Custodian
ASSET MANAGEMENT LTD

Custodian Asset Management Ltd

Weekly Market Update

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

23rd February 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	3.98%	4.23%
Inflation	15.10%	15.15%
Exchange rate (NAFEM)	N1,346.32/$	N1,355.42/$
Exchange rate (Parallel)	N1,349.99/$	N1,444.88/$
External reserves	$48.50 bn	$47.53 bn
Brent	$71.76/barrel	$67.75/barrel
Gold	$5,080.90/oz	$5,041.8/oz

The Naira experienced appreciation last week and a significant narrowing of the gap between the official and parallel market rates. This was driven by increased dollar liquidity and aggressive CBN interventions.

Nigeria external climbed to $48.5 billion last week, marking its highest level in nearly 13 years. This steady increase is driven by a combination of higher commodity earnings and successful policy shifts. Improved domestic crude oil production and relatively high oil price levels have significantly boosted petrodollar inflows. High yields on Nigeria fixed income instruments have also attracted significant foreign portfolio investment.

Oil prices rose last week, with Brent crude climbing to over $71 per barrel, primarily due to escalating geopolitical tensions and a surprising drop in U.S. crude inventories. Markets reacted to the threat of potential U.S. military action against Iran following a deadline set by President Trump for a new nuclear deal. Investors fear that a conflict could lead to major supply disruptions, particularly in the strait of Hormuz, a critical chokepoint for 20% of global oil consumption. Also, data from the EIA showed that the U.S. commercial crude inventories plummeted by 9 million barrels last week.

Gold prices trended upwards last week. This upward trend was primarily driven by escalating geopolitical tensions in the Middle East, specifically fears of a potential U.S military conflict with Iran, which has triggered a flight so safe-haven assets.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.50%	22.50%
ON	22.71%	22.78%

Banking system liquidity remained high last week opening at N2.15 trillion on Friday. Despite the week-on-week drop, liquidity elevated due to foreign portfolio investments and a massive liquidity overhang from maturing government securities and statutory inflows that outpaced aggressive mop-ups actions by the CBN. Consequently, the overnight policy rate closed at 22.50% while the overnight rate closed at 22.71%.

Expectation

The trajectory of the OPR and OVN is influenced by both MPC decisions and system liquidity, with a potential rate cut likely to further reduce short-term funding costs.

TREASURY BILLS MARKET

Average yields on NTBs dropped last week primarily due to massive oversubscription at the CBN primary market auction on February 18, 2026, and robust system liquidity. Investors flocked to the primary auction, placing bids totaling N4.28 trillion, nearly 4 times the N1.15 trillion offered by the CBN. This overwhelming demand gave the CBN leverage to slash stop rates. More than 95% of the total demand was concentrated in the 364-day bill, as institutional investors moved to lock in high yields ahead of anticipated interest rate cuts by the MPC.

SECURITY	BID DISC RATE	OFFER DISC RATE
26-Mar-26	17.50	16.00
23-Apr-26	17.30	16.30
21-May-26	16.20	15.50
4-Jun-26	16.50	15.80
9-Jul-26	16.50	15.80
6-Aug-26	16.50	15.80
3-Sep-26	16.50	15.80
8-Oct-26	16.35	15.65
5-Nov-26	16.25	15.75
3-Dec-26	15.95	15.45
10-Dec-26	15.90	15.40
17-Dec-26	15.90	15.40
7-Jan-27	15.70	15.20
21-Jan-27	15.65	15.45
18-Feb-27	15.65	15.45

Expectation

Expectations for NTB yields this week leans toward continued moderation or a slight bullish trend. The MPC meets on February 23-24, 2026 and most analysts anticipate a

100 bps cut to the policy rate due to colling inflation. If a cut is announced, yields are expected to drop further as the market prices in a more relaxed monetary environment.

BONDS MARKET

Average yields on FGN bonds dropped last week. This was primarily driven by strong demand and ample system liquidity. There was strong investor demand across the short and mid segments of the yield curve leading to compression, with the FGN APR-2032 seeing a notable 47 bps drop as investors sought medium-term debt. Despite a temporary tightening due to the N1.91 NTB auction debit, the overall banking system remained liquid enough to sustain demand for FGN bonds. Also, investors are positioning for likely monetary easing at the MPC this week.

SECURITY	BID YIELD	OFFER YIELD
FGN 16.2884% MAR 2027	16.21	15.65
FGN 19.9400% MAR 2027	16.25	15.69
FGN 13.9800% FEB 2028	16.20	15.64
FGN 19.3000% APR 2029	16.28	15.72
FGN 14.5500% APR 2029	16.20	15.64
FGN 18.5000% FEB 2031	16.26	15.95
FGN 17.9500% JUN 2032	16.38	16.04
FGN 19.8900% MAY 2033	16.33	16.02
FGN 19.0000% FEB 2034	16.31	16.03
FGN 22.6000% JAN 2035	16.23	15.92
FGN 16.2499% APR 2037	16.18	15.52
FGN 15.45% JUN 2038	15.88	15.22
FGN 13.0000% JAN 2042	16.07	15.41
FGN 14.8000% APR 2049	14.90	14.19
FGN 12.9800% MAR 2050	15.02	14.31
FGN 15.7000% JUN 2053	14.78	14.07

Expectation

Expectations for FGN bond this week are centered on the N800 billion primary market auction to be conducted by the DMO today. Yields are expected to continue their gradual retreat. Institutional investors, including PFAs are expected to show strong interest, leading to oversubscription as they seek to lock in yields ahead of potential rate cuts.

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	101.756	102.202	5.43	5.17
REPUBLIC OF NIGERIA SEP 2028	101.257	101.583	5.60	5.46

REPUBLIC OF NIGERIA MAR 2029	106.944	107.331	5.88	5.74
REPUBLIC OF NIGERIA FEB 2030	103.538	103.666	6.13	6.10
REPUBLIC OF NIGERIA JAN 2031	109.279	109.748	6.51	6.40
REPUBLIC OF NIGERIA JUN 2031	113.861	114.079	6.48	6.44
REPUBLIC OF NIGERIA FEB 2032	104.919	105.333	6.86	6.77
REPUBLIC OF NIGERIA SEP 2033	101.975	102.552	7.03	6.94
REPUBLIC OF NIGERIA DEC 2034	119.71	120.105	7.30	7.24
REPUBLIC OF NIGERIA JAN 2036	108.095	108.505	7.45	7.40
REPUBLIC OF NIGERIA FEB 2038	100.374	100.796	7.65	7.59
REPUBLIC OF NIGERIA JAN 2046	109.341	109.679	8.17	8.13
REPUBLIC OF NIGERIA NOV 2047	95.183	95.708	8.10	8.04
REPUBLIC OF NIGERIA JAN 2049	110.764	111.274	8.20	8.15
REPUBLIC OF NIGERIA SEP 2051	100.256	100.772	8.22	8.18

Average yield on Nigeria's FGN Eurobonds declined last week to a four year low of 6.95%. This rally was primarily driven by rising oil prices and improved investor sentiment following a de-escalation of U.S. trade rhetoric. The growth in reserves also provides a massive shock absorber that reassures international investors about the country's liquidity and creditworthiness.

Expectation

Expectations for Nigerian Eurobonds are cautiously bullish. This is supported by rising oil prices and a significant buildup in reserves, though investors are closely watching the MPC meeting for local direction.

EQUITY MARKET

The Nigerian equity market is currently experiencing an historic bull run in February 2026, with the NGX ASI surpassing the 190,000-point mark and market capitalization hitting a record N125 trillion. This sustained growth is driving by strong corporate earnings, PFAs', investment robust liquidity and proactive economic reforms. The rally has been broad-based, with specific industries leading the gains

- Banking and financial services: remains the most active sector, driven by strong interest in tier-one banks like Zenith and Access Holdings
- Oil and Gas: significant interest in upstream and energy stocks like Aradel Holdings seeing high trading volumes
- Consumer goods: Presco. Okomu oil

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
JAPAULGOLD	2.51	4.02	60.16%
INFINITY	9.9	15.75	59.09%
JAIZBANK	8.3	11	32.53%
REDSTAREX	24.45	31.95	30.67%

CUSTODIAN	54.9	70.25	27.96%

Top losers

STOCK	PREVIOUS	CURRENT	CHANGE
RTBRISCOE	17.42	13.8	-20.78%
MECURE	104	84.25	-18.99%
TRIPPLEG	6.65	5.4	-18.80%
SOVRENINS	2.8	2.32	-17.14%
ELLAHLAKES	15	12.8	-14.67%

Expectation

We expect the market to remain broadly bullish, though the pace may be tempered by profit-taking following last week's gain. Many market players are projecting a rate cut at the MPC meeting this week which would likely sustain the "super cycle" rally by making equities more attractive relative to fixed income.

TOP STORIES

GLOBAL NEWS

- Fed Policymakers Split Over Next Moves on Rates
- In a policy setback for the Trump administration, the U.S. supreme court struck down a series of sweeping emergency tariffs
- President Trump immediately responded by announcing a new 15% global tariff on all foreign imports.
- The United States has significantly increased its military presence in the Persian Gulf

DOMESTIC NEWS

- The NBS reported that headline inflation eased to 15.10% in January 2026, down from 15.15% in December
- President Tinubu signs Electoral Act into law
- External reserves reach 13-year peak of $48.5 billion
- The National Assembly rescinded its earlier decision on the 2025 Appropriation Bill to correct errors. While the total size remains at N54.9 trillion, capital expenditure was reduced by N500 billion, shifting those funds to recurrent expenditure

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