

A high-angle photograph showing the lower legs and feet of several people walking on a paved surface. Their shadows are cast long and dark on the ground, suggesting low sun. The image is split horizontally, with the top half showing the walking figures and the bottom half being a solid black bar containing the title.

FMDA Monthly Market Report

**May
2026**

Market at a Glance

N5.22 trillion

MoM ▲ 7.76%

Average System Liquidity



22.00%

NOFR ▼ 0.02%

22.00%

OPR ▶ 0.00%

Interbank rates MoM

N1,370.00

NFEM MoM ▲ 0.64%

N/\$

N1,395.22

Parallel MoM ▼ 0.60%



\$102.40

MoM ▲ 0.50%

Average Brent crude



250,385.70

ASI MoM ▲ 3.35%

N159.93 trillion

Mkt Cap. MoM ▲ 2.52%

Equities

\$48.63 bn

MoM ▼ 0.04%

Avg. External Reserve

Inflow source	May 2026 (N)	June 2026 (N)
T-bills Maturities	1.05 trn	995.81 bn
OMO Maturities	7.17 trn	7.77 trn
FGN Bond Coupons	346.14 bn	278.99 bn
FGN Bond Maturities	-	-
Corporate Bond Coupons	95.09 bn	49.04 bn
Corporate Bond Maturities	10.45	-
Commercial Paper Maturities	59.50 bn	10.46 bn
FAAC (FG, States & LG)	1.8 trn (estimated)	1.8 trn (estimated)
Total Estimated Inflow	10.53 trillion	10.90 trillion

- Average system liquidity increased by 7.76% in May to N5.22 trillion, despite the CBN withdrawing an estimated N12.06 trillion through liquidity management operations during the period.
- Looking ahead, an estimated N10.90 trillion in inflows is projected for June, about 3.51% higher than May levels.
- OMO maturities are expected to account for about 71% of total inflows, though the ultimate liquidity impact may be moderated by subsequent CBN sterilisation activities.
- The naira depreciated marginally in the NFEM market, despite total FX turnover improving to over \$8 billion during the month.
- Oil prices remained elevated on average in May at \$102.40/bbl, although optimism surrounding potential peace talks has recently pushed prices below \$100/bbl.
- External reserves gained over \$1 billion within about three weeks, as receipts from earlier crude oil exports and elevated oil prices gradually flowed into the reserve position.
- Global bond yields generally trended higher, reflecting persistent inflation concerns and expectations that major central banks will maintain a cautious policy stance.



FMDA Training & Capacity Building

Building Market Expertise Across Nigeria's Financial System



Our Training Focus Areas

Fixed Income & Financial Markets

- Bonds & Fixed Income Analysis and Valuation
- Fixed Income Trading & Portfolio Strategies
- Yield Curve Analysis

Treasury, FX & Liquidity Management

- Treasury Management & Operations
- Asset & Liability Management (ALM)
- Liquidity Risk Management

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- Financial Derivatives: Pricing & Hedging
- Credit Risk & Advanced Credit Analysis

Banking & Financial Operations

- Trade Finance & Structured Finance
- Treasury Operations & Settlement

Corporate Finance & Analysis

- Financial Statement Analysis
- Supply Chain Finance

Professional & Market Development

- Treasury Management Certification
- ACI Dealing Certificate Prep
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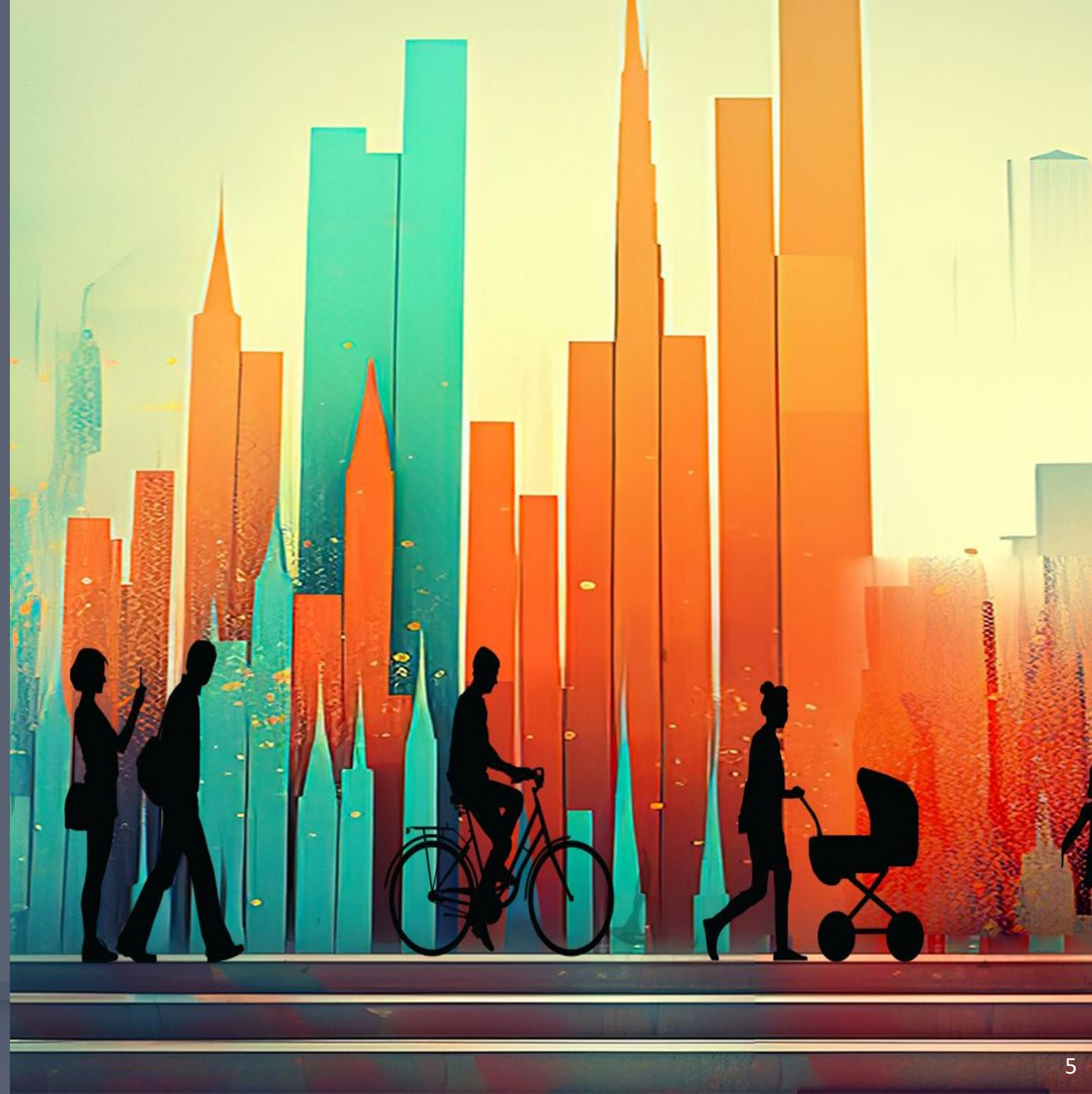
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Stock Market

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**Forward
Outlook**

The Global & Macro Backdrop



Global Monetary Policy & Inflation



US inflation rose at fastest pace in three years in April as Iran war hikes up prices



UK inflation dips in only temporary relief from Iran war impact



NZ central bank flags imminent hikes to counter energy shock after narrow hold



South Africa lifts rate to 7%, first hike in three years



China leaves lending benchmarks unchanged for 12th month in May



Global shares drop as bond yields jump on inflation worries



Morocco's inflation rate rises to 1.7% in April



Oil Market & Energy Geopolitics



Egypt signs \$1.5 billion loan deal with IFC to support food, energy security

S&P is watching South Africa coalition, Middle East conflict risks for wider Africa

UK allows diesel and jet fuel imports from Russian crude via sanctions carve-out

Indian Oil raises price of 19 kg LPG cylinder for industrial clients

Dangote becomes world's top jet fuel exporter



Key Macroeconomic Indicators

Country	GDP Growth(%)	Inflation (%)	Interest Rates (%)	Unemployment rate (%)
United States	2.7	3.8	3.75	4.3
China	5	1.2	3	5.2
Japan	0.6	1.4	0.75	2.5
Germany	0.4	2.6	2.15	6.3
United Kingdom	1.1	2.8	3.75	5
India	7.8	3.48	5.25	5.2
Brazil	1.8	4.39	14.5	5.8
South Africa	0.8	4	6.75	32.7
Egypt	5.32	14.9	19	6
Nigeria	3.89	15.69	26.5	4.3

Africa & Nigeria-Specific Developments

- Africa's trade finance gap may hit \$86.6 billion next year, AfDB warns.
- Nigeria's NNPC accuses Dangote refinery of seeking fuel monopoly in court filing.
- S&P is watching South Africa coalition, Middle East conflict risks for wider Africa.
- South African inflation jumps in April.
- Ghana's inflation rises marginally to 3.4% in April, up from 3.2% in March.
- Nigeria's capital market will transition from a T+2 to a T+1 settlement cycle effective, June 1, 2026

WHAT IS
FOREX
TRADING?



Liquidity & FX Trading Conditions

Liquidity Inflows from Maturing Securities in June: N10.90 trn

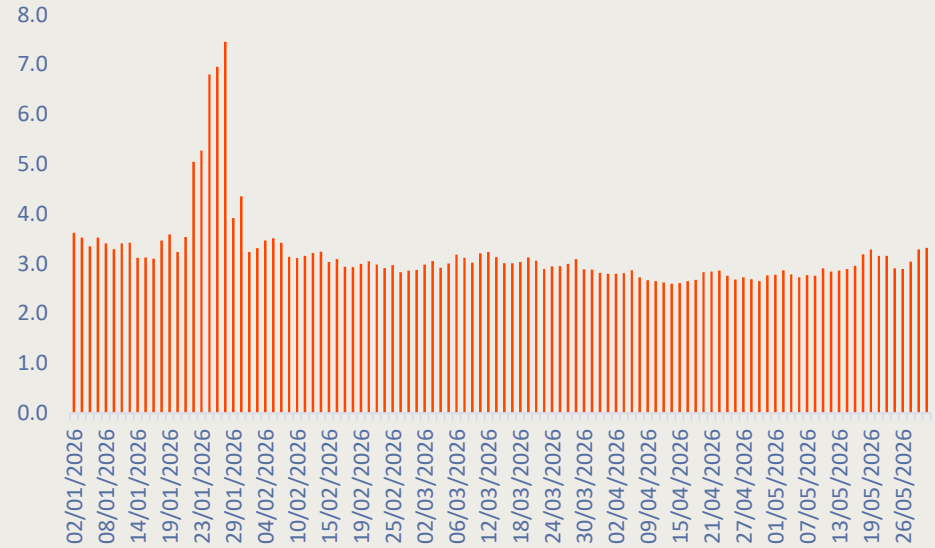
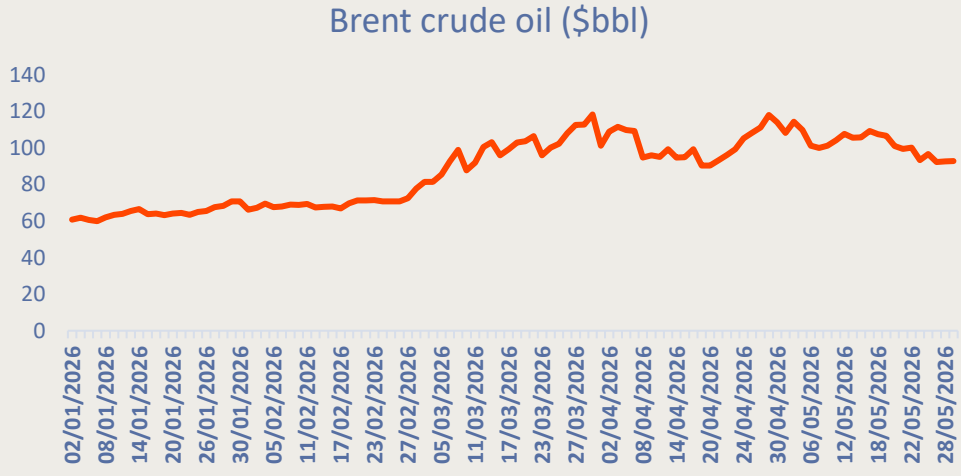
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Optimism surrounding potential peace talks has recently pushed prices below \$100/bbl



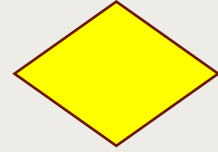
Crude oil average price
\$102.40 ↑ 0.50%
 Crude oil price gained average of \$0.51

Natural gas average price
\$2.97 ↑ 8.38%
 Natural gas gained 8.38% in May



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.

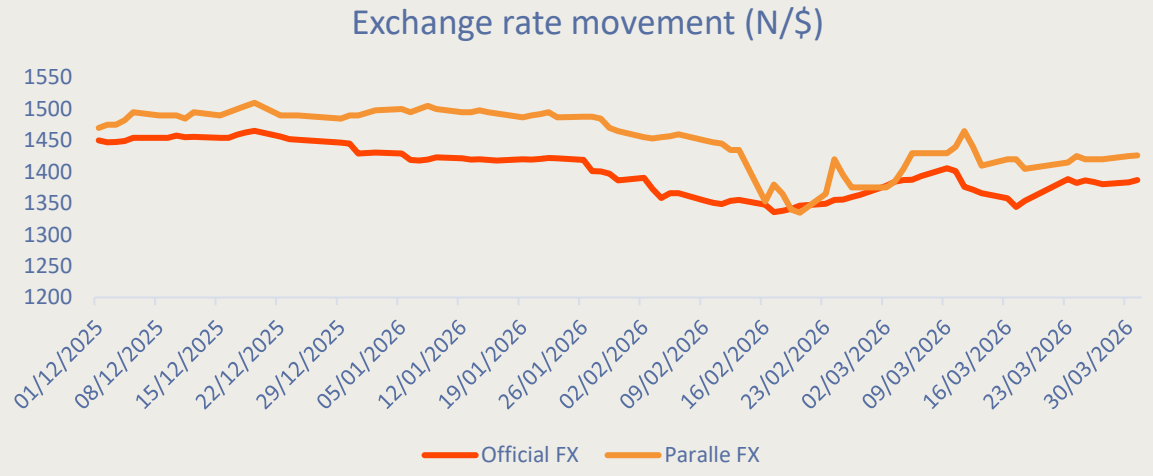


Naira depreciated by 0.64% on the average in May

Exchange rate determinant factors

Variable	Mar. 26	April 26	May 26	Trend
Brent Oil Price (\$/bl)	96.43	101.43	102.40	↑
Crude Oil Production (mbd)	1.383	1.489	***	↑
Gross Foreign Reserves (\$bn)	49.76	48.65	48.63	↓

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	↓



- The naira depreciated marginally in the official market in May, despite total NFEM turnover rising to over \$8 billion.
- External reserves increased by more than \$1 billion within about three weeks in May, as receipts from earlier crude oil exports and elevated oil prices gradually flowed into the reserve position.
- It is important to note that there is often a lag of several months between crude oil sales and the eventual receipt of export proceeds.
- This suggests that the surge in oil prices that began in late February may only now be starting to support government finances, as reflected in the recent improvement in external reserves.

Fixed Income Highlights



Fixed Income: Market Take



FGN Bonds Yield	April	May	% ▲
1YR	18.62%	17.57%	-1.05%
3YR	16.14%	16.23%	0.09%
5YR	16.45%	16.91%	0.46%
7YR	16.52%	16.94%	0.42%
10YR	14.92%	14.96%	0.04%
30YR	14.51%	14.84%	0.33%
Avg Yield	16.19%	16.24%	0.05%

Global Bonds Yield	April	May	% ▲
US 10 YR	4.31%	4.48%	0.17%
JPY 10 YR	2.42%	2.63%	0.21%
UK 10 YR	4.88%	4.98%	0.10%
ZAF10YR	8.60%	8.67%	0.07%
KEN10 YR	11.39%	11.70%	0.31%
CHN10YR	1.78%	1.77%	-0.01%
NIG 10YR	14.92%	14.96%	0.04%

Treasury Bill Yield	April	May	% ▲
1 MTH	16.16%	15.86%	-0.30%
3 MTH	16.32%	16.61%	0.29%
6 MTH	17.27%	17.54%	0.27%
9 MTH	18.41%	18.44%	0.03%
12 MTH	18.93%	18.79%	-0.14%
Avg. Yield	17.42%	17.45%	0.03%

- FGN bond yields were mixed in May, with declines at the short end offset by increases across the mid- and long-tenors.
- Treasury bill yields remained broadly stable, although yields on the 3-month and 6-month instruments edged higher during the month.
- Global bond yields generally trended higher, reflecting persistent inflation concerns and expectations that major central banks will maintain a cautious policy stance.
- Nigeria's 10-year bond yield rose marginally to 14.96%, broadly in line with developments across global fixed income markets.

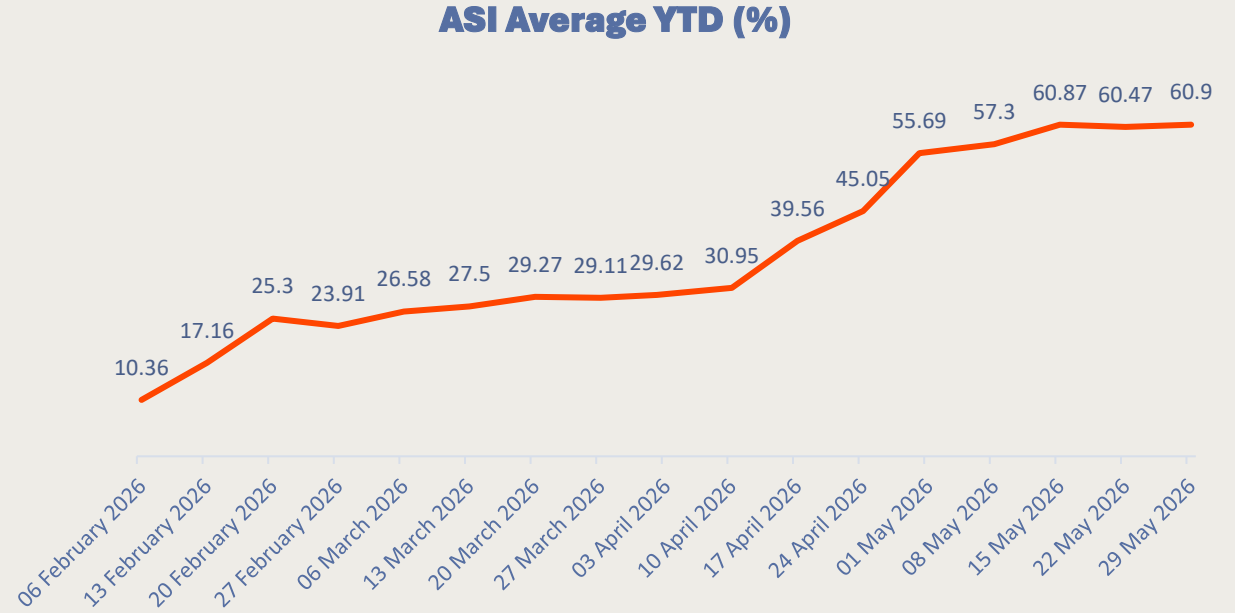


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Stock Market

ASI gained 3.35% in May 2026

Key Market Indicators	April	May	% ▲
NGX All-Share	242,277.81	250,385.70	3.35%
Market Cap. (N'trn)	155.99	159.93	2.52%
Trade Volume (bn)	1.87	0.73	-60.96%
Trade Value (N' bn)	104.29	34.88	-66.55%
No. of Deals	92,353	79,462	-13.96%



The NGX All-Share Index advanced by 3.35% in May, extending its positive performance, albeit at a slower pace than the 20.36% gain recorded in April.

Market capitalisation rose by 2.52% to N159.93 trillion, reflecting continued investor interest in the equities market.

Trading activity weakened during the month, with trade volume and trade value declining by 60.96% and 66.55%, respectively, suggesting reduced market turnover despite gains in share prices.

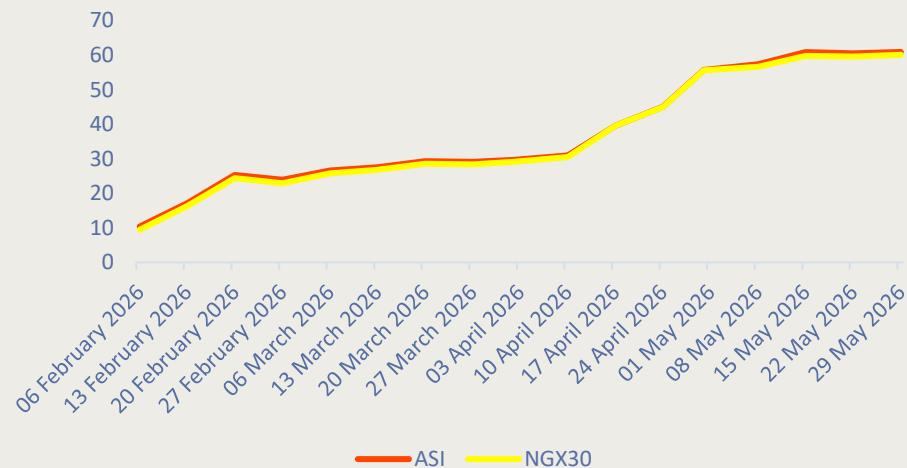
The number of deals fell by 13.96% to 79,462, suggesting lower market participation despite continued gains in equity prices.

ASI gained 3.35% in May 2026

Top Price Gainers			
Tickers	April	May	% ▲
ENAMELWA	9.95	37	271.86%
BERGER	81.75	147.6	80.55%
INTENEGINS	2.75	4.52	64.36%
FTNCOCOA	5.5	8.95	62.73%
ABCTRANS	5.2	8.25	58.65%
ZICHIS	21.78	33	51.52%

Top Price Losers			
Tickers	April	May	% ▲
NAHCO	258	189.5	-26.55%
NCR	199	161.2	-18.99%
GUINNESS	497	402.6	-18.99%
TRANSEXPR	6.4	5.28	-17.50%
FTGINSURE	1.17	1	-14.53%
IMG	42.9	38.1	-11.19%

Correlation: ASI ↔ NGX30 = 1



The near-perfect correlation ($r = 1$) between ASI and NGX30 suggests that the Nigerian equity market's overall performance in May 2026 is overwhelmingly influenced by the top 30 companies listed on the Nigerian Exchange (NGX).



Forward Outlook

Impact of Global Developments on Nigeria

**Oil market &
geopolitical tensions**

- Persistent Middle East tensions continue to support elevated oil prices, providing potential upside to Nigeria's oil revenue and fiscal position
- The eventual impact on reserves and government revenue may emerge gradually due to lags between crude oil sales and receipt of export proceeds

**Global monetary
policy & financial
conditions**

- Rising inflation across major economies and higher global bond yields may keep global interest rates elevated for longer
- This could limit foreign portfolio inflows into emerging markets, although Nigeria remains a major investment destination in Africa, as higher global yields improve the attractiveness of developed-market assets.

Implication for member banks & discount houses

Asset side

- Elevated liquidity conditions support investment in fixed income securities
- Rising global yields may sustain demand for attractive domestic fixed income instruments
- Higher oil prices and improving reserves support macroeconomic stability

Liability Side

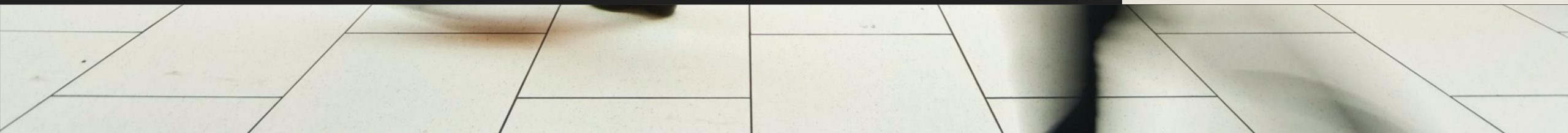
- Strong liquidity conditions should keep funding pressures relatively contained
- Large OMO maturities may boost system liquidity and support funding availability
- FX pressures remain a key consideration despite recent reserve gains

Our Take

- Position portfolios to benefit from elevated liquidity and sizeable June inflows
- Maintain prudent FX risk management despite improving reserve dynamics
- Monitor CBN liquidity management operations, which may offset part of the projected inflows



Thank you



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