

A high-angle photograph showing the lower legs and feet of several people walking on a paved surface. The scene is backlit, creating long, dark shadows on the ground. The people are wearing dark clothing and shoes.

FMDA Monthly Market Report

**March
2026**

Market at a Glance

N2.94 trillion
MoM ▲ 9.27%
Average System Liquidity



22.71%
OVN ▼ 0.92%
22.41%
OPR ▼ 1.15%
Interbank rates MoM

N1,356
NFEM MoM ▼ 4.31%
N/\$
N1,410
Parallel MoM ▼ 5.48%



\$69.24
MoM ▲ 7.25%
Average Brent crude



192,826.77
ASI MoM ▲ 16.6%
N123.76 trillion
Mkt Cap. MoM ▲ 16.6%
Equities

Inflow source	February 2026 (N)	March 2026 (N)
T-bills Maturities	1.43 trn	2.84 trn
OMO Maturities	4.61 trn	5.24 trn
FGN Bond Coupons	448.96 bn	285.60 bn
FGN Bond Maturities	-	-
Corporate Bond Coupons	6.85 bn	16.47 bn
Corporate Bond Maturities	12.00 bn	3.00 bn
Commercial Paper Maturities	129.59 bn	189.52 bn
FAAC (FG, States & LG)	1.97 trn (estimated)	1.98 trn (estimated)
Total Estimated Inflow	8.61 trn	10.55 trn

- System liquidity increased by 9.27% in February, despite net liquidity withdrawals of over N1.83 trillion by the CBN, indicating sustained inflows into the banking system.
- Looking ahead, an estimated N10.55 trillion in inflows is projected for March, nearly 33% higher than February’s level.
- OMO maturities are expected to account for roughly half of total inflows. The overall impact on liquidity and the naira will depend on reinvestment behaviour, CBN sterilisation actions, global developments, and fiscal injections..
- Despite the CBN’s late-month FX purchases to prevent excessive naira strengthening that could distort investor positioning, the currency still appreciated across both the NFEM and parallel markets.
- Oil prices rose to around \$80 per barrel amid escalating US–Iran tensions, supporting external buffers and FX sentiment.
- A full disruption of the Strait of Hormuz, which handles about 25% of global seaborne oil trade, could push crude prices toward \$120–\$150 per barrel, according to market estimates.
- Fixed income yields and interbank rates declined following the CBN's interest rate cut.

OUTLINE

01

**The Global &
Macro Backdrop**

02

**Liquidity & FX
Trading
Conditions**

03

**Fixed Income
Highlights**

04

Stock Market

05

**Forward
Outlook**

The Global & Macro Backdrop



Global Monetary Policy & Inflation



ECB keeps rate at 2%; policymakers worry about too-low inflation.



Bank of England holds, signals reduction ahead.



UK inflation slows to 3.0%.



UK inflation slows to 3.0%.



Japan inflation eases to 1.5% (below BOJ target).



South Africa inflation slows to 3.5%



Canada inflation edges down



Oil Market & Energy Geopolitics



Oil jumps, stocks skid, dollar rallies as conflict grips Middle East.

Oil jumps 10% on Iran conflict and could spike to \$100 a barrel.

OPEC+ has agreed to raise output by 206,000 barrels per day (bpd) for April.

Dangote Refinery hits 650,000 bpd capacity.

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Key Macroeconomic Indicators

Country	GDP Growth(%)	Inflation (%)	Interest Rates (%)	Unemployment rate (%)
United States	2.2	2.4	3.75	4.3
China	4.5	0.2	3	5.1
Japan	0.1	1.5	0.75	2.6
Germany	0.4	1.9	2.15	6.3
United Kingdom	1	3	3.75	5.2
India	7.8	2.75	5.25	5
Brazil	1.8	4.44	15	5.1
South Africa	2.1	3.5	6.75	31.4
Egypt	5.3	11.9	19	6.2
Nigeria	4.10	15.10	26.5	4.3

Africa & Nigeria-Specific Developments

- Africa faces \$90bn debt wall in 2026 (S&P).
- South Africa raises \$3.5bn bond issuance.
- Kenya inflation slows to 4.3% year on year in February.
- Uganda's central bank to start its gold buying programme this month.
- Ghana's cocoa buyers owe banks up to \$750 million, raising fresh liquidity risks.
- Nigeria directs all oil, gas revenues to federation account in sweeping reform.
- Nigerian economy expands by 3.95% in 2025.
- CBN cuts interest rate to 26.5% at 304th MPC meeting.

WHAT IS
FOREX
TRADING?



Liquidity & FX Trading Conditions

Liquidity Inflows from Maturing Securities in March: N10.55 trn

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Geopolitical risks could push oil toward \$120–\$150/bbl if supply routes are materially disrupted.



Crude oil average price

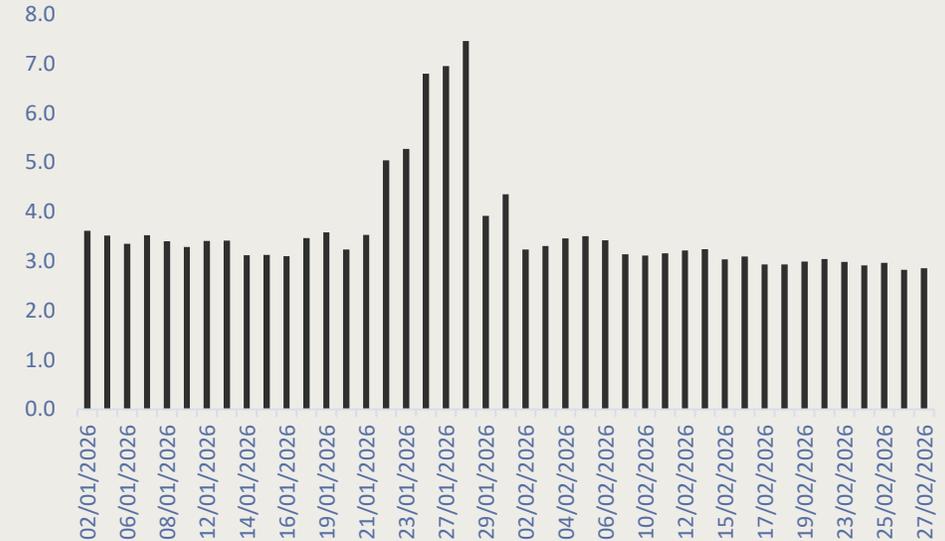
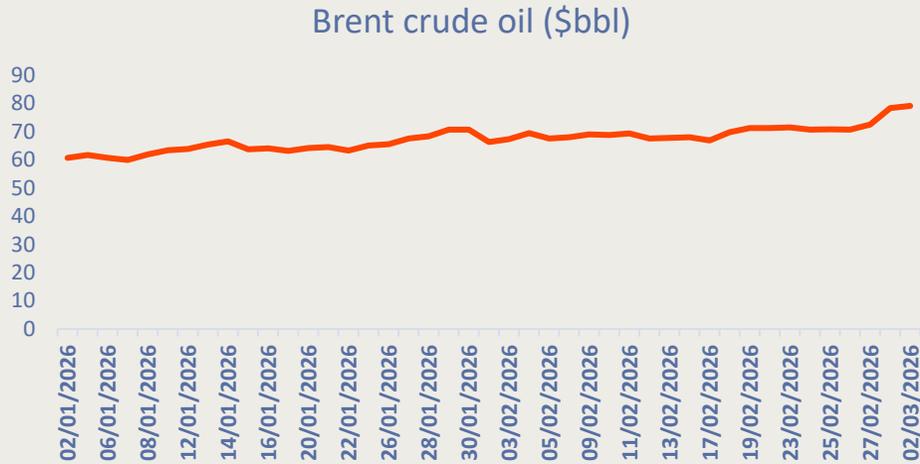
\$69.24 ↑ 7.25%

Crude oil price gained average of \$4.69.

Natural gas average price

\$3.1 ↓ 24.93%

Natural gas shed 24.93% in February



According to market estimate, if Iran block the strait Hormuz for just one day, it could cause oil prices to surge as high as \$120 to \$150 a barrel. .

EIA forecast Henry Hub natural gas prices would average \$4.01/MMBtu in 2026.

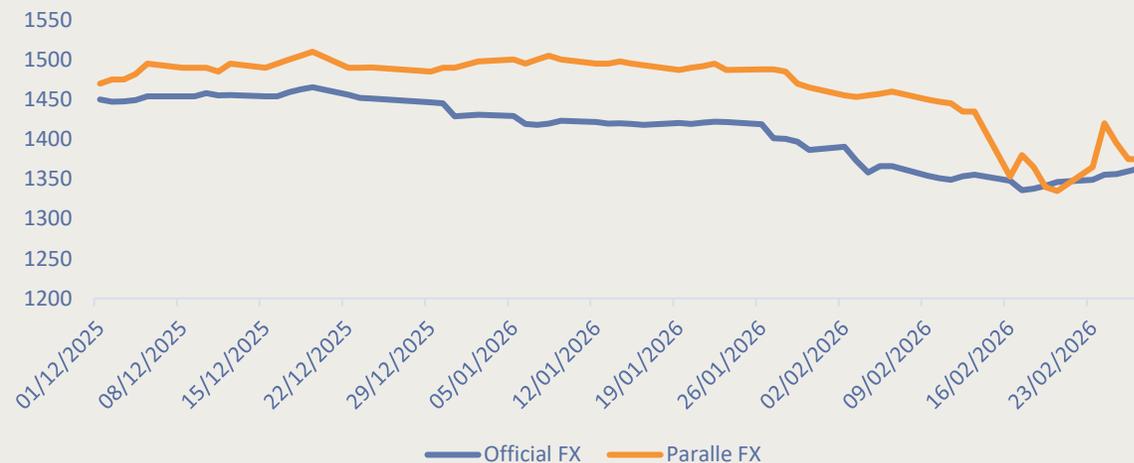
Naira appreciated by 4.31% on the average in Feb.

Exchange rate determinant factors

Variable	Dec. 25	Jan. 26	Feb. 26	Trend
Brent Oil Price (\$/bl)	61.56	64.55	69.24	↑
Crude Oil Production (mbd)	1.422	1,459	***	↑
Gross Foreign Reserves (\$bn)	45.26	45.87	47.99	↑

Variable	Q1' 25	Q2' 25	Q3' 25	Trend
Trade Balance (\$bn)	3.41	4.74	4.40	↓
Current Account Balance (\$bn)	2.85	5.81	3.42	↓
Remittances (\$bn)	4.93	5.3	5.24	↓

Exchange rate movement (N/\$)



- The CBN's interventions toward the end of February prevented the Naira from reaching a level that could be too low for investors who bought into local securities when the Naira was at N1,400–N1,500 to a dollar.
- Crude oil prices will continue to offer a buffer for the Naira as tensions escalate between the US and Iran.
- If inflows from crude oil continue to increase due to rising global oil prices, the CBN would be expected to mop up excess liquidity to prevent the Naira from reaching a point that could trigger investors.

Fixed Income Highlights



Fixed Income: Market Take



FGN Bonds Yield	January	February	% ▲
1YR	16.95%	16.04%	-0.91%
3YR	17.01%	15.99%	-1.02%
5YR	17.30%	16.29%	-1.01%
7YR	17.60%	16.21%	-1.39%
10YR	16.84%	16.14%	-0.71%
30YR	15.20%	14.52%	-0.68%
Avg Yield	16.82%	15.86%	-0.95%

Global Bonds Yield	January	February	% ▲
US 10 YR	4.21	4.12	-0.08
JPY 10 YR	2.19	2.19	0.00
UK 10 YR	4.45	4.41	-0.04
ZAF10YR	8.24	7.97	-0.27
KEN10 YR	12.74	12.12	-0.62
CHN10YR	1.85	1.81	-0.04
NIG 10YR	16.84%	16.14%	-0.71%

Treasury Bill Yield	January	February	% ▲
1 MTH	16.77%	16.38%	-0.38%
3 MTH	16.86%	16.47%	-0.39%
6 MTH	17.83%	17.32%	-0.50%
9 MTH	19.36%	18.17%	-1.20%
12 MTH	20.47%	18.67%	-1.80%
Avg. Yield	18.25%	17.40%	-0.85%

- FGN Bonds and Treasury bills reacted to the recent rate cut by the CBN, as yields declined across all maturities.
- The strongest compression was observed at the belly of the curve (3–7YR) and long-end bills, reflecting improved sentiment and expectations of a more accommodative policy stance.
- Average bond yield declined by 95bps to 15.86%, while average T-bill yield fell by 85bps to 17.40%, supported by renewed demand and improved liquidity conditions.
- The decline in yields aligns with softer global bond yields, as US, UK and emerging market peers also recorded moderation in February.



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Stock Market

ASI gained 16.61% in February 2026

Key Market Indicators	January	February	% ▲
NGX All-Share	165,366.63	192,826.77	16.61%
Market Cap. (N'trn)	106.15	123.76	16.59%
Trade Volume (mn)	674.94	823.83	22.06%
Trade Value (N' bn)	14.82	34.75	134.48%
No. of Deals	41,095	63,759	55.15%



The NGX All-Share Index advanced 16.61% in February, extending January's gains and reflecting strong bullish momentum.

Market capitalisation rose by 16.59% to N123.76 trillion, supported by renewed investor confidence and sustained buying interest.

Trading activity improved significantly, with trade volume up 22.06% and trade value surging 134.48%, indicating stronger liquidity and participation.

The sharp rise in number of deals (+55.15%) further confirms broad-based market engagement and improved sentiment across equities..

ASI gained 16.61% in February 2026

Top Price Gainers			
Tickers	January	February	% ▲
INFINITY	9	19	111.11%
UNIONDICON	8.75	16.6	89.71%
RTBRISCOE	7.86	12.51	59.16%
JBERGER	182	288	58.24%
JAPAULGOLD	2.44	3.86	58.20%
JAIZBANK	8	12.63	57.88%

Top Price Losers			
Tickers	January	February	% ▲
SOVRENINS	3.51	2.21	-37.04%
TRIPPLEG	7.29	4.73	-35.12%
MECURE	104	75.85	-27.07%
DEAPCAP	9.39	7.2	-23.32%
MULTIVERSE	28.25	22.7	-19.65%
FTNCOCOA	7	6	-14.29%

Correlation: ASI ↔ NGX30 = 0.99



The near-perfect correlation ($r = 0.99$) between ASI and NGX30 suggests that the Nigerian equity market's overall performance in February 2026 is overwhelmingly influenced by the top 30 companies listed on the Nigerian Exchange (NGX).



Forward Outlook

Impact of global highlight on Nigeria

Oil market &
geopolitical tensions

- As we estimated in February, geopolitical tensions could continue to offer a buffer to the Naira due to rising oil prices, and the Naira has indeed gained from this windfall.
- With the escalation between the US and Iran and the potential for disruption at the Strait of Hormuz, oil supply could be disrupted, thus continuing the increase in prices to over \$100 per barrel, as estimated.

Global trade and
tariff uncertainty

- After the Supreme Court rejected Trump's global import tariffs, he brought in a new 10% tariff on all imports entering the U.S.
- This uncertainty, among other factors, has led Nigerian exporters to consider other markets like China.

Implication for member banks & discount houses

Asset side

- Declining yields increase mark-to-market gains on bond and T-bill portfolios.
- Strong liquidity conditions support demand for short-dated government securities.
- Lower policy rate may compress lending yields but support credit expansion.

Liability Side

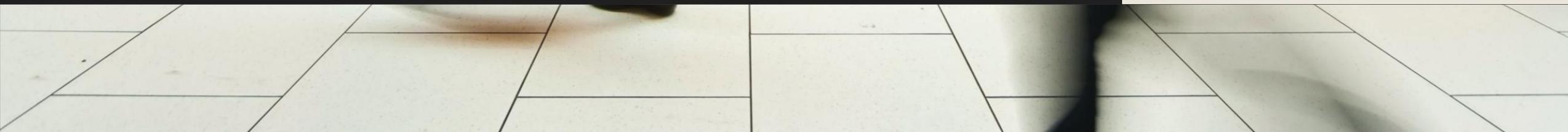
- Strong liquidity conditions support demand for short-dated government securities.
- Abundant liquidity may reduce deposit competition pressures.
- However, FX volatility risk remains if geopolitical tensions escalate.
- Large inflows in March could create reinvestment risk if yields continue to compress.

Our Take

- Liquidity conditions remain supportive in the near term, particularly with N10.55trn projected inflows in March.
- FX stability is improving, but oil-driven gains remain vulnerable to geopolitical developments.
- The current policy environment points to the beginning of an easing cycle, with inflation projected to continue moderating. Positioning ahead of this shift will be crucial.



Thank you



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