

Custodian Asset Management Ltd

Weekly Market Update

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


Monday 26th January 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	3.98%	4.23%
Inflation	15.15% (Jan)	17.33%
Exchange rate (NAFEM)	N1,421.63/\$	N1,417.95/\$
Exchange rate (Parallel)	N1,487/\$	N1,484.99/\$
External reserves	\$46.01 bn	\$45.86 bn
Brent	\$65.88/ barrel	\$64.13/ barrel
Gold	\$4,988.56	\$4,595.40

During the past week, the Naira lost in the official market to approximately N1,421.63/\$ while also weakening in the parallel market to around N1,487/\$. The Naira experienced downward pressure across both segments of the foreign exchange market primarily due to supply constraints and surging seasonal demand. While the external reserves reached an eight year high of \$46 billion, domestic dollar supply in the official window remained insufficient to meet the volume of corporate and manufacturing bids.

Nigeria's foreign exchange continues to grow, reaching an eight year high of \$46 billion. This growth persists due to steady rise in crude oil production, supported by better surveillance in the Niger Delta, has increased foreign currency receipts.

Oil prices rose last week due to heightened geopolitical tensions, supply disruptions, and an improved global demand outlook. The primary catalyst was renewed pressure by the U.S. against Iran, including new sanctions on vessels transporting its oil and the announcement that a U.S. naval "armada" was heading to the region

Gold prices went up significantly due to heightened geopolitical uncertainty. Global uncertainty, including the 'Greenland saga' and renewed U.S. tariff threats against Europe, pushed investors towards gold as traditional safe haven asset. Conflicts in the middle east and concerns over the US-Iran tensions also added a risk premium to the market.

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MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.50%	22.50%
ON	22.80%	22.78%

System liquidity rose by over 31% to a net long position of N2.78 trillion. The increase was primarily due to large inflows from maturing government securities which outweighed the CBN's effort to mop up cash. The largest driver was the payment of approximately N2.2 trillion in maturing NTBs. Additional funds entered the market through coupon payments from government bonds and repayments from other matured investment securities.

Expectation

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

TREASURY BILLS MARKET

Maturity Date	23-April-2026	23-July-2026	21-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)	46,128,936,000	46,513,613,000	3,345,074,849,000
Allotment (N)	40,614,643,000	42,159,295,000	977,682,907,000
Stop rate	15.84%	16.65%	18.36%

At the DMO'S auction, N1.15 trillion was offered against a demand of N3.4 trillion with N1.06 trillion allotted across the 91, 182 and 364-day papers at stop rates of 15.84%, 16.65% and 18.36% respectively.

Average yield on Treasury Bills rose by 26 bps last week primarily due to aggressive government borrowing and a persistent supply overhang of securities in the market.

SECURITY	BID DISC RATE	OFFER DISC RATE
26-Mar-26	18.00	17.30
23-Apr-26	16.65	16.15
7-May-26	17.00	16.50
4-Jun-26	17.10	16.60
9-Jul-26	17.10	16.60
6-Aug-26	17.29	16.79
3-Sep-26	17.25	16.75
8-Oct-26	17.35	16.85
5-Nov-26	17.50	17.00
3-Dec-26	17.75	17.30
10-Dec-26	17.70	17.25
17-Dec-26	17.65	17.20

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7-Jan-27	17.70	17.40
21-Jan-27	17.35	17.15

Expectation

We expect Treasury Bills yields to remain elevated or potentially see a mild upward bias this week, particularly on longer-dated tenors. This outlook is driven by aggressive government borrowing and strong investor demand for higher returns.

BONDS MARKET

FGN bond yields in the secondary market were mixed but overall trended slightly bearish with the average benchmark yield expanding 12 bps to close at 16.75%. The marginal increase was caused by initial sell pressures and investor caution ahead of major market events.

SECURITY	BID YIELD	OFFER YIELD
NIGB 19.3 29	17.85	17.30
NIGB 17.945 30	18.00	17.50
NIGB 18½ 31	18.10	17.50
NIGB 17.95 32	18.05	17.40
NIGB 19.89 33	18.05	17.50
NIGB 19 34	18.05	17.70
NIGB 22.6 35	18.00	17.50

Expectation

Expectation for FGN bonds this week center around the results of the N900 billion FGN bond auction to be held today, which is likely to keep yields elevated or push them slightly higher in the secondary market. Details of the bonds offer:

Issuer	FGN	FGN	FGN
Coupon rate	18.50%	19.00%	22.60%
Description	18.50% FGN FEB 2031	19.00% FGN FEB 2034	22.60% FGN JAN 2035
Auction Date	Jan 26, 2026	Jan 26, 2026	Jan 26, 2026
Settlement Date	Jan 28, 2026	Jan 28, 2026	Jan 28, 2026
Amount on offer	N300 billion	N400 billion	N200 billion

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	101.233	101.615	5.78	5.56
REPUBLIC OF NIGERIA SEP 2028	100.624	101.108	5.87	5.67
REPUBLIC OF NIGERIA MAR 2029	106.258	106.741	6.16	6.00

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REPUBLIC OF NIGERIA FEB 2030	103.243	103.469	6.23	6.16
REPUBLIC OF NIGERIA JAN 2031	108.785	109.226	6.65	6.55
REPUBLIC OF NIGERIA JUN 2031	113.472	113.778	6.60	6.54
REPUBLIC OF NIGERIA FEB 2032	104.035	104.708	7.04	6.91
REPUBLIC OF NIGERIA SEP 2033	101.136	101.713	7.18	7.08
REPUBLIC OF NIGERIA DEC 2034	118.05	118.302	7.54	7.51
REPUBLIC OF NIGERIA JAN 2036	106.986	107.366	7.61	7.56
REPUBLIC OF NIGERIA FEB 2038	99.205	99.841	7.80	7.72
REPUBLIC OF NIGERIA JAN 2046	107.321	107.541	8.36	8.34
REPUBLIC OF NIGERIA NOV 2047	93.867	94.369	8.23	8.18
REPUBLIC OF NIGERIA JAN 2049	108.975	109.333	8.36	8.33
REPUBLIC OF NIGERIA SEP 2051	98.084	98.535	8.43	8.39

Nigerian Eurobond yields softened last week, this was due to improving global risk sentiment and bargain hunting by investors. After an initial sell-off triggered by U.S. tariff threats, markets stabilized once President Trump, speaking at the World Economic forum in Davos on Wednesday, January 21, reversed his threat to impose 25% tariffs on eight European countries.

Expectation

Expectations for Nigerian Eurobond yields are cautiously positive. We anticipate that yields will remain stable or see a slight compression, supported by improving global risk sentiment.

EQUITY MARKET

The Nigerian equity market experienced a period of consolidation this week, with the NGX ASI, retreating to close at 165,512.18 points. This pullback moderated the markets YTD return to 6.36% as investors engaged in profit-taking following a robust start to the 2026 trading year. In tandem with the index's decline, the total market capitalization dropped to N95.21 trillion.

Most major sectorial indices closed in the red, reflecting broad-based weakness. The consumer goods sector led the decline with a 2% drop, notably affected by sell-offs in Nigerian Breweries and International Breweries. The Banking sector fell by around 1.32% weighed down by tier-one names like GTCO, AccessCorp, and UBA.

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
DEAPCAP	4.46	7.14	60.09%
SCOA	14.9	23.8	59.73%
NCR	128.55	188.15	46.36%
DAARCOMM	1.08	1.53	41.67%
RTBRISCOE	4.25	5.98	40.71%

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Top losers

STOCK	PREVIOUS	CURRENT	CHANGE
ETERNA	32.3	28.45	-11.92%
NSLTECH	1.08	0.97	-10.19%
IMG	38.7	34.85	-9.95%
ALEX	19.1	17.2	-9.95%
UPDC	6.2	5.7	-8.06%

Expectation

For the week of January 26-30, analysts expect the Nigerian equity market to remain cautiously bearish to neutral, with the All-share index likely to face continued downward pressure. The primary headwind for stocks this week is the massive N900 billion FGN bond auction taking place today, January 26. With coupon rates as high as 22.60%, institutional investors particularly PFAs are expected to lock in these high, risk-free returns. Market investors are also expected to continue profit taking, locking in gains from the early January rally while awaiting stronger catalysts.

TOP STORIES

GLOBAL NEWS

- U.S. President Trump reversed his threat to impose 10-25% tariffs on European nations. The threat was tied to a push for U.S. control of Greenland.
- NATO leaders met at Davos and established a framework for a future deal on the Arctic.
- U.S. military assets, including an aircraft carrier strike group, were deployed toward the Middle East following renewed tensions with Iran.
- The World Economic Forum (WEF) in Davos highlighted a "new world order" where geoeconomic fragmentation and societal polarization have replaced extreme weather as the top global risks.
- Driven by "safe-haven" rushes amid trade and geopolitical drama, gold surged past \$5,000–\$5,100 per ounce, marking a record high for 2026.

DOMESTIC NEWS

- The United Nations has issued stark warnings that up to 35 million Nigerians could face hunger in 2026 due to the collapse of global aid funding, particularly affecting conflict-affected regions in the northeast.
- President Tinubu's government announced investment-linked incentives for Shell's Bonga South-West offshore project.
- The World Bank has flagged that Nigeria's economic growth (while improving) remains fragile and uneven.

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