Custodian ASSET MANAGEMENT LTD

Custodian Asset Management Ltd

Weekly Market Update

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

20th March 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	4.07%	3.98%
Inflation	15.06%	15.10%
Exchange rate (NAFEM)	N1,353.90	N1,366.23/$
Exchange rate (Parallel)	N1,387.09	N1,402.00/$
External reserves	N49.83 bn	$50.03 bn
Brent	$112.19/barrel	$103.14/barrel
Gold	$4,494.1/oz	$5,020.00/oz

The Naira gained slightly last week primarily due to marginal improvements in FX supply and sustained market support. Increased dollar availability, driven by inflows from exporters, foreign portfolio investors and bank sales helped ease demand pressures in the Nigerian Foreign Exchange Market. Additionally, periodic support from the CBN, alongside relatively strong external reserves, helped stabilize the Naira.

Nigeria gross external reserves fell below the $50 billion landmark last week settling at $49.83 billion after 5 consecutive sessions of decline. The slight drop from the $50.02 billion peak recorded on March 11 was primarily driven by 3 factors:

- **Foreign debt servicing**: The CBN recorded 3 consecutive international payments during the week, totaling approximately $178 million in outflows.
- **Geopolitical safe-haven outflows**: Heightened tensions between Iran and Israel triggered global market volatility, leading some investors to move capital out of emerging markets like Nigeria toward more traditional safe-haven assets.
- **Market Stabilization efforts**: Ongoing CBN interventions in the NFEM to maintain the Naira's stability and clear FX backlogs contributed to the marginal drawdown of the reserve buffer.

Global oil prices rose sharply last week, with Brent crude surging 9.03% to close at $112.45 per barrel. Reports of attacks on Iranian energy hubs near Tehran, as well as the South Pars gas field have raised fears of a broader, sustained energy war. Saudi

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Aramco briefly suspended crude loadings at its Yanbu refinery following a targeted attack on Thursday, March 19, further tightening immediate supply.

Commercial shipowners are largely avoiding the Gulf region due to the cancellation of war-risk insurance and intense economic jamming, leading to significant logistics delays. Shipping rates for moving Middle East crude to Asia jumped 15% in a single day following the escalation, directly increasing the landing cost of oil worldwide.

Gold prices experienced its steepest weekly drop in over 14 years last week, primarily due to a liquidity crunch and rising real interest rates that overrode traditional safe-haven demand. As global equity markets crashed due to the escalating U.S.-Israel-Iran conflict, institutional investors faced massive margin calls. To raise immediate cash, they liquidated gold — one of the world's most liquid assets — to cover losses in other portfolios.

Also, surging oil prices, peaking near $120 per barrel reignited inflation fears, leading markets to push expected Federal Reserve rate cuts to September 2026 at the earliest. The shift toward a "higher-for-longer" rate environment increased the opportunity cost of holding non-yielding gold.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.00%	22.00%
ON	22.21%	22.15%

System liquidity rose to record highs of N8.24 trillion during the week. Maturing Treasury Bills led to repayments to investors, effectively releasing cash back into the system and increasing available liquidity. OPR remained at 22.00% while ON rose to 22.21%.

Expectation

Expectations for system liquidity this week are for it to remain robust and elevated, primarily supported by the full impact of FAAC disbursements and additional OMO maturities.

TREASURY BILLS MARKET

Average yields on Nigeria Treasury Bills rose slightly in the secondary market during the trading week ended March 18,2026, primarily due to sell-offs and investor reprising following new economic data and auction outcomes. The week opened with bearish sentiment, with average yields rising by 5 bps to 17.71%. This was driven by selling pressure on specific instruments, such as Dec 2026 and Jan 2027 bills.

At the midweek auction on March 18,2026, the CBN showed a more cautious borrowing stance, allotting only N691.86 billion out of the N1.05 trillion. While the CBN actually cut stop rates for the 182-day and 364-day tenors to 16.62% and 16.63% respectively, the secondary market often sees yields tick up when investors sell existing holdings to free up liquidity for these primary auctions.

SECURITY	BID DISC RATE	OFFER DISC RATE
26-Mar-26	17.50	16.00
23-Apr-26	17.00	15.75
21-May-26	16.50	15.80
4-Jun-26	16.50	15.80
9-Jul-26	16.50	15.80
6-Aug-26	16.50	15.80
3-Sep-26	16.85	16.15
8-Oct-26	16.85	16.15
5-Nov-26	16.75	16.25
3-Dec-26	16.75	16.25
10-Dec-26	16.75	16.05
17-Dec-26	16.80	16.10
7-Jan-27	16.90	16.40
21-Jan-27	16.85	16.45
18-Feb-27	16.85	16.55
4-Mar-27	16.65	16.45
11-Mar-27	16.60	16.40

Expectation

Expectations for NTB yields this week is mixed and expected to be driven by high system liquidity, and the NTB auction on March 25, 2026.

BONDS MARKET

Average yield on FGN bonds declined slightly during the previous week, largely due to a recovery in the secondary market following previous bearish trends. There was buying interest, particularly in mid- and long-term bonds. System liquidity experienced significant surge, reaching over 8 trillion. This was primarily driven by inflows from maturing OMO bills and other instruments, encouraging investors to reinvest in government securities.

SECURITY	BID YIELD	OFFER YIELD
FGN 16.2884% MAR 2027	16.64	16.14
FGN 19.9400% MAR 2027	16.14	15.59
FGN 13.9800% FEB 2028	15.96	15.41
FGN 19.3000% APR 2029	16.09	15.54

FGN 14.5500% APR 2029	15.84	15.29
FGN 18.5000% FEB 2031	16.16	16.01
FGN 17.9500% JUN 2032	16.16	16.01
FGN 19.8900% MAY 2033	16.14	15.99
FGN 19.0000% FEB 2034	16.09	15.92
FGN 22.6000% JAN 2035	16.11	15.96
FGN 16.2499% APR 2037	15.80	15.05
FGN 15.45% JUN 2038	15.42	14.67
FGN 13.0000% JAN 2042	15.57	14.82
FGN 14.8000% APR 2049	14.70	13.95
FGN 12.9800% MAR 2050	14.64	13.89
FGN 15.7000% JUN 2053	15.06	14.31

Expectation

The outlook for FGN bonds this week is bullish with yields expected to decline as market participants reacts to positive inflation data and high system liquidity.

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	100.889	101.25	5.93	5.70
REPUBLIC OF NIGERIA SEP 2028	100.008	100.68	6.12	5.83
REPUBLIC OF NIGERIA MAR 2029	106.013	106.384	6.15	6.02
REPUBLIC OF NIGERIA FEB 2030	102.015	102.248	6.55	6.48
REPUBLIC OF NIGERIA JAN 2031	107.383	107.833	6.92	6.81
REPUBLIC OF NIGERIA JUN 2031	111.105	111.24	7.04	7.01
REPUBLIC OF NIGERIA FEB 2032	102.782	103.121	7.28	7.21
REPUBLIC OF NIGERIA SEP 2033	99.326	99.896	7.49	7.39
REPUBLIC OF NIGERIA DEC 2034	116.714	117.036	7.70	7.66
REPUBLIC OF NIGERIA JAN 2036	105.754	106.113	7.77	7.72
REPUBLIC OF NIGERIA FEB 2038	98.114	98.585	7.94	05/
REPUBLIC OF NIGERIA JAN 2046	106.132	106.559	8.48	8.44
REPUBLIC OF NIGERIA NOV 2047	93.056	93.515	8.32	8.27
REPUBLIC OF NIGERIA JAN 2049	108.12	108.528	8.44	8.40
REPUBLIC OF NIGERIA SEP 2051	97.531	98.12	8.49	8.43

Average yield on Nigerian Eurobonds declined to 7.05% for the week ended March 20, 2026, a recovery from the previous week's spike. This drop, which reflects a rally in bond prices was driven by bargain hunting. Following the sharp risk-off selloff triggered by the initial Middle East conflict, investors returned to the market to buy the dip, seeking higher returns in the sovereign segment.

Expectation

Expectations for Nigeria's Eurobond yields for this week are for continued stability or marginal compression, provided that geopolitical tensions in the Middel East do not escalate further. With Brent crude holding above $110 per barrel due to supply disruptions, Nigeria's fiscal outlook remains strong. This supports the country's ability to service dollar debt.

EQUITY MARKET

The YTD return of the Nigerian equity market rose to 29.27% during the trading week ended March 18, 2026, as the ASI crossed the historic 200,000 points threshold. The market hit a psychological high of 201,156.86 points. This milestone reinforced bullish sentiment and triggered increased institutional and retail demand. Investors repositioned their portfolios ahead of full-year 2025 earnings releases, buoyed by expectations of robust results from banking and industrial goods sector.

One major news was the announcement of Zenith Banks plan to list on the London Stock Exchange by 2027. Zenith shares gained 7.91% on Tuesday, March 17, closing at an all time high of N111.15 per share. The rally pushed Zenith Bank's market capitalization to N4.58 trillion, briefly overtaking GTCO to become Nigeria's most valuable bank.

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
JOHNHOLT	9.45	11.85	25.40%
BUACEMENT	270	326.7	21.00%
ZENITHBANK	95.95	110	14.64%
LEARNAFRCA	8.25	9.35	13.33%
AUSTINLAZ	3.95	4.45	12.66%

Top losers

STOCK	PREVIOUS	CURRENT	CHANGE
PRESCO	2083.9	1701.1	-18.37%
DAARCOMM	2.14	1.85	-13.55%
ETERNA	42.3	36.9	-12.77%
REDSTAREX	28.55	25.7	-9.98%
ARADEL	1340	1210.3	-9.68%

Expectation

The Nigerian equity market is expected to see a mix of profit taking and selective buying for the new week. After a massive 29.27% YTD return, short term traders are likely to sell off gains in high performing tickers like Zenith Bank and BUA Cement which could lead to brief intra-day pullbacks.

The market remains in the heart of the earnings season. Investors will be cherry-picking stocks with strong Full-Year 2025 results and attractive dividend payout ratios.

TOP STORIES

GLOBAL NEWS

- The U.S. Federal Reserve held rates at 3.50% -3.75% on March 18.
- Bank of England unanimously voted to maintain the base rate at 3.75% on March 19.
- Tanker traffic through the Strait of Hormuz has almost ground to a halt following attacks.

DOMESTIC NEWS

- The National Bureau of Statistics (NBS) reported that inflation eased marginally to 15.06% in February.
- Food inflation rebounded to 4.69% month-on-month in February ending a two-month downward trend, while core inflation stood at 18.04%.
- Reserves hit a 13-year high of $50.03 billion before dipping slightly to $49.83 billion due to foreign debt servicing.

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