

WEEKLY FINANCIAL MARKETS.



Friday, 13 February 2026

ECONOMIC REPORT

January Inflation Rate to Rise to over 18% Amid Base Year Effect

In the week ahead, the National Bureau of Statistics (NBS will publish the Consumer Price Index (CPI) for the month of January 2026. The expected CPI data will show how Nigeria has dealt with increase in goods and services over the past one-year. It is worth noting that in December 2025, the NBS adjusted the rebase methodology to 12-month moving average.

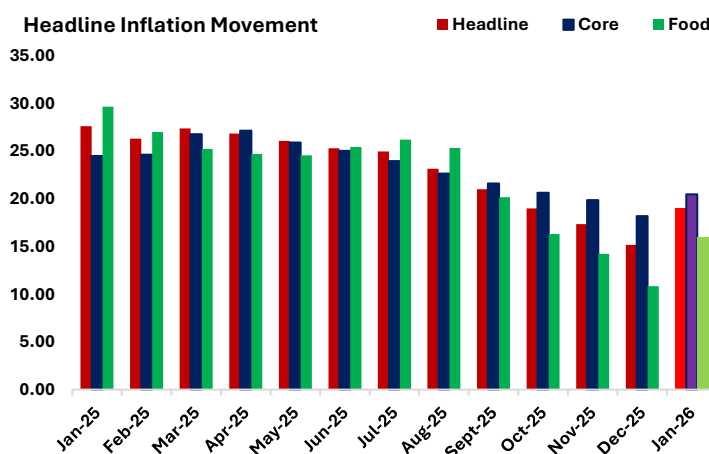
As such, we conducted a pre-CPI report analysis, our findings suggest that the Headline inflation rate (a measure of the average change in the price level of both food and non-food items) will increase faster by a minimum of 350bps to a range 18.5– 19.5%y/y from 15.15%y/y in the month of December 2025. We believe the sharp increase, will be largely driven by base-year effect from both the core (i.e non-food items price) and food Inflation.

Our position is based on the base year effect on the components of the headline inflation – Core and Food Inflation, despite improvement in exchange rate, stable energy and food prices. Our analysis indicates that core inflation, which reflects changes in the average price of non-farm produce, is expected to ease by a minimum of 10bps to 0.71% – 0.6% m/m and increase by a minimum of 180bps to 20.0% – 32.60% y/y. The month-on-month easing is expected to be driven by two major factors, Naira appreciation and stable petrol price in January 2025. Notably, the naira appreciated by 343bps (₦49.20 per USD) to ₦1,386.55 per USD at the official window, and by 102bps (₦15.00 per USD) to ₦1,460 per USD in the parallel market.

In addition, average petrol prices remain stable at ₦739 per litre in January, before it was adjusted upward to NGN839 per litre in the late part of the month.

Similarly, the food inflation price index, which reflects changes in the average price of farm produce, is expected to increase to a range of 0.02-0.8% m/m and by a minimum of 500bps to a range of 14.0% - 15.90%y/y in January 2026, compared to -0.36% m/m and 10.84%y/y in December 2025. This acceleration would be driven by base year-effect, despite price stability during the month of January.

Overall, we expect base year effect to push the inflation rate to a range of 0.4%-0.7% m/m and 18.5%– 19.5%y/y.



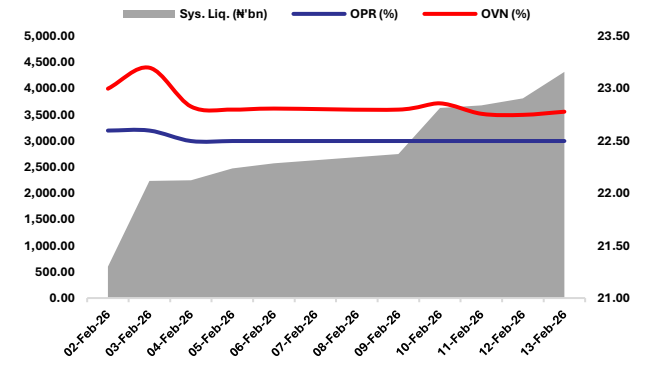
Source: NBS, AIICO Capital

System Liquidity: Sustained SDF Placement and OMO Maturity Bolster Surplus to ₦4.32 trillion

Liquidity in the banking system remained firmly in surplus throughout the week, expanding progressively and closing stronger than it opened. Liquidity began the week at ₦2.75 trillion, improving modestly from the prior session, supported by sizable placements at the CBN’s Standing Deposit Facility (SDF) window and primary market repayment inflows, despite marginal borrowing at the Standard Lending Facility (SLF).

During the week, the surplus balance strengthened further to ₦3.68 trillion, underpinned by sustained Deposit Money Banks (DMBs) placements at the SDF window alongside ₦993.00 billion 10-Feb-26 OMO maturity.

Towards the latter part of the week, liquidity improved to ₦3.81 trillion, driven largely by increased SDF placements, while minor SLF access slightly tempered the expansion. By the close of the week, system liquidity settled at a robust surplus of ₦4.32 trillion, supported predominantly by substantial SDF placements and marginal primary market repayments. Consequently, average funding cost eased slightly by 2bps to 22.54%, with Open Repo Rate (OPR) steady at 22.50%, while the Overnight Rate fell by 3bps to 22.78%.



Source: CBN, FMDQ, AIICO Capital

Outlook: Barring any mop-up activity, funding cost is expected to moderate slightly, as market anticipates inflows of ₦2.55 trillion from 17-Feb-26 OMO maturity (₦1.87 trillion) and 19-Feb-26 NTB maturity (₦765.89 billion).

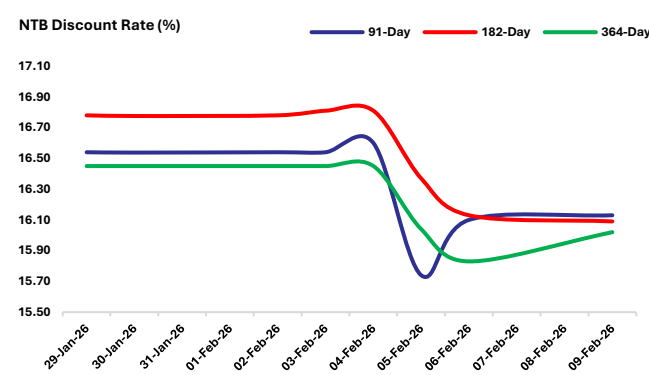
Treasury Bill: Cautious Sentiment Drives Yield Adjustment in NTB Market

The Nigerian Treasury Bills (NTBs) market traded on a mixed to bearish note during the week. Initially, ample system liquidity supported early demand, before profit-taking and rising supply concerns gradually dampened early buying interest. At the start of the week, the NTB secondary market traded on a calm, mildly bullish note, as improved system liquidity supported selective demand across the near-to-mid tenors, pushing the average benchmark rate lower by 2bps.

As the week progressed, activity remained largely subdued, with muted trades reflecting balanced demand and cautious participation, while most maturities closed unchanged amid selective interest at the longer end.

By Thursday, sentiment shifted to mixed-to-bearish, as cautious positioning ahead of the January CPI release triggered mild sell pressures and pushed average discount rate higher by 4bps to 16.11%, despite the prevailing ample liquidity conditions.

By the end of the week, trading went muted, although the 4-Feb-27 bill saw sell pressure with the rate increase of 5bps to 16.02%. Overall, the average benchmark rate edged up by 4bps w/w to settle at 16.11%.



Source: FMDQ, AIICO Capital

Auction Date	Tenor	Offer Amount (₦'mn)	Last Stop Rate
18-Feb-26	91-Day	150,000.00	15.84%
18-Feb-26	182-Day	200,000.00	16.65%
18-Feb-26	364-Day	800,000.00	16.99%

Source: CBN, AIICO Capital

Outlook: We expect the market to open the week on a calm and mixed note as investors react to the anticipated January CPI data. Performance will likely be further influenced by the ₦1.15 trillion NTB auction results and prevailing system liquidity conditions.

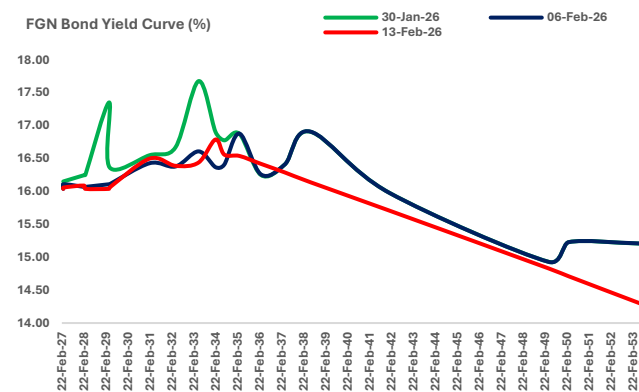
FGN Bonds: FGN Bonds End Week Positive as Investors Anticipates Ahead of January CPI Data

The FGN Bond secondary market traded on a mixed-to-positive note over the week, as investors sought attractive yields, particularly across the short- to mid-tenor segment of the curve, with limited interest at the long end ahead of the January CPI release.

At the start of the week, strong demand for short- to mid-tenor bonds drove the average benchmark yield down to 16.13%. By Tuesday, positive sentiment persisted in the same segment, further compressing the average yield to 15.99%.

Midweek, however, sentiment softened slightly as sell-offs in mid- to long-dated maturities pushed the average benchmark yield up by 11bps. This cautious tone lingered through the end of the week.

Nonetheless, the market recorded an overall positive performance, with the average benchmark yield declining by 14bps w/w to close at 16.00%.



Source: FMDQ, AIICO Capital

Outlook: Similar investor sentiment to persist in the coming week as investors expected to react to the January CPI data ahead of the MPC decision.

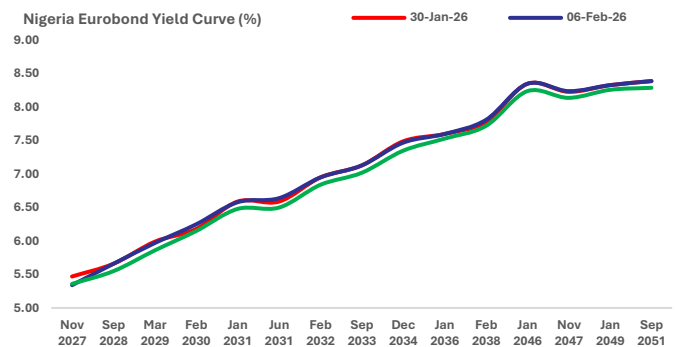
Eurobonds: Yields Decline 9bps Amid U.S. Data and Oil Price Volatility

The Nigeria Sovereign Eurobond market traded mixed to bullish during the week, driven by mixed macroeconomic data, oil price volatility and potential U.S. attacks on Iran. The market kick-start the week on a positive note, on the back of improved oil prices as the average benchmark yield dropped by 3bps to 7.09%.

By midweek, profit-taking on selected maturities led to yield uptick as the investors react to the U.S. January unemployment rate which came lower at 4.3%, compared to December rate of 4.4%, signalling cautious Federal Reserve Policy stance. Towards the end of the week, average yield dropped to 7.04% as investors react to the mixed U.S. jobless claim data.

By the end of the week, the market stayed bullish as investors react to the U.S. CPI January CPI data of 2.4%, lower than estimate of 2.5% and 2.7% in December 2025.

Overall, the average benchmark yield shed 9bps w/w to settle at 7.02%.



Source: Firstbank UK, AIICO Capital

Outlook: We expect the market to align with the oil price volatility and other macroeconomic data.

Nigerian Equities: NGX Rose by 6.16%w/w Amid PFAs Presence

During the week, the Nigerian equity market traded on bullish note, with the NGX All-Share Index (ASI) and Market Capitalization both rising by 6.16%w/w, driven by strong buying interest in medium and large-cap stocks across key sectors, as the National Pension Commission raised PFAs equity investment limits for RSA Funds.

Trading activity improved significantly, with total volume and value traded rising by 21.02% and 50.36%, respectively. About 4.65 billion shares worth ₦193.33 billion were traded in 286,751 deals. The market breadth was positive, with 79 gainers versus 27 losers, indicating broad-based participation.

On performance, several stocks hit the upper price limit, including ZICHIS, ZENITHBANK, GTCO, MTNN, NESTLE, and, while ABBEYBDS, ETI, GUINNESS, and CHAMPION topped the decliners' chart for the week. All major sectors closed in positive territory, led by the Oil & Gas (+11.40%w/w), Industrial Goods (+7.09%w/w), Banking (+5.84%w/w), Consumer Goods (+2.95%w/w), and Insurance (+0.65%), reinforcing the overall bullish market sentiment.

	D-o-D	W-o-W	MTD	YTD
NGX ASI	📈 2.06%	📈 6.16%	📈 10.25%	📈 17.16%
NSE Banking Index	📈 2.49%	📈 5.84%	📈 9.62%	📈 17.28%
NSE Insurance Index	📈 0.64%	📈 0.65%	📉 -1.70%	📈 9.86%
NSE Industrial Goods Index	📈 0.44%	📈 7.09%	📈 11.76%	📈 17.85%
NSE Consumer Goods Index	📈 0.78%	📈 2.95%	📈 3.99%	📈 7.33%
NSE Oil & Gas Index	📈 2.05%	📈 11.40%	📈 23.51%	📈 40.56%

Source: NGX, AIICO Capital

Top 5 Equity Advancers W-o-W			
Name (Symbol)	Closing Price	Gain(N)	% Change
ZICHIS	10.80	4.08	↑ 60.71%
UNIONDICON	20.90	7.85	↑ 60.15%
DAARCOMM	2.95	1.05	↑ 55.26%
FTGINSURE	0.39	0.13	↑ 50.00%
JOHNHOLT	10.60	3.30	↑ 45.21%

Source: NGX, AIICO Capital

Top 5 Equity Decliners W-o-W			
Name (Symbol)	Closing Price	Loss(N)	% Change
ABBEYBDS	11.00	-3.95	↓ -26.42%
SOVRENINS	2.80	-0.58	↓ -17.16%
ETI	45.00	-6.90	↓ -13.29%
SKYAVN	135.00	-17.70	↓ -11.59%
AUSTINLAZ	4.80	-0.60	↓ -11.11%

Source: NGX, AIICO Capital

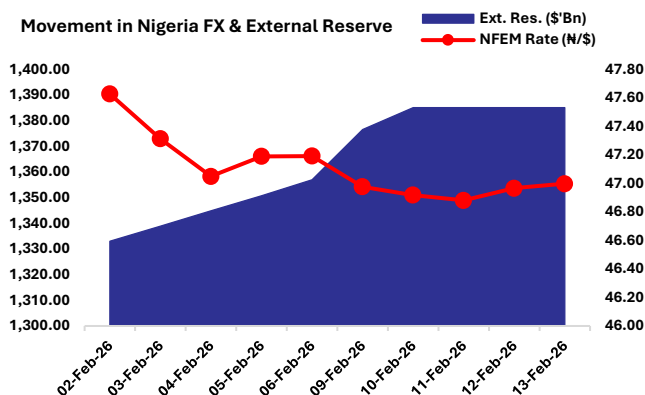
Outlook: Next week, we expect mixed market sentiment as PFAs continue to adjust portfolios towards the fundamental stocks. However, profit-taking from recent rally may emerge.

Foreign Exchange: Naira Trade to 2-Years Low Amidst Improve Supply

The naira at NAFEM window traded at mostly positive during the week, amidst inflows from Foreign Portfolio Investors (FPIs) and supply from local participants. The naira stated the week with strong appreciation 88bps to ₦1,354.26 per USD on Monday and consistently appreciated to ₦1,348.95 per USD by midweek. However, as demand began to outweigh the available supply, the naira depreciated to ₦1,355.42 per USD by the end of the week.

Consequently, the naira appreciated by 79bps w/w (₦10.78) to ₦1,355.42 per USD as the early week gains outpaced the late depreciation.

Similarly, as of 10-Feb-2026, the external reserves expanded by \$505.70 million to \$45.53 billion to the highest level since 2018.



Source: CBN, AIICO Capital

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

Commodities: Oil Softens Amid OPEC+ Signals, Gold Gains on Cooling U.S. Inflation

Global oil prices dipped over the week, but held steady on Friday after data showed an overall slowdown in U.S. inflation, recovering from an earlier dip on news that OPEC+ is leaning towards a resumption in production increases. Brent crude lost 15 cents, or 0.22% w/w, to settle around \$67.90 per barrel, while U.S. West Texas Intermediate (WTI) shed 47bps, or 0.74% w/w, to around \$5,043.11 per barrel.

Gold prices rose more than 1% over the week as slower than expected U.S. inflation data reignited hopes for Federal Reserve rate cuts this year, offsetting concerns from stronger than expected jobs data earlier in the week. Spot gold climbed 1.19% w/w to finish at \$5,020.43 per ounce, while gold futures increased 1.27% w/w to close at \$5,043.11 per ounce.

MACRO INDICATORS

GDP (Q3 2025)	+3.98% (Q2: 2025 +4.23% y/y)
INFLATION (DECEMBER 2025)	15.15% (Nov'25: 17.33%)
EXTERNAL RESERVE (US\$'BILLION)	47.53 (+4.46% YTD as of 10-Feb-26)
MONETARY POLICY RATE (SEPT'2025)	27.00%
CASH RESERVE REQUIREMENT (CRR)	45.00%
BRENT CRUDE PRICE US\$/BBL	*67.90 (-0.15 w/w)

Source: CBN, NBS, Bloomberg, AIICO Capital

Outlook: Markets are likely to trade cautiously with continued pressure on oil prices amid oversupply outlooks, while gold and equities will be closely driven by upcoming U.S. inflation data and its implications for Federal Reserve policy.

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