Custodian ASSET MANAGEMENT LTD

Custodian Asset Management Ltd

Weekly Market Update

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

31st July 2026

MACROS

INDICATOR	CURRENT	PREVIOUS
GDP	3.89%	4.07%
Inflation	15.91%	15.93%
MPR	26.50%	26.50%
Exchange rate (NAFEM)	₦1,368.22/$	₦1,362.09/$
Exchange rate (Parallel)	₦1,358.81/$	₦1,368.33/$
External reserves	$51.92 bn	$52.03 bn
Brent	$87.93/barrel	$96.78/barrel
Gold	$4,043.36/oz	$4,017.51/oz

Nigeria's external reserves dropped to $51.92 billion during the final week of July 2026—shedding roughly $114 million from its 17-year peak of $52.04 billion—was primarily driven by the Central Bank of Nigeria (CBN) actively dipping into its war chest to defend the local currency. As pressure intensified on the foreign exchange market and the Naira depreciated to around N1,366 at the official window, the apex bank intervened by injecting dollar liquidity to stabilize the market and absorb the persistent demand.

Global crude oil prices spiked last week, with Brent crude breaching $100 per barrel for the first time since May, due to a severe escalation of the conflict in the Middle East. The price surge was primarily triggered by the collapse of a tentative US-Iran ceasefire, followed by heavy US military strikes against Iran and fresh Houthi militia attacks on Saudi oil tankers in the Red Sea. This created a critical "double blockade" across both the Strait of Hormuz and the Bab el-Mandeb Strait, severely throttling key energy shipping routes and stoking widespread market panic over imminent global supply shortages.

Global oil prices dropped sharply during the final week of July 2026—with benchmark Brent crude nosediving over 8% from its near-$100 peak to around $88 a barrel—primarily due to a rapid unwind of the geopolitical risk premium following a temporary pause in U.S.–Iran military hostilities. Market anxieties eased significantly as both Washington and Tehran halted retaliatory strikes to give diplomatic mediation room to breathe, providing immediate hopes for a peaceful solution to the conflict. This sudden de-escalation triggered a swift repricing of crude futures as commercial oil tanker traffic safely began expanding through the critical Strait of Hormuz shipping route.

Global spot gold prices rose slightly by 1.1% during the final week of July 2026 primarily because a softer U.S. dollar and the Federal Reserve's decision to leave interest rates unchanged revived investor demand. The non-yielding precious metal snapped a multi-month losing streak after Federal Reserve Chair Kevin Warsh signaled a pause in the central bank's aggressive tightening cycle, prompting a sharp cooling of near-term rate hike expectations and pulling the dollar down by over 1%.

MONEY MARKET

Money Market	Current Week	Previous Week
OPR	22.00%	22.00%
OVN	22.14%	22.12%

System liquidity fell slightly to ₦2.9 trillion due to statutory outflows like Treasury Bill auction and cash reserve requirements, while the overnight rate edged up to 22.14% as banks tapped the central bank's repo window to cover their residual short-term funding gaps.

Expectation

Nigeria's system liquidity is expected to remain robust this week, supported by maturing government securities.

TREASURY BILLS MARKET

Treasury bill yields and stop rates dropped, with the 1-year bill falling to 17.35%, because intense buying pressure from robust system liquidity triggered a massive oversubscription at the auction, allowing the central bank to lower borrowing costs while still exceeding its fundraising targets.

SECURITY	BID DISC RATE	OFFER DISC RATE
20-Aug-26	16.75	16.05
3-Sep-26	16.70	16.20
24-Sep-26	16.60	16.10
8-Oct-26	15.60	15.10
15-Oct-26	15.70	15.20
5-Nov-26	16.80	16.30
19-Nov-26	16.85	16.35

10-Dec-26	17.10	16.70
7-Jan-27	17.10	16.55
21-Jan-27	17.10	16.70
18-Feb-27	17.50	17.10
11-Mar-27	17.60	17.20
18-Mar-27	17.45	17.05
25-Mar-27	17.40	17.00
8-Apr-27	17.20	16.80
6-May-27	17.30	16.90
3-Jun-27	17.30	17.05
17-Jun-27	17.30	17.05
8-Jul-27	17.20	17.00
15-Jul-27	17.15	17.00
29-Jul-27	17.10	16.90

Summary of the auction

Tenor	Offer (₦)	Total Subscription (₦)	Total Allotted (₦)	Stop Rate (%)
91-Day	24.36 Billion	28.50 Billion	26.10 Billion	16.00%
182-Day	19.24 Billion	32.15 Billion	20.50 Billion	17.00%
364-Day	120.40 Billion	580.65 Billion	340.20 Billion	17.35%
Total	164.00 Billion	641.30 Billion	386.80 Billion	

Expectation

In the absence of Treasury Bills supply and amid robust banking system liquidity, average yields on Nigerian Treasury bills are projected to decline as institutional investors aggressively compete for existing instruments in the secondary market.

BONDS MARKET

Average yields on FGN bonds dropped sharply last week because the lower stop rates at the NTB auction signaled a potential peak in interest rates, while the sudden suspension of the next auction starved institutional investors of new debt supply, forcing them to flood the secondary market with excess liquidity and bid up existing bond prices.

SECURITY	BID YIELD	OFFER YIELD
FGN 16.2884% MAR 2027	17.39	16.99
FGN 19.9400% MAR 2027	17.39	16.99
FGN 13.9800% FEB 2028	16.96	16.55
FGN 19.3000% APR 2029	17.17	16.77

FGN 14.5500% APR 2029	16.86	16.46
FGN 18.5000% FEB 2031	17.21	17.00
FGN 17.9500% JUN 2032	17.37	17.16
FGN 19.8900% MAY 2033	17.37	17.16
FGN 19.0000% FEB 2034	17.39	17.18
FGN 22.6000% JAN 2035	17.45	17.24
FGN 16.2499% APR 2037	17.45	17.24
FGN 15.45% JUN 2038	17.50	17.29
FGN 13.0000% JAN 2042	15.02	14.52
FGN 14.8000% APR 2049	15.01	14.51
FGN 12.9800% MAR 2050	15.01	14.51
FGN 15.7000% JUN 2053	15.00	14.49

Expectation

The supply-demand mismatch in the Treasury Bills market will likely intensify buying pressure across all tenors, compressing yields further and forcing fund managers to look toward longer-dated FGN bonds to protect their portfolio returns.

EUROBONDS

FGN EUROBONDS	Bid Px	Ask px	BID YIELD	OFFER YIELD
REPUBLIC OF NIGERIA NOV 2027	100.75	101	5.89	5.69
REPUBLIC OF NIGERIA SEP 2028	99.875	100.375	6.18	5.93
REPUBLIC OF NIGERIA MAR 2029	105.25	105.75	6.18	5.98
REPUBLIC OF NIGERIA FEB 2030	102.125	102.625	6.46	6.31
REPUBLIC OF NIGERIA JAN 2031	107.5	108	6.77	6.65
REPUBLIC OF NIGERIA JUN 2031	111.875	112.375	6.71	6.60
REPUBLIC OF NIGERIA FEB 2032	105	105.5	6.78	6.67
REPUBLIC OF NIGERIA SEP 2033	102.125	102.625	6.99	6.90
REPUBLIC OF NIGERIA DEC 2034	119.125	119.625	7.27	7.20
REPUBLIC OF NIGERIA JAN 2036	108.5	109	7.36	7.29
REPUBLIC OF NIGERIA FEB 2038	102	102.5	7.43	7.37
REPUBLIC OF NIGERIA JAN 2046	110.125	110.625	8.09	8.04
REPUBLIC OF NIGERIA NOV 2047	97.25	97.75	7.89	7.84
REPUBLIC OF NIGERIA JAN 2049	111.875	112.375	8.09	8.05
REPUBLIC OF NIGERIA SEP 2051	101.25	101.75	8.13	8.08

The average yield on Nigerian Eurobonds remained generally stable with a slight upward tilt last week as strong domestic fiscal sentiment clashed with a restrictive global monetary environment. Domestically, improved month-end external reserves and strong banking sector earnings anchored investor confidence in Nigeria's credit profile. However, this local optimism was countered by global pressures, as the U.S. Federal Reserve held interest rates steady amid sticky inflation fears, keeping emerging market risk premiums elevated.

Expectation

Nigerian Eurobond yields are expected to remain flat with a slight upward bias this week as the U.S. Federal Reserve's restrictive monetary stance and volatile global oil prices counter Nigeria's improving domestic external reserves.

EQUITY MARKET

The Year-to-Date (YTD) return of the Nigerian Exchange Limited (NGX) moderated slightly to 57.62% due to late-week broad-based profit-taking by investors cashing out on recent major gains. This profit-booking triggered an extended multi-day decline, culminating in a massive ₦1.005 trillion market capitalization loss on Thursday alone. The overall slide was driven by heavy sell-offs across major counters, notably within the banking, consumer goods, and industrial sectors, with prominent stocks like Dangote Sugar Refinery, CAP Plc, and Fortis Global Insurance dragging the benchmark index lower despite strong fundamental half-year earnings releases.

Top Gainers

STOCK	PREVIOUS	CURRENT	CHANGE
LASACO	1.82	2.16	18.68%
VFDGROUP	10.65	11.95	12.21%
ETERNA	30.5	33	8.20%
NEM	31.7	34.2	7.89%
TRANSCORP	39.05	42	7.55%

Top Losers

STOCK	PREVIOUS	CURRENT	CHANGE
ABCTRANS	7.05	5.75	-18.44%
TRIPPLEG	3.41	2.88	-15.54%
VERITASKAP	1.69	1.43	-15.38%
INTBREW	13.7	11.8	-13.87%
OMATEK	1.86	1.62	-12.90%

Expectation

The Nigerian equity market is expected to face continued bearish pressure this week due to ongoing broad-based profit-taking across major sectors

TOP STORIES

GLOBAL NEWS

- Spain Inflation Rate Hits Two-Year High in July.
- The U.S. Federal Reserve held interest rates steady at 3.5%–3.75%
- The European Central Bank maintained its current benchmark interest rates.
- The Bank of Japan kept interest rates steady.

DOMESTIC NEWS

- NAICOM clears 43 insurers after recapitalisation, fate of eight still uncertain
- Niger govt, NNPC sign MoU on Gas Master Plan to drive industrialisation
- NNPC posts N535 bn June profit, remits N6.3 tn to federation account
- EU commits $585m to boost SME's and others

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