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Market and Economic Update

24 April 2026

Global Update

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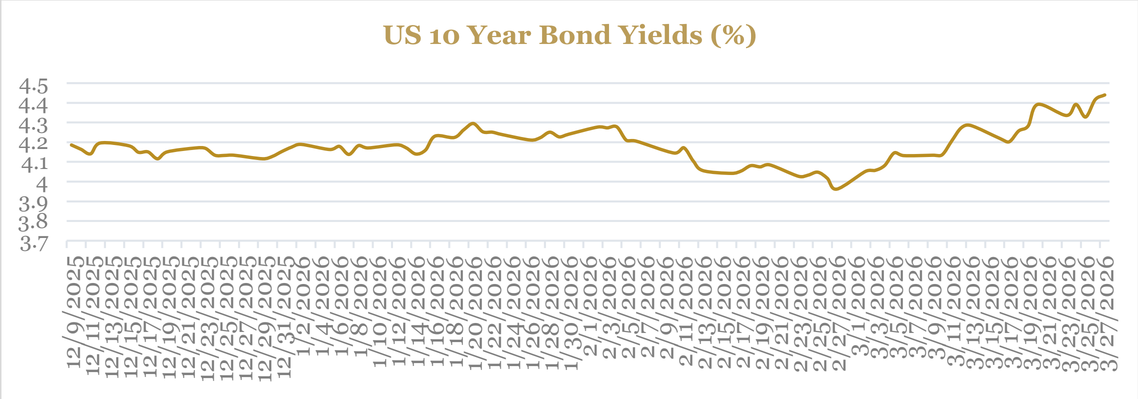
- According to Office for National Statistics (ONS), Inflation in the UK jumped to 3.3% in March from 3.0% in February, reflecting a notable uptick driven by rising fuel prices, which saw their largest increase for over three years. The surge was largely triggered by geopolitical tensions involving Iran, which pushed global oil prices higher and transmitted quickly into domestic energy and transportation expenses. Elevated fuel costs have increased both household expenditure and business input costs, reinforcing inflationary pressures across the economy. Before the war began on Feb.28, the Bank of England was expected to cut interest rates as inflation was cooling to its 2% target. However, the rise in inflation may prompt the Bank of England (BoE) to maintain a cautious policy stance, delaying potential rate cuts. While in turn this could weigh on consumer demand, corporate margins, and broader economic growth in the near term.

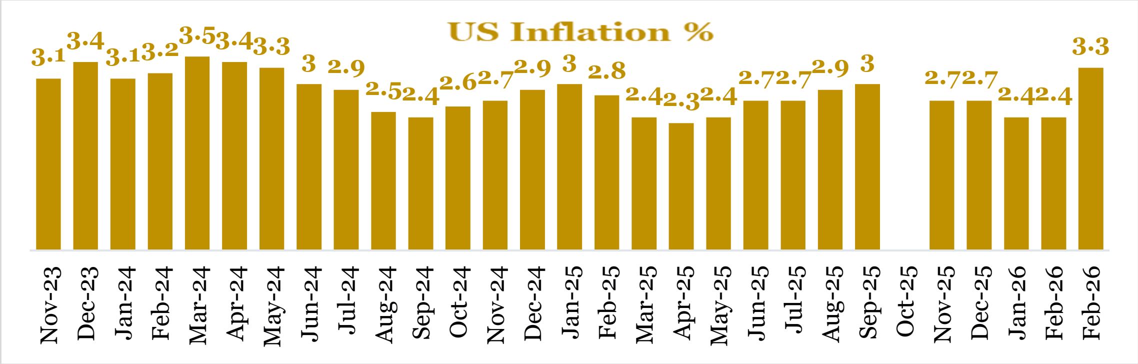
- Inflation in South Africa edged higher to 3.10% YoY in March 2026 from 3.00% in the prior month, in line with market expectations, reflecting a modest uptick in price pressures. The increase was primarily driven by rising food and fuel costs, alongside persistent services inflation. Despite the upward movement, inflation remains within the target range of the South African Reserve Bank, suggesting relative price stability compared to prior periods of volatility. The data indicates a gradual normalization of inflation dynamics, although underlying risks persist due to external pressures such as global commodity prices and exchange rate fluctuations. The outcome reinforces a cautious but balanced monetary policy outlook.

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%**



Source: Investing.com, PSL Research



Source: Trading economics, PSL Research

Crude Oil Price Update

- Global crude oil prices posted a strong rebound last week, driven by a resurgence in geopolitical risk premium. Brent Crude climbed to $105bbl (+10.64% WoW), while West Texas Intermediate (WTI) advanced to $94.4/bbl (+2.25% WoW). The primary catalyst was escalating tensions in the Middle East, particularly around the Strait of Hormuz, which raised concerns over potential supply disruptions. This was reinforced by a significant drawdown in U.S. crude inventories and continued supply restraint from OPEC+.

- Looking ahead, prices are expected to remain elevated but volatile, as persistent supply-side risks support the market, while any easing in geopolitical tensions or emerging demand concerns could trigger short-term corrections.

YTD PERFORMANCE OF BRENT CRUDE (US$)

Source: Investing.com, PSL Research

Crude Oil Prices	Current	Previous	Change
Brent Crude Oil($)	105.33	90.38	10.64%
WTI Crude Price ($)	94.4	83.85	2.25%

Domestic Update

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- Bola Ahmed Tinubu has requested approval from the Nigerian Senate for a $516.33 million syndicated loan from Deutsche Bank AG to finance Sections 1, 1A, and 1B of the 1,000km Sokoto–Badagry Superhighway. The facility carries a nine-year tenor, up to three-year grace period, and pricing of SOFR +5.3%, alongside ₦265.5 billion in counterpart funding. The borrowing reflects infrastructure financing needs amid fiscal constraints and follows earlier approvals, including a $6 billion external facility. However, with public debt at ₦159.28 trillion and external debt at $51.86 billion, sustainability concerns remain. While the project supports trade and logistics efficiency, rising debt levels could weigh on investor sentiment and sovereign credit outlook.

- The Federation Account Allocation Committee (FAAC) disbursed ₦2.04 trillion in March 2026, up from ₦1.89 trillion in February marking a notable increase in revenue allocation across government tiers. This increase was primarily driven by stronger statutory revenues (₦1.32 trillion), higher VAT (₦515.39 billion), and an additional ₦200 billion as augmentation. Of the total allocation, the Federal Government received ₦789.16 billion, while state governments and local governments were allocated ₦657.60 billion and ₦468.83 billion, respectively. Oil-producing states also received ₦120.76 billion as derivation revenue. This reflects improved fiscal inflows amid a relatively supportive oil price environment and ongoing revenue mobilization efforts. However, the reliance on oil-linked revenues continues to expose fiscal performance to global commodity price fluctuations.

- Nigeria's oil production rose to 1.55mb/d in March 2026 from 1.48mb/d in February, reflecting a 4.19% increase, according to the Nigerian Upstream Petroleum Regulatory Commission. The recovery was largely driven by the completion of maintenance activities, particularly at the Bonga field, which restored previously constrained volumes. Despite the improvement, output remains below the 1.84mb/d budget benchmark. However, elevated oil prices (around $99.41/bbl, significantly above the $64.85 benchmark) are expected to cushion revenue shortfalls. From a market standpoint, stronger oil receipts should enhance FX inflows and fiscal buffers. Sustained recovery will depend on continued infrastructure investment and improved security to curb supply disruptions.

Foreign Exchange Update

- At the Nigerian Foreign Exchange Market (NFEM), the Naira weakened by 1.09% to ₦1,358.44/$ on April 24, from ₦1,343.64/$ the previous week. Similarly, in the parallel market, the Naira fell by 1.20% to ₦1,420/$ compared to ₦ 1,405.00/$ the previous week.

- Nigeria's gross external reserves declined by $198.85 million to $4845 billion as of April 23, down from $48,65 billion as of April 16.

Fixed Income Market

- System liquidity printed higher, opening at ₦3.566 trillion on Monday, and closing at ₦3.969trn trillion on Friday, on the back of OMO sales and Net NTB settlements during the week. Open Repo Rate (OPR) held steady at 22.00%, while the Overnight (O/N) rates increased by 16bps to close at 22.32%, week-on-week.

- The week opened on a relatively calm note, as participants stayed on the side-line ahead of the NTB auction, with mild bearish sentiment reflected in improved offers across the curve. At the auction, ₦750bn was offered, with total subscription coming in at ₦2.36trn while ₦894.17bn was allotted across the 3 standard maturities. Stop rates remained unchanged at 15.95%, 16.19%, and 16.199% respectively. Post-auction, we saw improved demand driven by unmet demand, with the newly issued 1-year paper trading around 16.00%, while selective demand was seen on July and October maturities.

- The OMO segment saw pockets of demand at the short end early in the week around 21.25%. During the week, the CBN conducted an OMO auction where ₦600bn was offered across 7-day, 91-day, and 140-day tenors, with stop rates printing at 21.90%, 19.87%, and 19.91% respectively. Secondary market activity remained selective, with trades observed on the June and September 2026 maturities around 21.20 and 19.90 levels, respectively.

- The FGN bond market traded on a largely cautious note over the week, as investor sentiment remained mixed. Activity was generally subdued, with most trades concentrated at the belly of the curve, particularly in the 32s and 33s. The week opened quietly, with limited activity and a mild bearish undertone, as yields edged higher by about 10bps. This negative sentiment strengthened in the following session, driven by sustained selling interest in mid-dated papers.

- Midweek, the market saw a brief reversal in tone, as investors adopted a more selective approach ahead of the NTB auction results. This led to mild buying interest in the belly of the curve, particularly in the 32s and 33s, resulting in a marginal decline in yields by about 5bps. We observed sell pressure towards the latter part of the week, especially on the 32s and 35s. Consequently, average benchmark yields closed higher by approximately 28bps week-on-week.

Equity Market

- The Nigerian equities market extends its positive momentum last week, with the benchmark index recording a bullish run in all the five trading sessions. The uptick was largely supported by bargain hunting activities across the Industrial Goods, Banking, and Consumer Goods sectors. Consequently, the All-Share Index (ASI) and market capitalization increased by 3.94% week-on-week to close at 225,722.49 points and ₦145.34 trillion, respectively, lifting the year-to-date return to 45.05% from 39.56% in the prior week.

- Market rally was primarily driven by strong buying interest in large-cap counters, with notable gains recorded in UACN (+42.00%), NASCON (+32.63%), ZICHIS (+25.71%), CAP (+24.74%), WAPCO (+21.36%), PZ (+18.81%), FIRSTHOLDCO (+17.19%), UNILEVER (+17.13%), VITAFOAM (+14.88%), NAHCO (+10.00%), TRANSCOHOT (+10.00%), DANGCEM (+8.14%), BUAFOODS (+7.93%), ZENITHBANK (+7.86%), ACCESSCORP (+4.68%), GTCO (+4.12%), and BUACEMENT (+2.54%). Conversely, sell-offs weighed on select counters, with STANBIC (-13.82%), TRANSPOWER (-9.97%), ETRANZACT (-8.33%), FIDSON (-4.90%), ETERNA (-4.39%), and NGXGROUP (-3.00%), leading the laggards' chart.

- Market activity strengthened relative to the prior week, as total traded volume increased to 3.81 billion shares valued at ₦213.96 billion across 297,202 deals, compared to 3.59 billion shares worth ₦195.31 billion exchanged across 254,553 deals in the previous week.

- Sectoral performance was largely bullish across the sectors during the week. The Industrial Goods, Banking, Consumer Goods, Oil & Gas and the Insurance sectors increased by 7.70%, 6.81%, 5.25%, and 0.86% and 0.40% respectively.

- We anticipate a mixed to bearish sentiment in next week's trading sessions as investors might balance bargain-hunting opportunities with cautious positioning, while emerging profit-taking are likely to outweigh bargain-hunting interest following the recent market rally.