FMDA Monthly Market Report

August

2026

Market at a Glance

N4.65 trillion
MoM ▲ 56.17%
System Liquidity

22.00%
NOFR ▼ 0.11%
22.15%
OVN ▼ 0.23%
Interbank rates MoM

N1,352.97
NFEM MoM ▲ 1.50%
N/$
N1,415.96
Parallel MoM ▼ 0.06%

$87.26
MoM ▲ 5.00%
Average Brent crude

244,199.50
ASI MoM ▼ 0.44%
N158.33 trillion
Mkt Cap. MoM ▼ 0.94%
Equities

$53.51 bn
MoM ▲ 3.05%
External Reserve

Inflow source	Aug 2026 (N)	Sep 2026 (N)
T-bills Maturities	647.79 bn	1.255 trn
OMO Maturities	9.304 trn	11.600 trn
FGN Bond Coupons	554.447 bn	285.601 bn
FGN Bond Maturities	-	-
Corporate Bond Coupons	9.082 bn	16.449 bn
Corporate Bond Maturities	-	10.090 bn
Commercial Paper Maturities	13.852 bn	49.003 bn
FAAC (FG, States & LG)	3.007 trn (actual)	2.5 trn (estimated)
Total Estimated Inflow	13.54 trillion	15.72 trillion

- System liquidity improved significantly in August, rising by 56.17% to N4.65 trillion from N2.98 trillion in July, driven by sizeable inflows from maturing securities, FAAC allocations, and other repayments, which more than offset the CBN's liquidity mop-up operations.
- Looking ahead, inflows are projected at N15.72 trillion in September, about 16.10% higher than the N13.54 trillion recorded in August. OMO maturities are expected to account for approximately 74% of total inflows, although the net liquidity impact will depend on the CBN's sterilisation stance.
- The naira appreciated by 1.5% in the NFEM window during August, supported by improved FX liquidity and stronger market turnover, which rose to $14.68 billion, the highest level in five months.
- Average Brent crude oil prices increased by 5% to $87.26/bbl, as geopolitical tensions in the Middle East continued to underpin supply concerns. The elevated price environment provides a supportive buffer for Nigeria's external sector.
- External reserves rose by 3.05% to $53.51 billion, marking the highest level since 2008 and reflecting improved foreign exchange inflows and ongoing policy reforms.
- Global bond yields trended upward, as persistent inflation concerns and geopolitical risks, particularly in the Middle East, kept oil prices elevated above $90/bbl in recent periods. In contrast, domestic bond yields declined, with Nigeria's average bond yield moderating to 16.92% in August from 17.06% in July, indicating strong local demand conditions.

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
Risk Management & Derivatives	- 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 - Graduate Treasury Programme

Our training programmes can be tailored to meet your organisation's specific needs

For more information

www.fmda.com.ng for more training course

Chris Jaiyeola
+2348079779911
training@fmda.com.ng

Sunday Okeke
+2347037873479

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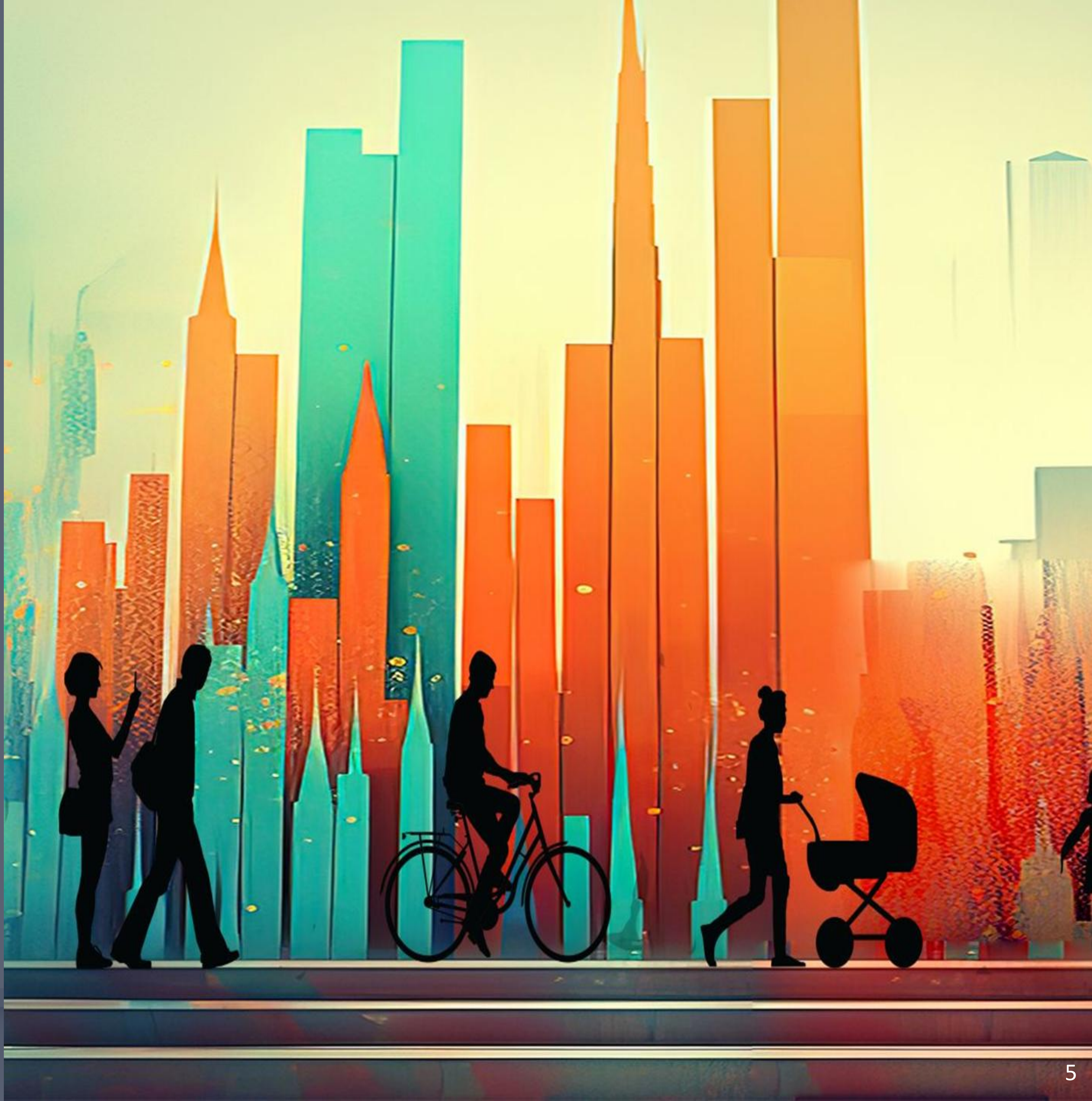
The Global & Macro Backdrop



Global Monetary Policy & Inflation

- **Euro zone inflation rises above 3%, cementing ECB rate hike bets**
- **Treasury Secretary Bessent doubles US long-bond buybacks**
- **Barclays sees two more Fed rate hikes this year after Warsh speech**
- **Japan spent record $96.5bn supporting the yen**
- **German inflation accelerates in August, core stabilises**
- **China leaves loan rates steady for 15th consecutive month**
- **South African inflation cools for first time in five months**

Trade, Tariffs & Global Growth

US debt crosses $40 trillion

South Korea exports surge 68.7% y/y (15th straight gain)

UK manufacturing PMI slips to five-month low

Japan exports rise 23.2% y/y

Euro zone factory growth hits four-year high

W’Bank approves $1.25bn Nigeria loan despite debt concerns.

Global youth unemployment rises amid weak job creation

Oil Market & Energy Geopolitics

Bond selloff deepens as oil prices stoke inflation fears

Global bonds extend selloff on renewed US–Iran strikes

Asia diesel exports to Africa jump, replacing Middle East supply

OPEC lowers 2026 global oil demand growth forecast

Dangote refinery secures $1bn underwriting ahead of IPO

Key Macroeconomic Indicators

Country	GDP Growth(%)	Inflation (%)	Interest Rates (%)	Unemployment rate (%)
United States	2.1	3.4	3.75	4.1
China	4.3	0.5	3	5.2
Japan	0.7	1.9	1	2.4
Germany	1	2.9	2.4	6.4
United Kingdom	1.2	2.9	3.75	4.9
India	7.8	4.45	5.25	5.3
Brazil	2	4.44	14	5.6
South Africa	1.9	4.3	7	33.6
Egypt	5	14.9	19	5.8
Nigeria	4.43	15.43	26.5	4.3

Source: CBN, NBS, TradingEconomics & FMDA Research

Africa & Nigeria-Specific Developments

- Dangote refinery targets $5bn IPO.
- African Union to launch credit rating agency.
- MTN eyes banking licences expansion.
- Kenya eyes debut Chinese (panda) bond issuance.
- Egypt to widen food subsidy programme.
- US lifts shipping restrictions on Nigeria after 12 years
- Morocco to build $1.5bn waste-to-energy plant
- Nigeria’s economy grows 4.4% in Q2
- Moody’s revises Nigeria’s outlook to “positive”

Liquidity, Fixed Income & FX Trading Conditions

Liquidity Inflows from Maturing Securities in September: N15.72 trn

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Liquidity Summary & Outlook – September 2026

Inflow source	Aug 2026 (N)	Sep 2026 (N)
T-bills Maturities	647.79 bn	1.255 trn
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Fixed Income Market Summary – August 2026

Indicator	NTB July	NTB AUG	OMO July	OMO AUG	FGN Bond July	FGN Bond Aug
Amount Raised (Ntrn)	3.502	2.218	7.161	12.024	0.932	0.805
Investor Demand (Bid-to-Cover)	4.34x	5.86x	3.99x	4.62x	1.45x	1.57x
Secondary Market Turnover (Ntrn)	6.977	5.474	16.442	25.376	5.867	4.24
Average Secondary Yield (%)	18.48	19.21	21.05	19.81	17.06	16.92

- Strong investor demand across instruments supported market activity in August, with bid-to-cover ratios rising across NTBs (5.86x) and OMO (4.62x), alongside increased primary market issuance.
- Following the reopening of OMO auctions to domestic investors, subsequent auctions saw stop rates decline below the 20% threshold, marking a shift from the previously rate environment.

Source: CBN, DMO, FMDQ, BOF, FMDA

Fixed Income: Market Take

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FGN Bonds Yield	31/7/2026	31/8/2026	% ▲
1YR	18.10	17.1	-1.05
2YR	17.61	17.4	-0.22
4YR	17.25	17.1	-0.15
5Y	17.50	18.0	0.51
7YR	16.94	17.1	0.21
10YR	17.79	17.2	-0.63
15YR	16	16.05	0.05
30YR	15.29	15.48	0.19
Avg Yield	17.06	16.92	-0.14

Global Bonds Yield	31/7/2026	31/8/2026	% ▲
US 10 YR	4.75	4.76	0.01
JPY 10 YR	2.80	2.94	0.15
UK 10 YR	5.06	5.08	0.02
ZAF 10YR	8.74	8.75	0.01
KEN 10 YR	12.48	12.25	-0.23
CHN 10YR	1.71	1.69	-0.02
NIG 10YR	17.79	17.2	-0.63

Treasury Bill Yield	31/7/2026	31/8/2026	% ▲
1 MTH	17.42	17.97	0.55
3 MTH	16.54	18.75	2.21
6 MTH	18.17	19.14	0.96
9 MTH	19.94	19.64	-0.29
12 MTH	20.35	20.56	0.20
Avg. Yield	18.48	19.21	0.73

- Treasury bills yields rose significantly, with the average yield increasing by 73bps to 19.21%, driven by sharp repricing at the short-to-mid end of the curve.
- In contrast, the FGN bond market recorded a mildly bullish bias, with the average yield declining by 14bps to 16.92%. Yield compression was observed at the short-to-mid segment (notably the 1-year and 10-year tenors), while the belly and long end saw modest upticks, indicating selective demand rather than a broad-based rally.
- Meanwhile, global bond yields trended slightly upward, with the US 10-year yield rising to 4.76%, alongside increases in Japan and the UK, reflecting persistent inflation concerns and tighter global financial conditions.
- However, the decline in Nigeria's 10-year yield (-63bps) suggests that domestic factors, particularly strong demand at recent auctions and improved liquidity, played a more dominant role in shaping local market direction.

Source: FMDQ, investing.com Meristem, FMDA

Conflict in the Middle East between the U.S. and Iran continues to weigh on supply concerns

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Crude oil average price

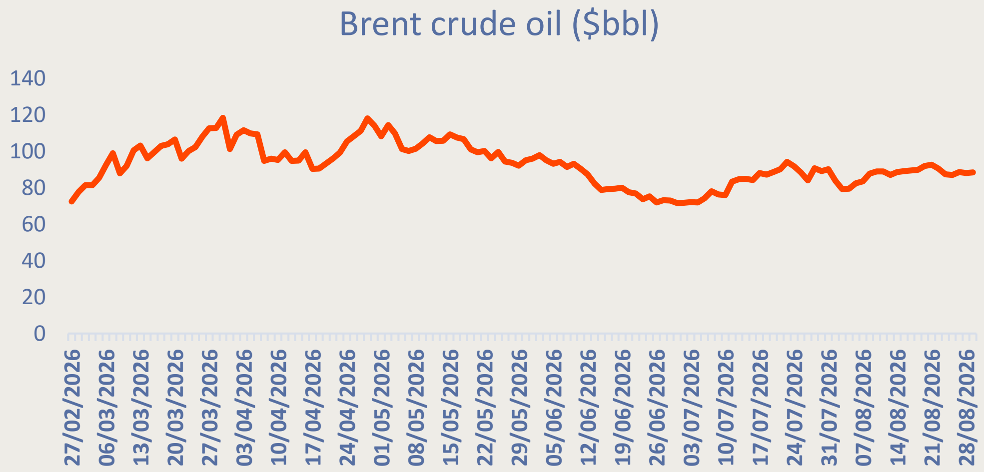
$87.26 ↑5.00%

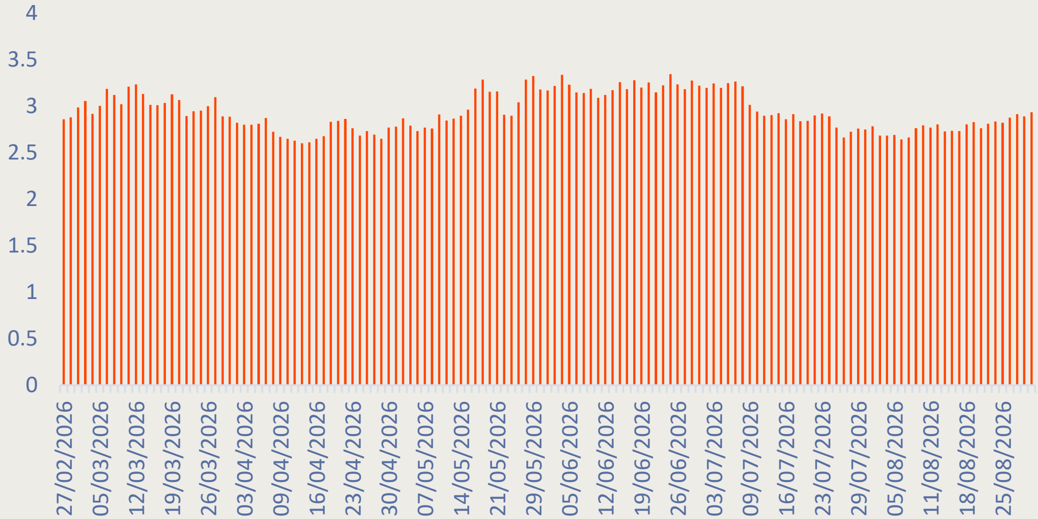
Crude oil price gained an average of $4.16

Natural gas average price

$2.78 ↓6.14%

Natural gas lost 6.14% in August





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.

Data source: investing.com

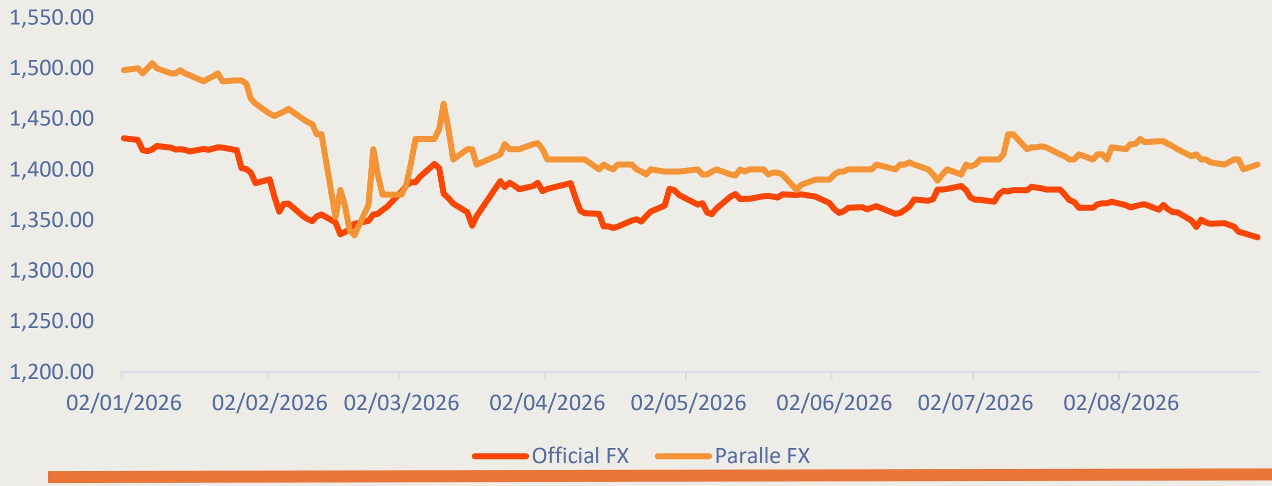
Naira strengthened by 1.50% on the average in Aug.

Exchange rate determinant factors

Variable	June 26	July 26	Aug 26	Trend
Brent Oil Price ($/bl)	84.30	83.10	87.26	↑
Crude Oil Production (mbd)	1.555	1.505	***	↓
Gross Foreign Reserves ($bn)	51.46	51.92	53.51	↑

Variable	Q2' 25	Q3' 25	Q4'25	Q1'26	Trend
Trade Balance ($bn)	3.98	3.85	1.18	5.45	↑
Current Account Balance ($bn)	5.81	4.06	1.40	4.98	↑
Remittances ($bn)	5.49	5.43	5.71	5.28	↓

Exchange rate movement (N/$)



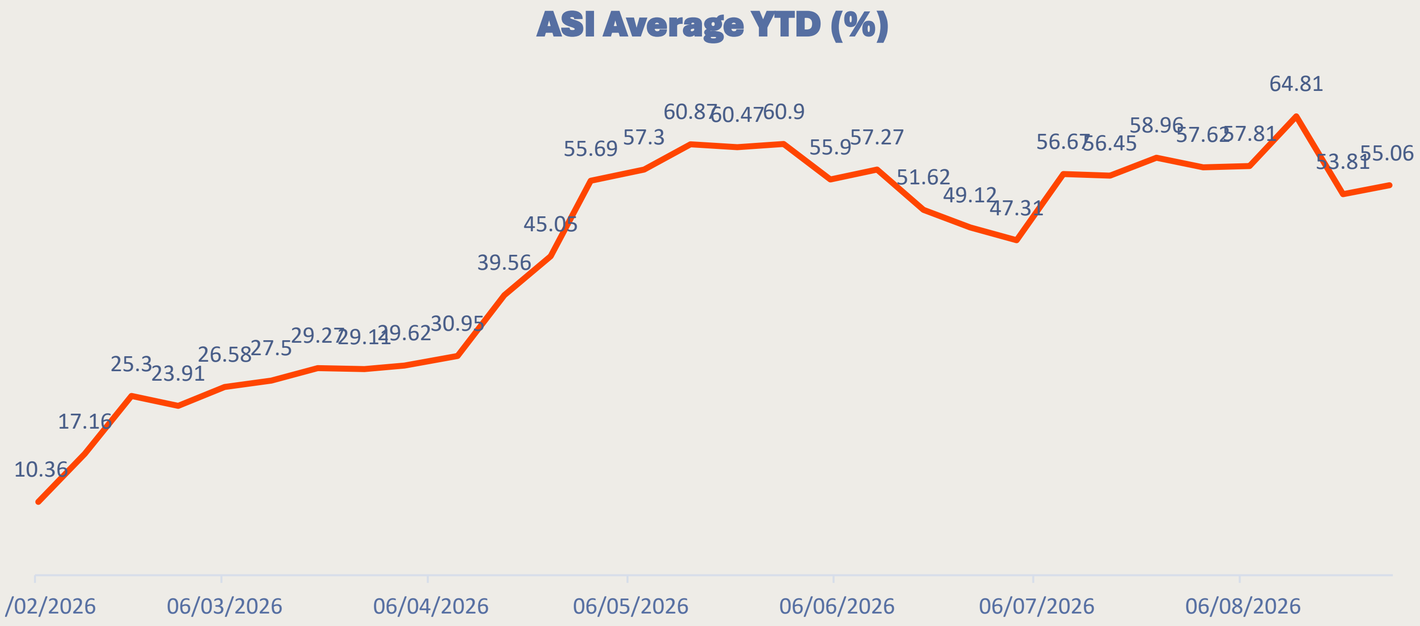
- The premium between the NFEM and parallel market widened further in August, relative to June and July.
- This may signal the early emergence of pre-election FX demand pressures, as political activities typically drive higher dollar demand and widen parallel market premiums, based on historical trends.
- There is also the factor of increased dollarisation in real estate transactions, which may be sustaining structural demand for FX, as Capital Gains Tax (CGT) uncertainties encourage sellers to price assets in dollars.
- Overall, the widening premium reflects the faster pace of naira appreciation in the NFEM (1.50%) relative to the marginal movement in the parallel market (0.06%).

Source: CBN, NBS,

Stock Market

ASI shed 0.44% in August 2026

Key Market Indicators	July	August	% ▲
NGX All-Share	245,283.68	244,199.50	-0.44%
Market Cap. (N'trn)	158.33	156.83	-0.94%
Trade Volume (bn)	0.94	0.61	-35.74%
Trade Value (N' bn)	46.74	38.66	-17.28%
No. of Deals	55,480	51,805	-6.62%



The NGX All-Share Index declined by 0.44% in August, reflecting mild profit-taking across major counters after sustained gains in prior months.

Despite this, the market remains strongly positive, with a year-to-date return of 55.06% as of August, indicating that the recent decline represents a modest correction rather than a reversal of the broader bullish trend.

Market capitalisation fell by 0.94% to N156.83 trillion, in line with the broad-based softening in equity prices during the month.

Trading activity weakened, with trade volume and value declining by 35.74% and 17.28%, respectively, reflecting more cautious investor participation.

Similarly, the number of deals dropped by 6.62%, pointing to reduced market activity and slower trading momentum.

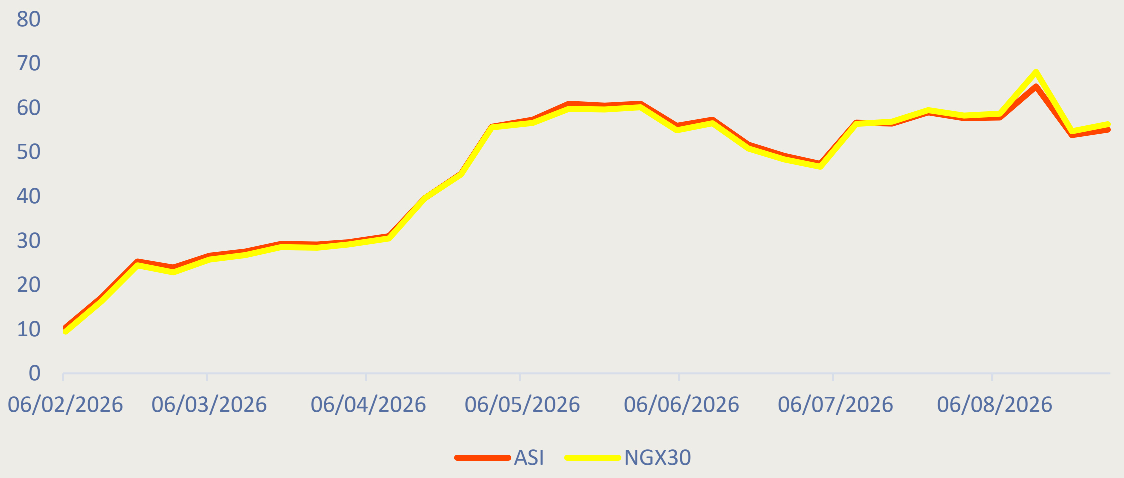
Source: NGX, CardinalStone

ASI gained 0.44% in August 2026

Top Price Gainers			
Tickers	July	August	% ▲
HMCALL	2.91	4	37.46%
ACCESSCORP	26.3	32.1	22.05%
LINKASSURE	1.6	1.83	14.38%
FIRSTHOLDCO	129.55	145	11.93%
TRANSCOHOT	241.9	265.5	9.76%
NREIT	103	113	9.71%

Top Price Losers			
Tickers	July	August	% ▲
ZICHIS	24.55	14.55	-40.73%
THOMASWY	4.38	2.75	-37.21%
INTENEGINS	4.15	2.82	-32.05%
CMFC	3.88	2.77	-28.61%
ROYALEX	1.34	0.96	-28.36%
CONHALLPLC	8.36	6.01	-28.11%

Correlation: ASI ↔ NGX30 = 1



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

Source: NGX, Cardinalstone, FMDA

Forward Outlook

Impact of Global Developments on Nigeria

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Oil market & geopolitical tensions	• Ongoing tensions in the Middle East, particularly involving the U.S. and Iran, continue to sustain upside risks to global oil prices, keeping Brent elevated. • Elevated oil prices remain supportive of Nigeria's external position, bolstering export earnings, current account balance, and external reserves despite some recent moderation.
Global monetary policy & financial conditions	• Global monetary policy remains mixed, with some central banks maintaining a tightening bias while others adopt a wait-and-see approach amid persistent inflation pressures. • In the U.S., rising long-term yields have prompted policy responses, including planned Treasury buybacks aimed at improving liquidity and moderating yield pressures at the long end.

Implication for member banks & discount houses

Asset side

- Elevated domestic yields continue to present attractive investment opportunities in FGN bonds and Treasury bills.
- The re-opening of OMO bills to domestic investors has significantly increased demand, with early evidence seen in declining stop rates at recent auctions.
- Rising external reserves and improved FX liquidity support asset quality and overall macroeconomic stability.

Liability Side

- Strong system liquidity, supported by sizeable inflows from maturing securities, is expected to sustain funding availability in the near term.
- However, continued CBN sterilisation via OMO may intermittently tighten liquidity conditions.
- Improved FX liquidity conditions should ease near-term foreign currency funding pressures.

Our Take

- Continue to position portfolios to take advantage of elevated fixed-income yields while actively managing duration risk.
- Maintain prudent liquidity buffers, as the CBN may continue sterilisation operations despite sizeable market inflows.
- Closely monitor inflation, government borrowing, and global monetary policy developments, as these will remain the key drivers of domestic yields and funding costs.

Thank you

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