



PARTHIAN
SECURITIES

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Economic and Market Update

11 September 2026

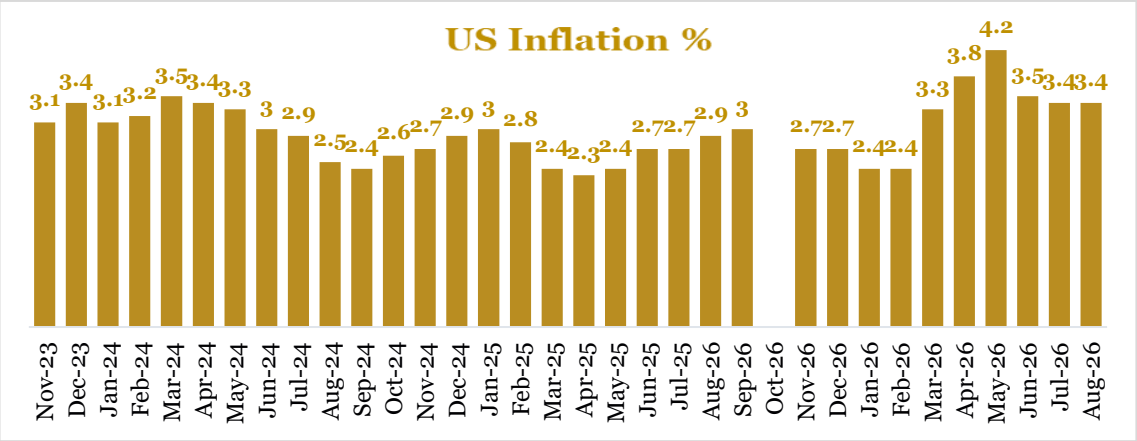
Global Update



- US headline inflation remained unchanged at 3.4% (year-on-year) in August, in line with expectations, as higher energy prices offset softer food inflation. Energy inflation accelerated to 16.3% from 14.7% in July, driven by a spike in gasoline (+27.4%) and fuel oil (+52.0%) prices, while food inflation eased to 2.7% from 3.0%. Core inflation also moderated to 2.4% from 2.5%, reflecting a slower pace of increase in shelter and medical care services. On a monthly basis, headline CPI rose by 0.4%, up from 0.1% in July. Persistent inflation above the Federal Reserve’s 2.0% target, alongside renewed energy price pressures, reinforces expectations of a 25bps rate hike at the September 15–16 FOMC meeting. While moderating core inflation provides some offset, higher oil prices and trade-related cost pressures pose upside risks to inflation.
- The European Central Bank (ECB) raised its three key policy rates by 25bps at its September meeting, its second-rate hike of the year, as the prolonged Middle East conflict sustained energy-related inflation pressures. The deposit, refinancing and marginal lending rates rose to 2.50%, 2.65% and 2.90%, respectively. The ECB retained its 2026 inflation forecast at 3.0%, while raising its 2027 and 2028 projections to 2.5% and 2.1%. Growth forecasts were also upgraded to 0.9% for 2026 and 1.4% for 2027, reflecting stronger economic resilience. We expect the ECB to maintain a tightening bias as elevated energy prices keep inflation above target. However, given the drag on consumption and growth, further hikes are likely to be measured and data-dependent.

Global Economic Data

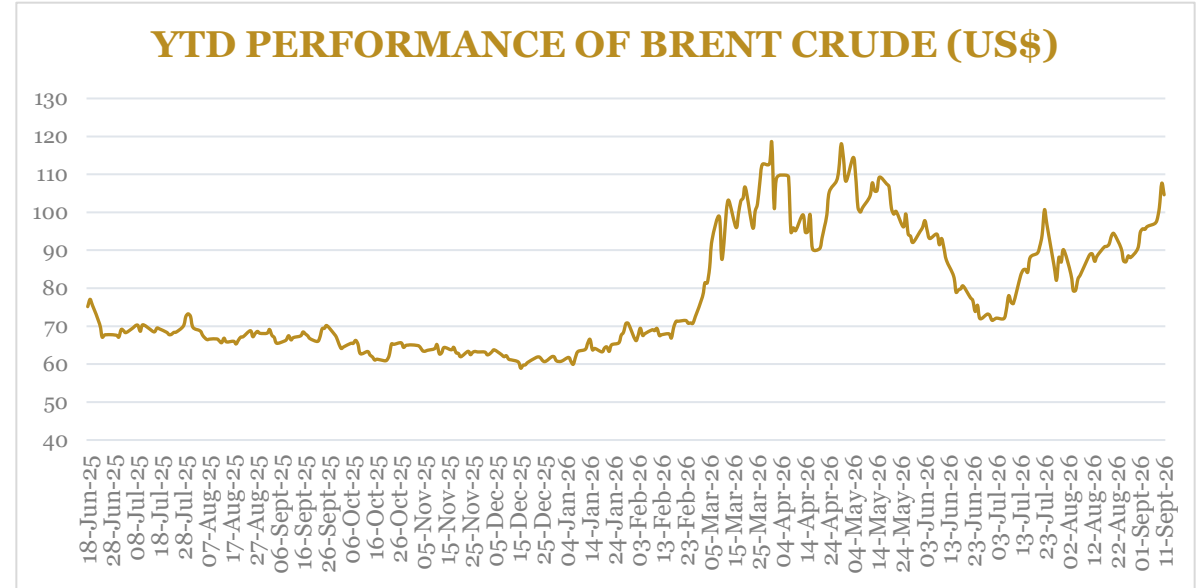
	Current	Previous	Change
US GDP	1.50% (Q2-2026)	2.10% (Q1-2026)	-0.60%
US Interest Rate	3.50% - 3.75% (Jul. 2026)	3.50% - 3.75% (Jun. 2026)	0.00%
US Inflation	3.40% (Aug. 2026)	3.40% (Jul. 2026)	0.00%
China GDP	4.3% (Q2-2026)	5.0% (Q1-2026)	-0.70%
China Inflation	1.00% (Jun. 2026)	1.20% (May. 2026)	-0.20%



Source: [Tradingeconomics.com](https://tradingeconomics.com), PSL Research

Crude Oil Price Update

- Global crude oil prices extended its rally last week as escalating attacks on oil infrastructure and shipping routes in the Middle East heightened concerns over potential supply disruptions. Renewed hostilities involving the US and Iran, alongside increased activity by Iran-backed Houthis around the Bab el-Mandeb Strait, intensified concerns over the security of key oil transit routes and pushed Brent crude briefly towards US\$110/bbl. However, reports of diplomatic efforts to facilitate shipping through the Strait of Hormuz triggered a late-week pullback.
- On a week-on-week basis, Brent crude rose by **8.65%** to US\$104.61/bbl, while WTI gained **9.37%** to US\$100.05/bbl, bringing their cumulative two-week gains to approximately **19%** and **20%**, respectively.
- Looking ahead, we expect crude oil prices to remain elevated and volatile, with developments around the Strait of Hormuz and Bab el-Mandeb likely to remain the primary near-term drivers. A sustained disruption to major shipping routes or further attacks on energy infrastructure could keep the supply-risk premium elevated, while progress towards a diplomatic arrangement could trigger a correction in prices.



Source: [Investing.com](https://www.investing.com), PSL Research

Crude Oil Prices	Current	Previous	Change
Brent Crude Oil(\$)	104.61	96.28	8.65%
WTI Crude Price (\$)	100.05	91.48	9.37%

Domestic Update



- Nigeria's total merchandise trade rose by 5.6% (year-on-year) to ₦41.44tn in Q2'2026, according to the National Bureau of Statistics (NBS), with the expansion driven primarily by stronger exports. In US dollar terms, total trade increased by 21.7% to US\$30.32bn, as exports rose by 36.9% to US\$19.77bn, while imports increased marginally by 0.8% to US\$10.55bn. Export growth was supported by higher shipments of crude oil (+24.4%) and gas and refined petroleum products (+50.7%), alongside stronger non-oil exports (+41.1%), particularly chemical products such as urea and other fertilizers. On the import side, stronger non-oil imports (+33.3%) amid improved FX availability and firmer demand for inputs and consumer goods were largely offset by a 61.9% decline in oil imports, reflecting the continued expansion of domestic refining capacity. Consequently, the trade surplus widened by 132.0% to US\$9.22bn.
- Looking ahead, we expect Nigeria's external trade position to remain supportive, underpinned by improved domestic oil production, elevated crude oil prices and continued growth in refined petroleum exports. Greater FX stability should support non-oil import demand, although high inflation and subdued purchasing power could constrain consumer-related imports. Meanwhile, expanding domestic refining capacity should continue to reduce dependence on imported petroleum products, supporting the trade balance.
- The Dangote Petroleum Refinery and Petrochemicals FZE opened its IPO today (September 14, 2026), offering 4.10 billion shares at ₦525.00 each, with a minimum subscription of 10 shares valued at ₦5,250. The offer, valued at approximately ₦2.15 trillion, is expected to support the expansion of refining capacity from 650,000bpd to 1.40mbpd. Given its size, the IPO could drive some portfolio reallocation and temporarily compete with equities for investor liquidity, although the listing should deepen the NGX and broaden investment opportunities over the medium term.

Foreign Exchange Update

- The naira recorded mixed performance across the official and parallel FX markets last week. At the Nigerian Foreign Exchange Market (NFEM) window, the naira depreciated by 40bps week-on-week to close at ₦1,326.52/US\$, while it appreciated by 36bps in the parallel market to close at ₦1,385/US\$.
- Meanwhile, Nigeria's external reserves rose by 0.52% week-on-week to close at US\$54.41bn on September 10, extending the recent improvement in the country's external liquidity position.

Fixed Income Market

- System liquidity closed the week at c. ₦2.46tn, significantly lower than the c. ₦4.33tn opening balance on Monday, following net OMO and NTB auction settlements. The NOFR average rate remained unchanged at 22%, while the minimum and maximum rates were 20.5% and 27%, respectively, during the week.
- The NTB market remained relatively calm through the week, with activity largely concentrated at the long end of the curve. The new 9-Sep NTB was the key focus following Wednesday's auction, where the DMO received ₦2.46tn in subscriptions against ₦750bn offered and allotted ₦1.05tn. The 91- and 182-day bills cleared at 16.30% and 16.50%, while the one-year bill cleared at 16.62%, 22bps lower than the previous stop rate. Post-auction, the new one-year bill initially traded around 16.50% before limited buy-cares pushed it to 16.55%–16.60%, although demand improved towards the end of the week. The OMO segment remained more active, with demand focused on the Feb papers. At Tuesday's auction, subscriptions reached c. ₦6.31tn against ₦1.00tn offered, while the CBN allotted c. ₦4.40tn. Stop rates printed at 19.14%, 18.49%, and 18.41% on the 1-Dec, 2-Feb, and 9-Feb papers, respectively. By Friday, demand improved, with the 2-Feb and 9-Feb papers averaging 18.40% and 18.30%, respectively.
- The FGN Bonds market remained relatively subdued through the week, with sentiment shifting from bullish to mildly bearish as the week progressed. Early in the week, firm demand emerged across the benchmark maturities, particularly the 35s, 37s, and 38s, before profit-taking set in. The benchmarks traded around 16.70%–16.85%, while activity in off-the-run maturities, particularly the 31s, 32s, and 33s, remained relatively strong. The bearish tone intensified towards the end of the week, with the 35s, 37s, and 38s yields rising to a high of 17.05%, driven largely by profit-taking among existing holders and some short-selling activity. In contrast, off-the-run maturities attracted stronger demand despite the marginal uptick in yields.



Equity Market

The Nigerian equities market reversed the previous week's gains, with the NGX All-Share Index (ASI) declining by **1.60%** to close at 243,052.74 points, while market capitalization fell by **1.24%** to ₦157.59 trillion. Consequently, the market's year-to-date return moderated to 56.16% from 58.72% in the previous week. The decline reflected broad-based selling pressure, particularly across the Banking, Consumer Goods, Industrial Goods and Insurance sectors, as investors remained cautious ahead of the Dangote Refinery IPO.

Market breadth weakened considerably, with only nine equities recording gains compared with 80 decliners. CAP (**-12.08%**), May & Baker (**-11.98%**), NEM Insurance (**-11.45%**), BUA Cement (**-10.00%**), and Cadbury Nigeria (**-9.94%**) recorded the largest declines. Selling pressure was also evident in Nigerian Breweries (**-9.46%**), FirstHoldCo (**-9.30%**), Oando (**-8.11%**), Nestlé Nigeria (**-6.51%**), and Aradel (**-5.09%**). Meanwhile, NGX Group (**+13.85%**), Seplat Energy (**+10.00%**), Ikeja Hotel (**+4.58%**), and Wema Bank (**+2.70%**) were among the notable gainers.

Trading activity was mixed, with 3.65 billion shares worth ₦130.15 billion traded in 244,777 deals. Compared with the previous week, volume and transaction value declined by 16.34% and 38.13%, respectively, while the number of deals increased by 9.63%. The decline in traded value, despite the higher number of transactions, points to reduced trading intensity as investors adopted a more cautious stance.

Sector performance was predominantly negative, with the Insurance, Banking, Industrial Goods and Consumer Goods indices declining by **5.52%**, **4.07%**, **3.36%** and **2.55%**, respectively. In contrast, the Oil & Gas Index gained **2.83%**, supported by continued buying interest in selected energy counters.

Looking ahead, we expect market sentiment to remain cautious in the near term as investors assess the potential liquidity impact of the Dangote Refinery IPO, which opens on September 14. The sizeable offer could encourage some portfolio reallocation as investors position for the subscription, potentially keeping market breadth subdued. However, continued strength in the Oil & Gas sector and positioning ahead of Nigeria's reclassification to the FTSE Russell Frontier Market universe could provide some support. Overall, we expect volatility to remain elevated, with investor interest likely to remain selective and concentrated in liquid stocks with strong fundamentals and clear near-term catalysts.