



PARTHIAN  
SECURITIES

*A Trading License Holder of the Nigerian Exchange Limited*

# Market and Economic Update

---

20 February 2026

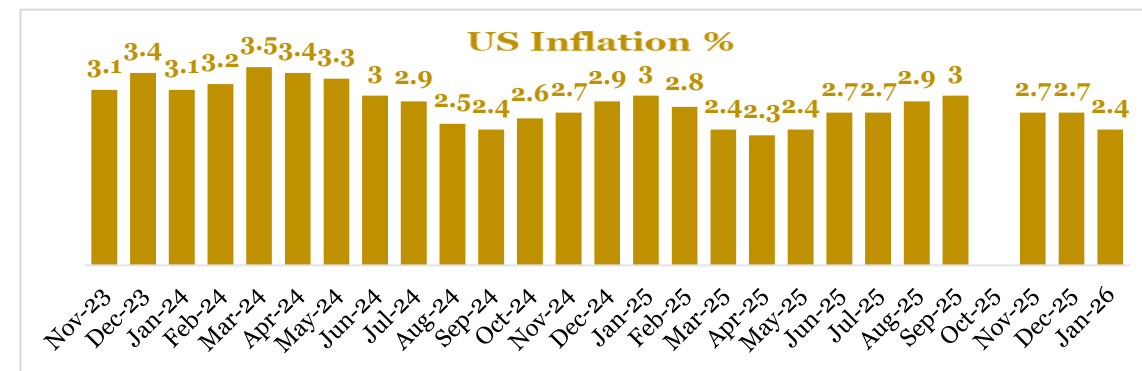
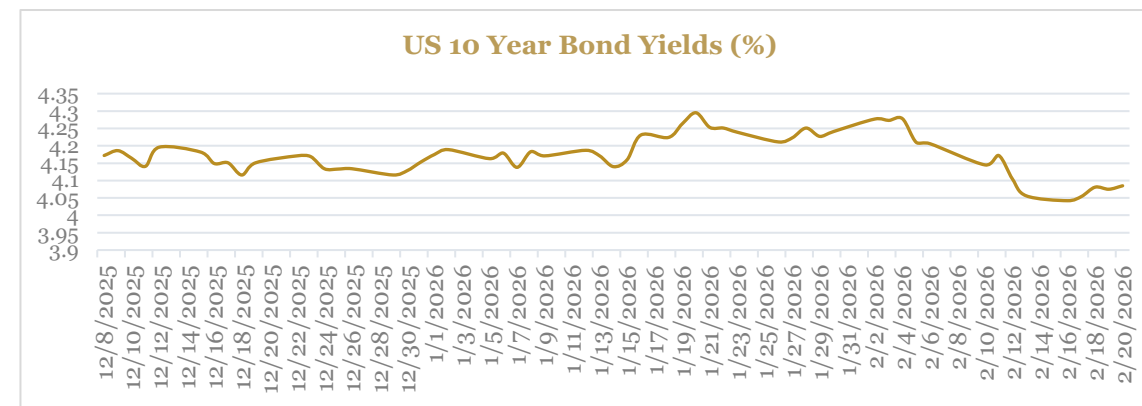
# Global Update



- The U.S. economy grew by 1.4% quarter-on-quarter in Q4 2025, a sharp slowdown from the 4.4% expansion recorded in Q3 and well below the 3.0% market expectation. The softer outturn largely reflected weaker consumer momentum and a pullback in public sector spending, which more than offset the recovery in private investment. Household spending eased to 2.4% q/q from 3.5% in the preceding quarter, weighed down by reduced goods purchases and a more moderate pace of services consumption. Meanwhile, government spending declined by 5.1% QoQ compared to a 2.2% increase in Q3, primarily due to lower federal expenditures across both defence and non-defence categories amid the government shutdown, which disrupted budget implementation and temporarily constrained discretionary outlays. In contrast, private investment rebounded strongly, expanding by 3.8% QoQ after being flat in Q3, supported by renewed strength in both residential and non-residential investment activity. On a year-on-year basis, real GDP growth moderated slightly to 2.2% in Q4 2025 from 2.3% in Q3, bringing full-year 2025 growth to 2.2%.
- UK headline inflation eased to 3.0% year-on-year in January, down from 3.4% in December and broadly in line with consensus expectations. The latest print marks the lowest inflation reading in ten months, reflecting improving price dynamics across key consumer categories. The moderation was largely underpinned by softer food and services inflation. Food price growth slowed markedly to 3.6% YoY from 4.5% previously, supported by easing prices in staples such as bread, cereals, and meat products. Services inflation also edged lower to 4.4% YoY from 4.5%, driven in part by more contained costs for gas, housing, and utilities. Core inflation which strips out food and energy declined slightly to 3.1% YoY from 3.2%, marking its lowest level since August 2021 and pointing to a gradual cooling in underlying price pressures. On a month-on-month basis, consumer prices fell by 0.5% in January, reversing the 0.4% increase recorded in December.
- South Africa's annual inflation rate edged lower to 3.5% in January 2026 from 3.6% in December 2025, remaining comfortably within the South African Reserve Bank's 3%–6% target range. The marginal decline was largely attributable to softer transport costs, particularly a 3.7% year-on-year drop in fuel prices, which helped to offset ongoing price pressures across other consumer categories. Food inflation was unchanged at 4.4% y/y. While price growth for cereals slowed markedly and rice and dairy products recorded deflation, these improvements were counterbalanced by sustained increases in meat prices, which accelerated to 13.5% y/y amid supply-side constraints. Core inflation also held steady at 3.4% y/y, reflecting higher banking service charges as financial institutions adjusted annual fees in January, alongside typical seasonal increases in education-related expenses at the start of the academic year.

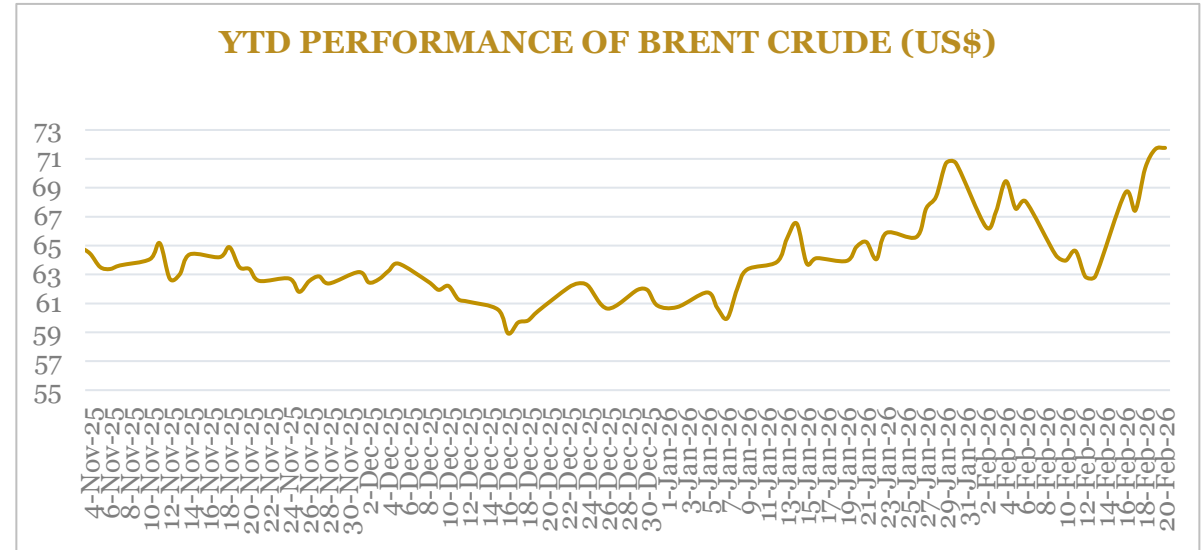
## Global Economic Data

	Current	Previous	Change
US GDP	1.40% (Q4-2025)	4.40% (Q3-2025)	-3.00%
US Interest Rate	3.50% - 3.75% (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 closed higher last week, posting their first weekly gain of the month as geopolitical tensions between the United States and Iran increased market uncertainty. Prices rose as traders priced in the risk of potential U.S. military action against Iran, which could disrupt Iranian crude exports and broader oil flows in the region. In particular, concerns centred on the Strait of Hormuz, a key global shipping route for oil where any disruption could significantly impact global supply. This heightened risk premium supported oil prices throughout the week.
- On a week-on-week basis, Brent crude prices appreciated by **5.92%**, closing at \$71.76 per barrel, while WTI improved by **5.80%**, settling at \$66.39 per barrel.



Crude Oil Prices	Current	Previous	Change
Brent Crude Oil(\$)	71.76	67.75	5.92%
WTI Crude Price (\$)	66.39	62.75	5.80%

# Domestic Update



- Contrary to expectations, Nigeria's headline inflation maintained its downward trajectory in January 2026, easing slightly to 15.10% year-on-year, down from 15.15% in December 2025. This marks the tenth consecutive month of disinflation, reflecting a sustained moderation in price pressures. While the year-on-year decline was modest, the month-on-month data tells a more striking story: consumer prices contracted by 2.88% in January, highlighting a notable softening in short-term inflation. Several factors contributed to this moderation, including lower PMS prices, Naira appreciation, the harvest impact, and consumer spending normalization after the December festive surge.
- Figures published by the Nigerian Upstream Petroleum Regulatory Commission show that Nigeria's total crude oil output, including condensates, fell to 1.63 million barrels per day (mbpd) in January 2026, down from 1.74 mbpd in January 2025 a 6.33% year-on-year decline. The weaker performance reflected reduced volumes at several major export terminals, including Bonny Terminal and Escravos Terminal, as well as a sharp drop at the Tulja/Okwuibome Terminal.
- Although production rose modestly on a month-on-month basis (up 5.68%), the annual contraction highlights ongoing structural and operational constraints within the sector. Output remains below the government's 2026 production benchmark of 1.84 mbpd, posing downside risks to projected oil revenues. A sustained shortfall could weaken fiscal performance, potentially increasing reliance on borrowing to finance the budget deficit and adding pressure to the country's debt profile. In addition, softer production levels combined with relatively subdued global crude prices continue to weigh on export earnings. As of 9M 2025, oil exports were down 9.09% year-on-year, reflecting weaker price dynamics. Given that crude oil remains Nigeria's primary source of foreign exchange, prolonged weakness in oil receipts could further tighten FX liquidity conditions in the domestic currency market if global prices remain soft.

# Foreign Exchange Update

- The Naira recorded a strong performance last week, appreciating across both the official and parallel markets amid sustained positive sentiment in the FX market. At the official window (NFEM), the currency strengthened by 68 basis points week-on-week, moving from ₦1,355.42/US\$ to close at ₦1,346.32/US\$. Similarly, gains were more pronounced in the parallel market, where the Naira advanced by 448 basis points to ₦1,340/US\$, compared with ₦1,400/US\$ in the prior week. This narrowed the gap between the two markets, with the premium settling at approximately ₦6.32/US\$.
- Similarly, Nigeria's gross external reserves strengthened further last week, rising by US\$691.70 million on a week-on-week basis to US\$48.50 billion as of February 17, extending a nine-week streak of steady accretion.

## Fixed Income Market

- System liquidity, last week, moderated through the week, opening Monday at N4.68trn before tapering to N3.39trn Tuesday and N3.02trn Wednesday. Balances declined further to N1.89 trillion Thursday, reflecting N1.14 trillion in net NTB settlements, before recovering to N2.16 trillion Friday. Despite the drawdown, liquidity conditions remained robust. The open repo rate held at 22.50%, while the overnight rate edged up midweek and eased 15 bps to close at 22.86% at week's end.
- The bills market sustained a generally firm tone last week, shaped by primary market activities. Early demand followed the CBN's N600bn OMO offer, which was heavily oversubscribed, driving yields lower on select NTBs and OMO maturities. Attention later shifted to the DMO's N1.15 trillion NTB auction, which cleared strongly with robust subscription levels. Secondary activity centred on mid- to long-dated papers, while cautious positioning emerged Friday ahead of the MPC meeting.
- The FGN bond market traded calmly with a bullish undertone for most of the week. Early demand in mid-tenors, notably the 2032s and 2035s, drove yields lower following the 15.10% CPI print, with average yields down c.40bps Monday. Activity remained selective midweek, focused on the 2029s, 2032s, 2034s, and 2035s, though volumes were thin. By Thursday, yields ticked up 5 bps amid cautious sentiment, as participants positioned ahead of the February bond auction.

## Equity Market

- The Nigerian stock market maintained a bullish streak for the third straight week, with the index rising by **6.95%** week-on-week to close at 194,989.77 points compared with 182,313.08 points the previous week. Similarly, market capitalization increased by **6.95%** to ₦125.16 trillion from ₦117.03 trillion. This brings the year-to-date return to **25.30%** from 17.16%.
- The sustained positive momentum was largely due to strong gains in major large-cap stocks, with PRESCO (**+21.86%**), NESTLE (**+16.45%**), NAHCO (**+15.35%**), FIRSTHOLDCO (**+12.15%**), WAPCO (**+11.41%**), DANGCEM (**+10.13%**), MTNN (**+10.03%**), OKOMUOIL (**+10.00%**), ARADEL (**+9.73%**), STANBIC (**+9.52%**), BUACEMENT (**+9.38%**), SEPLAT (**+8.33%**), and GTCO (**+5.36%**).
- Market activity was largely bullish last week, with total traded volume increasing to 7.66 billion shares valued at ₦252.57 billion across 345,118 deals from 4.65 billion shares worth ₦193.33 billion in 286,751 deals the previous week. Sectors broadly mirrored the market's upbeat sentiment last week.
- Sectors broadly mirrored the market's upbeat sentiment. The Industrial Goods index led with a **10.10%** week-on-week gain, boosted by strong performances in BETAGLAS and WAPCO. Oil & Gas followed with an **8.66%** rise, supported by targeted buying in JAPAUFGOLD, ARADEL, and SEPLAT. Consumer Goods climbed by **6.10%**, driven by bargain-hunting in NASCON, NESTLE, and MCNICHOLS, while Banking gained by **5.68%** on renewed interest in FIRSTHOLDCO and STANBIC. Insurance also posted a solid **4.73%** increase, underpinned by sustained demand for FGTINSURE, CUSTODIAN, MBENEFIT, and LASACO.
- This week, market direction is expected to be influenced by audited earnings reports and dividend announcements across major sectors such as Cement, Telecommunications, Oil & Gas, and Consumer Goods. Investors will also be watching the CBN's MPC meeting closely.