DAILY MARKET INSIGHTS.

Tuesday, 12 May 2026

MARKET COMMENTARY

System Liquidity

System liquidity opened today with a surplus balance of ₦6.90 trillion, reflecting an increase of ₦1.98 trillion from the previous open of ₦4.92trn. The liquidity level was largely supported by ₦4.57 trillion DMB placements at the CBN's SDF window, alongside ₦2.07 trillion inflows from 12-May-2026 OMO maturities, while ₦635 million borrowing at the SLF window slightly offset the surplus position.

However, the Nigerian Overnight Financing Rate (NOFR) remained steady at 22.00% as of 11-May-2026.

Outlook: *Barring any significant shocks, we expect liquidity levels to remain elevated in the near term.*

SYS. LIQ. (₦'BN)		Diff.
12-May-26	6,896.67	1,976.54
11-May-26	4,920.12	

Source: CBN, AIICO Capital

Eurobonds

The Nigerian Sovereign Eurobond market traded on a weaker note today as profit-taking activities dominated sentiment across the curve. Market activity opened cautiously after President Trump raised doubts over the durability of the U.S.–Iran ceasefire, reigniting Middle East tensions and triggering a broad risk-off sentiment across emerging markets. Investor caution ahead of U.S. inflation data kept sentiment defensive, while stronger-than-expected CPI of 3.8% YoY in April versus 3.3% previously reinforced higher-for-longer rate expectations and pushed U.S. Treasury yields higher.

The Nigerian Sovereign Eurobond curve closed broadly higher. The bearish sentiment was more pronounced at the mid-segment of the curve, particularly on the FEB 2030 and JUN 2031 papers, which expanded by 14bps and 12bps, respectively. The long end also remained under pressure, with the SEP 2051 bond climbing 5bps to close at 8.02%. Consequently, with the average benchmark yield rising by 7bps day-on-day to 6.83% from 6.76%.

Outlook: *We anticipate sustained investors interest at the domestic space in the near term*

BENCHMARK FGN EUROBOND YIELDS	11-May-26	08-May-26	Change in Yield (%)
5 YRS: NGERIA 8.375% 03/24/29	5.63%	5.55%	0.08
10 YRS: NGERIA 7.375% 09/29/33	6.84%	6.75%	0.09
15 YRS: NGERIA 7.696% 23/02/38	7.25%	7.20%	0.05
30 YRS: NGERIA 8.25% 09/29/51	8.02%	7.97%	0.05
8.75% ETI 06/17/31*	4.66%	4.66%	-

Source: FirstBank UK, AIICO Capital

Treasury Bills

The NTB secondary market traded on a largely quiet and broadly stable note, with most maturities showing no change from previous levels, reflecting subdued investor participation and a continued wait-and-see stance. Across the curve, yields were largely unchanged from the short- to mid-end, while slight adjustments were only observed at the long end.

Specifically, the 08-Apr-27 and 06-May-27 maturities declined by 22bps and 16bps to 15.86% and 15.80% respectively, indicating mild buying interest in longer tenors. Consequently, the average benchmark yield declined by 3.2bps to close at 15.99%

Outlook: *We anticipate that investor activity will align with prevailing liquidity conditions with keen interest on the 1-year paper.*

BENCHMARK T-BILLS DISCOUNT RATES	12-May-26	11-May-26	Change in Yield (%)
86 DAYS	15.74%	15.74%	-
177 DAYS	16.14%	16.14%	-
331 DAYS	15.86%	16.08%	(0.22)

Source: FMDQ, AIICO Capital

FGN Bonds

The FGN bond secondary market traded on a relatively quiet and largely directionless note, with mixed but mild movements observed across select maturities.

Minor adjustments were recorded within the short-to-mid segment. The 20-Mar-28 paper saw a marginal yield compression of 1bp to 16.13%, while the 15-May-33 bond declined by 2bps to 16.83%, indicating slight buying interest at that point on the curve. Conversely, the 21-Feb-34 bond experienced a modest uptick of 2bps to 16.75%, reflecting mild selling pressure. Most other mid-tenor maturities closed unchanged.

Overall, the average benchmark yield remained unchanged at 15.77%, reflecting the broadly balanced and range-bound nature of the session.

Outlook: *We anticipate sustained investors interest in the near term.*

BENCHMARK FGN BOND YIELDS	12-May-26	11-May-26	Change in Yield (%)
3 YRS: 14.55% 26-APR-2029	16.19%	16.19%	-
10 YRS: 12.40% 18-MAR-2036	14.96%	14.96%	-
18 YRS: 13.00% 21-JAN-2042	14.07%	14.07%	-
27 YRS: 15.70% 21-JUN-2053	14.73%	14.73%	-

Source: FMDQ, AIICO Capital

Nigerian Equities

The Nigerian equities market closed on a positive note as the NGX ASI advanced 77bps, pushing the YTD return to 62.2%. Market breadth remained firmly positive with 45 gainers against 32 losers. UPL, UHOMREIT, and IKEJAHOTEL led the gainers' chart with 10% appreciation each, while FTGINSURE declined 9.65% to top the losers' chart. Trading activity improved significantly as trade value rose 43.29% to $72.72m. CWG led the volume chart with 432.9m shares traded, while UBA topped the value chart with transactions worth N16.78bn.

Sectoral performance was largely bullish as the Banking Index gained 187bps driven by strong buying interest in ACCESSCORP (+6.22%), WEMABANK (+5.11%), ETI (+4.73%), UBA (+3.55%), FCMB (+2.64%), and ZENITHBANK (+2.27%), despite mild losses in FIDELITYBK (-0.68%), GTCO (-0.69%), and STANBIC (-3.95%). The Consumer Goods Index appreciated 171bps on gains in NB (+9.94%), PZ (+9.55%), UNILEVER (+7.67%), CHAMPION (+5.96%), VITAFOAM (+4.3%), DANGSUGAR (+1.23%), and MCNICHOLS (+0.65%), while HONYFLOUR (-5.41%) declined. The Oil and Gas Index advanced 340bps on gains in ARADEL (+6.89%), although profit-taking in OANDO (-2.02%), and JAPAULGOLD (-3.64%) moderated the upside. Conversely, the Industrial Index shed 49bps following losses in CUTIX (-1.56%), BUACEMENT (-1.16%), and WAPCO (-0.29%). Market activity was dominated by sizeable cross deals, with notable off-market transactions recorded in UBA, CWG, CILEASING, HONYFLOUR, CHAMPION, NB, STANBIC, and MTNN.

Outlook: *We expect a mixed trading session tomorrow amid intermittent profit-taking and strategic reallocation.*

	D-o-D	W-o-W	MTD	YTD
NGX ASI	0.77%	4.41%	4.18%	62.20%
NSE BANKING INDEX	1.87%	9.83%	8.65%	63.52%
NSE INSURANCE INDEX	-1.40%	0.93%	3.16%	2.92%
NSE INDUSTRIAL GOODS INDEX	-0.49%	5.33%	9.12%	116.78%
NSE CONSUMER GOODS INDEX	1.71%	3.05%	4.33%	27.36%
NSE OIL & GAS INDEX	3.40%	3.96%	0.05%	128.45%

Source: NGX, AIICO Capital

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
UNILEVER	165.00	15.00	10.00%
UPL	4.40	0.40	10.00%
UHOMREIT	84.70	7.70	10.00%
IKEJAHOTEL	39.60	3.60	10.00%
ZICHIS	40.35	3.66	9.98%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
CUSTODIAN	81.25	-8.55	-9.52%
HONYFLOUR	17.00	-1.50	-8.11%
AIICO	4.41	-0.37	-7.74%
FTGINSURE	1.06	-0.08	-7.02%
NSLTECH	0.88	-0.05	-5.38%

Source: NGX, AIICO Capital

Foreign Exchange

The Naira closed the first two sessions of the new week on a weaker tone, as it losses 18bps against the U.S. Dollar at the Nigerian Foreign Exchange Market (NFEM).

The Naira lost ₦2.46 against the U.S. Dollar, driven by stronger Dollar demand relative to the Naira, despite recent appreciations that have been linked to sustained foreign portfolio inflows, improved market liquidity, and continued confidence from the CBN's FX reforms. During today's session, the Naira traded between the ₦1,372.75/$ and ₦1,377.99/$ band before settling at ₦1,375.62/$.

However, external reserves recorded an addition of $87.02 million from prior $48.36 billion to $48.45 billion as of 11-May-2026.

***Outlook:** We expect the naira to trade range-bound in the near term driven by FX demand and supply dynamics.*

NFEM RATE ($/₦)		Diff.
12-May-26	1,375.6219	2.4579
11-May-26	1,373.1640	

Source: CBN, AIICO Capital

Commodities

Global oil prices settled higher for the third consecutive session on Tuesday as stark differences between the U.S. and Iran over a proposal to end the war in the Middle East raised concerns that supply disruptions upending the global oil market are likely to be prolonged. Brent crude soared by 3.31%, gaining $3.45 and trading at $107.66 per barrel as of 21:45 HRS, while U.S. West Texas Intermediate (WTI) jumped 4.21%, trading around $102.20 per barrel.

Conversely, Gold prices were under pressure on Tuesday as fading hopes for an Iran peace deal pushed oil prices higher, adding to concerns about inflation and the prospect of higher global interest rates. Spot gold price lost 1.11%, to trade around $4,714.60/oz, while U.S. gold futures fell 0.14%, hovering around $4,721.92/oz.

***Outlook:** Tomorrow, we expect oil to trade higher supported by renewed supply disruption fears.*

Macro Indicators	
GDP (Q4 2025)	+4.07% (Q3: 2025 +3.98% y/y)
Inflation (March 2026)	15.38% (Feb'26: 15.06%)
External Reserve (US$'billion)	48.45 (+6.48% YTD as of 11-May-26)
Monetary Policy Rate (Feb'2026)	26.50%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US$/bbl	*107.66 (+3.45 d/d)

Source: NBS,CBN, Bloomberg, AIICO Capital