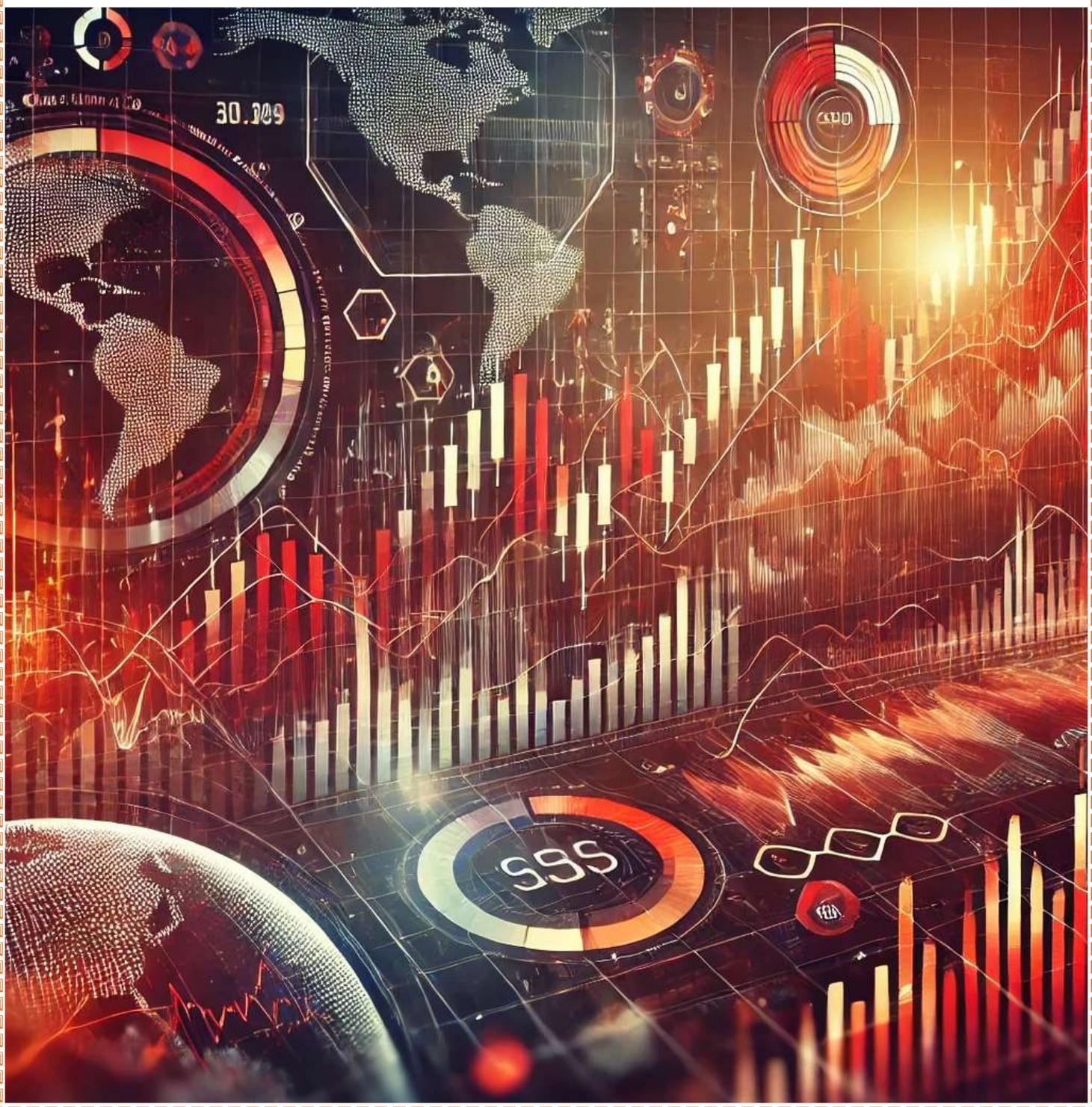


COWRY RESEARCH

MONTHLY MARKET REPORT

FEBRUARY 2026



Macro Tailwinds Strengthen as Nigeria Posts 3.87% GDP Growth in 2025 on Non-Oil Strength.....

The latest report published by the National Bureau of Statistics shows that Nigeria’s real GDP expanded by 3.87% year-on-year in 2025, improving from 3.38% year-on-year in 2024 and marginally outperforming our 3.86% forecast for 2025.

The stronger-than-expected outturn reflects a more supportive macroeconomic environment, underpinned by a gradual recovery in consumer demand as inflationary pressures eased, improved foreign exchange market stability, and a less aggressive monetary policy posture by the Central Bank of Nigeria during the year.

Growth in 2025 was broad-based, driven by solid real sector expansion across Industry (4.57%), Services (4.14%), and Agriculture (2.92%). Performance across oil refining, construction, transportation, financial services, mining and quarrying underscores the positive effects of lower input costs, relative FX stability, and post-harvest gains on productive activity.

In real terms, aggregate GDP rose to ₦221.55 trillion in 2025 from ₦213.29 trillion in 2024, with Q4’25 recording the strongest quarterly contribution at ₦63.97 trillion. Nominal GDP increased sharply to ₦431.18 trillion from ₦364.62 trillion a year earlier, reflecting the impact of the recent GDP rebasing using 2019 as the base year.

On a quarterly basis, real GDP growth accelerated to 4.07% year-on-year in Q4’25, from 3.98% year-on-year in Q3’25 and 3.76% year-on-year in Q4’24, highlighting improving growth momentum into year-end.

The services sector remained the dominant growth driver, accounting for 55.9% of real GDP in Q4’25 (up from 53.0%

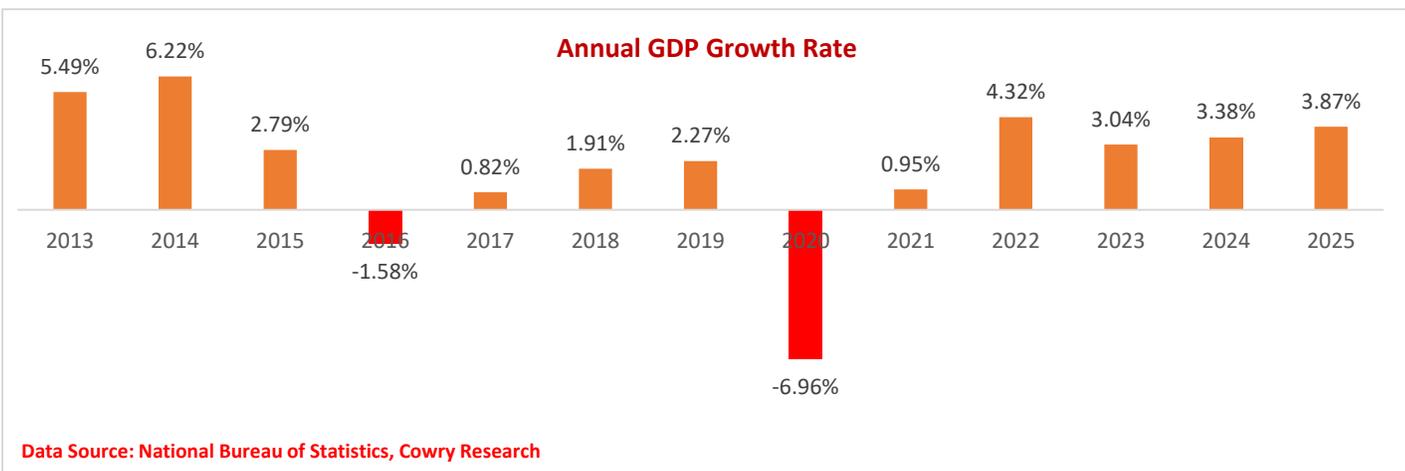
in Q3’25). Although sectoral growth of 4.15% year-on-year was unchanged from Q3’25, it moderated from 4.75% year-on-year in Q4’24, with support coming mainly from information and communication, financial and insurance services, trade, and real estate.

In the oil sector, average daily crude oil production stood at 1.58 million barrels per day (mbpd) in Q4’25, slightly above 1.54 mbpd in Q4’24, but lower than 1.64 mbpd in Q3’25. Real oil sector growth accelerated to 6.79% year-on-year in Q4’25, compared with 2.08% year-on-year in Q4’24 and 5.84% year-on-year in Q3’25, although the sector contracted by 6.30% quarter-on-quarter.

On a full-year basis, oil sector growth improved to 8.50% in 2025, up from 5.54% in 2024. The sector’s contribution to real GDP stood at 2.87% in Q4’25, slightly higher than 2.80% in Q4’24, but lower than 3.44% in Q3’25, with full-year contribution at 3.53%, up from 3.38% in 2024.

The non-oil sector expanded by 3.99% year-on-year in Q4’25, exceeding growth of 3.80% in Q4’24 and 3.91% in Q3’25. Growth was driven by agriculture (crop production), telecommunications, real estate, trade, financial services, construction, transportation, and food and beverage manufacturing.

The sector accounted for 97.13% of real GDP in Q4’25, marginally lower than 97.20% in Q4’24, but higher than 96.56% in Q3’25. On an annual basis, the non-oil sector contributed 96.47% in 2025, slightly below 96.62% in 2024.



Headline Inflation Slows Further to 15.10% as Price Pressures Continue to Ease....

The latest Consumer Price Index (CPI) report released by the National Bureau of Statistics (NBS) shows that Nigeria’s headline inflation moderated further in January 2026, easing to 15.10% year-on-year from 15.15% in December.

This marks another consecutive month of disinflation, reinforcing the view that price pressures are easing faster than anticipated. January’s reading is the lowest since 2022, reflecting improved stability in the foreign exchange market, softer energy costs, and favourable base effects following the CPI rebasing earlier in the year.

On a month-on-month basis, inflation declined sharply to -2.88% in January, representing a 3.42 percentage-point drop from 0.54% recorded in December 2025.

This indicates that beyond the improving annual trend, short-term price pressures also moderated significantly during the month. Much of the movement was driven by the food basket, which remains the most heavily weighted component of Nigeria’s inflation structure.

Compared to January 2025, when headline inflation stood at 27.61%, the current 15.10% rate reflects a substantial 12.51 percentage-point decline, underscoring the strength of the disinflation process over the past year.

Food inflation followed a similar trajectory, slowing to 8.89% year-on-year in January 2026, a sharp 20.73 percentage-point decline from 29.63% recorded in January 2025. On a monthly basis, food inflation printed at -6.02%, down by 5.66 percentage points from -0.36% in December 2025.

The moderation was largely driven by lower prices of key staples such as water yam, eggs, green peas, groundnut oil, soya beans, palm oil, maize, guinea corn, beans, beef, egusi, cassava tubers, and cowpeas.

Other sub-sectors, including restaurants and accommodation (1.95%), transportation (1.61%), and housing utilities (1.27%), also contributed to the overall easing in price levels during the month.

Core inflation, which excludes food and energy, declined to 17.72% year-on-year in January 2026, representing a significant 7.55 percentage-point drop from 25.27% in January 2025.

On a month-on-month basis, core inflation slowed to -1.69% from 0.58% in December 2025. This sustained moderation in core inflation signals that underlying price pressures are gradually normalizing, pointing to improving macroeconomic stability in the medium term.

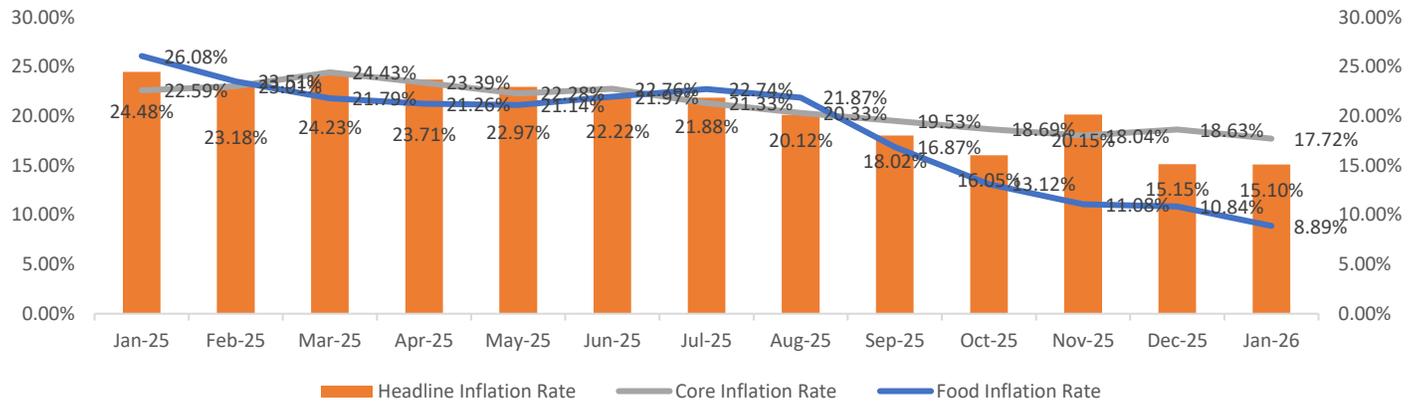
At the state level, inflation dynamics remained mixed. Year-on-year headline inflation was highest in Benue (22.48%), Kogi (20.98%), and Abuja (19.25%), while Ebonyi (8.72%), Katsina (8.94%), and Imo (1.93%) recorded the lowest increases.

Month-on-month inflation was strongest in Imo (1.93%), Ondo (1.93%), and Kaduna (0.67%), whereas Cross River (-6.34%), Ogun (-6.30%), and Kogi (-6.03%) recorded outright price declines.

Food inflation also showed regional disparities. On a year-on-year basis, Kogi (19.84%), Nasarawa (18.38%), and Adamawa (17.29%) recorded the highest increases, while Ebonyi (1.69%), Abia (3.23%), and Imo (3.74%) posted the mildest rises.

Month-on-month data showed food price increases in Imo (-1.26%), Akwa Ibom (-2.21%), and Zamfara (-2.96%), while sharper declines were observed in Yobe (-11.88%), Nasarawa (-9.06%), and Sokoto (-8.31%), suggesting localized supply improvements and seasonal harvest effects.

Monthly Evolution of Nigeria's Inflation



CBN Rate Cut and Market Confidence Boost Naira, Parallel Market Also Rallies...

The Nigerian foreign exchange market recorded a positive performance in February, with the naira appreciating by 1.70% month-on-month at the official window to close at ₦1,363.40/\$1, compared to ₦1,386.55/\$1 at the end of January.

The appreciation reflects a continuation of improved FX liquidity conditions, supported by disinflationary trends and policy easing by the Central Bank of Nigeria, which reduced the Monetary Policy Rate (MPR) by 50 basis points to 26.50% at its February MPC meeting. Enhanced FX supply and improved market confidence also contributed to the relative stability recorded during the month.

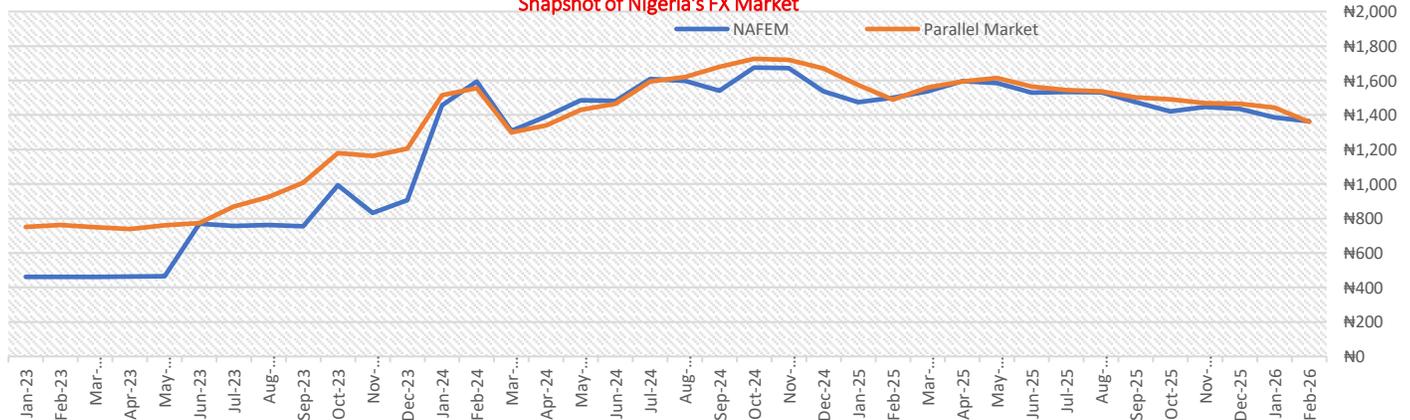
However, gains were partially constrained by seasonal dollar demand pressures and external headwinds. Notably, the US Dollar Index rebounded in mid-February, rising from

a four-year low near 95.5 to above 98 amid concerns that the U.S. Federal Reserve may delay further rate cuts due to persistent inflationary pressures. This strengthened dollar environment tempered the pace of naira appreciation.

In the parallel market, the naira also improved, closing at ₦1,360/\$1 in February compared to ₦1,444/\$1 in January. The recovery was underpinned by steady diaspora remittances and relatively moderated demand for foreign currency in the informal segment.

Nonetheless, the durability of this stability remains fragile, given Nigeria’s structural external sector vulnerabilities and continued volatility in global crude oil prices, the country’s primary source of foreign exchange earnings.

Snapshot of Nigeria's FX Market



Source: CBN, Abokiforex, Naira Rates.com, Cowry Research

Strong Investor Appetite Drives NGX Rally; Market Capitalisation Tops ₦123 Trillion.....

The Nigerian equities market recorded a strong rally in February, as the benchmark NGX All-Share Index advanced by 16.61% month-on-month to close at 192,826.77 points, up from 165,370.40 points in January. In tandem, market capitalisation increased by 16.59% to settle at ₦123.76 trillion, reflecting robust investor participation and renewed risk appetite.

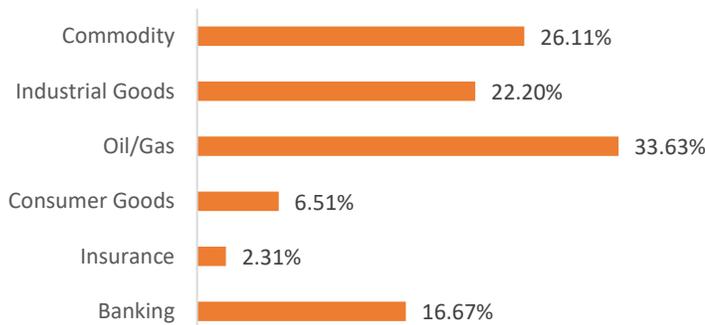
Following this strong monthly performance, the market delivered a solid year-to-date return of 23.91%, underpinned by sustained buying interest across large- and mid-cap stocks.

Sectoral performance was broadly positive, with gains recorded across all major indices. The Oil & Gas sector led the rally with a 33.63% month-on-month increase, followed by the Commodity sector at 26.11%.

Other sectors also closed in positive territory: Industrial Goods (+22.20%), Banking (+16.67%), Consumer Goods (+6.51%), and Insurance (+2.31%), reflecting widespread bullish sentiment and improved market breadth during the period.

Top Ten M-O-M Gainers				Bottom Ten M-O-M Losers			
Symbol	27-Feb-26	30-Jan-26	% Change	Symbol	27-Feb-26	30-Jan-26	% Change
FTGINSURE	0.94	0.20	370.00%	SOVRENINS	2.21	3.51	-37.04%
ZICHIS	17.36	4.19	314.32%	TRIPPLEG	4.73	7.29	-35.12%
INFINITY	19.00	9.00	111.11%	MECURE	75.85	104.00	-27.07%
UNIONDICON	16.60	8.75	89.71%	UHOMEIT	69.25	94.85	-26.99%
RTBRISCOE	12.51	7.86	59.16%	DEAPCAP	7.20	9.39	-23.32%
JBERGER	288.00	182.00	58.24%	MULTIVERSE	22.70	28.25	-19.65%
JAPAULGOLD	3.86	2.44	58.20%	UPDCREIT	7.60	8.95	-15.08%
JAIZBANK	12.63	8.00	57.88%	FTNCOCOA	6.00	7.00	-14.29%
CUSTODIAN	68.00	44.00	54.55%	SUNUASSUR	4.43	5.13	-13.65%
REDSTAREX	31.95	20.80	53.61%	ELLAHLAKES	13.00	15.05	-13.62%

February 2026 Sectoral Performance



Movement in the NGX-ASI & Market Capitalisation



Surge in Liquidity Drives Sharp Drop in NIBOR and T-Bill Yields in February.....

The Nigerian money market remained highly liquid throughout February, providing a favourable environment for short-term instruments and overall funding conditions. System liquidity was supported by ₦1.43 trillion in T-bill maturities, ₦1.65 trillion in OMO maturities, and ₦1.7 trillion FAAC inflows, leaving banks awash with cash, easing funding pressures, and driving interbank rates lower.

The overnight NIBOR declined sharply by 865bps month-on-month to 22.00%, while the 1-month, 3-month, and 6-month tenors moderated by 768bps, 655bps, and 666bps, settling at 22.91%, 23.64%, and 24.34%, respectively. This broad decline reflected liquidity-driven relief across the banking system.

Investor attention, however, shifted toward treasury instruments, where demand for higher yields remained firm. The NTB yield curve trended downward, signaling improved investor appetite, with the 1-month, 3-month, 6-month, and 12-month benchmark yields declining by 0.90%, 3.51%, 4.25%, and 7.24% month-on-month, respectively.

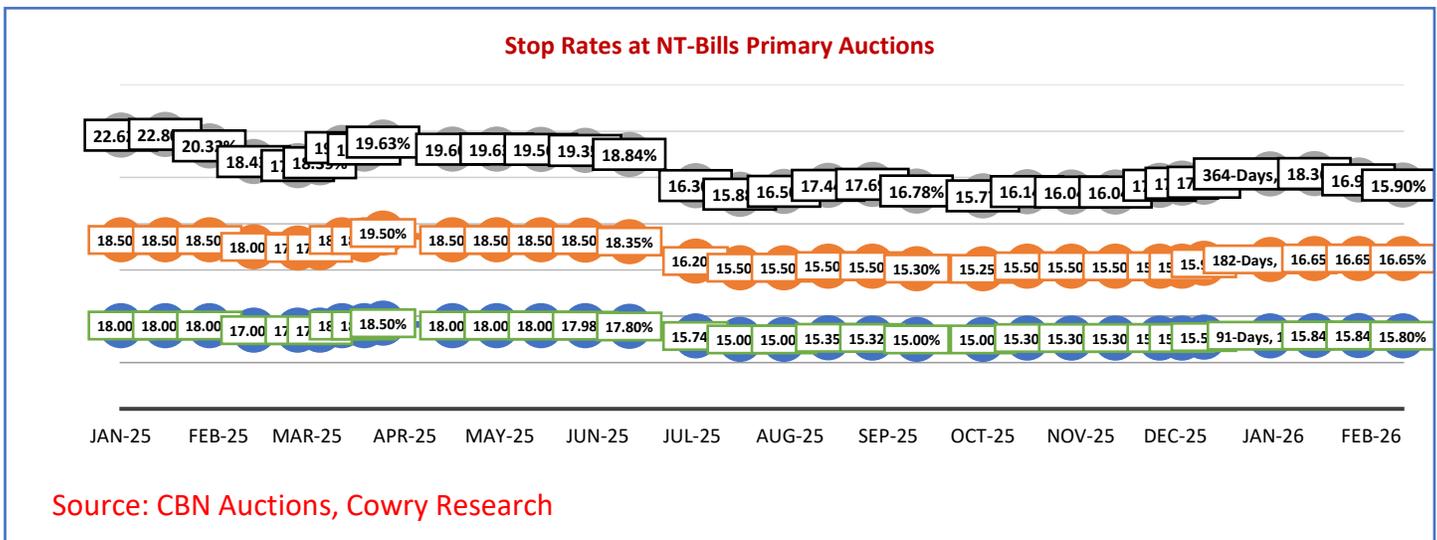
In the secondary market, strong buying interest spanned the short, mid, and long ends of the curve as investors increased

exposure to tenor-rich instruments, driving average T-bill yields down by 543bps month-on-month to 17.23%.

The OMO market mirrored this trend. Although the Central Bank of Nigeria offered ₦600 billion across the 6-day, 104-day, and 167-day maturities, total subscriptions reached ₦1.93 trillion, representing a 3.22x bid-to-cover ratio. Of this, over ₦300 billion targeted the longer 167-day paper, with total allotments of ₦1.11 trillion at stop rates of 21.94% (6-day), 18.45% (104-day), and 18.77% (167-day).

At the final NTB auction of the month, investors favored the 364-day tenor to hedge against reinvestment risk amid rate volatility. Against a total offer of ₦1.15 trillion (₦150 billion for 91-day, ₦200 billion for 182-day, ₦800 billion for 364-day), total demand reached ₦4.28 trillion, with nearly 90% concentrated in the 364-day paper.

The Debt Management Office (DMO) allotted ₦1.90 trillion, with stop rates settling at 15.80%, 16.65%, and 15.90%, while the bid-to-cover ratio rose sharply to 3.72x, reflecting strong investor appetite.



Domestic and Eurobond Markets Rally in February Amid Strong Demand for Longer-Dated Papers....

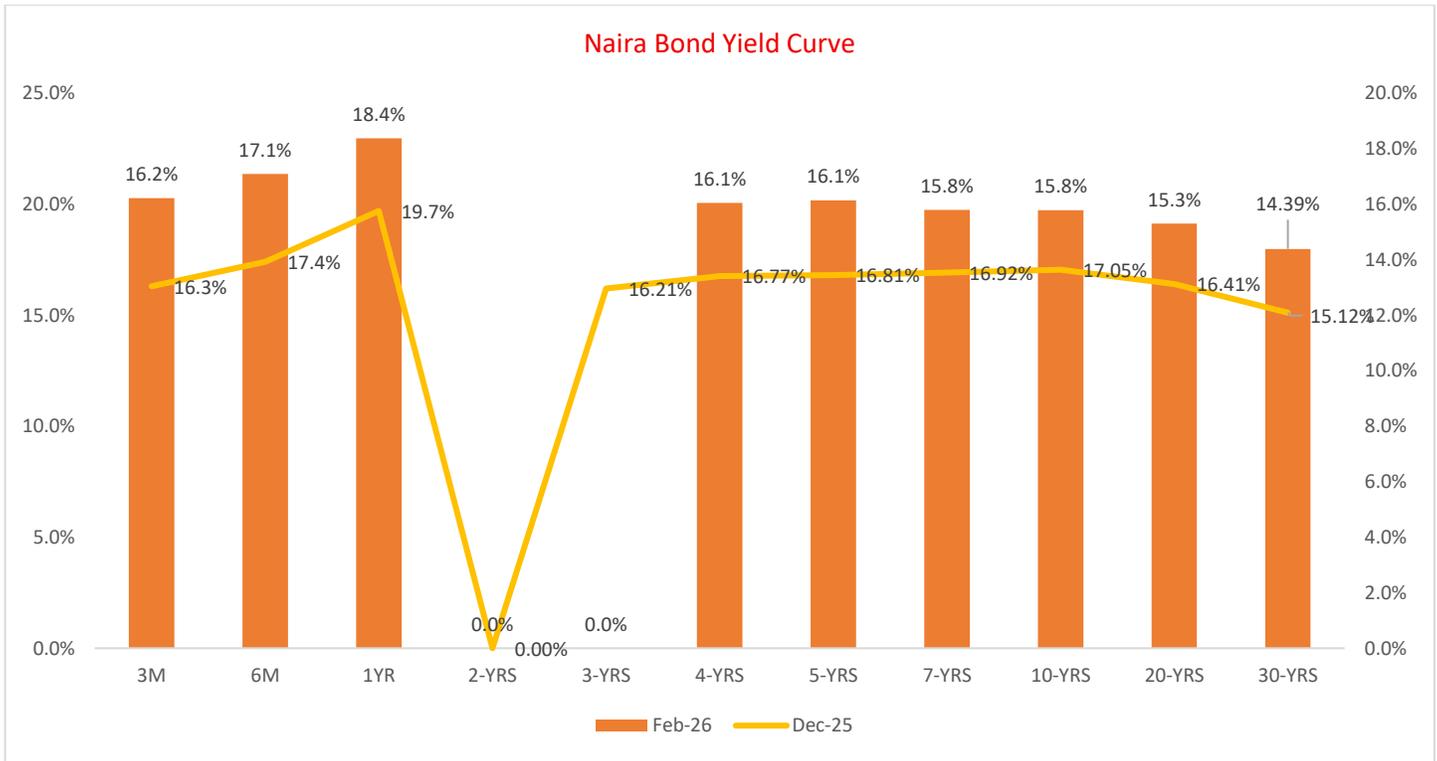
The Nigerian domestic bond market closed February on a bullish note, with average yields declining sharply by 570bps month-on-month to 15.54%, reflecting improved investor sentiment and demand for longer-dated instruments.

At the primary auction, the Debt Management Office (DMO) reduced its offer size to ₦800 billion, down from ₦900 billion in January. Despite the smaller offer, investor appetite remained strong, with total bids of ₦739 billion, up from ₦715 billion previously, resulting in a higher bid-to-cover ratio of 0.92x (compared to 0.79x in January). The DMO ultimately allotted ₦524.3 billion, significantly lower than the prior month’s allotment of ₦1,544.7 billion.

Demand was concentrated in reopened benchmark issues. The 10-year bond (Feb ’34) attracted ₦972.9 billion at a

marginal rate of 15.50%, the 9-year bond (May ’33) drew ₦879.69 billion at 15.74%, and the 7-year bond (Jun ’32) raised ₦188.14 billion at 15.74%, highlighting investor preference for tenor-rich instruments amid favorable yields.

Similarly, the Eurobond market maintained a bullish trajectory in February, supported by strong buying interest and improved sentiment toward emerging market debt. Average Eurobond yields fell by 1.27% to 6.98%, signaling renewed confidence in Nigeria’s external debt outlook, even as domestic fixed-income markets continue to navigate elevated local funding conditions.



Source: FMDQ Data Portal, Cowry Research



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