Custodian Asset Management Ltd

# Weekly Market Update

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

**22nd May 2026**

## MACROS

| INDICATOR | CURRENT | PREVIOUS |
|---|---|---|
| **GDP** | 4.07% | 3.98% |
| **Inflation** | 15.69% | 15.38% |
| **MPR** | 26.50% | 26.50% |
| **Exchange rate (NAFEM)** | ₦1,375.46/$ | ₦1,371.95/$ |
| **Exchange rate (Parallel)** | ₦1,390.78/$ | ₦1,372.92/$ |
| **External reserves** | $48.89 bn | $48.48 bn |
| **Brent** | $103.54/barrel | $109.26/barrel |
| **Gold** | $4,509.64/oz | $4,540.49/oz |

The Nigerian Naira lost value slightly last week due to sustained demand for foreign currency from importers and manufacturers, a sharp 55.23% mid-week drop in FX market liquidity, and investor caution. The local currency fell marginally to close the week at ₦1,375.46/$ in the official Nigerian Foreign Exchange Market (NFEM) window.

Nigeria's gross external reserves rose to reach $48.89 billion, according to the latest Central Bank of Nigeria (CBN) data, primarily driven by a steady surge in autonomous dollar inflows and renewed offshore investor capital targeting local assets. This week-long accumulation reflects improving external liquidity sparked by sustained foreign exchange market reforms, enhanced transparency, and stable global oil export receipts.

Global crude oil prices dropped significantly last week—with Brent crude settling down 5% at around $103 a barrel and U.S. West Texas Intermediate (WTI) sliding just short of $100—primarily due to surging investor optimism surrounding peace talks to end the Middle East conflict. The risk premium embedded in energy markets faded after U.S. President Donald Trump asserted that the war would end "very quickly," prompting traders to bet on a gradual reopening of the crucial Strait of Hormuz shipping corridor by June. This diplomatic progress was further reinforced by reports of rebounding European energy flows and the coordinated release of strategic inventories, which effectively alleviated immediate anxieties over physical supply shortages despite a temporary complication over Iran's enriched uranium stance.

Global spot gold prices slid to around $4,522 an ounce last week, locking in a second consecutive weekly loss primarily due to a surging U.S. dollar and growing investor concerns that persistent inflation will force global central banks to keep interest rates elevated for longer.

## MONEY MARKET

| Money Market | Current Week | Previous Week |
|---|---|---|
| OPR | 22.00% | 22.00% |
| OVN | 22.24% | 22.24% |

The positive liquidity balance in the Nigerian banking system dropped last week to ₦2.79 trillion, down from ₦5.86 trillion in the preceding week, primarily due to heavy outflows from Open Market Operation (OMO) bill issuances, standard Treasury Bills settlements, and repayments for Federal Government of Nigeria (FGN) bond auctions. This substantial contraction reflects the Central Bank of Nigeria's (CBN) sustained hawkish monetary tightening stance aimed at mopping up excess funds to stabilize the local currency and suppress stubborn inflation. The resulting liquidity squeeze pushed average benchmark OMO yields upward to 20.87%, effectively restricting commercial banks' loanable funds in the interbank money market despite a cushion of ongoing fixed-income maturities

### 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 broadly stable last week, creeping up by just 2 basis points to 17.52%, because a massive ₦1.84 trillion investor demand during the midweek Primary Market Auction (PMA) completely matched the Central Bank's liquidity mop-up efforts. While the CBN held stop rates relatively flat at 15.95% for the 91-day paper and 16.14% for longer tenors, aggressive portfolio rebalancing and pre-MPC caution forced selective selling pressure along the mid-to-long end of the secondary curve.

| 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 experience temporary downward pressure this week as the massive ₦3.1 trillion influx from FAAC disbursements boosts system liquidity, prompting institutional investors to aggressively buy up short-term instruments in the secondary market.

**BONDS MARKET**

The average yield on local Federal Government of Nigeria (FGN) bonds rose slightly last week because institutional investors adopted a highly defensive stance, triggering isolated selling pressure on long-dated sovereign instruments like the April 2037 FGN bond. This bearish sentiment in the secondary market was heavily driven by investor caution ahead of the Central Bank of Nigeria's Monetary Policy Committee (MPC) decision.

| 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**

FGN bond yields are expected to trade with a bearish bias this week as the market continues to adjust to the Central Bank's latest interest rate stance and the reactions to the government's primary auction.

**EUROBONDS**

| FGN EUROBONDS | Bid Px | Ask px | BID YIELD | OFFER YIELD |
|---|---|---|---|---|
| REPUBLIC OF NIGERIA NOV 2027 | 100.919 | 101.256 | 5.85 | 5.62 |
| REPUBLIC OF NIGERIA SEP 2028 | 100.381 | 100.856 | 5.94 | 5.72 |
| REPUBLIC OF NIGERIA MAR 2029 | 106.006 | 106.35 | 6.03 | 5.90 |
| REPUBLIC OF NIGERIA FEB 2030 | 102.403 | 102.623 | 6.41 | 6.34 |
| REPUBLIC OF NIGERIA JAN 2031 | 107.722 | 108.113 | 6.78 | 6.68 |
| REPUBLIC OF NIGERIA JUN 2031 | 111.973 | 112.257 | 6.78 | 6.71 |
| REPUBLIC OF NIGERIA FEB 2032 | 104.623 | 105.116 | 6.88 | 6.78 |
| REPUBLIC OF NIGERIA SEP 2033 | 101.634 | 102.147 | 7.08 | 6.99 |
| REPUBLIC OF NIGERIA DEC 2034 | 119.368 | 119.765 | 7.29 | 7.23 |
| REPUBLIC OF NIGERIA JAN 2036 | 108.996 | 109.376 | 7.31 | 7.26 |
| REPUBLIC OF NIGERIA FEB 2038 | 101.919 | 102.423 | 7.45 | 7.38 |
| REPUBLIC OF NIGERIA JAN 2046 | 110.182 | 110.699 | 8.08 | 8.03 |
| REPUBLIC OF NIGERIA NOV 2047 | 97.728 | 98.11 | 7.85 | 7.81 |
| REPUBLIC OF NIGERIA JAN 2049 | 112.076 | 112.505 | 8.08 | 8.04 |
| REPUBLIC OF NIGERIA SEP 2051 | 100.991 | 101.493 | 8.16 | 8.11 |

Average yields on Nigerian Eurobonds dipped slightly last week because of a mildly bullish turnaround across the belly and long end of the yield curve, heavily supported by easing geopolitical tensions in the Middle East. Despite initial selling pressure triggered by local inflation concerns earlier in the month, international investor sentiment improved later in the week as falling global crude oil prices and progress in U.S.-mediated peace talks restored safe-haven buying interest for emerging market sovereign debt.

**Expectation**

Nigerian Eurobond yields are expected to trade with a bullish bias this week as easing global geopolitical risks and a steady accretion in Nigeria's external reserves continue to bolster offshore investor confidence.

## EQUITY MARKET

The Year-to-Date (YTD) return of the Nigerian equity market dropped slightly to 60.45% last week because the Nigerian Exchange (NGX) suffered a brief bearish pullback due to widespread profit-taking in highly capitalized blue-chip stocks. Widespread selling pressure, particularly on heavyweights in the consumer goods, insurance, and banking sectors—briefly dragged the benchmark All-Share Index (ASI) down 0.25% week-on-week to close at 249,712.37 points.

### Top Gainers

| STOCK | PREVIOUS | CURRENT | CHANGE |
|---|---|---|---|
| ABCTRANS | 6.27 | 9.08 | 44.82% |
| ACADEMY | 7.05 | 9.15 | 29.79% |
| UPL | 5 | 6.4 | 28.00% |
| INTENEGINS | 2.79 | 3.41 | 22.22% |
| LEARNAFRCA | 10.85 | 12.9 | 18.89% |

### Top losers

| STOCK | PREVIOUS | CURRENT | CHANGE |
|---|---|---|---|
| SOVRENINS | 2.94 | 2.28 | -22.45% |
| CAP | 233.7 | 199 | -14.85% |
| BERGER | 168.95 | 147.6 | -12.64% |
| RTBRISCOE | 15.83 | 14.06 | -11.18% |
| NCR | 179.1 | 161.2 | -9.99% |

### Expectation

The Nigerian equity market is expected to face continued mixed sentiments this new week as investors balance lingering profit-taking with strategic repositioning based on the outcome of the Central Bank's interest rate decision.

# TOP STORIES

## GLOBAL NEWS

- Middle East peace progress cooled regional war fears.
- Strong U.S. Dollar hit a six-week high, pressuring emerging market currencies.
- German economy grows by 0.3% in Q1, driven by exports
- SpaceX is one step closer to the biggest IPO ever

## DOMESTIC NEWS

- CBN retains MPR at 26.5% as MPC concludes 305th meeting
- OMO sales hit N5.63 trillion in two weeks as 126-day bill draws oversubscription

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