Custodian ASSET MANAGEMENT LTD

Custodian Asset Management Ltd

Weekly Market Update

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

15th May 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	4.07%	3.98%
Inflation	15.69%	15.38%
MPR	26.50%	27.00%
Exchange rate (NAFEM)	₦1,371.95/$	₦1,361.95/$
Exchange rate (Parallel)	₦1,372.92/$	₦1,356.19/$
External reserves	$48.48 bn	$48.33 bn
Brent	$109.26/barrel	$101.29/barrel
Gold	$4,540.49/oz	$4,715.60/oz

The Nigerian naira depreciated against the US dollar last week due to intense, sustained demand pressures for foreign exchange from manufacturers, importers, and investors, which heavily outpaced the available dollar supply. This market mismatch caused the local currency to drop from roughly ₦1,361 to ₦1,371 per dollar at the close of the NFEM, while simultaneously sliding to ₦1,372.92 per dollar in the parallel market. Furthermore, this weakness was aggravated by a broader monthly drop in foreign portfolio inflows linked to global risk aversion, alongside persistent external debt servicing obligations by the CBN that continue to stretch the nation's liquidity despite marginal spikes in external reserves

Nigeria's external reserves grew for the first time in five weeks, reversing a month-long decline by adding about $200 million to reach $48.48 billion. According to CBN data, this organic rebound was driven by improved crude oil repatriation earnings, a healthy current account surplus, and a strategic reduction in heavy direct dollar interventions to defend the local currency. This positive shift was further bolstered by sustained non-oil export receipts, steady diaspora remittances, and renewed confidence from international investors following structural foreign exchange reforms—providing the apex bank with a stronger economic buffer despite the simultaneous short-term depreciation of the naira.

Global Brent crude oil prices surged by roughly 8% last week to settle over $109 per barrel, driven primarily by escalating Middle East supply anxieties after U.S. President

Donald Trump rejected Iran's counterproposal to end the regional conflict and left a summit with China's Xi Jinping with no progress on unlocking the Strait of Hormuz. This political deadlock dashed any hopes for a near-term ceasefire, intensifying fears that the vital maritime passage—where seaborne oil traffic has plummeted from 20 million barrels per day down to a mere 3.8 million—will remain effectively choked off indefinitely. The sharp weekly rally was further exacerbated by an alarming International Energy Agency (IEA) report revealing one of the fastest global inventory drawdowns on record, alongside news that Saudi Arabian oil production has plummeted to its lowest level since 1990

Global gold prices dropped sharply last week by over 3.3% to around $4,540 per ounce as hotter-than-expected U.S. inflation data and a hawkish outlook under new Federal Reserve leadership boosted bond yields and the U.S. dollar, which effectively crushed market expectations for near-term interest rate cuts.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.00%	22.00%
OVN	22.24%	22.19%

Nigeria's financial system liquidity rose slightly to ₦5.86 trillion last week primarily because a major wave of maturing government securities and fiscal disbursements injected fresh cash into the banking system, safely outpacing the Central Bank of Nigeria's liquidity-mop-up operations.

Expectation

Nigeria's system liquidity is expected to face a temporary squeeze this week as the central bank ramps up Open Market Operations (OMO) and primary market treasury bill auctions to aggressively mop up excess cash and defend the Naira

TREASURY BILLS MARKET

The average yield on Nigerian Treasury Bills remained stable last week because ample system liquidity of ₦5.86 trillion fueled steady secondary market demand that perfectly balanced the central bank's liquidity mop-up efforts.

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	16.10	15.95
6-May-27	15.90	15.70

Expectation

Nigerian Treasury Bill yields are expected to rise at the upcoming May 20 primary auction as the central bank faces pressure to lift stop rates to stay competitive against the newly released 15.69% headline inflation rate.

BONDS MARKET

The average yield on FGN bonds remained stable last week because institutional investors held a neutral stance, opting to trade existing bonds quietly in the secondary market while conserving cash ahead of the upcoming May primary auction.

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

Average yields on FGN bonds are expected to rise at this week's primary auction as investors demand higher coupon rates from the Debt Management Office to hedge against the newly elevated 15.69% headline inflation rate.

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	100.86	101.354	5.90	5.56
REPUBLIC OF NIGERIA SEP 2028	100.369	100.747	5.95	5.78
REPUBLIC OF NIGERIA MAR 2029	106.214	106.734	5.96	5.77
REPUBLIC OF NIGERIA FEB 2030	102.647	102.885	6.34	6.27
REPUBLIC OF NIGERIA JAN 2031	107.821	108.208	6.76	6.67
REPUBLIC OF NIGERIA JUN 2031	112.187	112.33	6.74	6.71
REPUBLIC OF NIGERIA FEB 2032	104.722	105.18	6.86	6.77
REPUBLIC OF NIGERIA SEP 2033	101.593	102.091	7.09	7.00
REPUBLIC OF NIGERIA DEC 2034	119.259	119.583	7.31	7.26
REPUBLIC OF NIGERIA JAN 2036	108.961	109.357	7.32	7.26
REPUBLIC OF NIGERIA FEB 2038	101.659	102.127	7.48	7.42
REPUBLIC OF NIGERIA JAN 2046	109.833	110.245	8.12	8.08
REPUBLIC OF NIGERIA NOV 2047	97.129	97.587	7.90	7.86
REPUBLIC OF NIGERIA JAN 2049	111.628	111.968	8.12	8.09
REPUBLIC OF NIGERIA SEP 2051	100.643	101.095	8.19	8.15

The average yield on Nigerian Eurobonds rose last week due to a widespread sell-off across emerging market debt, which was triggered by hotter-than-expected U.S. inflation data and a hawkish monetary outlook from the Federal Reserve that pushed U.S. Treasury yields significantly higher. Because higher American interest rates reduce the relative appeal of riskier sovereign debt, international investors demanded higher returns to hold Nigeria's foreign-currency bonds, causing bond prices to fall and yields to climb. This external pressure was further compounded by a broader monthly drop in foreign portfolio inflows to Nigeria and persistent external debt servicing demands, which outweighed positive domestic news like the country's recent external reserve growth.

Expectation

Nigeria Eurobond yields are expected to remain elevated with an upward bias this week as persistent hawkish sentiment from the Federal Reserve keeps U.S. Treasury yields high, forcing international investors to demand premium returns on emerging market debt.

EQUITY MARKET

The Year-to-Date (YTD) return of the Nigerian equity market improved to 60.87% last week because of a powerful 2.27% weekly surge in the benchmark NGX All-Share Index, which pushed the market past the historic 250,000-point milestone to close at 250,330.92. This aggressive, buy-side momentum was heavily fueled by dominant local and institutional investors aggressively locking into highly priced blue-chip equities and consumer goods. Investors rushed to secure strong capital appreciation ahead of imminent first-quarter corporate financial releases and final dividend closing dates.

Additionally, the domestic bourse benefited massively from a structural rotation of local capital away from fixed-income funds. The broader market found fixed income less attractive due to negative real yields, driving overall trading volumes past 7.7 billion shares and expanding total market capitalization above ₦160.4 trillion

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
BERGER	108.6	168.95	55.57%
SCOA	22.65	33.05	45.92%
DAARCOMM	1.58	2.25	42.41%
FIDSON	103	136.5	32.52%
LEARNAFRCA	8.2	10.85	32.32%

Top losers

STOCK	PREVIOUS	CURRENT	CHANGE
TIP	35.9	32.3	-10.03%
NPFMCRFBK	6.4	5.76	-10.00%
NCR	199	179.1	-10.00%
CUSTODIAN	89.8	81.25	-9.52%
NSLTECH	0.95	0.87	-8.42%

Expectation

The Nigerian equity market is expected to experience brief profit-taking this new week as investors cash out on recent gains, though overall bullish sentiment will likely remain sustained by ongoing positioning ahead of second-quarter corporate earnings releases.

TOP STORIES

GLOBAL NEWS

- Trump's China trip deadlocked as summit with Xi Jinping failed to unlock the Strait of Hormuz.
- Middle East tension escalated as Trump rejected Iran's counterproposal.
- Hotter-than-expected US inflation dashed market hopes for rate cuts.
- Hawkish Federal Reserve outlook drove US Treasury yields significantly higher.
- UK Economy Grows 0.6% in Q1 2026

DOMESTIC NEWS

- Headline inflation quickened to 15.69% driven by persistent fuel, food, and transport shocks.
- Food inflation rose to 16.06% as staple prices continued to weight on household purchasing power.
- NGX equity index surged past the historic 250,000-point mark on banking sector accumulation.

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