



COWRY WEEKLY FINANCIAL MARKETS

REVIEW & OUTLOOK (CWR)



Cowry Research

**DOMESTIC ECONOMY: Credit Surge Defies Tight Rates as Private Sector Borrowing Hits N94.6tn.....**

According to data published by the Central Bank of Nigeria (CBN), Nigeria's private sector credit continued to expand aggressively in February 2026 despite elevated interest rates and tight monetary conditions, reinforcing signs of resilient economic activity and sustained banking sector risk appetite. Credit to the private sector rose to N94.61 trillion in February 2026, representing a strong 24.1% year-on-year growth from N76.26 trillion recorded in February 2025, while increasing modestly by 0.9% month-on-month from N93.74 trillion in January 2026.

The sustained expansion in private sector lending suggests that corporates and businesses remain heavily reliant on bank financing to support working capital needs, inventory accumulation, and business expansion amid persistent inflationary pressures and elevated operating costs. The growth in private credit also points to improving financial intermediation within the economy despite the Central Bank of Nigeria's aggressive monetary tightening cycle.

From a macroeconomic standpoint, rising private sector credit remains supportive of economic growth, production activities, and investment spending, particularly across manufacturing, trade, telecommunications, and energy sectors. However, the pace of credit expansion also signals lingering liquidity pressures within the system and could sustain demand-side inflationary risks over the medium term.

Broad money supply remained elevated during the period, although monthly growth moderated slightly. Money Supply (M3) increased by 11.2% year-on-year to N123.12 trillion in February 2026 from N110.71 trillion in February 2025. On a monthly basis, however, M3 declined marginally by 0.7% from N123.95 trillion recorded in January 2026, reflecting the impact of the apex bank's liquidity sterilisation measures and tighter monetary controls.

Similarly, Narrow Money Supply (M2) expanded by 11.2% year-on-year to N123.11 trillion from N110.70 trillion in the corresponding period of 2025, while declining by 0.7% month-on-month from N123.94 trillion in January. The moderation in monthly money supply growth suggests that monetary tightening is beginning to gain traction, although overall system liquidity remains significantly elevated relative to historical levels.

Net Domestic Credit rose sharply by 29.6% year-on-year to N133.97 trillion in February 2026 from N103.37 trillion recorded in February 2025, while increasing by 1.8% month-on-month from N131.61 trillion in January, driven by increases in both government and private sector borrowing, with private sector credit remaining the dominant contributor to overall credit growth.

Meanwhile, credit to government climbed to N39.36 trillion in February 2026, representing a significant 45.2% year-on-year increase from N27.11 trillion in February 2025 and a 3.9% month-on-month increase from N37.87 trillion in January due to sustained rise in government borrowings on the back of persistent fiscal financing pressures amid elevated debt servicing costs, weak revenue mobilisation, and continued infrastructure spending requirements.

Net Domestic Assets (NDA) also expanded strongly by 24.8% year-on-year to N97.55 trillion compared to N78.18 trillion in February 2025, while increasing modestly by 0.7% month-on-month from N96.86 trillion in January 2026. In addition, Other Assets Net surged by over 303.6% year-on-year to N20.75 trillion from N5.14 trillion, highlighting significant balance sheet adjustments within the monetary system.

We think that the monetary aggregates data reinforce the paradox currently shaping Nigeria's macroeconomic environment: tight monetary policy on one hand, and strong credit expansion on the other. While robust private sector lending continues to support growth momentum across the economy, elevated liquidity conditions and rising government borrowing remain key upside risks to inflation, interest rates, and overall macroeconomic stability.

EQUITIES MARKET: Nigerian Equities Market Extends Bullish Run as ASI Gains 1.03%, Trading Activity Surges....

The Nigerian equities market ended the week on a strong bullish note, extending its positive momentum as broad-based gains in key counters lifted overall performance.

The NGX All-Share Index (ASI) advanced by 1.03% week-on-week to close at 244,775.83 points, while market capitalization rose to ₦157.09 trillion, representing an increase of approximately ₦1.10 trillion. Consequently, the year-to-date return strengthened further to 57.30%, underscoring sustained investor confidence in the domestic bourse.

Market breadth improved, closing positive at 1.92x, with 69 gainers against 36 decliners, reflecting selective but persistent buying interest across listed equities.

Trading activity also recorded notable improvement during the week, as the number of deals, volume traded, and total value exchanged increased by 21.86%, 23.85%, and 20.77% week-on-week, respectively. In total, investors exchanged 5.99 billion shares worth ₦347.81 billion across 406,393 deals, indicating heightened participation and stronger market engagement.

Sectoral performance closed the week broadly positive, with strong gains across the Industrial Goods, Insurance, and Banking sectors, while mild bearish sentiment persisted in the Oil & Gas and Consumer Goods space. The Industrial Goods index emerged as the top performer, advancing by 5.11% week-on-week, driven by sustained buying interest in CAP, MEYER, and BUACEMENT.

Similarly, the Insurance sector gained 4.01% following renewed investor appetite for SOVRENINS (+20.10%), LINKASSURE, and CONHALLPLC, while the Banking sector appreciated by 1.89% on the back of strong demand for ETI, FIDELITYBK, and GTCO.

Conversely, the Oil & Gas sector declined by 3.27%, pressured primarily by profit-taking activities in ARADEL despite positive price movements in TOTALENERGIES, JAPAUFGOLD, and OANDO. The Consumer Goods sector also closed marginally lower by 0.26%, weighed down by sell pressure in GUINNESS, PZ, and HONYFLOUR reflecting sector-specific profit-taking.

On the gainers' chart, CAP led with a 61.0% gain, followed by ZICHIS (+53.2%), FTNCOCOA (+50.9%), RTBRISCOE (+41.0%), and DANGSUGAR (+33.4%), driven by strong demand. On the losers' side, NAHCO (-20.9%), GUINNESS (-19.0%), ACCESSCORP (-12.6%), MTN (-12.4%), and UPDC (-12.2%) topped the list, reflecting profit-taking and sustained sell pressure in select large-cap stocks.

The Nigerian equities market maintained a strong bullish outlook, supported by sustained investor confidence, rising trading activity, and broad sectoral gains, particularly in industrial goods, banking, and consumer stocks. However, short-term volatility may persist due to profit-taking in recently rallying large-cap stocks and ongoing sector rotation. Overall, the market's outlook remains positive, though gains are expected to become more selective, with future direction largely driven by macroeconomic conditions such as inflation, interest rates, and FX stability.

FOREIX MARKET: Naira Weakens Amid Declining Reserves as Global Oil Prices Rally.....

This week, the naira depreciated against the U.S. dollar in the official market, weakening by 0.22% to close at ₦1,361.40/\$, while appreciating by 44 basis points in the parallel market to settle at ₦1,363.15/\$.

Meanwhile, external reserves declined marginally by 0.06% to \$48.33 billion, pressured by sustained CBN interventions aimed at supporting the local currency, persistent debt service obligations, subdued oil revenue inflows, and capital outflows stemming from foreign investor exits.

In the global oil market, crude prices advanced in early Asian trading on Friday following renewed hostilities between Iran and the U.S. in the Strait of Hormuz, raising concerns over the stability of the fragile month-long ceasefire. At the time of writing, Brent crude rose by 1.20% to \$101.30 per barrel, while WTI gained 0.50% to trade at \$95.28 per barrel. In contrast, Nigeria's Bonny Light crude declined by 16.98% to settle at \$106.37 per barrel.

Looking ahead, the naira is expected to remain under pressure in the near term amid persistent FX demand, continued CBN interventions, and lingering capital outflows. However, improved foreign portfolio inflows and stronger oil receipts could provide some support to external reserves and exchange rate stability.

In the oil market, prices are likely to remain volatile as geopolitical tensions in the Middle East continue to heighten concerns over global supply disruptions. Nevertheless, the direction of crude prices will also depend on the durability of the Iran-U.S. ceasefire, OPEC+ production dynamics, and the pace of global demand recovery.

BOND MARKET: Nigerian Bond Market Ends Bearish Amid Rising Yields; Eurobonds Gain.....

The Nigerian secondary bond market closed the week on a bearish note, weighed down by weak demand and increased selloffs across most maturities compared to the previous week. Trading activity remained subdued, reflecting cautious investor sentiment and muted appetite for local fixed-income instruments. Consequently, average yields edged higher by 1 basis point to settle at 16.10%.

Conversely, the Nigerian sovereign Eurobond market recorded modest gains, supported by improved demand across the curve. Average yields declined by 15 basis points to 6.71%, indicating stronger market sentiment and a gradual improvement in investor appetite for dollar-denominated debt instruments.

In the coming week, the Nigerian secondary bond market is expected to remain cautiously traded in the near term as investors continue to assess liquidity conditions, inflation expectations, and the direction of monetary policy. Elevated yields in the fixed-income space may sustain selective interest, although intermittent sell pressures could persist amid cautious market sentiment.

Meanwhile, the sovereign Eurobond market may continue to witness moderate support from improving investor confidence and easing pressures in global fixed-income markets. However, market direction will likely remain sensitive to developments in U.S. Treasury yields, global risk sentiment, and domestic macroeconomic conditions.

MONEY MARKET: Liquidity Glut Meets Aggressive CBN Mop-Up as Investors Pour Over N5tn into Bills Market.....

Nigeria's money market remained highly liquid this week despite aggressive liquidity mop-up actions by the Central Bank of Nigeria (CBN). System liquidity opened stronger at N5.60 trillion from N4.96 trillion recorded at the close of the previous week and eventually settled slightly higher at N5.67 trillion, supported by inflows from N767 billion OMO maturities and N556.02 billion Treasury bills repayments. However, liquidity debits arising from Treasury bills and OMO auction settlements exerted mild pressure on interbank rates as the Overnight NIBOR rose by 8 basis points week-on-week to 22.33%.

Similarly, the 1-month, 3-month, and 6-month NIBOR advanced to 22.90%, 23.60%, and 24.34% respectively. In contrast, funding rates remained relatively stable, with the Open Repo Rate (OPR) holding steady while the Overnight Rate (OVN) declined marginally by 11 basis points to 22.19%, reflecting still-robust liquidity conditions within the banking system.

Meanwhile, activities across the Treasury bills market remained bullish as investors continued to chase elevated yields amid lingering macroeconomic uncertainty. The Nigerian Interbank Treasury True Yield (NITTY) curve trended largely downward during the week, with the 1-month, 3-month, and 12-month tenors easing to 15.84%, 16.09%, and 18.92% respectively, although the 6-month tenor rose slightly by 17 basis points. Consequently, average secondary market Treasury bills yields declined by 4 basis points to 17.51% on the back of sustained buy-side interest across maturities.

At the NTB auction, investor demand remained exceptionally strong as total subscriptions surged to N2.40 trillion against the N700 billion offered by the Debt Management Office (DMO), translating to a 3.4x oversubscription rate. However, final allotments settled at N731.80 billion, while stop rates on the 182-day and 364-day bills declined marginally to 16.14% and 16.15% respectively, reinforcing the bullish fixed income sentiment.

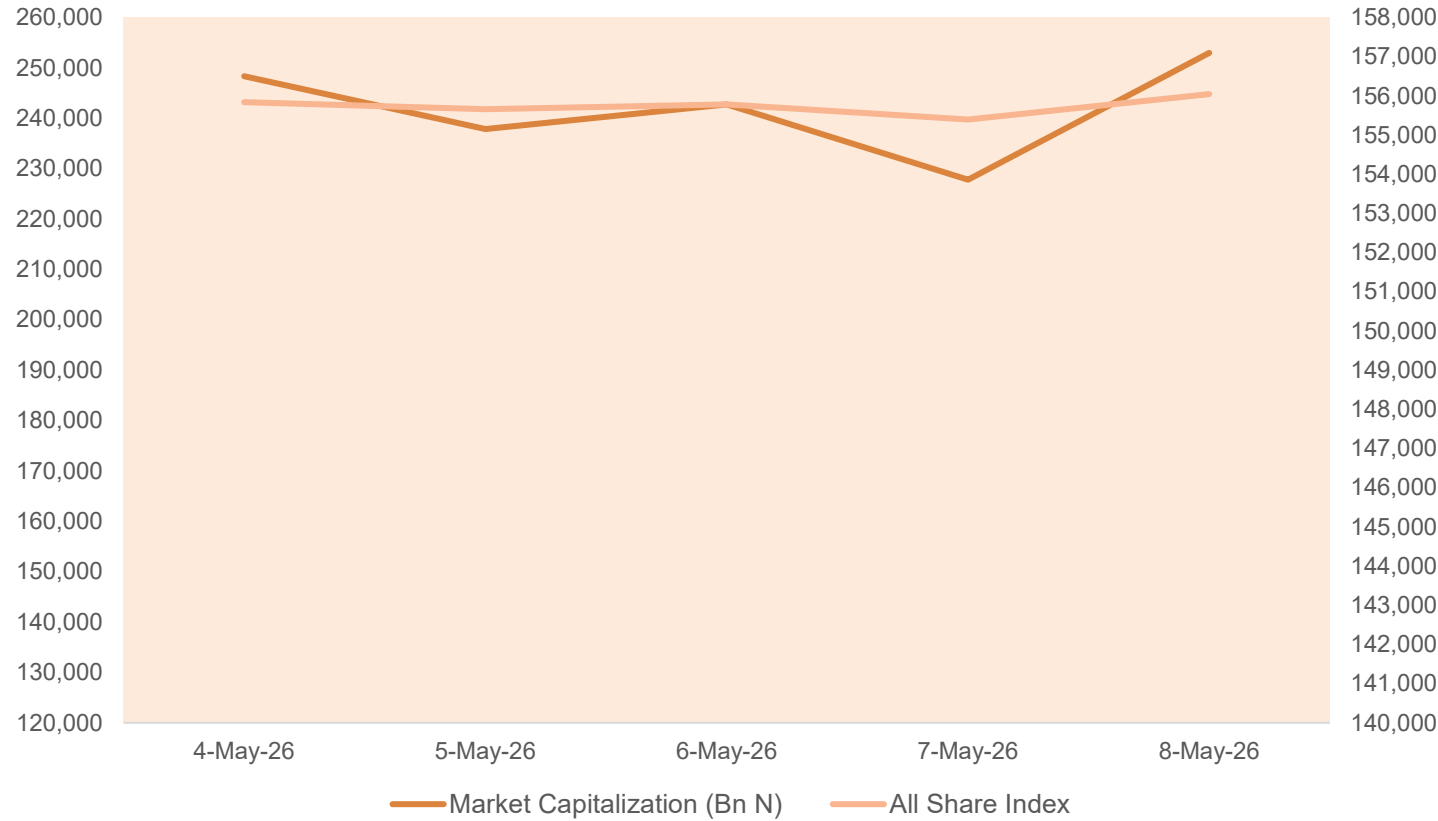
Similarly, the CBN's OMO auctions recorded overwhelming investor participation during the week, highlighting persistent appetite for short-dated risk-free instruments. At Monday's auction, the 8-day OMO bill attracted subscriptions worth N1.07 trillion against the N300 billion offered, implying a 3.6x oversubscription rate, while the 134-day tenor recorded N640.10 billion in subscriptions against the same N300 billion offer.

Furthermore, the apex bank's Thursday OMO auction attracted total subscriptions of N1.64 trillion against the N600 billion offered across the 33-day, 75-day, and 96-day maturities. Demand was heavily concentrated on the 33-day and 96-day instruments, which recorded oversubscription rates of 3.4x and 4.6x respectively. Stop rates remained relatively stable at 21.57%, 20.63%, and 20.45% across the three tenors, suggesting that the CBN continues to resist aggressive upward repricing of yields despite elevated inflation and persistent excess liquidity conditions.

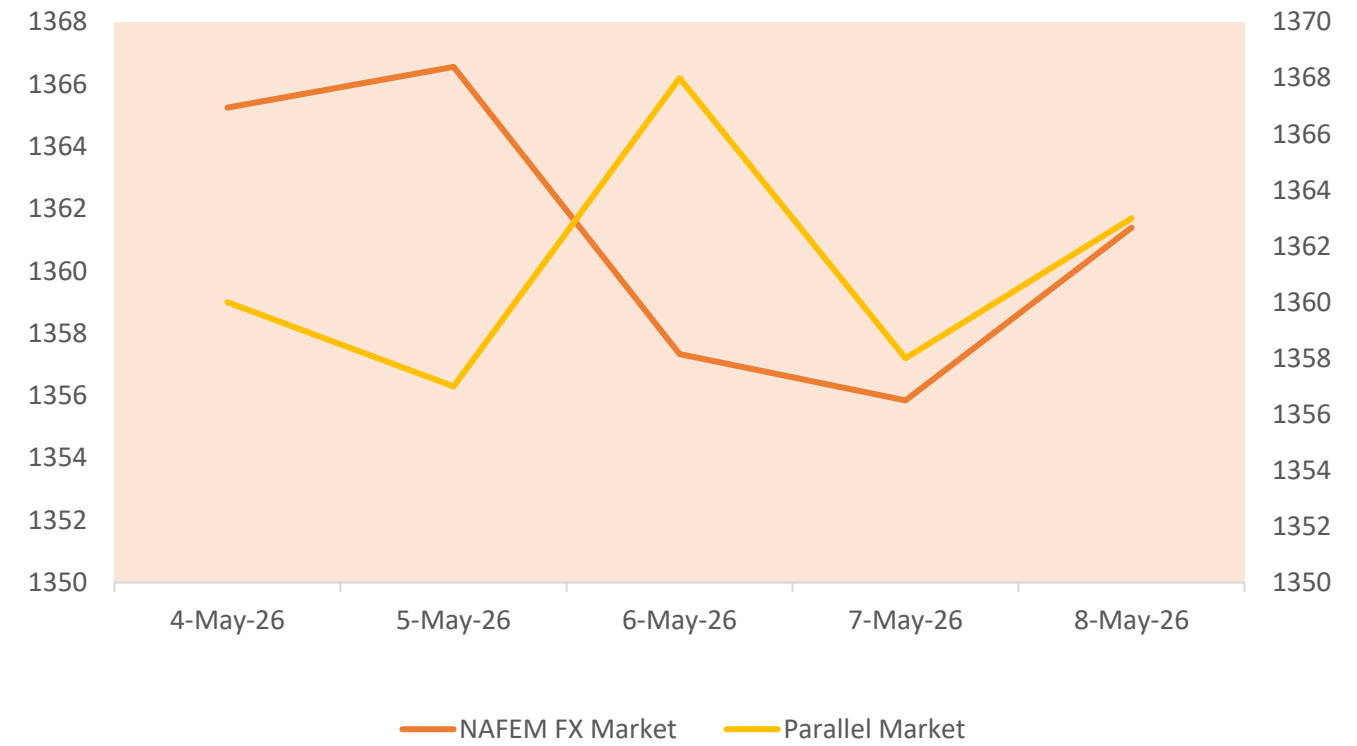
Looking ahead, the market is expected to remain highly liquid in the coming week as OMO maturities worth N1.07 trillion are scheduled to hit the system. However, expectations of additional CBN liquidity mop-up auctions may moderate the impact of these inflows on market rates and overall liquidity conditions.....



Evolution of Equities Performance Gauges



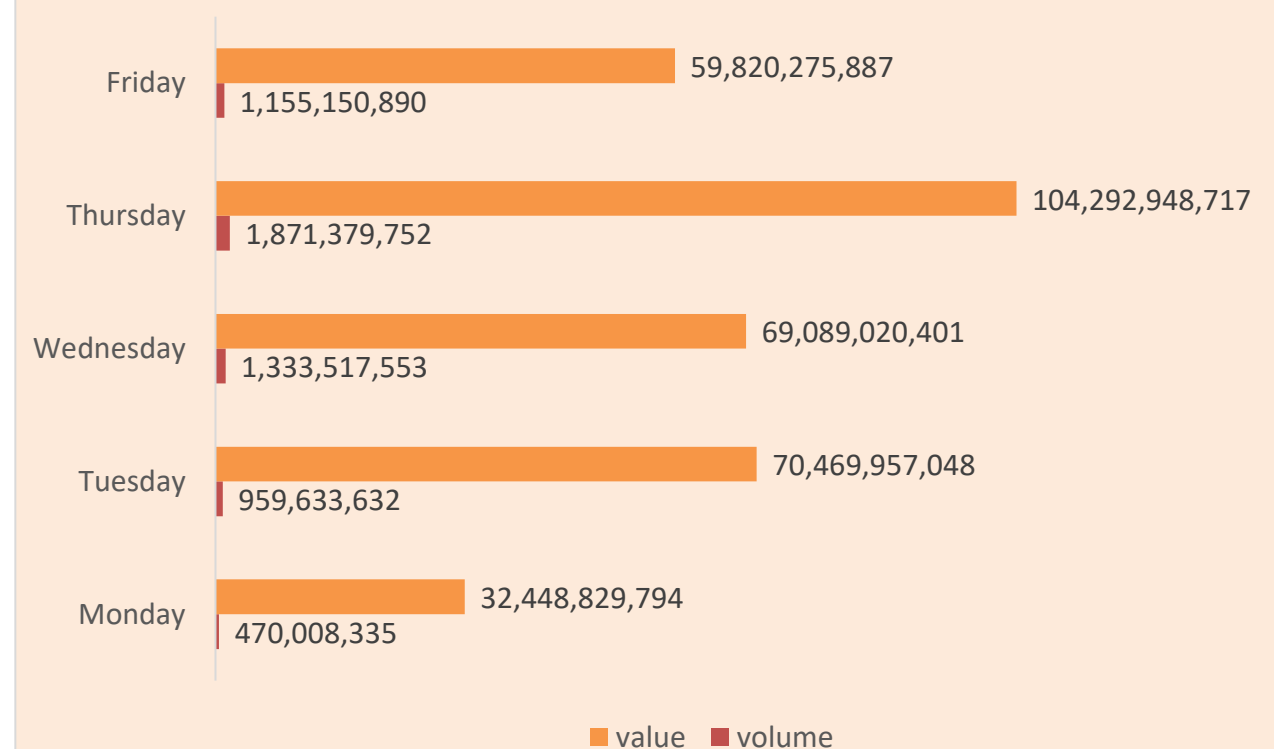
Evolution of NGN/USD Exchange Rates



FGN Eurobonds Yields as at Friday , `May 08, 2026

| FGN Eurobonds | Issue Date | TTM (years) | Price (N) | USD Δ | Yield | PPT Δ |
|--------------------|------------|-------------|-----------|-------|--------------|-------|
| 6.50 NOV 28, 2027 | 28-Nov-17 | 1.56 | 101.19 | 0.24 | 5.7% | -0.17 |
| 6.125 SEP 28, 2028 | 28-Sep-21 | 2.39 | 100.91 | 0.25 | 5.7% | -0.12 |
| 8.375 MAR 24, 2029 | 24-Mar-22 | 2.88 | 107.06 | 0.24 | 5.7% | -0.11 |
| 7.143 FEB 23, 2030 | 23-Feb-18 | 3.80 | 103.71 | 0.56 | 6.0% | -0.17 |
| 8.747 JAN 21, 2031 | 21-Nov-18 | 4.71 | 109.09 | 0.70 | 6.5% | -0.17 |
| 7.875 16-FEB-2032 | 16-Feb-17 | 5.78 | 106.31 | 0.87 | 6.5% | -0.18 |
| 7.375 SEP 28, 2033 | 28-Sep-21 | 7.40 | 103.46 | 1.23 | 6.8% | -0.21 |
| 7.696 FEB 23, 2038 | 23-Feb-18 | 11.81 | 103.50 | 1.18 | 7.3% | -0.15 |
| 7.625 NOV 28, 2047 | 28-Nov-17 | 21.57 | 99.03 | 1.35 | 7.7% | -0.13 |
| 9.248 JAN 21, 2049 | 21-Nov-18 | 22.72 | 113.33 | 1.28 | 8.0% | -0.11 |
| 8.25 SEP 28, 2051 | 28-Sep-21 | 25.41 | 102.70 | 1.46 | 8.0% | -0.13 |
| | | | | | 6.71% | |

Daily Traded Volume and Value



Weekly Top Gainers and Losers as at Friday, May 08, 2026

| Top Ten Gainers | | | | Bottom Ten Losers | | | |
|-----------------|-----------|-------------|----------|-------------------|-----------|-------------|----------|
| Symbol | 08-May-26 | 30-April-26 | % Change | Symbol | 08-May-26 | 30-April-26 | % Change |
| CAP | 233.70 | 145.20 | 61.0% | NAHCO | 203.95 | 258.00 | -20.9% |
| ZICHIS | 33.36 | 21.78 | 53.2% | GUINNESS | 402.6 | 497 | -19.0% |
| FTNCOCOA | 8.30 | 5.50 | 50.9% | ACCESSCORP | 23.60 | 27.00 | -12.6% |
| RTBRISCOE | 15.00 | 10.64 | 41.0% | MTNN | 801.10 | 915.00 | -12.4% |
| DANGSUGAR | 93.00 | 69.70 | 33.4% | UPDC | 4.30 | 4.90 | -12.2% |
| BERGER | 108.60 | 81.75 | 32.8% | UPL | 4.4 | 5 | -12.0% |
| DEAPCAP | 5.50 | 4.19 | 31.3% | LEARNAFRCA | 8.2 | 9.3 | -11.8% |
| JOHNHOLT | 17.5 | 13.85 | 26.4% | CHAMS | 3.10 | 3.49 | -11.2% |
| TANTALIZER | 4.55 | 3.62 | 25.7% | REDSTAREX | 25.05 | 28.15 | -11.0% |
| ETRANZACT | 18.50 | 15.00 | 23.3% | FTGINSURE | 1.05 | 1.17 | -10.3% |

Weekly Stock Recommendations as at Friday, May 08, 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 |
|---------------------------|-------------|--------------|--------|-----------|-----------|--------------|-------------|---------------|--------------|----------------------|------------------------|------------------|----------------|
| DANGOTE SUGAR | 1.58 | 2.21 | 12.19 | 7.81 | 60.45x | 95.8 | 37 | 93.00 | 133.4 | 81.0 | 109.6 | 40.00 | BUY |
| FIDELITY BANK PLC | 4.22 | 5.27 | 20.98 | 0.95 | 4.74x | 24.25 | 17.10 | 21.55 | 26.9 | 17.0 | 23.0 | 34.50 | BUY |
| NIGERIAN BREWERIES | 1.81 | 2.46 | 19.89 | 4.07 | 44.80x | 87.3 | 40.7 | 82.60 | 110.0 | 68.8 | 93.0 | 36.00 | BUY |
| GTCO PLC | 6.42 | 8.21 | 108.01 | 1.29 | 21.67x | 144.00 | 63.50 | 144.00 | 177.9 | 118.2 | 159.9 | 28.00 | BUY |
| LAFARGE AFRICA | 6.08 | 7.78 | 49.17 | 6.59 | 53.28x | 350.00 | 77.96 | 330.00 | 414.7 | 275.4 | 372.6 | 28.00 | BUY |

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