



PARTHIAN
SECURITIES

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Market and Economic Update

18 March 2026

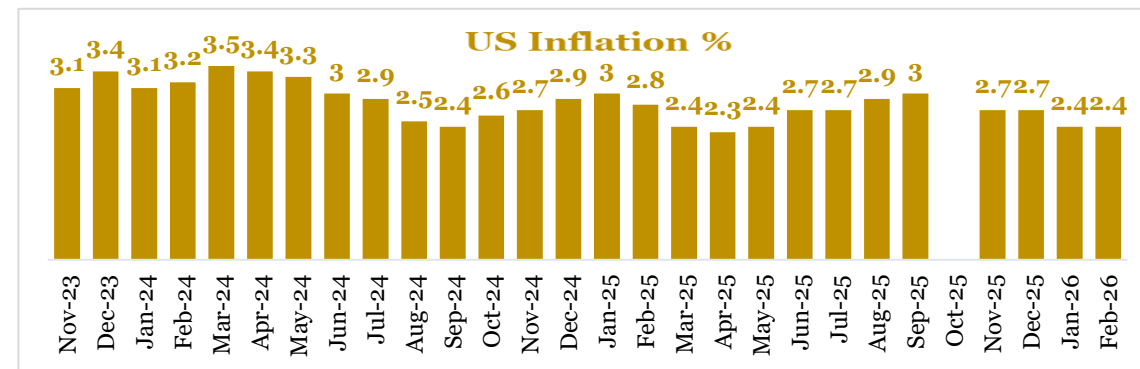
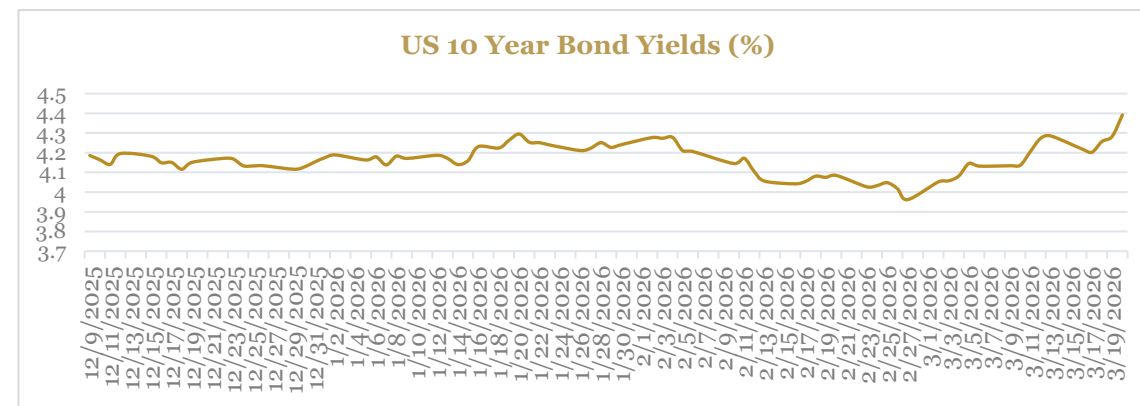
Global Update



- The U.S. Federal Reserve left its policy rate unchanged at 3.50%–3.75% at its second meeting of 2026, extending the pause that followed its last rate cut in 2025. In reaching this decision, policymakers assessed recent economic conditions, noting that overall activity remains resilient, with GDP expanding by 1.4% year-on-year in Q4 2025. However, concerns persist around a softening labour market evidenced by a rise in unemployment rate to 4.4% in February and inflation that remains somewhat sticky at 2.4%, still above the Fed’s 2.0% target. Against this backdrop, the majority of committee members opted to hold rates steady while continuing to evaluate risks to their dual mandate of price stability and maximum employment. External factors, particularly the potential for an oil price shock linked to ongoing tensions in the Middle East, were also considered in their deliberations.
- South Africa’s inflation continued its downward trend in February, with headline inflation easing to 3.0% year-on-year from 3.5% in January. This places inflation at the lower bound of the South African Reserve Bank’s 3% ±1% target range. The moderation was partly driven by a delay in the usual February adjustment of medical scheme tariffs, which helped slow health insurance inflation to 6.4% year-on-year, down from 10.5% recorded in the same period last year. A notable drop in fuel prices, which declined by 10.1% year-on-year amid softer global oil prices and a stronger rand, also contributed to the overall easing in price pressures. Food inflation provided additional relief, with the food and non-alcoholic beverages category slowing to 3.7% year-on-year from 4.4% in January. This was largely supported by lower prices for staple items such as cereals, rice, spaghetti, and bread, which helped offset increases in beverage prices. On a month-on-month basis, however, inflation edged higher to 0.4% in February from 0.2% in January, suggesting a slight pickup in short-term price pressures.

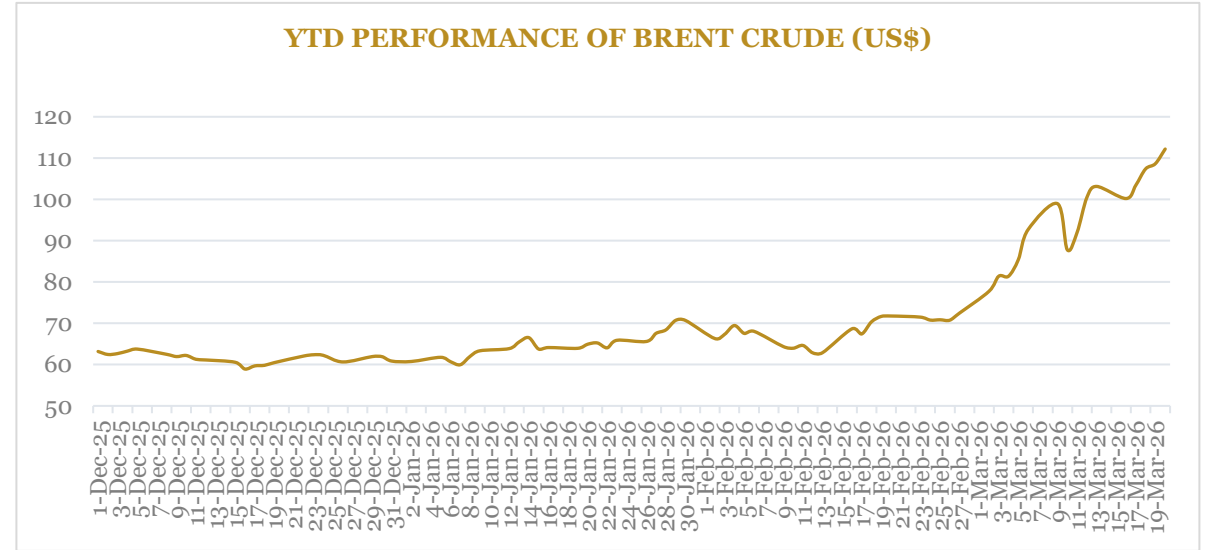
Global Economic Data

	Current	Previous	Change
US GDP	1.40% (Q4-2025)	4.40% (Q3-2025)	-3.00%
US Interest Rate	3.50% - 3.75% (Mar. 2026)	3.50% - 3.75% (Jan. 2026)	0.00%
US Inflation	2.40% (Feb. 2026)	2.40% (Jan. 2025)	0.00%
China GDP	4.50% (Q4-2025)	4.80% (Q3-2025)	-0.40%
China Inflation	1.30% (Feb. 2026)	0.20% (Jan. 2026)	1.10%



Crude Oil Price Update

- Crude oil prices closed last week on a positive note, supported by escalating geopolitical tensions involving the U.S., Israel, and Iran, as well as ongoing constraints around the Strait of Hormuz.
- Investor sentiment was further influenced by reports of military action targeting Iran’s energy assets. More recently, Israeli strikes on the country’s largest natural gas facility have intensified concerns about potential long-term supply disruptions across the Middle East, adding upward pressure to prices.
- On a week-on-week basis, Brent crude advanced by **8.77%** to close at \$112.19 per barrel, while WTI rose **1.53%** to settle at \$98.32 per barrel.



Crude Oil Prices	Current	Previous	Change
Brent Crude Oil(\$)	112.19	103.14	8.77%
WTI Crude Price (\$)	98.32	96.84	1.53%

Domestic Update



- Nigeria's inflation continued its downward trend, falling slightly to 15.06% in February 2026, down from 15.10% in January. However, underlying dynamics were mixed. Food inflation rebounded to 12.12% after hitting a decade-low of 8.89% in January, signaling renewed pressure on essential consumer goods. Meanwhile, core inflation eased sharply to 15.88% from 17.72%, suggesting that price pressures in non-food goods and services are beginning to ease. On a monthly basis, inflation returned to positive territory in February (+2.01%), reversing the contraction in January (-2.88%). In the coming months, the domestic disinflation trend could face short-term disruptions from global energy shocks linked to ongoing U.S.–Israel–Iran tensions. The recent rise in food prices due to the onset of the planting season may also keep inflation sticky.
- Nigeria's balance of payments (BoP) remained in surplus at \$4.23bn in 2025, albeit down 38% YoY, driven by a drop in current account surplus. The current account declined to \$14.04bn (2024: \$19.03bn), reflecting weaker crude oil export earnings amid lower prices, alongside rising imports. Nonetheless, gains from gas exports, refined petroleum sales, and reduced fuel imports helped sustain the surplus. On the financial account, Nigeria shifted to net borrowing of \$1.69bn, as foreign portfolio inflows weakened, although this was partly offset by stronger FDI and other investments. External reserves rose by 13.8% YoY to \$45.75bn, supporting FX stability. We expect the BoP to remain positive, underpinned by higher oil prices and increased refined petroleum products exports from the Dangote refinery. This would be further supported by growth in non-oil exports.
- Dangote Petroleum Refinery has increased the ex-depot price of Premium Motor Spirit (PMS) to ₦1,275 per litre, marking the fifth upward adjustment in March. The move reflects heightened volatility in global oil markets, with crude prices remaining elevated above \$100 per barrel amid the ongoing Iran-related tensions. The sustained price increases are expected to pass through to retail pump prices nationwide, with spillover effects on transport and logistics costs. Consequently, this is likely to intensify inflationary pressures in the coming months, particularly through higher food and core inflation, as energy costs feed into the broader price structure of the economy.

Foreign Exchange Update

- At the Nigerian Foreign Exchange Market (NFEM), the Naira appreciated by 0.91% to ₦1,353.90/\$ on March 18, compared with ₦1,366.23.26/\$ in the previous week. Similarly, the parallel market recorded a gain, with the Naira appreciating by 0.71% to ₦1,400.00/\$ from ₦1,410.00/\$ the previous week.
- Nigeria's gross external reserves declined by \$180.64 million to \$49.83 billion as of March 17 down from \$50.01 billion as of March 10.

Fixed Income Market

- System liquidity opened the week in a net credit position of ₦6.78 trillion, buoyed by a prior-session CRR refund, and improved steadily through the week on OMO repayments, coupon inflows, and FAAC receipts, reaching ₦8.24 trillion. The sustained credit surplus kept interbank rates low throughout, with the overnight rate declining 12 bps w/w to settle at 22.21%.
- The Treasury bills market was largely quiet through the week, with participants adopting a cautious stance ahead of the NTB auction. Activity centred on the 11-Mar bill, with axes quoted around 16.55%/16.40%, while June OMO papers traded around 19.70%. At Wednesday's auction, the DMO offered ₦1.05 trillion across the three standard tenors, selling ₦692 billion at a 2.9x subscription, with stop rates closing at 15.95%, 16.62%, and 16.63%.
- The FGN bonds market was active early in the week, with investors cherry-picking across the short- to mid-end of the curve, with emphasis on the 2034s and 2035s at yields below 16.00%. Activity tapered into a quiet, mildly bullish tone mid-week as participants awaited the March auction circular. Select trades passed through on the 2031s, 2034s, and 2035s around 16.15%, 16.00%, and 15.95%, respectively.

Equity Market

- The Nigerian equities market maintained its bullish momentum last week, with the benchmark index recording gains in two of the three trading sessions, as the Federal Government declared Thursday, March 19 and Friday, March 20, 2026, as public holidays for the Eid-el-Fitr celebration. The positive performance was largely underpinned by bargain hunting across the Industrial Goods and Banking sectors. Consequently, the All-Share Index (ASI) and market capitalization increased by **1.39%** week-on-week to close at 201,156.86 points and ₦129.13 trillion, respectively. This lifted the year-to-date return to **29.27%** from 27.50%.
- The upward movement was primarily supported by gains in large-cap and mid-tier stocks, including BUACEMENT (+21.00%), PREMPAINTS (+20.62%), ZENITHBANK (+14.64%), GUINNESS (+9.92%), IKEJAHOTEL (+8.33%), BERGER (+7.73%), ETRANZACT (+7.40%), UBA (+7.14%), NAHCO (+6.47%), FIRSTHOLDCO (+6.00%), WAPCO (+5.89%), CADBURY (+4.40%), WEMABANK (+3.85%), ACCESSCORP (+3.21%), JAIZBANK (+2.33%), DANGCEM (+1.90%), NGXGROUP (+1.13%) and VITAFOAM (+1.12%). On the downside, profit-taking activities weighed on several counters, with PRESCO (-18.37%), ETERNA (-12.77%), REDSTAREX (-9.98%), ARADEL (-9.68%), VFDGROUP (-7.60%), NEIMETH (-6.82%), INTBREW (-6.02%), UACN (-3.41%), NB (-3.21%), and NEM (-2.94%) leading the laggards.
- Despite the shortened trading week due to the public holidays, market activity strengthened, as total traded volume surged to 8.76 billion shares valued at ₦267.25 billion across 193,473 deals, compared to 3.32 billion shares worth ₦164.85 billion recorded in 318,907 deals in the preceding week.
- Sectoral performance was mixed during the week. The Industrial Goods and Banking sectors increased by **9.67%** and **4.31%**, respectively, while the Oil & Gas, Insurance, and Consumer Goods sectors posted losses of **4.78%**, **0.42%**, and **0.10%**, respectively.
- We expect mixed sentiment this week as Middle East tensions may dampen investor confidence and influence local equities. However, earnings releases and corporate actions should guide trading, with demand for fundamentally strong dividend-paying stocks.