August 07, 2026

COWRY WEEKLY FINANCIAL MARKETS REVIEW & OUTLOOK (CWR)

Cowry Research

DOMESTIC ECONOMY: Composite PMI Remains in Expansion at 51.1 Points as Services and Agriculture Drive Growth…….

Nigeria's private sector sustained its growth momentum in July 2026, with the latest Central Bank of Nigeria (CBN) Purchasing Managers' Index (PMI) indicating that business conditions remained resilient despite elevated input costs and heightened global uncertainties. The Composite PMI edged up to 51.1 points from 50.1 points in June, marking the second consecutive month of expansion and signalling continued improvement in overall business activity. The expansion was primarily supported by stronger performance in the Services and Agriculture sectors, while the Industry sector remained in contraction, albeit at a slower pace. The latest reading suggests that economic activity continued to strengthen during the month, supported by improving demand conditions, resilient business confidence, and easing inflationary pressures.

Sectoral performance remained mixed during the review period. The Industry PMI improved marginally to 49.6 points from 49.5 points in June but remained below the 50-point threshold, indicating that manufacturing and industrial activities continued to contract. The moderation reflected weaker production levels, softer new orders, and lower raw material inventories, although employment (50.5 points) and suppliers' delivery time (51.3 points) remained in expansionary territory, pointing to resilient operational capacity and improving supply chain efficiency. Of the sixteen industrial subsectors surveyed, eight expanded while eight contracted, with Electrical and Electronics recording the strongest growth and Oil Refining posting the sharpest decline. In contrast, the Services PMI rebounded to 51.1 points from 49.4 points in June, returning to expansion after three consecutive months of contraction as stronger business activity, higher employment, and increased new orders lifted the sector. Within the sector, eight of the eleven subsectors recorded expansion, led by Administrative and Support Services, while Transportation, Courier and Storage remained the weakest-performing segment.

The Agriculture sector continued to outperform, extending its expansion streak to twenty-four consecutive months with a PMI reading of 52.1 points. The sustained growth reflected continued expansion across key indicators, including General Farming Activities (54.4 points), New Orders (52.8 points), Employment (50.9 points), and Inventories (50.5 points). Four of the five agricultural subsectors expanded during the month, with Agricultural Support Services recording the strongest growth, while Crop Production was the only segment to contract. Overall, 20 of the 32 subsectors covered by the survey reported expansion, underscoring the broadening recovery across the economy despite pockets of weakness in selected industries.

The key components of the Composite PMI also reflected improving business conditions. The Output Index rose to 51.8 points, the Employment Index stood at 51.1 points, and the New Orders Index registered 50.8 points, indicating sustained improvements in production, hiring activity, and demand. Meanwhile, the Stock of Raw Materials Index remained in contraction at 49.6 points, suggesting firms remained cautious in inventory accumulation despite stronger business activity. Encouragingly, the Suppliers' Delivery Time Index improved to 51.3 points, signalling faster supplier response times and easing supply chain constraints. Inflationary pressures also moderated during the month, as both the input price index and output price index eased to 1.6 points and 3.1 points, respectively, indicating that cost pressures continued to soften across the private sector.

From our assessment at Cowry Research, the July PMI results reinforce the view that Nigeria's economic recovery remains on course, although the pace of expansion is likely to remain gradual. The continued strength in the Services and Agriculture sectors, combined with easing price pressures, improving business confidence, and a more stable macroeconomic environment, should continue to support private sector activity over the medium term.

While the Industry sector remains constrained by weak production and inventory accumulation, the gradual improvement in new orders, employment, and supply chain efficiency suggests that industrial activity could return to sustained expansion as demand strengthens further. Consequently, we expect overall economic activity to remain on an upward trajectory through the second half of 2026, supported by improving business conditions, relatively stable inflation and foreign exchange markets, stronger domestic demand, and continued policy stability.. …..

EQUITIES MARKET: Nigerian Equities Advance Slightly Despite Broad-Based Sector Weakness….

The Nigerian equities market closed the week on a positive note, supported by renewed buying interest across key counters. The benchmark NGX All-Share Index (ASI) gained 0.12% week-on-week to close at 245,573.60 points, while market capitalisation increased by approximately N187 billion to N158.51 trillion. Consequently, the market's year-to-date return improved to 57.81%.

Despite the positive performance of the benchmark index, market breadth remained negative, with 26 gainers against 63 losers, resulting in a market breadth ratio of 0.41x. This reflects cautious investor sentiment, as declining stocks continued to outnumber advancing stocks throughout the week. Market activity weakened considerably, signalling lower investor participation. While the total value of transactions increased by 4.70% week-on-week to N139.17 billion, both trading volume and the number of deals declined by 65.64% and 8.19%, respectively. In total, investors exchanged 5.34 billion shares valued at N139.17 billion across 262,224 deals.

Sectoral performance was mixed during the week as renewed buying interest in banking and consumer goods stocks offset weakness across the insurance, industrial goods, and oil & gas sectors. The Banking Index emerged as the best-performing sector, advancing 2.33% on the back of sustained investor demand for FCMB, FIRSTHOLDCO, and ACCESSCORP. The gains reflect continued investor optimism surrounding the sector's strong earnings outlook and resilient profitability in the prevailing high interest rate environment.

The Consumer Goods Index followed with a 1.97% gain, supported by renewed buying interest in Vitafoam and NASCON, as investors selectively accumulated fundamentally sound stocks after recent price corrections. In contrast, the Industrial Goods Index declined marginally by 0.17%, reflecting mild profit-taking in CAP following recent gains. The Oil & Gas Index also closed broadly flat, easing 0.02% as selective profit-taking offset buying interest in Oando and JapaulGold, resulting in muted overall sector performance.

The Insurance Index recorded the weakest performance during the week, declining 3.31% amid heightened selling pressure and profit-taking in Sovereign Trust Insurance (SOVRENINS), Consolidated Hallmark Holdings (CONHALL), and SUNU Assurances. Overall, sectoral performance reflects a market characterised by selective positioning, with investors continuing to rotate into fundamentally strong sectors while locking in gains in stocks that have posted significant price appreciation in recent weeks. As the earnings season progresses, sector-specific corporate results and valuation considerations are expected to remain the key drivers of market direction.

On the gainers' chart, AVACAP emerged as the best-performing stock with a 33.3% weekly gain. It was followed by FCMB (+13.1%), FIRSTHOLDCO (+12.2%), FTGINSURE (+11.1%), and LINKASSURE (+10.6%), driven by sustained buying interest across large-, mid-, and small-cap equities. On the downside, THOMASWY led the losers after declining 26.7%, followed by TRANSEXPR (-23.8%), CMFC (-22.7%), ETI (-18.9%), and CONHALLPLC (-16.5%). These losses were primarily driven by profit-taking activities and persistent selling pressure across the affected counters.

Looking ahead, we expect the Nigerian equities market to remain cautiously optimistic in the coming week as investors continue to position in fundamentally sound stocks ahead of the earnings season. However, profit-taking in recently appreciated counters and the mixed performance across sectors could limit the pace of gains. Market sentiment is likely to remain driven by corporate earnings releases, dividend expectations, and developments in the macroeconomic environment, particularly movements in interest rates and fixed-income yields. Consequently, we anticipate continued sector rotation, with investors favouring fundamentally strong banking and other quality large-cap stocks, while maintaining a selective

FOREX MARKET: Mixed Naira Performance as Oil Market Faces Fresh Uncertainty …….

During the week, the naira posted mixed performance against the U.S. dollar across the major foreign exchange markets. At the official market, the currency appreciated by 0.19% week-on-week to close at N1,365.69/US$. In contrast, it depreciated by 0.06% in the parallel market, settling at N1,388.61/US$. Meanwhile, Nigeria's external reserves rose marginally by 0.15% week-on-week to US$52.00 billion, reflecting a continued improvement in the country's external liquidity position.

In the commodities market, vessel traffic through the Strait of Hormuz declined compared with the previous week, amid lingering uncertainty surrounding U.S.–Iran negotiations and the prospects for the reopening of the Middle East's critical oil and LNG transit corridor. Between Monday and Thursday, 33 vessels transited the Strait, down from 50 vessels over the corresponding period in the previous week. At the time of writing, Brent crude traded at US$82.22 per barrel, while West Texas Intermediate (WTI) was priced at US$77.22 per barrel. Consequently, Bonny Light crude declined by 6.04% to US$89.06 per barrel.

The naira is expected to remain relatively stable in the near term, supported by stronger external reserves and continued foreign exchange interventions. However, oil prices are likely to remain volatile amid geopolitical developments, OPEC+ policy decisions, and global demand dynamics, with implications for Nigeria's export earnings, fiscal revenues, and external reserves.

BOND MARKET: Nigerian Fixed-Income Market Gains Momentum on Strong Investor Demand……

The Nigerian secondary bond market recorded a bullish performance during the week, buoyed by strong investor demand across key maturities. The increased buying interest supported bond price appreciation and drove yields lower, reflecting sustained confidence in domestic fixed-income instruments. As a result, the average FGN bond yield declined by 25 basis points week-on-week to close at 16.91%.

Similarly, the Nigerian sovereign Eurobond market maintained a positive trajectory, supported by stronger demand and reduced sell-offs across the yield curve. The improved investor sentiment encouraged greater exposure to Nigeria’s dollar-denominated debt securities, resulting in a 7 basis point week-on-week increase in the average Eurobond yield to 6.88%.

We expect the fixed-income market is to remain cautiously bullish in the coming week, with continued investor interest likely to support bond prices. However, yield movements may be shaped by market liquidity, macroeconomic developments, and investors’ assessment of domestic and global rate expectations.

MONEY MARKET: Liquidity Strengthens on OMO Repayments as Treasury Bill Demand Remains Robust……

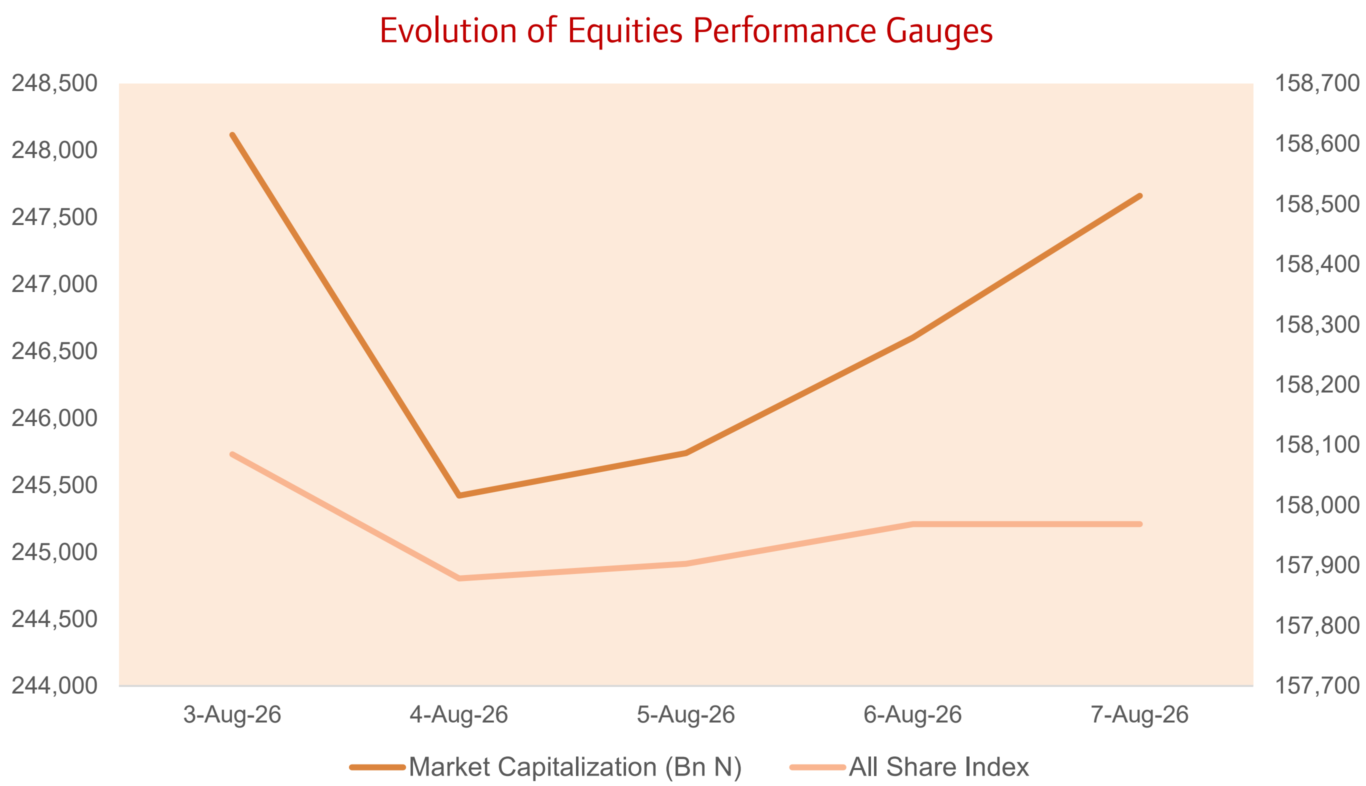
Liquidity conditions in the Nigerian money market strengthened during the week as banking system liquidity expanded by 36.0% to N4.08 trillion, from N3.00 trillion in the previous week. The improvement was driven primarily by N2.45 trillion in primary market repayments and stronger placements of about N2.60 trillion at the Standing Deposit Facility (SDF), which lifted the opening net surplus balance to over N5.00 trillion. Despite the significant increase in liquidity, funding conditions remained relatively stable, reflecting the Central Bank of Nigeria's (CBN) continued liquidity management strategy and balanced market conditions.

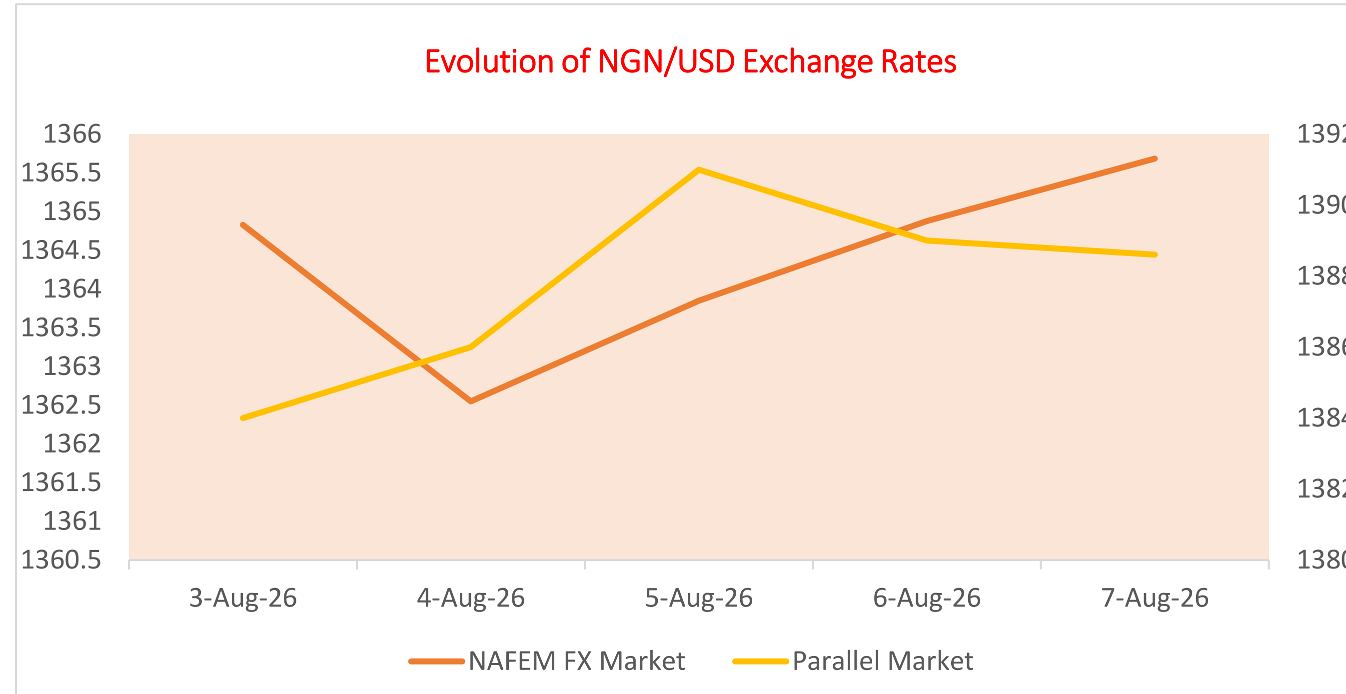
Money market funding rates eased marginally during the review period. The Open Repo Rate (OPR) remained unchanged at 22.00%, while the Overnight (OVN) rate declined by 4 basis points to 22.10%, reflecting improved liquidity in the banking system. Similarly, the Nigerian Interbank Offered Rate (NIBOR) curve moderated across all maturities, with the overnight, one-month, three-month, and six-month tenors easing by 3bps, 7bps, 3bps, and 13bps, respectively, to 22.18%, 22.63%, 23.18%, and 23.54%. The decline in interbank funding rates underscores the impact of stronger system liquidity and reduced short-term funding pressures, even as the CBN maintains its restrictive monetary policy stance.

The Nigerian Treasury Bills True Yield (NITTY) curve recorded mixed performance during the week. Yields on the one-month, three-month, and six-month maturities increased by 48bps, 43bps, and 60bps, respectively, while the 12-month yield declined by 29bps, reflecting selective demand across the curve. Meanwhile, bullish sentiment persisted in the secondary Treasury bills market, with buying interest concentrated across the short-, medium-, and long-dated instruments. Consequently, the average Treasury bill yield declined by 11 basis points to 18.12%, extending the recent downward trend in secondary market yields.

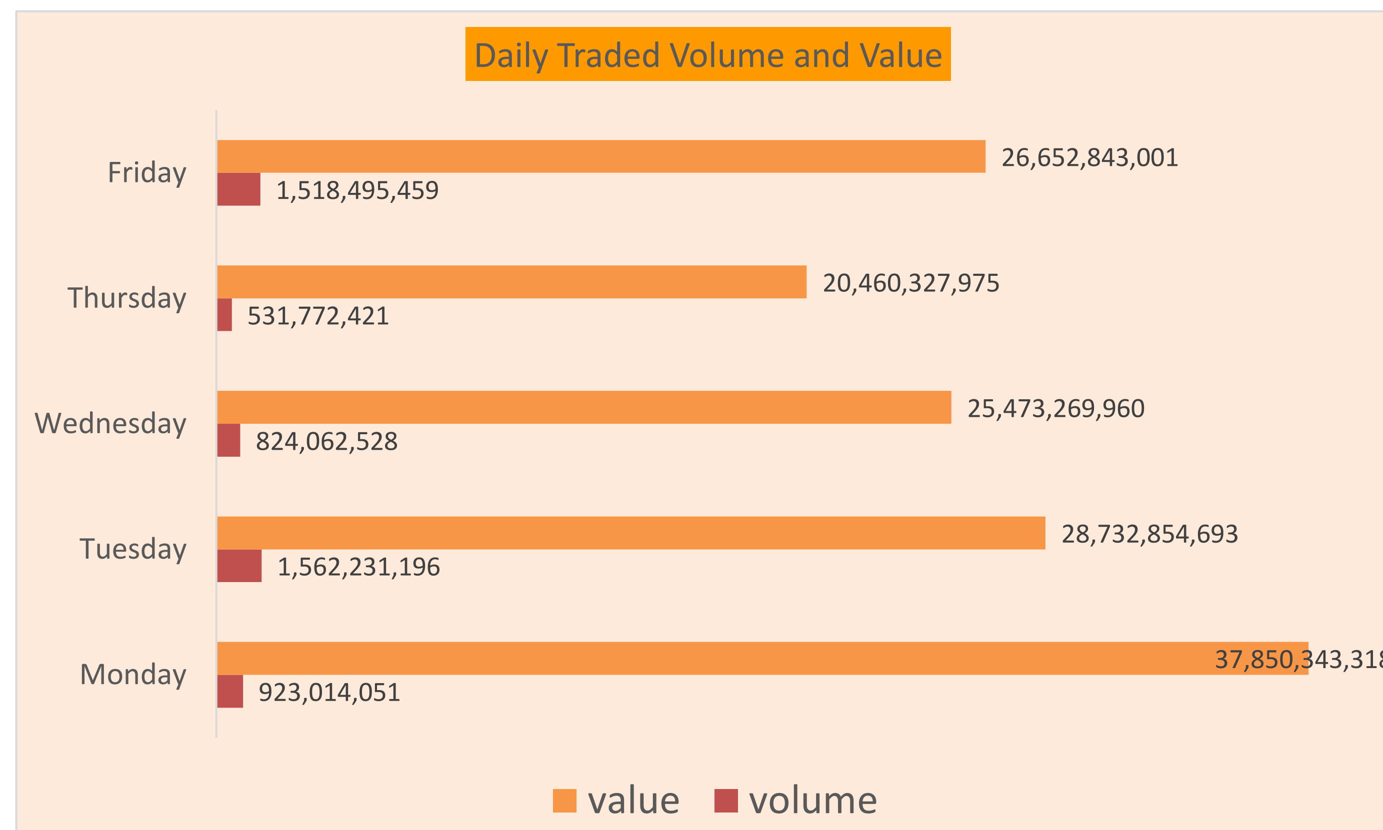
At the OMO auction, the CBN offered N600 billion across the 112-day and 133-day tenors. Investor appetite remained exceptionally strong, with total subscriptions reaching N2.20 trillion, representing an oversubscription of more than 3.6 times the amount offered. Demand was heavily skewed toward the 133-day instrument, which accounted for over 90% of total subscriptions. The CBN eventually allotted almost the entire N2.20 trillion subscribed, while stop rates cleared at 20.35% for the 112-day tenor and 20.15% for the 133-day tenor.

Looking ahead, we expect liquidity conditions to remain robust, supported by N900 billion in maturing OMO bills and anticipated FAAC disbursements for the July revenue allocation. In addition, the Debt Management Office (DMO) is scheduled to conduct a N700 billion Treasury bills auction next week. We expect another round of strong investor participation and healthy subscription levels, supported by elevated market liquidity and continued demand for high-yielding sovereign instruments, while secondary market yields are likely to remain broadly stable……..





FGN Eurobonds	Issue Date	TTM (years)	Price (N)	USD Δ	Yield	PPT Δ
6.50 NOV 28, 2027	28-Nov-17	1.31	100.87	0.16	5.8%	-0.14
6.125 SEP 28, 2028	28-Sep-21	2.15	100.20	0.16	6.0%	-0.08
8.375 MAR 24, 2029	24-Mar-22	2.63	105.54	0.14	6.1%	-0.07
7.143 FEB 23, 2030	23-Feb-18	3.55	102.51	0.33	6.3%	-0.11
8.747 JAN 21, 2031	21-Nov-18	4.46	108.13	0.46	6.6%	-0.12
7.875 16-FEB-2032	16-Feb-17	5.53	105.36	0.29	6.7%	-0.06
7.375 SEP 28, 2033	28-Sep-21	7.15	102.56	0.22	6.9%	-0.04
7.696 FEB 23, 2038	23-Feb-18	11.56	102.34	0.26	7.4%	-0.03
7.625 NOV 28, 2047	28-Nov-17	21.32	97.93	0.33	7.8%	-0.04
9.248 JAN 21, 2049	21-Nov-18	22.47	112.69	0.34	8.0%	-0.03
8.25 SEP 28, 2051	28-Sep-21	25.16	101.95	0.19	8.1%	-0.01
					6.88%	



Weekly Top Gainers and Losers as at Friday, August 07, 2026

Top Ten Gainers				Bottom Ten Losers			
Symbol	07-Aug-26	31-Jul-26	% Change	Symbol	07-Aug-26	31-Jul-26	% Change
AVACAP	11.00	8.25	33.3%	THOMASWY	3.21	4.38	-26.7%
FCMB	12.95	11.45	13.1%	TRANSEXPR	2.15	2.82	-23.8%
FIRSTHOLDCO	145.40	129.55	12.2%	CMFC	3	3.88	-22.7%
FTGINSURE	2.60	2.34	11.1%	ETI	72.1	88.95	-18.9%
LINKASSURE	1.77	1.60	10.6%	CONHALLPLC	6.98	8.36	-16.5%
CAVERTON	5.50	5.00	10.0%	SOVRENINS	1.67	2.00	-16.5%
ETERNA	36.30	33.00	10.0%	MULTIVERSE	21.30	25.50	-16.5%
NREIT	113.00	103.00	9.7%	ZICHIS	21.55	24.55	-12.2%
VITAFOAM	194.00	179.80	7.9%	LEGENDINT	4.2	4.75	-11.6%
CORNERST	5.65	5.40	4.6%	SUNUASSUR	3.28	3.70	-11.4%

Weekly Stock Recommendations as at Friday, August 07, 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
ETERNA OIL	2.69	3.61	14.42	2.52x	13.49x	51.2	27.75	36.30	48.64	30.86	41.75	34.0	BUY
OKOMU OIL	41.65	56.64	77.82	18.22x	17.02x	1765	1038	1,418.00	1,928.48	1,205.30	1,630.70	36.00	BUY
NASCON	7.25	9.43	27.59	1.37x	13.44x	222.00	87.00	195.00	253.50	165.75	224.25	30.00	BUY
GTCO PLC	5.89	8.25	93.33	1.30x	5.48x	156.95	77.50	128.00	179.20	108.80	147.20	40.0	BUY
ACCESS HOLDINGS	3.98	5.58	80.86	0.32x	6.55x	36.00	19.9	26.95	36.54	22.19	30.02	40.0	BUY
HBM NIGERIA PLC	12.93	16.81	50.02	7.35x	14.20x	389.9	103	360.00	477.62	312.29	422.51	30.00	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