Custodian Asset Management Ltd

Weekly Market Update

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

8th May 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	4.07%	3.98%
Inflation	15.38%	15.06%
Exchange rate (NAFEM)	₦1,3761.95/$	₦1,374.94/$
Exchange rate (Parallel)	₦1,356.19/$	₦1,375.98/$
External reserves	$48.33 bn	$48.37 bn
Brent	$101.29/barrel	$108.71/barrel
Gold	$4,715.60/oz	$4,615.24/oz

The Naira appreciated by slightly last week, closing at ₦1,361.39/$ primarily due to a significant surge in market liquidity, with weekly turnover at the official window reaching $1.98 billion. This gain was further supported by the CBN interventions and a broader global retreat of the U.S. dollar, which eased external pressure on the local currency despite a slight dip in Nigeria's external reserves to $48.33 billion.

Nigeria's external reserves fell slightly last week, closing at $48.33 billion on May 7, 2026, primarily due to the Central Bank of Nigeria's sustained interventions in the foreign exchange market to support the Naira and the ongoing settlement of external debt obligations. This marginal decline from $48.34 billion earlier in the week follows a broader trend where reserves have been drawn down to manage liquidity and stabilize the currency amidst capital flow volatility and global geopolitical tensions.

Global oil prices experienced a sharp weekly decline, with Brent crude falling to settle around $101 per barrel by May 8, 2026. This drop was primarily driven by a significant easing of the "war risk premium" following reports that the United States and Iran were nearing a peace deal or memorandum of understanding to end their two-month-old conflict. Optimism surrounding the potential reopening of the Strait of Hormuz led traders to exit long positions and triggered institutional short-selling.

Gold prices rose last week, closing at $4,715.60 per ounce on May 8, 2026, primarily driven by a "peace-driven" rally as markets anticipated a diplomatic resolution to the conflict between the U.S. and Iran. Unlike traditional market behavior where war drives gold higher, this recent surge was fueled by expectations that peace would lower oil-driven inflation and lead to softer interest rates, thereby increasing the appeal of non-yielding bullion. This upward momentum was further supported by a weaker U.S. dollar, falling Treasury yields following a rise in weekly jobless claims, and continued robust central bank buying, particularly from China's PBOC.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.00%	22.00%
OVN	22.19%	22.30%

Banking system liquidity rose to ₦5.67 trillion last week primarily due to significant inflows from maturing securities that outweighed the CBN's aggressive efforts to mop up excess cash. The surge was driven by approximately ₦767 billion in maturing Open Market Operations (OMO) bills and ₦556.02 billion in Treasury bills repayments from the Debt Management Office (DMO). The Overnight (OVN) rate dropped because massive inflows from maturing Treasury and OMO bills significantly boosted system liquidity, reducing the cost of interbank borrowing.

Expectation

System liquidity is expected to remain elevated but may face slight pressure as the Central Bank potentially ramps up OMO auctions to mop up the excess cash from last week's maturities.

TREASURY BILLS MARKET

Average yields on Nigerian Treasury bills trended slightly higher in the secondary market last week primarily due to sell-offs in mid- and long-dated maturities as investors repositioned for potentially better returns in the primary market. This movement was further influenced by persistent liquidity pressure and a "wait-and-see" approach following the CBN subtle downward adjustment of stop rates at the latest auction.

Here is the summary of the CBN Treasury Bills auction held on Wednesday, May 6, 2026:

Tenor	Offer (₦bn)	Subscription (₦bn)	Allotment (₦bn)	Stop Rate	True Yield (Est.)
91-Day	24.36	13.91	13.56	**15.9490%**	~16.62%
182-Day	10.37	158.46	55.45	**16.1400%**	~17.57%
364-Day	665.27	2,238.45	662.74	**16.1500%**	~19.26%
Total	**700.00**	**2,410.82**	**731.75**	—	—

SECURITY	BID DISC RATE	OFFER DISC RATE
21-May-26	17.30	16.30
4-Jun-26	17.00	16.00
23-Jul-26	16.20	15.50
6-Aug-26	16.35	15.65
17-Sep-26	16.65	15.95
22-Oct-26	16.20	15.70
5-Nov-26	16.45	15.75
3-Dec-26	16.80	16.10
10-Dec-26	16.75	16.05
17-Dec-26	16.75	16.05
7-Jan-27	16.70	16.20
21-Jan-27	16.60	16.10
18-Feb-27	16.55	16.20
11-Mar-27	16.45	16.10
18-Mar-27	16.40	16.05
25-Mar-27	16.40	16.15
8-Apr-27	16.35	16.10
22-Apr-27	16.20	16.05
6-May-27	16.15	15.85

Expectation

The Treasury bill market is expected to remain bullish with yields trending lower, as investors look to reinvest the massive liquidity surplus from last week's maturities into the secondary market.

BONDS MARKET

The average yield on FGN bonds remained stable last week because the market reached a point of equilibrium where cautious investor sentiment and balanced liquidity offset any significant buying or selling pressure.

SECURITY	BID YIELD	OFFER YIELD
NIGB 16.28 27	17.49	16.55
NIGB 19.94 27	17.62	16.65
NIGB 13.98 28	17.00	16.40
NIGB 19.30 29	17.00	16.55
NIGB 14.55 29	16.95	16.30
NIGB 18.50 31	16.95	16.80
NIGB 17.95 32	16.95	16.75
NIGB 19.89 33	16.95	16.80
NIGB 19.00 34	16.80	16.60
NIGB 22.60 35	16.80	16.60
NIGB 16.25 37	16.35	15.65
NIGB 15.45 38	15.74	15.10
NIGB 13.00 42	15.61	14.86
NIGB 14.80 49	15.50	14.42
NIGB 12.98 50	15.50	14.41
NIGB 15.70 53	15.50	14.54

Expectation

Yields are expected to trend slightly lower or remain stable as high system liquidity from maturing bills encourages investors to reinvest in government securities.

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	101.035	101.511	5.79	5.46
REPUBLIC OF NIGERIA SEP 2028	100.88	101.362	5.72	5.50
REPUBLIC OF NIGERIA MAR 2029	107.03	107.386	5.68	5.55
REPUBLIC OF NIGERIA FEB 2030	103.648	103.81	6.05	6.00
REPUBLIC OF NIGERIA JAN 2031	108.977	109.321	6.49	6.41
REPUBLIC OF NIGERIA JUN 2031	113.362	113.731	6.49	6.41
REPUBLIC OF NIGERIA FEB 2032	106.118	106.717	6.58	6.46
REPUBLIC OF NIGERIA SEP 2033	103.233	103.693	6.81	6.73
REPUBLIC OF NIGERIA DEC 2034	120.864	121.253	7.09	7.03
REPUBLIC OF NIGERIA JAN 2036	110.657	111.176	7.08	7.01

REPUBLIC OF NIGERIA FEB 2038	103.401	103.862	7.26	7.20
REPUBLIC OF NIGERIA JAN 2046	111.632	112.081	7.95	7.91
REPUBLIC OF NIGERIA NOV 2047	98.742	99.311	7.75	7.69
REPUBLIC OF NIGERIA JAN 2049	113.488	113.898	7.95	7.92
REPUBLIC OF NIGERIA SEP 2051	102.542	102.943	8.01	7.98

Yields on Nigerian Eurobonds dropped last week, with rates across the curve falling below the 8% mark for the first time, primarily due to a global "risk-on" rally sparked by potential peace talks between the U.S. and Iran. This geopolitical de-escalation led to a sharp retreat in oil prices and inflation expectations, prompting international investors to lower their "war risk premium" and pile back into emerging market debt. Domestically, the rally was bolstered by sustained confidence in CBN reforms, improving macroeconomic data such as moderating inflation, and Nigeria's perceived status as a safer "oil play" geographically removed from the Middle East conflict zones

Expectation

Expectations for Nigerian Eurobond yields this week remain cautiously bullish, we anticipate that yields will continue to hold near or below the 8% mark. The primary driver remains the potential for a formal peace agreement between the U.S. and Iran, which has significantly reduced the global "war risk premium" and eased energy-driven inflation fears.

EQUITY MARKET

The Year-to-Date (YTD) return of the Nigerian equity market climbed to 57.3% following a strong bullish recovery on Friday, May 8, 2026, which saw investors gain ₦3.24 trillion in a single session. This surge was primarily driven by massive buy-side interest in heavyweight "bellwether" stocks, particularly Dangote Cement, which hit its 10% daily gain limit to close at ₦1,088 per share. Other key drivers included strong demand for consumer goods and industrial stocks like Cadbury, Mecure, and Neimeth, all of which also hit their maximum price ceilings amid robust trading volumes that exceeded one billion shares.

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
CAP	145.2	233.7	60.95%
FTNCOCOA	5.5	8.25	50.00%
RTBRISCOE	10.64	14.8	39.10%
DANGSUGAR	69.7	93	33.43%
BERGER	81.75	108.6	32.84%

Top losers

STOCK	PREVIOUS	CURRENT	CHANGE
NAHCO	258	203.95	-20.95%
GUINNESS	497	402.6	-18.99%
MTNN	915	801.1	-12.45%
UPDC	4.9	4.3	-12.24%
UPL	5	4.4	-12.00%

Expectation

The market is expected to remain bullish as investors continue to react to strong corporate earnings and the positive momentum from last week's record gains.

TOP STORIES

GLOBAL NEWS

- Operation to reopen the Strait of Hormuz was paused for diplomacy.
- U.S. nonfarm payrolls slowed sharply, signaling recession risk.
- China's exports surged 14.1% in April, vastly exceeding forecasts despite shipping disruptions from the U.S.–Iran conflict.
- Markets are bracing for a high-stakes meeting between Donald Trump and Xi Jinping in Beijing next week to address trade imbalances.

DOMESTIC NEWS

- Naira shows stability as first May trading week ends at N1,364/$
- Nigeria business growth weakens as manufacturing activity falls

Contact us:

communications@custodianassetmanagement.com