COWRY WEEKLY FINANCIAL MARKETS REVIEW & OUTLOOK (CWR)

Cowry Research

DOMESTIC ECONOMY: Pangs of Sticky Inflation Intensify as Price Pressures Persist, Nigeria Logs 15.69% in April …….

Nigeria's inflationary environment showed a mixed but generally improving picture in April 2026, according to the latest CPI report. Headline inflation edged higher to 15.69% year-on-year from 15.38% in March, marking a second consecutive monthly increase and signaling a brief pause in the earlier disinflation trend that had lasted nearly a year.

However, on a month-on-month basis, inflationary pressures eased significantly, with headline inflation slowing to 2.13%, suggesting that while prices are still rising, the pace of increase has moderated. This moderation was largely driven by food prices, which remain the dominant force in the inflation basket.

Food inflation declined sharply year-on-year to 16.06% from 24.68% in April 2025, while also easing month-on-month to 3.63%. This reflects slower price increases in key staples such as grains, tubers, vegetables, and proteins. Core inflation followed a similar pattern, dropping markedly to 15.86% year-on-year and slowing to 1.03% month-on-month, indicating easing underlying price pressures outside food and energy.

At the sub-national level, inflation remained uneven across states, with higher pressures concentrated in northern states such as Sokoto, Bauchi, and Zamfara, while states like Edo, Borno, and Jigawa recorded relatively lower increases. Food inflation also showed wide disparities, reflecting differences in supply conditions, seasonal harvest effects, and regional demand dynamics.

Overall, while inflation has ticked up slightly in recent months, broader trends suggest that underlying price pressures are softening, particularly in food and core components, even though regional disparities and short-term volatility remain significant.

Nigeria's inflation outlook remains elevated in the near term as rising energy costs, transportation expenses, and persistent insecurity in food-producing regions continue to pressure both food and core inflation. Nonetheless, early signs of moderation are beginning to emerge, supported by slower month-on-month inflation readings, improved seasonal harvests, and easing consumer demand conditions. Consequently, Cowry Research projects headline inflation to increase further to 16.02% in May 2026.

Attention now shifts to the upcoming Monetary Policy Committee meeting after the CBN reduced the Monetary Policy Rate by 50 basis points to 26.5% at its last meeting in February 2026 while retaining the CRR at 45% for commercial banks and the Liquidity Ratio at 30%.

We expect the MPC to maintain rates at current levels as it continues to monitor inflationary trends and global price developments.

EQUITIES MARKET: NGX Extends Bullish Run as Index Climbs 2.27%, Market Cap Surges by ₦3.34trn….

The Nigerian equities market ended the week on a strong bullish note, as sustained gains in key counters drove overall market performance. The NGX All-Share Index (ASI) advanced by 2.27% week-on-week to close at 250,330.92 points, while market capitalisation rose to ₦160.44 trillion, reflecting an increase of approximately ₦3.34 trillion. Consequently, year-to-date returns strengthened to 60.87%, underscoring continued positive investor sentiment.

Market breadth also improved, closing positive at 2.24x with 65 gainers against 29 losers, indicating selective but firm buying interest across the bourse.

Trading activity remained strong, despite a 14.18% decline in the number of deals. However, traded volume and value increased by 13.47% and 15.93% week-on-week, respectively. Overall, investors exchanged 7.53 billion shares worth ₦359.93 billion across 398,655 deals, reflecting robust participation.

Sectoral performance was largely positive, led by gains in the Industrial Goods, Banking, Insurance, and Consumer Goods indices, which rose by 4.66%, 2.82%, 2.74%, and 1.65% respectively. In contrast, the Oil & Gas and Commodity indices declined by 1.19% and 0.80%.

On the gainers' chart, BERGER led with a 41.8% increase, followed by UPDCREIT (+37.0%), ABBEYBDS (+34.5%), SCOA (+32.7%), and DAARCOMM (+29.7%), driven by strong buying interest. On the losers' side, PRESCO (-11.9%), NCR (-10.0%), CUSTODIAN (-9.5%), ELLAHLAKES (-9.5%), and STANBIC (-7.9%) recorded declines, largely due to profit-taking and sustained selling pressure.

Looking Ahead, the Nigerian equities market is expected to remain broadly positive in the near term, though gains may slow as investors take profits after the recent rally. Selective buying is likely to persist in strong sectors such as banking, industrial goods, and consumer stocks, while oil & gas and commodity counters may remain weak. Overall sentiment stays constructive, but volatility may increase as the market consolidates recent gains and reacts to macroeconomic developments.

FOREIX MARKET: Naira Slides Against Dollar as Oil Prices Rally on Geopolitical Tensions; Reserves Inch Higher……

This week, the naira weakened against the U.S. dollar, declining by 0.70% in the official market to close at ₦1,371.04, while also depreciating by 36 basis points in the parallel market to ₦1,368.13. In contrast, Nigeria's foreign reserves recorded a marginal uptick of 0.19%, rising to $48.54 billion.

In the oil market, Brent crude was on track for a 6% weekly gain following comments from President Donald Trump indicating growing impatience with Iran, despite reports that 30 vessels had recently transited the Strait of Hormuz. At the time of writing, Brent crude had advanced by 3.24% to $109.20 per barrel, while WTI rose by 3.73% to $104.90 per barrel. Nigeria's Bonny Light crude also strengthened, surging by 5.99% to settle at $116.99 per barrel.

Looking ahead, the naira is expected to remain under pressure in the near term due to sustained FX demand and limited liquidity, despite a modest rise in external reserves. While higher crude oil prices provide some support through improved export earnings, they remain volatile and largely driven by geopolitical tensions. Overall, the external position is likely to stay fragile, with the naira continuing to trade within a weak and volatile range absent stronger FX inflows or policy support.

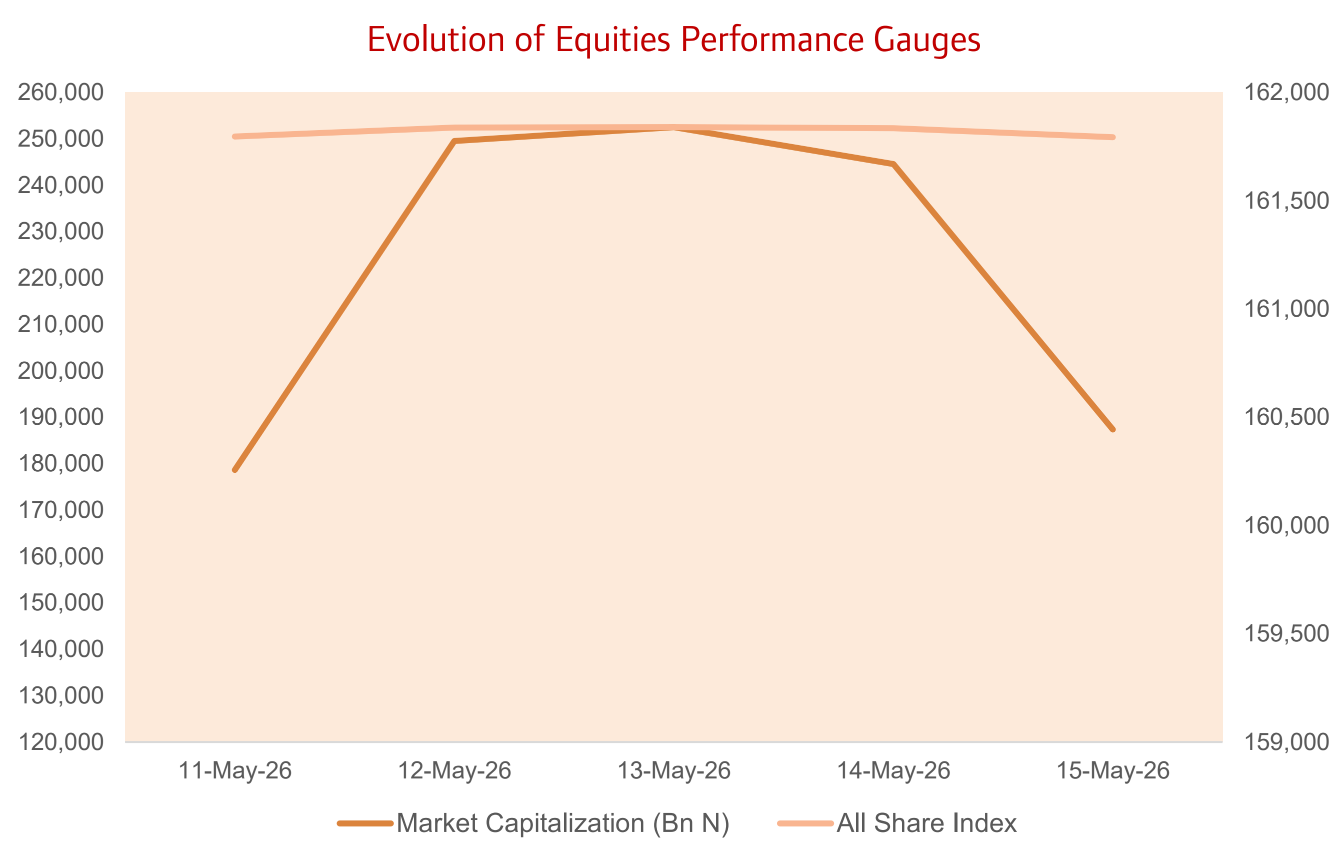
BOND MARKET: Bond and Eurobond Markets Close Bearish Amid Weak Investor Demand……

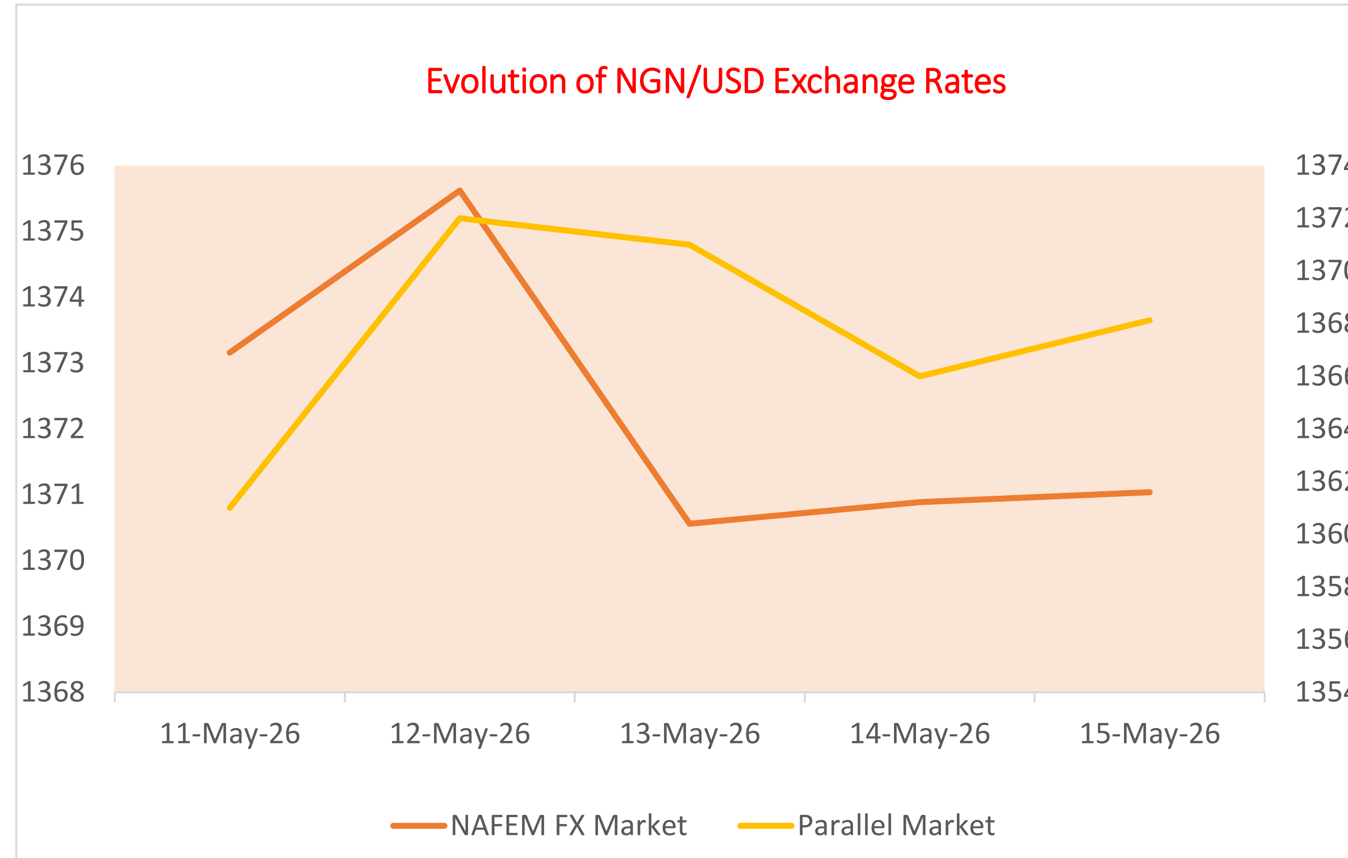
The Nigerian secondary bond market sustained its bearish momentum during the week, weighed down by weak investor demand and increased selloffs across most maturities compared to the previous week. Market activity remained largely subdued, reflecting cautious investor sentiment and a restrained appetite for local fixed-income securities. Consequently, average yields edged higher by 1 basis point to close at 16.11%.

Likewise, the Nigerian sovereign Eurobond market recorded losses across the yield curve amid soft demand for dollar-denominated instruments. The bearish sentiment pushed average yields up by 23 basis points to 6.94%, indicating weakened investor confidence and reduced appetite for sovereign Eurobonds.

Looking ahead, sentiment in the domestic bond market is expected to remain cautious in the near term as investors continue to assess liquidity conditions, inflation expectations, and the direction of monetary policy. Elevated yields in the primary market may also sustain sell-side pressure in the secondary market, particularly across mid- to long-dated maturities. However, intermittent bargain hunting could emerge should yields rise to more attractive levels.

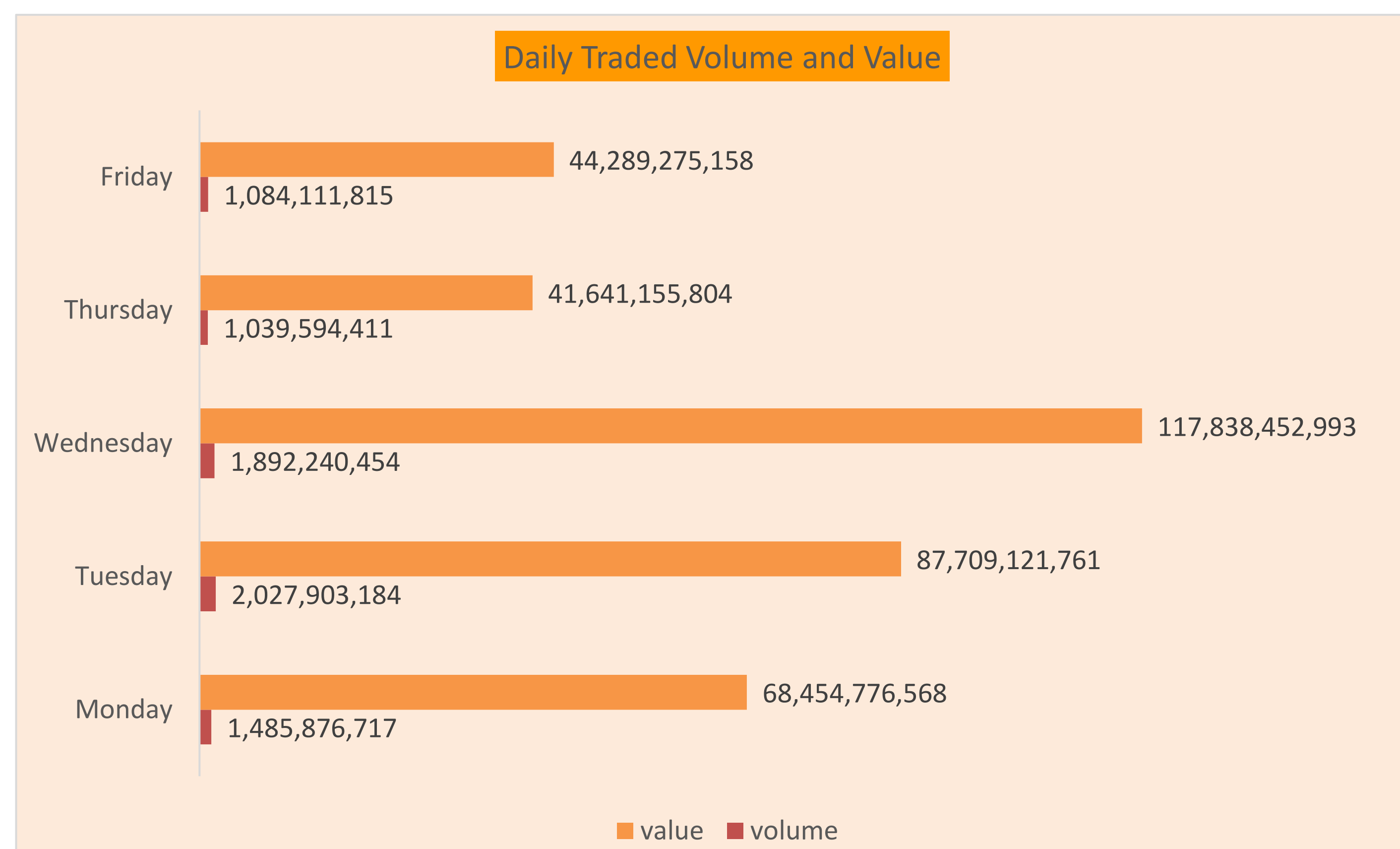
In the sovereign Eurobond market, performance is likely to remain influenced by global risk sentiment, movements in U.S. Treasury yields, and investors' perception of Nigeria's external position and fiscal outlook. While elevated yields may attract selective interest from offshore investors, uncertainty surrounding global monetary conditions could keep trading activity relatively subdued in the near term.





FGN Eurobonds Yields as at Friday , `May 15, 2026

FGN Eurobonds	Issue Date	TTM (years)	15-May-26 Price (N)	Weekly USD Δ	15-May-26 Yield	Weekly PPT Δ
6.50 NOV 28, 2027	28-Nov-17	1.54	100.85	-0.34	5.9%	0.22
6.125 SEP 28, 2028	28-Sep-21	2.38	100.42	-0.49	5.9%	0.22
8.375 MAR 24, 2029	24-Mar-22	2.86	106.34	-0.72	5.9%	0.25
7.143 FEB 23, 2030	23-Feb-18	3.78	102.56	-1.15	6.4%	0.33
8.747 JAN 21, 2031	21-Nov-18	4.69	107.99	-1.10	6.7%	0.25
7.875 16-FEB-2032	16-Feb-17	5.76	104.86	-1.45	6.8%	0.29
7.375 SEP 28, 2033	28-Sep-21	7.38	101.74	-1.72	7.1%	0.30
7.696 FEB 23, 2038	23-Feb-18	11.79	101.73	-1.77	7.5%	0.22
7.625 NOV 28, 2047	28-Nov-17	21.55	97.13	-1.90	7.9%	0.18
9.248 JAN 21, 2049	21-Nov-18	22.70	111.80	-1.53	8.1%	0.13
8.25 SEP 28, 2051	28-Sep-21	25.39	100.68	-2.02	8.2%	0.18
					6.94%	



Weekly Top Gainers and Losers as at Friday, May 15, 2026

Top Ten Gainers				Bottom Ten Losers			
Symbol	15-May-26	08-May-26	% Change	Symbol	15-May-26	08-May-26	% Change
BERGER	154.00	108.60	41.8%	PRESTIGE	1.41	1.60	-11.9%
UPDCREIT	11.85	8.65	37.0%	NCR	179.10	199.00	-10.0%
ABBEYBDS	8.00	5.95	34.5%	CUSTODIAN	81.25	89.80	-9.5%
SCOA	30.05	22.65	32.7%	ELLAHLAKES	10.00	11.05	-9.5%
DAARCOMM	2.05	1.58	29.7%	STANBIC	163.00	177.00	-7.9%
CHAMS	3.96	3.10	27.7%	NPFMCRFBK	6.00	6.40	-6.3%
REDSTAREX	31.90	25.05	27.3%	MBENEFIT	4.11	4.37	-5.9%
UNILEVER	172.00	140.00	22.9%	ALEX	9.00	9.50	-5.3%
LIVESTOCK	9.75	8.00	21.9%	OMATEK	1.98	2.08	-4.8%
UHOMREIT	84.70	70.00	21.0%	NSLTECH	0.90	0.94	-4.3%

Weekly Stock Recommendations as at Friday, May 15, 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
BUA FOODS	7.91	11.07	47.54	20.34	122.30x	967	432.1	967	1353.8	822.0	1112.1	40.00	**BUY**
BUA CEMENT	5.21	7.29	25.08	16.67	80.26x	435	83.7	435	585.2	355.3	480.7	40.00	**BUY**
NIGERIAN BREWERIES	1.81	2.89	19.89	4.67	51.50x	103	51	86.95	116.3	79.1	107.0	25.00	**BUY**
GTCO PLC	6.39	8.95	106.21	1.39	23.08x	156.95	66.6	146.80	206.5	125.4	169.6	40.00	**BUY**
ETI	8.03	11.24	161.45	0.60	12.13x	97.4	29	97.4	136.4	82.8	112.0	40.00	**BUY**

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