

DAILY MARKET INSIGHTS.



Monday, 18 May 2026

MARKET COMMENTARY

System Liquidity

System liquidity opened today on a moderately surplus balance of ₦3.56 trillion, reflecting a decrease of ₦2.30 trillion from the previous open of ₦5.86 trillion. The liquidity level was largely supported by ₦3.46 trillion DMB placements at the CBN's SDF window and a Primary Market Repayment of ₦28.11 million, slightly offset by ₦14 billion placement at the SLF window

However, the Nigerian Overnight Financing Rate (NOFR) remained steady at 22.00% as of 15-May-2026.

Outlook: *Barring any significant shocks, we expect funding rates to moderate at the next session, supported by inflows from the 21-May-26 NTB (₦634.47 billion) and 19-May-26 OMO (₦2.24 trillion) maturities*

	SYS. LIQ. (₦'BN)	Diff.
18-May-26	3,559.90	↓(2,303.31)
15-May-26	5,863.21	

Source: CBN, AIICO Capital

Eurobonds

The Nigerian Sovereign Eurobond market opened the week on a mixed to bearish note, as

investors reacted to the slight rise in Nigeria's headline inflation to 15.69%, sustaining caution around the effectiveness of the current 26.5% benchmark rate in containing price pressures. Sentiment was further shaped by domestic monetary policy expectations, liquidity conditions, and broader global risk-off sentiment, while movements in U.S. Treasury yields continued to influence offshore investor positioning toward Nigeria's fiscal and external outlook.

Selling pressure was most pronounced at the short- to mid-end of the curve, particularly on the NOV 2027 and MAR 2029 papers, where yields rose by 7bps and 9bps respectively, pushing the average benchmark yield up by 1bp day-on-day to close at 6.99%.

Outlook: *We expect a cautious and selective stance to persist, with focus on strong credit selection, close monitoring of global macro and geopolitical risks*

BENCHMARK FGN EUROBOND YIELDS

	18-May-26	15-May-26	Change in Yield (%)
5 YRS: NIGERIA 8.375% 03/24/29	5.86%	5.77%	0.09
10 YRS: NIGERIA 7.375% 09/29/33	7.02%	7.00%	0.02
15 YRS: NIGERIA 7.696% 23/02/38	7.41%	7.42%	(0.01)
30 YRS: NIGERIA 8.25% 09/29/51	8.15%	8.15%	-
8.75% ETI 06/17/31*	4.66%	4.66%	-

Source: FirstBank UK, AIICO Capital

Treasury Bills

The Nigerian Treasury Bills secondary market opened the week on a mixed but cautious note, ultimately closing flat and quiet as rates across the curve remained unchanged at 16.01%. Overall activity was subdued, as investors maintained a defensive stance.

Across the curve, all tenors recorded no movement, with yield changes printing at 0%. Market sentiment was driven by a shift toward the FGN Bond PMA, with investors adopting a wait-and-see stance ahead of the upcoming NTB auction and prioritizing liquidity preservation, which kept secondary market activity muted.

Outlook: *We expect investor activity to be largely driven by prevailing system liquidity as market participants continue to position ahead of fresh auction supply*

BENCHMARK T-BILLS DISCOUNT RATES			
	18-May-26	15-May-26	Change in Yield (%)
80 DAYS	15.74%	15.74%	-
171 DAYS	16.16%	16.16%	-
325 DAYS	15.98%	15.98%	-

Source: FMDQ, AIICO Capital

FGN Bonds

The FGN Bond secondary market opened the week on a calm, cautious note as attention shifted to the May FGN Bond PMA, where the DMO offered ₦600bn across the 2035 and 2037 papers. Trading remained subdued ahead of the MPC meeting later in the week. At the auction, the DMO allotted ₦137.67bn for the 2035 bond and ₦476.84bn for the 2037 bond at marginal rates of 17.00% and 17.04%.

Against this backdrop, the secondary market closed mixed but largely range-bound. Movements were limited, though the 27-Apr-32 and 26-Apr-49 bonds weakened by 14bps and 22bps respectively, while the 20-Mar-28 and 17-Apr-29 papers saw mild demand, easing by 2bps and 1bp. Most other maturities were unchanged, reflecting a cautious and subdued session. Consequently, the average benchmark yield edged higher by 2bps to close at 15.83%.

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

BENCHMARK FGN BOND YIELDS			
	18-May-26	15-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 commenced the week on a slightly bearish note, as the All-Share Index (ASI) and market capitalization both declined marginally by 0.05%, extending the negative sentiment from the prior session. The mild pullback was largely driven by sustained profit-taking activities, particularly in select mid-cap stocks such as AFRIPRUD, TIP, UACN, BERGER, and NB, cutting across major sectors of the market. Consequently, the ASI shed 126.09 points to close at 250,204.83, while market capitalization dipped by ₦80.82 billion to settle at ₦160.36 trillion.

Trading activity weakened during the session, with total volume and value traded declining by 26.16% and 16.36% respectively. A total of 800.46 million shares valued at ₦37.05 billion were exchanged across 87,096 deals. UBA led trading by volume, accounting for 8.16% of total transactions, followed by FIDELITYBK (7.19%) and ACCESSCORP (5.31%), while ARADEL dominated the value chart with 16.63% of total traded value.

Market breadth closed negative, with 33 gainers against 35 losers. OANDO and UPL topped the gainers' chart with 10.00% appreciation apiece, while NCR and ZICHIS recorded the steepest losses, shedding 9.99% each. Sectoral performance was largely negative, as the Insurance, Consumer Goods, and Industrial Goods indices declined by 0.91%, 0.26%, and 0.09% respectively, while the Oil & Gas and Banking indices posted modest gains of 0.40% and 0.17%.

Outlook: *We expect trading to remain mixed, as investors engage in periodic profit-taking while rebalancing their portfolios*

	D-o-D	W-o-W	MTD	YTD
NGX ASI	↓ -0.05%	↓ -0.11%	↑ 3.27%	↑ 60.79%
NSE BANKING INDEX	↑ 0.17%	↓ -1.60%	↑ 4.95%	↑ 57.95%
NSE INSURANCE INDEX	↓ -0.20%	↑ 1.94%	↑ 6.65%	↑ 6.39%
NSE INDUSTRIAL GOODS INDEX	↓ -0.09%	↑ 0.23%	↑ 9.91%	↑ 118.35%
NSE CONSUMER GOODS INDEX	↓ -0.26%	↑ 0.64%	↑ 3.22%	↑ 26.01%
NSE OIL & GAS INDEX	↑ 16.00%	↓ -1.25%	↓ -4.45%	↑ 118.18%

Source: NGX, AIICO Capital

TOP 5 EQUITY ADVANCERS			
NAME (SYMBOL)	CLOSING PRICE	GAIN(N)	% CHANGE
OANDO	51.70	4.70	↑ 10.00%
UPL	5.50	0.50	↑ 10.00%
DEAPCAP	5.96	0.54	↑ 9.96%
MAYBAKER	52.00	4.70	↑ 9.94%
TRANSEXP	7.76	0.70	↑ 9.92%

Source: NGX, AIICO Capital

TOP 5 EQUITY DECLINERS			
NAME (SYMBOL)	CLOSING PRICE	LOSS(N)	% CHANGE
NCR	161.20	-17.90	↓ -9.99%
ZICHIS	26.49	-2.94	↓ -9.99%
IMG	38.10	-4.20	↓ -9.93%
SOVRENINS	2.65	-0.29	↓ -9.86%
DAARCOMM	2.03	-0.22	↓ -9.78%

Source: NGX, AIICO Capital

Foreign Exchange

The Naira opened the new week on a slightly weaker note, depreciating by 19bps against the U.S. Dollar at the Nigerian Foreign Exchange Market (NFEM)

The Naira lost ₦2.66 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 ₦1,374.50/\$ and ₦1,370.00/\$ band before settling at ₦1,373.70/\$.

However, external reserves recorded an addition of \$31.45 million from prior \$48.54 billion to \$48.58 billion as of 15-May-2026.

Outlook: We expect stability in the FX market to continue in the near term, supported by ongoing refinements in CBN policies and fiscal efforts to maintain liquidity.

NFEM RATE (\$/N)		Diff.
18-May-26	1,373.7004	↑ 2.6613
15-May-26	1,371.0391	

Source: CBN, AIICO Capital

Commodities

Oil prices climbed about 3% to a two-week high in volatile trade on Monday as worries over supply disruption from the Iran war offset a report that the U.S. had agreed to waive sanctions on Iranian crude during talks. Brent crude, as of 22:00 HRS, traded around \$109.10 per barrel, reflecting an decline of 0.15% from previous close, while U.S. West Texas Intermediate (WTI) fell 2.93%, trading around \$102.33 per barrel.

Conversely, Gold edged higher on Monday, supported by a weaker U.S. dollar, but gains were capped by rising bond yields and elevated crude oil prices as the Iran war fueled inflation concerns and expectations of tighter monetary policy. Spot gold price edged up by 0.64%, to trade around \$4,566.19/oz, while U.S. gold futures rose by 0.66%, hovering around \$4,570.70/oz.

Outlook: Tomorrow, we expect oil to trade at relatively higher levels amid supply disruption worries stemming from Middle east tensions.

Macro Indicators	
GDP (Q4 2025)	+4.07% (Q3: 2025 +3.98% y/y)
Inflation (April 2026)	15.69% (Mar'26: 15.38%)
External Reserve (US\$'billion)	48.58 (+6.75% YTD as of 15-May-26)
Monetary Policy Rate (Feb'2026)	26.50%
Cash Reserve Requirement (CRR)	45.00%
Brent Crude Price US\$/bbl	*109.10 (-0.16 d/d)

Source: NBS, CBN, Bloomberg, AIICO Capital

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