



PARTHIAN
SECURITIES

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Economic and Market Update

09 October 2026

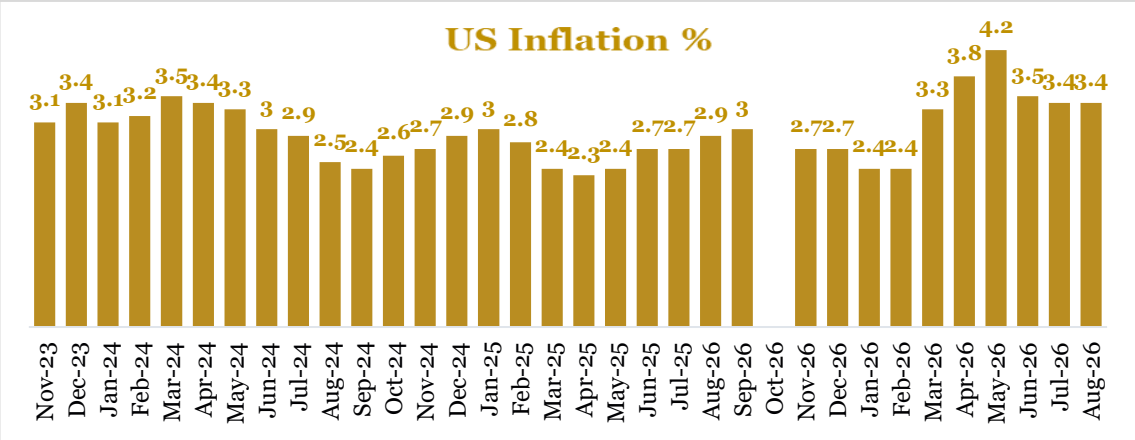
Global Update



- According to Eurostat, Euro Area retail sales growth strengthened to 0.8% YoY in August from 0.4% in July, while monthly sales edged up by 0.1% following a 0.6% decline in the previous month. The improvement was driven by stronger food and non-food sales, which rose by 1.6% and 1.7% YoY, respectively. However, automotive fuel sales fell by 3.7%, while performance across major economies remained mixed, with France recording slower growth and Germany and Spain continuing to post declines. We expect consumer spending to remain subdued in the near term, as elevated living costs and pressure on household purchasing power continue to limit discretionary spending. A sustained recovery will depend on improving consumer confidence and a more favourable inflation outlook.
- The Reserve Bank of India (RBI) raised its benchmark repo rate by 25bps to 5.50% on 7 October, its first hike since February 2023, amid rising inflation and rupee weakness. Inflation rose to 4.82% in August, exceeding the RBI's 4% target for the third consecutive month, although it remained within the 2%–6% tolerance band. The RBI also revised its FY2026/27 inflation forecast to 5.2%, while upgrading its growth projection to 7.1% from 6.7%, reflecting resilient domestic activity. We expect the RBI to retain a tightening bias, with further action dependent on the persistence of inflationary pressures. Elevated energy prices and geopolitical uncertainty pose upside risks to inflation, complicating the growth-inflation trade-off and limiting policy flexibility.
- According to the Ghana Statistical Service (GSS), headline inflation rose to 5.2% YoY in September from 5.0% in August, driven partly by an increase in food inflation to 4.0% from 3.0%. Monthly consumer prices also rose by 1.1%, following a 1.0% decline in August. Despite the recent uptick, headline inflation remained below the Bank of Ghana's 6.0%–10.0% medium-term target band. We expect domestic food and service costs to remain key inflation drivers. Although inflation remains below the target band, a sustained increase in price pressures could influence the Bank of Ghana's policy decisions. The central bank maintained its policy rate at 14.0% in September, and further decisions will depend on the inflation outlook and external risks.

Global Economic Data

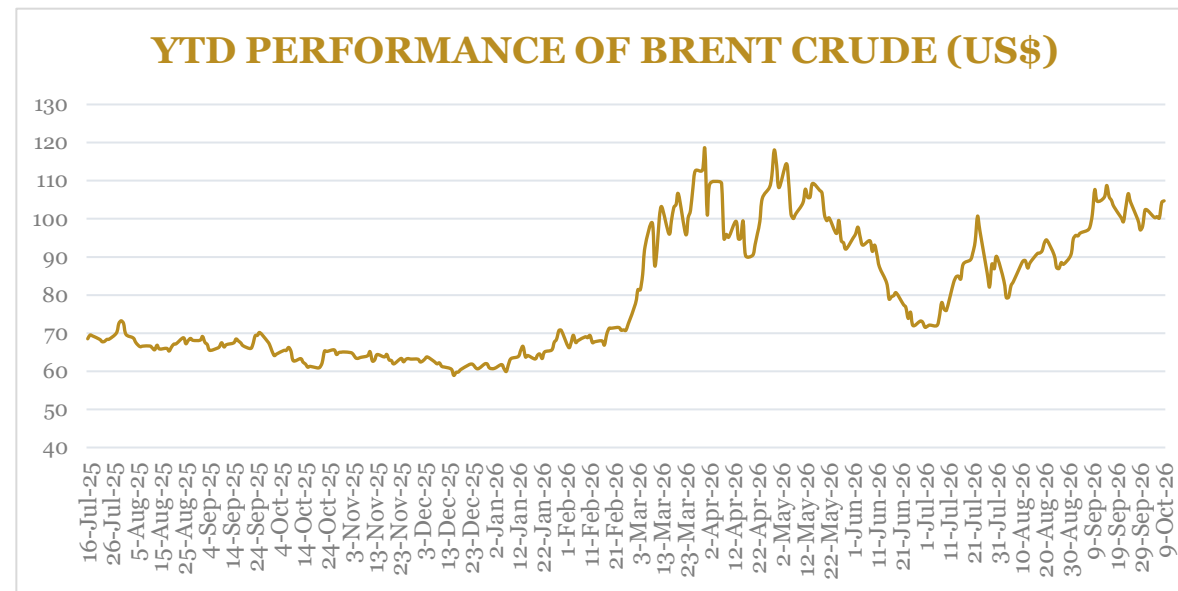
	Current	Previous	Change
US GDP	2.20% (Q2-2026)	2.50% (Q1-2026)	-0.30%
US Interest Rate	3.75% - 4.00% (Sep. 2026)	3.50% - 3.75% (Jul. 2026)	0.25%
US Inflation	3.40% (Aug. 2026)	3.40% (Jul. 2026)	0.00%
China GDP	4.3% (Q2-2026)	5.0% (Q1-2026)	-0.70%
China Inflation	1.00% (Jun. 2026)	1.20% (May. 2026)	-0.20%



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

Crude Oil Price Update

- Crude oil prices rose last week as renewed attacks on commercial vessels in the Middle East heightened concerns over supply disruptions, while Hurricane Isaias forced production cuts in the U.S. Gulf of Mexico. Tight global inventories and persistent constraints on oil and refined-product supplies added further support, although expectations of progress in U.S.–Iran discussions limited some gains towards the end of the week.
- On a week-on-week basis, Brent crude increased by **2.42%** to US\$104.72/bbl, while West Texas Intermediate (WTI) gained **0.81%** to US\$91.85/bbl.
- Looking ahead, we expect crude oil prices to remain volatile, with developments around Middle East shipping routes, the pace of recovery in U.S. Gulf production and the progress of U.S.–Iran discussions likely to shape market direction. Any further supply disruptions could sustain upward pressure on prices, while improved shipping conditions and the restoration of suspended production could moderate gains..



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

Crude Oil Prices	Current	Previous	Change
Brent Crude Oil(\$)	104.72	102.25	2.42%
WTI Crude Price (\$)	91.85	91.11	0.81%

Domestic Update



- According to the Central Bank of Nigeria (CBN), the composite Purchasing Managers' Index (PMI) increased to 53.0 points in September from 52.7 points in August, reflecting a modest improvement in private-sector activity. The expansion was driven by the industrial sector, whose PMI rose to a six-month high of 52.0 points from 50.6 points, supported by stronger output and new orders. Meanwhile, the services and agriculture indices moderated marginally to 53.2 and 53.1 points, respectively, but remained above the 50-point threshold, indicating continued expansion across all three sectors. We expect private-sector activity to remain in expansionary territory in the near term, supported by sustained new orders and seasonal agricultural activity. However, elevated operating costs could constrain output growth and limit the pace of expansion.
- According to FMDQ, total inflows into the Nigerian Foreign Exchange Market (NFEM) fell by 23.3% m/m to US\$5.12bn in September, from US\$6.68bn in August, reflecting declines in both domestic and foreign inflows. Domestic inflows dropped by 31.3% to US\$2.06bn, while foreign inflows declined by 16.9% to US\$3.06bn, as weaker FPI and FDI inflows outweighed increased corporate inflows. We expect FX liquidity to remain sensitive to domestic inflow recovery and foreign investor participation. Lower fixed-income yields following the MPC's rate cut could weaken the relative attractiveness of naira-denominated assets, while geopolitical uncertainty and rising 2027 election risks may constrain capital flows. Sustained weakness in inflows could tighten FX supply and renew pressure on the naira. However, gross external reserves above US\$50bn provide a substantial buffer against external shocks and near-term FX pressures.
- Nigeria climbed four places to eighth among 19 African economies in Bloomberg Economics' 2026 Investment Risk-O-Meter, reflecting improvements in economic strength, fiscal strength and external resilience. The upgrade is supported by stronger GDP growth, higher external reserves and the implementation of bold economic reforms, particularly in the fuel subsidy and foreign exchange markets. However, persistent infrastructure and institutional weaknesses remain structural constraints. While the improved ranking could bolster investor sentiment, sustained capital inflows will depend on macroeconomic stability and continued reform momentum. Fiscal vulnerabilities also persist, with public debt reaching ₦166.79tn in June 2026, reinforcing the need to strengthen revenue mobilization and ensure debt sustainability.

Foreign Exchange Update

- The naira weakened across both FX market segments last week. At the official window, the NFEM rate depreciated by 0.08% to ₦1,331.19/\$ from ₦1,330.10/\$ in the previous week, while the parallel-market rate weakened by 1.09% to ₦1,375.00/\$ from ₦1,360.00/\$. The faster depreciation in the parallel market widened the FX premium to ₦43.81 (3.29%) from ₦29.9 (2.25%) in the previous week, indicating a further divergence between the two exchange rates.
- Meanwhile, Nigeria's gross external reserves increased by US\$140.41mn to US\$55.07bn as of 8 October 2026, reflecting a further improvement in the country's external buffers.

Fixed Income Market

- System liquidity declined to c. ₦3.71trn following last week's OMO and NTB auctions. However, the average NOFR remained unchanged at 20.00%, while the minimum and maximum rates stood at 19.75% and 22.22%, respectively. We expect OMO and NTB maturity inflows to buoy liquidity.
- The NTB market traded on a relatively calm note throughout the week, as market participants remained focused on the ₦900bn NTB auction conducted by the DMO on Wednesday. The auction recorded robust demand, with total subscriptions of ₦1.77tn, while ₦968.47bn was allotted. Stop rates cleared at 15.50%, 15.80% and 15.85% (-4bps) on the 91-, 182- and 364-day tenors, respectively. Post-auction, selling pressure emerged, with offers around 15.75% but limited bids to match. However, renewed buying interest was observed on the newly issued 1-year bill (7-Oct) towards the end of the week, with trades crossing between 15.60% and 15.75%. In the OMO segment, bearish sentiment persisted following the CBN's ₦2.00tn auction across the 147-day and 182-day tenors. The CBN allotted ₦3.31tn from subscriptions of ₦3.51tn, with stop rates of 17.22% and 16.92%, respectively. Secondary market activity improved later in the week, with renewed buying interest across select November, December and January maturities as investors sought attractive entry points. We anticipate similar sentiment today, as we look forward to the release of the Q4 NTB auction calendar.
- The FGN Bonds market traded on a bearish note throughout the week, as profit-taking activities continued to weigh on sentiment. Activity was largely concentrated around the belly of the curve, particularly the 35s and 38s, while the short end remained relatively muted. The 38s traded as high as 16.85% on Thursday before settling at 16.75%, while the 35s traded around 16.50%–16.55% during the week. Despite pockets of buying interest across selected maturities, offers continued to outweigh available bids, with the average benchmark yield rising by 22bps week-on-week. We expect similar bearish sentiment to persist, although at a slower pace, as we await the Q4 bond calendar for further guidance.



Equity Market

- The Nigerian equities market remained under pressure last week, with the NGX All-Share Index (ASI) declining by **0.97%** to 248,363.55 points from 250,808.27 points in the previous week. Similarly, market capitalization fell by **0.97%** to ₦161.26 trillion, reducing the year-to-date return to 59.60% from 61.17%. The continued decline reflects sustained selling pressure following the market's strong gains earlier in the year.
 - Market breadth weakened, with 54 equities recording price declines against 24 gainers. Among the notable decliners were FIDELITYBK (**-10.64%**), ARADEL (**-10.00%**), ETERNA (**-9.09%**), TIP (**-6.83%**), NAHCO (**-6.67%**), NESTLE (**-5.17%**), UBA (**-4.42%**), FIRSTHOLDCO (**-4.27%**), ETI (**-4.15%**), and ACCESSCORP (**-3.28%**). On the upside, UPDCREIT (**+16.22%**), CAP (**+8.50%**), OANDO (**+4.00%**), DANGSUGAR (**+2.94%**), PZ (**+2.41%**), IKEJAHOTEL (**+1.12%**), CADBURY (**+0.34%**), and ZENITHBANK (**+0.15%**) were among the stocks that recorded gains.
 - Trading activity was mixed. A total of 2.72 billion shares valued at ₦158.28 billion exchanged hands in 209,986 deals, compared with 3.17 billion shares worth ₦155.02 billion in 206,662 deals in the previous week. Accordingly, traded volume declined by 14.25%, while transaction value and the number of deals increased by 2.10% and 1.61%, respectively. This suggests that although fewer shares changed hands, the value of transactions and deal count held up, indicating continued trading interest despite the broader market weakness.
 - Sector performance was predominantly negative, with the Oil & Gas Index recording the steepest decline of **3.85%**, followed by the Banking Index at **2.64%**, Insurance at **1.74%** and Consumer Goods at **0.58%**. Only the Industrial Goods Index closed positive, gaining marginally by **0.02%**.
- This week, we expect market sentiment to remain cautious, although the recent pullback could create opportunities for selective bargain hunting. Anticipation of third-quarter earnings releases may also support interest in stocks with resilient earnings prospects. However, given the continued market decline and negative breadth, we expect buying interest to remain selective, with performance likely to favour stocks supported by strong fundamentals and attractive valuations.