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26-Jun-2026

## ***Weekly Market Review***

## •GLOBAL ECONOMY

### ▪ US Q1 2026 GDP Revised Upward to 2.1%

• The U.S. economy grew at an annualized rate of 2.1% in Q1 2026, according to the final GDP estimate released on June 25, 2026, exceeding expectations and marking a rebound from Q4 2025. Growth was supported by stronger investment, exports, government and consumer spending, although consumer demand was revised lower. The stronger headline figure was largely driven by downward revisions to imports, highlighting resilient but moderating underlying economic activity.

### ▪ Fresh US-Iran Strikes Strain Fragile Interim Peace Deal

• Fresh US-Iran strikes have put a fragile interim peace agreement under pressure, with both sides accusing each other of violating the ceasefire. The escalation is centred around tensions over the Strait of Hormuz, a critical global oil shipping route, raising concerns about renewed conflict, energy supply disruptions, and market volatility. While diplomatic efforts continue to prevent further escalation, uncertainty remains high as any breakdown in negotiations could trigger broader regional instability.

Key Events This Week	Date
Japan Retail Trade - May 2026	June 29, 2026
South Africa Trade Balance	June 30, 2026
UK GDP (YoY) - Q1 2026	June 30, 2026
Eurozone Unemployment Rate - May 2026	Aug 02, 2026
US Unemployment Rate - June 2026	Aug 02, 2026

Source: Investing.com

## •DOMESTIC ECONOMY

### ▪ FG's borrowing from local banks jumps 75.6% to N40.38trn

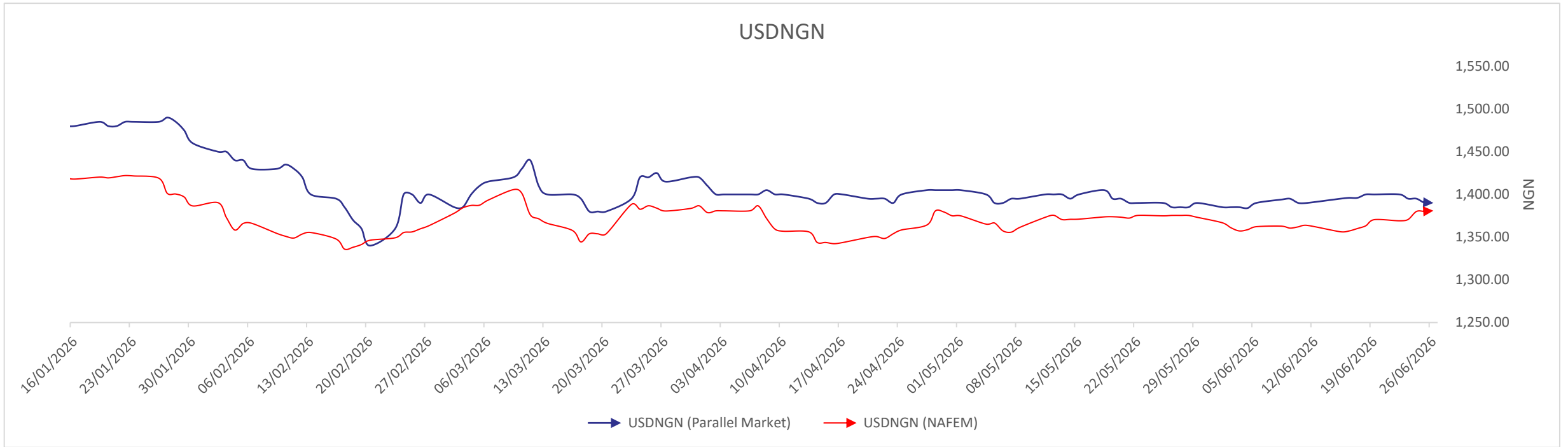
▪ The Federal Government's borrowing from local banks rose sharply by 75.6% year-on-year, increasing from N22.99 trillion in May 2025 to N40.38 trillion in May 2026, according to CBN data. The rise reflects increased government reliance on domestic financing through bank lending and investments in government securities, while private-sector credit growth remained much slower at N81.04 trillion. Analysts warn that heavy government borrowing could crowd out businesses by making banks more willing to fund government debt rather than lend to companies, potentially keeping interest rates high and limiting economic expansion.

**Analyst's take:** *The rise in FAAC allocations reflects stronger government revenue generation, supported by improved tax and oil-related inflows. While positive for government liquidity and short-term spending capacity, the key question is whether these funds will drive productive investment or mainly cover recurring expenses.*

### ▪ FAAC allocation soars by 26% to N10.45trn in 5 months

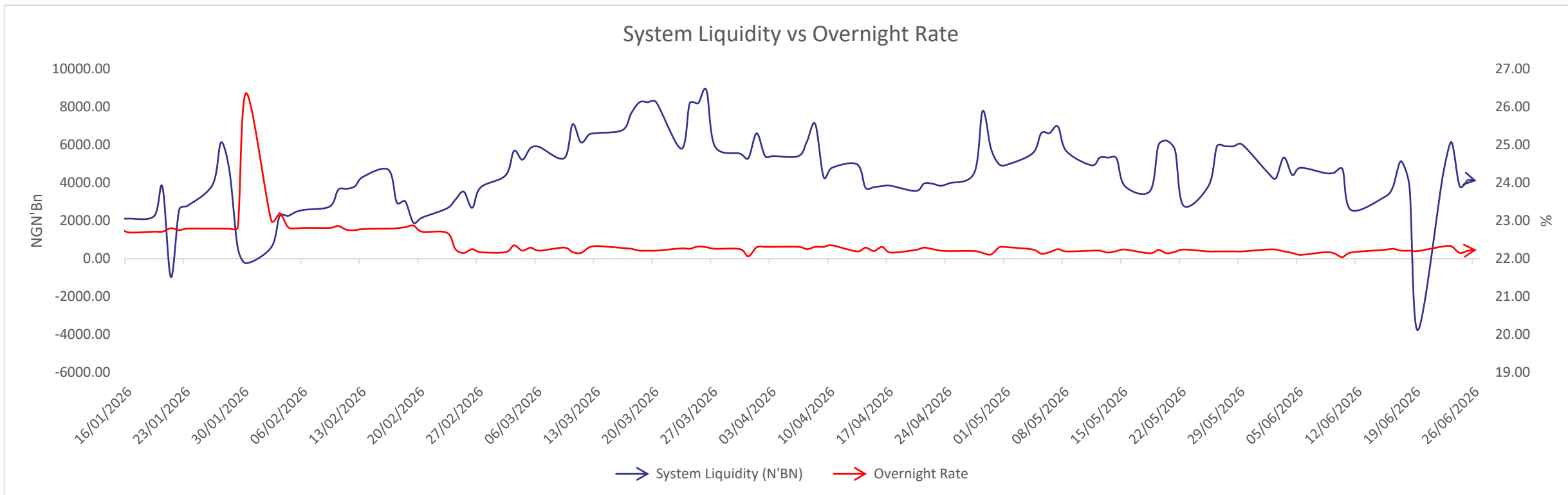
▪ FAAC allocations rose 26% to ₦10.45 trillion in the first five months of 2026, driven by stronger VAT, oil revenue, and tax collections. The Federal Government, states, and local governments received ₦3.72 trillion, ₦3.56 trillion, and ₦2.51 trillion respectively. While the increase improves government liquidity, the key question remains whether higher revenues will support productive investment and economic growth or mainly fund recurring expenditure.

**Analyst's take:** *This highlights continued fiscal pressure despite improving revenues. It benefits banks through higher exposure to government securities but raises crowding-out concerns as private businesses may face tighter credit conditions and elevated borrowing costs.*



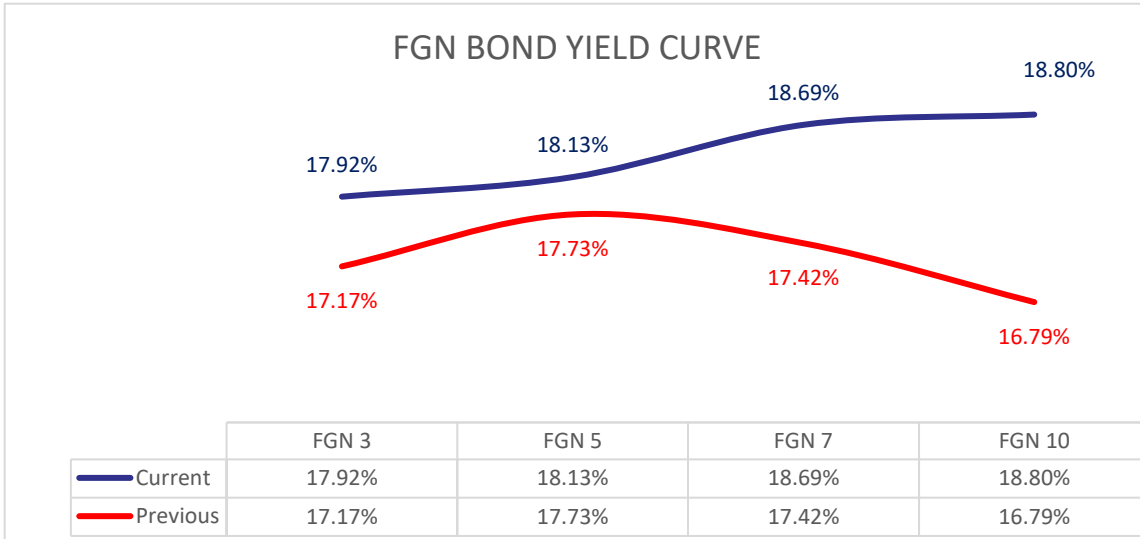
Market Sector	Current	Previous	Change	YTD
USDNGN (Parallel Market)	₦1,390.00	₦1,400.00	↑ -0.71%	↓ 5.76%
USDNGN (NAFEM)	₦1,380.93	₦1,370.46	↓ 0.76%	↓ 3.97%
GBPNGN(Parallel Market)	₦1,855.00	₦1,875.00	↑ -1.07%	↓ 6.47%
GBPNGN (NAFEM)	₦1,824.90	₦1,814.76	↓ 0.56%	↓ 5.99%
EURNGN (Parallel Market)	₦1,590.00	₦1,590.00	→ 0.00%	↓ 7.55%
EURNGN (NAFEM)	₦1,577.58	₦1,571.50	↓ 0.39%	↓ 6.99%

- Rates declined against the US Dollar, losing 76bps WoW
- **Outlook:** We expect that the current stability experienced at the FX market will remain in the interim.



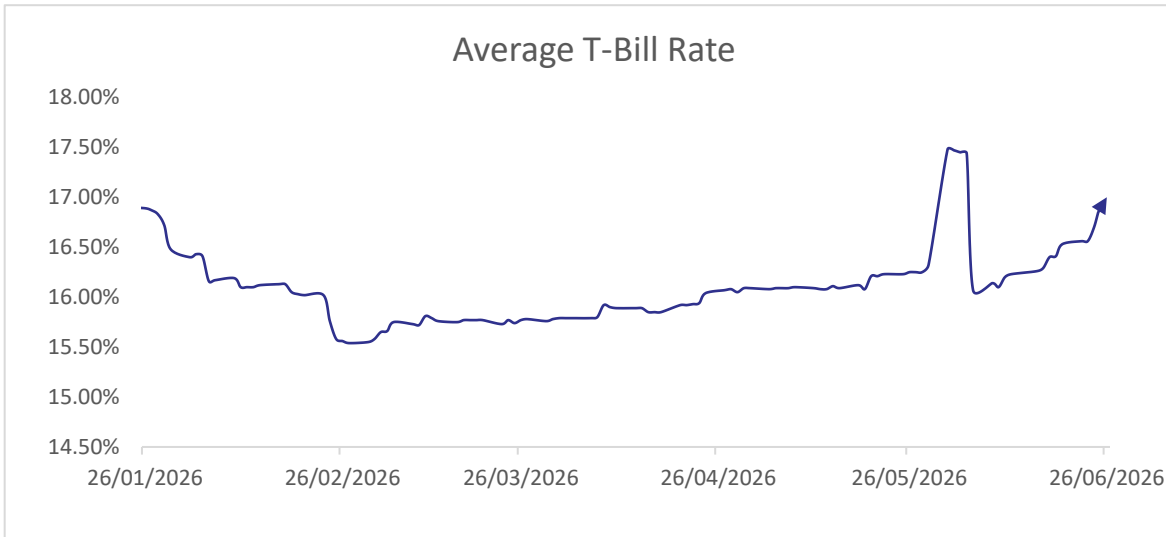
	26/06/2026	19/06/2026		
Indicator	Current	Previous		Change
System Liquidity (NGN Billion)	4,096.95	3,770.01	↓	-208.67%
Overnight Policy Rate (%)	22.00	22.00	→	0.00%
Overnight Rate (%)	22.23	22.20	↑	0.14%
Average T-Bill Rate	17.00%	16.53%	↑	2.84%
NOFR	22.00%	22.00%	→	0.00%

- System liquidity remained robust throughout the week, supported coupon inflows of ₦214.98bn from the FGN June 2033, 2038, and 2053 bonds and ₦2.93trn from the 23 June 2026 OMO bill.
- However, the NOFR remained unchanged at 22.00%.
- **Outlook:** Barring any significant shocks, funding costs are expected to moderate in the coming week, supported by inflow of ₦2.31Trn OMO maturity (30 June 2026) which is expected to provide liquidity support to the system.

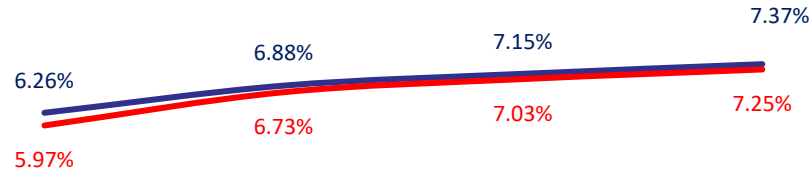


	26/06/2026	19/06/2026				
FGN BOND	Current	Previous	Change		YTD	
FGN 3	17.92%	17.17%	↓ 0.75%	↑	-1.01%	
FGN 5	18.13%	17.73%	↓ 0.40%	↑	-1.07%	
FGN 7	18.69%	17.42%	↓ 1.27%	↑	-1.58%	
FGN 10	18.80%	16.79%	↓ 2.01%	↑	-1.99%	

- FGN Bond secondary market and the Nigerian Treasury Bills Market traded on a sustained bearish note throughout the week as investors digested the outcome of the June FGN Bond PMA, where the DMO allotted a sizeable ₦1.22trn across the reopened FGN 2035 and FGN 2037 papers at higher marginal stop rates of 18.34%(+134bps) and 18.35%(+131bps), respectively, compared with the previous auction which triggered widespread repricing across the secondary market, with investors demanding higher yields in line with the auction outcome
- **Outlook:** We expect investor activity to remain aligned with prevailing liquidity conditions, as investors continue to assess the current yield environment amid prevailing market uncertainties.

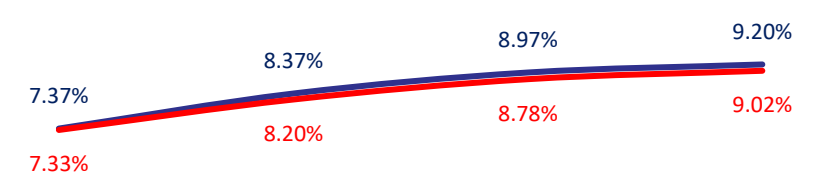


## FGN EURO BOND YIELD CURVE



	FGN EURO 3	FGN EURO 5	FGNEURO 7	FGN EURO 10
— Current	6.26%	6.88%	7.15%	7.37%
— Previous	5.97%	6.73%	7.03%	7.25%

## ANG EURO BOND YIELD CURVE



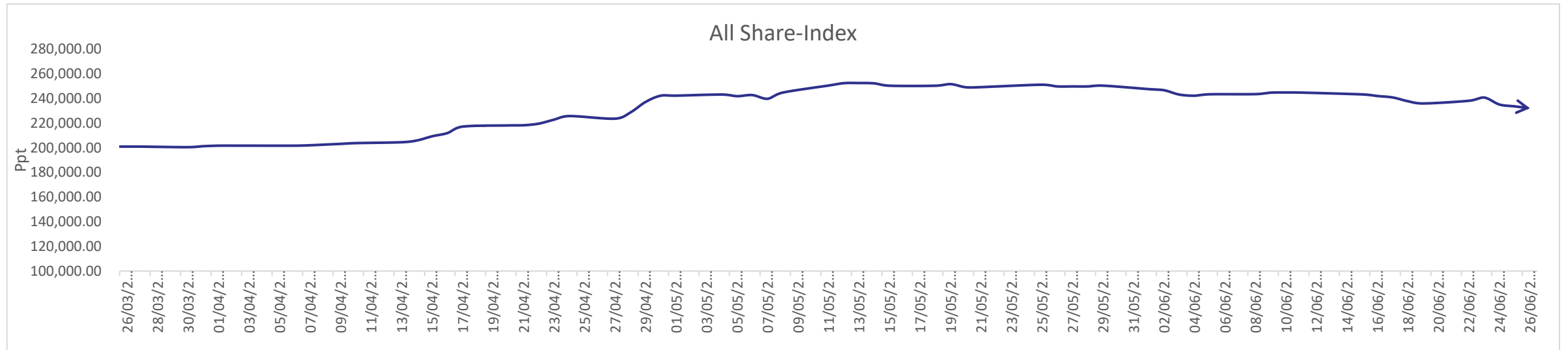
	ANG EURO 3	ANG EURO 5	ANG EURO 7	ANG EURO 10
— Current	7.37%	8.37%	8.97%	9.20%
— Previous	7.33%	8.20%	8.78%	9.02%

## SA EURO BOND YIELD CURVE



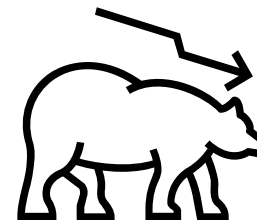
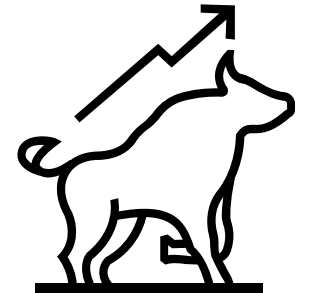
	SA EURO 3	SA EURO 5	SA EURO 7	SA EURO 15
— Current	5.02%	5.10%	5.34%	6.63%
— Previous	4.95%	5.10%	5.33%	6.68%

- Expectations of higher-for-longer global interest rates, lower crude oil prices, elevated U.S. Treasury yields, and mixed U.S. economic data, with a brief improvement following an in-line U.S. Core PCE inflation reading before renewed selling pressure emerged.
- **Outlook:** *Cautious sentiment is expected to persist.*



	26/06/2026	19/06/2026		
Market Sector	Current	Previous	Change	
NGX-ASI	232,049.02	235,941.27	↓	-1.65%
Banking	2,130.27	2,058.07	↑	3.51%
Insurance	1,117.15	1,168.47	↓	-4.39%
Consumer Goods	4,624.77	4,696.54	↓	-1.53%
Industrial Goods	10,201.73	11,114.23	↓	-8.21%
Oil & Gas	5,081.62	5,637.73	↓	-9.86%

Top Gainers		
Ticker	Price	Change
MCNICHOLS	₦8.60	26.47%
INTENEGINS	₦5.79	14.43%
GTCO	₦127.90	10.69%
FIRSTHOLDCO	₦60.50	10.00%
AIRTELAFR	₦4,358.80	10.00%



Top Decliners		
Ticker	Price	Change
TRANSEXPR	₦3.28	26.79%
DEAPCAP	₦3.75	23.31%
ABBEYBDS	₦8.05	20.30%
ARADEL	₦1,417.50	19.00%
REGALINS	₦0.79	18.56%

- Widespread profit-taking in medium and large cap stocks, across all key market sectors.
- **Outlook:** *Cautiously Optimistic*

# THANK YOU.

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## AIICO CAPITAL LIMITED

2<sup>nd</sup> Floor, AIICO Plaza,  
Plot 12, Churchgate Street,  
Victoria Island, Lagos. Nigeria.

Tel: 09062547284  
Email: [mail@aiicocapital.com](mailto:mail@aiicocapital.com)

[www.aiicocapital.com](http://www.aiicocapital.com)

