

COWRY WEEKLY FINANCIAL MARKETS

REVIEW & OUTLOOK (CWR)



DOMESTIC ECONOMY: Nigeria's Inflation Declines to 15.15% in December Amid Improving Supply Conditions

The latest Consumer Price Index (CPI) report from the National Bureau of Statistics (NBS) indicates that Nigeria's headline inflation continued to ease in December 2025, reflecting a moderation in price growth. The CPI rose modestly to 131.2 points from 130.5 in November, while year-on-year headline inflation declined to 15.15% from 17.33%, signaling improving price stability toward the year-end, supported by easing cost pressures and favorable base effects.

On an annual basis, the disinflation trend was even more pronounced. Headline inflation in December 2025 was 19.65 percentage points lower than the 34.80% recorded in December 2024, highlighting a significant improvement in the inflationary environment despite the revised base year. This reflects better supply conditions and reduced pass-through from earlier shocks.

Month-on-month inflation also moderated, with headline inflation easing to 0.54% in December from 1.22% in November, indicating a slower pace of price increases and improved market supply dynamics.

Food inflation saw a notable decline, falling to 10.84% year-on-year from 39.84% in December 2024. Month-on-month, food prices decreased by 0.36%, driven by lower costs for key staples such as tomatoes, garri, eggs, vegetables, beans, and grains. However, the twelve-month average food inflation remained elevated at 22.00%, highlighting ongoing structural pressures.

Core inflation, which excludes volatile agricultural and energy prices, also moderated. Year-on-year, it declined to 18.63% from 29.28% in December 2024, while month-on-month growth slowed to 0.58% from 1.28% in November, reflecting softer short-term cost pressures. Despite this, the twelve-month average core inflation remained high at 23.49%, pointing to persistent structural inflationary risks.

Inflation trends varied across states in December 2025. Year-on-year headline inflation was highest in Abia (19.03%), Ogun (18.80%), and Katsina (18.66%), and lowest in Sokoto (8.61%), Plateau (9.05%), and Kaduna (10.38%). Month-on-month pressures were strongest in Cross River (-3.11%), Abia (-2.63%), and Delta (-2.53%), while Ondo (-3.74%), Abia (-3.02%), and Jigawa (-1.96%) recorded outright price declines.

Food inflation also showed regional disparities. Year-on-year, Yobe (15.25%), Ogun (14.12%), and Abuja (13.24%) experienced the largest increases, while Akwa Ibom (4.34%), Sokoto (4.62%), and Plateau (6.19%) posted the lowest. Month-on-month, food prices rose most in Imo (3.19%), Nasarawa (3.16%), and Yobe (1.18%), whereas Plateau (-2.76%), Rivers (-2.50%), and Zamfara (-1.93%) saw declines, reflecting localized supply improvements and seasonal harvest inflows.

DOMESTIC ECONOMY: Nigeria Inflation Declines to 15.15% in December Amid Improving Supply Conditions

Looking ahead, Nigeria's inflation trajectory is likely to remain on a moderating path in the near term, supported by easing cost pressures, improved supply conditions, and favorable base effects. Continued stabilization in food and core prices suggests that underlying inflationary pressures are gradually softening, though structural risks remain, particularly in energy and essential commodities. Regional variations in price dynamics are expected to persist, driven by localized supply improvements and seasonal harvest inflows. Overall, barring significant shocks to supply or exchange rates, the outlook points to further disinflation and a gradual return to more stable price levels in early 2026.

EQUITIES MARKET: Broad-Based Gains Drive 2.36% WoW Rise in NGX All-Share Index

The Nigerian equities market maintained its positive trajectory in the third trading week of 2026, extending gains as investor sentiment strengthened markedly from the start of the year. The NGX All-Share Index closed the week at 166,129.50 points, reflecting a robust week-on-week increase of 2.36% and underscoring renewed confidence among market participants.

This bullish momentum translated into a 2.48% expansion in total market capitalization, which rose to ₦106.35 trillion from ₦103.78 trillion in the previous week. Consequently, the market added approximately ₦2.58 trillion in value, lifting the year-to-date return to 6.76%.

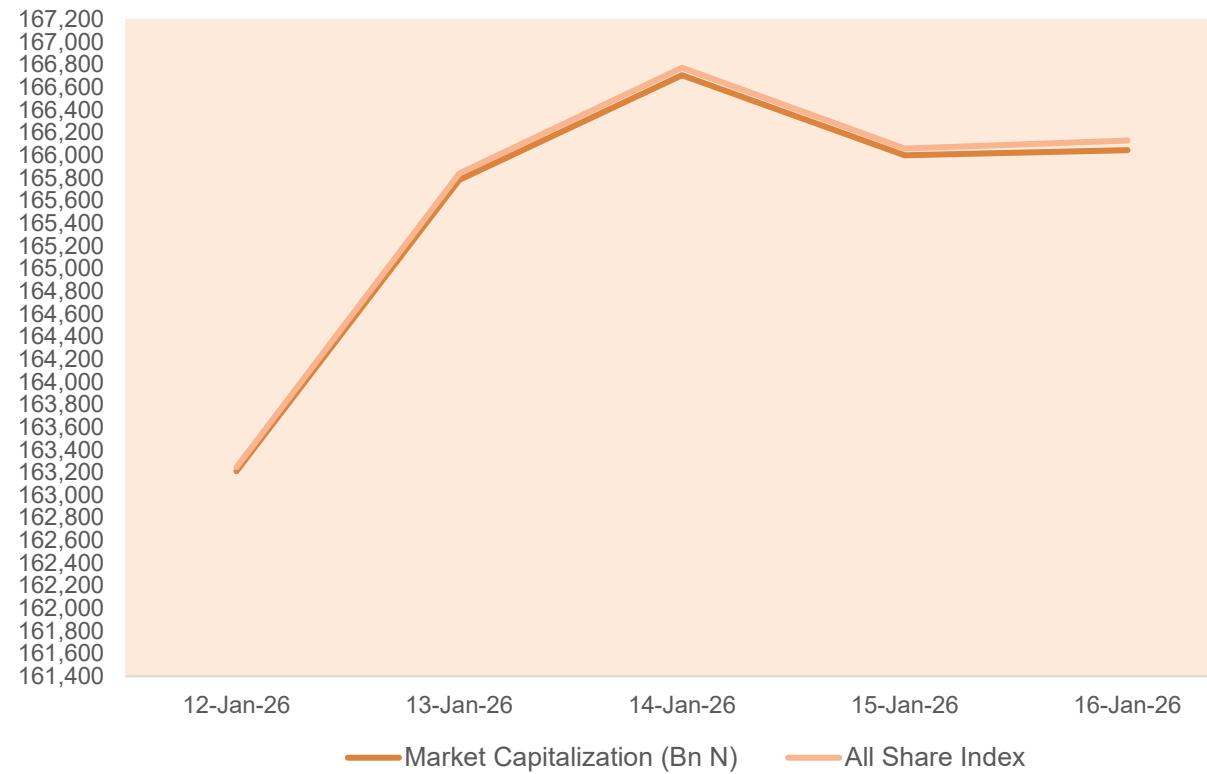
Market breadth remained firmly positive, with a ratio of 4.71x, as 80 advancing stocks significantly outweighed 17 decliners. Trading activity was notably strong during the week, with total deals, volume, and value increasing by 6.59%, 11.74%, and 40.44% week-on-week, respectively signaling heightened investor participation. By the close of the week, a total of 4.62 billion shares valued at ₦130.94 billion were traded across 166,129 deals, highlighting an environment of active market positioning.

Sectoral performance largely reflected the upbeat sentiment across the market. The Oil and Gas sector led the gainers, advancing by 5.71% week-on-week, followed by the Banking sector (+3.45%), Commodity (+2.98%), and Insurance (+1.78%). The Consumer Goods and Industrial Goods sectors also closed the week in positive territory, posting gains of 1.59% and 0.67%, respectively.

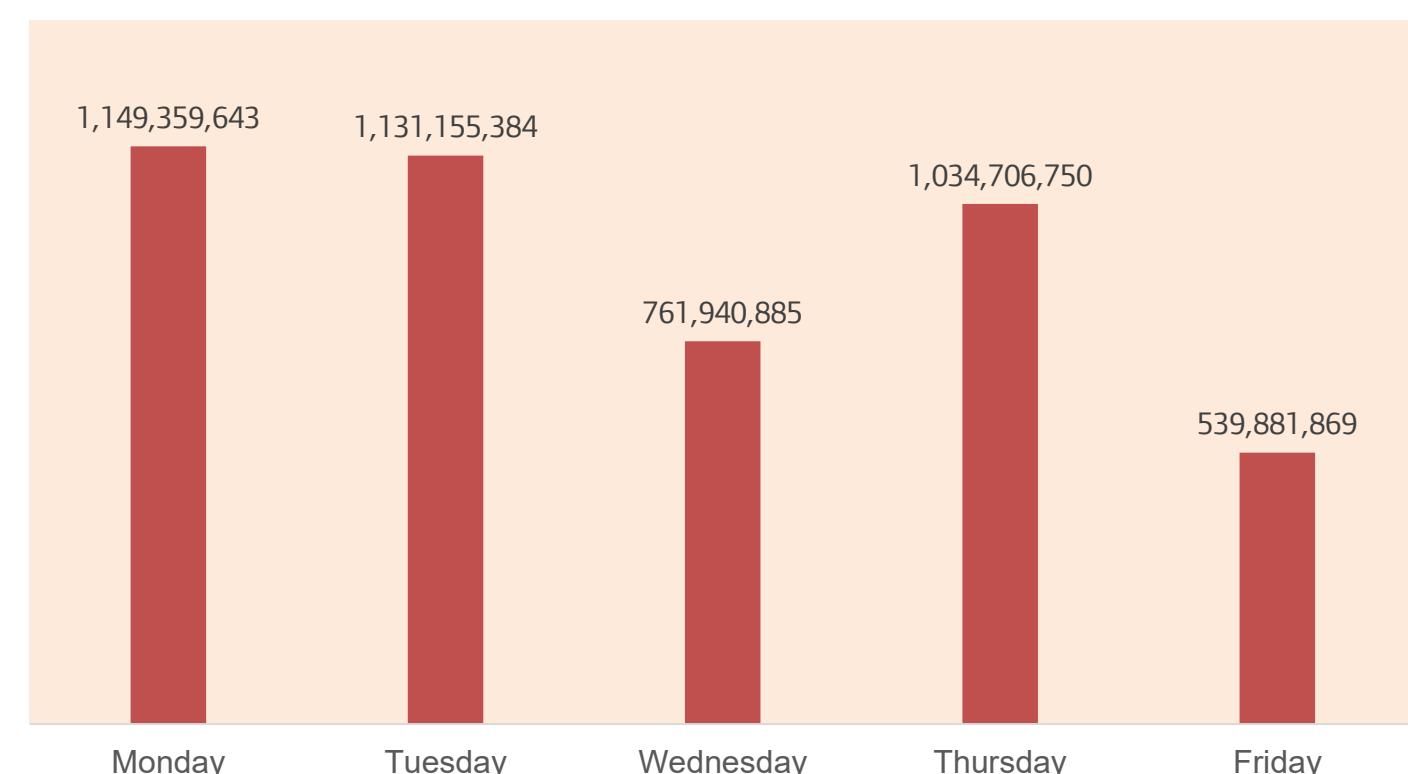
At the stock level, several equities recorded strong rallies. NCR topped the gainers' chart with a 60.8% appreciation, followed by SCOA (+59.4%), DEAPCAP (+48.7%), JAIZBANK (+45.7%), and OMATEK (+38.3%), driven largely by strong accumulation interest. Conversely, IKEJAHOTEL (-12.4%), AUSTINLAZ (-9.2%), ETERNA (-7.7%), UNIVINSURE (-7.7%), and EUNISELL (-7.6%) recorded the steepest losses, reflecting sustained selling pressure in those counters.

Looking ahead to the coming week, the Nigerian equities market is likely to maintain a positive bias in the near term, driven by strengthening investor sentiment, solid market breadth, and sustained trading activity. The broad-based gains recorded across major sectors point to healthy market participation and continued accumulation, particularly in fundamentally strong and undervalued equities. Although bouts of profit-taking may occur following the recent rally, overall market sentiment is expected to remain supportive, reinforced by favorable year-to-date performance and renewed investor confidence.

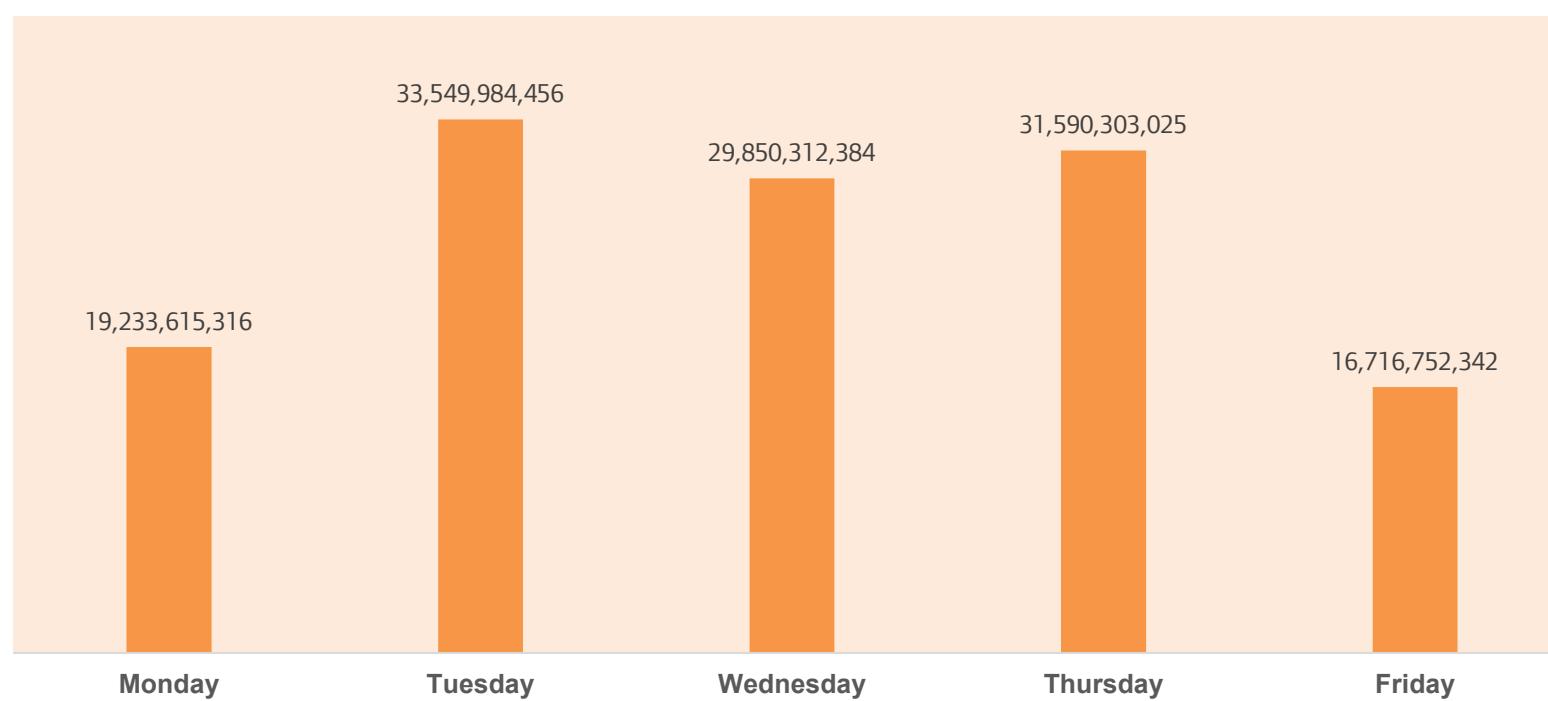
Evolution of Equities Performance Gauges



Daily Traded Volume



Daily Traded Value



Weekly Top Gainers and Losers as at Friday, January 16, 2026

Top Ten Gainers				Bottom Ten Losers			
Symbol	16-Jan-25	9-Jan-25	% Change	Symbol	16-Jan-25	9-Jan-25	% Change
NCR	128.55	79.95	60.8%	IKEJAHOTEL	35.05	40.00	-12.4%
SCOA	14.90	9.35	59.4%	AUSTINLAZ	3.75	4.13	-9.2%
DEAPCAP	4.46	3.00	48.7%	ETERNA	32.30	35.00	-7.7%
JAIZBANK	8.19	5.62	45.7%	UNIVINSURE	1.20	1.30	-7.7%
OMATEK	1.77	1.28	38.3%	EUNISELL	156.95	169.80	-7.6%
REDSTAREX	13.20	10.50	25.7%	LASACO	2.5	2.68	-6.7%
UPDC	6.20	5.00	24.0%	CORNERST	6.35	6.74	-5.8%
ETRANZACT	18.35	15	22.3%	SUNUASSUR	4.77	5.05	-5.5%
NSLTECH	1.08	0.89	21.3%	FIDSON	70.00	73.10	-4.2%

Weekly Stock Recommendations as at Friday, January 16, 2026

Stock	Current EPS	Forecast EPS	BV/S	P/B Ratio	P/E Ratio	52 Wks' High	52 Wks' Low	Current Price	Price Target	Short term Stop Loss	Short term Take Profit	Potential Upside	Recommendation
CADBURY NIGERIA	4.24	4.75	6.16	10.71	15.55x	62.95	15.25	66	73.9	56.1	75.9	12.00	B
FIDELITY BANK PLC	1.81	2.47	18.59	1.08	11.10x	22.45	13.00	20.15	27.4	17.1	23.2	36.00	B
JULIUS BERGER	11.28	13.99	213.25	0.72	13.55x	172.5	58.5	152.9	189.6	130.0	175.8	24.00	B
TRANSCORP	5.34	5.98	30.46	1.63	9.31x	61.95	10.40	49.75	55.7	42.3	57.2	12.00	B
UBA	13.56	18.99	113.62	0.40	3.33x	50.55	22.95	45.20	63.3	38.4	52.0	40.00	B

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