



COWRY WEEKLY FINANCIAL MARKETS

REVIEW & OUTLOOK (CWR)



Cowry Research

DOMESTIC ECONOMY: Pangs of Inflation Ease Further as Nigeria's Headline Rate Slows to 15.06% in February.....

The latest Consumer Price Index (CPI) report released by the National Bureau of Statistics shows that Nigeria's headline inflation eased further in February 2026, moderating to 15.06% year-on-year from 15.10% recorded in January, representing a 0.04 percentage-point decline. This marks the eleventh consecutive month of disinflation, reinforcing expectations that price pressures across the economy are easing faster than previously anticipated. February's inflation reading is the lowest level recorded since late 2021, reflecting improved stability in the foreign exchange market, easing energy costs, and favourable base effects following the CPI rebasing exercise conducted in 2025.

On a month-on-month basis, headline inflation stood at 2.01% in February 2026, representing a 4.89 percentage-point increase compared with the -2.88% recorded in January 2026. This indicates that the pace of increase in the average price level during February was higher than the rate observed in January. Much of this movement was driven by the food basket, which remains the most heavily weighted component of Nigeria's inflation structure. Compared with February 2025, when headline inflation stood at 26.27%, the current rate of 15.06% represents a substantial 11.21 percentage-point decline, underscoring the strength of the disinflation trend over the past year.

Looking at the major drivers of the headline index, food inflation moderated significantly, slowing to 12.12% year-on-year in February 2026, representing a sharp 14.86 percentage-point decline from 26.98% recorded in February 2025. However, month-on-month food inflation reading printed at 4.69%, rising by 10.70 percentage points from -6.02% in January 2026. The increase was largely driven by higher average prices of key food items such as beans, carrots, okazi leaf, cassava tubers, crayfish, millet flour, yam flour, snails, dried ogbono (apon), and cowpeas, among others. Other sub-sectors including restaurants and accommodation (1.95%), transportation (1.61%), and housing utilities (1.27%) also contributed to movements in the overall price level during the month.

Meanwhile, core inflation, which excludes food and energy, declined to 15.88% year-on-year in February 2026, representing a significant 9.78 percentage-point drop from 25.66% recorded in January 2025. On a month-on-month basis, core inflation stood at 0.89% in February, increasing by 2.58 percentage points compared with -1.69% in January 2026, suggesting mild underlying price pressures across non-food components of the inflation basket.

At the state level, inflation dynamics remained mixed. Year-on-year headline inflation was highest in Kogi (23.57%), Benue (22.85%), and Anambra (22.09%), while Katsina (7.78%), Imo (11.66%), and Ebonyi (11.71%) recorded the lowest increases. On a month-on-month basis, inflation was strongest in Enugu (5.92%), Ogun (4.39%), and Anambra (4.11%), while Zamfara (-2.14%), Bauchi (-1.23%), and Katsina (-1.06%) recorded outright price declines. Food inflation also showed notable regional disparities. On a year-on-year basis, the highest increases were recorded in Kogi (26.91%), Adamawa (23.12%), and Benue (21.89%), while Katsina (5.09%), Bauchi (7.09%), and Imo (7.65%) posted the mildest rises. Month-on-month data showed food price declines in Bayelsa (-8.81%), Ebonyi (-8.51%), and Edo (-7.72%), while smaller declines or mild increases were observed in Katsina (-0.70%), Nasarawa (0.17%), and Kano (1.39%), suggesting localized supply improvements and seasonal harvest effects.

Looking ahead, inflation is expected to remain relatively stable in the near term as improvements in foreign exchange stability, slightly lower energy costs, and the recent rebasing of the Consumer Price Index continue to support the downward trend in year-on-year inflation. However, the recent increase in month-on-month inflation, especially in food prices, shows that some price pressures are still present, mainly due to supply challenges and seasonal changes affecting key food items. In addition, the ongoing conflict in the Middle East has pushed up global oil prices, leading to higher petrol (PMS) prices locally. This raises transportation, logistics, and energy costs, which eventually increases the cost of moving goods from farms and factories to markets and consumers.

As a result, although inflation may still appear lower compared to the same period last year, prices could rise slightly in the short term. Based on these factors, we expect Nigeria's headline inflation to increase modestly to 15.24% in March 2026.

EQUITIES MARKET: Bourse Breaks 200,000 Mark as Rally Holds Firm with 1.39% w/w, Investors Reap N2.67tn in Profit.....

The local bourse extended its bullish run for another week, crossing the 200,000 psychological threshold and setting new records as investors maintained strong confidence heading into the holiday period. The benchmark index on the Nigerian Exchange advanced by 1.39% week-on-week to close at 201,156.85 points, after touching a new high above 202,000 this week.

The rally was largely driven by sustained buying interest in banking and industrial stocks, with investors showing a clear preference for fundamentally sound and liquid names. This positive sentiment was also reflected in market capitalisation, which rose to ₦129.13 trillion, translating to a weekly gain of ₦1.77 trillion and pushing year-to-date returns to 29.27% for the index and 29.94% for market capitalisation.

Market activity remained notably strong during the week, with a clear uptick in participation as reflected in both volume and value traded. The money flow index trended upward, reinforcing signs of sustained buying interest and improved liquidity. Total traded volume surged by 173.6% week-on-week to 9.05 billion units, while transaction value rose by 62.39% to ₦267.33 billion, highlighting continued investor positioning in equities, largely driven by sector rotation on the Nigerian Exchange.

Despite the overall positive momentum, sectoral performance was broadly negative, with four of the six sectors closing lower. The Industrial Goods sector stood out, advancing by 9.67% on the back of strong price gains in BUACEMENT, JOHNSHOLT, PREMIERPAINTS, BERGER, and LAFARGE AFRICA. The Banking sector also posted a solid 4.31% gain, supported by buying interest in ZENITH BANK, UBA, FIRSTHOLDCO, WEMA BANK, and ACCESSCORP. On the downside, the Commodity index led decliners with a 4.91% drop, weighed by losses in PRESCO and ARADEL, while the Oil & Gas sector fell by 4.78% due to weakness in OANDO and ETERNA. The Insurance and Consumer Goods sectors recorded milder declines of 0.42% and 0.10%, respectively, pressured by sell-offs in INTENEGINS, INTBREW, REGALINS, NB, TANTALIZER, and NASCON.

At the close of the week, market performance reflected a clear divergence between strong gainers and notable laggards. JOHNSHOLT led the top performers with a 25.4% gain, followed by BUACEMENT (21%), PREMIER PAINTS (20.6%), ZENITH BANK (14.6%), and LEARNAFRICA (13.3%), all benefiting from sustained buying interest and positive price momentum.

On the flip side, PRESCO topped the list of decliners with an 18.4% loss, alongside DAARCOMM (-13.6%), ETERNA (-12.8%), REDSTAREX (-10%), and OMATEK (-9.2%), reflecting profit-taking and weak sentiment in those counters.

Looking ahead, the market may experience a short-term pullback driven by profit-taking and sectoral rotation, especially as current levels suggest mildly overbought conditions. However, any correction is expected to be shallow, potentially offering attractive entry opportunities for investors targeting fundamentally strong stocks.

Key support levels are seen around 200,000 and 198,500 points, while resistance lies within the 205,000–207,000 range. A sustained break above this band could pave the way for another upward leg in the rally.

FOREIX MARKET: Naira Weakens on Demand Pressures as Oil Volatility Clouds FX Outlook.....

The naira came under pressure across FX segments in the past week, depreciating by 0.91% at the official window from ₦1,353.90/\$ to ₦1,366.23/\$ and by a steeper 2.21% in the parallel market to ₦1,386.00/\$. This divergence points to stronger demand pressures and tighter liquidity conditions outside the formal market.

Meanwhile, external reserves edged up slightly to \$49.97 billion from \$49.83 billion, suggesting that while buffers remain relatively stable, there is limited room for sustained intervention by the Central Bank of Nigeria.

On the commodities front, oil prices showed mixed movements. Bonny Light crude declined by 6.25% from \$111.48/bbl to \$104.92/bbl, raising concerns about weaker FX inflows for Nigeria.

However, midweek gains were recorded in global benchmarks following heightened geopolitical tensions, as Islamic Revolutionary Guard Corps threatened attacks on energy infrastructure in the Middle East. Brent crude rose to around \$108.56 per barrel, while WTI climbed to \$98.38, reflecting supply disruption fears.

Looking ahead, the naira is expected to trade within a relatively stable range, supported by likely interventions, even as oil market dynamics continue to influence external reserves and FX liquidity conditions.

BOND MARKET: Muted Bond Market as Global Signals Weigh, While Eurobonds See Renewed Demand....

Activity in the FGN bond secondary market was largely subdued this week, with minimal trading across the curve reflecting cautious investor sentiment. As a result, average yields edged slightly higher to 15.77% from 15.76% in the previous week.

The muted tone suggests investors are taking a wait-and-see approach, influenced in part by evolving global market conditions and uncertainty around interest rate direction.

In contrast, Nigeria's sovereign Eurobond market recorded a more positive outing, supported by broad-based buying interest. This drove a decline in average yields by 8bps to 7.18% week-on-week from 7.26%, indicating improved demand for Nigeria's external debt instruments.

Looking ahead, we expect a mixed performance across both markets, as domestic activity continues to respond to liquidity conditions, while external sentiment remains closely tied to global developments, particularly movements in oil prices and international fixed income trends.

MONEY MARKET: Liquidity Stays Strong, but Rising Rates and Sell-Offs Signal Cautious Market Mood.....

System liquidity in the money market remained firmly positive this week, rising to ₦8.24 trillion from ₦6.66 trillion in the previous week, largely supported by ₦786 billion in OMO maturities and increased placements at the SDF window of the Central Bank of Nigeria. Liquidity also opened the week strong at ₦6.8 trillion, reflecting ample cash within the banking system.

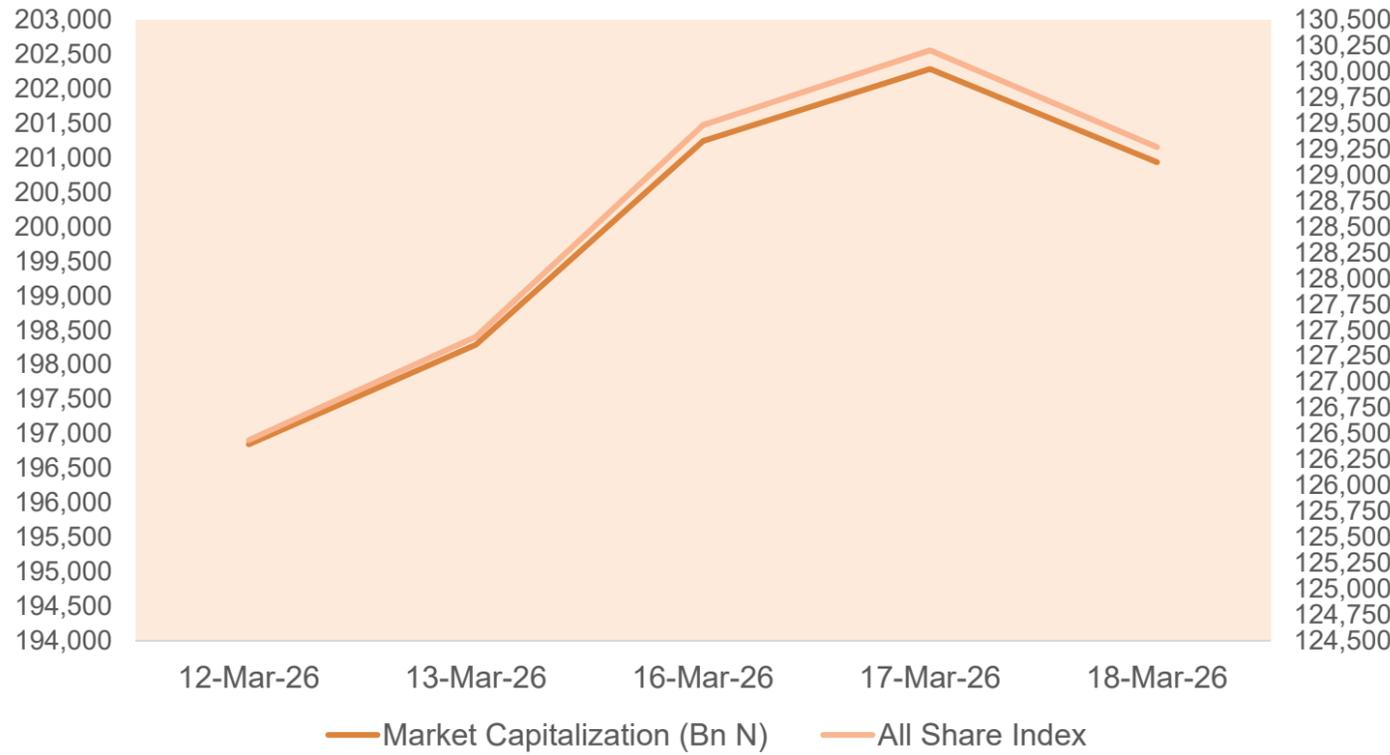
However, despite this comfortable liquidity position, interbank rates moved slightly higher, suggesting that banks were still cautious in lending to one another. Overnight NIBOR rose by 17bps to 22.38%, with mild increases across other tenors, while the Open Repo Rate remained steady at 22%. The Overnight rate, however, declined by 12bps to 22.21%, supported by inflows from maturing OMO bills.

Furthermore, NITTY yields generally declined across most maturities, indicating reduced attractiveness of short-term instruments following the recent slowdown in inflation. Only the 1-month NITTY saw a slight increase, rising by 13bps to 16.13%. Meanwhile, the secondary treasury bills market recorded a mildly bearish outing, as some investors sold off longer-dated bills, pushing average yields up slightly to 17.70% from 17.66% in the previous week.

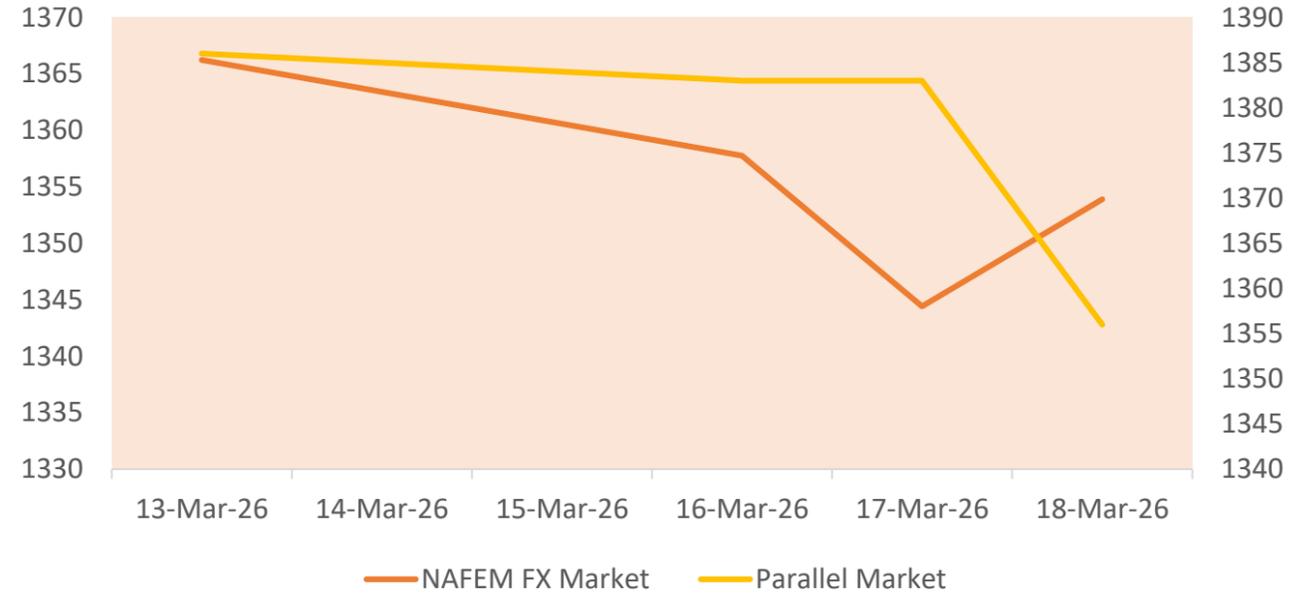
Looking ahead, liquidity is expected to remain strong, supported by anticipated inflows of about ₦2.15 trillion from maturing OMO bills and ₦500 billion from treasury bill maturities. This should help keep rates relatively stable, although attention will remain on upcoming auctions, which could influence how liquidity and interest rates evolve in the near term.



Evolution of Equities Performance Gauges



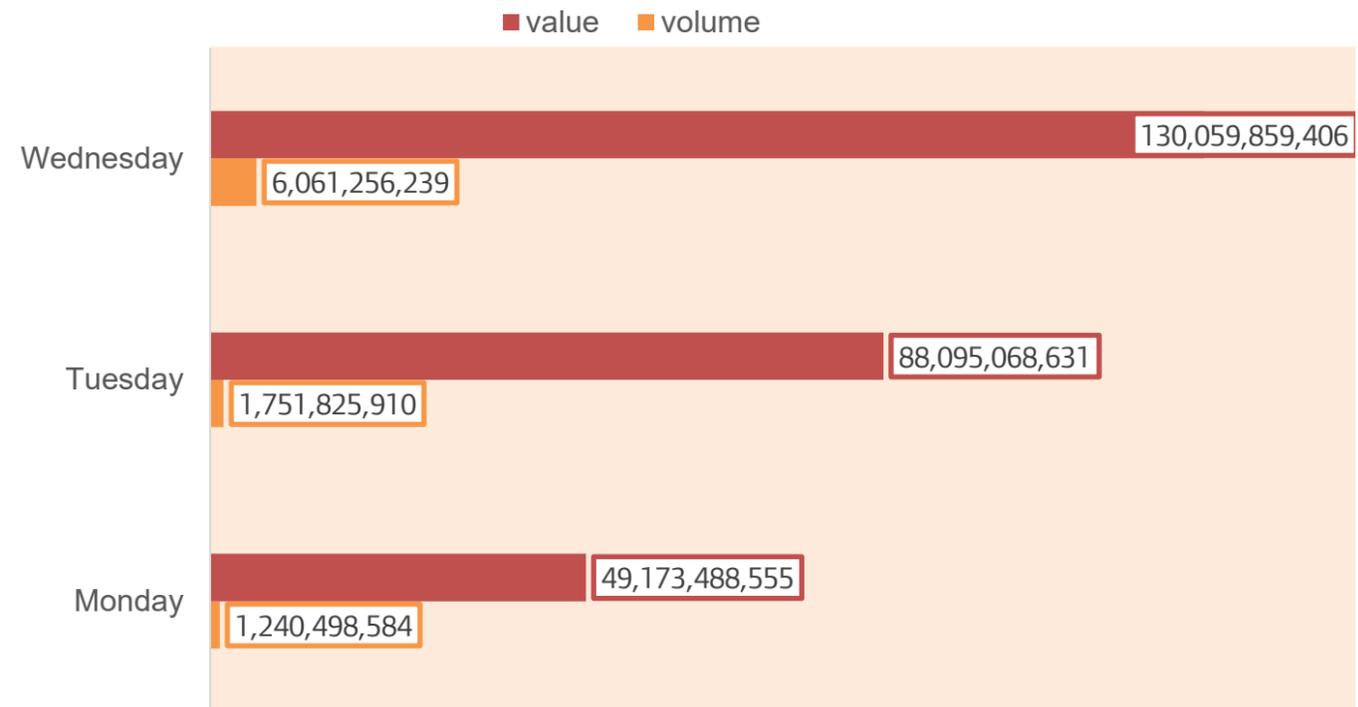
Evolution of NGN/USD Exchange Rates



FGN Eurobonds Yields as at Friday , March 18, 2026

FGN Eurobonds	Issue Date	TTM (years)	18-Mar-26 Price (N)	Weekly USD Δ	18-Mar-26 Yield	Weekly PPT Δ
6.50 NOV 28, 2027	28-Nov-17	1.70	100.88	0.08	5.9%	(0.06)
6.125 SEP 28, 2028	28-Sep-21	2.53	100.04	0.16	6.1%	(0.10)
8.375 MAR 24, 2029	24-Mar-22	3.02	106.10	0.43	6.1%	(0.17)
7.143 FEB 23, 2030	23-Feb-18	3.94	101.99	0.22	6.6%	(0.04)
8.747 JAN 21, 2031	21-Nov-18	4.85	107.50	0.23	6.9%	(0.11)
7.875 16-FEB-2032	16-Feb-17	5.92	103.50	0.56	7.1%	(0.16)
7.375 SEP 28, 2033	28-Sep-21	7.54	100.15	0.41	7.4%	(0.05)
7.696 FEB 23, 2038	23-Feb-18	11.95	98.81	0.41	7.9%	(0.05)
7.625 NOV 28, 2047	28-Nov-17	21.71	94.00	0.70	8.2%	(0.08)
9.248 JAN 21, 2049	21-Nov-18	22.86	108.66	0.53	8.4%	0.01
8.25 SEP 28, 2051	28-Sep-21	25.55	98.25	0.49	8.4%	(0.08)

Daily Traded Volume and Value



Weekly Top Gainers and Losers as at Friday, March 18, 2026

Top Ten Gainers				Bottom Ten Losers			
Symbol	18-Mar-26	13-Mar-26	% Change	Symbol	18-Mar-26	13-Mar-26	% Change
JOHNHOLT	11.85	9.45	25.4%	PRESCO	1,701.10	2,083.90	-18.4%
BUACEMENT	326.70	270.00	21.0%	DAARCOMM	1.85	2.14	-13.6%
PREMPAIRS	23.40	19.40	20.6%	ETERNA	36.90	42.30	-12.8%
ZENITHBANK	110.00	95.95	14.6%	REDSTAREX	25.70	28.55	-10.0%
LEARNAFRCA	9.35	8.25	13.3%	ARADEL	1,210.30	1,340.00	-9.7%
AUSTINLAZ	4.45	3.95	12.7%	OMATEK	2.36	2.6	-9.2%
LIVESTOCK	8.10	7.20	12.5%	DEAPCAP	6.45	7	-7.9%
TIP	20.2	18.25	10.7%	VFDGROUP	11.55	12.50	-7.6%
GUINNESS	423.20	385.00	9.9%	VERITASKAP	2.14	2.30	-7.0%
IKEJAHOTEL	39.00	36.00	8.3%	NEIMETH	10.25	11.00	-6.8%

Weekly Stock Recommendations as at Friday, March 18, 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
ETI	26.92	33.65	169.55	0.27	1.71x	51.9	23.5	46.00	57.5	39.1	52.9	25.00	Buy
STANBIC IBTC	23.68	29.59	70.68	1.92	5.74x	137.00	59.00	136.00	173.8	115.6	156.4	27.79	Buy
LAFARGE AFRICA	16.96	21.19	43.08	5.26	13.36x	226.50	65.90	226.50	300.0	192.5	260.5	32.45	Buy
TRANSCORP PLC	13.37	16.72	34.78	1.35	3.51x	55.05	39.60	47.00	61.0	40.0	54.1	29.79	Buy
GUINNESS NIGERIA	18.79	23.49	19.78	21.40	22.52x	423.20	79.00	423.20	541.0	359.7	486.7	27.84	Buy

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