Custodian Asset Management Ltd

Weekly Market Update

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

16th February 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	3.98%	4.23%
Inflation	15.15%	17.33%
Exchange rate (NAFEM)	N1,355.42/$	N1,366.19/$
Exchange rate (Parallel)	N1,444.88/$	N1,401.97/$
External reserves	$47.53 bn	$46.91 bn
Brent	$67.75/barrel	$68.05/barrel
Gold	$5,041.8/oz	$4,966.26/oz

The Naira continued its gains last week, closing at approximately N1,355.42 per Dollar at the official Nigerian Foreign Exchange Market (NFEM) on Friday, February 13, 2026. The CBN recently reopened dollar sales to licensed BDC operators, approving weekly purchases of up to $150,000 per operator. This has effectively eased shortages in the retail segment.

Nigeria external reserves reached $47.5 billion last week, a significant increase from the $40 billion at the start of 2025. This growth represents a nearly 8 - year high. The CBN Governor identified remittances as a major role in this accumulation. Improved transparency and easier cross-border flow mechanisms have encouraged Nigerians abroad to use official channels, significantly boosting the country's currency buffers. Elevated domestic yields continue to attract offshore capital. In January 2026 alone, foreign portfolio investors contributed $3.0 billion to foreign exchange inflows.

Global oil prices are experiencing a tug of war between long term supply surpluses and short-term geopolitical risks. While prices fell by approximately 3%, they remain relatively high with Brent settling around $68 per barrel. The slight decline was primarily triggered by fundamental data showing that supply is currently outpacing demand.

Gold prices rebounded last week bouncing back to close near $5,041 per ounce. This marks a steady recovery from the high volatility seen in the previous week. This is due to a modest pullback in U.S. Treasury yields and a softer U.S. dollar, which improved the metal's appeal to investors.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.50%	22.50%
ON	22.78%	22.81%

Banking system liquidity experienced a massive surge in liquidity, with opening balance on Friday reaching N4.3 trillion. This influx of cash is primarily driven by a heavy schedule of government security maturities and statutory FAAC distributions. Consequently, the overnight policy rate closed at 22.50% while the overnight rate closed at 22.78%.

Expectation

The Banking system is expected to remain in a state of robust liquidity, though the CBN is likely to intensify mop up operations to prevent this excess cash from fueling inflation or currency speculation. Approximately N1.2 trillion in Maturing Treasury bills are expected to hit the system this week, significantly boosting liquidity.

TREASURY BILLS MARKET

Average yields on Treasury Bills compressed slightly last week. The marginal drop was primarily driven by a liquidity glut and aggressive reinvestment pressure. The banking system, with opening surplus reaching over N4 trillion. This high liquidity level fueled a bullish sentiment in the secondary market as banks and institutional investors scramble to deploy idle funds.

SECURITY	BID DISC RATE	OFFER DISC RATE
26-Mar-26	17.50	15.50
23-Apr-26	17.50	16.00
7-May-26	17.00	16.15
4-Jun-26	17.00	16.30
9-Jul-26	16.50	16.00
6-Aug-26	16.50	16.00
3-Sep-26	16.75	16.25
8-Oct-26	16.75	16.25
5-Nov-26	16.50	16.00
3-Dec-26	16.40	15.90
10-Dec-26	16.40	15.90
17-Dec-26	16.40	15.90
7-Jan-27	16.35	15.85
21-Jan-27	16.35	15.90
4-Feb-27	16.10	15.90

Expectation

Expectation for the NTB market for the week will the defined by the Primary Market Auction scheduled to hold on Wednesday. We expect rates to remain relatively stable or tick slightly lower at the long end due to massive oversubscription.

BONDS MARKET

Average yields on FGN bonds dropped slightly, closing at approximately 16.12%. This movement reflects a mildly bullish sentiment in the secondary market. There has been significant buy side interest particularly in short to mid tenor bonds. Investors are aggressively deploying cash to lock in relatively high yields before an expected dovish shift in monetary policy later in the month.

SECURITY	BID YIELD	OFFER YIELD
FGN 16.2884% MAR 2027	16.70	16.00
FGN 19.9400% MAR 2027	16.80	16.00
FGN 13.9800% FEB 2028	16.70	15.85
FGN 19.3000% APR 2029	16.90	16.00
FGN 14.5500% APR 2029	16.75	15.70
FGN 18.5000% FEB 2031	16.83	16.50
FGN 17.9500% JUN 2032	16.83	16.50
FGN 19.8900% MAY 2033	16.84	16.50
FGN 19.0000% FEB 2034	16.85	16.55
FGN 22.6000% JAN 2035	16.84	16.50
FGN 16.2499% APR 2037	16.70	15.50
FGN 15.45% JUN 2038	16.75	15.50
FGN 13.0000% JAN 2042	16.60	15.20
FGN 14.8000% APR 2049	15.75	15.00
FGN 12.9800% MAR 2050	15.50	14.30
FGN 15.7000% JUN 2053	15.50	14.40

Expectation

Expectation for FGN bond yields leans toward a continued mild decline or stabilization. This bullish outlook is driven by massive liquidity and investors positioning ahead of crucial MPC meeting scheduled for early next week.

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	101.51	101.905	5.59	5.36
REPUBLIC OF NIGERIA SEP 2028	100.805	101.382	5.79	5.55
REPUBLIC OF NIGERIA MAR 2029	106.675	107.013	5.98	5.86

REPUBLIC OF NIGERIA FEB 2030	103.315	103.476	6.20	6.15
REPUBLIC OF NIGERIA JAN 2031	108.987	109.43	6.58	6.48
REPUBLIC OF NIGERIA JUN 2031	113.519	113.822	6.56	6.50
REPUBLIC OF NIGERIA FEB 2032	104.434	105.033	6.96	6.84
REPUBLIC OF NIGERIA SEP 2033	101.54	102.027	7.11	7.02
REPUBLIC OF NIGERIA DEC 2034	118.941	119.327	7.41	7.35
REPUBLIC OF NIGERIA JAN 2036	107.203	107.557	7.58	7.53
REPUBLIC OF NIGERIA FEB 2038	99.375	99.816	7.78	7.72
REPUBLIC OF NIGERIA JAN 2046	108.37	108.565	8.26	8.24
REPUBLIC OF NIGERIA NOV 2047	94.278	94.78	8.19	8.14
REPUBLIC OF NIGERIA JAN 2049	109.698	110.032	8.29	8.26
REPUBLIC OF NIGERIA SEP 2051	99.057	99.526	8.34	8.29

Average yield on Nigeria's FGN Eurobonds declined last week. The mild rally indicates rising bond prices as investors showed a renewed risk-on appetite for emerging market debt. Global investors showed renewed interest in emerging and frontier market debt, seeking higher returns in more stable macroeconomic environment.

Expectation

Nigerian Eurobond yields are expected to trade with a stable to mildly bullish bias. While global macroeconomic factors remain a source of volatility, Nigeria's significantly improved domestic buffers are providing a strong floor for bond prices.

EQUITY MARKET

The Nigerian equity market experienced a massive rally last week, with the NGX ASI surging by 6.16% to close at a historic record of 182,313.08 points on Friday, February 13, 2026. This bullish run added approximately N6.79 trillion to the market capitalization, which ended the week at N117.03 trillion.

The primary driver was a major policy change by PenCom. PenCom revised investments limits, allowing PFAs to increase their equity allocations across various asset classes (e.g., RSA Fund II limit was raised from 25% to 33%). This unlocked billions in fresh institutional liquidity.

Large-cap and defensive stocks, such as MTN Nigeria, Seplat Energy, Dangote Cement, and GTCO, saw double-digit gains as institutional investors repositioned their portfolios.

Market breadth remained strongly positive, with 79 stocks gaining versus only 27 decliners, indicating widespread optimism across sectors beyond just heavyweights.

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
UNIONDICON	13.05	20.9	60.15%
DAARCOMM	1.9	2.95	55.26%

JOHNHOLT	7.3	10.6	45.21%
REDSTAREX	17.15	24.45	42.57%
RTBRISCOE	12.63	17.42	37.93%

Top losers

STOCK	PREVIOUS	CURRENT	CHANGE
ABBEYBDS	14.95	11	-26.42%
SOVRENINS	3.38	2.8	-17.16%
ETI	51.9	45	-13.29%
SKYAVN	152.7	135	-11.59%
AUSTINLAZ	5.4	4.8	-11.11%

Expectation

The Nigerian equity market is expected to remain bullish but volatile, as investors balance the PenCom rally momentum with potential profit taking. The PenCom investment hike will continue to drive demand. PFAs are still rebalancing portfolios, which provides a liquidity floor for blue chip stocks.

High expectation for GTCO, Zenith Bank, and Access Holdings to announce significant dividend payouts will likely drive position-taking early in the week.

After a 6% weekly gain, many short-term traders will be tempted to "sell the news" and lock in profits.

TOP STORIES

GLOBAL NEWS

- On Friday, February 13, the U.S. Consumer Price Index (CPI) for January came in lower than expected, with the annual rate decelerating from 2.7% to 2.4%.
- In a major shift, the U.S agreed to cut tariffs on most Indian imports from 50% to 18% after Prime Minister Modi pledged to cease Russian oil purchases
- The Yen weakened past 150 per dollar as slower economic growth dampened expectations for Bank of Japan rate hikes.

DOMESTIC NEWS

- CBN allows BDCs back into official FX market with $150,000 weekly cap
- Economic expansion fuels 34% jump in Nigeria's petrol consumption
- NRS sees 44% revenue jump as tax overhaul takes shape
- The National Pension Commission (PenCom) released a major addendum to its investment regulations, significantly raising the equity exposure limits for PFAs

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