

WEEKLY FINANCIAL MARKETS.



Friday, 2 January 2026

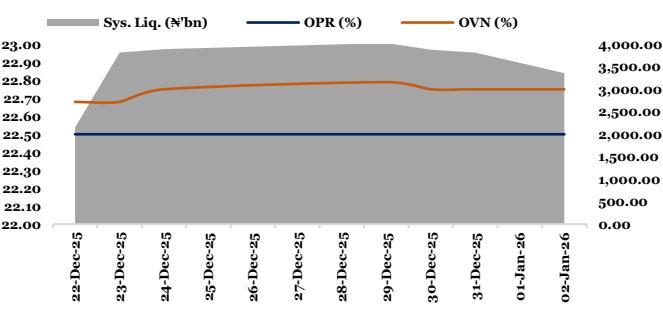
MARKET COMMENTARY

System Liquidity: Liquidity Swings Amid Holiday Crunch

Throughout the shortened week, system liquidity varied. It began at ₦3.79 trillion on December 29 (slightly lower week-over-week due to declining Standing Deposit Facility placements), improved significantly to ₦5.15 trillion on December 30 (supported by ₦594 billion in Open Market Operation maturities), and ended lower at ₦3.82 trillion on December 31 due to fewer SDF placements.

The week ended with system liquidity moderating to ₦3.36 trillion from previous opening of ₦3.82 trillion, kept up by ₦2.92 trillion DMB placements at CBN's SDF window.

The Open Repo Rate stayed at 22.50% the entire week, while the Overnight Rate slightly decreased from 22.79% to 22.75%. Despite year-end adjustments, overall liquidity dynamics showed favourable conditions.



Source: CBN, FMDQ, AICO Capital

Outlook: Barring any mop-up activity, funding cost is expected to moderate slightly, as market anticipates inflows of ₦350.00 billion from OMO maturities and ₦514.00 billion from NTB maturities.

Treasury Bill: NTB Market Trades Mostly Flat with Selective Yield Compression

The NTB secondary market traded on a steady note over the week, amid calm market activity and balanced demand. At the start of the week, trading was largely flat across the curve, with most maturities closing unchanged as investors traded cautiously resulting in minimal repricing across short- and mid-tenor bills.

By Tuesday, trading remained subdued at the short end, with rates across short- and mid-tenor bills closing flat amid cautious positioning. In contrast, long-dated bills attracted demand, led by the 03-Dec-26 which declined by 69bps to 16.20%, alongside yield compression on the 17-Dec-26 and 10-Dec-26 papers. Toward the close of the week, trading remained subdued, with yields across most maturities holding steady and only marginal adjustments observed at the long end, as investors maintained cautious, light positioning amid muted market activity.

Overall, the market ended the period with a mild downward bias, as the average benchmark yield fell 4bps w/w to 16.22%

BENCHMARK T-BILLS DISCOUNT RATES

	02-Jan-26	24-Dec-25	Change in Rates
76 DAYS	15.68%	15.68%	-
188 DAYS	16.20%	16.20%	-
349 DAYS	16.41%	16.75%	(0.34)

Source: FMDQ, AICO Capital

Outlook: Market is anticipated to trade in line with the available system liquidity.

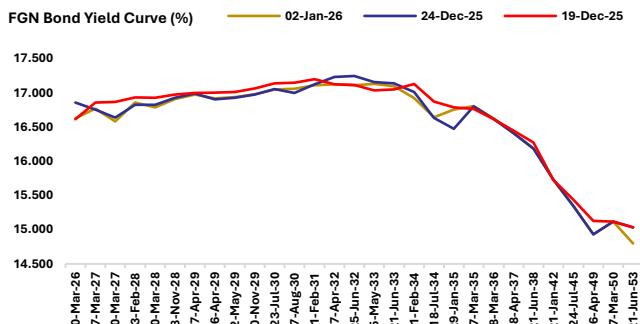
FGN Bonds: Buying-Interest Strengthens Across Curve, as Yield Compresses by 15bps w/w

The FGN Bond secondary market maintained a generally calm but bullish tone over the week, with selective demand across the curve outweighing bouts of profit-taking.

Activity began on a cautious note, before buying interest emerged in short- and mid-tenor instruments, most notably the 2026s to 2030s, 2033s to 2035s, 2037 and 2038, leading to visible yield compression.

Bullish momentum picked up midweek, underpinned by steady demand across select short-, mid-, and long-tenor bonds, notably the 2026s, 2028s, 2029s, 2030s, 2031s, 2032s, 2033s, 2034s, 2037, 2038, 2045, 2049, and 2053, even as occasional profit-taking was seen in the 2026s and 2033s.

Overall, buying pressure dominated trading sentiment, resulting in a 15bps w/w decline in the average benchmark yield to 16.55%.



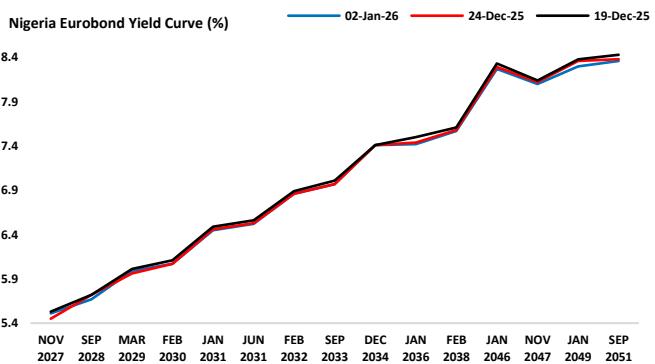
Outlook: Investor appetite is expected to remain steady next week, supporting selective demand across the curve.

Eurobonds: Dovish FOMC Minutes Support Eurobond Rally, Average Yields Fall 1bps w/w

The African Eurobond market traded firmly this week, supported by dovish US signals and sustained demand for higher-yielding emerging market assets. Early-week sentiment was lifted by the FOMC minutes, which confirmed a 25bps rate cut and signalled further easing in 2026, easing pressure on global Treasury yields. Demand for Nigerian Eurobonds was selective but steady, particularly in mid- to long-tenor papers.

Activity remained steady midweek, supported by oil-exporting sovereign demand and favourable risk sentiment, resulting in mild yield compression across the curve.

By the close of the week, benchmark Nigerian Eurobond yields were broadly lower, with the steepest declines seen in mid- to long-tenor papers: the NIG-NOV-2027 yield fell 6bps to 5.51%, the SEP-2028 and MAR-2029 bonds declined 5bps and 2bps, respectively. Consequently, average benchmark yield edged down slightly by 1bps w/w to 7.03%.



Outlook: We expect the market to remain firm and orderly, with modest gains and limited volatility, reflecting a continuation of the year-end rally seen last week.

Nigerian Equities: Bullish Momentum Caps Record Year, Strong Start to 2026

This week, the Nigerian stock market closed on a very positive note, continuing its bullish trajectory. The market showed notable resilience as investors responded to year-end positioning and corporate developments, driven by consistent buying interest throughout all trading sessions. The market All-Share Index (ASI) added 136bps, to close at 156,492.36 index points, while the Market Capitalization saw an even more pronounced uplift, gaining 2.09% to close at ₦99.93 trillion, inching closer to the historic ₦100 trillion milestone.

Market sentiment was broadly positive, bolstered by investors buying interest in some medium and large capitalized stocks such as; AUSTINLAZ (+45.94%), ALEX (+45.57%) which emerged as the top gainer for the week. Other stocks also saw significant advances, including EUNISELL (+45.57%), HONYWELL (+29.58), FIDSON (+25.28%), DEAPCAP (+22.94%), ACCESSCORP (+12.20%), TRANSCORP (+10.73%), GUINNESS (+9.82%), and WEMABANK (+9.19%) amongst others, making up 73 advancers during the week.

Meanwhile, ETRANZACT declined by -9.92%w/w to lead the losers' chart, trailed by FIRSTHOLDCO (-7.92%w/w), LIVINGTRUST (-7.61%w/w), CAP (-6.76%w/w), and CHAMPION (-6.76%w/w) to be among the 23 declined stocks for the week.

Furthermore, all five key sectors closed in the green, with the Oil & Gas sector leading the charge (+962bps), followed by the Insurance sector (592bps) and significant recoveries in the Consumer Goods(+344bps) and Banking sector (+296bps), while the Industrial sector gained marginally by 82bps.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	0.57%	1.92%	0.57%	0.57%
NSE Banking Index	2.32%	2.96%	2.32%	2.32%
NSE Insurance Index	2.07%	5.92%	2.07%	2.07%
NSE Industrial Goods Index	0.00%	0.82%	0.00%	0.00%
NSE Consumer Goods Index	0.21%	3.44%	0.21%	0.21%
NSE Oil & Gas Index	9.85%	9.62%	9.85%	9.85%

Source: NGX, AICO Capital

Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
AUSTINLAZ	4.67	1.47	45.94%
ALEX	23.80	7.45	45.57%
EUNISELL	126.00	38.05	43.26%
ABCTRANS	4.51	1.24	37.92%
HONYFLOUR	23.00	5.25	29.58%

Source: NGX, AICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
ETRANZACT	11.35	-1.25	-9.92%
FIRSTHOLDCO	48.80	-4.20	-7.92%
LIVINGTRUST	3.40	-0.28	-7.61%
CAP	69.00	-5.00	-6.76%
CHAMPION	14.00	-1.00	-6.67%

Source: NGX, AICO Capital

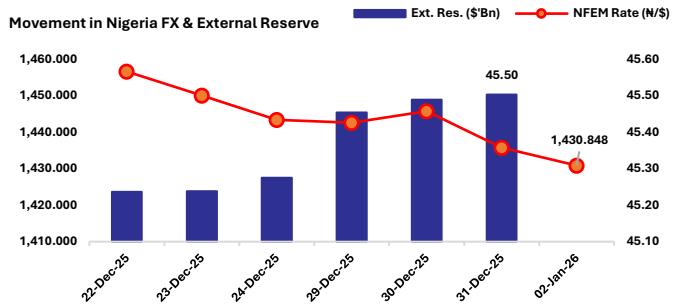
Outlook: Market is expected to sustain positive sentiment as investors increasingly cherry-pick fundamentally strong stocks ahead of upcoming earnings releases.

Foreign Exchange: Naira Bounces back by 0.87%w/w on CBN Boost

Throughout the week, the naira fluctuated around the ₦1,440/US\$ level at the NAFEM window. Relative stability was maintained by improved FX supply and periodic CBN intervention, with Nigeria's external reserves acting as an extra safety net. The Naira during the week strengthened by ₦12.53 per USD (+86bps w/w), closing the week at ₦1,430.85 per USD.

Notably, the Naira traded within a range of ₦1,427.00 to ₦1,445.68 per USD within the week, with appreciation observed in three of the four sessions.

Similarly, external reserves continue previous week rebounds to grow by \$227.14 million to \$45.50 billion as of December 31.



Source: CBN, AICO Capital

Outlook: Barring any significant shift in supply, we expect Naira to trade around similar level.

Commodities: Commodities Volatile on Geopolitical Jitters

Geopolitical tensions and supply concerns caused oil prices to fluctuate during the week. On Monday, Brent increased by more than 2%, and then fell to \$61.25/bbl on Wednesday due to concerns about an excess of oil.

However, prices settled lower on Friday on the first trading day of 2026 after registering their biggest annual loss since 2020, as investors weighed oversupply concerns against geopolitical risks, including the war in Ukraine and Venezuela exports.

After reaching all-time highs on December 29, gold fell precipitously on December 30 due to worries about risk. On December 31, it slightly decreased, but it concluded a robust 2025 supported by Fed expectations. Gold started the first trading session of the New Year by building on the major gains of 2025 as geopolitical tension and expectations of U.S rate cut kept demand high. Brent crude futures for February settled at \$60.75 per barrel, down \$1.49 or 2.39%w/w, while West Texas Intermediate (WTI) futures closed at \$57.32 per barrel, losing \$1.06 or 1.82%w/w.

Similarly, Spot gold fell by 3.33%w/w to finish at \$4,330.50 per ounce, with gold futures also declining by 3.49%w/w to close at \$4345.50

MACRO INDICATORS

GDP (Q3 2025)	+3.98% (Q2: 2025 +4.23% y/y)
INFLATION (NOVEMBER2025)	14.45% (Oct'25: 16.05%)
EXTERNAL RESERVE (US\$ BILLION)	45.50 (+0.00% YTD as of 31-Dec-25)
MONETARY POLICY RATE (SEPT'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*60.75 (-1.49 w/w)

Source: CBN, NBS, Bloomberg, AICO Capital

Outlook: In the near term, we expect commodity markets to remain volatile, driven by evolving global economic signals, trends in U.S. production, and ongoing developments in the Middle East.

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