



# COWRY WEEKLY FINANCIAL MARKETS

## REVIEW & OUTLOOK (CWR)



Cowry Research

**DOMESTIC ECONOMY: Domestic Muscle, Foreign Money Tiptoes Back Inside Nigeria's Historic N11.9tn Equity Boom.....**

This week, we begin our analysis by examining the domestic and foreign portfolio investment figures released by the Nigerian Exchange (NGX), which present a positive picture of investor activity in 2025. The data show a 113.24% year-on-year increase in total equity market transactions to N11.92 trillion, from N5.59 trillion recorded in the previous year. This impressive expansion highlights renewed confidence and stronger investor sentiment in the Nigerian equities market.

The surge in activity reflects growing optimism driven by robust corporate earnings releases, improved dividend payouts, and the attractive upside potential of equities relative to the gradually declining yields in the fixed income market. The shift in investor preference was further encouraged by the Central Bank's decision to cut policy rates by 50 basis points in 2025, which reduced yields across the bond and treasury markets and strengthened the appeal of equities.

Following a strong 37.65% gain in 2024, the NGX All-Share Index (ASI) sustained its bullish momentum in 2025, advancing by 51.19% year-to-date. Investor sentiment strengthened steadily throughout the year, supported by solid corporate performance, consistent dividend declarations, improving currency stability, and bargain hunting in fundamentally sound stocks. These factors collectively positioned the NGX as the fourth best-performing stock exchange in Africa in 2025. Market activity was relatively subdued in the first half of the year, as investors initially favored fixed income instruments amid elevated yields and tight monetary conditions. However, momentum gathered pace in the second half, driven by policy reforms, improving macroeconomic clarity, and enhanced return prospects in the equities market. Transaction volumes increased steadily from mid-year and peaked around July and October, reflecting growing investor confidence and improved market stability.

Domestic investors remained the backbone of market liquidity, accounting for 77.79% of total transactions, valued at N9.27 trillion. This dominance underscores the increasing strength of local capital in sustaining trading activity. Institutional investors, including pension fund administrators, asset managers, and other large investment firms, led domestic participation, supported by expanding assets under management and portfolio rebalancing away from fixed income securities in response to declining yields. Retail investors also maintained healthy participation levels, aided by greater financial inclusion, digital trading platforms, and rising market awareness.

Foreign investors contributed 22.21% of total transactions, equivalent to N2.65 trillion, marking a significant improvement from the prior year. This resurgence reflects a gradual return of offshore interest in Nigerian equities, particularly during the second half of the year. Improved foreign exchange market conditions, attractive equity valuations, and strong return prospects played key roles in drawing foreign capital back into the market. Although foreign participation remains below domestic levels, the upward trend signals rebuilding confidence in Nigeria's investment landscape.

Further analysis of foreign flows shows that total inflows reached N1.40 trillion, while outflows stood at N1.24 trillion, resulting in a net positive inflow of approximately N161 billion. This represents a notable turnaround from previous years that recorded persistent net outflows, indicating a cautious but steady re-engagement of foreign investors. Nonetheless, the sustainability of these flows remains sensitive to foreign exchange liquidity, inflation trends, and the consistency of macroeconomic reforms. Year-on-year comparison reveals that total market transactions more than doubled in 2025, while foreign participation expanded by over 200%. Domestic transactions also grew by nearly 96%, reflecting strong local confidence and reinforcing the improving depth, liquidity, and resilience of the Nigerian equity market.

Looking ahead into 2026, Cowry Research expects market activity to remain robust in the near term, supported by positive corporate earnings outlook, moderating fixed income yields, and sustained portfolio reallocation into equities. In the short-medium term, foreign participation will largely depend on stable foreign exchange availability, disciplined macroeconomic management, and the continued implementation of structural reforms. With total market transactions approaching N12 trillion, the Nigerian equities market appears to be entering a phase of stronger liquidity, broader participation, and deeper investor confidence, laying a solid foundation for sustained growth in 2026 and beyond. ....

## EQUITIES MARKET: NGX Ends Week Lower (-0.09%) Despite 0.18% Rise in Market Capitalization

The Nigerian equities market closed the week on a negative note, extending its losing streak as investor sentiment weakened amid sustained profit-taking pressure. The NGX All-Share Index (ASI) settled at 165,370.40 points, representing a week-on-week decline of 0.09% and highlighting subdued market confidence.

Despite the downturn in the benchmark index, market capitalization advanced by 0.18% to ₦106.15 trillion from ₦105.96 trillion in the prior week. This increase was driven by the additional listing of 125 million ordinary shares of 50 kobo each by Guaranty Trust Holding Company Plc and 166 million ordinary shares of 50 kobo each by Presco Plc. Consequently, the market recorded an approximate ₦194 billion increase in value, while the year-to-date return moderated to 6.82%.

Market breadth remained negative at 0.88x, as 43 gainers were outweighed by 49 decliners, signaling cautious investor participation despite pockets of selective bargain hunting. Trading activity also softened over the week, with total deals, traded volume, and traded value declining by 6.31%, 17.64%, and 18.34%, respectively. By the end of the week, investors exchanged a total of 3.09 billion shares valued at ₦81.58 billion across 222,318 deals, reflecting cautious positioning and persistent sell-offs.

Sectoral performance was mixed, broadly reflecting the subdued market sentiment. The Insurance, Consumer Goods, Oil & Gas, Industrial Goods, and Commodity sectors posted gains of 0.81%, 0.69%, 0.06%, 0.09%, and 0.01%, respectively, while the Banking sector declined by 0.67% week-on-week.

On a stock-specific basis, ZICHIS topped the gainers' chart with a 59.9% appreciation, followed by OMATEK (+49.3%), UHOMREIT (+32.9%), MORISON (+32.8%), and SCOA (+32.8%), largely driven by increased accumulation interest. Conversely, NEIMETH (-26.0%), LIVINGTRUST (-21.4%), MAY & BAKER (-19.5%), LIVESTOCK (-13.7%), and AUSTINLAZ (-13.1%) recorded the steepest losses, reflecting sustained selling pressure in those equities.

Looking ahead, we expect the equities market is expected to remain cautious in the near term, with profit-taking and weak liquidity weighing on sentiment. However, the ongoing release of corporate earnings may drive selective buying in stocks with strong results and dividend potential. Overall, the market is likely to trade range-bound with a mild bearish bias, increasingly guided by earnings performance.



## FOREIX MARKET: Naira Strengthens Amid Rising Reserves and Steady Oil Prices

The naira strengthened against the U.S. dollar this week, appreciating 2.53% in the official window to ₦1,386.55/\$ and 2.11% in the parallel market to ₦1,444.19/\$

Nigeria's external reserves rose modestly by 0.26% to \$46.11 billion, supported by steady oil receipts, stronger non-oil inflows, and a trade surplus.

Oil prices rebounded after U.S. President Donald Trump's remarks about a naval "armada" heading to Iran heightened geopolitical risks.

In the oil market, prices inched higher as the U.S. Federal Reserve maintained its interest rates. WTI crude traded at \$65.73, Brent crude at \$70.85, while Bonny Light crude surged 9.33% to \$73.92.

The naira is expected to maintain moderate gains, supported by steady oil receipts, stronger non-oil inflows, and a trade surplus. Oil prices are likely to remain stable to mildly bullish, reflecting steady global demand and the U.S. Fed's unchanged interest rates.

## BOND MARKET: Nigerian Secondary Bond Market Strengthens Amid FGN Auction; Eurobonds See Mild Sell-Off.....

The first Federal Government of Nigeria (FGN) monthly bond auction for 2026, conducted by the Debt Management Office (DMO), offered N900bn across the Feb '31, Feb '34, and Jan '35 papers, nearly double the N460bn offered in December 2025, reflecting a front-loaded first-quarter borrowing strategy. Strong investor interest, supported by ample liquidity and attractive yields, pushed total subscriptions to N2.3trn, a bid-to-cover ratio of 2.5x, compared with 1.94x previously.

The DMO raised N1.5trn, a sales-to-bid ratio of 1.72x, well above December's 1.30x. Demand was strongest for medium-dated tenors: Feb '34 attracted N1.0trn in bids (N576.3bn sold) and Jan '35 had N731.4bn in subscriptions (N570.2bn sold). The shorter Feb '31 paper drew N514.0bn in bids (N398.2bn sold), exceeding the N300bn on offer, with non-competitive allotments of N17.5bn and N113.2bn for Feb '31 and Jan '35, respectively. Stop rates settled within 17–18%: Feb '31 at 17.62%, Feb '34 at 17.50%, and Jan '35 at 17.52%, highlighting strong demand and expectations of continued investor appetite for government securities

In contrast, the Nigerian sovereign Eurobond market recorded a negative performance during the week. Average yields increased by 2 basis points week-on-week to 7.07%, driven by investor sell-offs amid weakening confidence. This upward movement in yields reflects a more cautious sentiment toward Nigeria's external debt instruments.

In the coming week, the Nigerian secondary bond market is expected to remain supported by strong domestic demand, with yields staying stable or declining modestly. In contrast, the sovereign Eurobond market may face upward pressure on yields if external investor sentiment stays cautious, with global risks and Nigeria's debt management closely watched.

**MONEY MARKET: Liquidity Withdrawal Wave Reshapes Short-Term Rate Landscape.....**

Funding conditions tightened significantly in the money market this week as sizeable liquidity withdrawals from OMO operations and bond settlements compressed system balances. Net system liquidity moderated to a surplus of N1.91 trillion, representing a 31.4% week-on-week decline from N2.78 trillion. The contraction was driven primarily by cumulative OMO debits of about N5.9 trillion alongside N1.54 trillion deducted for the settlement of Monday's bond auction, which materially reduced closing system liquidity. This outweighed the matured N900 billion in OMO on Tuesday.

The tighter liquidity backdrop fed directly into interbank funding costs. Overnight NIBOR advanced by 154 basis points to close at 24.36% as market participants grappled with reduced cash availability following CBN and DMO settlement debits. Upward repricing was also observed across term funding benchmarks, with the 1-month, 3-month and 6-month NIBOR tenors rising by 124bps, 114bps and 123bps respectively. Open Repo (OPR) and Overnight (OVN) rates climbed more sharply, each jumping 357bps to close at 26.07% and 26.36%, underscoring the intensity of the liquidity squeeze and the elevated cost of short-term funds.

In the Treasury space, yield movements were mixed despite funding pressures. NITTY rates trended downward as investors positioned ahead of the next primary market Treasury bills auction and limited activity in the secondary segment. Yields declined by 40bps at the 1-month, 13bps at the 6-month and 152bps at the 12-month tenors, while the 3-month maturity remained largely unchanged. Meanwhile, sentiment in the secondary Treasury bills market was bullish, with strong demand concentrated at the long end of the curve driving a 35bps decline in average yields, reflecting persistent duration appetite even amid tight liquidity.

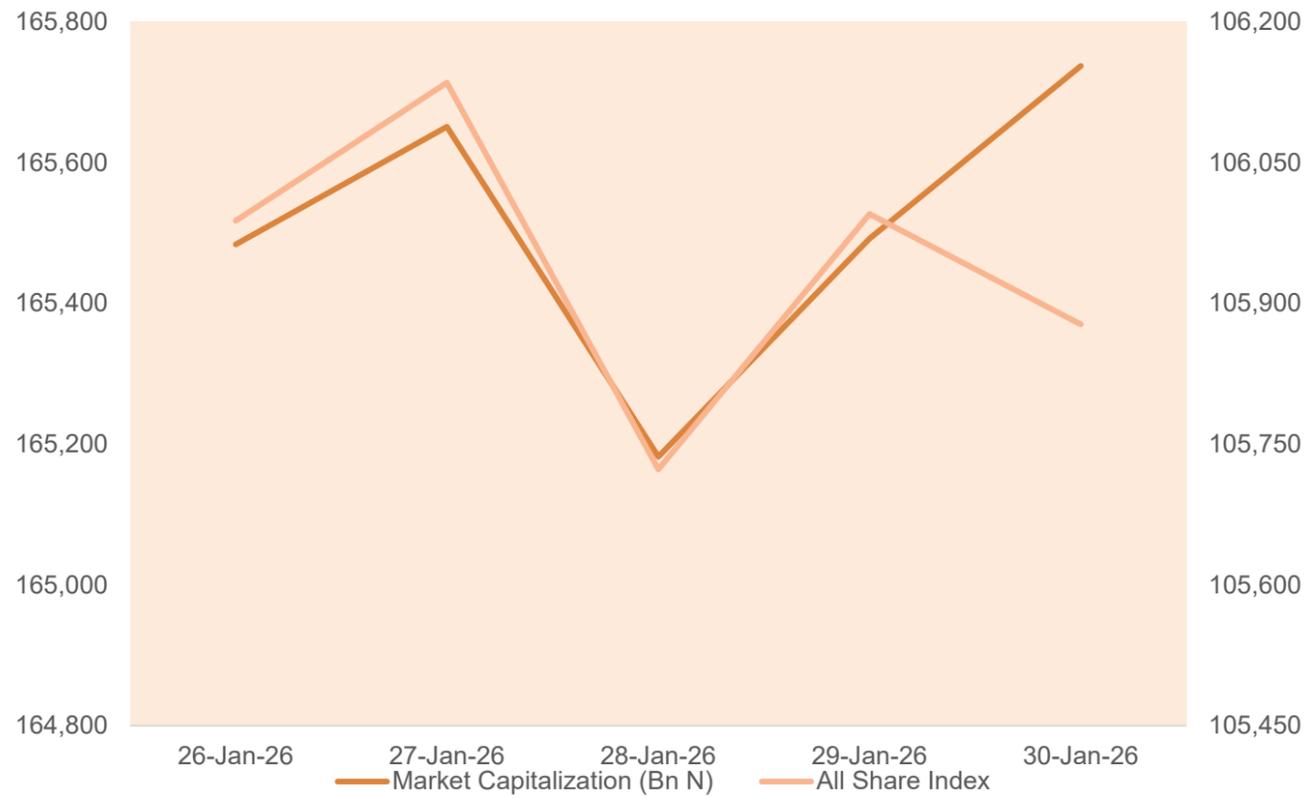
Liquidity management remained the dominant theme, with the CBN conducting three OMO auction sessions during the week. On Tuesday, N600 billion was offered across the 210-day and 350-day maturities, attracting subscriptions of N4.9 trillion; however, no allotments were made, indicating resistance to prevailing bid levels. Thursday's auction recorded exceptionally strong demand, particularly at the longer tenor. The 348-day paper drew N4.57 trillion in bids against a N300 billion offer, while the 208-day bill garnered N1.36 trillion. Despite an initial total offer of N600 billion, the CBN executed an aggressive liquidity mop-up, allotting N3.79 trillion in total, with the 348-day tenor accounting for N3.70 trillion of sales.

At Friday's OMO auction held on January 30, 2026, two maturities—207-day and 354-day bills—were offered at N300 billion each. The 207-day instrument, maturing August 25, 2026, received subscriptions of N396.14 billion with bid yields ranging from 17.6990% to 19.0400%, but no sale was recorded, suggesting continued reluctance by the issuer to accommodate higher short-end rates. Conversely, the 354-day bill maturing January 19, 2027 attracted N2.17 trillion in subscriptions, with bids spanning 17.1500% to 18.4400%. The instrument cleared at a stop rate of 17.25%, and total allotment reached N2.11 trillion, far exceeding the initial offer size and reinforcing the strong investor bias toward longer-dated OMO instruments.

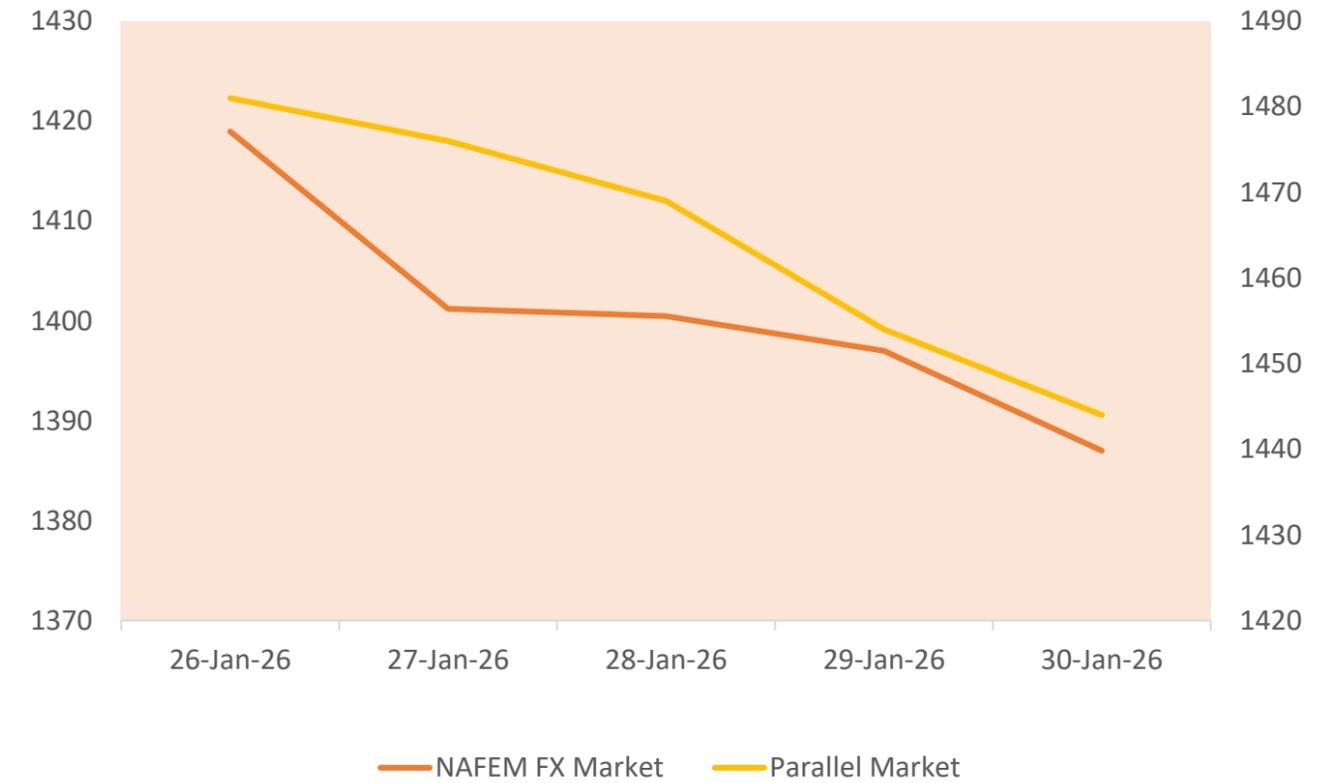
Looking ahead, liquidity conditions are expected to remain constrained. Although N669 billion in Treasury bills maturities and N700 billion in OMO maturities, alongside anticipated FAAC inflows, should provide some liquidity relief, these inflows are likely to be substantially offset by settlement for an estimated N1.15 trillion in upcoming Treasury bills primary issuance. Consequently, short-term funding rates are expected to stay elevated, while sustained demand for longer-duration risk-free instruments may continue to exert downward pressure on yields at the long end of the curve..



Evolution of Equities Performance Gauges



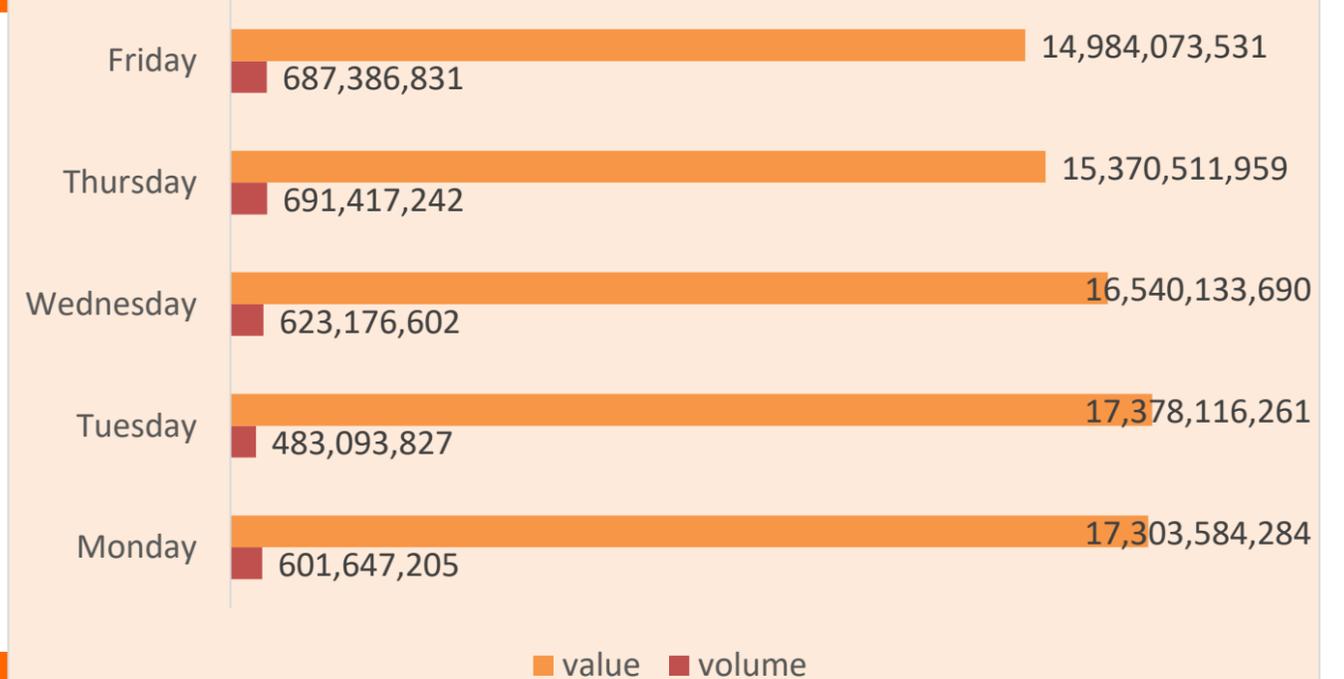
Evolution of NGN/USD Exchange Rates



FGN Eurobonds Yields as at Friday , January 30, 2026

FGN Eurobonds	Issue Date	TTM (years)	30-Jan-26 Price (N)	Weekly USD Δ	30-Jan-26 Yield	Weekly PPT Δ
6.50 NOV 28, 2027	28-Nov-17	1.83	101.32	0.00	5.7%	-0.08
6.125 SEP 28, 2028	28-Sep-21	2.66	100.73	0.00	5.8%	-0.02
8.375 MAR 24, 2029	24-Mar-22	3.15	106.40	0.00	6.1%	-0.02
7.143 FEB 23, 2030	23-Feb-18	4.07	103.17	0.00	6.3%	0.03
8.747 JAN 21, 2031	21-Nov-18	4.98	108.90	0.00	6.7%	0.03
7.875 16-FEB-2032	16-Feb-17	6.05	104.33	0.00	7.1%	0.06
7.375 SEP 28, 2033	28-Sep-21	7.67	101.15	0.00	7.2%	0.06
7.696 FEB 23, 2038	23-Feb-18	12.07	99.28	0.00	7.9%	0.07
7.625 NOV 28, 2047	28-Nov-17	21.84	93.81	0.00	8.3%	0.07
9.248 JAN 21, 2049	21-Nov-18	22.99	109.07	0.00	8.4%	0.05
8.25 SEP 28, 2051	28-Sep-21	25.68	98.05	0.00	8.5%	0.01
						7.07%

Daily Traded Volume and Value



*Weekly Top Gainers and Losers as at Friday, January 30, 2026*

Top Ten Gainers				Bottom Ten Losers			
Symbol	30-Jan-26	21-Jan-26	% Change	Symbol	30-Jan-26	21-Jan-26	% Change
ZICHIS	4.19	2.62	59.9%	NEIMETH	9.80	13.25	-26.0%
OMATEK	3.00	2.01	49.3%	LIVINGTRUST	4.05	5.15	-21.4%
UHOMREIT	94.85	71.35	32.9%	MAYBAKER	35.00	43.50	-19.5%
MORISON	9.99	7.52	32.8%	LIVESTOCK	6.30	7.30	-13.7%
SCOA	31.60	23.80	32.8%	AUSTINLAZ	3.90	4.49	-13.1%
ABBEYBDS	9.40	7.10	32.4%	CHAMPION	18	20	-10.0%
DEAPCAP	9.39	7.14	31.5%	IKEJAHOTEL	32.25	35.8	-9.9%
RTBRISCOE	7.86	5.98	31.4%	UNIONDICON	8.75	9.70	-9.8%
SKYAVN	128.60	99.95	28.7%	IMG	31.50	34.85	-9.6%
VERITASKAP	2.45	1.96	25.0%	ROYALEX	2.18	2.40	-9.2%

*Weekly Stock Recommendations as at Friday, January 30, 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
DANGOTE SUGAR	-0.87	-1.10	16.34	3.98	-74.54x	75.6	31.1	65.00	82.3	55.3	74.8	26.67	Buy
HONEYWELL FLOUR	0.20	0.28	4.95	4.47	108.50x	0.20	0.28	22.15	30.6	18.8	25.5	38.00	Buy
JULIUS BERGER	11.28	14.44	213.25	0.85	16.13x	182	110	182.00	233.0	154.7	209.3	28.00	Buy
UBA PLC	13.56	18.99	113.62	0.39	3.27x	50.55	22.95	44.30	62.0	37.7	50.9	40.00	Buy
ZENITHH BANK PLC	5.64	7.43	115.17	0.62	12.67x	78.50	43.00	71.45	94.1	60.7	82.2	31.73	Buy

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