

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 dressed in business attire.

FMDA Monthly Market Report

**March
2026**

Market at a Glance

N6.48 trillion

MoM ▲ 112.5%

Average System Liquidity



22.05%

OPR ▼ 1.61%

22.28%

OVN ▼ 1.87%

Interbank rates MoM

N1,379.98

NFEM MoM ▲ 1.80%

N/\$

N1,420.30

Parallel MoM ▲ 0.75%



\$96.43

MoM ▲ 39.28%

Average Brent crude



192,826.77

ASI MoM ▲ 16.6%

N123.76 trillion

Mkt Cap. MoM ▲ 16.6%

Equities

\$49.79 bn

MoM ▲ 3.37%

Avg. External Reserve

Inflow source	March 2026 (N)	April 2026 (N)
T-bills Maturities	2.84 trn	722.72 bn
OMO Maturities	5.24 trn	5.88 trn
FGN Bond Coupons	285.60 bn	357.61 bn
FGN Bond Maturities	-	-
Corporate Bond Coupons	16.47 bn	19.92 bn
Corporate Bond Maturities	3.00 bn	-
Commercial Paper Maturities	189.52 bn	61.61 bn
FAAC (FG, States & LG)	1.894 trn (actual)	1.8 trn (estimated)
Total Estimated Inflow	10.464 trn	8.84 trn

- Average system liquidity surged by over 100% in March to N6.48 trillion, driven by higher inflows from maturing instruments, the highest since January and February.
- Looking ahead, an estimated N8.84 trillion in inflows is projected for April, about 15% lower than March levels.
- OMO maturities are expected to account for about 66% of total inflows, although the CBN may moderate its impact through liquidity management operations.
- The naira depreciated across both the official and parallel markets, reflecting underlying demand pressures despite moderate inflows.
- Interbank rates declined in response to elevated system liquidity, with both OPR and OVN falling by over 1% on average.
- Market sentiment suggests oil prices may remain above \$95 per barrel in the near term.
- Fixed income yields edged higher in March, in line with global bond markets, as inflation expectations continue to shape investor sentiment.
- External reserves increased in March but moderated after reaching the \$50 billion threshold. See detailed analysis of recent reserve movements in this report.

OUTLINE

01

**The Global &
Macro Backdrop**

02

**Liquidity & FX
Trading
Conditions**

03

**Fixed Income
Highlights**

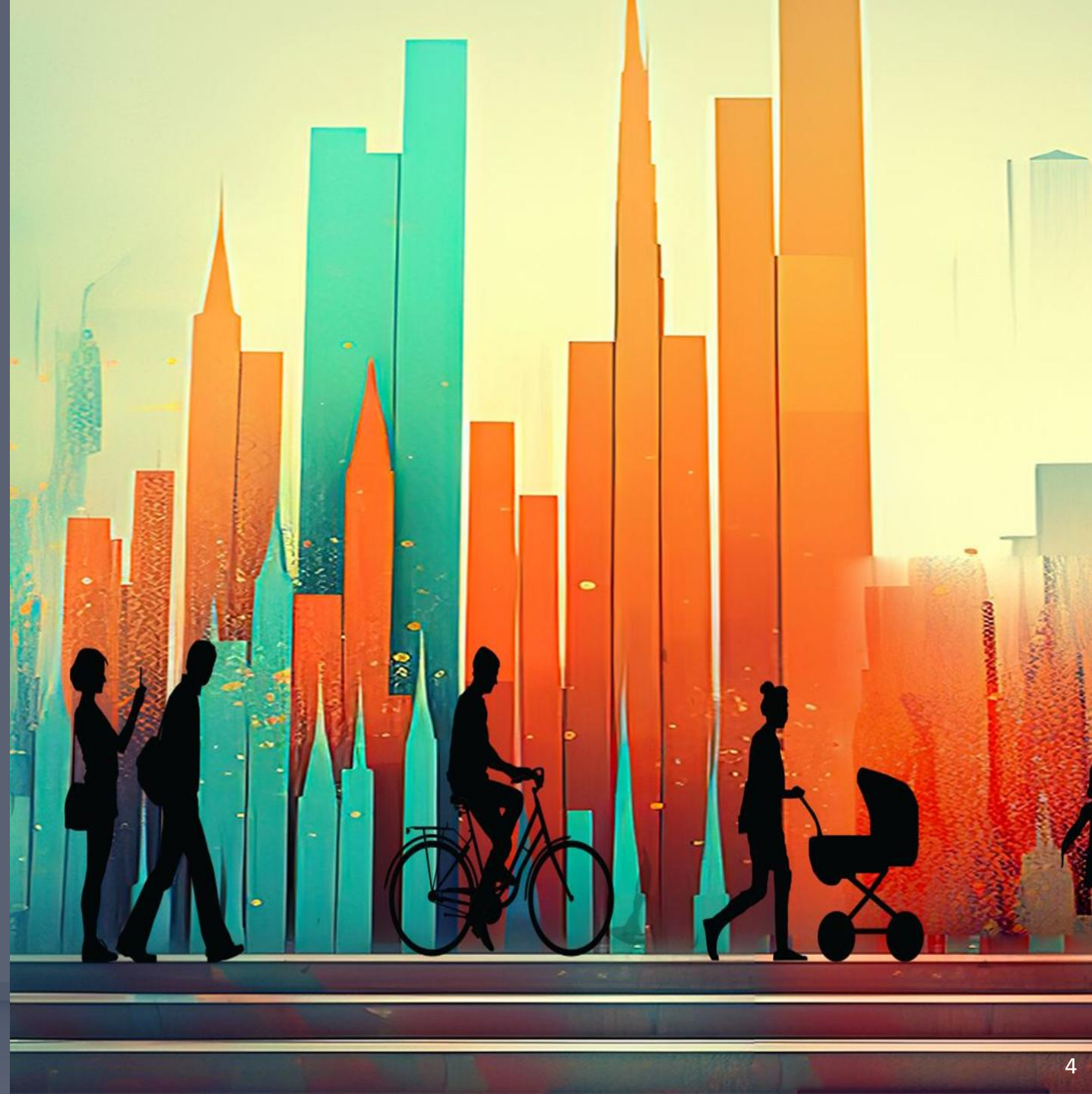
04

Stock Market

05

**Forward
Outlook**

The Global & Macro Backdrop



Global Monetary Policy & Inflation



Eurozone inflation rises unexpectedly to 2.5%



UK inflation holds at 3% amid rising war risks



Japan inflation cools as BOJ monitors Middle East impact



US Fed holds rates steady amid war-driven uncertainty



ECB holds rates but remains cautious on energy-driven inflation



BoE keeps rates unchanged amid geopolitical risks



Brazil begins cautious easing cycle after oil shock



Oil Market & Energy Geopolitics



Iran signals possibility of \$200 per barrel oil

Kuwait declares force majeure, cuts oil output

Fuel prices surge across Africa amid supply disruptions

Global bond markets tumble on inflation fears (energy-driven)

Nigeria increases crude allocation to Dangote refinery



Key Macroeconomic Indicators

Country	GDP Growth(%)	Inflation (%)	Interest Rates (%)	Unemployment rate (%)
United States	2.0	2.4	3.75	4.4
China	4.5	1.3	3	5.3
Japan	0.1	1.3	0.75	2.6
Germany	0.4	2.7	2.15	6.3
United Kingdom	1	3	3.75	5.2
India	7.8	3.21	5.25	4.9
Brazil	1.8	3.81	14.75	5.1
South Africa	0.8	3.0	6.75	31.4
Egypt	5.3	11.9	19	6.2
Nigeria	4.07	15.06	26.5	4.3

Africa & Nigeria-Specific Developments

- Egypt to clear \$1.3bn arrears to oil companies.
- South African assets decline amid global flight to safety.
- Capital outflows intensify from emerging markets.
- Ghana cuts rates for the fifth consecutive time.
- Kenya inflation edges higher to 4.4% YoY.
- Nigeria's CBN Governor flags Middle East war as inflation risk.
- Nigerian lawmakers approve increased \$49.4 billion 2026 budget.

WHAT IS
FOREX
TRADING?



Liquidity & FX Trading Conditions

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

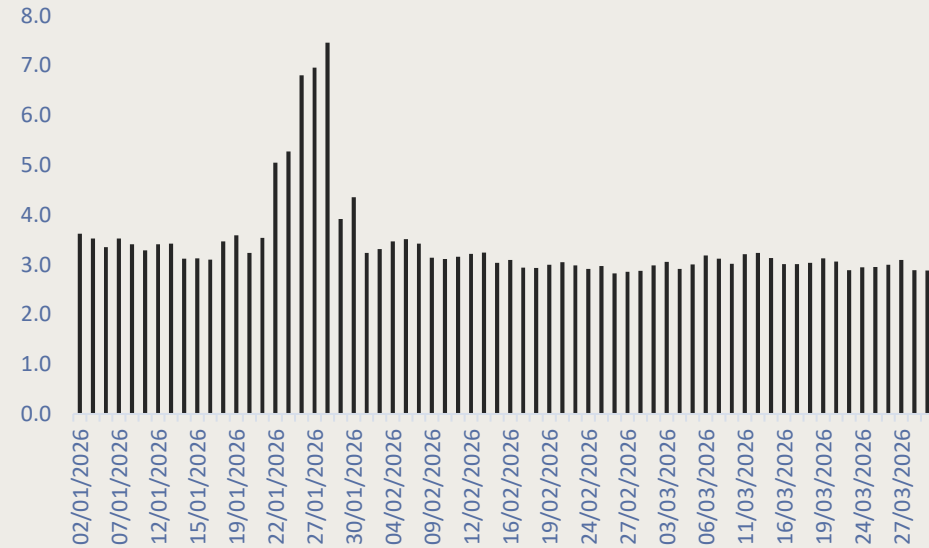
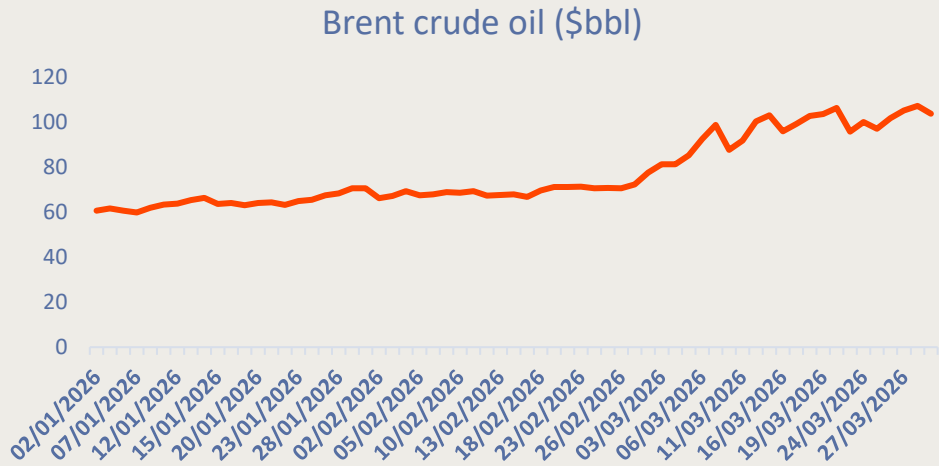
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Brent forecast above \$95 in near-term, falling below \$80 by q3 2026

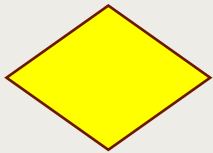


Crude oil average price
\$96.43 ↑39.28%
 Crude oil price gained average of \$27.20.

Natural gas average price
\$3.0 ↓2.82%
 Natural gas shed 2.82% in March



EIA forecast that Crude oil price forecast that Brent crude oil price will remain above \$95/b over the next two months, before falling below \$80/b in the third quarter of 2026



EIA forecast that Henry Hub spot price averages about \$3.80 per million British thermal units (MMBtu) in 2026.



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External reserves declined to \$49.3bn (from \$50.03bn)



- First, it should be noted that external reserves are not linear and typically fluctuate in response to market operations. As such, a decline does not necessarily indicate underlying weakness but may reflect ongoing market activities.
- In a statement attributed to CBN Deputy Governor, Muhammad Abdullahi, the regulator reaffirmed its readiness to “step in and smooth the market as much as possible” amid heightened global uncertainty linked to tensions involving Iran.
- Market data indicates that the CBN sold approximately \$700 million in the first two weeks of March according to CardinalStone, likely contributing to the observed decline in reserves. It is also important to note that the CBN participates on both sides of the market, buying and selling of FX, as part of its broader stabilisation strategy.
- In addition, money market instruments, particularly OMO bills and Treasury bills, which accounted for nearly 60% of total capital importation in 2025, saw reduced activity during the period (first two weeks in March). OMO issuance stood at about N572.60 billion, while an estimated N1.68 trillion matured over the same timeframe.
- This implies that a significant portion of maturing funds may not have been rolled over, potentially leading to foreign portfolio outflows, as investors convert proceeds to FX and repatriate funds.
- Taken together, the combination of FX interventions and portfolio flow dynamics provides a plausible explanation for the \$731 million decline in external reserves during the period. Other factors, such as external debt service obligations, may have also contributed.

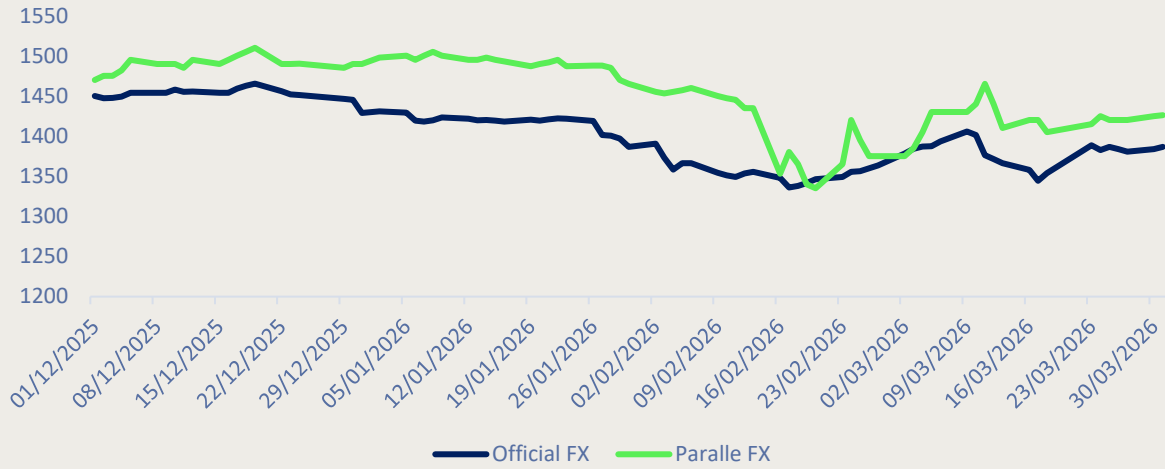
Naira depreciated by 1.80% on the average in March

Exchange rate determinant factors

Variable	Jan. 26	Feb. 26	Mar. 26	Trend
Brent Oil Price (\$/bl)	64.55	69.24	96.43	↑
Crude Oil Production (mbd)	1.459	1.314	***	↓
Gross Foreign Reserves (\$bn)	45.87	48.16	49.79	↑

Variable	Q1' 25	Q2' 25	Q3' 25	Q4'25	Trend
Trade Balance (\$bn)	2.60	3.98	3.85	1.18	↓
Current Account Balance (\$bn)	2.85	5.81	4.06	1.40	↓
Remittances (\$bn)	4.93	5.3	5.71	4.96	↓

Exchange rate movement (N/\$)



- Despite rising oil prices, the naira has not fully benefited from its status as a petrocurrency.
- This partly reflects weaker crude oil production, as suggested by February data, alongside increased domestic crude allocation to local refineries, which may have limits FX inflows from exports.
- In addition, heightened global tensions, particularly the US–Iran conflict, have dampened investor appetite for frontier and emerging markets, leading to more cautious capital flows.
- In March, the naira depreciated modestly, despite recording some portfolio inflows, indicating that external pressures continued to outweigh supportive factors.

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Fixed Income Highlights



Fixed Income: Market Take



FGN Bonds Yield	February	March	% ▲
1YR	16.04%	19.86%	3.83%
3YR	15.99%	15.90%	-0.09%
5YR	16.29%	16.09%	-0.20%
7YR	16.21%	16.03%	-0.18%
10YR	16.14%	15.63%	-0.51%
30YR	14.52%	14.31%	-0.22%
Avg Yield	15.86%	16.30%	0.44%

Global Bonds Yield	February	March	% ▲
US 10 YR	4.12	4.25	0.13%
JPY 10 YR	2.19	2.23	0.04%
UK 10 YR	4.41	4.75	0.34%
ZAF10YR	7.97	8.78	0.81%
KEN10 YR	12.12	11.53	-0.59%
CHN10YR	1.81	1.82	0.01%
NIG 10YR	16.14	15.63	-0.51%

Treasury Bill Yield	February	March	% ▲
1 MTH	16.38%	16.24%	-0.14%
3 MTH	16.47%	16.31%	-0.16%
6 MTH	17.32%	17.52%	0.20%
9 MTH	18.17%	18.58%	0.42%
12 MTH	18.67%	19.48%	0.81%
Avg. Yield	17.40%	17.63%	0.23%

- Since the onset of the US–Iran conflict, bond yields have trended higher.
- After one month of sustained tensions, markets have repriced amid rising inflation expectations.
- This trend is evident across major global bond markets.
- Domestic yields have moved broadly in line with global developments.

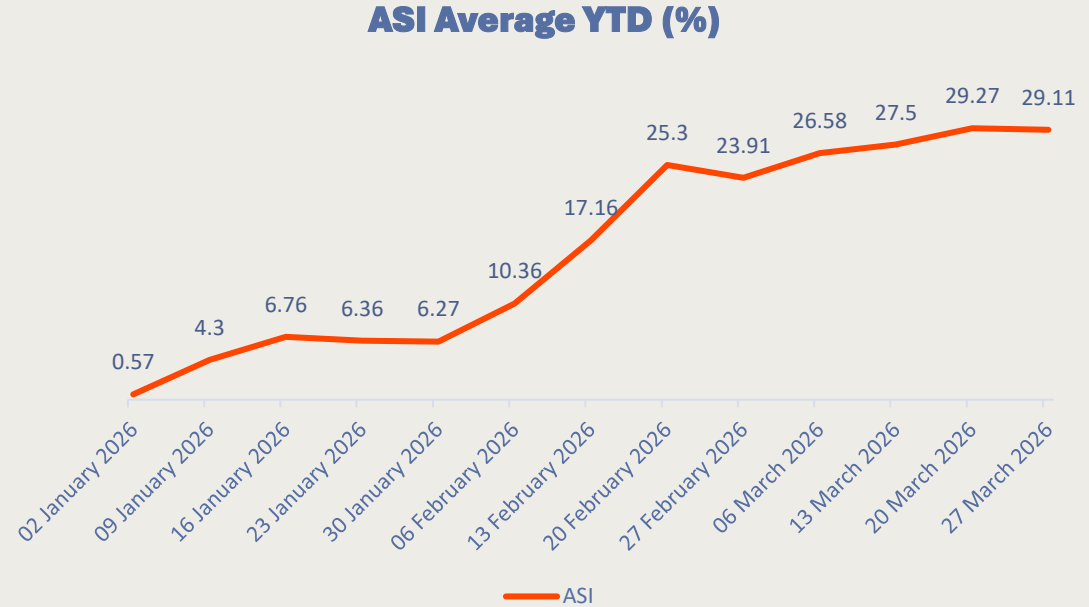


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Stock Market

ASI gained 4.39% in March 2026

Key Market Indicators	February	March	% ▲
NGX All-Share	192,826.77	201,287.78	4.39%
Market Cap. (N'trn)	123.76	129.21	4.40%
Trade Volume (mn)	823.83	887.68	7.75%
Trade Value (N' bn)	34.75	35.59	2.33%
No. of Deals	63,759	53,436	-16.19%



The NGX All-Share Index advanced 4.39% in March, extending February's gains and reflecting strong bullish momentum.

Market capitalisation rose by 4.40% to N129.21 trillion, supported by renewed investor confidence and sustained buying interest.

Trading activity improved significantly, with trade volume up 7.75% and trade value surging 2.33%, indicating stronger liquidity and participation.

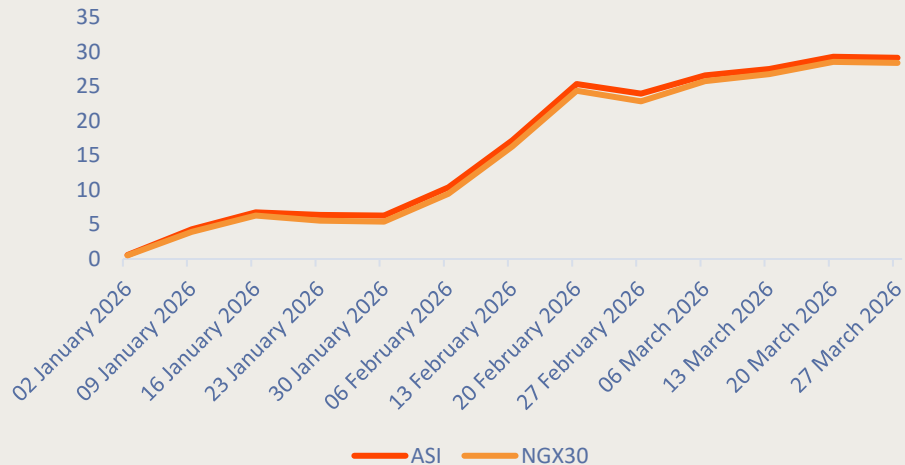
The number of deals downs (-16.19%) shows broad-based market engagement declined across equities market.

ASI gained 4.39% in March 2026

Top Price Gainers			
Tickers	February	March	% ▲
PREMPAIRS	11	37.5	240.91%
JOHNHOLT	8.65	17.15	98.27%
BUACEMENT	219	326.7	49.18%
NGXGROUP	124	165	33.06%
FTGINSURE	0.94	1.23	30.85%
CONOIL	169	204.4	20.95%

Top Price Losers			
Tickers	January	February	% ▲
SCOA	38.15	22.65	-40.63%
ALEX	17.2	11.5	-33.14%
NSLTECH	1.53	1.06	-30.72%
AFRIPRUD	17.95	13.6	-24.23%
RTBRISCOE	12.51	9.65	-22.86%
DEAPCAP	7.2	5.7	-20.83%

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 March 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

- Rising oil prices support FX inflows and fiscal revenues
- However, higher oil prices also increase domestic inflationary pressures
- Global risk aversion may limit capital flows to emerging markets, including Nigeria

Global trade and
tariff uncertainty

- Weaker global growth outlook may dampen external demand
- Supply chain disruptions could raise import costs, production cost, and inflation
- Reduced investor appetite for emerging markets may affect capital inflows and increase funding cost
- Heightened uncertainty may sustain pressure on FX and financial markets

Implication for member banks & discount houses

Asset side

- Elevated yields continue to support income on fixed income portfolios
- Valuation risks remain if yields stay volatile, though upside from further rate hikes appears limited
- Credit risk may increase in vulnerable sectors amid persistent inflation pressures
- Opportunities to lock in attractive yields on longer-duration assets in a potentially easing cycle

Liability Side

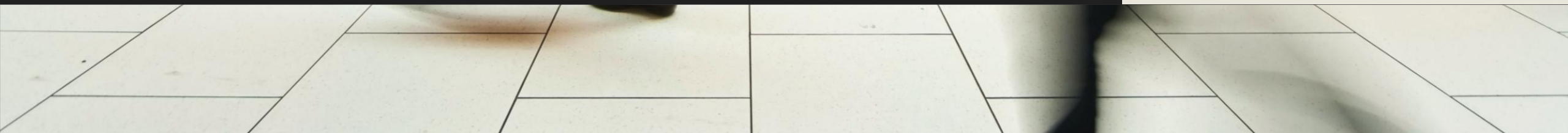
- Abundant system liquidity is easing funding pressures for banks
- Reduced need for aggressive deposit mobilisation
- FX demand remains a key funding consideration
- Short-term funding conditions expected to remain stable

Our Take

- Maintain cautious positioning amid elevated global and domestic uncertainties
- Take advantage of current high yields while managing duration risk
- Monitor FX exposures closely as external pressures persist
- Leverage strong liquidity conditions to optimise funding and portfolio allocation



Thank you



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