

WEEKLY FINANCIAL MARKETS.



Friday, 23 January 2026

MARKET COMMENTARY

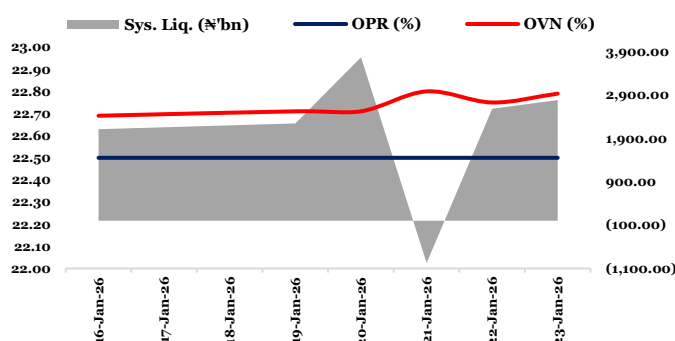
System Liquidity: Liquidity Saw First Deficit in the Year Amidst CBN Aggressive Mop-up

The financial system's liquidity experienced notable swings during the week, having begun with a surplus balance, fell into a deficit by the middle of the week, and then recovered to a surplus by the end of the week. The liquidity opened the week with a surplus balance of ₦2.24 trillion, supported by ₦2.07 trillion Standard Deposit Facility (SDF) placements and primary market repayments of ₦66.50 billion, keeping the Overnight rate at 22.71%. On Tuesday, the surplus balance improved to ₦3.77 trillion buoyed by ₦1.31 trillion inflow from 20-Jan-26 OMO maturity, despite an offset of ₦108.00 billion borrowing at the CBN's Standard Lending Facility (SLF).

Mid-week saw liquidity open on a deficit balance, mainly driven by sizable OMO sales (₦2.64 trillion) despite ₦91.34 billion coupon inflow from Jan-42 bond. This caused a 9bps increase in the Overnight rates to 22.80%. By Thursday, liquidity rebounded to ₦2.58 trillion following ₦2.06 inflows from 22-Jan-2026 NTB and bond maturities, slightly offset by ₦1.06 trillion NTB settlement.

On Friday, liquidity opened robust at ₦2.78 trillion, driven by large DMB placements at the CBN SDF window (₦2.66 trillion) and ₦29.82 billion coupon payment from 23-Jul-2030 bond. As such, market liquidity improved week-on-week by ₦673.74 billion as the average funding cost rose by 5bps w/w to 22.65%, with Open Repo Rate (OPR) steady at 22.50%, while the Overnight Rate leaped by 10bps to 22.79%.

Outlook: Funding rates should ease, supported by ₦63.06bn in bond coupon payments and ₦2.14tn in OMO maturities, barring any CBN mop-up.



Source: CBN, FMDQ, AIICO Capital

Treasury Bill: Bearish Turn Pushes NTB Benchmark Rate Up 20bps

The NTB market began the week on a calm and liquidity supported note, with most tenors closing flat in most part of the week. The market began on Monday with balanced demand and supply driving minimal activity as only the long-dated 07-Jan-27 bill saw mild buying interest, easing 15bps. By Tuesday, the tone shifted calm-to-bearish despite ample liquidity, with notable yield increases on the 09-Apr-26 and 07-Jan-27 papers. The CBN's sizeable ₦2.64tn OMO allotment pushed the average benchmark rate up 6bps. Wednesday maintained a similar calm to cautious tone ahead of the PMA, with mixed movements across the long end while short and mid tenors stayed quiet.

By Thursday, the market turned broadly bearish, reacting to the NTB auction results with widespread rate upticks across the curve. Short- to mid tenor bills such as 05-Mar-26 and 09-Jul-26 rose significantly, while the long end also saw notable upward movements.

At the close of the week, attention turned to the 07-Jan-27 bill with discount rate compressing by -46bps from 17.82% to 17.36%.

Overall, the week ended with a sharp 20bps rise in the average benchmark rate to 16.86%, driven by broad sell side pressure and weakened demand.

NTB AUCTION RESULT - 21 January 2026			
AUCTION DATE	21-Jan-26		
SETTLEMENT DATE	22-Jan-26		
TENOR	91-Day	182-Day	364-Day
MATURITY DATE	23-Apr-26	23-Jul-26	21-Jan-27
OFFER AMOUNT (N'BN)	150.0000	200.0000	800.0000
SUBSCRIPTION AMOUNT (N'BN)	46.1289	46.5136	3345.0748
ALLOTMENT AMOUNT (N'BN)	40.6146	42.1593	977.6829
RANGE OF BIDS	15.030% - 17.500%	15.500% - 20.030%	15.500% - 23.000%
CURRENT STOP RATE: DISCOUNT (YIELD)	15.840% (16.491%)	16.650% (18.157%)	18.360% (22.475%)
LAST STOP RATE: DISCOUNT (YIELD)	15.800% (16.448%)	16.500% (17.979%)	18.470% (22.640%)
CHANGE: DISCOUNT (YIELD)	+0.040% (+0.043%)	+0.150% (+0.178%)	-0.110% (-0.165%)

Source: CBN, AIICO Capital

BENCHMARK T-BILLS DISCOUNT RATES			
	23-Jan-26	16-Jan-26	Change in Rates
76 DAYS	16.50%	15.58%	0.92
167 DAYS	16.74%	16.28%	0.46
349 DAYS	17.36%	17.66%	(0.30)

Source: FMDQ, AIICO Capital

Outlook: Market to trade in line with the system liquidity and in further reaction to the upcoming auction result.

FGN Bonds: FGN Bonds Trade Cautiously Amid Supply Signals

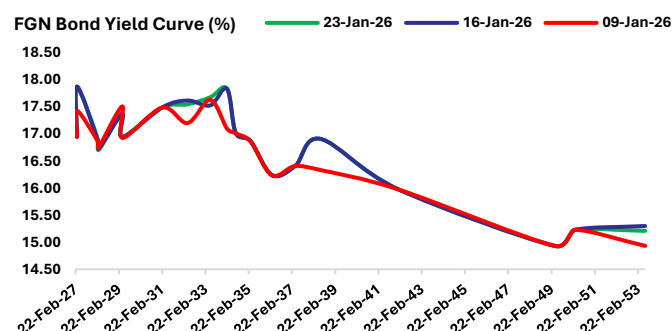
The FGN Bond secondary market traded cautiously over the week, with sentiment influenced by supply-side developments and shifting investor attention across bond, NTB, and OMO auctions.

The week began on a subdued, mildly bearish note as investors react to the the January bond issuance calendar, leading to modest upward yield repricing in the mid-curve, despite selective demand at the short end.

Bearish sentiment intensified midweek following the release of the bond auction circular and heightened NTB PMA activity, triggering sell-offs in key mid-curve maturities such as the FGN 2033 and 2035, while selective interest at the long end lent support to the FGN 2053.

Toward week-end, trading turned mixed as pockets of demand—particularly for the FGN 2033—emerged, although overall activity remained muted amid a cautious, wait-and-see stance ahead of the forthcoming bond auction.

However, the average benchmark yield remained relatively flat at 16.75%, as market buying interests were insufficient to push yields lower.



Source: FMDQ, AIICO Capital

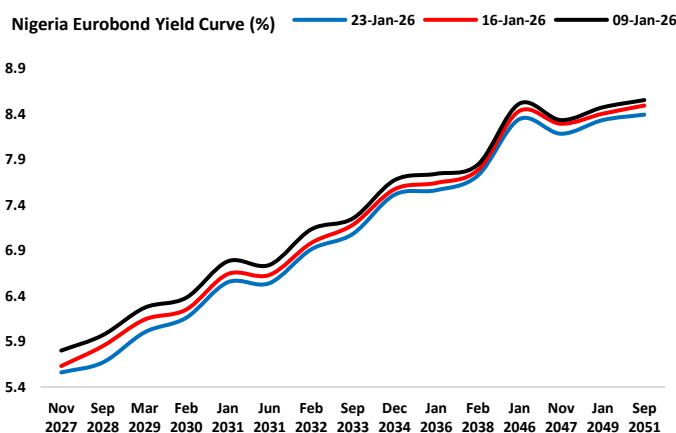
Outlook: Market is expected to trade in-line with the January bond auction result.

Eurobonds: Eurobond Yields Compress on Improved Risk Appetite

The African Eurobond market started the week bearish, driven by elevated U.S. Treasury yields, global macro uncertainty, and profit taking. Nigeria's curve saw widespread selling, with notable yield increases across short-, mid-, and long tenor maturities, pushing the average benchmark yield up by 10bps to 7.22%. Tuesday sustained the mild bearishness as investors reassessed U.S. Fed easing expectations, resulting in further albeit moderate yield expansions across the Nigerian curve.

By mid-week, sentiment reversed as the market traded broadly positive, buoyed by geopolitical developments—including Kazakhstan's oil fields shutdown—and expectations around U.S. Nov PCE data. These supported buying interest across Nigerian, Angolan, and Egyptian curves. Nigerian maturities saw meaningful yield compression, particularly at the short end.

The positive sentiment persisted on Friday as selected mid to near-end papers saw mild yield compressions. Consequently, average yields dropped 20bps w/w to settled at 7.10%, to end the week on a strengthened note.



Source: FirstBank Uk, AIICO Capital

Outlook: Market to trade mixed to positive following easing global tensions and in reaction to oil price volatility.

Nigerian Equities: ASI Dips 37bps w/w on Broad-Based Profit-Taking

The Nigerian equities market halts its weekly bullish trend to shed 37bpsw/w of the All-Share Index (ASI) amidst profit-taking in notable stocks such as BUAFOODS (-3.6%), BUACEMENT (-3.8%), TRANSCORP (-7.2%), FIRSHOLDSCO (-5.8%) and WAPCO (-3.6%).

Sectoral performance mirrored the broader market weakness, as the Consumer Goods (-2.0%), Banking (-1.3%), Industrial Goods (-0.1%) and Insurance (-0.1%) indices recorded losses, while the Oil & Gas index gained 1.4%.

Market activity was mixed, with trading volume rising by 8.1% w/w, while trading value declined by 10.6% w/w.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↑ 0.07%	↓ -0.37%	↑ 6.36%	↑ 6.36%
NSE Banking Index	↑ 0.31%	↓ -1.32%	↑ 7.66%	↑ 7.66%
NSE Insurance Index	↓ -0.42%	↓ -0.10%	↑ 10.87%	↑ 10.87%
NSE Industrial Goods Index	↑ 0.55%	↓ -0.08%	↑ 5.36%	↑ 5.36%
NSE Consumer Goods Index	↓ -0.31%	↓ -2.02%	↑ 2.50%	↑ 2.50%
NSE Oil & Gas Index	↑ 0.01%	↑ 1.36%	↑ 13.73%	↑ 13.73%

Source: NGX, AIICO Capital

Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
DEAPCAP	7.14	2.68	↑ 60.09%
SCOA	23.80	8.90	↑ 59.73%
NCR	188.15	59.60	↑ 46.36%
ZICHIS	2.62	0.81	↑ 44.75%
DAARCOM	1.53	0.45	↑ 41.67%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
ETERNA	28.45	-3.85	↓ -11.92%
NSLTECH	0.97	-0.11	↓ -10.19%
IMG	34.85	-3.85	↓ -9.95%
ALEX	17.20	-1.90	↓ -9.95%
UPDC	5.70	-0.50	↓ -8.06%

Source: NGX, AIICO Capital

Outlook: We expect the market to sustain its profit-taking sentiment amid recent rally. However, positive earnings release and dividend expectation may spur positive sentiment.

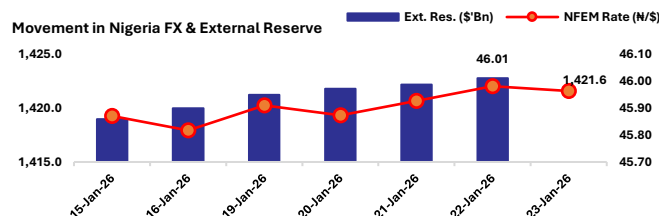
Foreign Exchange: Naira Weakens 26bps w/w Amid Supply Constraints

At the start of the week, the Naira traded within a volatile but narrow band as supply-demand imbalances shaped movement at the Nigerian Foreign Exchange Market (NFEM). On Monday, the currency weakened by 16bps as demand outpaced available supply, but this was

followed by a mild recovery on Tuesday, when improved liquidity strengthened the Naira by 7bps and kept trading within the ₦1,418–₦1,423 range—reflecting a cautiously stabilizing early-week sentiment.

By week close, the naira recorded a week-on-week weakened of 26bps (₦3.68) to around ₦1,421.63/\$, driven by weaker supply level.

External reserves trended higher during the week, to increase by \$111.17 million to \$46.01 billion, providing additional confidence and buffering short-term pressures.



Source: CBN, AIICO Capital

Outlook: Barring any significant shift in supply, we expect the Naira to trade within a similar range, supported by steady inflows and reserve accretion.

Commodities: Oil Hits Week-High on Iran Tensions, Gold Surges

Global Oil prices settled at their highest in over a week on Friday after U.S. President Donald Trump ratcheted up pressure against Iran through more sanctions on vessels that transport its oil, and announced an armada was heading towards the Middle Eastern nation. Brent crude rose by \$1.75 or 2.73%w/w to close near \$65.88/bbl, West Texas Intermediate (WTI) gained \$1.73 to close at \$61.07/bbl.

Gold rallied sharply as safe-haven inflows intensified amid geopolitical uncertainty, a softening dollar, policy risks, and ongoing central-bank accumulation, pushing the metal closer to the key \$5,000 threshold. By week close, spot gold gained 387.81 (8.44%w/w) to close near \$4,982.91/ounce.

MACRO INDICATORS	
GDP (Q3 2025)	+3.98% (Q2: 2025 +4.23% y/y)
INFLATION (DECEMBER2025)	15.15% (Nov'25: 17.33%)
EXTERNAL RESERVE (US\$'BILLION)	46.01 (+1.12% YTD as of 22-Jan-26)
MONETARY POLICY RATE (SEPT'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*65.88 (+1.75 w/w)

Source: CBN, DMO, Bloomberg, AIICO Capital

Outlook: We expect markets to trade with continued volatility, as easing geopolitical tensions may weigh on safe-haven assets like gold while ongoing supply-risk concerns could keep oil prices supported, driving cautious risk-on/risk-off flows next week.

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