

Custodian Asset Management Ltd

Weekly Market Update

MONEY MARKET | TREASURY BILLS | BONDS | EURO BONDS | COMMODITIES | EQUITIES


Monday 12th January 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	3.98%	4.23%
Inflation	14.45%	16.05
Exchange rate (NAFEM)	N1,423.17/\$	N1430.85/\$
Exchange rate (Parallel)	N1,477.00/\$	N1,462.86/\$
External reserves	\$45.67 bn	\$45.50 bn
Brent	\$63.41/ barrel	\$60.75/ barrel
Gold	\$4,510.78	\$4,345.50 per ounce

The naira strengthened to ₦1,423.17/\$ at the official window, this was primarily due to improved foreign exchange supply as the CBN actively sustained market interventions and reforms.

Nigeria's foreign exchange reserves experienced growth last week due to sustained gains in crude oil and gas earnings to settle at \$45.67 billion as the CBN reforms continue to yield positive results.

Oil prices edged higher to \$63.41/ barrel due to escalating geopolitical tensions. Escalating anti-government protests in Iran, an OPEC producer, has sparked fears of potential disruptions to the country's oil production.

Gold prices rose sharply to over \$4,500 per ounce as renewed geopolitical tensions increased demand for safe haven assets like Gold.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.50%	22.50%
ON	22.79%	22.75%

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System liquidity dropped sharply to a net long position of N1.4 trillion. This was primarily due to aggressive mop-up by the CBN. The CBN conducted significant OMO and NTB auctions to manage the money supply. A total of approximately N3.9 trillion was drained from the financial markets in 2 days following the settlement of these bills, including a large settlement for N2.7 trillion OMO bills. Consequently, the overnight policy rate closed at 22.50% while the overnight rate closed at 22.79%.

Expectation

We expect interbank rates to hover around similar levels this week.

TREASURY BILLS MARKET

Maturity Date	9-April-2026	9-July-2026	7-Jan-2027
Tenor	91-day	182-day	364-day
Offer (N)	150,000,000,000.00	200,000,000,000.00	800,000,000,000.00
Subscription (N)	112,263,937,000.00	49,910,111,000.00	1,380,775,870,000.00
Allotment (N)	108,170,637,000.00	48,230,111,000.00	987,784,870,000.00
Stop rate	15.80%	16.50%	18.47%

At the DMO'S auction, N1.15 trillion was offered against a demand of N1.54 trillion with N1.14 trillion allotted across the 91, 182 and 364-day papers at stop rates of 15.80%, 16.50% and 18.40% respectively.

In the secondary market, yields edged up by 30 bps. This was due to the increased stop rates in the primary market as investors adjusted their expectations leading to higher asking yields in the secondary market.

SECURITY	BID DISC RATE	OFFER DISC RATE
26-Mar-26	17.20	16.70
23-Apr-26	16.95	16.45
07-May-26	16.90	16.40
04-Jun-26	16.90	16.40
09-Jul-26	16.75	16.25
06-Aug-26	17.29	16.79
03-Sept-26	17.34	16.84
08-Oct-26	17.71	17.21
05-Nov-26	17.76	17.26
03-Dec-26	17.86	17.36
10-Dec-26	17.80	17.30
17-Dec-26	17.90	17.40

Expectation

We expect yields to remain relatively stable with a moderate upward bias. Recent primary market outcomes – specifically the January 6 OMO auction and the

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January 7 NTB auction, indicate the CBN prioritizing an aggressive liquidity mop-up. Investors are likely to position for tighter funding environment and further yield repricing in the near term.

BONDS MARKET

Average yields on FGN bonds rose by 11bps during the week, driven largely by the impact of higher stop rates recorded at the Treasury Bills auction, which influenced yield expectations across the fixed income market.

SECURITY	BID YIELD	OFFER YIELD
16.288% Mar 27	18.00	17.30
19.94% Mar 27	18.05	17.35
13.98% Feb 28	17.25	16.50
19.30% Apr 29	17.65	16.90
14.55% Apr 29	17.30	16.30
18.50% Feb 31	18.20	17.80
17.95% Jun 32	18.20	17.80
19.89% May 33	18.20	17.85
19.00% Feb 34	18.15	17.50
22.60% Jan 35	16.80	16.30
16.25% Apr 37	16.45	15.75
15.45% Jun 38	16.40	15.75
13.00% Jan 42	16.40	15.60
14.80% Apr 49	15.65	15.00
12.98% Mar 50	15.65	14.90
15.70% Jun 53	15.65	15.00

Expectation

We expect a quiet but cautious start to the week, with yields trending slightly higher across the mid-to-long end of the curve as the market prepares for new primary supply and tighter monetary conditions.

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	100.899	101.055	5.98	5.89
REPUBLIC OF NIGERIA SEP 2028	99.749	100.387	6.22	5.96
REPUBLIC OF NIGERIA MAR 2029	105.406	106.443	6.47	6.12
REPUBLIC OF NIGERIA FEB 2030	102.382	102.933	6.47	6.32
REPUBLIC OF NIGERIA JAN 2031	107.796	108.481	6.88	6.73
REPUBLIC OF NIGERIA JUN 2031	112.413	113.071	6.84	6.70
REPUBLIC OF NIGERIA FEB 2032	103.373	104.145	7.18	7.02

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REPUBLIC OF NIGERIA SEP 2033	100.154	100.859	7.35	7.23
REPUBLIC OF NIGERIA DEC 2034	116.74	117.286	7.74	7.66
REPUBLIC OF NIGERIA JAN 2036	105.855	106.26	7.77	7.71
REPUBLIC OF NIGERIA FEB 2038	98.129	98.922	7.94	7.83
REPUBLIC OF NIGERIA JAN 2046	105.388	105.978	8.56	8.50
REPUBLIC OF NIGERIA NOV 2047	92.282	92.655	8.40	8.36
REPUBLIC OF NIGERIA JAN 2049	107.133	107.775	8.53	8.47
REPUBLIC OF NIGERIA SEP 2051	96.095	96.824	8.63	8.56

SSA Eurobond yields experienced a sharp upward trend last week as expectations for Federal Reserve rate cuts in Q1 2026 significantly dimmed. This shift followed the release of U.S. labor data showing the unemployment rate unexpectedly fell to 4.4%. The resilient labor market provides the Federal Reserve with the necessary 'breathing room' to maintain current short-term borrowing costs, allowing them to sustain pressure on inflation rather than pivoting to immediate stimulus. Consequently, the prospect of prolonged high U.S. interest rates has triggered sell-offs across African sovereign debt, as investors reprice the risk of sustained global borrowing costs.

Expectation

The U.S. Consumer Price Index (CPI) will be released on Wednesday, January 14. A higher than expected inflation reading would solidify the FED's current tight monetary policy, further dimming rate cut prospects and exerting significant upward pressure on SSA yields.

EQUITY MARKET

The equities market extended its positive start to the year, with the All-Share Index and market capitalization surging by 3.71% to close at a record 162,298.08 points. Significantly, the market capitalization achieved a historic milestone, crossing the N100 trillion threshold for the first time. This rally was fueled by robust buying interest in large-cap stocks and the traditional 'January effect' as investors repositioned their portfolios for new year amid expectations of strong corporate earnings and continued economic reforms.

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
MULTIVERSE	13.35	23.4	75.28%
MCNICHOLS	3.27	5.5	68.20%
DEAPCAP	1.9	3	57.89%
MAYBAKER	19	28.8	51.58%
FIDSON	50.1	73.1	45.91%

Top losers

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STOCK	PREVIOUS	CURRENT	CHANGE
ALEX	21.65	19.1	-11.78%
SOVRENINS	3.82	3.38	-11.52%
JULI	8.06	7.26	-9.93%
CONOIL	187.2	169	-9.72%
LEARNAFRCA	6.55	5.95	-9.16%

Expectation

The positive sentiment that propelled the equities market to a historic high last week is expected to continue, reinforced by positive business confidence outlooks and ongoing economic reforms.

TOP STORIES

GLOBAL NEWS

- The U.S. unemployment rate unexpectedly dropped to 4.4% in December, signaling a tighter-than-anticipated labor market despite modest payroll growth of 50,000.
- Markets sharply dialed back expectations for a Q1 2026 interest rate cut, pricing in a "higher-for-longer" stance following the robust jobs report.
- Oil prices surged as anti-government protests in Iran and escalations in the Russia-Ukraine conflict raised fears of significant energy supply disruptions.
- Gold prices surged to over \$4,500 per ounce driven by heightened geopolitical uncertainty and central bank accumulation.

DOMESTIC NEWS

- The NGX market capitalization crossed the N100 trillion mark for the first time in history.
- The CBN mopped up approximately N3.58 trillion through NTBs and OMO operations.
- Stop rates for 364-day Treasury Bills jumped to 18.47% as the central bank prioritized high interest rates to attract and retain domestic capital.
- The Naira appreciated N1,423.16/\$ in the official market, supported by improved FX liquidity and a 38% month-on-month rise in dollar supply.

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