



# COWRY WEEKLY FINANCIAL MARKETS

## REVIEW & OUTLOOK (CWR)



Cowry Research

## DOMESTIC ECONOMY: Nigeria's Big Bet: ₦68.32tn Record Budget, Rising Debt, and the Tightrope Ahead....

This week, we turn our focus to key macro developments in Nigeria, particularly the upward revision of the 2026 Federal Government budget by over ₦9.09 trillion to a record ₦68.32 trillion. The increase reflects additional provisions to accommodate legacy commitments in critical sectors such as transportation, healthcare, and the judiciary, alongside the regularisation of obligations rolled over from the 2025 budget.

A breakdown of the revised figures shows a significant allocation of ₦32.287 trillion to capital expenditure as a strong push toward infrastructure and economic development. However, this is closely matched by ₦15.809 trillion earmarked for debt servicing and ₦15.427 trillion for recurrent spending, highlighting the growing cost of governance and debt obligations. Notably, ₦5.71 trillion is set aside to settle outstanding capital commitments, while ₦2 trillion caters to previously omitted projects. This is an indication that past budget gaps are being carried forward into the current fiscal cycle and the extension of the 2025 capital budget to June 30, 2026, further reinforces concerns around execution delays and implementation efficiency.

Alongside the budget expansion, the National Assembly also approved a fresh \$6 billion external loan request. The bulk of this loan at \$5 billion is structured as a Total Return Swap (TRS) arrangement with First Abu Dhabi Bank, to be disbursed in tranches, while the remaining \$1 billion is an export finance facility arranged by Citibank for the rehabilitation of key port infrastructure, including Apapa and Tin Can Island. The funds are intended to support the 2026 budget deficit, refinance existing debt, and improve critical infrastructure. However, this approval comes amid rising concerns about Nigeria's debt profile, especially as a significant portion of government revenue is already committed to debt servicing.

From a critical viewpoint, the size of the budget raises a critical funding question. Nigeria's revenue capacity has historically struggled to keep pace with rising expenditure, and this gap appears to be widening. While the government may be counting on improved oil revenues, with crude prices currently above the \$68 benchmark due to geopolitical tensions, this remains a volatile and uncertain source of income. For context, relying on oil means Nigeria's fiscal position is partly tied to global events beyond its control. If oil prices decline or production challenges persist, the government may face a significant shortfall. This imbalance between strong spending plans and relatively weak revenue generation increases the likelihood of a larger fiscal deficit, which ultimately needs to be financed.

This is where the recently approved \$6 billion external loan becomes relevant and the financing structure reflects a mix of budget support, infrastructure financing, and debt refinancing. While investments in critical infrastructure like the Lagos Port Complex and Tin Can Island Port can boost long-term economic productivity and trade efficiency, the immediate implication is a further increase in Nigeria's debt stock. If fully implemented, total public debt could approach ₦160 trillion. This raises sustainability concerns, especially as a large portion of government revenue is already used for debt servicing, limiting fiscal space for development.

The broader risk lies in how this deficit is managed. Increased borrowing, if not matched with productive investments, can lead to a debt overhang where future revenues are tied down by repayment obligations. On the other hand, if deficits are indirectly financed through monetary means, it could increase money supply and fuel inflation. With 2026 being a pre-election year, there is also a higher tendency for expansionary fiscal policies, which may further intensify inflationary pressures. In simple terms, more government spending without matching productivity can push prices higher, affecting the cost of living.

The key to navigating this will lie in improving non-oil revenue mobilisation, ensuring efficient deployment of funds, and maintaining prudent debt management. Without these, the combination of rising expenditure, increasing debt, and inflationary risks could pose significant challenges to Nigeria's macroeconomic stability.

**EQUITIES MARKET: Nigerian Equities Close Higher by 39bps with over N837bn in Gains Despite Weak Market Breadth.....**

The Nigerian equities market ended the week on a positive note, with gains in a few key stocks helping to lift overall performance.

The benchmark NGX All-Share Index (ASI) edged up by 0.39% week-on-week to close at 201,698.89 points on the back of positive sentiments following the publications of audited financial scorecards of corporates and the kickstart of the earning season. Market capitalisation also increased by 0.65% to ₦129.81 trillion, mainly driven by the additional listing of 21.183 billion ordinary shares from FCMB and 5.07 billion ordinary shares from VFD Group. This represents a gain of about ₦837 billion from the ₦128.96 trillion recorded in market cap in the previous week. Consequently, the year-to-date return improved to 29.62%, reflecting sustained positive momentum in the market.

However, market breadth was negative at 0.51x, as 29 stocks gained while 57 declined indicating that despite the overall market growth, more stocks actually recorded losses during the week and weak breadth. Also, trading activity slowed down compared to the previous week as the number of deals, trading volume, and total value traded fell by 40.10%, 27.72%, and 43.59% week-on-week, respectively. In total, investors traded 2.86 billion shares worth ₦113.76 billion across 216,067 deals, pointing to weaker market participation.

On the sectoral front, performance was largely mixed, reflecting a market driven by selective positioning rather than broad-based momentum. The banking, oil & gas, and commodities indices recorded marginal gains of 0.71%, 0.02%, and 0.01% respectively, supported by targeted buying interest in stocks such as GTCO, ETERNA, JAPAUFGOLD, ZICHIS, and FCMB. This suggests that investors remain willing to take positions in fundamentally sound or opportunistic names, even within a cautious market environment.

On the downside, the insurance, consumer goods, and industrial indices declined by 4.25%, 1.74%, and 0.24% respectively, largely driven by profit-taking activities in stocks including MAYBAKER, LEGEND INTERNET, CONSOLIDATED HALLMARK, FTG INSURANCE, JOHNHOLT, HONEYWELL, LAFARGE, NIGERIAN BREWERIES, CUSTODIAN, and RTBRISCOE and points to waning investor appetite following recent price rallies, as market participants continue to rebalance portfolios and lock in gains where necessary.

On the gainers' chart, Multiverse led with a 20.7% increase, followed by UPDC REIT (+15.5%), INTENEGINS (+12.5%), AUSTINLAZ (+10.5%), and Unilever (+10.0%), largely driven by buying interest. Conversely, NSLTECH (-21.5%), JOHNHOLT (-18.5%), MAYBAKER (-16.6%), ALEX (-16.3%), and LEGENDINT (-16.0%) topped the losers' list, reflecting profit-taking and sustained selling pressure.

Looking ahead into the coming week, the market is expected to trade with a mildly positive but cautious bias in the near term, as investors continue to rotate into fundamentally strong and liquid names. While the recent uptick in the index reflects resilience, the weak market breadth and softer trading activity highlight a lack of broad conviction, suggesting that the rally remains narrowly driven.

As corporates publish their audited FY 2025 numbers and heading into the start of the dividend earning season, we anticipate the mildly upbeat sentiments in some tickers on the back of attractive dividend yields and positive internals. We anticipate the market to remain range-bound with pockets of opportunities, as investors adopt a more selective and defensive approach in the absence of strong, market-wide catalysts.

Meanwhile, we continue to advise investors to take position in fundamentally sound stocks.

## FOREX MARKET: Naira Mixed as External Reserves Dip; Crude Oil Prices Surge to Over \$100.....

This week, the naira showed mixed movement against the U.S. dollar, slipping slightly by 0.02% in the official market to ₦1,380.79, while strengthening 1.08% in the parallel market to ₦1,378.08 on easing demand at the open market. Nigeria's external reserves, meanwhile, edged down 0.37% to \$49.30 billion, following the settlement of foreign exchange obligations and interventions by the Central Bank of Nigeria (CBN).

In the oil market, West Texas Intermediate (WTI) crude opened April on a positive note, trading above \$100 per barrel as President Trump signaled that tensions with Iran were unlikely to ease soon. At the time of writing, WTI was up 9.3% at \$109.4 per barrel, the Brent crude gained 8.45% to \$109.6, and Nigeria's benchmark Bonny Light rose 9.32% to \$134.72 per barrel.

Looking ahead, the naira is likely to remain under modest pressure in the near term, driven by ongoing FX demand and interventions by the Central Bank of Nigeria. External reserves may continue to fluctuate as the CBN balances payments obligations with market stability.

In the oil market, crude prices are expected to stay elevated, supported by geopolitical tensions and supply uncertainties. Higher oil prices could provide some relief to Nigeria's FX inflows, but volatility in global markets may keep both the naira and local oil benchmarks on a cautious trajectory.

## BOND MARKET: Local Bond Market Softens as Eurobonds Gain on Renewed Demand.....

The Nigerian secondary bond market ended the week on a soft note, as demand remained weak across most maturities. Trading activity was generally quiet, reflecting cautious investor sentiment and a muted appetite for local fixed-income instruments despite ongoing market uncertainties. Consequently, yields edged lower, with the average yield dipping by 2 basis points to 7.45%, indicating only mild interest in government securities.

The FGN bond auction conducted on March 30, 2026, witnessed solid investor participation, with total subscriptions printing at ₦931.51 billion against an offer size of ₦750 billion, translating to a bid-to-offer ratio of 1.24x. Demand was largely skewed toward the longer-dated instruments, reflecting investors' preference to lock in yields amid prevailing liquidity conditions.

A breakdown of the auction shows that the APR 2027 bond (₦250 billion offer) attracted ₦251.43 billion in bids, with ₦88.79 billion allotted at a stop rate of 16.00%. The FEB 2032 bond (₦200 billion offer) recorded ₦217.87 billion in subscriptions, with ₦63.99 billion allotted at 16.15%. Notably, the MAY 2033 bond saw the strongest demand, with subscriptions of ₦462.21 billion against a ₦300 billion offer, leading to a higher allotment of ₦332.70 billion at a stop rate of 16.64%.

In the same vein, the Nigerian sovereign Eurobond market posted a modest gain, supported by improved demand across the curve. Average yields declined by 2 basis points to 7.45%, suggesting firmer investor sentiment and a gradual increase in appetite for Nigeria's dollar-denominated debt.

Looking ahead, the Nigerian fixed-income market is likely to remain cautious in the near term. Domestic bond demand may stay subdued as investors weigh macroeconomic uncertainties, interest rate expectations, and liquidity conditions. Yields could experience slight volatility, especially in longer-dated maturities, if inflows remain limited.

**MONEY MARKET: System Awash with Liquidity but Investors Remain Strategically Cautious.....**

System liquidity remained elevated towards the close of the week, supported by strong balances at the Standing Deposit Facility (SDF) and inflows from maturing instruments, including ₦1.02 trillion in OMO bills and ₦759.13 billion in Treasury bills. Liquidity dynamics fluctuated during the week, with an initial debit of ₦1.7 trillion on Monday reducing system liquidity to ₦5.5 trillion before rebounding to ₦5.7 trillion by Tuesday on the back of OMO maturities. By the end of the week, liquidity settled at ₦5.41 trillion, still robust and largely supported by Treasury bills inflows.

Despite this strong liquidity backdrop, funding rates showed mixed movements. The overnight rate edged up by 5 basis points week-on-week to 22.31%, while the funding rate held steady at 22.00%. Meanwhile, NIBOR closed on a mixed note, reflecting uneven liquidity distribution across tenors. The overnight NIBOR declined by 13bps to 22.25%, and the 1-month tenor dipped by 5bps, indicating improved short-term liquidity conditions.

However, the 3-month and 6-month tenors rose by 8bps each, suggesting cautious positioning further out the curve. In the Treasury bills space, NITTY movements were similarly mixed, with the 1-month tenor rising by 19bps as investors targeted short-term opportunities, while the 3-month, 6-month, and 12-month tenors declined by 13bps, 25bps, and 15bps respectively.

Activity in the secondary Treasury bills market was positive, particularly at the mid- to long-end of the curve, where buying interest in instruments such as SEPT-26, DEC-26, and JAN-27 drove average yields down by 15bps week-on-week to 17.61%.

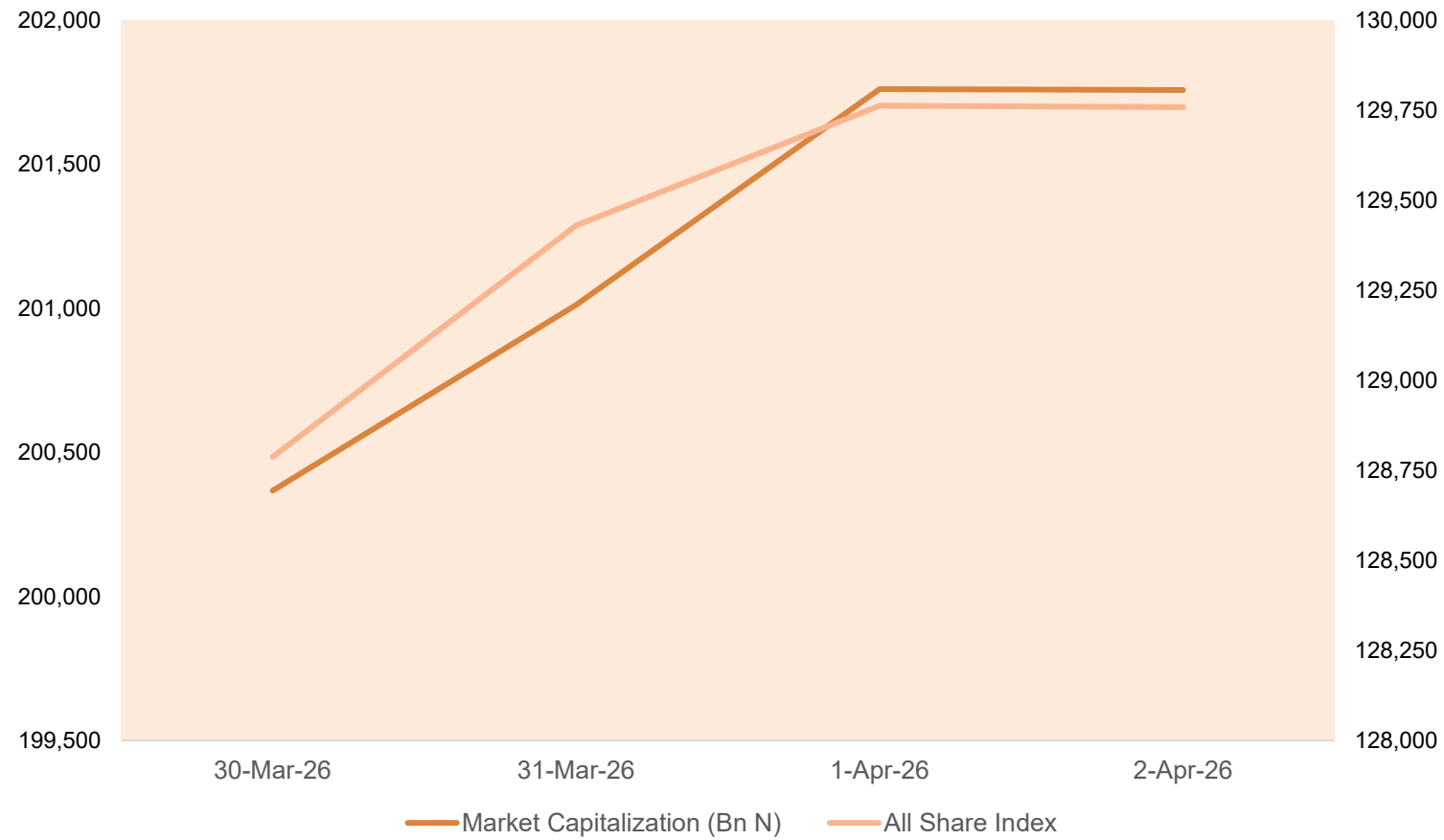
At the primary market, the OMO auctions conducted on March 30 and 31 reinforced the theme of strong liquidity and selective demand. Total subscriptions reached ₦1.95 trillion for the March 30 auction and ₦1.30 trillion+ at the March 31 auction, with demand heavily skewed toward longer-dated instruments. Notably, the 120-day and 140-day tenors recorded the strongest interest, with stop rates settling around 19.9%, reflecting investors' preference to lock in yields at relatively longer durations.

Overall, the market remains flush with liquidity but increasingly selective, with investors balancing yield opportunities against duration risk. Looking ahead, expected inflows of ₦356.47 billion from Treasury bills and ₦300 billion from OMO maturities should continue to support liquidity in the market.

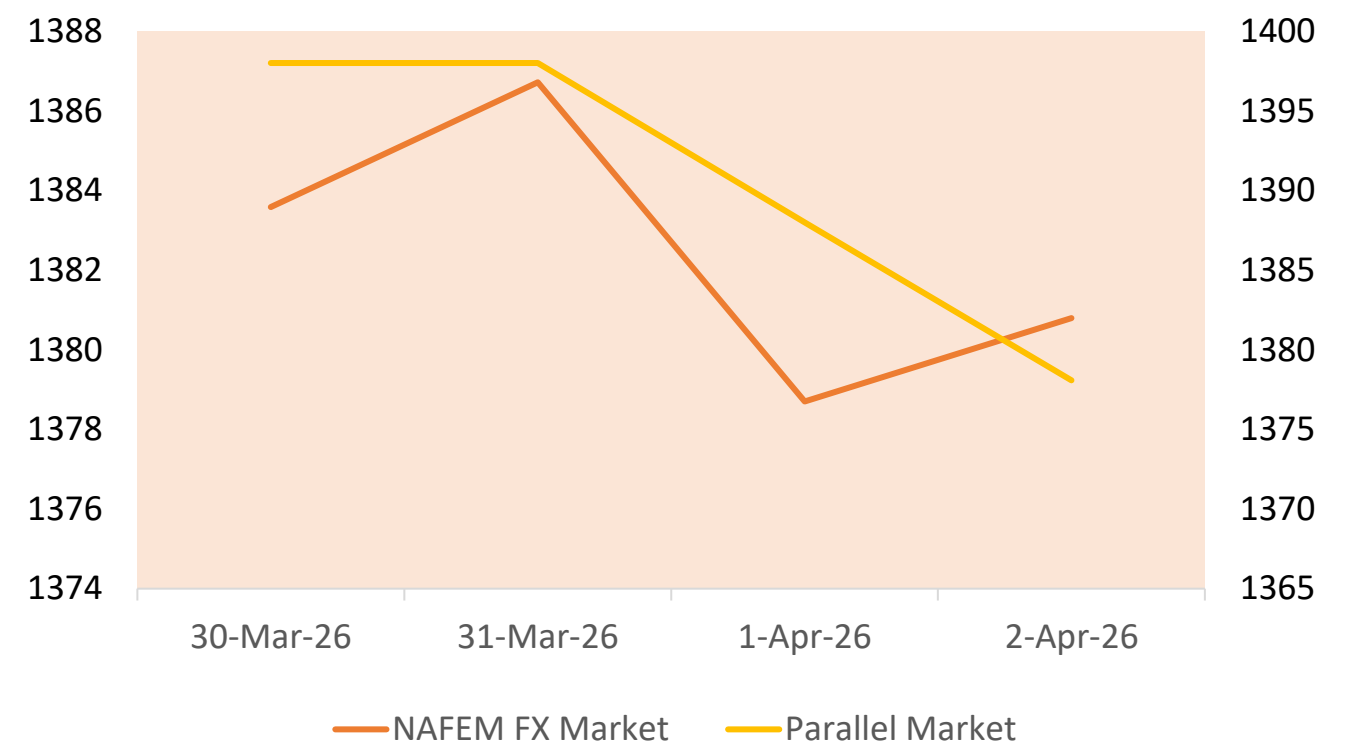
However, the planned ₦700 billion NTB auction (₦100 billion for 91-day, ₦100 billion for 182-day, and ₦500 billion for 364-day) suggests that the CBN will remain active in mopping up excess liquidity, which could keep rates relatively stable or slightly elevated in the near term.



Evolution of Equities Performance Gauges



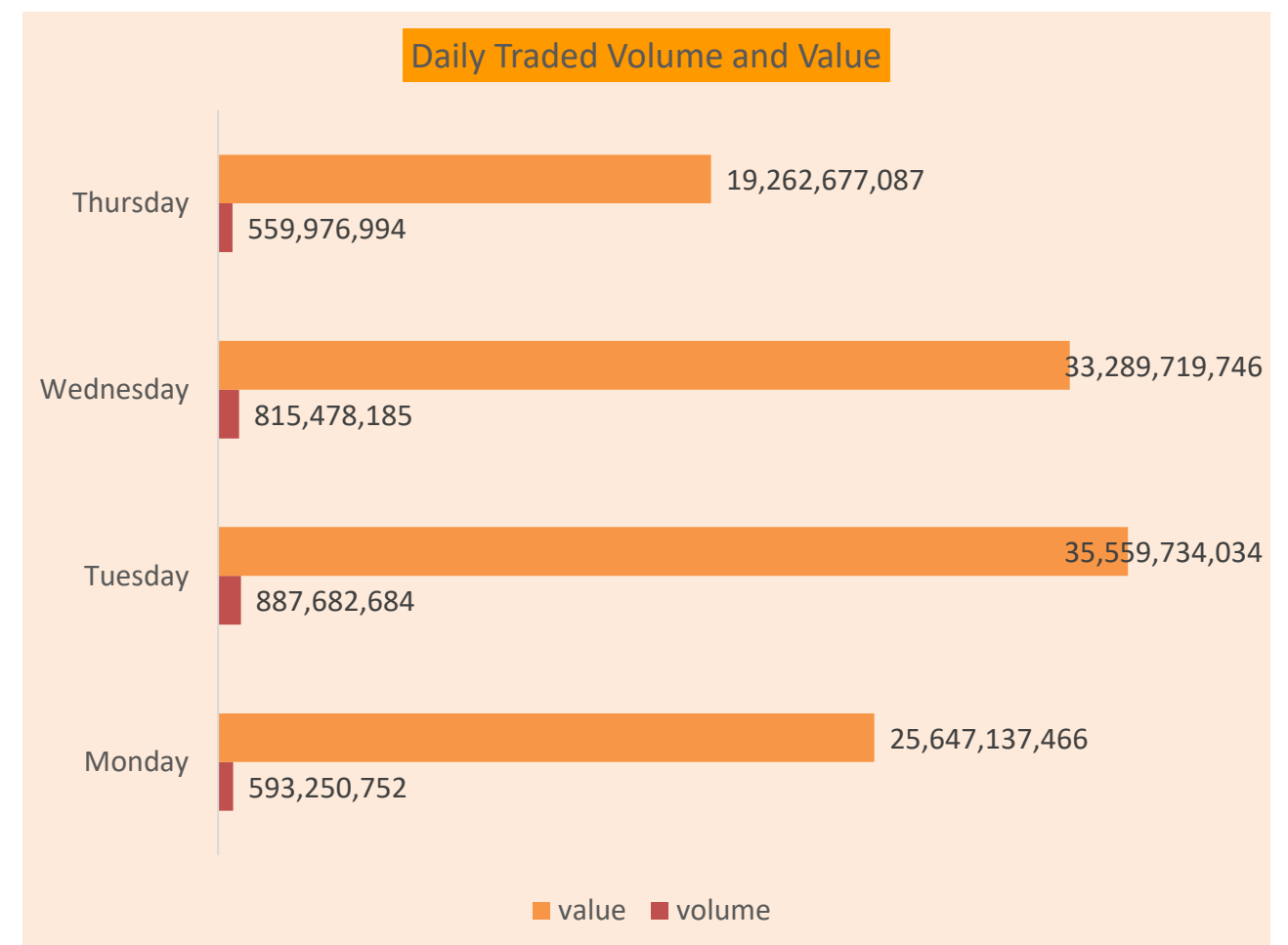
Evolution of NGN/USD Exchange Rates



FGN Eurobonds Yields as at Thursday , April 02, 2026

FGN Eurobonds	Issue Date	TTM (years)	02-Apr-26 Price (N)	Weekly USD Δ	27-Mar-26 Yield	Weekly PPT Δ
6.125 SEP 28, 2028	28-Sep-21	2.49	99.53	0.12	6.3%	-0.06
8.375 MAR 24, 2029	24-Mar-22	2.98	105.39	0.00	6.4%	-0.01
7.143 FEB 23, 2030	23-Feb-18	3.90	100.60	-0.44	7.0%	0.13
8.747 JAN 21, 2031	21-Nov-18	4.81	105.47	-0.75	7.4%	0.18
7.875 16-FEB-2032	16-Feb-17	5.88	101.69	0.19	7.5%	-0.04
7.375 SEP 28, 2033	28-Sep-21	7.50	98.11	0.04	7.7%	-0.01
7.696 FEB 23, 2038	23-Feb-18	11.90	97.00	0.46	8.1%	-0.06
7.625 NOV 28, 2047	28-Nov-17	21.67	92.16	1.06	8.4%	-0.11
9.248 JAN 21, 2049	21-Nov-18	22.82	107.55	1.63	8.5%	-0.16
8.25 SEP 28, 2051	28-Sep-21	25.51	96.82	1.28	8.6%	-0.13

Daily Traded Volume and Value



## Weekly Top Gainers and Losers as at Thursday, April 02, 2026

Top Ten Gainers				Bottom Ten Losers			
Symbol	02-Apr-26	27-Mar-26	% Change	Symbol	02-Apr-26	27-Mar-26	% Change
MULTIVERSE	20.15	16.70	20.7%	NSLTECH	1.02	1.30	-21.5%
UPDCREIT	8.20	7.10	15.5%	JOHNHOLT	15.45	18.95	-18.5%
INTENEGINS	3.32	2.95	12.5%	MAYBAKER	35.00	41.95	-16.6%
AUSTINLAZ	4.43	4.01	10.5%	ALEX	10.55	12.60	-16.3%
UNILEVER	103.40	94.00	10.0%	LEGENDINT	6.30	7.50	-16.0%
TRANSEXP	2.84	2.59	9.7%	CONHALLPLC	4.4	5.06	-13.0%
LEARNAFRCA	9.30	8.50	9.4%	NPFMCRFBK	6.09	6.9	-11.7%
CADBURY	68.7	63	9.0%	FTGINSURE	1.23	1.38	-10.9%
NAHCO	189.95	174.50	8.9%	AFRIPRUD	13.80	15.40	-10.4%
EUNISELL	169.95	157.90	7.6%	GUINEAINS	1.15	1.28	-10.2%

## Weekly Stock Recommendations as at Thursday, April 02, 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
STANBIC IBTC	23.68	29.59	70.68	1.88	5.62x	133.00	59.00	133.10	173.8	113.1	153.1	30.58	Buy
AIRTEL AFRICA PLC	148.14	189.62	1,215	2.06	16.86x	2,497.00	2100	2,497.00	3196.2	2,122	2,872	28.00	Buy
DANGOTE CEMENT	43.82	56.38	145.41	5.57	18.48x	810.00	349.20	810.00	1042.2	688.5	931.5	28.67	Buy
ETERNA OIL	1.75	2.19	5.47	6.38	19.94x	49.95	27.9	34.9	43.6	29.7	40.1	25.00	Buy
ZENITH BANK	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

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