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SECURITIES

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# Market and Economic Update

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13 February 2026

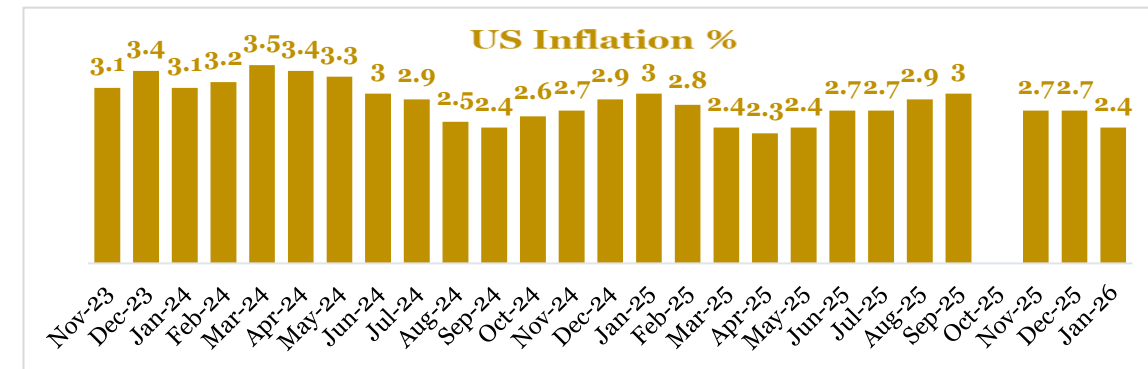
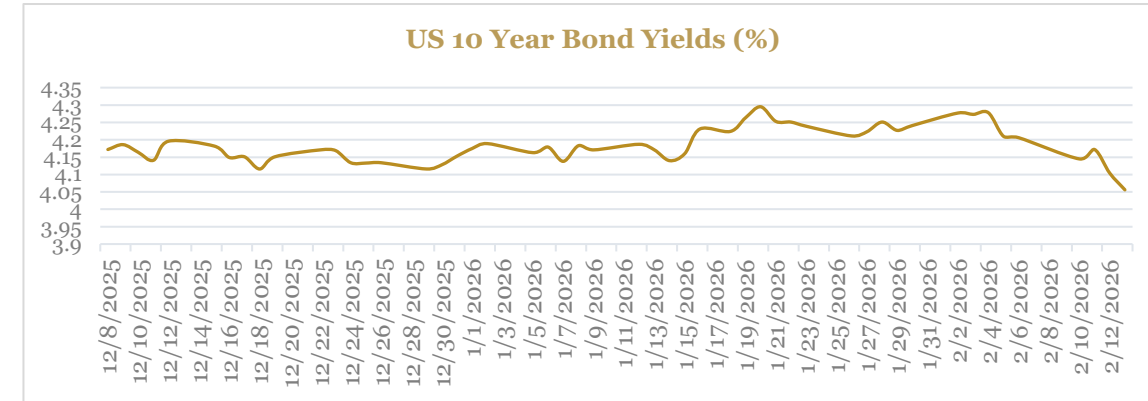
# Global Update



- US headline inflation eased to 2.4% y/y in January (December: 2.7%), coming in slightly below the 2.5% market expectation. The moderation was largely attributable to favourable base effects and softer energy and food prices. Energy inflation turned negative (-0.1% y/y) for the first time since July 2025, driven by weaker gasoline and crude oil prices, while food inflation slowed to 2.9% y/y on the back of moderating price growth for both food at home and food away from home. Core inflation also declined to 2.5% y/y (December: 2.6%), its lowest level since March 2021, reflecting easing pressures in rents, recreation, and household furnishings. On a month-on-month basis, headline inflation moderated to 0.2% from 0.3% in December. The moderation in inflation strengthens expectations of a potential policy rate cut as early as June 2026.
- The UK economy grew marginally by 0.1% QoQ in Q4-2025, unchanged from Q3 and below the 0.2% consensus forecast, highlighting continued economic fragility. Growth was constrained by weak consumer demand and subdued business investment, with household consumption slowing to 0.2% from 0.4% and gross fixed capital formation reducing slightly by 0.1%. Net trade also weighed on activity as imports increased by 0.80% while exports declined by 0.60%. Government spending offered modest support, rising by 0.4% QoQ on higher health, defense, and social care outlays. On an annual basis, GDP growth moderated to 1.0% y/y in Q4-2025 (Q3: 1.2%), reflecting softer industrial output, weaker external demand, and cautious investment amid the lingering impact of US trade tariffs.
- China's headline inflation moderated to 0.2% y/y in January 2026 (December: 0.8%), reflecting weaker food prices amid soft demand and stable commodity markets. Non-food inflation also eased despite policy support, while lower fuel costs deepened transport deflation. Core inflation declined to a six-month low, pointing to subdued underlying demand. On a month-on-month basis, prices rose modestly, unchanged from December. Producer prices remained in deflation, although the pace of contraction slowed as input cost pressures eased. Nonetheless, excess industrial capacity and continued weakness in the property sector kept factory-gate prices under pressure.

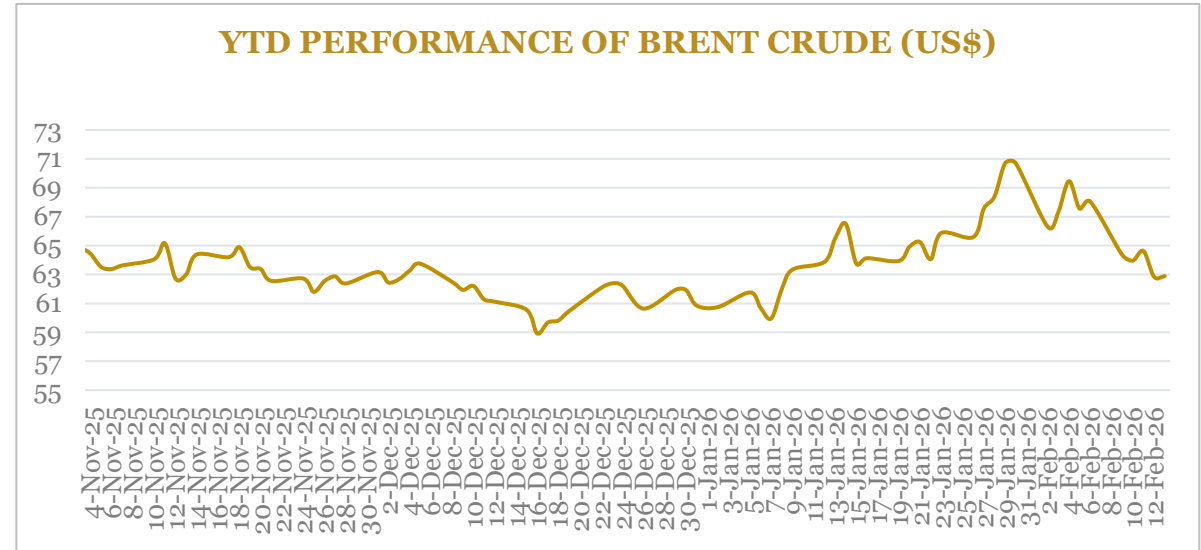
## Global Economic Data

	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	2.40% (Jan. 2026)	2.70% (Dec. 2025)	-0.30%
China GDP	4.50% (Q4-2025)	4.80% (Q3-2025)	-0.40%
China Inflation	0.20% (Jan. 2026)	0.80% (Dec. 2025)	-0.60%



# Crude Oil Price Update

- Crude oil prices fell last week for the second consecutive week, as forecasts of ample supply kept downward pressure on the market. Concerns over oversupply, along with easing geopolitical risks from ongoing US-Iran talks, contributed to the decline.
- On a week-on-week basis, Brent crude prices declined by **0.44%**, closing at \$67.75 per barrel, while WTI depreciated by **1.04%**, settling at \$62.89 per barrel.



Crude Oil Prices	Current	Previous	Change
Brent Crude Oil(\$)	67.75	68.05	0.44%
WTI Crude Price (\$)	62.89	63.55	1.04%

# Domestic Update



- The National Pension Commission (PenCom) has increased the allowable investment limits for ordinary shares across key Retirement Savings Account (RSA) fund categories. The new equity caps are: RSA Fund I – 35% (previously 30%), RSA Fund II – 33% (up from 25%), RSA Fund III – 15% (up from 10%), and RSA Fund VI (Active) – 33% (up from 25%). PenCom says the adjustment is intended to give Pension Fund Administrators (PFAs) greater flexibility to deploy excess liquidity, particularly in light of the limited number of qualifying alternative investment instruments. The higher equity limits are expected to channel more capital into the Nigerian stock market, where PFAs are already significant players, potentially boosting liquidity and market activity. As of December 2025, total equity holdings across the four fund classes stood at NGN3.55 trillion, representing roughly 3.55% of the NGX market capitalization of NGN100.01 trillion. Even a modest increase in equity allocation could therefore have a meaningful effect on the market. From a performance perspective, expanding equity exposure could enhance portfolio returns, especially given the recent positive momentum in the local bourse.
- The Central Bank of Nigeria (CBN) has reopened the official foreign exchange (FX) window to licensed Bureau de Change (BDC) operators, allowing each to purchase up to USD150,000 per week at the prevailing official rate. The move aims to reintegrate BDCs into the formal FX supply chain, enhancing liquidity and alleviating persistent pressures in the parallel market. For context, BDCs previously had access to the official market with a weekly limit of USD20,000 but were restricted in July 2021 over regulatory compliance concerns. Temporary access was reinstated in late 2024 with a revised limit of USD25,000 per operator, but this ended in May 2025. Following the closure, many BDCs relied on secondary channels for FX, contributing to renewed liquidity shortages and wider spreads in the parallel market. The expanded weekly limit—from USD25,000 to USD150,000—has the potential to significantly boost FX liquidity, given that BDCs serve as a key retail source of FX demand. With 82 licensed operators, weekly supply could increase by as much as USD12.3 million. This should help ease pressures in the parallel market and narrow the gap between official and parallel exchange rates, which recently widened to as much as NGN90.74 due to constrained liquidity. CBN's requirements that unused FX be returned within 24 hours and that cash transactions be limited to 25% of purchases are expected to reduce speculative activity. However, risks remain: if FX inflows fail to keep pace with demand, the expanded BDC access combined with ongoing interventions in the official market could place additional pressure on external reserves.

# Foreign Exchange Update

- Naira maintained a bullish trajectory last week, gaining ground in both the official and parallel FX markets. At the Nigerian Foreign Exchange Market (NFEM), the Naira strengthened by 0.80% week-on-week, closing at ₦1,355.42/US\$ compared with ₦1,366.20/US\$ the prior week. In the parallel market, the Naira also firmed, appreciating by 2.14% to ₦1,400/US\$ from ₦1,430/US\$ the previous week. This was partly supported by the CBN's decision to allow BDC operators weekly purchases of \$150,000 from the official FX window.
- Similarly, Nigeria's gross external reserves increased by \$830.26 million to \$47.53 billion as of February 10 from \$ 46.70 billion as of February 3..

## Fixed Income Market

- System liquidity strengthened consistently through the week, opening Monday at ₦2.75 trillion and rising steadily to ₦4.32 trillion by Friday, supported by OMO repayment and CRR maintenance credits. Daily increases ranged between ₦49 billion and ₦508 billion. Consequently, interbank rates remained contained, with only mild fluctuations in the overnight rate, which hovered around the 22.8% level despite intermittent day-on-day movements.
- The bills market sustained a bullish bias through the week, driven by demand across mid- to long-dated NTBs and OMO papers. Early sessions saw cherry-picking in Aug–Dec 2026 and Jan 2027 maturities, while OMO Jan papers traded around mid-16.00% levels. Activity moderated midweek, but demand persisted, especially on Feb 2027 and Jan 2027 maturities. Overall, buying interest compressed yields modestly, with average yields easing by week’s end.
- The FGN bond market began the week with mild buying interest across the 2031–2035s, briefly compressing yields toward 16.55%–16.60%. Midweek activity turned selective, with light volumes and limited execution amid wide spreads. Sentiment weakened thereafter, as selling pressure intensified across mid-tenors and the belly. By Friday, yields on key maturities, particularly the 2032s and 2035s, climbed toward 16.80%–16.85%, leaving average benchmark yields higher week-on-week.

## Equity Market

- The Nigerian stock market ended last week on a positive note, driven partly by increased pension fund allocations to equities and robust buying interest in blue-chip stocks such as MTNN, DANGCEM, ZENITH, SEPLAT, and GTCO. Positive sentiment persisted across all five trading days, fueling broad market gains. Consequently, the NGX All-Share Index jumped by **6.16%** to finish at 182,313.08 points, up from 171,727.49 points the previous week. Meanwhile, market capitalization expanded by ₦6.8 trillion to ₦117.03 trillion, pushing year-to-date returns to **17.16%**.
- Market sentiment was boosted by strong gains in CAP (**+32.93%**), MTNN (**+14.32%**), SEPLAT (**+13.98%**), GTCO (**+11.72%**), ZENITHBANK (**+10.00%**), and DANGCEM (**+6.81%**), while notable declines were seen in ETI (**-13.29%**), SAHCO (**-11.59%**), GUINNESS (**-9.97%**), and CWG (**-9.70%**).
- Trading activity stayed strong, with volume rising by 13.31% week-on-week to 4.34 billion units from 3.83 billion, while transaction value jumped by 49.60% to ₦192.45 billion from ₦128.64 billion, reflecting higher market participation and larger trade sizes.
- Sectoral gains were broad-based, led by Oil & Gas (**+11.40%**), Industrial Goods (**+7.09%**), Banking (**+5.84%**), Consumer Goods (**+2.95%**), and Insurance (**+0.65%**), reflecting the overall positive market trend.
- We expect the equities market to sustain its positive momentum this week, supported by improved liquidity following the recent increase in pension fund equity allocation limits by the National Pension Commission. This provides Pension Fund Administrators with greater capacity to invest in equities, bolstering demand, particularly in fundamentally strong stocks. While short-term profit-taking may emerge after the recent sharp rally, overall market sentiment remains constructive, with continued institutional activity likely to drive further gains.