



PARTHIAN
SECURITIES

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Market and Economic Update

06 February 2026

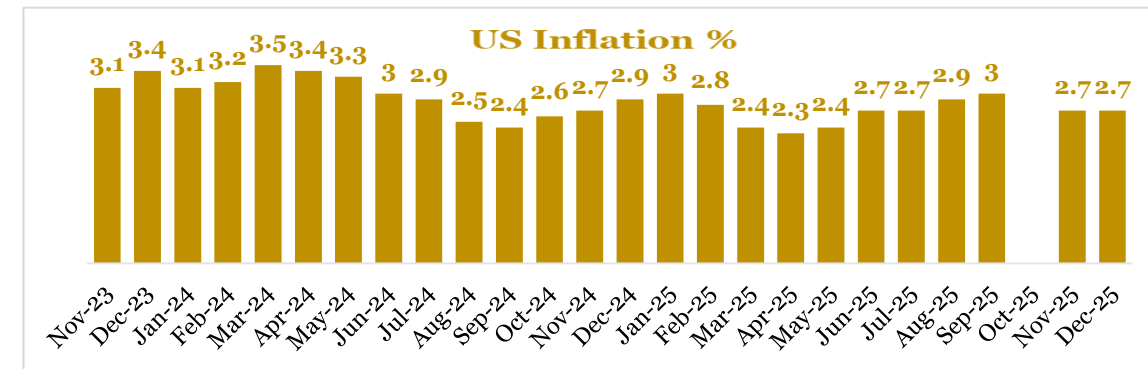
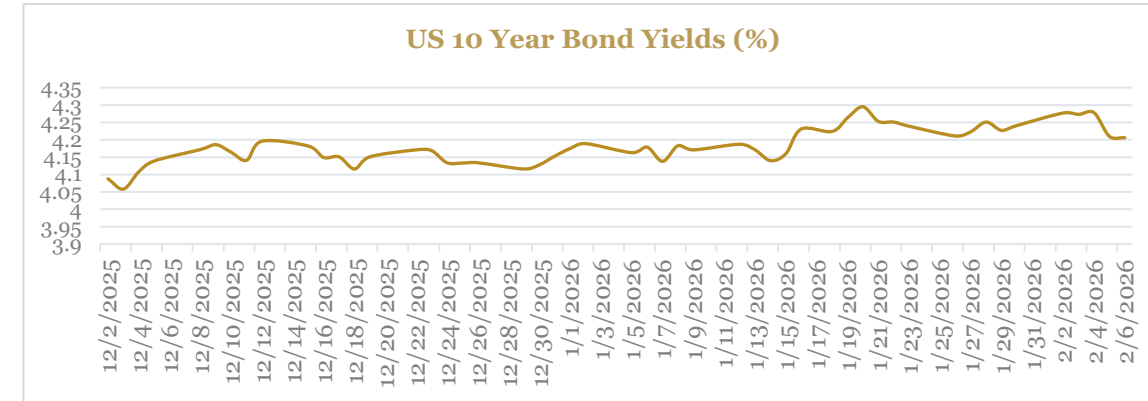
Global Update



- The Bank of England held the policy rate unchanged at 3.75% at its January meeting, although the decision highlighted growing internal divisions within the Committee. Four of the nine MPC members voted for a further 25bps cut, signaling increasing comfort with a more accommodative policy stance following December’s initial reduction. While the Committee ultimately opted to pause, its guidance suggested that the bias for rates remains tilted to the downside. The MPC noted that underlying economic conditions remain fragile, with household demand still weak and labour market indicators beginning to soften. Inflation dynamics have improved meaningfully, with price pressures easing sharply from their peak three years ago. The Bank now expects inflation to converge with its 2.0% target by spring, partly supported by fiscal measures announced in last autumn’s budget, particularly the energy cost relief scheduled for April. Against this backdrop, the BoE revised its macroeconomic projections to reflect a weaker outlook. The unemployment rate is now expected to rise to 5.3%, up from the prior 5.0% estimate, while the 2026 GDP growth forecast was cut to 0.9% from 1.2%, reinforcing concerns about medium-term growth momentum.
- Euro Area headline inflation slowed further in January compared with the same period last year, easing to 1.7% from 2.0% in December. This is the lowest inflation rate in more than twelve months and aligns with market expectations. The easing was driven mainly by a deeper decline in energy prices and a gradual cooling in services-related price pressures. Energy prices were down 4.1% relative to a year earlier, widening from the 1.9% annual decline recorded in December. Services inflation also moderated to 3.2% from 3.4%. By contrast, food prices rose at a slightly faster pace of 2.7%, reflecting stronger increases in unprocessed food prices, which were up 4.2% from a year ago. Prices for processed food, alcohol and tobacco increased at a steady annual rate of 2.1%. Excluding energy, food, alcohol and tobacco, underlying inflation continued to ease, with core prices moderating to 2.2% from 2.3% in December, reinforcing signs that inflationary pressures across the Euro Area are continuing to abate.
- Ghana’s headline inflation slowed further in January 2026, easing to 3.8% from 5.4% in December, extending the disinflation streak to 13 months and marking the lowest level since the 2021 CPI rebasing. The slowdown was broad-based, with both food and non-food inflation moderating, supported by improved domestic supply conditions and lower transport costs. A firmer cedi and steady FX inflows from gold and cocoa exports helped contain imported inflation, while subdued monthly price increases point to easing near-term price pressures.

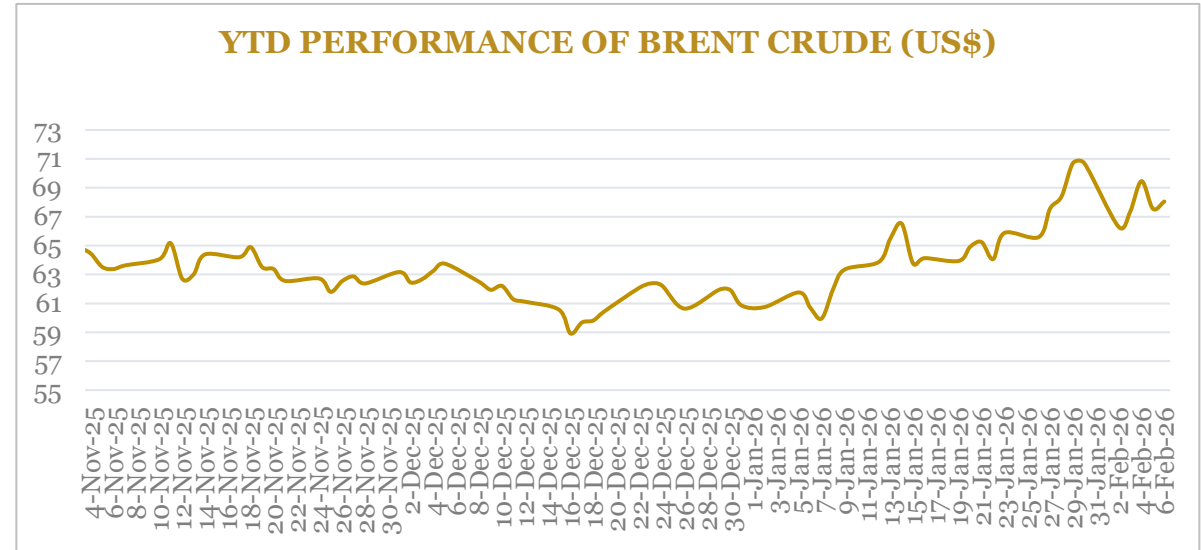
Global Economic Data

	Current	Previous	Change
US GDP	4.30% (Q3-2025)	3.80% (Q2-2025)	0.50%
US Interest Rate	3.50% - 3.75% (Jan. 2026)	3.50% - 3.75% (Dec. 2025)	0.00%
US Inflation	2.70% (Dec. 2025)	2.70% (Nov. 2025)	0.00%
China GDP	4.50% (Q4-2025)	4.80% (Q3-2025)	-0.40%
China Inflation	0.80% (Dec. 2025)	0.70% (Nov. 2025)	0.10%



Crude Oil Price Update

- Crude oil prices retreated last week after climbing in the prior session, as progress in US–Iran nuclear negotiations fueled hopes of reduced geopolitical tensions.
- On a week-on-week basis, Brent crude prices declined by **3.73%**, closing at \$68.05 per barrel, while WTI depreciated by **2.55%**, settling at \$63.55 per barrel.



Crude Oil Prices	Current	Previous	Change
Brent Crude Oil(\$)	68.05	70.69	3.73%
WTI Crude Price (\$)	63.55	65.21	2.55%

Domestic Update



- The latest CBN data shows that the Nigerian Purchasing Managers' Index (PMI) remained above the 50-point mark in January, signaling ongoing expansion in business activity. However, the composite PMI eased to 55.7 points from 57.6 points in December, reflecting a typical post-festive slowdown. Sectoral PMIs for Agriculture (54.2 points), Services (54.5 points), and Industry (56.0 points) all moderated but remained in expansion, pointing to continued, albeit softer, growth in business activity compared with the prior month.
- The Federal Government has outlined plans to offset electricity subsidy obligations through a ₦3.6 trillion deduction from the Federation Account, with the adjustment to be phased evenly over the 2026–2028 period. The move forms part of broader efforts to ease persistent liquidity constraints within Nigeria's power value chain. Alongside this, the government has begun clearing outstanding payment arrears owed to power generation companies. Of the roughly ₦4 trillion owed to GenCos, ₦501 billion has already been disbursed, funded through proceeds from a recent bond issuance. While these measures should provide some near-term relief to GenCos, underlying liquidity challenges in the sector are likely to remain, given structural weaknesses and ongoing funding gaps.
- Three key Dangote Group subsidiaries, Dangote Refinery, Dangote Cement, and Dangote Fertilizer have entered into a Gas Sales and Purchase Agreement (GSPA) with Nigerian Gas Marketing Limited and NNPC Gas Infrastructure Limited under the 2026 Gas Master Plan. The agreement secures a reliable natural gas supply to the refinery, fertilizer, and cement operations, addressing previous supply constraints that have limited capacity utilization, particularly at the refinery and fertilizer plant. We expect the deal to enhance operational efficiency across the group.

Foreign Exchange Update

- At the Nigerian Foreign Exchange Market (NFEM), the Naira appreciated by 1.49% to ₦1,366.20/\$ on February 6, compared to ₦1,386.55/\$ in the previous week. Similarly, the parallel market recorded a gain, with the Naira appreciating by 0.69% to ₦1,450.00/\$ from ₦1,460.00/\$ the previous week.
- Nigeria's gross external reserves increased by \$736.69 million to \$46.91 billion as of February 5 from \$46.18 billion as of January 29.

Fixed Income Market

- System liquidity trended positively over the week, despite an initial dip on Monday following CRR debits. Liquidity rebounded sharply from Tuesday on the back of OMO repayments, rising steadily to close Friday at ₦2.57 trillion. Consequently, interbank funding conditions remained largely comfortable around 22–23%, with rates generally easing midweek and only marginal upticks observed toward the end of the week.
- Activity in the Treasury bills market last week was largely quiet at the start, as participants stayed cautious ahead of the NTB auction. Demand focused on short-dated NTBs and January OMO papers. The 4.0x subscribed auction cleared ₦953bn, with stop rates flat on short tenors and sharply lower on the one-year bill. Post-auction, unmet demand fuelled a bullish secondary session, compressing yields and sustaining momentum into Friday amid improving liquidity and broader participation.
- The FGN bonds market traded mostly calm during the week, with activity dominated by selective cherry-picking of mid-dated papers. Early sessions saw thin execution amid wide bid-ask spreads, though yields generally trended lower as demand persisted on the 2031s to 2035s. A post-NTB auction rally on Thursday briefly pushed yields sharply lower before a mild correction. By the end of the week, sentiment remained cautiously bullish, with sustained interest but modest overall turnover levels.

Equity Market

- The Nigerian equities market ended last week in positive territory, snapping a two-week losing streak as buying interest returned across key sectors, particularly Oil & Gas, Industrial Goods, Banking, and Consumer Goods. As a result, the NGX All-Share Index rose by **3.84%** week-on-week to close at 171,727.49 points, compared with 165,370.40 points in the prior week. Market capitalization increased in tandem, climbing to ₦110.23 trillion from ₦106.15 trillion.
- The market's positive performance was largely driven by renewed demand in blue chip stocks, including RTBRISCOE (**+60.69%**), ABBEYBDS (**+59.04%**), JBERGER (**+26.81%**), NGXGROUP (**+21.89%**), SKYAVN (**+18.74%**), ARADEL (**+15.36%**), NAHCO (**+13.67%**), SEPLAT (**+10.00%**), CNIF (**+10.00%**), NASCON (**+9.65%**), STANBIC (**+8.52%**), MTNN (**+8.41%**), DANGCEM (**+7.09%**), WAPCO (**+6.37%**), and NASCON (**+5.29%**). On the flip side, DEAPCAP (**-27.37%**), REDSTAREX (**-17.55%**), MANSARD (**-10.01%**), NNFM (**-5.81%**), BETAGLAS (**-5.31%**), CADBURY (**-4.48%**), and OANDO (**-3.21%**) emerged as the top laggards.
- Market activity strengthened last week, with a surge in total traded volume to 3.86 billion shares valued at ₦128.58 billion across 126,584 deals from 3.09 billion shares worth ₦81.51 billion in 222,185 deals the previous week.
- Sectoral performance was largely positive last week, driven by a strong rally in the Oil and Gas sector, which advanced by **10.88%** week-to-date. Industrial Goods and Banking also recorded solid gains, rising by **4.36%** and **3.57%**, respectively, while the Consumer Goods sector posted a modest increase of **1.01%**. In contrast, the Insurance sector was the sole laggard, declining by **2.33%** over the week.
- Market sentiment is likely to remain positive this week, underpinned by continued bargain-hunting in fundamentally strong, dividend-paying stocks as investors reposition portfolios.