



PARTHIAN  
SECURITIES

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# Economic and Market Update

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02 October 2026

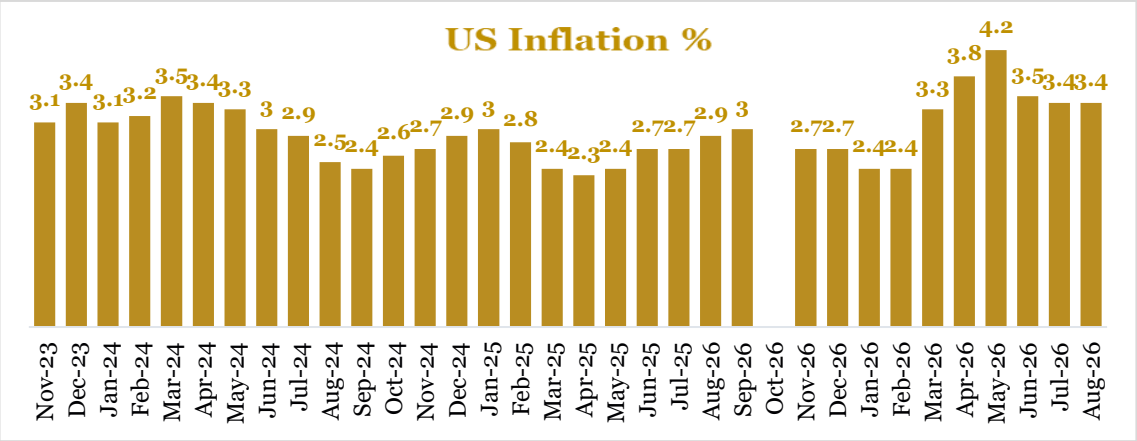
# Global Update



- According to the US Bureau of Economic Analysis (BEA), real GDP growth was revised upward to 2.20% annualized in Q2-2026 from 1.50% in the previous estimate, although it remained below the 2.50% recorded in Q1-2026. The upward revision was supported by stronger consumer spending and business investment, particularly in data-centre and AI-related infrastructure. The revised outturn points to greater resilience in domestic demand and the broader US economy. However, recent indicators suggest some moderation in momentum, with the goods trade deficit widening to USD132.6bn in August and consumer confidence falling to 81.90 in September, reflecting rising fuel costs and inflation concerns.
- According to the U.S. Bureau of Labor Statistics (BLS), non-farm payrolls increased by a modest 29,000 in September, well below the revised 133,000 gain in August and market expectations of 90,000, pointing to a moderation in labour demand. Employment gains were concentrated in healthcare, construction and manufacturing, while financial activities recorded a decline. Meanwhile, the unemployment rate edged up to 4.2% from 4.1%, while labour force participation rose to 61.8%. Average hourly earnings increased by 0.1% m/m, bringing annual wage growth to 3.0%.
- Eurozone headline inflation accelerated to 3.8% YoY in September from 3.2% in August, exceeding the 3.6% market expectation and reaching its highest level since September 2023. The increase was driven primarily by a sharp rise in energy inflation to 18.8% YoY from 14.3%, amid persistent tensions in the Middle East. Price pressures also strengthened across food and services, with food inflation rising to 1.4% from 1.1% and services inflation increasing to 3.2% from 3.0%. Core inflation also edged higher to 2.5% from 2.4%, indicating that underlying price pressures have begun to firm alongside the energy-driven increase in headline inflation. We expect the ECB to maintain a cautious and restrictive policy stance in the near term, as elevated energy prices and firmer underlying inflation reinforce the need to keep monetary conditions tight to contain upside inflation risks.

## Global Economic Data

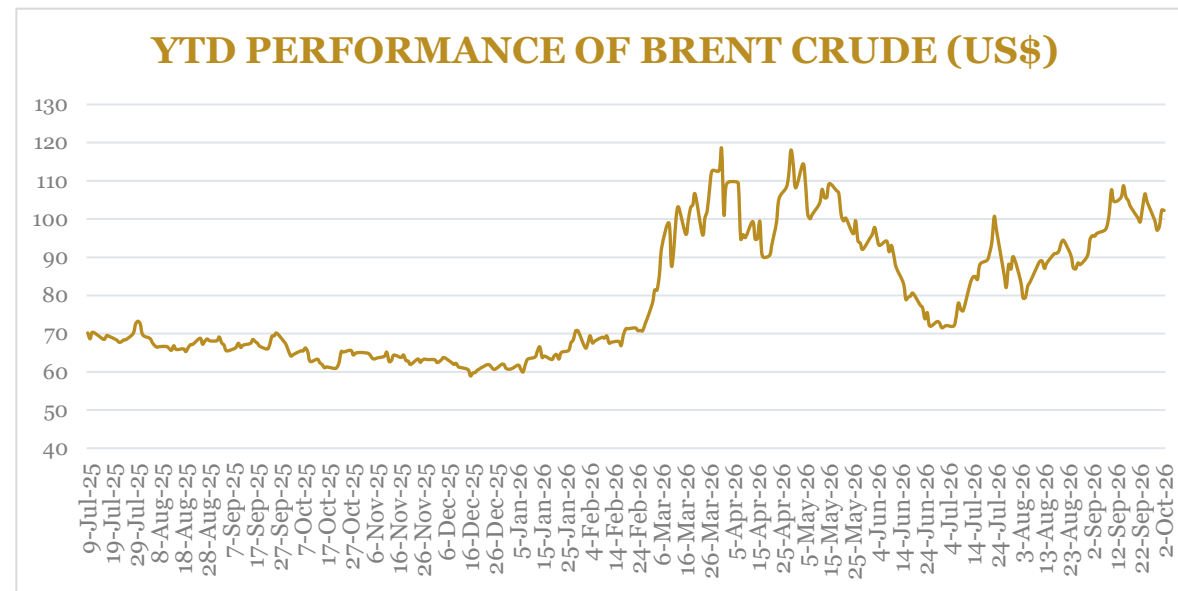
|                  | Current                      | Previous                     | Change |
|------------------|------------------------------|------------------------------|--------|
| US GDP           | 2.20% (Q2-2026)              | 2.50% (Q1-2026)              | -0.30% |
| US Interest Rate | 3.75% - 4.00%<br>(Sep. 2026) | 3.50% - 3.75%<br>(Jul. 2026) | 0.25%  |
| 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 declined last week as the recovery in Middle East oil flows eased concerns over supply disruptions. The restart of Saudi Arabia's East-West pipeline, alongside expectations of additional crude and diesel stock releases, weighed on prices, although renewed geopolitical tensions and increased U.S. military presence in the region continued to support the supply-risk premium, keeping Brent crude prices above the \$100pb levels.
- On a week-on-week basis, Brent crude declined by **1.98%** to US\$102.25/bbl, while WTI fell by **1.41%** to US\$91.11/bbl.
- Looking ahead, we expect crude oil prices to remain volatile, with developments around Middle East tensions, the pace of oil flows from the Persian Gulf and potential inventory releases likely to remain key drivers. Further improvement in supply flows could ease the geopolitical risk premium, while renewed disruptions could place upward pressure on prices.



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

| Crude Oil Prices     | Current | Previous | Change |
|----------------------|---------|----------|--------|
| Brent Crude Oil(\$)  | 102.25  | 104.32   | 1.98%  |
| WTI Crude Price (\$) | 91.11   | 92.41    | 1.41%  |

# Domestic Update



- Nigeria's total public debt stock rose by 4.7% QoQ to ₦166.79tn in June 2026, from ₦159.35tn in March, representing a 9.4% YoY increase. Domestic debt increased by 4.8% QoQ to ₦91.59tn, while external debt rose by 4.5% to ₦75.20tn, accounting for 54.9% and 45.1% of total debt, respectively. The increase reflected higher domestic borrowings alongside higher multilateral, bilateral, commercial and syndicated external financing. In dollar terms, external debt rose by 5.0% QoQ to US\$54.52bn. We expect debt accumulation to continue as the government finances the 2026 budget deficit and prepares for the 2027 elections, with the pace dependent on borrowing needs, revenue performance and budget execution.
- According to the Nigerian Exchange (NGX) Domestic and Foreign Portfolio Report, total transactions in the Nigerian equities market declined by 46.4% m/m to ₦1.27tn in August, the lowest level since February 2026. The decline was broad-based, with domestic and foreign transactions falling by 46.0% and 53.2% m/m to ₦1.21tn and ₦62.03bn, respectively. Domestic investors accounted for 95.1% of total transactions, while foreign activity fell to its lowest level since April 2025. Despite the weaker turnover, the market recorded a net inflow of ₦15.08bn, although this represented a 39.6% m/m decline from ₦24.95bn in July. The net inflow was supported by ₦24.17bn in net domestic inflows, which more than offset ₦9.09bn in net foreign outflows, highlighting the continued dominance of domestic investors in market flows.
- UAC of Nigeria (UACN) agreed to sell its 73.29% stake in Livestock Feeds Plc to Sunbeth Treenuts and Sesame Limited for ₦19.50bn, equivalent to ₦8.85 per share, subject to regulatory approvals. The transaction follows UACN's recent agreement to divest its 43.00% stake in DP World Logistics Limited and forms part of its broader portfolio optimization strategy. Livestock Feeds contributed 10.98% of UACN's Group revenue in FY2025 but recorded a ₦2.99bn loss during the year before returning to a ₦1.14bn PAT in H1:2026. Notably, UACN will retain its exposure to the animal feeds segment through Grand Cereals, while the ₦19.50bn proceeds provide additional flexibility for balance-sheet strengthening and investment in other businesses. The disposal should provide UACN with greater flexibility to deploy capital towards its better-performing businesses, while reducing exposure to a subsidiary that reported a loss in FY2025. However, the eventual benefit will depend on how the ₦19.50bn proceeds are deployed and the earnings performance of the Group's remaining businesses.

# Foreign Exchange Update

- The naira recorded mixed movements across the foreign exchange markets last week. At the official window, the NFEM rate weakened marginally to ₦1,330.10/US\$ from ₦1,329.51/US\$ in the previous week, while the parallel-market rate strengthened to ₦1,360.00/US\$ from ₦1,385.00/US\$. Consequently, the spread between the two markets narrowed to ₦29.90/US\$ from ₦55.49/US\$ in the previous week, indicating further convergence in the FX market.
- Meanwhile, Nigeria's gross external reserves rose by US\$62.17mn to US\$54.93bn as of 30 September 2026.

# Fixed Income Market

- The NTB market remained relatively calm through the week, with pockets of demand observed across select maturities. Early in the week, the 9-Sept and 23-Sept bills traded around 15.80% and 15.50%. However, towards the weekend, activity picked up slightly, with the 2-Sept and 9-Sept NTBs averaging 15.95%. In the OMO segment, activity was more pronounced, with demand concentrated at the long end. At Tuesday's OMO auction, the CBN offered ₦2.50trn and received ₦6.40trn in subscriptions, with ₦4.69trn allotted across the 23-Feb, 30-Mar and 22-Jun bills at stop rates of 17.24%, 16.94% and 16.23%, respectively. Post-auction, profit-taking was observed on the 22-Jun paper, with axes at 16.15%/16.00%. By Friday, demand improved, particularly on the Feb and Mar maturities, which averaged 16.95% and 16.75%, respectively. We expect cautious sentiment ahead of the release of the Q4 NTB auction calendar.
- The FGN Bonds market remained bearish through the week, with selling pressure persisting across the curve, although the pace of the sell-off moderated towards mid-week. Early in the week, the 38s touched 16.35%, while the 36s traded around 16.20%. By Friday, the bearish tone persisted, with the 38s trading as high as 16.55%. Buying interest remained notable at 16.50% and above, where investors absorbed significant volumes. Overall, activity remained relatively subdued, while demand for short-dated papers remained limited. Consequently, the average benchmark yield climbed 15bps during the week. We expect similar sentiments to persist, although at a slower pace, as we await the Q4 bond calendar for further guidance.



# Equity Market

- The Nigerian equities market recorded a modest pullback last week, with the NGX All-Share Index (ASI) declining by **0.52%** to 250,808.27 points, while market capitalization fell by **0.50%** to ₦162.84 trillion. The decline followed the market's recent gains and came amid lower trading activity during a shortened four-day trading week due to the Independence Day holiday. The market's year-to-date return consequently moderated to 61.17%.
- Market breadth remained positive, with 44 equities advancing against 37 decliners. Among the notable decliners were PZ (**-10.03%**), NGXGROUP (**-8.86%**), UNILEVER (**-5.87%**), MAYBAKER (**-5.08%**), DANGSUGAR (**-4.23%**), FIRSTHOLDCO (**-4.18%**), ACCESSCORP (**-3.33%**), GTCO (**-3.07%**), MTNN (**-2.67%**), and NB (**-1.71%**). Conversely, CWG (**+15.28%**), ETERNA (**+12.82%**), UPDCREIT (**+10.13%**), TRANSCOHOT (**+9.42%**), FIDELITYBK (**+8.80%**), UACN (**+3.19%**), WEMABANK (**+1.95%**), ETI (**+1.30%**), FIDSON (**+1.13%**), and TIP (**+0.74%**) were among the stocks that recorded gains during the week.
- Trading activity weakened across all key measures, with 3.17 billion shares valued at ₦155.02 billion traded in 206,662 deals, compared with 4.69 billion shares worth ₦240.82 billion in 261,198 deals in the previous week. Accordingly, traded volume, transaction value and the number of deals declined by 32.47%, 35.63% and 20.88%, respectively. While the shortened trading week partly explains the decline, the lower turnover also points to some moderation in market participation following the recent rally.
- Sector performance was mixed, with the Banking Index declining by **1.33%**, followed by the Consumer Goods and Industrial Goods indices, which fell by **0.91%** and **0.26%**, respectively. In contrast, the Insurance and Oil & Gas indices gained **0.61%** and **0.05%**, respectively, reflecting continued rotation across sectors during the week.
- We expect market activity to remain mixed in the near term as investors balance profit-taking against the potential support from lower interest rates following the recent monetary policy easing. With the market still recording strong year-to-date gains, intermittent selling pressure may persist, although selective buying could continue to support individual stocks. We therefore expect investor interest to remain focused on stocks with resilient earnings, attractive valuations and sustainable dividend prospects.