COWRY WEEKLY FINANCIAL MARKETS REVIEW & OUTLOOK (CWR)

Cowry Research

DOMESTIC ECONOMY: N159.3tn: Nigeria's Rising Debt Masks Deeper Strain from Costly Servicing and Weak Revenue Base….

Nigeria's total public debt rose to ₦159.28 trillion (about $110.98 billion) as of December 31, 2025, reflecting a 10.10% increase from ₦144.67 trillion at the end of 2024. While this growth appears measured, it continues a steady upward trend in the country's borrowing profile. Also, Nigeria's total public debt stock increased by 4% quarter-on-quarter from N153.3 trillion as at end-September 2025.

It is also important to note that this figure does not fully capture all obligations, as quasi-fiscal liabilities such as AMCON debts, power sector obligations, and contractor arrears remain outside the official debt stock, suggesting that the broader fiscal exposure is higher than reported.

A closer look at the composition shows a near-even split between domestic and external debt. Domestic debt stood at ₦84.85 trillion (53.27%), largely driven by Federal Government borrowings through instruments like bonds and treasury bills. This form of borrowing is relatively easier to access but comes at a cost, especially in a high-interest rate environment.

External debt, which stood at ₦74.43 trillion (46.73%), is made up of multilateral, bilateral, and commercial loans. While concessional multilateral loans from institutions like the World Bank and African Development Bank provide some relief due to lower interest rates, commercial borrowings such as Eurobonds carry higher costs and expose the country to global market conditions. In addition, exchange rate movements continue to inflate the naira value of external debt, increasing repayment pressures.

Although Nigeria's debt-to-GDP ratio is estimated at about 30.8%, which is below the 60% benchmark set in the Medium-Term Debt Strategy, this metric alone does not fully reflect the country's debt sustainability. The more pressing issue lies in the cost of servicing the debt relative to government revenue. In 2025, domestic debt servicing reached about ₦8.61 trillion, largely due to high interest rates and the need to frequently refinance short-term borrowings at elevated yields.

Federal Government bonds accounted for the bulk of this cost at ₦5.49 trillion, followed by treasury bills at ₦2.55 trillion. Other instruments such as Sukuk bonds, promissory notes, savings bonds, and green bonds contributed smaller portions. On the external side, debt servicing was estimated at $5.15 billion, further adding pressure to public finances.

This rising cost of debt servicing highlights a key vulnerability. The 2026 budget projects total revenue of ₦36.9 trillion against debt service obligations of ₦15.8 trillion, implying a debt service-to-revenue ratio of about 42.9%. Although this is an improvement from the estimated 65% in 2025, it still indicates that a significant portion of government earnings is being used to service debt, leaving limited room for capital expenditure and social investments. In simple terms, a large share of what the government earns is already committed before new spending decisions are made.

DOMESTIC ECONOMY: Private Sector Activity Sustains Expansion Amid Moderating Growth Momentum….

Looking ahead, Nigeria's debt level is expected to continue rising in the near term due to ongoing fiscal deficits, infrastructure financing needs, and relatively weak revenue generation. However, the key concern is not just how much the country owes, but how easily it can meet its repayment obligations. Exchange rate volatility remains a major risk for external debt, while tight monetary conditions could keep domestic borrowing costs elevated.

To maintain fiscal stability, efforts will need to focus on improving revenue mobilization through a broader tax base, better compliance, and increased non-oil earnings while also ensuring that public spending is more efficient and targeted. Recent reforms in revenue generation and the foreign exchange market are steps in the right direction, but sustaining these gains will be crucial. Over time, a balance between prudent borrowing, stronger revenues, and disciplined spending will determine whether Nigeria's debt remains manageable or becomes a more significant constraint on economic growth.

EQUITIES MARKET: Bellwethers Drive Market Rally as ASI Gains 6.56% w/w, Investors Reap N8.7tn Profits…

The Nigerian equities market closed the week on a strong note, extending its bullish run as gains in key stocks supported overall performance.

The benchmark NGX All-Share Index (ASI) advanced by 6.56% week-on-week to settle at 217,131.54 points, while market capitalization increased by 6.60% to ₦139.83 trillion, buoyed by the supplementary listing of 3.62 billion shares. This translates to a gain of approximately ₦8.67 trillion, a notable improvement from the ₦1.36 trillion recorded in the prior week. As a result, the year-to-date return strengthened to 39.53%, reflecting sustained positive market momentum.

Market breadth also closed positive at 1.69x, with 61 gainers compared to 36 decliners, indicating broad-based buying interest across the market.

Trading activity remained robust during the week, with the number of deals, volume traded, and total value traded rising by 10.82%, 6.77%, and 28.67% week-on-week, respectively. In total, investors exchanged 3.59 billion shares valued at ₦195.69 billion across 255,283 deals, highlighting increased market participation.

Sectoral performance closed the week on a broadly positive note, as strong gains across key sectors outweighed the marginal loss recorded in the Insurance space. The Insurance sector was the sole laggard, slipping by 0.04% week-on-week, largely due to sell-offs in WAPIC and INTENEGINS, which offset gains seen in counters like ROYALEX.

On the upside, the Oil & Gas sector led the market with a sharp 17.59% week-on-week advance, driven by strong buying interest in ARADEL, JAPAULGOLD, and SEPLAT. The Banking sector followed with an 11.85% gain, supported by renewed investor demand for ETI, STANBIC, and FIRSTHOLDCO. Consumer Goods also recorded a solid increase of 7.76%, underpinned by sustained participation in UNIONDICON and GUINNESS. Meanwhile, the Industrial Goods sector posted a modest gain of 1.26%, supported by price appreciation in WAPCO and DANGCEM.

On the gainers' chart, TRANSEXPR led with a 60.5% surge, followed by ETI (+46.3%), STANBIC (+36.6%), ROYALEX (+29.4%), and ARADEL (+28.9%), driven primarily by strong buying interest. Conversely, WAPIC (-14.4%), IKEJAHOTEL (-14.4%), INTENEGINS (-13.8%), ACADEMY (-12.6%), and HONYFLOUR (-11.0%) topped the losers' list, reflecting profit-taking and persistent selling pressure.

Looking ahead, the positive momentum in the Nigerian equities market is likely to persist in the near term, supported by strong investor sentiment, improving liquidity, and sustained interest in fundamentally sound and large-cap stocks. The recent surge in trading activity suggests growing market participation, which could continue to underpin price appreciation.
However, the pace of gains may moderate as investors begin to lock in profits following the sharp rally recorded in recent weeks. Additionally, attention is expected to remain on corporate earnings releases and macroeconomic developments, which could shape market direction.
Overall, while the bullish bias is expected to be maintained, intermittent pullbacks are likely as the market consolidates recent gains.

FOREX MARKET: Naira Strengthens Amid FX Market Support as Crude Oil Prices Decline Sharply…….

This week, the naira appreciated against the U.S. dollar, gaining 1.13% in the official market to close at ₦1,343.64, while also strengthening by 0.30% in the parallel market to ₦1,369. Meanwhile, foreign reserves declined by 0.23% to 48.70%, largely driven by sustained CBN interventions to stabilize the currency, ongoing debt servicing obligations, reduced inflows from oil revenues, and capital outflows amid foreign investor exits.

In the oil market, prices remained under pressure during early Asian trading sessions, following the announcement of a 10-day ceasefire between Israel and Lebanon, alongside signals from President Trump that negotiations with Iran could resume over the weekend. At the time of writing, WTI crude traded at $84.67, reflecting a 10.58% decline, while Brent crude fell by 9.89% to $89.56. Both benchmarks remained well below the triple-digit levels recorded earlier in the week after the previous round of talks collapsed.

Looking ahead, the naira is expected to remain sensitive to continued Central Bank interventions and evolving foreign exchange liquidity conditions. While recent gains suggest some short-term stability, persistent pressure from external debt obligations, weak oil revenue accretion, and foreign portfolio outflows may limit sustained appreciation. Market participants will also closely monitor reserve levels for signals on the CBN's capacity to defend the currency. In the oil market, volatility is likely to persist as geopolitical developments remain the dominant driver of price action. Although easing tensions in the Middle East have triggered a sharp pullback in crude prices, any renewed escalation or disruption to supply routes could quickly reverse recent losses. As a result, oil prices are expected to trade within a sensitive range, reacting swiftly to shifts in diplomatic and security developments.

BOND MARKET: Nigerian Bond Markets Advance on Renewed Buying Interest…….

The Nigerian secondary bond market closed the week on a positive note, driven by stronger demand across most maturities compared to the previous week. Trading activity was robust, reflecting improved investor sentiment and a renewed appetite for local fixed-income instruments. Consequently, yields edged up by 5 basis points to 15.85%.

Meanwhile, the Nigerian sovereign Eurobond market recorded a modest gain, supported by increased demand across the curve. Average yields declined by 16 basis points to 6.96%, indicating firmer sentiment and a gradual rise in appetite for dollar-denominated debt.

Looking ahead,, the Nigerian fixed-income market is expected to maintain a cautiously positive tone, supported by sustained investor demand and relatively attractive yield levels. However, market direction will remain sensitive to liquidity conditions, inflation trends, and potential policy signals from the Central Bank. In the near term, yields may exhibit mild fluctuations as investors continue to rebalance portfolios, while selective demand across both local bonds and Eurobonds is likely to persist.

System Liquidity Stays Elevated, But CBN Tightening Keeps Rates and Yields on Edge……….

The money market opened the week on a strong footing, with system liquidity around ₦5.0 trillion, supporting a moderation in interbank rates. However, conditions tightened gradually, with liquidity closing lower at ₦3.84 trillion from ₦5.41 trillion the previous week. Despite this decline, excess liquidity remained relatively robust, sustaining active market participation. Investor behaviour continues to show a cautious and strategic tilt, with a clear preference for very short and longer tenors, while the mid-curve remains less attractive.

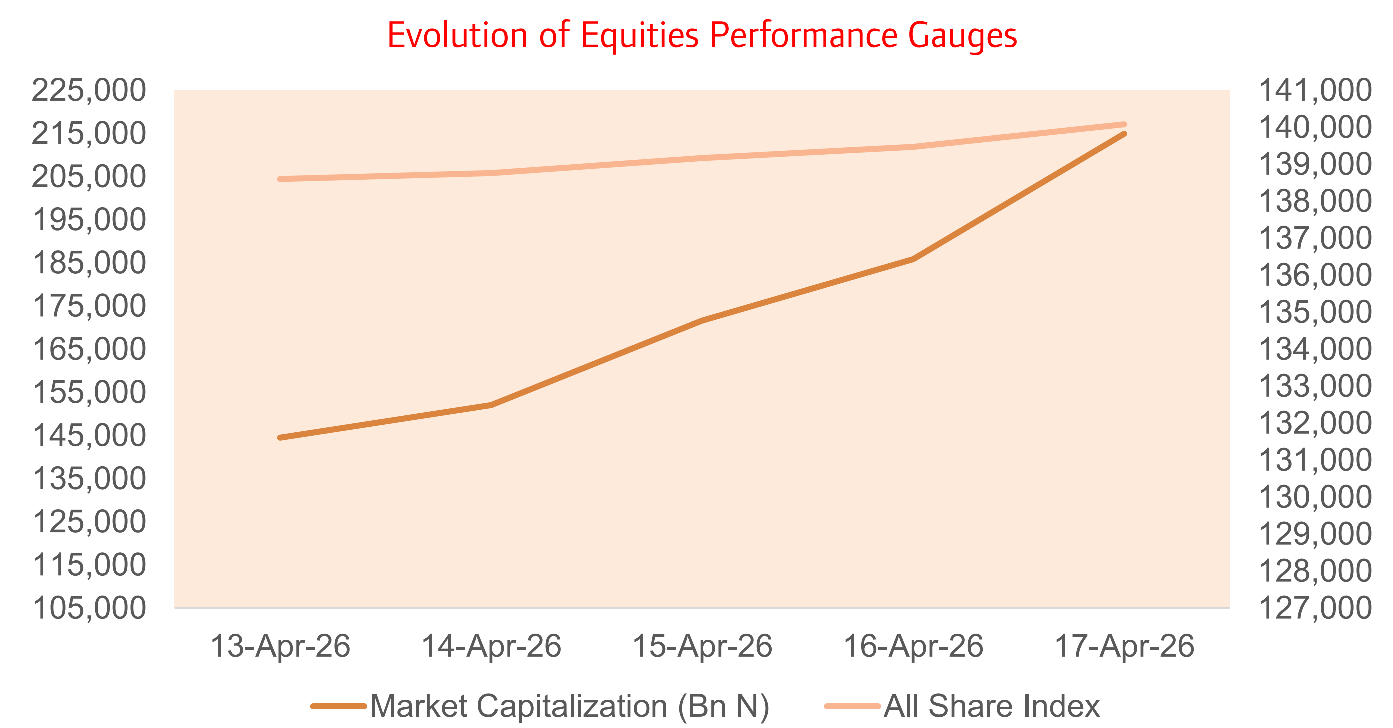
Interbank indicators reflected this tightening bias. NIBOR rose across all tenors, with the overnight rate increasing by 7bps to 22.39%, largely driven by liquidity pressures following the ₦2.17 trillion OMO debit earlier in the week. Other tenors also trended higher, with the 1-month, 3-month, and 6-month NIBOR settling at 22.99%, 23.69%, and 24.19%, respectively. Funding rates were mixed, as the OPR held steady while the overnight rate declined by 19bps to 22.16%, suggesting some easing in short-term funding pressures.

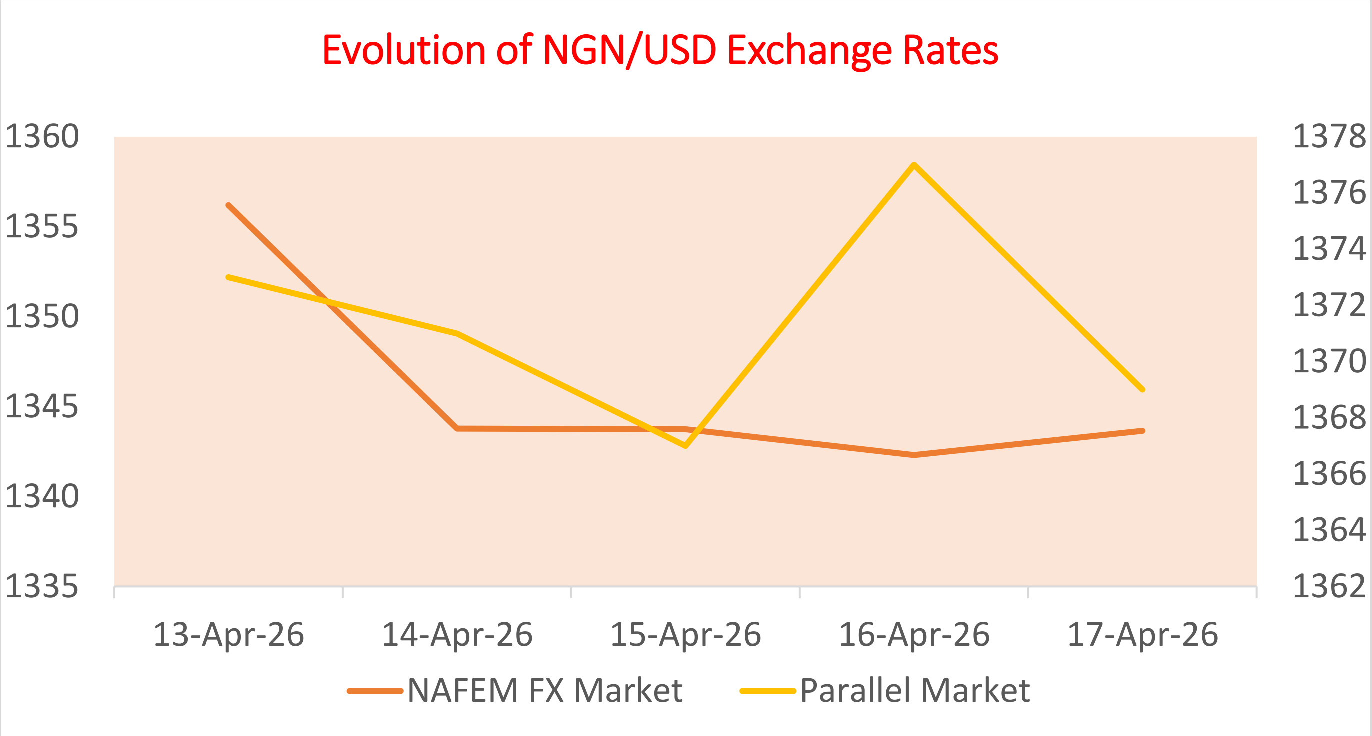
Across the fixed income curve, the NITTY showed mixed movements. Shorter tenors (1-month and 3-month) edged higher by 4bps and 14bps to 16.08% and 16.27%, respectively, while longer tenors (6-month and 12-month) declined by 5bps and 11bps to 17.10% and 18.85%. The March inflation print of 15.38% slightly above expectations introduced mild sell pressure, influencing investor sentiment.

In the Treasury bills secondary market, activity remained relatively subdued, although there was selective buying across the curve. This supported a marginal decline in average yields by 6bps to 17.44%, with mild compression observed at the short end.

The OMO auction conducted on April 14 reinforced the Central Bank's liquidity management stance. While ₦600 billion was offered across three tenors, total subscriptions surged to ₦2.58 trillion, reflecting strong system liquidity. Demand was heavily skewed toward the 140-day bill, which attracted ₦1.71 trillion (over 8x subscription) and was fully allotted at 19.91%, indicating investor preference to lock in yields at the longer end. The 7-day bill also recorded strong demand, with ₦857 billion subscribed and ₦457 billion allotted at 21.90%, highlighting short-term liquidity parking. In contrast, the 63-day tenor saw weak interest, underscoring continued investor reluctance toward mid-curve exposures.

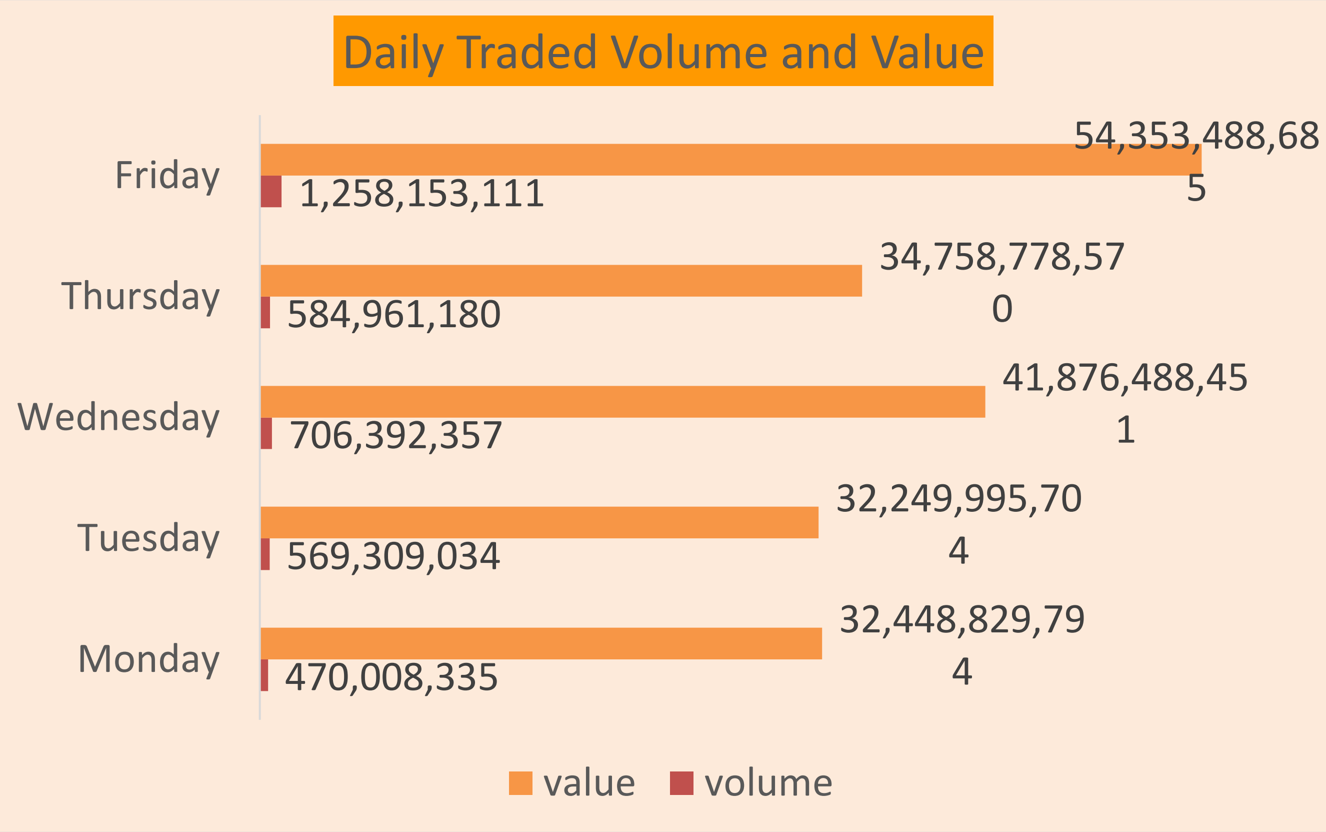
Looking ahead, liquidity conditions are expected to remain broadly supportive in the near term, underpinned by significant inflows estimated above ₦1.6 trillion from NTB maturities, bond coupon payments, and OMO maturities. However, the ₦750 billion NTB auction for midweek is likely to absorb part of this liquidity, suggesting a balance between early-week ease and potential tightening as the week progresses.





FGN Eurobonds Yields as at Friday , April 17, 2026

FGN Eurobonds	Issue Date	TTM (years)	17-Apr-26 Price (N)	Weekly USD Δ	10-Apr-26 Yield	Weekly PPT Δ
6.50 NOV 28, 2027	28-Nov-17	1.62	100.94	0.22	5.9%	-0.15
6.125 SEP 28, 2028	28-Sep-21	2.45	100.62	0.38	5.9%	-0.17
8.375 MAR 24, 2029	24-Mar-22	2.94	106.75	0.41	5.8%	-0.16
7.143 FEB 23, 2030	23-Feb-18	3.86	102.72	0.72	6.3%	-0.22
8.747 JAN 21, 2031	21-Nov-18	4.77	107.67	0.64	6.8%	-0.16
7.875 16-FEB-2032	16-Feb-17	5.84	104.46	0.80	6.9%	-0.17
7.375 SEP 28, 2033	28-Sep-21	7.45	101.37	0.94	7.1%	-0.17
7.696 FEB 23, 2038	23-Feb-18	11.86	101.33	1.44	7.5%	-0.19
7.625 NOV 28, 2047	28-Nov-17	21.63	96.88	1.74	7.9%	-0.17
9.248 JAN 21, 2049	21-Nov-18	22.78	111.42	0.85	8.1%	-0.07
8.25 SEP 28, 2051	28-Sep-21	25.47	100.94	1.47	8.2%	-0.14
					6.96%	



Weekly Top Gainers and Losers as at Friday, April 17, 2026

Top Ten Gainers				Bottom Ten Losers			
Symbol	17-Aprr-26	10-Apr-26	% Change	Symbol	17-Apr-26	10-Apr-26	% Change
RANSEXPR	6.05	3.77	60.5%	WAPIC	2.50	2.92	-14.4%
ETI	67.30	46.00	46.3%	IKEJAHOTEL	33.4	39	-14.4%
STANBIC	188.55	138.00	36.6%	INTENEGINS	3.06	3.55	-13.8%
ROYALEX	1.85	1.43	29.4%	ACADEMY	7.65	8.75	-12.6%
ARADEL	1,649.00	1,279.00	28.9%	HONYFLOUR	19.00	21.35	-11.0%
FIRSTHOLDCO	64.00	52.05	23.0%	BERGER	68.35	75.9	-9.9%
DAARCOMM	1.82	1.50	21.3%	AUSTINLAZ	3.6	3.99	-9.8%
NAHCO	220	182	20.9%	NGXGROUP	170.00	188.00	-9.6%
MULTIVERSE	23.80	20.15	18.1%	ABBEYBDS	8.10	8.95	-9.5%
SOVRENINS	2.17	1.85	17.3%	ETRANZACT	18.60	20.50	-9.3%

Weekly Stock Recommendations as at Friday, April 17, 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
FIDELITY BANK	4.22	5.27	20.98	0.94	4.68x	22.45	13.00	20.05	26.9	16.8	22.7	36.20	**BUY**
UBA	13.56	18.99	113.62	0.40	3.39x	51	31.35	48.00	64.4	39.1	52.9	40.00	**BUY**
MTN NIGERIA COMMUNICATIONS	53.00	66.25	26.13	31.57	15.56x	825	239	825	1050.0	701.3	948.8	27.27	**BUY**
NAHCO	8.98	11.22	13.34	15.00	22.28x	220	66	220	253.3	170.0	230.0	26.67	**BUY**
BUA FOODS	28.80	36.00	39.64	20.13	27.71x	845	432.1	824.60	1046.0	678.3	917.7	31.08	**BUY**

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