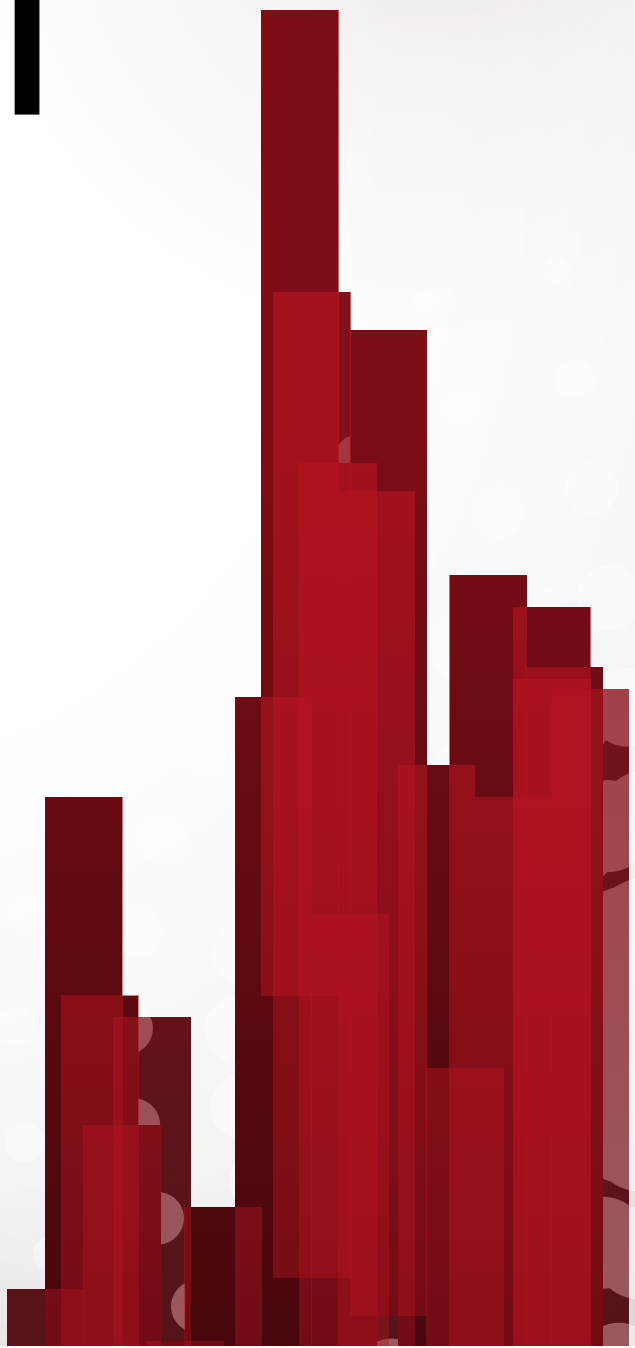


# MONTHLY REPORT

APRIL 2026



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## GLOBAL ECONOMY

### *Moderate Growth Amid Geopolitical and Inflation Pressures*

Global economic conditions in April 2026 remained moderately resilient but uneven, with growth broadly tracking around 3.0%-3.1% (IMF 2026 outlook), reflecting steady but subdued global expansion across major economies.

Inflation trends were mixed. While headline inflation continued to ease in parts of the advanced economies, energy-driven price pressures re-emerged during the month, following geopolitical disruptions in the Middle East. This fed into higher transport and food costs globally, leaving core inflation relatively sticky across several regions.

Monetary policy remained restrictive, with major central banks maintaining elevated policy rates and reinforcing a “higher-for-longer” stance, as expectations for policy easing were pushed further out. This kept global liquidity conditions tight and continued to dampen risk appetite and capital flows.

External conditions were shaped largely by geopolitical uncertainty and oil market volatility, driving intermittent shifts in sentiment. Despite this, global financial markets remained broadly stable, supported by resilient labour markets and corporate earnings. Trade growth remained subdued at approximately 2%-2.5% year-on-year, reflecting weaker global demand and elevated input costs.

The global economy is expected to remain stable but subdued, with growth anchored around 3% in 2026, supported by structural drivers such as technology investment and labour market resilience. However, tight financial conditions, elevated debt levels, and geopolitical risks are expected to constrain upside momentum.

Inflation is projected to gradually moderate into 2027, though short-term volatility, particularly from energy markets, remains a key risk.

## LOCAL ECONOMY

### *Market Reforms Drive Confidence Amid Growth and Demand Pressures*

Nigeria’s macroeconomic environment in April 2026 reflected a mixed but broadly resilient outlook, with strong capital market developments offset by softer growth expectations and weakening business activity.

A major highlight was the reclassification by FTSE Russell, upgrading Nigeria from Unclassified to Frontier Market, effective September 2026, reflecting improvements in FX liquidity, capital repatriation, and market accessibility. This supports Nigeria’s inclusion in Frontier Market Index-tracking funds and is expected to drive additional foreign inflows. The upgrade comes amid strong equity market performance, with the NGX All Share Index up 30.56% YTD to 203,161.81 points, and market capitalization at ₦130.60 trillion. Foreign participation has strengthened significantly, with inflows rising to ₦1.40 trillion in 2025, compared to ₦364.41 billion in 2024 and ₦174.80 billion in 2023.

However, near-term economic momentum weakened, as reflected in data from the Central Bank of Nigeria. The Purchasing Managers’ Index (PMI) declined to 49.40 points in April (from 53.20 in March), indicating the first contraction in 16 months. The slowdown was driven by the services (48.80) and industry (49.50) sectors, as rising input costs (above 71 points) dampened demand and new orders. Agriculture remained marginally expansionary at 50.20 points, though at a slower pace.

Overall, April data points to an economy navigating strong financial market momentum alongside emerging demand-side pressures, particularly from energy-driven inflation and softer consumption.

Capital market momentum is expected to remain strong in the near term, supported by the FTSE upgrade and sustained foreign interest. However, business activity may remain soft, as elevated cost pressures continue to weigh on demand, particularly in services and industry. FX stability and improving liquidity conditions should provide partial support.

### Gross Domestic Product

#### *Growth Outlook - GDP Revised Lower*

The World Bank revised Nigeria’s growth forecast downward, with real GDP projected at 4.10% in 2026 and 4.20% in 2027, compared to the earlier 4.40% estimate. The downgrade reflects rising global uncertainty, particularly geopolitical tensions driving higher oil and commodity prices, alongside softer investment activity and policy uncertainty. While this suggests a more moderate growth path, supportive domestic conditions, such as relative FX stability, easing interest rates, and improved sovereign risk perception, should help sustain overall economic activity.

Growth is expected to moderate toward approximately 4.0% in the near term, reflecting external headwinds and softer investment activity. However, structural improvements, ongoing reforms, and relatively stable macro conditions should support resilience over the medium term, with gradual recovery in investment and output.

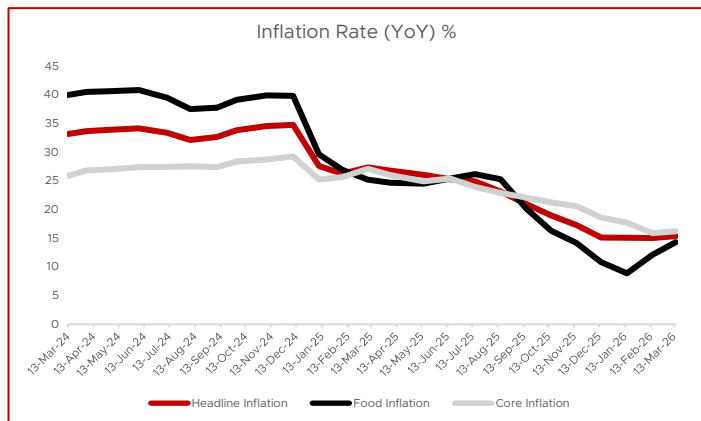
### Inflation

#### *Disinflation Trend Pauses as Food and Energy Pressures Persist*

Nigeria’s headline inflation rate edged higher in March 2026, rising by 32 basis points to 15.38% year-on-year, marking the first increase in eleven months and signaling a renewed build-up in price pressures. The uptick was driven by both food and core components, as food inflation rose sharply by 219 basis points to 14.31% year-on-year, while core inflation increased to 16.21% year-on-year, its first rise in nine months. Monthly indicators also pointed to stronger price momentum, with headline and core inflation printing at 4.18% and 4.03% respectively.

The re-acceleration reflects persistent structural pressures, particularly in food, where supply constraints, elevated transport costs, and distribution inefficiencies continue to push up prices of key staples. At the same time, higher petrol and diesel prices have sustained cost pressures across logistics, housing, and services, reinforcing core inflation. While relative stability in the Naira has helped contain imported inflation, it has not been sufficient to offset domestic cost drivers. From a policy standpoint, the inflation uptick further reduces the likelihood of near-term monetary easing, with the Central Bank of Nigeria expected to maintain a tight stance to anchor price stability.

**Outlook:** Inflation is expected to remain elevated in the near term, supported by ongoing food supply challenges and persistent energy costs, although the pace of increase in core inflation may begin to moderate as earlier fuel price adjustments settle. Exchange rate stability should provide some support, but overall, inflation is likely to remain sticky, with a gradual and uneven disinflation path through the rest of 2026.



## System Liquidity

*Liquidity Holds Firm as CBN Intensified Sterilization*

System liquidity remained broadly positive in April but increasingly volatile, as strong inflows from OMO maturities and FAAC were offset by aggressive Central Bank sterilization. Notably, liquidity returned to the ₦4tn level by mid-April for the first time since early March, signaling a temporary easing in funding pressures before subsequent policy-driven outflows moderated balances again. The CBN conducted four OMO auctions during the month, typically offering ₦600bn per auction, with subscriptions consistently exceeding ₦2.0tn-₦2.5tn and allotments ranging between ₦1.7tn-₦2.2tn, underscoring excess system liquidity and strong investor appetite for high-yield instruments. These large-scale mop-ups, alongside NTB and bond settlement debits, drove intra-month liquidity swings. However, funding conditions remained stable overall, with the NOFR and interbank rates anchored around 22%, reflecting adequate system liquidity despite tightening actions. The CBN's active liquidity management stance also reflects rising inflation risks, partly linked to higher global energy prices during the period.

**Outlook:** Liquidity is expected to remain adequate but more tightly managed, with volatility driven by continued OMO activity, bond settlements, and CRR debits, while rates remain broadly anchored.

## Nigerian Treasury Bill Market

*Robust Demand Keeps Yields Range-Bound with Mild Bullish Bias*

The Nigerian Treasury bills market in April was underpinned by strong primary market demand, with a total of ₦1.45tn offered across auctions conducted during the month attracting strong subscriptions of over ₦2.3tn-₦2.6tn, particularly in the 364-day tenor. Allotments fell short of demand, resulting in significant unmet bids that spilled into the secondary market, driving early-month yield compression. However, as April progressed, the market adopted a more cautious tone amid inflation concerns and competing OMO supply, leading to range-bound yields. The strong preference for longer-dated bills reflects investor positioning to lock in elevated yields in a rising inflation environment exacerbated by global oil price shocks.

**Outlook:** NTB yields are expected to remain range-bound, supported by strong demand and liquidity, though auction outcomes and OMO competition will remain key drivers.

Tenor	Mar'26 Auc 4	Apr'26 Auc 1	Apr'26 Auc 2	Change M-o-M (basis points)
91	15.95%	15.95%	15.95%	0.00
182	16.42%	16.19%	16.19%	(0.23)
364	16.43%	16.20%	16.20%	(0.23)

## Nigerian FGN Bond Market

*Bearish Repricing Dominates on Supply and Inflation Concerns*

The FGN bond market experienced a clear shift from cautious trading to sustained bearish repricing over the month. At the primary market, the Debt Management Office offered ₦700bn, with total subscriptions reaching approximately ₦948bn, while only ₦276.79bn was allotted, indicating selective issuance despite strong demand, particularly for mid-to-long tenors. Despite this, the secondary market weakened, with yields rising across the curve, especially in the 2031-2035 segment, as investors priced in inflation risks, supply expectations, and tighter liquidity conditions. The bearish tone intensified towards the end of the month, with yields rising cumulatively by as much as 35bps-45bps, reflecting defensive positioning. Geopolitical tensions and the associated spike in global oil prices reinforced inflation expectations, further driving the upward repricing in yields.

**Outlook:** Bond yields are expected to remain elevated with a bearish bias in the near term, as markets continue to adjust to inflation risks, supply dynamics, and tighter liquidity conditions, although selective demand may emerge at attractive levels.

APRIL 2026 BOND AUCTION RESULT							
Non-comp	Maturity	Offer (bn)	Sub (₦'bn)	Allot (₦'bn)	Marginal Rate	Rate	Change M-o-M (basis points)
	27-Aug-30	300.00	181.94	46.835	16.30%	17.95%	(1.65)
	25-Jun-32	100.00	167.04	18.717	16.50%	18.00%	(1.50)
	29-Jan-35	300.00	599.02	211.24	16.59%	22.60%	(6.01)
		700.00	948.00	276.79			

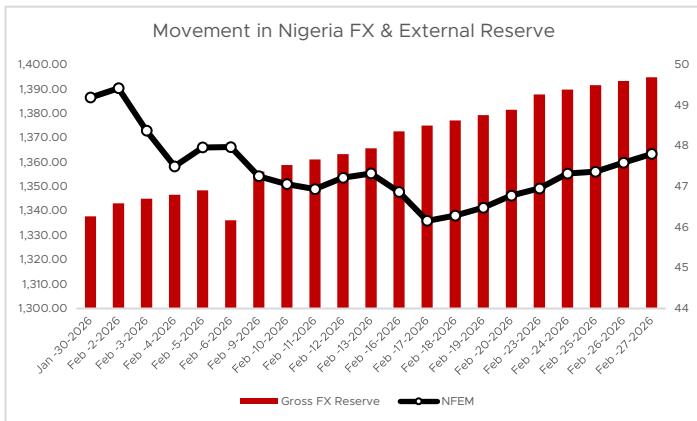


## Foreign Exchange

### Mixed Performance as Inflows Offset Structural Demand Pressure

The FX market saw alternating phases of strength and weakness in April, with the Naira trading within a range of ₦1,342 per dollar to ₦1,381 per dollar, reflecting the interplay between improved FX supply and persistent demand pressures. Early in the month, strong Foreign Portfolio Investor inflows supported Naira appreciation, but this was followed by mid-month depreciation as demand pressures intensified amid global uncertainty. Towards the end of the month, CBN intervention and improved liquidity conditions helped stabilize the market, with the Naira closing within a relatively narrow range. Geopolitical tensions, particularly the oil price shock, contributed to FX volatility by influencing capital flows and external sentiment, even as higher oil prices provided a partial fundamental cushion.

**Outlook:** The Naira is expected to trade within a relatively stable but vulnerable range, with direction driven by FX supply dynamics, FPI participation, and CBN intervention, while global risk sentiment remains a key near-term driver.



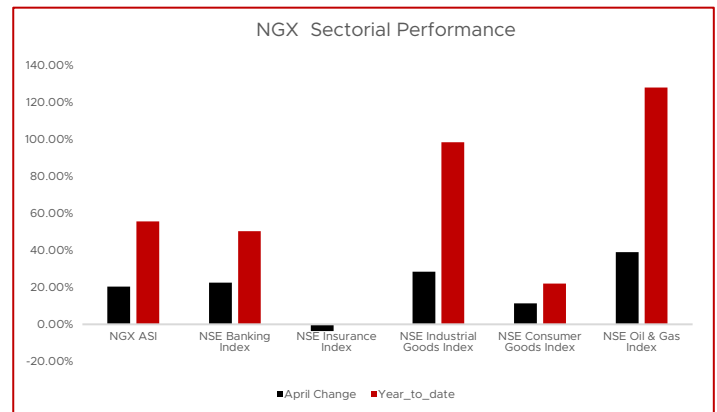
## Equities Market

### Bulls Breach 240,000 for the First Time

The Nigerian equities market delivered its strongest monthly performance of 2026 in April, with the NGX All-Share Index surging 20.36% from 201,287.9 to close at a historic 242,277.8 breaching the 240,000 mark for the first time. Market capitalization climbed to ₦155.9 trillion, with over 16 billion shares traded, the second highest monthly volume of the year. The five-month winning streak, running since December 2025, pushed year-to-date returns to 55.69%. Oil & Gas led all sectors with a blistering +39.04% monthly return driven by Aradel Holdings (+60.63%) and Seplat Energy (+26.32%) followed by Industrial Goods (+28.50%), Banking (+22.61%), and Consumer Goods (+11.31%). Insurance was the sole laggard at -3.65%.

The rally was underpinned by robust corporate earnings, a stabilizing Naira, and rising foreign portfolio inflows as FX reserves crossed \$45 billion. Large-cap SWOOT stocks dominated, accounting for 91.71% of total market cap at ₦142.79 trillion, more than doubling their April 2025 value. However, the month was not without tension UBA's decision to withhold its final dividend triggered a sharp banking sector sell-off, serving as a reminder of the market's sensitivity to corporate actions.

**Outlook:** Heading into May, we expect the bullish momentum to persist, anchored by Q1 earnings releases and continued institutional inflows.



## Disclaimer

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**Accuracy:** We've made reasonable efforts to ensure accuracy but cannot guarantee completeness or absolute accuracy due to changing economic conditions.

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