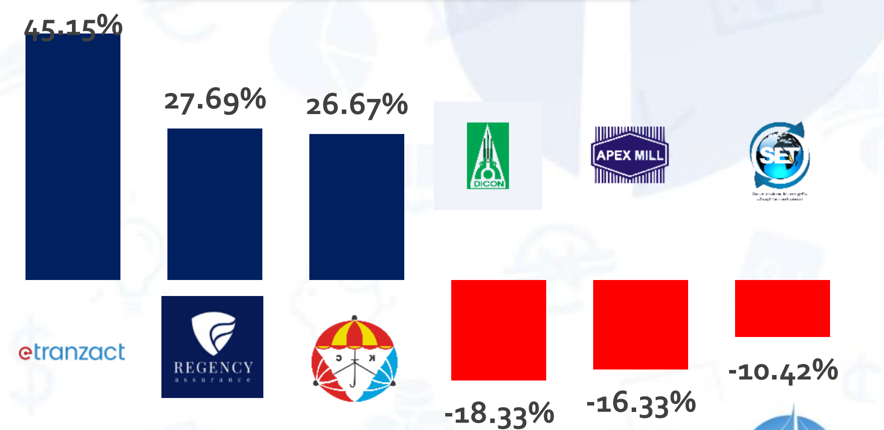
System liquidity remained robust at ₦2.09 trn, supported by ₦600 bn OMO and ₦184.75 bn NTB maturities as well as banks' placements at the CBN's SDF window, keeping funding conditions broadly stable. OPR held flat at 26.50%, Overnight Repo dipped 4bps to 26.96% and Overnight NIBOR eased 9bps to 26.83%, while 1-, 3- and 6-month NIBOR rose 9bps, 13bps, and 18bps respectively on cautious positioning.

Investor appetite pushed NITTY rates up across tenors (1-month +47bps, 3-month +45bps, 6-month +20bps, 12-month +25bps) but treasury-bill yields compressed 151bps w/w to 17.16% on strong secondary-market demand across the curve.

Sectoral Performances



Top Gainers & Decliners*



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