CFG AFRICA RESEARCH

AUGUST 2026

MONTHLY MARKET REPORT

Global Economic and Financial Market Trends with a Spotlight on Nigeria

OUTLINE

EXECUTIVE SUMMARY

Executive Summary

Global Highlights

Global financial markets delivered a mixed but broadly positive performance in August, supported by resilient business activity despite weaker demand and employment. The U.S. economy moderated, while the UK and Eurozone maintained moderate growth. However, elevated inflation kept central banks cautious and monetary-policy easing uncertain. Equity markets were mixed, with U.S. stocks leading gains, European shares advancing modestly and UK equities declining. The U.S. dollar weakened as Fed easing expectations increased, while gold, silver and Brent crude gained. Overall, sentiment remained resilient, although inflation, softer demand and rate uncertainty continued to influence markets.

Domestic Highlights

Nigeria's macroeconomic outlook improved modestly in August, with headline inflation easing to 15.43% in July from 15.91% in June, although food inflation rose to 20.31%. The naira strengthened 2.58% to ₦1,332.94/US$, while reserves increased 3.62% to about $53.8bn, supporting FX stability. The CBN maintained the MPR at 26.5%, while oil production fell 3.72% to 1.67mbpd. Brent crude, however, rose 5.49% to $88.37/bbl amid geopolitical and supply concerns. Overall, improving inflation, FX stability and stronger reserves provide a more supportive backdrop, although food inflation and weaker oil production remain key risks.

Market Highlights

The NGX ASI fell 0.44% in August but remained up 56.93% YTD, as profit-taking offset selective buying in banking stocks. Sentiment improved towards month-end following Nigeria's return to FTSE Russell Frontier Market status. Strong demand for FGN bonds and 364-day NTBs supported lower yields, while September outlook remains cautiously positive, underpinned by easing inflation, liquidity and expected foreign investor participation.

"Mixed Global Outlook, Improving Domestic Fundamentals, and NGX Resilience"

GLOBAL ECONOMY

Economy Overview

Global Economy

The Global financial markets delivered a mixed performance in August as investors weighed resilient business activity against weaker consumer demand and employment. The U.S. economy showed signs of slowing, while the UK and Eurozone maintained moderate growth, supported by stronger services activity. Inflation remained elevated across all three regions, keeping central banks cautious. Ahead of the next Fed meeting, Kevin Warsh's Jackson Hole comments reinforced the Fed's focus on returning inflation to its 2% target, keeping the possibility of further rate hikes open. Meanwhile, the UK and Eurozone are likely to maintain a cautious policy stance as they balance inflation risks with softer consumer demand.

United States

The U.S. economy showed a mixed performance in August, with resilient business activity offset by weaker employment and consumer spending. Second-quarter GDP grew 1.5%, in line with expectations, while Nonfarm Payrolls fell by 23,000, well below the expected 85,000 increase. The unemployment rate improved to 4.1%. Services remained the main growth driver, with the Services PMI rising to 56.8 and the Composite PMI to 56.0, while Manufacturing PMI rose to 53.2.

Inflation remained elevated, with CPI at 3.4% and Core PCE at 3.3%, both matching forecasts. Retail sales fell 0.6%, while PPI declined sharply by 1.7%, suggesting softer demand and easing producer-price pressures. At the Jackson Hole Symposium, Fed Chairman Kevin Warsh stressed the importance of returning inflation to the Fed's 2% target, signalling that further tightening could remain necessary if inflation fails to move toward target. As the September Fed meeting approaches, weaker growth and employment support a cautious stance, but inflation above target keeps the possibility of a rate hike on the table.

Eurozone & UK Economy Overview

United Kingdom

The UK economy maintained moderate growth in August, although weaker consumer spending and a softer labour market remained concerns. Second-quarter GDP grew 0.4%, in line with expectations, while unemployment increased to 4.9%, slightly above the 4.8% forecast. Retail sales fell 0.5%, indicating continued pressure on household spending.

Business activity remained positive, with Manufacturing PMI at 51.7 and Services PMI at 52.8, lifting the Composite PMI to 52.5, all above expectations. Inflation remained elevated at 2.9%, while PPI increased 0.2%, in line with forecasts.

Eurozone

The Eurozone economy continued to expand moderately in August, supported by resilient private sector activity. Second-quarter GDP grew 0.4%, in line with expectations, while Manufacturing PMI stood at 52.7 and Services PMI at 51.7, lifting Composite PMI to 52.1, slightly above forecasts.

Consumer demand remained weak, with retail sales falling 0.3%, while PPI declined 0.3%, indicating subdued price pressures at the producer level.

Key Economic Data – United States

- CPI (YoY) (Jul): 3.40% (vs 3.40% forecast)
- Core PCE Price Index (YoY) (Jul): 3.30% (vs 3.30% forecast)
- GDP (QoQ) (Q2): 1.50% (vs 1.50% forecast)
- Nonfarm Payrolls (Jul): -23k (vs 85k forecast)
- Unemployment Rate (Jul): 4.10% (vs 4.20% forecast)
- Retail Sales (MoM) (Jul): -0.60% (vs 0.10% forecast)
- PPI (MoM) (Jul): -1.7% (vs 0.0% forecast)
- PMI (Aug):

  – S&P Global Manufacturing PMI: 53.2 (vs 54.0 forecast)

  – S&P Global Services PMI: 56.8 (vs 53.9 forecast)

  – S&P Global Composite PMI: 56.0 (vs 54.0 forecast)

Key Economic Data – United Kingdom

- CPI (YoY) (Jul): 2.90% (vs 2.90% forecast)
- GDP (QoQ) (Q2): 0.40% (vs 0.40% forecast)
- Unemployment Rate (Jun): 4.90% (vs 4.80% forecast)
- Retail Sales (MoM) (Jul): -0.50% (vs -0.40% forecast)
- PMI (Aug):

  – S&P Global Manufacturing PMI: 51.7 (vs 51.5 forecast)

  – S&P Global Services PMI: 52.8 (vs 51.8 forecast)

  – S&P Global Composite PMI: 52.5 (vs 51.6 forecast)

Key Economic Data – Eurozone

- CPI (YoY) (Aug): 3.30% (vs 3.30% forecast)

- GDP (QoQ) (Q2): 0.40% (vs 0.40% forecast)

- Retail Sales (MoM) (Jun): -0.30% (vs 0.10% forecast)

- PPI (MoM) (Jun: -0.30% (vs -0.20% forecast)

- PMI (Aug):
  - –HCOB Eurozone Manufacturing PMI: 52.7 (vs 52.8 forecast)
  - – HCOB Eurozone Services PMI: 51.7 (vs 51.5 forecast)
  - – HCOB Eurozone Composite PMI: 52.1 (vs 51.7 forecast)

GLOBAL MARKET

Equities Market Overview

Global stock markets delivered mixed results in August, reflecting resilient U.S. business activity alongside more moderate performance across European markets. U.S. equities led the gains, supported by strong services activity and continued investor interest in growth stocks, while UK shares declined amid weaker consumer spending. Despite monthly fluctuations, all major benchmarks remained firmly positive on a Year-to-Date (YTD) basis.

Equities	Previous Month Close	Month High	Month Low	Month Close	Month Change	YTD Change
S&P 500 (US)	7489.72	7816.70	7504.78	7686.14	2.62%	11.75%
NDQ 100 (US)	28274.20	30195.72	28196.88	29456.97	4.18%	15.41%
FTSE 100 (UK)	10872.50	10960.7	10682.3	10771.7	-0.93%	8.46%
STOXX 50 (EUR)	6358.02	6577.2	6361.21	6420.16	0.98%	10.96%

Source: Trading View

U.S. equities posted a strong performance during the period under review. The S&P 500 gained 2.62%, rising from 7,489.72 to 7,686.14, while the Nasdaq 100 advanced 4.18%, moving from 28,274.20 to 29,456.97, as technology and growth stocks regained momentum. The Nasdaq 100 remained the strongest performer on a YTD basis, up 15.41%, while the S&P 500 gained 11.75%. In the UK, the FTSE 100 declined 0.93%, falling from 10,872.50 to 10,771.70, reflecting weaker retail activity and continued economic uncertainty. Across Europe, the STOXX 50 gained 0.98%, rising from 6,358.02 to 6,420.16, supported by resilient business activity and improving service-sector performance. Overall, investor sentiment remained positive, with all four major indices maintaining solid YTD gains.

Currency Markets

The foreign exchange market saw mixed U.S. dollar performance in August as investors weighed resilient U.S. services activity against weaker employment and consumer spending. The dollar weakened against most major currencies, while expectations around the Federal Reserve's next policy move remained a key driver of market sentiment. Persistent U.S. inflation and Kevin Warsh's hawkish comments at the Jackson Hole Symposium kept the outlook for interest rates uncertain.

Currencies	Previous Month	Month High	Month Low	Month Close	Month Change	YTD Change
EUR/USD	1.1528	1.17115	1.15003	1.1617	0.78%	-1.03%
USD/JPY	157.4690	160.203	155.226	159.733	1.44%	1.84%
GBP/USD	1.3475	1.36757	1.34175	1.35475	0.54%	0.69%
USD/CHF	0.8071	0.81471	0.79498	0.80834	0.16%	1.97%
AUD/USD	0.7030	0.72082	0.6984	0.71668	1.94%	7.43%
USD/CAD	1.4020	1.40802	1.37322	1.38541	-1.19%	0.95%
NZD/USD	0.5889	0.5988	0.58216	0.59164	0.46%	2.75%

Source: Trading View

The euro and pound strengthened against the U.S. dollar in August, with EUR/USD rising 0.78% from 1.1528 to 1.1617 and GBP/USD gaining 0.54% from 1.3475 to 1.35475, supported by resilient Eurozone and UK activity. The yen weakened, with USD/JPY rising 1.44% from 157.47 to 159.73 amid diverging monetary-policy expectations. Commodity-linked currencies also gained, led by AUD/USD (+1.94%), while NZD/USD rose 0.46% and USD/CAD fell 1.19% from 1.4020 to 1.38541, reflecting broader support for the Canadian dollar. USD/CHF was largely stable, edging up 0.16%.

Overall, the U.S. dollar weakened against several major currencies during the month, although the move was less broad-based than in July. With U.S. inflation still above the Federal Reserve's 2% target and the September policy meeting approaching, shifting expectations over the direction of U.S. interest rates remained a major influence on currency markets.

Commodities

The commodities market delivered a strong performance in August, led by precious metals, while oil prices also recorded modest gains. Gold and silver benefited from continued investor demand amid economic uncertainty and shifting expectations around global interest rates.

Commodities	Previous Month Close	Month High	Month Low	Month Close	Month Change	YTD Change
Gold (per ounce)	4044.28	4697.04	4018.84	4449.02	10.01%	2.86%
Silver (per ounce)	57.633	71.177	56.564	66.559	15.49%	-7.35%
Brent Oil (per barrel)	87.904	94.796	78.084	90.711	3.19%	48.73%

Source: Trading View

The Bullion market delivered strong results in August. Gold rose 10.01%, climbing from $4,044.28 to $4,449.02 per ounce, supported by strong safe-haven demand and expectations around future monetary policy. Silver outperformed, surging 15.49% from $57.63 to $66.56 per ounce, despite remaining down 7.35% YTD.

Overall, commodity markets performed positively, led by precious metals. Brent crude oil also gained 3.19%, rising from $87.90 to $90.71 per barrel, supported by continued supply concerns and market volatility. Gold and silver remained the strongest performers during the month, while oil maintained its broader upward trend, with Brent up 48.73% YTD.

NIGERIA ECONOMY

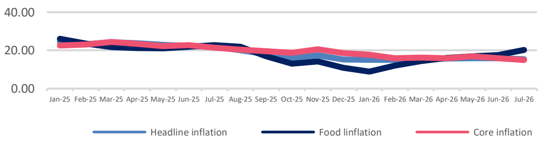
Nigeria's Macroeconomic Snapshot

GDP Growth (Real)	MPR (Monetary Policy Rate)	Inflation (Headline Inflation)	NAFEM Rate	Parallel Market
4.43%	26.50%	15.43%	₦1,332.94/$	₦1,380.00/$
Q-o-Q +13.88%		M-o-M -48bps		
Period Q2, 2026	Period July 2026	Period July 2026	Period August 31, 2026	Period August 31, 2026

FX Reserves	Unemployment Rate	Oil Production	NGX Market Cap	All Share Index
$53.80bn	4.90%	1.67 mbpd	₦157.74T	244,199.39
M-o-M 3.62%		M-o-M -3.46%	M-o-M -0.37%	M-o-M -0.44%
Period August 31, 2026	Period Q4, 2024	Period July 2026	Period August 31, 2026	Period August 31, 2026

Headline inflation eased to 15.43% y/y, while food inflation accelerated to 20.31%.

Headline, core & food inflation YoY (%)



Source: NBS, Trading Economics, CFG Africa Research..

Headline Inflation Rate

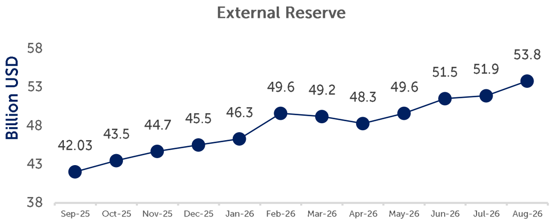
Month/Year	Headline Index	Year-on-Year Headline Inflation Rate
May 2026	140.70	15.43%
Jun 2026	143.00	
July 2026	145.30	

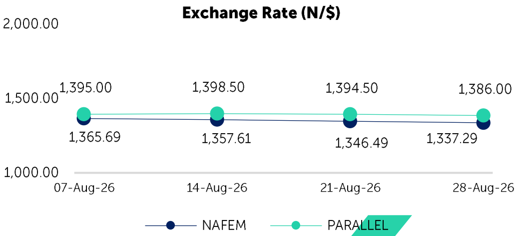
Source: NBS, CFG Africa Research

- Nigeria's headline inflation rate eased for a second straight month to 15.43% y/y in July 2026, from 15.91% in June, while the CPI rose to 145.3 from 143.0. On a month-on-month basis, headline inflation moderated to 1.57%, compared with 1.66% in June, indicating a slower pace of overall price increases. However, food inflation increased to 20.31% y/y in July from 17.52% in June, with higher prices recorded across key food items, including crayfish, fresh pepper, onions, carrots, rice, water yam, tomatoes, garri, plantain, beef, eggs, guinea corn and ginger. On a month-on-month basis, food inflation accelerated to 5.56% from 3.75%, indicating stronger short-term food price pressures during the month.
- Meanwhile, core inflation moderated to 14.97% y/y in July from 16.82% in June, compared with 23.95% in July 2025. Core inflation also eased sharply on a month-on-month basis to 0.15% from 1.66%, pointing to softer underlying price pressures outside the food and energy components. Urban inflation stood at 16.12% y/y, while rural inflation was 13.77%. At the state level, Adamawa recorded the highest headline inflation at 33.03%, followed by Yobe at 25.21% and Anambra at 23.99%. The lowest rates were recorded in Nasarawa at 7.86%, followed by Kebbi and Borno at 9.12% each.
- Overall, the July data showed a further moderation in headline inflation, reflecting softer core price pressures and a slower month-on-month pace of overall price growth. However, the sharp acceleration in food inflation highlights that price pressures remain uneven, with food costs continuing to exert pressure on the broader inflation profile.

Naira Appreciates Further as Reserves Reach Multi-Year High

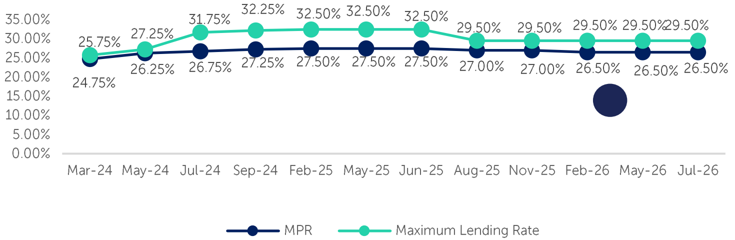
- The naira strengthened in August 2026, supported by improved FX liquidity and stronger external buffers. In the official market, the naira closed July at ₦1,368.22/US$1 and strengthened to ₦1,332.94/US$1 by 31 August, representing a 2.58% appreciation over the month with the currency maintaining an upward trend through August.
- In the parallel market, the naira also strengthened during the month, although the gap with the official market remained elevated. The dollar rate eased from approximately ₦1,410–₦1,425/US$1 at the beginning of August to ₦1,385–₦1,400/US$1 by month-end, reflecting an appreciation of about 1.1%–1.8% over the period.
- On external reserves, Nigeria recorded a significant improvement in August, reaching a new multi-year high with gross reserves rising from $51.92 billion at the end of July to about $53.8 billion by 31 August, representing a 3.62% month-on-month increase. Reserves crossed the $53 billion threshold on 24 August, reaching $53.11 billion, the highest level in over 17 years and just $142 million below the January 2009 record of $53.25 billion, before closing the month at approximately $53.80 billion.
- Looking ahead, the naira is expected to remain broadly stable in September, trading around ₦1,330–₦1,345/US$1, supported by stronger FX liquidity and continued reserve accumulation. Moody's revision of Nigeria's outlook to positive from stable, while affirming the B3 rating, further supports confidence in the country's improving external position and resilience.





Source: CBN ,FMDQ, CFG Africa Research

MPR at 26.5% Ahead of September Review



Source: CBN, CFG Africa Research

The Monetary Policy Rate (MPR) remains at 26.5% through August, unchanged since the Committee's hold at its 306th meeting in July — the second consecutive hold following the 50-basis-point cut in February 2026. The Standing Facilities Corridor (+50/-450bps) and Cash Reserve Ratios also remain unchanged. No MPC meeting was held in August; the Committee's next meeting is scheduled for September 21–22, 2026, where it will reassess policy against updated inflation, exchange rate, and reserve data.

The broader disinflation trend, alongside relative exchange rate stability and continued reserve accretion, strengthens the argument for the CBN to consider easing at its September meeting But with food-driven price pressures still elevated, the Committee is likely to weigh this against the risk of loosening prematurely making September's decision a genuine test of direction rather than a formality.

Timeline of next MPC meeting

21st & 22nd of Sep 2026

The next meeting of the Monetary Policy Committee is scheduled to take place 21st & 22nd of Sep 2026

Key Decisions at the last MPC

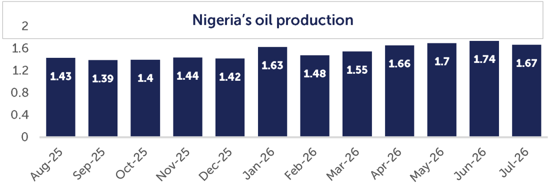
- Retained the Monetary Policy Rate (MPR) at 26.50%.
- Retained the Asymmetric Corridor at +50/-450 basis points around the MPR.
- Retained the Cash Reserve Ratio (CRR) for Commercial Banks at 45% and Merchant Banks at 16%.
- Retained the CRR on non-TSA public sector deposits at 75%.
- Kept the Liquidity Ratio unchanged at 30%

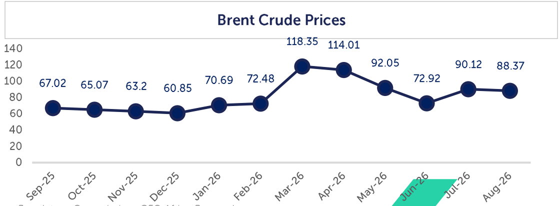
Nigeria's crude oil production declines in July after four consecutive months of growth

- Nigeria's crude oil production averaged 1.51 million barrels per day (bpd) in July 2026, a decrease from June levels, according to the Nigerian Upstream Petroleum Regulatory Commission (NUPRC). When condensates of about 170,000 bpd are included, total liquids output stood at approximately 1.67 million bpd, reflecting a 3.72% month-on-month decrease.

- Output movements across export terminals were mostly negative in July, with declines recorded at Bonny, Qua Iboe, Escravos, Aghami, Bonga, Erha, and Akpo while gains were recorded at Forcados, Tulja-Okwuibome, Brass, and Odudu. Overall, this resulted in a decline in production for the month. Nigeria's combined crude oil and condensate production fell to 1.67 mbpd from 1.74 mbpd in June, marking the first monthly decline after four consecutive months of growth. Crude oil production alone averaged 1.51 mbpd, slightly exceeding Nigeria's 1.5 mbpd OPEC quota by 0.35%, marking the third consecutive month the quota was met. The decline was mainly attributed to operational challenges at the Erha and Akpo fields, which constrained production volumes, although activities across other producing assets and crude evacuation operations remained relatively stable.

- In August, Brent crude traded in a volatile range, with the monthly average increasing to approximately US$87.26 from US$83.10 in July. Prices opened the month at around US$83.77 per barrel, fluctuated throughout the period, reaching a high of US$92.67, before closing at US$88.37. Overall, Brent crude recorded a rise of roughly 5.49% over the month, supported by geopolitical tensions and concerns over potential supply disruptions. Despite the volatility, prices ended August higher than their opening level, while supply concerns continued to support market sentiment.





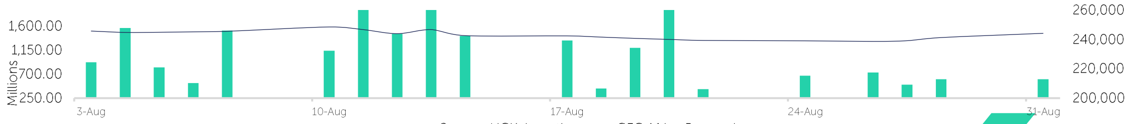
Source: Trading Economics, Investing.com, Nigerian Upstream Petroleum Regulatory Commission, CFG Africa Research

EQUITY & FIXED INCOME MARKET

NGX August 2026: Profit-Taking Weighs on Market Performance

- The NGX All-Share Index (ASI) declined moderately in August, reversing part of the strong gains recorded in July. The ASI fell by 0.44%, from 245,283.68 points to 244,199.39 points at the end of the month. Despite the monthly decline, the market maintained a strong 56.93% year-to-date return, placing the NGX among Africa's best-performing equity markets.
- Investor sentiment was largely characterized by profit-taking and selective buying during the month, with the ASI recording 13 losing sessions against seven gaining sessions. Selling pressure was particularly pronounced in the insurance sector, which declined 9.26%, led by losses in International Energy Insurance (-32.05%), Royal Exchange (-28.36%) and Consolidated Hallmark Holdings (-28.11%). In contrast, renewed buying interest in banking stocks supported the NGX Banking Index, which gained 3.82%, led by Access Holdings (+22.05%) and First HoldCo (+8.21%).
- Overall, the NGX recorded a mild correction in August, as profit-taking and competition outweighed selective buying in large-cap stocks. Sentiment improved towards month-end following FTSE Russell's confirmation of Nigeria's return to Frontier Market status from 21 September and Moody's revision of Nigeria's sovereign outlook to positive from stable, supporting renewed investor confidence.

NGX ASI POINTS & VOLUME- 03RD AUG. 2026 – 31ST AUG. 2026.



Source: NGX, Investing.com, CFG Africa Research

Market Recovers Towards Month-End on FTSE Catalyst

	August End	July End	MtD	YtD
NGX All-Share Index (ASI)	244,199.39	245,283.68	-0.44%	56.93%
NGX 30 Index	8,969.83	8,977.70	-0.09%	48.89%
NGX Banking Index	2,624.05	2,527.59	3.82%	73.11%
NGX Insurance Index	1,089.01	1,200.08	-9.26%	-8.56%
NGX Pension Index	12,758.52	12,536.16	1.77%	79.24%
NGX Consumer Goods Index	4,081.75	4,405.53	3.47%	2.67%
NGX Industrial Index	10,311.46	10,525.17	-2.03%	81.65%
NGX Oil & Gas	5,255.56	5,242.33	0.25%	96.56%

Source: NGX, CFG Africa Research

- On a month-to-date basis, the NGX-ASI closed 0.44% lower in August, reversing part of July's strong recovery. The decline was driven by sustained selling pressure through most of the month, with the ASI falling to an intra-month low of 238,682.92 points before recovering towards month-end.
- Sector rotation was a key feature of August's trading activity, with the Insurance Index declining 9.26%, while the Banking Index gained 3.82%, supported by strong performances from Access Holdings and First HoldCo.
- Overall, August 2026 marked a mild correction for the NGX following July's strong rebound, sentiment improved towards month-end following FTSE Russell's confirmation of Nigeria's return to Frontier Market status, prompting renewed buying interest in major banking stocks and helping the ASI break an 11-session losing streak.

Top gainers and losers in August 2026

No	Top 10 Gainers	August End (₦)	July End (₦)	MTD	YTD
1	HMCALL	4.00	2.91	37.46%	0.00%
2	ACCESSCORP	32.10	26.30	22.05%	52.86%
3	LINKASSURE	1.83	1.60	14.38%	2.81%
4	FIRSTHOLDCO	145.00	129.55	11.93%	202.71%
5	TRANSCOHOT	265.50	241.90	9.76%	55.35%
6	NREIT	113.00	103.00	9.71%	9.71%
7	AIRTELAFRI	6300.00	5801.40	8.59%	177.53%
8	ETERNA	35.80	33.00	8.48%	25.61%
9	SEPLAT	12320.60	11363.90	8.42%	112.10%
10	TRANSEXPR	3.05	2.82	8.16%	41.86%

No	Top 10 Losers	August End (₦)	July End (₦)	MTD	YTD
1	ZICHIS	14.55	24.55	-40.73%	631.16%
2	THOMASWY	2.75	4.38	-37.21%	0.00%
3	INTENEGINS	2.82	4.15	-32.05%	12.80%
4	CMFC	2.77	3.88	-28.61%	45.79%
5	ROYALEX	0.96	1.34	-28.36%	-48.39%
6	CONHALLPLC	6.01	8.36	-28.11%	38.48%
7	AVACAP	6.00	8.25	-27.27%	-20.00%
8	CHELLARAM	9.70	13.20	-26.52%	-26.52%
9	UNILEVER	114.00	147.95	-22.95%	58.33%
10	MCNICHOLS	4.50	5.75	-21.74%	37.61%

Source: NGX, CFG Africa Research

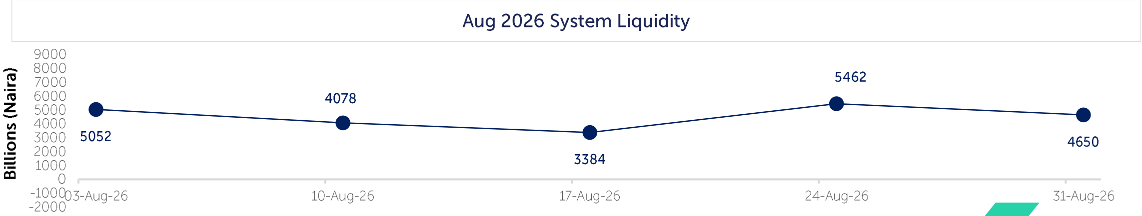
System Liquidity Review: Strong Inflows, Volatile Conditions in August 2026

- System liquidity in August remained volatile, with substantial government security maturities and coupon payments providing intermittent liquidity injections, while OMO activity continued to absorb surplus funds. Total inflows during the month amounted to approximately ₦10.86tn, comprising OMO maturities, FGN bond coupon payments and NTB maturities. Liquidity opened at ₦5.05tn, initially rising to ₦5.33tn before falling to ₦3.84tn, reflecting the continued swings between liquidity injections and market absorption.

- Liquidity strengthened through the middle of the month, rising to ₦6.81tn before easing to ₦6.47tn and subsequently declining to an intra-month low of ₦3.38tn. Conditions then improved, with liquidity rebuilding to ₦4.93tn before another period of tightening.

- Towards the latter part of the month, liquidity rose sharply to a monthly peak of ₦7.40tn, before retreating to ₦5.28tn and subsequently falling to ₦3.61tn. Liquidity recovered towards month-end, closing at ₦4.65tn.The month also saw significant OMO activity, with total subscriptions of approximately ₦18.72tn against ₦3.80tn offered, while successful sales amounted to approximately ₦12.02tn. The strong demand for OMO instruments, alongside sizable allotments, supported the CBN's efforts to mop up excess system liquidity during the month..

- Overall, liquidity fluctuated between ₦3.38tn and ₦7.40tn, averaging approximately ₦4.77tn, and closed ₦0.40tn below its opening level. Despite sizable maturity and coupon inflows, repeated OMO absorption kept liquidity from sustaining the higher levels seen during the month.



Source: CFG Africa Research

August 2026 FGN Bond Auction

FGN Bond Auction

- The FGN bond market recorded strong investor participation at the August 17 auction, with the DMO offering ₦1.10 trillion across the 10-Year Jan 2035 (₦250.00bn), 20-Year Apr 2037 (₦100.00bn), and 15-Year Jun 2038 (₦750.00bn) bonds. Total subscriptions stood at ₦1.73 trillion, representing an overall bid-to-cover ratio of 1.57x.

- Demand was strongest for the 20-Year Apr 2037, which attracted ₦392.48 billion in subscriptions from 34 bids, equivalent to a 3.92x bid-to-cover ratio, with ₦110.01 billion allotted. The 10-Year Jan 2035 received ₦513.61 billion in subscriptions from 31 bids, or 2.05x, with ₦64.13 billion allotted. The 15-Year Jun 2038 attracted ₦821.32 billion from 161 bids, equivalent to 1.10x, with ₦631.02 billion allotted. Stop rates stood at 17.15%, 17.19%, and 17.79%, respectively.

- Overall, demand remained strong across all three tenors, with subscriptions exceeding the amounts offered in each case. The Jun 2038 recorded a ₦742.29 billion non-competitive allotment, while the Jan 2035 received ₦10.00 billion under the same category.

AUG 2026 FGN BOND AUCTION RESULT							
INSTRUMENT	Auction	Allotment	Maturity	Offer (₦bn)	Subscr. (₦bn)	Allot. (₦bn)	Stop Rate
FGN JAN 2035	17-Aug-26	19-Aug-26	29-Jan-35	250	513.61	64.13	17.15%
FGN APR 2037	17-Aug-26	19-Aug-26	18-Apr-37	100	392.48	110.01	17.19%
FGN JUN 2038	17-Aug-26	19-Aug-26	21-Jun-37	750	821.32	631.02	17.79%

Source: CFG Africa Research, DMO

August NTB Auctions: Rising Demand, Falling Long-Dated Rates

Nigeria Treasury Bill Market.

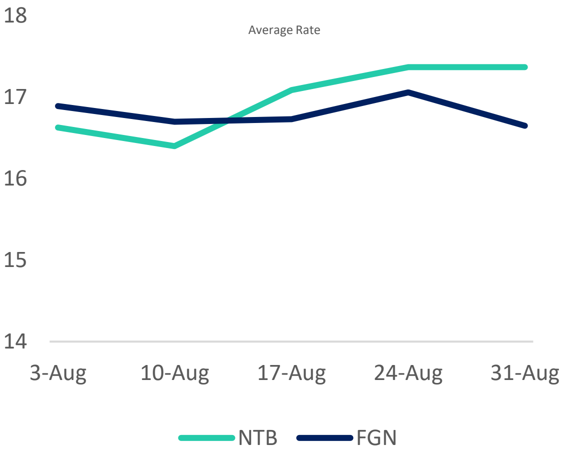
- The NTB market recorded strong investor participation across the two August auctions, with demand concentrated in the 364-day tenor. Subscriptions for the 364-day bill stood at ₦4.19 trillion on August 12 and ₦3.63 trillion on August 26, against an offer of ₦500.00 billion at each auction. The DMO allotted ₦1.26 trillion and ₦638.19 billion, respectively, while total subscriptions across all tenors amounted to ₦4.41 trillion and ₦3.79 trillion.

- Demand for the shorter tenors was more mixed. The 91-day bill attracted ₦162.22 billion and ₦103.32 billion in subscriptions at the August 12 and August 26 auctions, respectively, against ₦100.00 billion offered at each. The 182-day bill remained undersubscribed, with subscriptions of ₦63.97 billion and ₦52.93 billion against ₦100.00 billion offered at both auctions. Stop rates for the 91-day and 182-day bills remained unchanged at 16.30% and 16.50%, respectively. Meanwhile, the 364-day stop rate declined from 17.59% on August 12 to 17.15% on August 26, due to sustained demand for the tenor.

Auction Date	Tenor	Offer (₦bn)	Subscription (₦bn)	Allotment (₦bn)	Stop Rate (%)
12-Aug-26	91-Day	100	162.21	148.56	16.30
	182-Day	100	63.97	47.47	16.50
	364-Day	500	4,118.49	1260.00	17.59
26-Aug-26	91-Day	100	103.32	89.10	16.30
	182-Day	100	52.93	35.59	16.50
	364-Day	500	3,630.70	638.19	17.15

Source: CFG Africa Research, DMO

NTB Secondary Market: Sustained Bulish Sentiment



Source: CFG Africa Research, FMDQ

FGN Bond Secondary Market

- The FGN bond secondary market traded on a bullish note during the month, supported by sustained investor demand across the curve. Following the auction, yields declined further as offers traded below auction stop rates, and bids repriced accordingly. Trading activity remained healthy, with sizeable transactions executed across several maturities.

Treasury Bills Secondary Market

- Activity in the NTB secondary market picked up following the first auction, as unmet auction demand filtered into the secondary market and supported buying interest. However, activity moderated following the second auction, particularly on the newly issued bill. Overall, demand remained firm during the month, driving yields lower, with the strongest interest concentrated at the long end of the curve.

OUTLOOK
FOR SEPTEMBER 2026

Global Economy Outlook

Economic Growth

- Global economic growth is expected to remain uneven, with activity moderating across major economies. In the U.S., softening employment and consumer spending may weigh on growth, although resilient services activity should continue to provide some support. The UK and Eurozone are expected to see modest expansion, supported by relatively stable business activity and domestic demand. However, persistent inflation, softer consumer demand, and tighter financial conditions remain key downside risks to the growth outlook.

Geopolitical Risk

- Ongoing geopolitical and trade tensions are expected to remain a key source of market volatility. Escalating conflicts or further trade restrictions could disrupt supply chains and add to commodity price pressures. Oil prices may come under upward pressure if geopolitical developments disrupt production or key shipping routes. However, prolonged trade tensions and weaker global demand could offset some of these pressures and limit the sustainability of higher oil prices. The broader impact on financial markets will depend on the extent to which geopolitical developments affect inflation, economic activity, and monetary policy expectations.

Interest Rates

- The outlook for global interest rates remains uncertain as central banks weigh persistent inflationary pressures against moderating economic activity. The Federal Reserve is likely to remain data-dependent, with inflation still above its 2% target even as employment and consumer demand show signs of softening. The Bank of England and European Central Bank are also expected to maintain a cautious stance as they assess the pace of disinflation against weakening economic activity. Diverging monetary policy expectations could continue to drive movements in global bond yields, currencies, and other interest-rate-sensitive assets.

Local Economy Outlook

Exchange Rates

- The naira is expected to remain broadly stable in September, trading around ₦1,330–₦1,345/US$1, supported by improved FX liquidity, continued CBN interventions and stronger external reserves. The parallel market is also expected to remain relatively stable, while corporate FX demand, portfolio flows and movements in global oil and dollar prices could trigger mild volatility.

Inflation

- Inflation is expected to moderate slightly in August, although renewed food-price pressures could slow the pace of disinflation. Elevated crude oil prices may also keep transportation and production costs high, creating further upside risks to consumer prices.

Equities

- We expect market sentiment in September to remain cautiously positive, supported by Nigeria's confirmed return to the FTSE Russell Frontier Market Index and continued interest in large-cap stocks. Attention is also expected to remain on corporate earnings, dividend announcements and the potential impact of increased foreign investor participation ahead of Nigeria's reclassification, while some investors may position liquidity ahead of the anticipated Dangote Refinery IPO.

Fixed Income

- We expect FGN bond and Treasury Bill yields to trend lower in September, supported by strong system liquidity, sustained demand and easing inflation. Auction outcomes will remain a key market driver, while overall sentiment is expected to remain bullish.

Analysts

Agatha Akiotu-Stanley
aakiotu-stanley@cfgafrica.com
Anjoreoluwa Boluwajoko
aboluwajoko@cfgafrica.com
Esther Ashaolu
eashaolu@cfgafrica.com
Moshood Alebiosu
malebiosu@cfgafrica.com
Toluwanimi Familua
tfamilua@cfgafrica.com

THANK YOU

Disclaimer

This report is for informational purposes only. CFG Africa Research compiled it based on information believed to be reliable but cannot guarantee its complete accuracy. While we take care in preparing this report, we assume no responsibility for any errors, facts, or opinions presented herein. It is not intended as investment advice or an offer to buy or sell any securities.

This report is intended solely for CFG Africa's existing investment clients who are assumed to have investment experience. CFG Africa is not liable for any losses incurred from using this report. The report is confidential and cannot be shared or reproduced without CFG Africa's prior written consent.

About CFG Africa

CFG Africa is an institution, established to function as a comprehensive platform for **executing a diverse range of investment and financial operations**. Our primary focus is on **Asset Management and Advisory services**, encompassing the strategic generation and professional management of financial assets. We optimize these assets in **global markets** through brokerage and securities trading to generate competitive returns for our stakeholders. Additionally, we are strongly committed to providing **transactional advisory services** for both the public and private sectors, **corporate finance, actuarial services**, and expertise in **ESG and climate impact assessments**.

What We Do

Asset Management

The Asset Management business serves as **our group's liability raising and client coverage arm**, dedicated to developing specialized products and services that align with the investment objectives of wholesale and affluent clients. We integrate value-adding wealth management policies, carefully considering the investment values of our clients.

Corporate Finance

The Corporate Finance Team encapsulates our capital management activities, **operating in areas such as structured and project finance**, especially for medium and semi-large-scale enterprises, business optimization, and outsourcing of Financial Control Services. This team also manages our structured products designed to offer capital support through invoice discounting facilities, working capital financing, repo financing, cash swaps, among other financial solutions.

Global Markets, Trade & Brokerage

Our trading and brokerage services facilitate seamless trading and portfolio management. We ensure efficient execution of trades, enabling clients to buy and sell stocks, bonds, and other securities easily. Our platforms and brokers provide timely execution and access to a wide range of financial instruments. With access to global markets, we support trading across multiple asset classes, including equities, fixed income, commodities, and currencies.

Investment Banking

We offer comprehensive M&A advisory services, including identifying acquisition targets or buyers, conducting due diligence, negotiating terms, and structuring transactions. We also provide post-merger integration support to ensure acquisitions are financially sound and strategically beneficial. Our corporate restructuring services optimize operations and finances, improve efficiency, reduce costs, and enhance profitability.

Transaction Advisory

Our transaction advisory services offer strategic financial planning, risk management, and corporate governance support for businesses. We help develop effective financial strategies through financial modeling, budgeting, and forecasting, ensuring alignment with business objectives. We assist in identifying, assessing, and mitigating financial risks, providing frameworks and ongoing support to manage risks effectively.

Corporate Services

The Corporate Services team serves as the business support and shared services division within the group. This team **provides robust support to all revenue-generating businesses**, encompassing a comprehensive risk management framework, compliance and internal control, technology solutions, corporate communications, legal services, talent management, human resources, operations, administrative support, and financial architecture. These elements ensure the successful day-to-day running of the business.

CONTACT US

www.cfgafrica.com

info@cfgafrica.com

8B Walter Carrington Crescent,
Victoria Island, Lagos, Nigeria.

+234 813 661 1422

02018870020