Custodian Asset Management Ltd

Weekly Market Update

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

27th February 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	4.07%	3.98%
Inflation	15.10%	15.15%
Exchange rate (NAFEM)	N1,363.39/$	N1,346.32/$
Exchange rate (Parallel)	N1,370.66/$	N1,349.99/$
External reserves	$49.51 bn	$48.50 bn
Brent	$72.48/barrel	$71.76/barrel
Gold	$5,267.20/oz	$5,080.90/oz

The Naira experienced a steady depreciation last week, closing at N1,363.50/$. Vice President Shettima attributed the depreciation to strategic interventions by the CBN. The apex bank reportedly bought approximately $189.80 million from the market to slow down what it considered a rapid rise in the Naira's value. This was done to prevent excessive volatility.

Nigeria external climbed to $49.5 billion last week, primarily because of stronger FX inflows from oil exports and remittances, which boosted the country's external buffers. The president recently signed Presidential Executive order 09. The policy mandates oil and gas revenues directly into the Federation account, significantly improving fiscal revenue and the rate of revenue accumulation. Diaspora remittances have grown by 66%, averaging $600 million in early 2026, following reforms that streamlined licensing for Internation Money Transfer Operators (IMTOs)

Oil prices rose last week, surging to 7 month highs, with Brent rising over 3.3% in a single day to settle at $72.48 per barrel. While some earlier reports in the week caused a temporal decline, a dramatic escalation in Middle Eastern tensions on Friday reversed that trend, causing a week-on-week gain. Oil prices jumped on Friday following the breakdown of nuclear talks in Geneva. Reports of a massive U.S. and Israeli build up and subsequent large scale military operations against Iran.

Gold prices surged during the final week of February, closing at over $5,200 per ounce. This rally was primarily driven by dramatic escalations in U.S. – Iran geopolitical tensions, as investors sought safe-haven assets following the breakdown of nuclear talks and reports of potential imminent military action (this materialized during the weekend and the full effect of this should be seen in the market this week). Gold price was also affected by renewed jitters surrounding U.S. tariff policies which bolstered demand. Following a Supreme Court ruling, the administration introduced a new 10% global import tariff, with signals of a potential hike to 15% creating significant global trade uncertainty.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.00%	22.50%
ON	22.25%	22.71%

Banking system liquidity experienced a significant surge during the week ended February 27, 2026 to N3.75 trillion, primarily driven by massive inflows from maturing government securities and a pivot in the Central Bank of Nigeria's (CBN) monetary stance. OPR and ON rates dropped slightly to 22.00% and 22.25% respectively.

Expectation

Market liquidity is expected to remain robust but tightly managed, as the CBN balances significant influx of cash with its need to maintain price stability.

TREASURY BILLS MARKET

While yields on Treasury Bills reduced overall, the momentum shifted once the CBN announced its decision. In the days leading to the MPC meeting, there was widespread market expectation of a sharp aggressive cut with some analysts betting on 150 to 200 bps. Investors rushed to lock in high yields which drove yields down prematurely. When the CBN finally announced a conservative 50 bps cut, it caught the dovish segment of the market off guard. Because the cut was not as deep as expected, aggressive buying pressure cooled almost immediately.

SECURITY	BID DISC RATE	OFFER DISC RATE
26-Mar-26	17.50	16.00
23-Apr-26	17.00	15.75
21-May-26	16.15	15.45
4-Jun-26	16.05	15.35
9-Jul-26	16.20	15.50
6-Aug-26	16.20	15.50

3-Sep-26	16.45	15.75
8-Oct-26	16.35	15.65
5-Nov-26	16.35	15.85
3-Dec-26	16.35	15.85
10-Dec-26	16.30	15.70
17-Dec-26	16.20	15.60
7-Jan-27	16.05	15.55
21-Jan-27	15.85	15.45
18-Feb-27	15.75	15.45

Expectation

Treasury bill yields are expected to experience continued downward pressure as system liquidity remains elevated, though the pace of decline will likely moderate as market recalibrates following the disappointment of last week's conservative rate cut.

BONDS MARKET

The average benchmark yield for FGN bonds dropped to 15.44% from 15.77% the previous week. This decline mirrored the sentiment in the Treasury Bills market, fueled initially by aggressive anticipation of a significant rate cut, robust system liquidity and strong auction demand. The DMO saw significant oversubscription at its February 23 auction, with total demand reaching N2.7 trillion for an offer of N800 billion. This allowed the DMO to lower marginal rates across all tenors, with the 2034 bond stop rate declining by 200 bps to 15.50%

SECURITY	BID YIELD	OFFER YIELD
FGN 16.2884% MAR 2027	15.64	15.08
FGN 19.9400% MAR 2027	15.72	15.16
FGN 13.9800% FEB 2028	15.64	15.08
FGN 19.3000% APR 2029	15.71	15.15
FGN 14.5500% APR 2029	15.58	15.02
FGN 18.5000% FEB 2031	15.82	15.62
FGN 17.9500% JUN 2032	15.81	15.63
FGN 19.8900% MAY 2033	15.79	15.61
FGN 19.0000% FEB 2034	15.70	15.52
FGN 22.6000% JAN 2035	15.77	15.60
FGN 16.2499% APR 2037	15.66	15.00
FGN 15.45% JUN 2038	15.39	14.73
FGN 13.0000% JAN 2042	15.50	14.76
FGN 14.8000% APR 2049	14.51	13.80
FGN 12.9800% MAR 2050	14.47	13.76
FGN 15.7000% JUN 2053	14.33	13.62

Expectation

Expectations for FGN bond this week point toward continued yield compression in the secondary market, driven by the formal start of a monetary easing cycle and high system liquidity.

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

Nigerian Eurobonds yields experienced a mild increase during the past week with the average benchmark yield widening by 6 bps to 6.94%. This bearish turn followed a period of record low yields earlier in the week and was driven by a combination of global risk aversion and shifting monetary expectations. The primary reason was heightened geopolitical risk following escalation of the U.S. – Iran conflict, including military strikes over the weekend which triggered a flight to safety. Investors retreated from emerging market debt toward safer assets like U.S. treasuries and gold, leading to sell-offs in Nigeria Eurobonds.

Expectation

While Nigeria's record high reserves provide a safety net, the retaliatory strikes in the Middle east over the weekend are expected to drive a risk off sentiment that may push yields higher in the immediate term.

EQUITY MARKET

The YTD return of the Nigeria equity market dropped to 23.91% as of 27 February 2026, down from 25.30% recorded the previous week. This decline followed four-day losing streak where the NGX ASI shed 1.11% week-on-week to close at 192,826.78 points. Sustained sell-offs in high-cap stocks, most notably Dangote Cement, which fell 6.09% during the week to close at N779.00, heavily weighed on the index. Other major tickers like Aradel Holdings saw a near 10% correction as institutional investors cashed out following recent peaks.

The CBN cut the MPC by a less than expected 50 bps to 26.5%. while lower rates generally support equities long term, the immediate reaction to the lower than expected cuts was cautious as market absorbed the shift amidst elevated asset prices.

The Industrial Goods and Oil and Gas sectors were the primary laggards, declining 2.44%

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
OKOMUOIL	1459.7	1765	20.92%
INFINITY	15.75	19	20.63%
MANSARD	15.7	18.4	17.20%
FCMB	11.9	13.9	16.81%
JAIZBANK	11	12.63	14.82%

Top losers

STOCK	PREVIOUS	CURRENT	CHANGE
ABCTRANS	9	6.75	-25.00%
DAARCOMM	2.66	2.11	-20.68%
TANTALIZER	5.4	4.5	-16.67%
LIVINGTRUST	6.55	5.6	-14.50%
UPL	6.15	5.35	-13.01%

Expectation

Expectations for the equity market this week are cautiously optimistic, with analysts predicting a period of continued volatility as the market balances recent profit taking with positive structural catalysts. After the 1.11% decline last week, driven by profit taking in heavyweights such as Dangote Cement and MTN Nigeria, we expect savvy investors to buy the dip in fundamentally strong stocks.

Market movement this week will be heavily influenced by the release of financial reports and accompanying dividend announcements.

TOP STORIES

GLOBAL NEWS

- Death of Iran's supreme leader Ayatollah Ali Khamenei confirmed following joint U.S. – Israeli airstrikes, creating deep regional uncertainty.
- Retaliatory missile and drone strikes by Iran against U.S., Israeli and Gulf military bases, raising conflict risk premiums.
- Uncertainty and policy shifts on U.S. tariffs, with temporary alternative tariff measures announced, adding trade policy volatility

DOMESTIC NEWS

- The MPC reduced the MPR by 50 bps to 26.50%
- The CBN confirmed that 20 out of 33 banks have already met the minimum capital requirement ahead of the March 31, 2026 deadline.
- New data showed Nigeria's economy grew by 4.07% in Q4 2025, a slight acceleration from the previous quarter
- Crude oil production reached 1.5 million bpd, meeting Nigeria's OPEC quota and strengthening the country's strategic value in global energy chains.

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