



COWRY WEEKLY FINANCIAL MARKETS

REVIEW & OUTLOOK (CWR)



Cowry Research

DOMESTIC ECONOMY: Nigeria's Capital Inflows Roar Back to \$23.2bn in 2025 but Short-Term Bets Still Dominate.....

Nigeria saw a sharp rebound in capital inflows in 2025, with total importation rising by 88.45% year-on-year to \$23.22 billion from \$12.32 billion in the previous year, according to the latest data from the National Bureau of Statistics. Much of this surge was driven by portfolio investors who leaned heavily into money market instruments, fixed income securities, and equities, drawn by elevated interest rates and a relatively stable exchange rate environment throughout the year.

A closer look at the numbers shows that portfolio investment remains the dominant force behind Nigeria's capital inflows. In 2025 alone, portfolio investments climbed sharply to \$19.75 billion from \$8.38 billion in 2024, accounting for about 85% of total inflows. Investors appeared to take advantage of the relative stability of the naira, which averaged around ₦1,435.76 per dollar, alongside interest rates that hovered near 27%. Money market instruments alone accounted for over 80% of total portfolio inflows at \$13.83 billion, nearly doubling from the previous year. This was followed by bonds and other fixed income securities at \$4.89 billion, while equity investments, though improved, remained modest at \$1.02 billion.

Outside of portfolio flows, other investments contributed a smaller share, accounting for 11% of total inflows at \$2.55 billion, though this represented a decline of 22.5% compared to 2024. Loans made up the bulk of this category at \$2.49 billion, while trade credit returned to positive territory for the first time since 2022, albeit at a modest \$19.5 million. Currency deposits and other claims remained largely subdued. Foreign direct investment, often seen as a more stable and long-term indicator of investor confidence, showed a gradual but encouraging improvement. FDI rose by 36.8% year-on-year to \$923 million from \$674.7 million, marking its highest level since 2020. While still relatively low compared to portfolio flows, the uptick suggests a slow return of long-term investor interest.

On a closer quarterly reading, the composition of inflows reinforces the dominance of short-term capital. In Q4 2025, total capital importation came in at \$6.44 billion, with portfolio investment alone contributing \$5.49 billion, or just over 85% of the total. Within this, money market instruments remained the clear favourite at \$3.08 billion, even though this segment saw a slight year-on-year moderation. Bonds followed strongly at \$1.97 billion, reflecting sustained appetite for fixed income securities, while equity inflows rose to \$433.05 million with gradual return of risk-taking. Foreign direct investment stood at \$357.80 million during the quarter, while other capital flows remained relatively modest at \$599.65 million, weighed down by declines in loans despite some recovery in trade credits and other claims. The picture that emerges is one where investors are still prioritising liquidity, yield, and flexibility over long-term commitments.

The sectoral distribution of these inflows tells an equally revealing story about where foreign capital feels most comfortable. The banking sector alone attracted \$3.85 billion in Q4 2025, accounting for nearly 60% of total inflows, underscoring its role as the primary gateway for foreign capital and a key beneficiary of elevated interest rates. The financing sector followed with \$1.94 billion, capturing about 30%, while the real economy lagged significantly behind. Production and manufacturing received just \$308.93 million, and sectors such as agriculture, telecommunications, and trading recorded relatively small inflows in comparison. Critical areas like oil and gas, infrastructure-related segments such as transport, and even high-employment sectors like construction and real estate saw minimal participation. This shows capital is flowing into financial assets rather than productive sectors that can drive broad-based economic growth and job creation.

Cowry Research believes the strong recovery in capital importation reflects an improvement in Nigeria's macroeconomic sentiment, supported by monetary policy adjustments from the Central Bank of Nigeria aimed at attracting foreign inflows. The combination of exchange rate stability, high yields, and easing inflationary pressures since early 2025 has helped reposition the country as an attractive destination for short-term capital.

However, beneath the surface, the story is less straightforward. The overwhelming dominance of portfolio inflows highlights a continued reliance on short-term, and often volatile, capital. These flows can reverse quickly in response to shifts in global risk appetite, geopolitical tensions, or tighter financial conditions abroad. Events such as escalating tensions in the Middle East or a rise in global trade protectionism could easily unsettle these gains.

EQUITIES MARKET: Market Takes a Breather by 12bps as Mild Pullback Opens Quiet Buying Opportunities.....

The local bourse closed the week on a mildly negative note, as cautious sentiment shaped trading activities amid profit-taking and portfolio rebalancing ahead of the earnings season and a new quarter. Simply put, many investors chose to secure earlier gains rather than take fresh positions.

Consequently, the benchmark index declined marginally by 0.12% week-on-week to settle at 200,913.06 points, with noticeable weakness in banking and consumer goods stocks. In the same vein, market capitalisation dipped by 12 basis points to ₦128.97 trillion, translating to a loss of ₦156.52 billion for investors.

Despite this slight pullback, the broader market trend remains strong. The year-to-date return is still elevated at 29.11%, reinforcing that the current decline is more of a pause than a reversal. Market breadth also remained relatively balanced at 1.02x, with 46 gainers edging past 45 losers, showing that opportunities still exist beneath the surface.

However, trading activity weakened significantly, as total traded volume plunged by 56.4% week-on-week to 3.95 billion units, while total traded value fell by 24.6% to ₦201.67 billion across 360,710 deals. This sharp drop suggests that many investors are holding back, waiting for clearer market direction.

Sectoral performance was mixed, largely influenced by ongoing rebalancing. The commodities index led the gainers, advancing by 2.77% week-on-week, driven by strong price appreciation in PRESCO and ARADEL. Insurance and oil & gas indices followed with gains of 2.22% and 1.93% respectively, supported by buying interest in FTGINSURE, SUNU ASSURANCE, OANDO, and CORNERSTONE.

On the downside, the banking index led the decliners due to price drops in ZENITHBANK, FCMB, JAIZBANK, and FIRSTHOLDCO. Consumer goods and industrial indices also recorded losses of 0.91% and 0.15% respectively, pressured by declines in CADBURY, NIGERIAN BREWERIES, CILEASING, RTBRISCOE, and LAFARGE AFRICA.

At the stock level, performance was a mix of sharp gains and notable declines. PREMIER PAINTS (+60.3%) and JOHNSHOLT (+59.9%) topped the gainers' chart, followed by LEGEND INTERNET (+25.0%), MCNICHOLS (+20.7%), and PRESCO (+16.4%). On the flip side, LIVESTOCK FEEDS (-11.7%), FIDSON (-10.0%), CADBURY (-9.9%), AUSTINLAZ (-9.9%), and LEARN AFRICA (-9.1%) recorded the steepest losses.

Looking ahead, the market appears to be in a short-term correction phase as a natural cooling-off period after a strong rally. With some stocks already trading at 52-week and all-time highs, and a relatively low Money Flow Index (MFI) indicating weak inflows, investors are clearly waiting for fresh catalysts, particularly corporate earnings, to drive the next move. In the meantime, this phase presents selective entry opportunities, and we continue to advise investors to focus on fundamentally sound stocks with strong earnings potential.

FOREIX MARKET: Naira Slips as Dollar Demand Bites, Oil Rally Offers Some Relief.....

The foreign exchange market came under renewed pressure this week, as the naira weakened across both the official and parallel markets amid rising demand for dollars. This pressure was largely driven by increased international settlements and import-related payments, which continue to strain FX supply. As a result, the naira depreciated by 1.93% week-on-week to close at ₦1,380.58/\$1 at the official market, while at the parallel market, it fell further by 2.66% to an average of ₦1,393/\$1. In simple terms, more people and businesses needed dollars than were available, pushing the exchange rate higher.

On the global front, crude oil prices surged, providing a supportive backdrop for oil-exporting countries like Nigeria. Oil futures climbed above \$98 per barrel, nearing levels last seen in July 2022, largely due to ongoing geopolitical tensions involving the United States and Iran. Reports of potential military escalation, including the consideration of deploying up to 10,000 additional US troops to the Middle East and Iran's reported large-scale troop mobilization, heightened market uncertainty and kept oil prices elevated.

Nigeria's Bonny Light crude mirrored this global trend, rising sharply by 10.54% week-on-week to \$123.23 per barrel. This increase is positive for Nigeria's earnings, as higher oil prices typically translate to stronger export revenues and improved FX inflows. However, this benefit has yet to fully offset the current FX pressures in the market.

Meanwhile, Nigeria's external reserves weakened slightly, declining by 0.70% week-on-week to \$49.48 billion, representing a loss of about \$350 million. This points to a gradual reduction in the country's FX buffer, at a time when demand remains elevated.

Looking ahead, the naira may see some relative stability in the near term, but within a volatile range. While high oil prices could provide some support, persistent FX demand and moderating external reserves are likely to keep pressure on the currency. As such, the market may continue to experience short-term swings, with stability largely dependent on improved FX supply and sustained inflows.

BOND MARKET: Bonds Hold Steady, But Investors Are Playing It Safe Ahead of Auction....

Trading was largely concentrated in mid-dated bonds with instruments like the 2031s and 2032s attracting consistent demand. There were also occasional flows into longer-dated bonds, but investors generally preferred to stay within the mid-range where risk and return are better balanced. As a result of this selective buying interest, average bond yields declined by 19 basis points week-on-week to 15.78%, indicating a modest improvement in demand.

On the external front, Nigeria's Eurobond market told a different story. Yields trended upward as investors turned cautious, largely influenced by global geopolitical uncertainties and a more risk-off sentiment toward emerging market debt. This led to sell-offs across key maturities, particularly the FEB-32, SEP-28, and JAN-31 papers. Consequently, average Eurobond yields rose by 29 basis points week-on-week to 7.47%, reflecting weaker demand and increased risk pricing by investors.

Looking ahead, attention will firmly shift to the primary market as the DMO is set to conduct its March 2026 FGN bond auction, offering ₦750 billion through the re-opening of the 2030s, 2032s, and 2033s. While the strong liquidity in the system could support demand, investors are still expected to approach the auction with caution.....

MONEY MARKET: System Liquidity Still Robust, But Yields Are Quietly Repricing.....

The money market remained awash with liquidity this week, although conditions softened slightly compared to the previous week. System liquidity closed with a strong net surplus of ₦5.93 trillion, down from ₦8.24 trillion recorded last week, largely due to outflows from primary market settlements following recent auctions conducted by the Central Bank of Nigeria (CBN). In simple terms, while there is still plenty of cash in the system, some of it was mopped up as investors paid for securities purchased at auctions.

Interbank rates reflected this liquidity dynamic. The Nigerian Interbank Offered Rate (NIBOR) trended downward during the week, supported by inflows from the ₦800 billion worth of maturing OMO bills. However, this improved liquidity was partly offset by CBN debits for OMO and Treasury bills settlements, keeping the Overnight NIBOR flat at 22.38%, unchanged from last week. Meanwhile, the overnight rate edged higher by 5 basis points to 22.26%, while the funding rate remained steady at 22.00%, suggesting that short-term borrowing costs are still elevated despite ample liquidity.

In the Treasury bills space, yields showed mixed movements. The Nigerian Treasury Bills True Yield (NITTY) curve moved upward across most tenors as investors demanded higher returns, particularly ahead of the primary market auction. Yields on the 1-month, 3-month, and 6-month instruments rose by 5bps, 32bps, and 7bps respectively, while the 12-month tenor declined by 34bps, indicating stronger demand at the longer end. This reflects a typical strategy where investors try to lock in attractive yields for longer periods when rates are still relatively high.

Activity in the secondary Treasury bills market was relatively muted, as attention shifted to the primary auction. Nonetheless, mild buying interest at the mid- to long-end of the curve supported the market, leading to a 19 basis points decline in average yield to 17.76% week-on-week. This drop was largely driven by demand following the lower stop rates observed at the midweek auction.

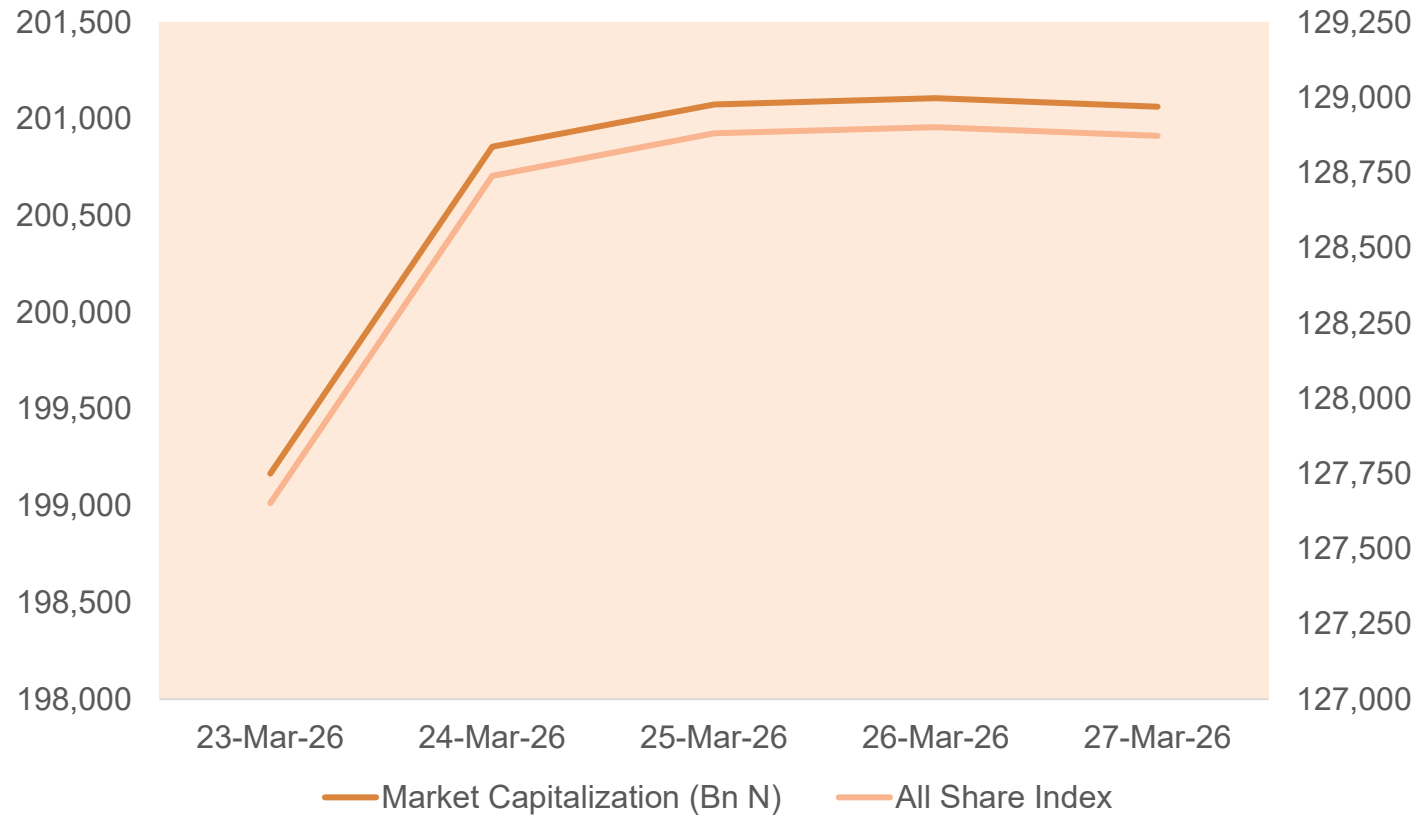
At the CBN's NTB primary market auction, where ₦400 billion was offered across standard tenors, investor demand remained exceptionally strong, with total subscriptions reaching ₦3.1 trillion—almost eight times the offer size—largely concentrated on the 364-day instrument. Total allotment came in higher at ₦693 billion. Stop rates reflected a slight easing in yields, as the 91-day rate held steady at 15.95%, while the 182-day and 364-day rates declined by 20 basis points each to 16.42% and 16.43% respectively, reinforcing the strong demand for longer-dated instruments.

Similarly, the CBN's Open Market Operations (OMO) auctions saw robust participation. A total of ₦600 billion was offered across the 33-day, 75-day, and 96-day tenors, with overall subscriptions hitting ₦2.81 trillion and total sales at ₦1.75 trillion. Demand was clearly skewed toward longer maturities. The 33-day instrument recorded ₦844.50 billion in subscriptions, with ₦225.50 billion allotted at 21.57%. The 75-day tenor saw relatively weaker demand at ₦142.25 billion, with ₦74.50 billion allotted at 19.75%. In contrast, the 96-day tenor was heavily oversubscribed at ₦1.83 trillion (9.14x bid-to-offer), with ₦1.45 trillion allotted at a slightly higher stop rate of 19.94%, highlighting investors' preference to lock in yields for longer durations.

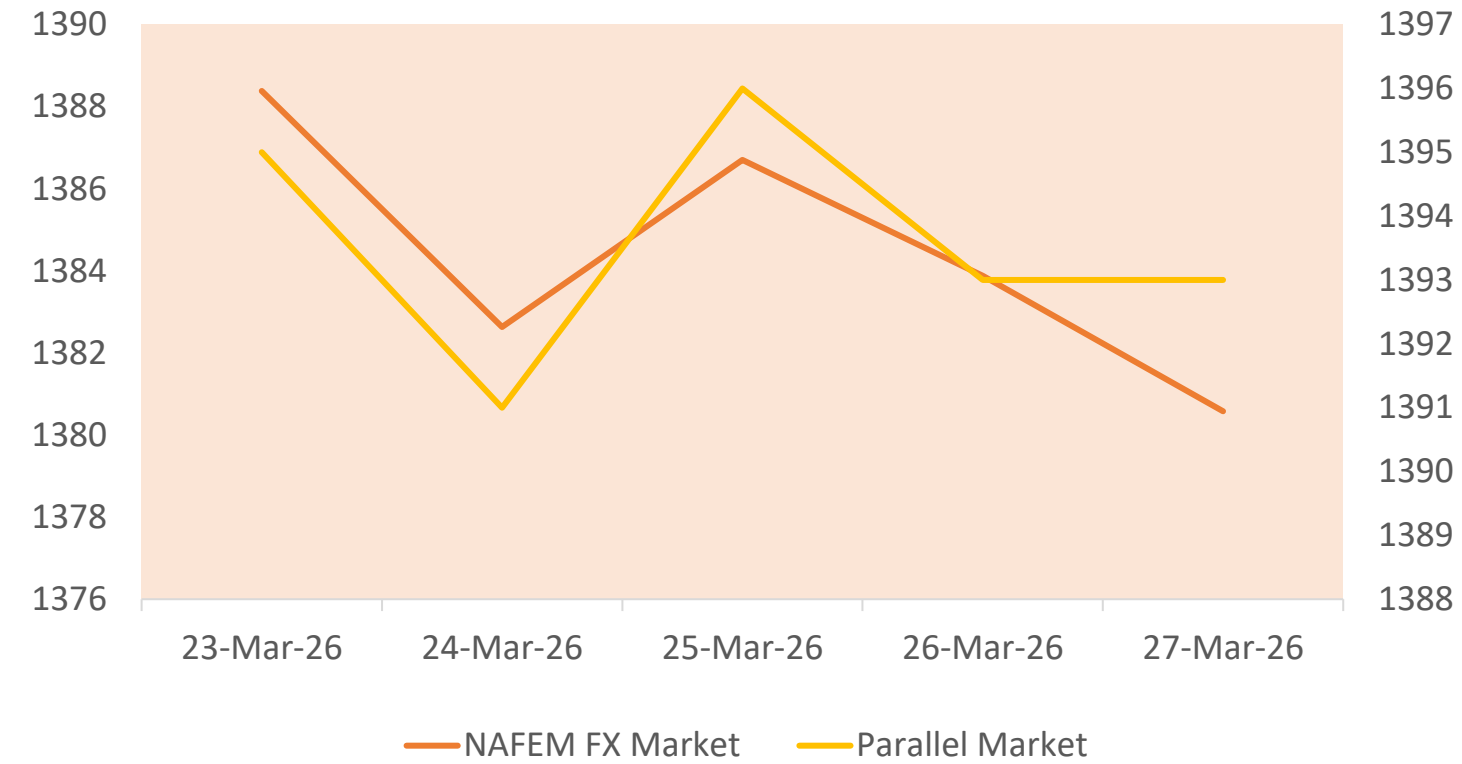
Looking ahead, liquidity conditions are expected to remain strong, supported by anticipated inflows of ₦1.02 trillion from OMO maturities and ₦759.13 billion from NT-bills maturities. As the month ends and a new one begins, this influx of funds will likely keep system liquidity elevated. However, attention will remain firmly on the CBN, as recent trends suggest the apex bank may intensify its liquidity management efforts through additional auctions to absorb excess cash and stabilise rates.



Evolution of Equities Performance Gauges



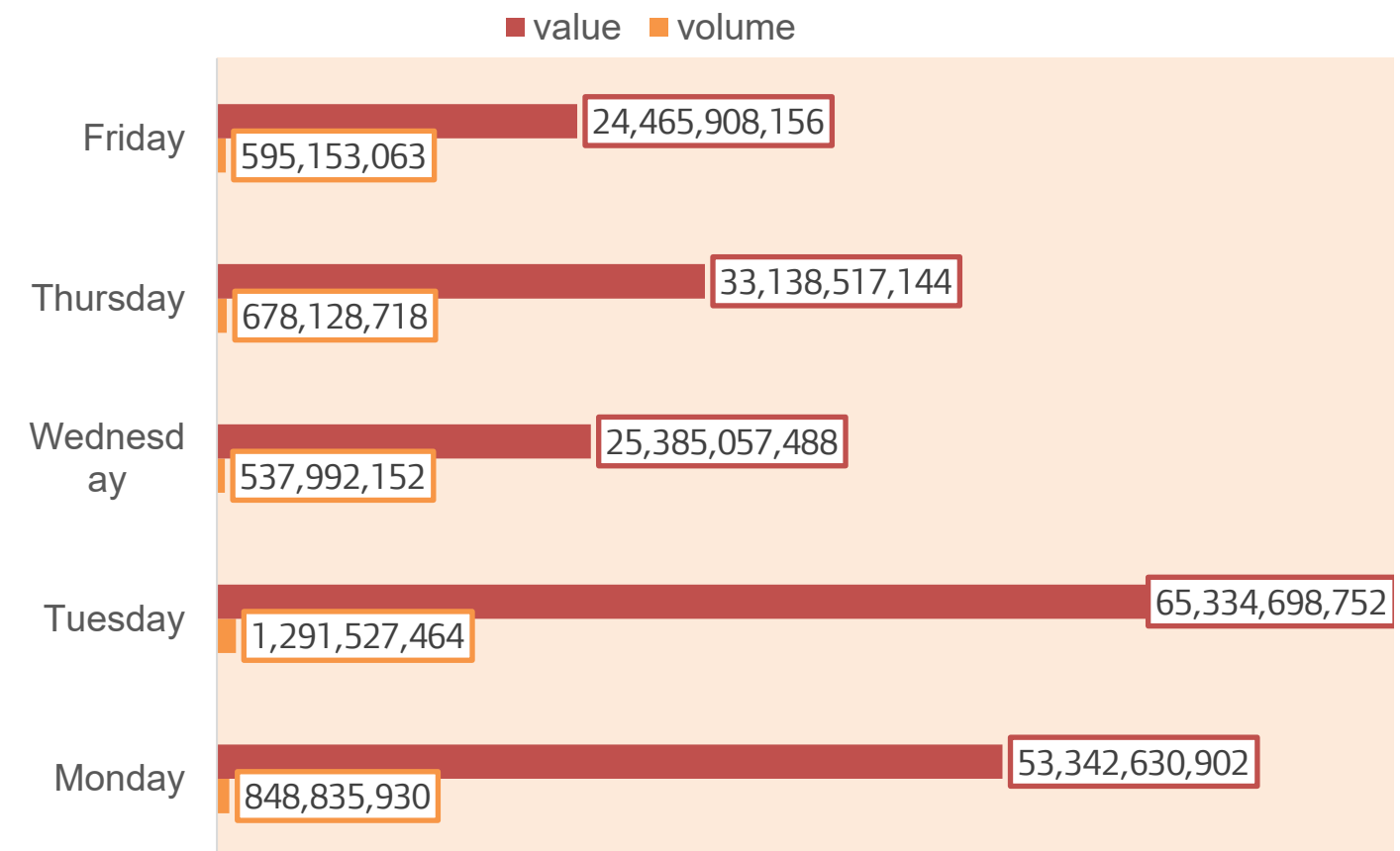
Evolution of NGN/USD Exchange Rates



FGN Eurobonds Yields as at Friday , March 27, 2026

FGN Eurobonds	Issue Date	TTM (years)	27-Mar-26 Price (N)	Weekly USD Δ	27-Mar-26 Yield	Weekly PPT Δ
6.50 NOV 28, 2027	28-Nov-17	1.67	100.52	(0.36)	6.2%	0.22
6.125 SEP 28, 2028	28-Sep-21	2.51	99.41	(0.63)	6.4%	0.29
8.375 MAR 24, 2029	24-Mar-22	2.99	105.39	(0.71)	6.4%	0.23
7.143 FEB 23, 2030	23-Feb-18	3.92	101.04	(0.95)	6.8%	0.27
8.747 JAN 21, 2031	21-Nov-18	4.82	106.22	(1.28)	7.2%	0.30
7.875 16-FEB-2032	16-Feb-17	5.90	101.50	(2.00)	7.6%	0.41
7.375 SEP 28, 2033	28-Sep-21	7.51	98.07	(2.08)	7.7%	0.37
7.696 FEB 23, 2038	23-Feb-18	11.92	96.54	(2.27)	8.2%	0.30
7.625 NOV 28, 2047	28-Nov-17	21.69	91.10	(2.90)	8.5%	0.31
9.248 JAN 21, 2049	21-Nov-18	22.84	105.92	(2.74)	8.7%	0.26
8.25 SEP 28, 2051	28-Sep-21	25.52	95.54	(2.71)	8.7%	0.27
					7.47%	

Daily Traded Volume and Value



Weekly Top Gainers and Losers as at Friday, March 27, 2026

Top Ten Gainers				Bottom Ten Losers			
Symbol	27-Mar-26	18-Mar-26	% Change	Symbol	27-Mar-26	18-Mar-26	% Change
PREMPAINTS	37.5	23.4	60.3%	LIVESTOCK	7.15	8.10	-11.7%
JOHNHOLT	18.95	11.85	59.9%	FIDSON	94.85	105.35	-10.0%
LEGENDINT	7.50	6.00	25.0%	CADBURY	63	69.95	-9.9%
MCNICHOLS	7.42	6.15	20.7%	AUSTINLAZ	4.01	4.45	-9.9%
PRESCO	1980	1701.1	16.4%	LEARNAFRCA	8.50	9.35	-9.1%
AIRTELAFRI	2,497.00	2,270.00	10.0%	ETERNA	33.75	36.9	-8.5%
TRANSEXPR	2.59	2.36	9.7%	DEAPCAP	5.95	6.45	-7.8%
SKYAVN	158.95	144.9	9.7%	OMATEK	2.18	2.36	-7.6%
EUNISELL	157.9	143.95	9.7%	PRESTIGE	1.53	1.65	-7.3%
REDSTAREX	28.15	25.70	9.5%	FCMB	11.95	12.85	-7.0%

Weekly Stock Recommendations as at Friday, March 27, 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
MAY & BAKER	1.94	2.42	7.92	5.30	21.66x	48	6.7	41.95	52.4	35.7	48.2	24.99	Buy
FIDELITY BANK	4.22	5.27	20.98	0.92	4.59x	22.45	13.00	19.35	25.9	16.4	22.3	33.85	Buy
HONEYWELL FLOUR	0.78	0.99	5.50	3.91	27.48x	30.20	9.18	21.50	27.1	18.3	24.7	26.25	Buy
LAFARGE AFRICA	16.96	21.19	43.08	5.20	13.21x	226.50	65.90	224.00	300.0	190.4	257.6	33.93	Buy
ZENITH BANK PLC	5.64	7.13	115.17	0.89	18.26x	113.30	43.00	103.00	130.2	87.6	118.5	26.40	Buy

**CONTACT US****HEAD OFFICE**

Plot 1319, Karimu Kotun Street,
Victoria Island
Lagos
Website: www.cowryasset.com
Email: research@cowryasset.com

ABUJA OFFICE

Statement Suites Hotel D03 (3rd Floor), Plot 1002,
1st Avenue, Off Ahmadu Bello Way
Central Business District,
Abuja
Website: www.cowryasset.com
Email: research@cowryasset.com

PORT HARCOURT OFFICE

UPDC Complex, 26 Aba Road,
Port-Harcourt
River State
Website: www.cowryasset.com
Email: research@cowryasset.com

RESEARCH TEAM**CHARLES ABUEDE**

Cabuede@cowryasset.com

TAIWO LUPO

Tlupo@cowryasset.com

TOMIWA JIMOH

Tjimoh@cowryasset.com

www.cowryasset.com

www.twitter.com/cowryassetmgt

www.facebook.com/cowryasset

Disclaimer

This report is produced by the *Research Desk* of Cowry Asset Management Limited (COWRY) as a guideline for Clients that intend to invest in securities on the basis of their own investment decision without relying completely on the information contained herein. The opinion contained herein is for information purposes only and does not constitute any offer or solicitation to enter into any trading transaction. While care has been taken in preparing this document, no responsibility or liability whatsoever is accepted by any member of COWRY for errors, omission of facts, and any direct or consequential loss arising from the use of this report or its contents.