United Capital

The Investors' Compass: From Insight to Action

Monthly Economic and Financial Markets Report

SEPTEMBER 2026

Global Markets Summary

Latest Global Economic and Financial Market Indicators -August

US US Inflation
3.40% ▼

UK UK Inflation
2.90% ▲

CN China Inflation
0.80% ▼

JP Japan Inflation
1. 90% ▲

US US Policy Rate
3.75%

UK UK Policy Rate
3.75%

CN China Policy Rate
3.00%

JP Japan Policy Rate
1.00%

OIL Brent Crude (Aug 31)
US$88.37/bbl ▼
-0.94%

AU Gold Price (Aug 31)
US$4,481.50/toz ▲
+9.12%

CO Copper Price (Aug 31)
US$6.69/lb ▲
+3.43%

CO Cocoa Price (Aug 31)
US$6,771.00/lb ▲
+6.28%

US Equities

S&P 500– 2.62% ▲
Nasdaq – 3.93% ▲

US Fixed Income

US 5-Year – 4.51% ▲
US 10 – Year - 4.76% ▲

UK/Europe Equities

FTSE 100– (0.40%) ▼
Stoxx 600 – 0.17% ▲

UK/Europe Fixed Income

France 10 Year – 4.17% ▲
UK 10-Year – 5.08% ▲

African Markets Summary

Select African economies and the WAEMU regional bloc — Latest inflation, policy rates and FX - August

SA South Africa
INFLATION
4.30%
POLICY RATE
7.00%
EXCHANGE RATE
2.87% YTD ▲

GH Ghana
INFLATION
4.60%
POLICY RATE
14.00%
EXCHANGE RATE
6.67% YTD ▼

KE Kenya
INFLATION
6.60%
POLICY RATE
8.75%
EXCHANGE RATE
0.35% YTD ▼

ET Ethiopia
INFLATION
15.10%
POLICY RATE
15.00%
EXCHANGE RATE
4.21% YTD ▼

RW Rwanda
INFLATION
13.80%
POLICY RATE
7.25%
EXCHANGE RATE
0.97% YTD ▼

WAEMU REGION (WEST AFRICAN ECONOMIC AND MONETARY UNION)

BCEAO POLICY RATE
3.00%

Held since July 2026; region facing deflationary pressure

XOF EXCHANGE RATE
1.21% YTD ▼

Fixed peg (€1 = XOF 655.957); appreciated marginally on a stronger Euro

WAEMU COUNTRIES INFLATION RATES (CURRENT)

Côte d'Ivoire	Senegal	Mali	Togo
1.90%	0.30%	2.00%	1.60%
Burkina Faso	**Benin**	**Niger**	**Guinea -Bissau**
0.10%	0.00%	(2.00%)	(1.20%)

Nigeria Summary

Latest macro and financial market dashboard

CPI Inflation (Jul-26)
15.43%
UCAP Research forecast: 15.31% for August

MPR Policy Rate
26.50%

GDP GDP Growth (Q2 2026)
4.43%
Nominal GDP to reach US$1.2 Trillion by 2031

RES External Reserves
US$53.8bn
>13 months import cover

OIL Bonny Light (Aug 31)
US$92.28/bbl
2.04% MoM

FX Exchange Rate (Aug 31)
US$/₦1,333/2.58%
Naira appreciated in August

NGX NGX-ASI (MTD)
(0.44%)
+56.92% YTD

PEN Mutual Funds Net Asset Value
₦8.60tn
As of March 2026

FIXED INCOME YIELDS (SECONDARY MARKET)

91-Day T-Bill	182-Day T-Bill	364-Day T-Bill	5-Year Bond	7-Year Bond	10-Year Bond
18.26%	18.95%	20.05%	17.14%	17.16%	17.12%
+1.28% m/m	+0.98% m/m	(0.41%) m/m	(0.06%) m/m	(0.24%) m/m	(0.27%) m/m

Global Economy

Global Economy: Recent Inflation Trends in Selected Countries

Recent Inflation Rate Trends in Selected Countries				
S/N	Countries	January 2026	Current	Change
1	Rwanda	7.50%	15.90%	8.40%
2	Niger	-10.20%	-2.00%	8.20%
3	Ethiopia	9.80%	15.10%	5.30%
4	Algeria	2.70%	7.62%	4.92%
5	Mali	-0.80%	3.30%	4.10%
6	Egypt	11.90%	14.50%	2.60%
7	Kenya	4.40%	6.60%	2.20%
8	India	2.74%	4.82%	2.08%
9	Guinea Bissau	-3.00%	-1.00%	2.00%
10	Euro Area	1.70%	3.30%	1.60%
11	Ghana	3.80%	5.00%	1.20%
12	United States	2.40%	3.40%	1.00%
13	Tanzania	3.30%	4.30%	1.00%
14	Senegal	0.40%	1.20%	0.80%
15	South Africa	3.50%	4.30%	0.80%
16	Togo	0.00%	0.70%	0.70%
17	China	0.20%	0.80%	0.60%
18	Cote d'Ivoire	1.40%	1.90%	0.50%
19	Japan	1.50%	1.90%	0.40%
20	Nigeria	15.10%	15.43%	0.33%
21	Morocco	-0.80%	-0.60%	0.20%
22	United Kingdom	3.00%	3.10%	0.10%
23	Burkina Faso	0.20%	0.10%	-0.10%
24	Benin	0.90%	0.10%	-0.80%
25	Angola	14.56%	8.78%	-5.78%

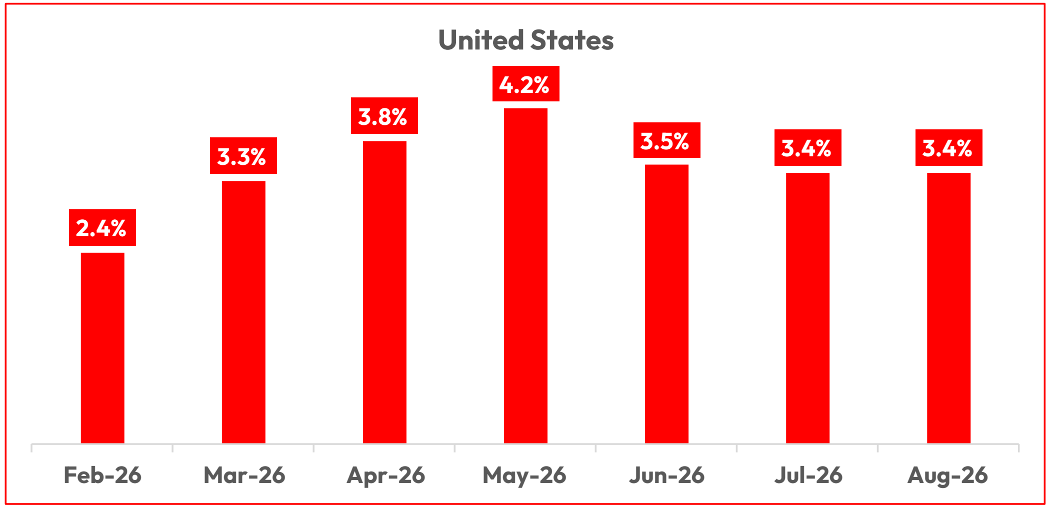
- Current inflation rates in most countries still higher than the January 2026
- This was primarily driven by rising energy costs resulting from the US-Iran crisis
- Inflation rate remains in double digits in Nigeria, Ethiopia, Egypt and Rwanda
- Major drivers of the high inflation are: food, transport and currency-related costs
- South Africa, Tanzania and Japan have contained inflation to certain extent
- They were supported by:
  - Tighter monetary policy
  - Relatively stable currencies
  - Easing food-price pressures
- However, elevated US-Iran tensions and higher oil prices still pose renewed inflation risks
- China and several WAEMU economies continue to record very low inflation
- This reflects subdued domestic demand and relatively stable food and consumer prices
- Persistent geopolitical tensions and high oil prices may sustain inflation risks, reinforcing divergent monetary policies across regions

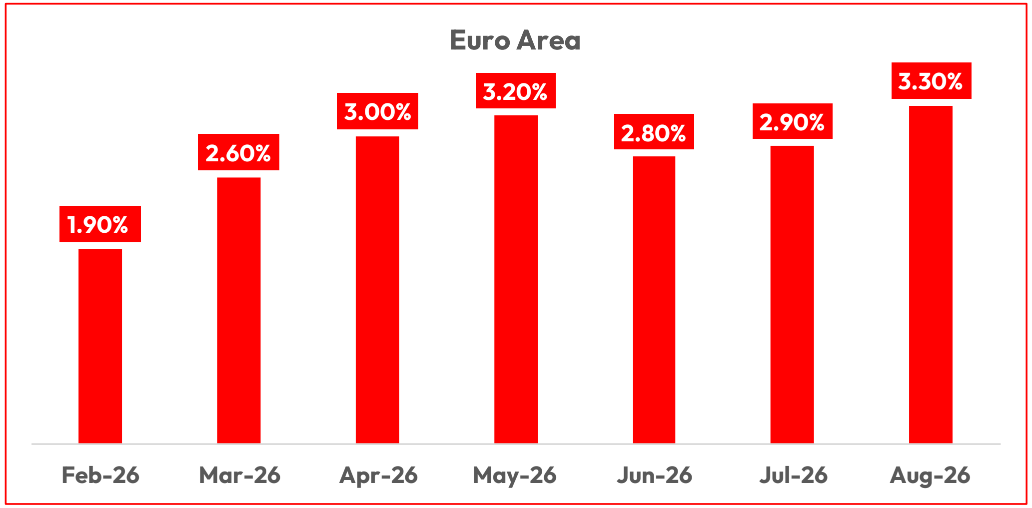
GLOBAL ECONOMY: POLICY RATE AND INFLATION RELATIONSHIPS IN SELECTED KEY ECONOMIES

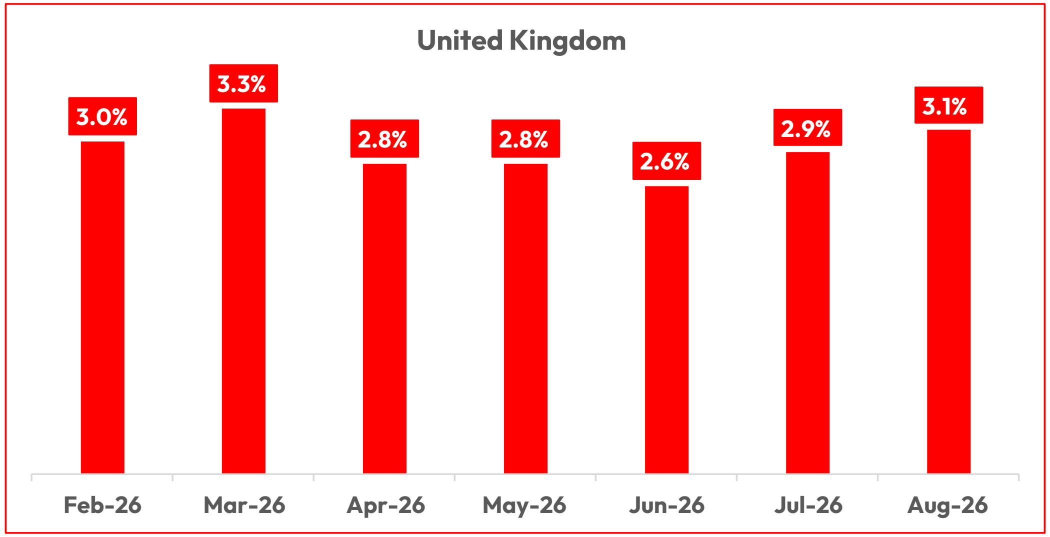
- Inflation rate remains above the Central Bank target of 2% in US, Euro Area and UK. This may keep interest rate higher for an extended period
- Rising inflation rate in Japan, though lower than 2% , may keep interest rate and policy rate high for an extended period
- China's low inflation rate environment may justify a policy rate at current level

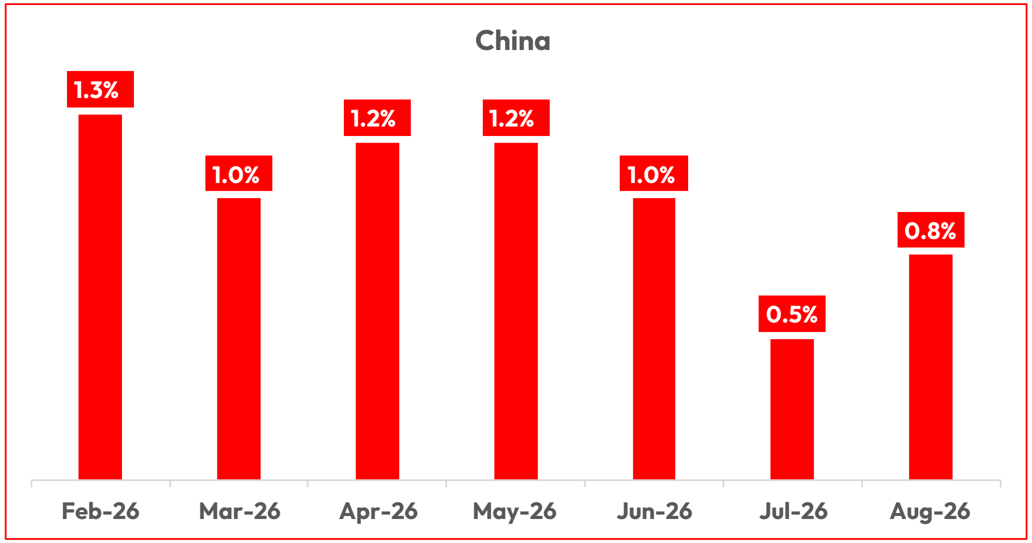
	Indicators	Feb-26	Mar-26	Apr-26	May -26	Jun-26	Jul-26	Aug -26
USA	Inflation Rate	2.40%	3.30%	3.80%	4.20%	3.50%	3.40%	3.40%
	Policy Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
	Premium	1.35%	0.45%	(0.05%)	(0.45%)	0.25%	0.35%	0.35%
UK	Inflation Rate	3.00%	3.30%	2.80%	2.80%	2.60%	2.90%	3.10%
	Policy Rate	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
	Premium	0.75%	0.45%	0.95%	0.95%	1.15%	0.85%	0.65%
Euro Area	Inflation Rate	1.90%	2.60%	3.00%	3.20%	2.80%	2.90%	3.30%
	Policy Rate	2.15%	2.15%	2.15%	2.15%	2.40%	2.40%	2.40%
	Premium	0.25%	(0.45%)	(0.85%)	(1.05%)	(0.40%)	(0.50%)	(0.90%)
China	Inflation Rate	1.30%	1.00%	1.20%	1.20%	1.00%	0.50%	0.80%
	Policy Rate	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
	Premium	1.70%	2.00%	1.80%	1.80%	2.00%	2.50%	2.20%
Japan	Inflation Rate	1.30%	1.50%	1.40%	1.50%	1.50%	1.90%	-
	Policy Rate	0.75%	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%
	Premium	(0.55%)	(0.75%)	(0.65%)	(0.75%)	(0.50%)	(0.90%)	-

GLOBAL ECONOMY – 2026 INFLATION TRENDS IN SELECTED KEY ECONOMIES

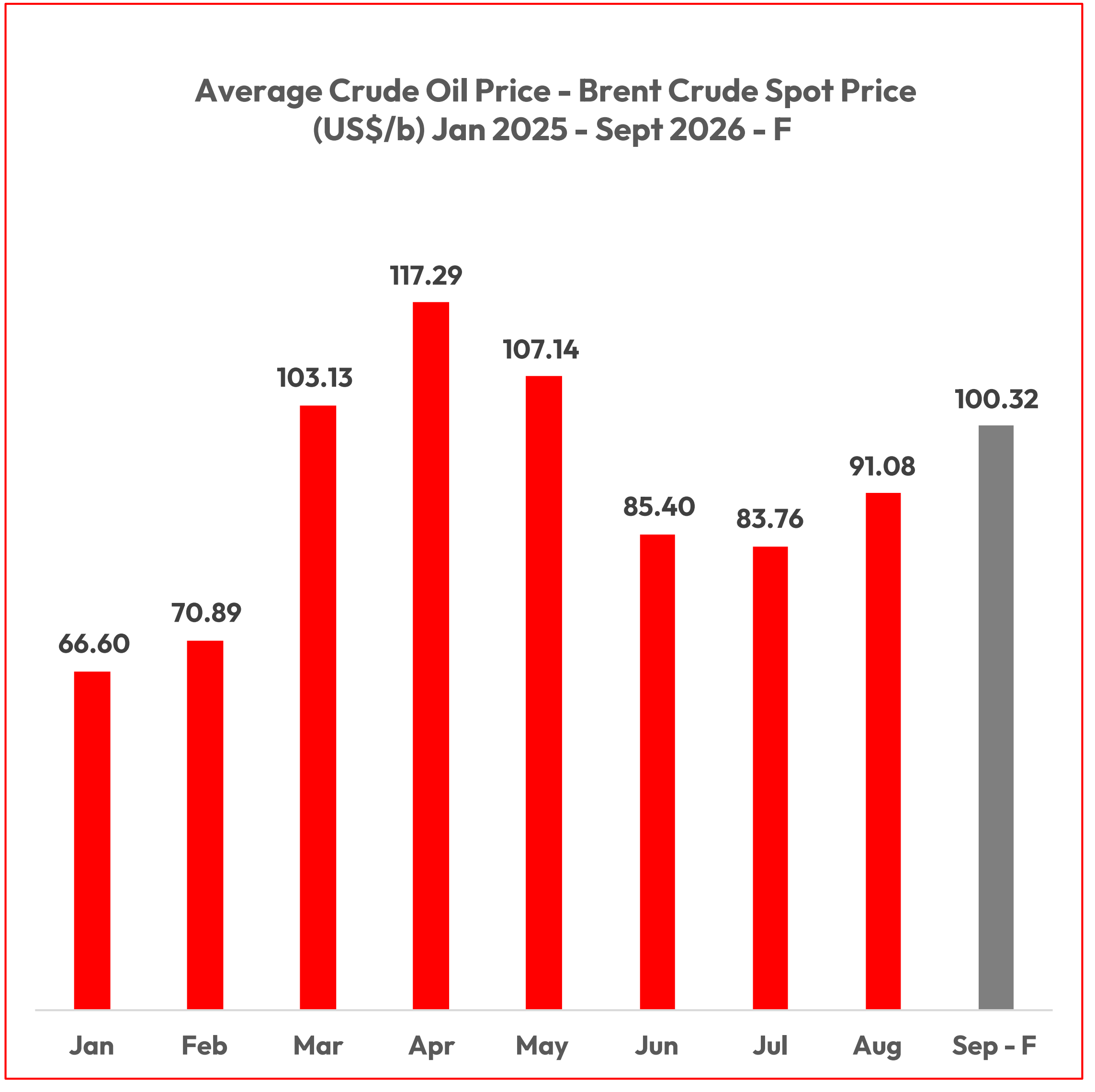








GLOBAL ECONOMY – CRUDE OIL PRICE AND FORECAST



- Oil prices rose in August to settle at elevated levels with average Brent price settling at US$91.08/b from US$83.76/b in July
- We forecast Brent crude price to settle at US$100.32/b in September 2026
- Renewed crisis between the US and Iran may set oil price above US$100/b in September 2026
- The movement in the crude oil price may affect global inflation rates and yields in the fixed income
- Slight volatility in global markets may remain because of the impact of the rising energy prices
- This will cause Central Banks to maintain a hold or cautious stances on monetary policy in Q3 into Q4 2026

GLOBAL ECONOMY – COMMODITY PRICES

Commodities Price Monitor as of August 31, 2026

Commodity	Unit Price	Price (US$)	MTD	Drivers
Cocoa	US$/MT	6,771.00	25.46%	Cocoa prices climbed due to lower crop forecasts in Ghana and Côte d'Ivoire raising supply concerns, with poor weather and disease affecting production
Gold	US$/toz	4,481.50	9.12%	Gold prices rose due to strong safe - haven demand and a weaker US Dollar
Compressed Natural Gas (CNG)	US$/MMBtu	2.935	6.84%	Prices rose in August, driven by increased seasonal demand and tighter supply conditions
Copper	US$/lb	6.69	3.43%	Prices increased on tight supply, while demand from electrification, grid expansion and AI infrastructure remains strong
Coffee	US$/lb	311.5	(1.00%)	Prices declined as expectations of stronger Brazilian supply eased supply concerns
Oil Crude – Brent	US$/bbl	88.37	(1.94%)	Prices fell slightly as higher OPEC+ output, easing geopolitical risks and softer global growth expectations weighed on prices
Oil Crude – Bonny Light	US$/bbl	92.28	(2.65%)	However, there was still some volatility in the markets which led to the slight decline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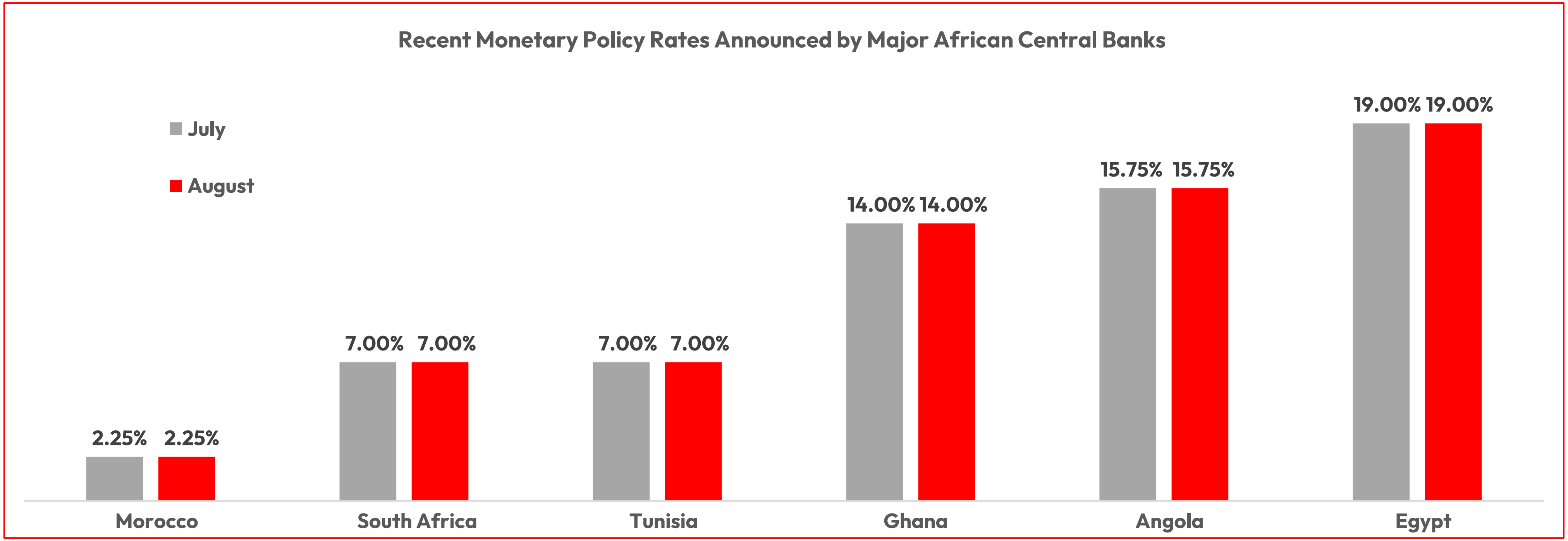
Sub-Saharan Africa (SSA)

Sub-Saharan Africa – Monetary Policy Rate Announcements by Select African Countries

- Monetary policy rates were broadly unchanged across the selected African economies in August 2026
- Central Banks maintained cautious positions while monitoring inflation and exchange-rate conditions
- Angola held its rate at 15.75% after cutting by 1.25% in July, indicating a pause to assess the effect of earlier easing
- Looking ahead, further rate reductions are likely to remain selective and dependent on sustained disinflation, currency stability and improving external conditions



SELECT AFRICAN COUNTRIES SNAPSHOT

Pan African Stock Market Monitor				
Market	**Index**	**MoM Change**	**YTD Equity Market**	**YTD Currency**
Ghana	15,076.25	(2.32%)	71.90%	(6.67%)
Tunisia	19,406.31	(3.15%)	44.29%	(0.89%)
Egypt	54,866.04	2.66%	31.17%	(6.14%)
South Africa	116,257.26	4.27%	0.33%	2.87%
Morocco	417.10	4.19%	(2.12%)	(1.88%)

Key Rates in Select African Countries						
Countries	**Tenor**	**Bond Yield**	**MoM Change**	**Inflation**	**Policy Rate**	**YTD Currency**
Egypt	10 Year	22.88%	0.00%	14.50%	19.00%	(6.14%)
Angola	10 Year	22.00%	0.00%	8.78%	15.75%	(0.07%)
Ghana	10 Year	29.85%	0.00%	5.00%	14.00%	(6.67%)
South Africa	10 Year	8.75%	0.00%	4.30%	7.00%	2.87%

SELECT AFRICAN COUNTRIES SNAPSHOT

Currency Performance in Select African Countries				
Countries	**Signs**	**Spot Rate**	**MoM Change**	**YTD Change**
South Africa	ZAR: Rand	16.11	2.75%	2.87%
Angola	AOA: Kwanza	919.61	(0.03%)	(0.07%)
Tunisia	TND: Dinar	2.91	0.91%	(0.89%)
Morocco	MAD: Dirham	9.29	0.45%	(1.88%)
Egypt	EGP: Pound	50.82	0.65%	(6.14%)
Ghana	GHS: Cedi	11.25	3.87%	(6.67%)

- Ghana led equity returns table, but currency deprecation lowered the adjusted return
- Rand appreciation in South Africa improved the US Dollar adjusted equity return
- Ghana offered the highest real bond return, but Cedi weakness remained a material risk
- Recent bond default in Ghana still affects the attractiveness of the yield
- Angola combined a high real yield with a relatively stable currency
- This strengthened US Dollar adjusted return
- The Rand was the only currency with a YTD appreciation in the countries covered

East Africa

East African Countries Snapshot of Key Economies

Stock Market Performance in Select East African Countries				
Market	**Index**	**MoM Change**	**YTD**	**YTD Currency**
Tanzania	4,440.5	5.97%	60.78%	(6.99%)
Rwanda	259.21	1.25%	42.22%	(0.97%)
Uganda	2,344.70	6.72%	43.69%	(4.37%)
Kenya	4,325.60	5.67%	37.82%	(0.35%)

Key Rates in Select East African Countries					
Countries	**10 –Year Bond Yield**	**MoM Change**	**Inflation**	**Policy Rate**	**YTD Currency**
Ethiopia*	-	-	15.10%	15.00%	(4.21%)
Uganda	15.11%	(0.43%)	4.10%	9.75%	(4.37%)
Kenya	12.25%	(0.23%)	6.60%	8.75%	(0.35%)
Rwanda	12.00%	0.00%	15.90%	7.25%	(0.97%)
Tanzania	10.87%	0.00%	4.30%	5.75%	(6.99%)

Ethiopia does not currently have an active 10-year bond in issue; as such, their corresponding real return cannot be computed

EAST AFRICAN COUNTRIES SNAPSHOT OF KEY ECONOMIES [CONT'D]

Currency Performance in Select East African Countries				
Countries	**Signs**	**Spot Rate**	**MoM Change**	**YTD Change**
Kenya	KES: Shilling	129.45	(0.19%)	(0.35%)
Rwanda	RWF: Franc	1,470.83	(0.16%)	(0.97%)
Ethiopia	ETB: Birr	162.23	(1.08%)	(4.21%)
Uganda	UGX: Shilling	3,785.00	(0.94%)	(4.37%)
Tanzania	TZS: Shilling	2,645.00	(0.11%)	(6.99%)

- Currencies remain weak because of external shocks
- Tanzania equity performance remained attractive despite weak currency
- Uganda offered the highest bond yield
- Carry trade opportunity may exit from Tanzania to Uganda
- There are carry trade opportunities from most if the Africa countries covered here to Nigeria

West African Economic and Monetary Union(WAEMU)

WAEMU Region Snapshot

- Although inflation rate remains low in WAEMU Region, it increased across most of the countries in August
- The currency (XOF) appreciated by 0.70% in August supported by the strengthening of the Euro against the US Dollar
- The CFA Franc is peg to the Euro

Inflation Rate in West African and Monetary Union (WAEMU) Region

Countries	Previous	Current	Change
Niger	(2.90%)	(2.00%)	(0.09%)
Guinea Bissau	(2.20%)	(1.20%)	1.00%
Burkina Faso	(0.40%)	0.10%	0.50%
Benin	(0.40%)	0.00%	(0.40%)
Mali	1.30%	2.00%	0.70%
Cote d'Ivoire	1.80%	1.90%	0.10%
Togo	0.10%	1.60%	(0.30%)
Senegal	0.40%	0.30%	(0.10%)

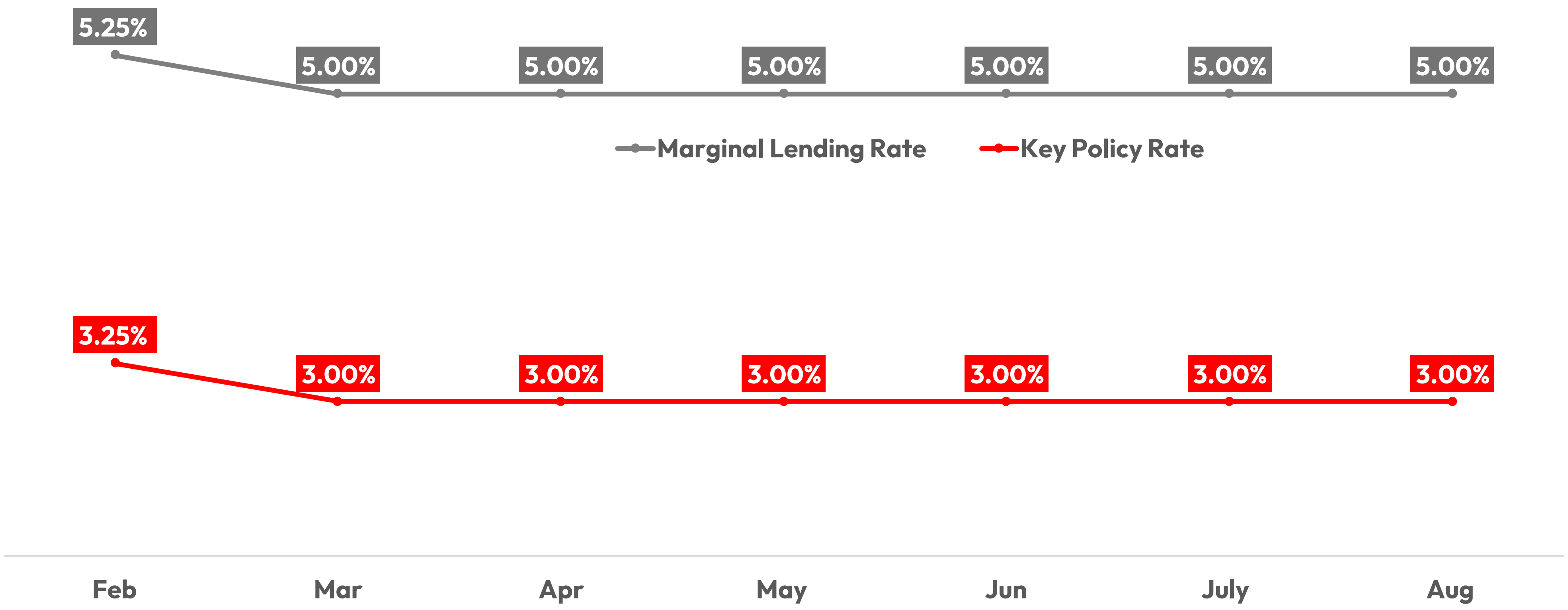
Exchange Rate(US$/(XOF))

The currency (XOF) appreciated by 0.70% in August supported by gain in Euro

WAEMU REGION SNAPSHOT [CONT'D]

Key Policy Rates in WAEMU Region 2026

The Central Bank of West African States (BCEAO) kept its policy rate unchanged at 3.00% in August 2026 to prioritise monetary and price stability within the WAEMU region

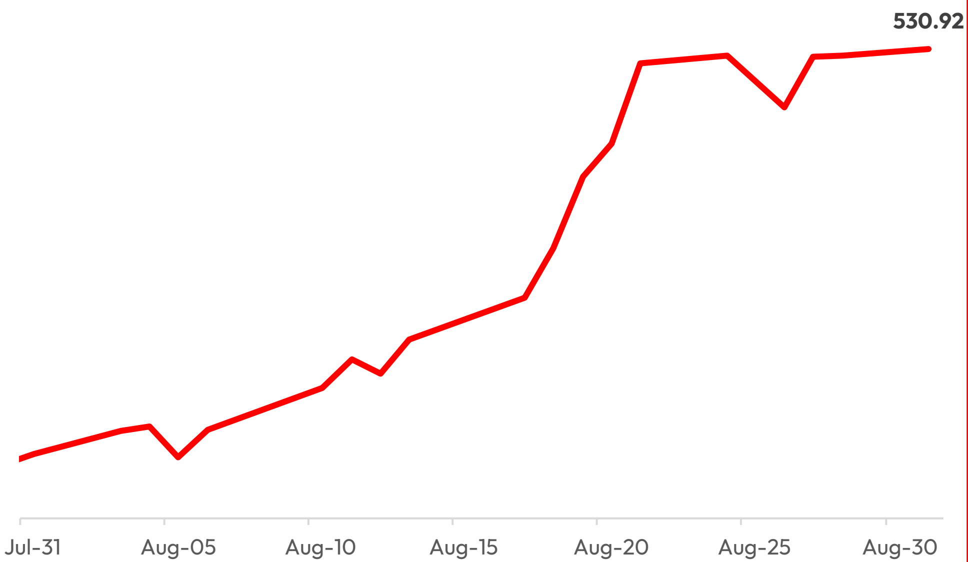


WAEMU MARKETS SNAPSHOT

- BRVM Composite rose 10% in August, driven by broad-based gains and strong investor demand
- WAEMU assets delivered positive returns, supported by low inflation and attractive sovereign yields, despite modest XOF depreciation
- Niger and Guinea-Bissau led bond returns at 11.00% and 8.20%, respectively

BRVM Composite Index (ICXCOMP)

ICXCOMP appreciated sharply by 10.00% to close at 530.92



Key Rates in WAEMU Countries						
Countries	**Tenor**	**Bond Yield**	**MoM Change**	**Inflation**	**Real Return**	**YTD Currency**
Niger	5 Year	9.00%	2.00%	(2.00%)	11.00%	(1.21%)
Guinea-Bissau	3 Year	7.00%	0.00%	(1.20%)	8.20%	
Burkina Faso	5 Year	6.00%	(1.00%)	0.10%	5.90%	
Senegal	3 Year	7.00%	(1.00%)	0.30%	6.70%	
Benin	2 Year	5.00%	0.00%	0.00%	5.00%	
Togo	5 Year	7.00%	0.00%	1.60%	5.40%	
Ivory coast	5 Year	5.00%	(2.00%)	1.90%	3.10%	
Mali	3 Year	7.00%	0.00%	2.00%	5.00%	

Nigeria – Macroeconomic Trends & Implications for Markets & Businesses

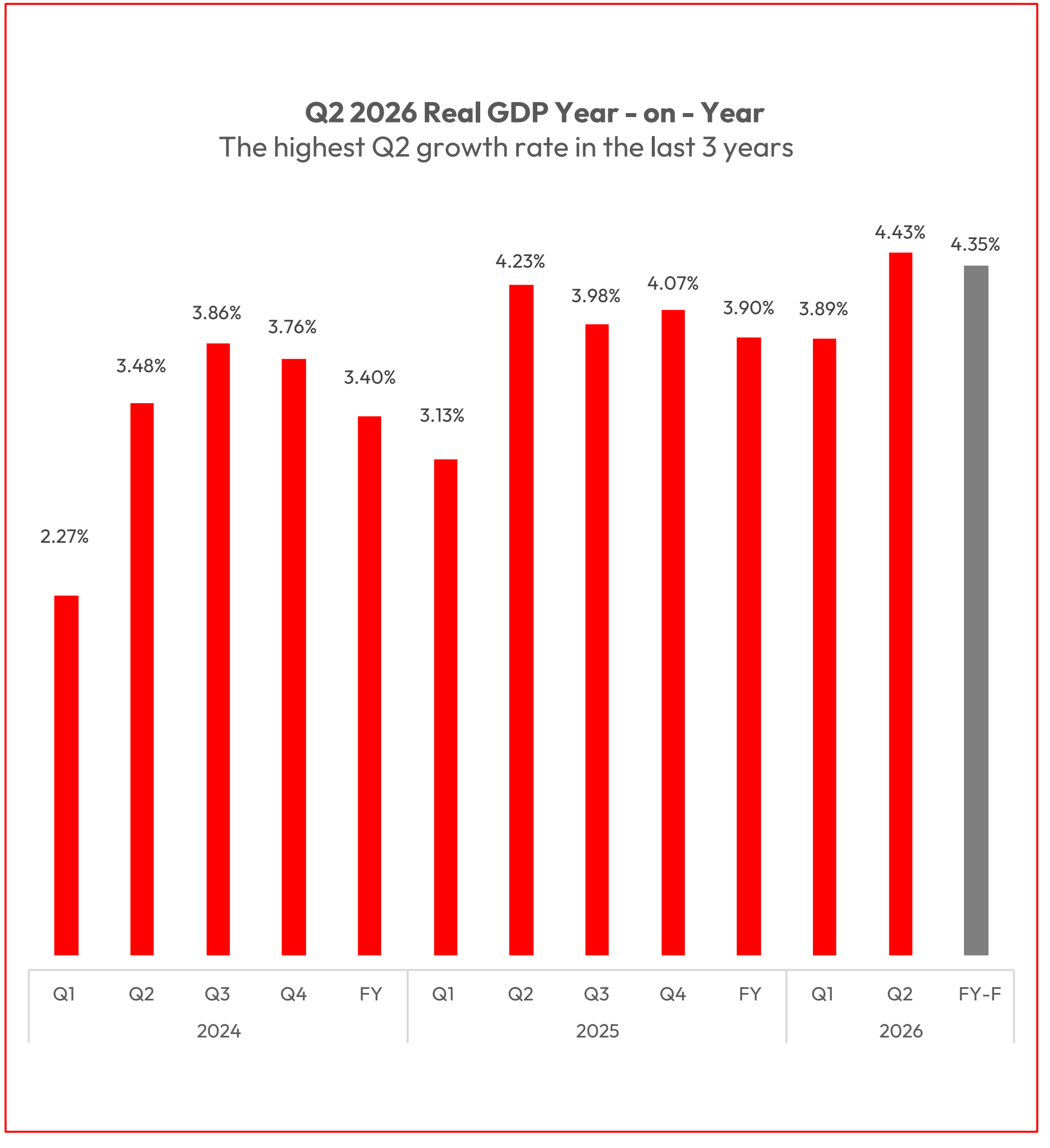
Moody's Revises Nigeria's Credit Outlook from Stable to Positive

- On August 28, Moody's revised Nigeria's outlook to Positive from Stable, while maintaining its current sovereign rating of B3
- The outlook revision was supported by:
  - Higher FX reserves
  - Sustained current-account surpluses that have strengthened Nigeria's resilience to external shocks
  - Improved non-oil sector activity and rising oil production expected to support economic growth
- Moody's action follows S&P's upgrade of Nigeria to B from B- in May, while Fitch maintained its B rating with a Stable outlook in April 2026

Implications of the Revised Credit Outlook:

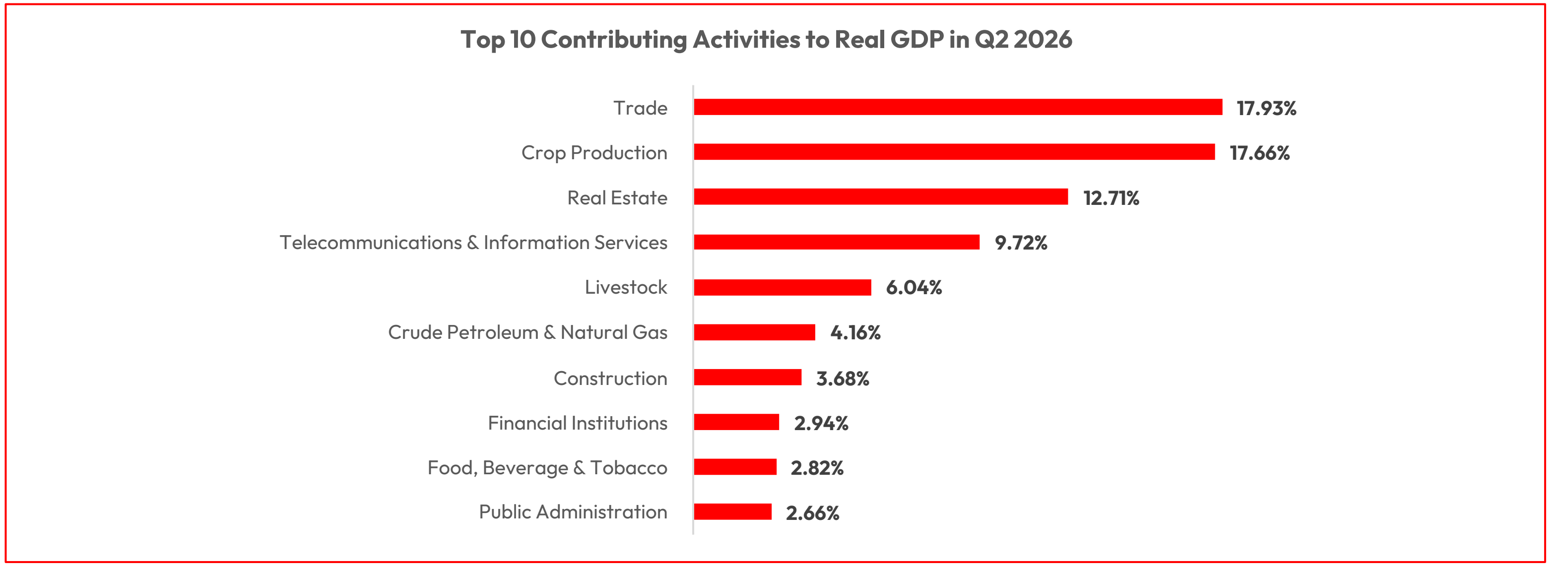
- The positive outlook improves Nigeria's sovereign risk perception, increasing the likelihood of a drop in yield on fixed income securities
- A stronger credit profile could lower Nigeria's sovereign risk premium and borrowing costs over time, particularly in international debt markets
- Improved sovereign risk perception could strengthen foreign investor confidence and encourage portfolio and direct capital inflows, supporting demand for Nigerian assets
- For the fixed-income market, lower perceived sovereign risk could support tighter bond spreads and stronger demand for longer-dated government securities
- Improved investor sentiment could also provide a positive backdrop for equities, particularly banks and other large-cap stocks that are sensitive to foreign flows and domestic financing conditions
- However, the impact is likely to be gradual rather than immediate, as Nigeria remains at B3

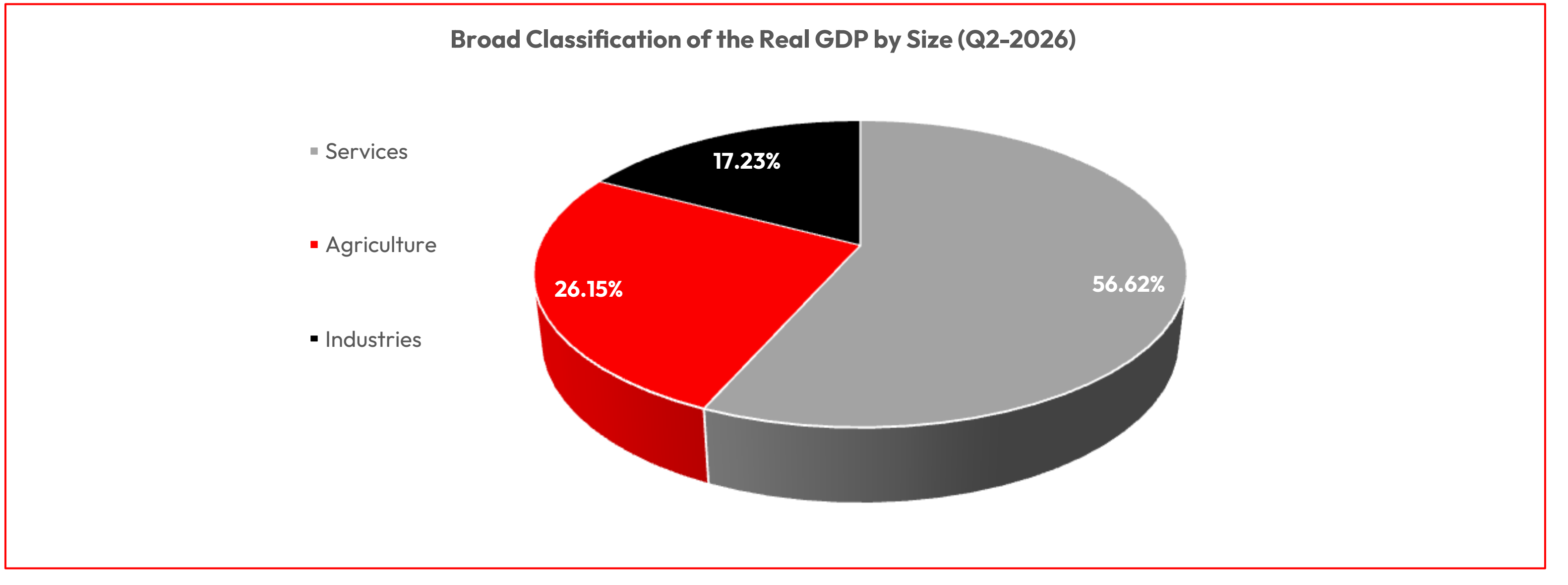
DOMESTIC ECONOMY: Q2 2026 GROSS DOMESTIC PRODUCT GROWTH RATE



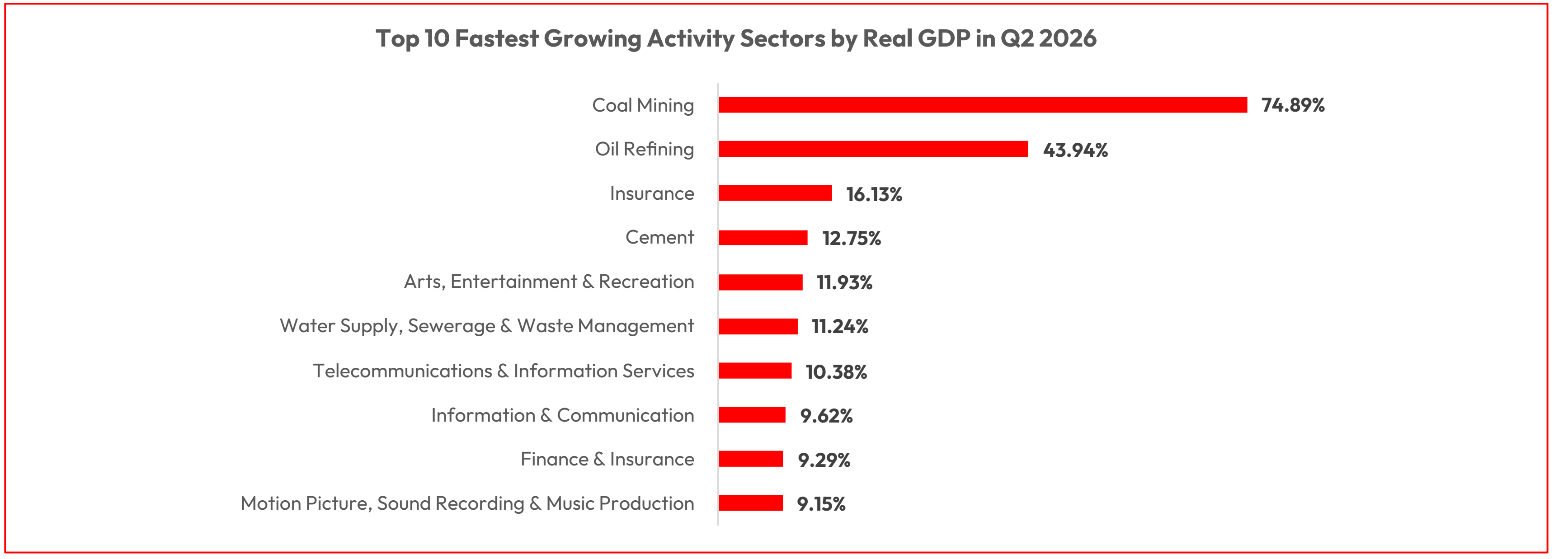
- Nigeria's real GDP expanded by 4.43% y/y from 4.23% in Q2 2025
- Nominal GDP increased by 18.43% y/y to ₦119.29trn, from ₦100.73trn in Q2 2025
- Services remained the largest economic sector, contributing 56.62% to real GDP and expanding by 4.60% year-on-year
- The Q2 outcome exceeded the International Monetary Fund's 4.10% full-year growth forecast for Nigeria
- This highlights stronger-than-anticipated near-term momentum
- Based on this performance, United Capital Research has now revised the FY forecast to 4.35%
- Overall, the improved performance reinforces Nigeria's gradual transition towards a more diversified economy, supported by services, agriculture and a recovering oil sector
- Sustained growth could support corporate earnings and investor sentiment

DOMESTIC ECONOMY – GDP IN Q2 2026



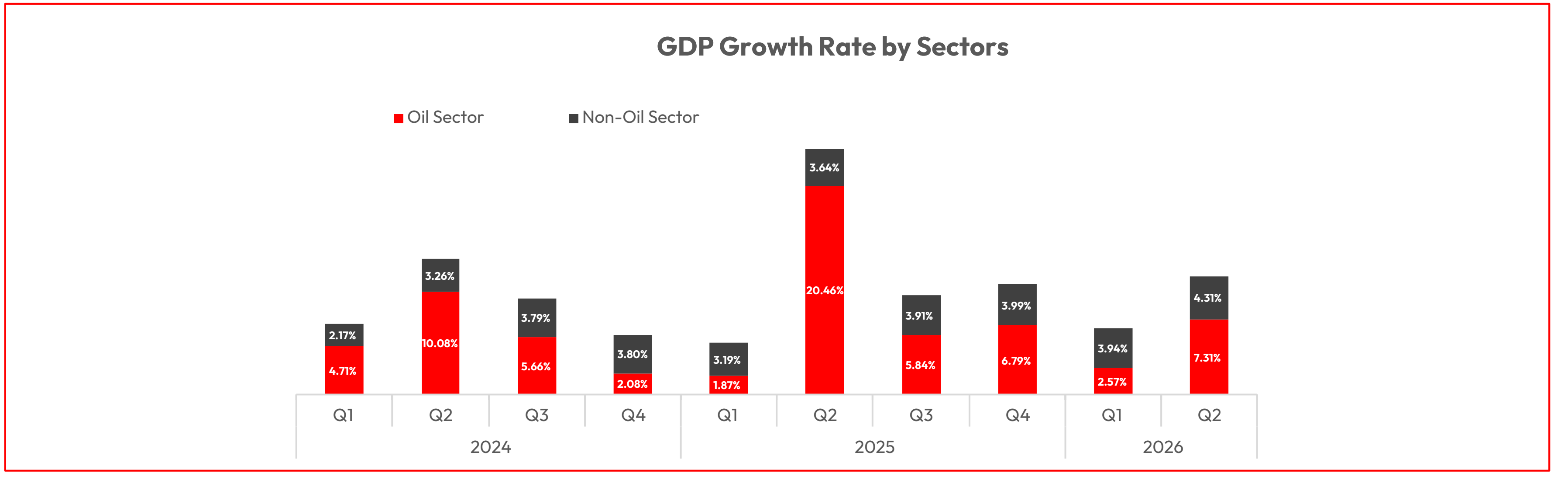


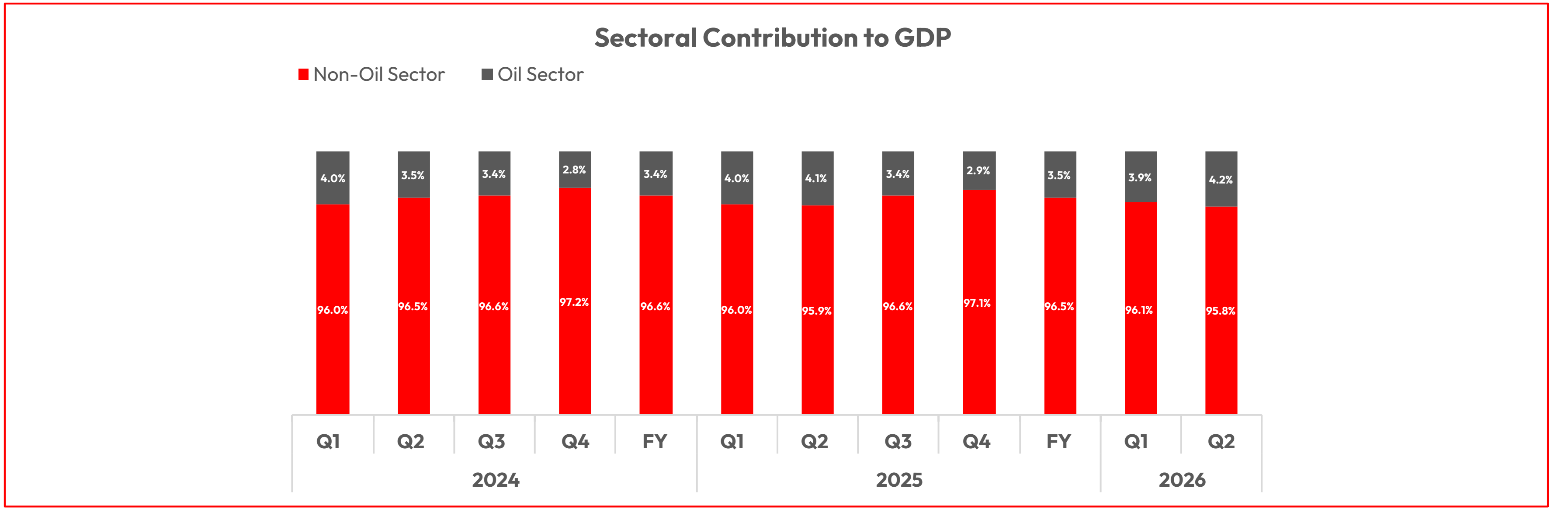
DOMESTIC ECONOMY – GDP IN Q2 2026 [CONT'D]



- Industry accounted for 17.23% of real GDP, indicating its comparatively smaller contribution to the economy
- Coal Mining recorded the fastest growth at 74.89%, although its relatively small economic share limits its overall contribution to GDP
- Oil Refining expanded by 43.94%, reflecting stronger downstream petroleum activity during the quarter
- Overall, the GDP structure remains predominantly service-driven
- Meanwhile faster growth across agriculture and selected industrial activities indicates a gradually broadening economic expansion

DOMESTIC ECONOMY – NIGERIA'S GROSS DOMESTIC PRODUCT IN Q2 2026



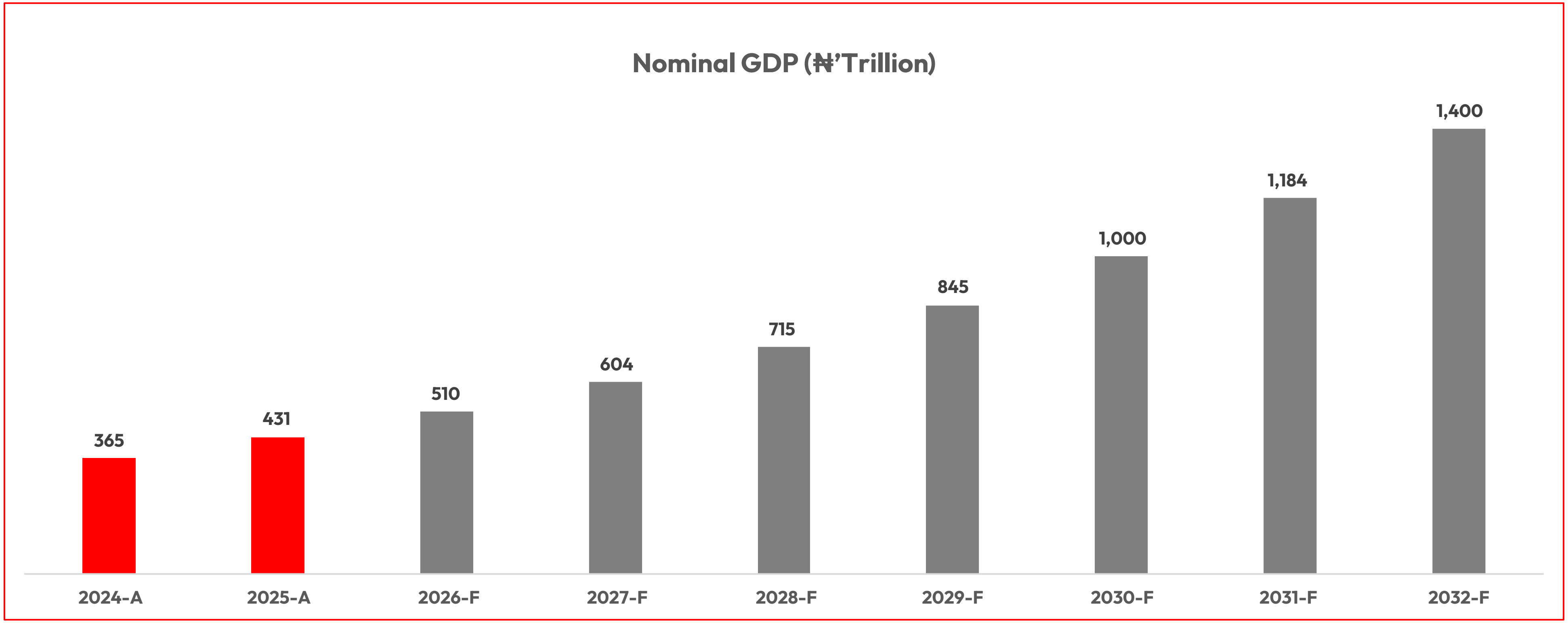


DOMESTIC ECONOMY – NIGERIA'S GROSS DOMESTIC PRODUCT IN Q2 2026 [CONT'D]

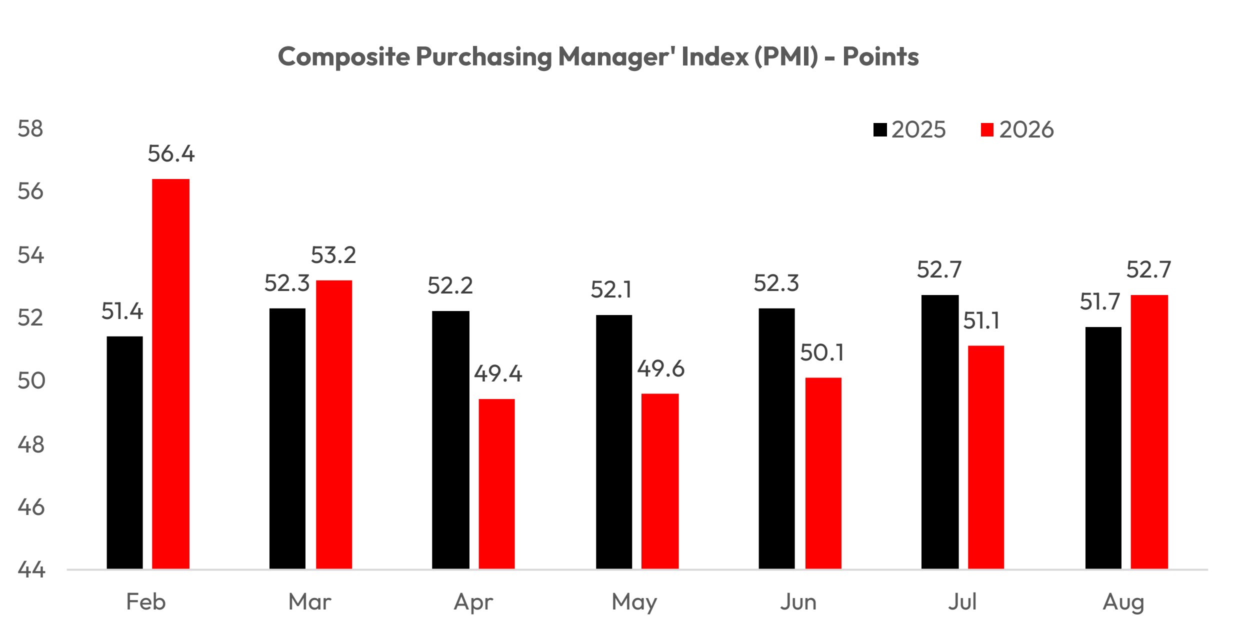
- The non-oil sector remained the main driver of Nigeria's economy
- It accounted for 95.84% of real GDP in Q2 2026
- Non-oil GDP grew by 4.31% y/y, improving from 3.64% in Q2 2025 and 3.94%
- Growth in the non-oil economy was supported by :
  - Crop Production, Telecommunications, Real Estate, Trade, Financial Institutions, Cement and Construction
- Oil sector recorded faster y/y growth of 7.31%, compared with 3.64% in Q1 2025
- This was supported by improved crude-oil production
- Average crude-oil production increased to 1.72mbpd from 1.55mbpd in Q1 2026 and 1.68mbpd in Q2 2025
- Consequently, the oil sector's contribution increased to 4.16% of real GDP, from 3.92% in Q1 2026 and 4.05% in Q2 2025
- Despite the improvement in oil activity, Nigeria's economy remains predominantly non-oil and increasingly driven by services, agriculture and other domestic activities
- Sustaining higher oil production would support exports, government revenue and foreign-exchange inflows
- Meanwhile, continued non-oil expansion would improve economic resilience

DOMESTIC ECONOMY – NOMINAL GDP PROJECTED AT US$1.2 TRILLION IN 2031

- Nominal GDP at current basic prices rose to ₦119trillion in Q2 2026 from ₦111trillion in Q1 2026
- United Capital Research projects nominal GDP to increase to ₦510trillion in FY 2026, compared to ₦431trillion in 2025
- Looking ahead, we expect nominal GDP at current basic prices to reach approximately ₦1.2 quadrillion by 2031
- This will be equivalent to about US$1.2 trillion assuming an exchange rate of US$/₦1,000



COMPOSITE PURCHASING MANAGERS' INDEX (PMI)

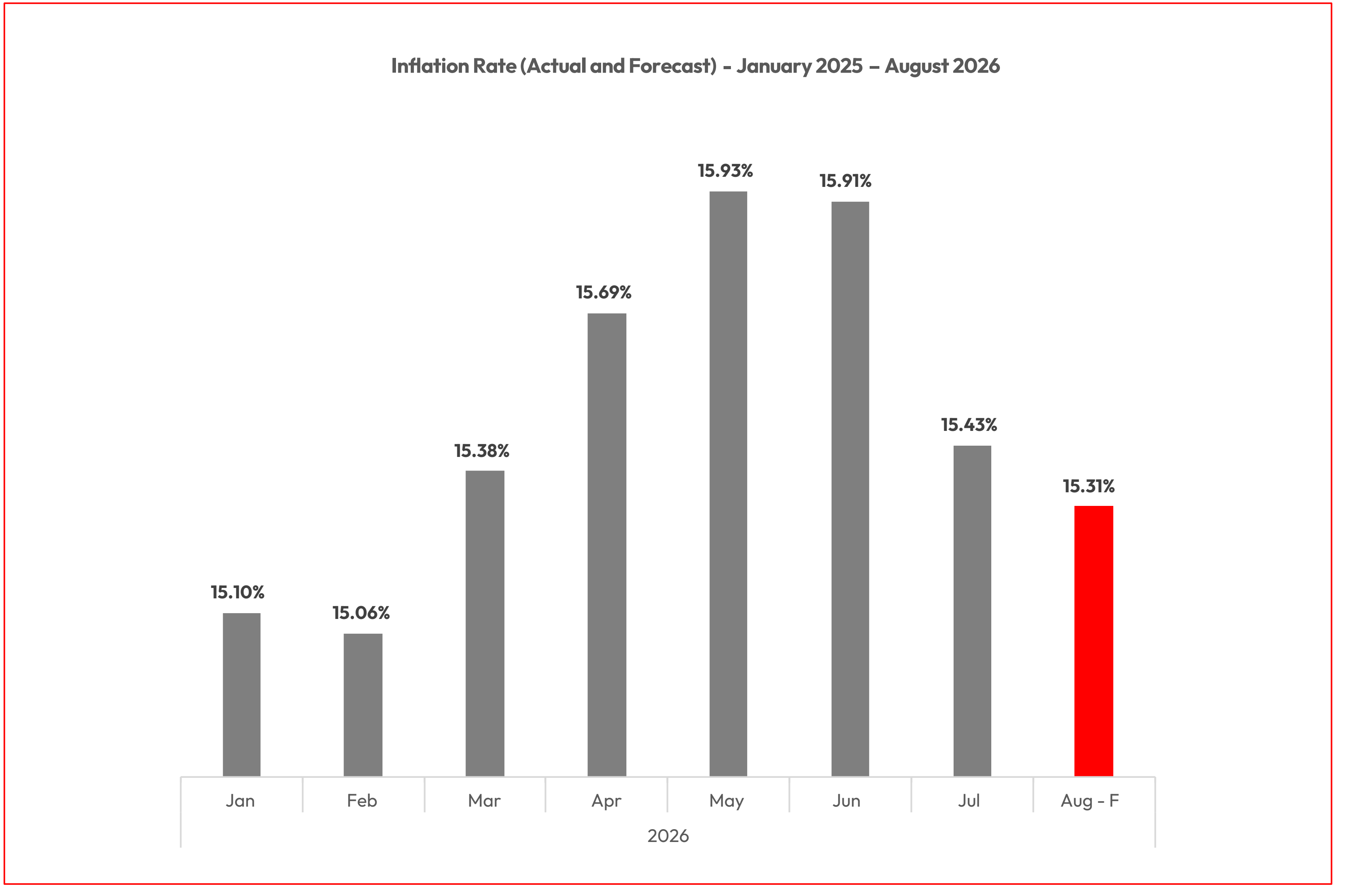


Index	Jul-26	Aug -26	Change
Composite PMI	51.1	52.7	3.13%
Industry PMI	49.6	50.6	2.02%
Services PMI	51.1	53.3	4.31%
Agriculture PMI	52.1	53.4	2.50%

August 2026 Purchasing Managers Index (PMI)

- Composite PMI retained its position above its 50-point threshold, rising to 52.7 points in August 2026 from 51.1 points in July 2026
- This signals the third consecutive month of expansion confirming the return to expansion
- The improvement was driven by stronger Services sector activity
- Notably, the industry PMI has returned to expansion at 50.6 points from 49.6 points in July 2026
- As a leading indicator of economic activity, the sustained expansion in PMI points to a firmer near-term growth outlook
- For financial markets, stronger economic activity should support corporate earnings and investor sentiment

DOMESTIC ECONOMY: INFLATION RATE FORECAST

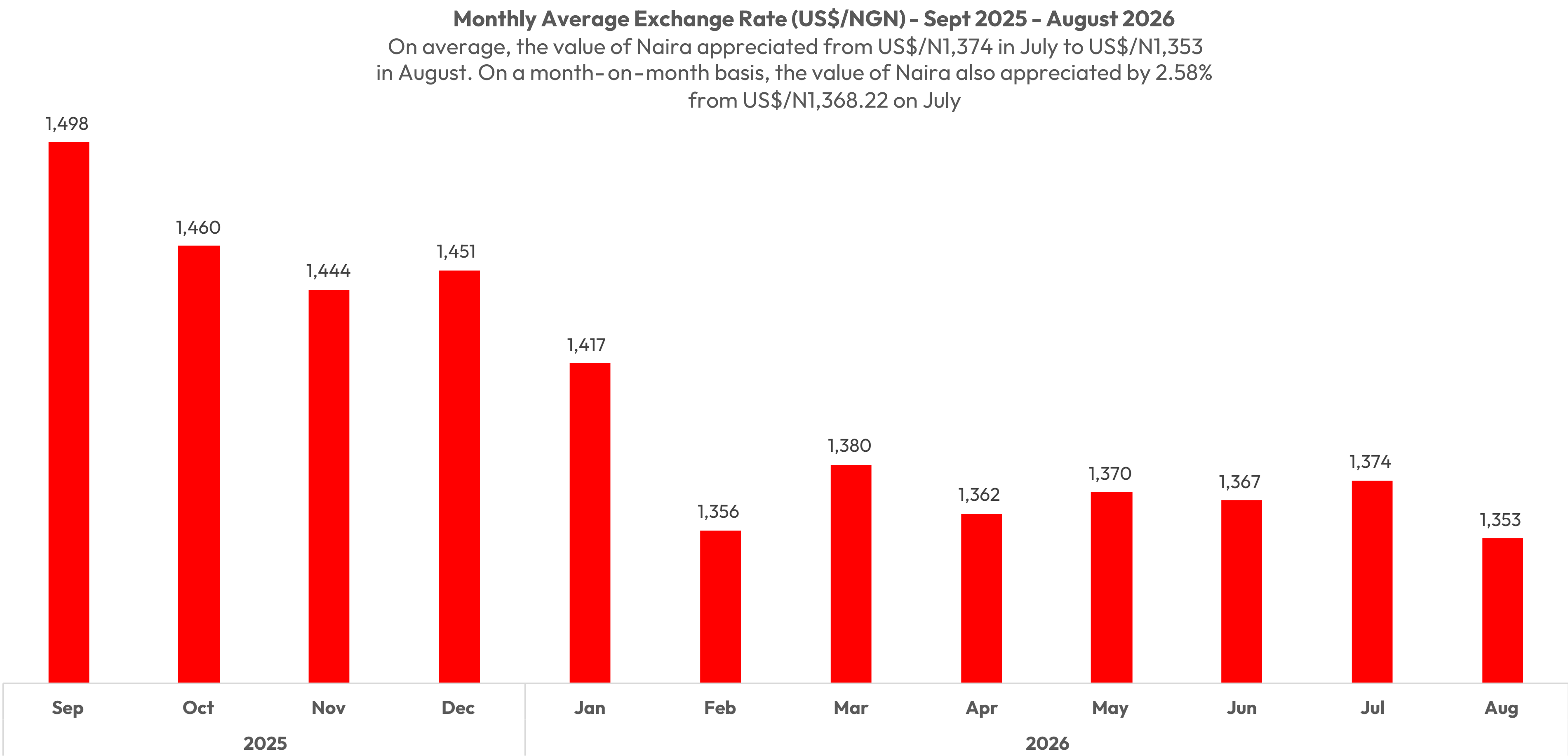


DOMESTIC ECONOMY: INFLATION RATE FORECAST [CONT'D]

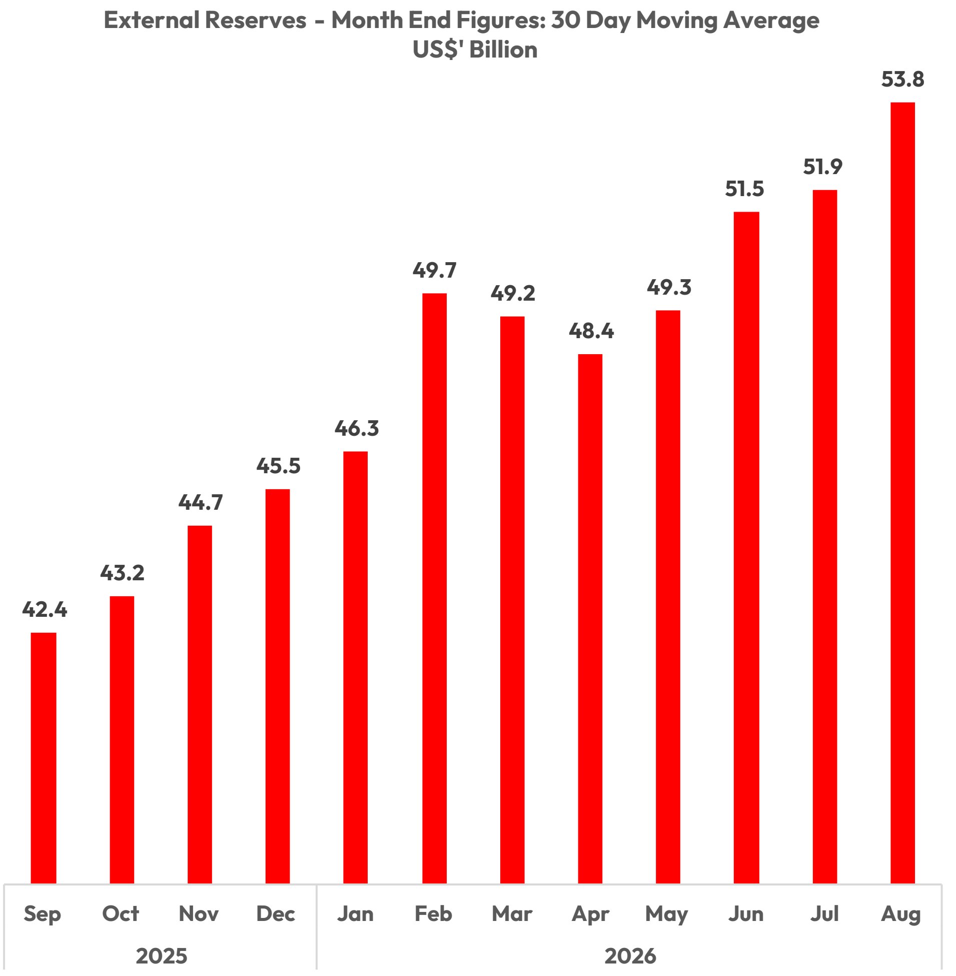
Inflation Highlights From July 2026			
	Jun -26	**Jul -26**	**Change (%)**
Headline Inflation	15.91%	15.43%	(0.48%)
Food Inflation	17.52%	20.31%	2.79%
Core Inflation	15.92%	14.97%	(0.95%)
Urban Inflation	16.08%	16.12%	0.04%
Rural Inflation	15.48%	13.77%	(1.71%)

- United Capital Research forecasts 15.31% inflation rate in August 2026
- The anticipated moderation is largely driven by the following factors:
  - Improved food supply as the main harvest season gathers pace, easing prices of selected staples and perishables
  - The relative stability and appreciation of the Naira, which moderated imported inflation and production costs
- If this forecast materialises, it will mark the third consecutive monthly decline in inflation
- Our inflation forecast for August–October 2026 remains within the 15% range
- We expect a moderating impact on the yields in the fixed income securities in the short-term
- Investors can stay long in positions at the current yields ahead of the rally in the fixed income

DOMESTIC ECONOMY – EXCHANGE RATE (US$/NGN)

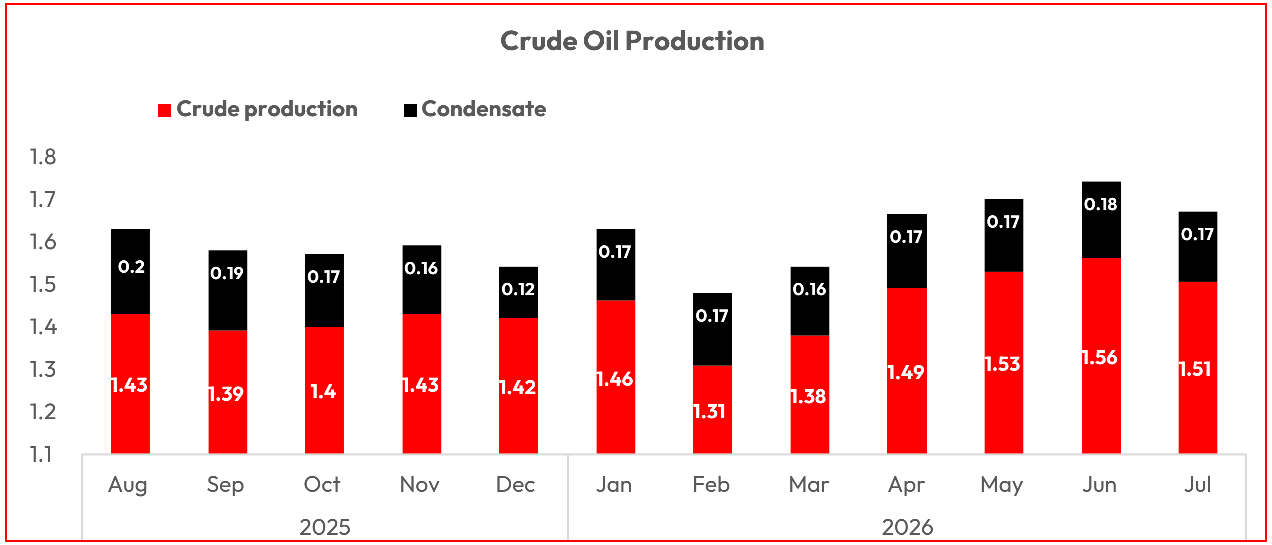


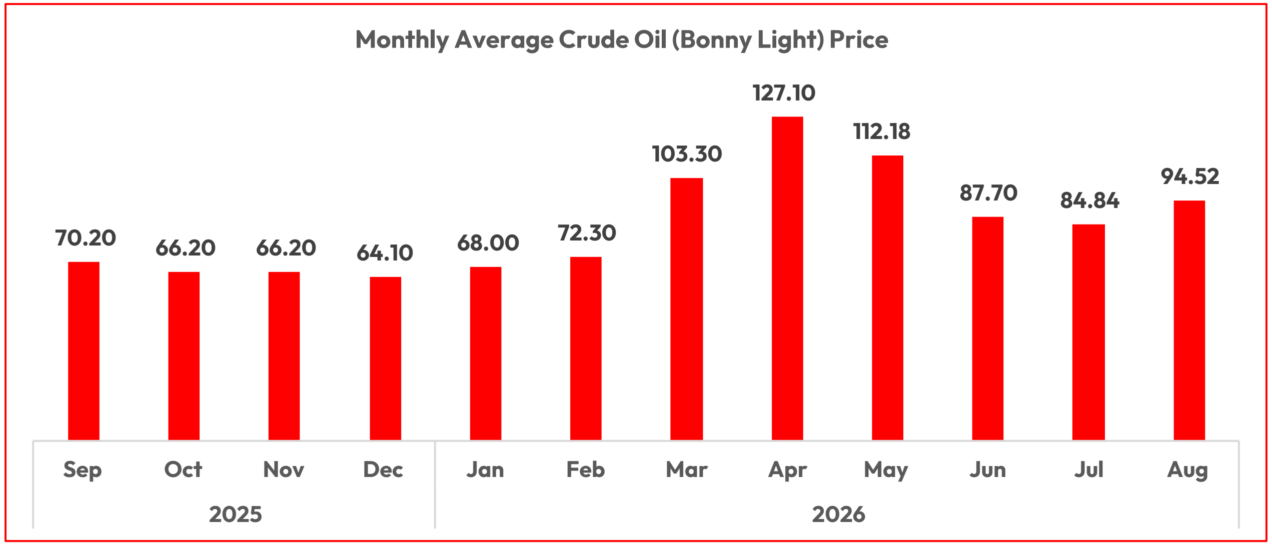
DOMESTIC ECONOMY – EXTERNAL RESERVES



- External reserves rose further to US$53.8bn in August 2026, from US$51.9bn in July 2026
- This is the highest reserve level in over 17 years
- The sustained accumulation strengthened external buffer
- It also supported greater stability in the FX market
- The increase was supported by higher crude oil prices, stronger oil-export earnings and improved foreign currency inflows
- Improved capital inflows and greater transparency in the FX market also supported reserve accumulation and investor confidence
- The reserve level provides import cover for over 13 months
- The August figure has now exceeded our previous 2026 year-end forecast of US$53.25bn
- Going forward, the sustainability of reserve growth will depend on oil earnings, capital inflows and continued improvement in FX-market conditions

DOMESTIC ECONOMY – CRUDE OIL PRODUCTION AND PRICES





DOMESTIC ECONOMY – CRUDE OIL PRODUCTION AND PRICES [CONT'D]

Nigeria recorded a total crude oil production of 1.51 mb/d in July 2026

Crude oil production, excluding condensate, exceeded the OPEC quota of 1.5 mb/d

Meanwhile, combined crude and condensate output rose to 1.67 mb/d, slightly lower than June's production of 1.75 mb/d

We expect recent investments in the oil and gas industry in Nigeria, including the new deep offshore oil and gas tax incentive order and the improved pipeline security, and new projects, to sustain and potentially extend this production growth in the short-to-medium term

This will have positive impact on the economy both in terms of revenue generations and FX supply that can sustain FX stability and appreciation

Bonny Light price rose by 11.4% to settle at US$94.52/b, driven by renewed Middle East tensions, disruptions to shipping through the Strait of Hormuz and concerns over global crude-oil supply

DEEP OFFSHORE OIL AND GAS PROJECTS TAX INCENTIVES ORDER 2026

Background

- President Bola Tinubu signed this order in August 2026, and it was published on 10th August 2026
- It is based on the Petroleum Industry Act and the new Nigeria Tax Administration Act
- The order is set to unlock over US$50billion investments in deepwater segment of the Oil and Gas in Nigeria
- Investments that are undertaken before 31 December 2029 will benefit

Opportunities

- Opportunities for the Indigenous oil producing companies to upskill and upgrade operations in medium-term
- Financing opportunities for oil contractors
- Investment opportunities by oil contractions/ Workers

Benefits

- **Lower tax burden:** Companies can receive tax credits of up to US$11.50 per barrel of oil produced and US$8 per barrel of oil equivalent
- **Higher project returns:** The tax savings can lower project costs and improve the returns on deepwater investments
- **More investment:** The incentives could make previously delayed projects viable, encouraging new offshore investment in Nigeria
- **Higher production:** As more projects become viable, companies could increase oil and gas production over time
- **More predictable rules:** The new framework replaces project-by-project negotiations with clearer rules for qualifying deepwater
- **More revenue for the FGN:** Increase in investments will provide more revenue and taxable income for the FGN despite the drop in tax rate
- **Income Flow to Contractors:** Contractors within the industry may get better

DEEP OFFSHORE OIL AND GAS PROJECTS TAX INCENTIVES ORDER 2026

Company	Where They Currently Produce Oil and Gas	Deep -Water Assets
Aradel Holdings	The Ogbele and Omerelu oil fields, the OML 34 gas project, and a joint venture with Renaissance - all on land or in shallow water in the Niger Delta	None identified
Seplat Energy	Several older oil and gas blocks plus assets bought from Mobil in 2024 - all on land or in shallow water	None currently
Oando	Assets bought from Agip in 2024, plus the Qua Iboe and Ebendo fields - all on land or in swampy/shallow water	Only in the past - it bought a small, 15% stake in a deep-water field back in 2008, but this is not part of its current operations

Market Implications

- Current listed companies may not benefit directly as none of them produce from deep offshore assets
- International Oil Companies (IOCs) and NNPC are the immediate direct beneficiaries
- Expected increase in investment in the sector may generate more revenue for government and employments for oil and gas workers
- Oil service contractors will also benefit from the order. This may create increase in financing activities within this segment
- United Capital Plc should follow the money in the sector

Equity Market

Nigeria Returns to FTSE Russell Frontier Market Status

- Nigeria Returns to FTSE Russell Frontier Market Status
- In March 2026, FTSE Russell confirmed Nigeria's reclassification from Unclassified to Frontier Market status
- Following NGX's transition from a T+2 to T+1 equity settlement cycle on June 1, 2026, International market participants raised concerns that the shorter settlement window could create a de facto prefunding requirement for foreign institutional investors
- FTSE Russell then began assessing the implications of the T+1 cycle for foreign investors
- A formal update on Nigeria's reclassification status was scheduled to be published by end of August 2026
- On 27 August, FTSE Russell confirmed that no material settlement, operational or funding issues had been observed since T+1 was implemented
- Nigeria's reclassification will therefore proceed from the market open on September 21 2026

Implications

- Nigeria's return to Frontier Market status restores global investor visibility
- This may boost interest from frontier funds and benchmark investors

NIGERIA RETURNS TO FTSE RUSSELL FRONTIER MARKET STATUS [CONT'D]

NIGERIA'S CLASSIFICATION STATUS 2020 - 2026

Year	Status
2022	Frontier Market
2023	Unclassified
2024	Unclassified
October 2025	Unclassified (Watch List)
March/April 2026	Frontier Market - effective Sept 21,2026
June 2026	Reclassification Under Review
August 2026	Reclassification Confirmed

NEXT MILESTONES

02 SEP 2026

Indicative FTSE Frontier review files begin publication

21 SEP 2026

Reclassification takes effect at market open

NGX PROPOSED REVISED PRICING METHODOLOGY FOR EQUITIES TRADING

- The NGX is proposing a new pricing methodology
- Currently, a trade generally needs 100,000 units to influence price
- The new and proposed NGX methodology change is making it so that higher-priced stocks would require less units for a trade to influence the published price
- This proposed methodology change was postponed just before its August 17, 2026 launch with a new effective date yet to be announced

Group	Prevailing Share Price	Minimum Traded Quantity to Move Price
A	₦1,000.00 and above	10,000 units
B	₦500.00 - ₦999.99	50,000 units
C	Below ₦500.00	100,000 units

Potential Impact of the Revised Pricing Methodology

- Price discovery, particularly for higher-priced equities, because lower volume thresholds will allow prices to respond more readily to meaningful trades
- Prices will better reflect demand and supply making published prices more representative of market conditions
- More reliable valuations for investors, listed companies and regulators
- Less influence from small trades, reducing the potential for relatively small transactions to determine published prices
- Greater transparency and market confidence as price formation becomes more representative of actual trading activity
- Seplat, Aradel, Presco, Nestle, Airtel Africa, Dangote Cement etc will move more freely depending on performance
- This may also affect portfolio performance

STOCKS LIKELY TO BENEFIT FROM NIGERIA'S RETURN TO FTSE RUSSELL FRONTIER MARKET STATUS

S/N	Stocks	S/N	Stocks
1	Access Holdings	9	HBM Nigeria (Formerly Lafarge Africa Plc)
2	Airtel Africa Plc	10	MTN Nigeria Communication
3	Aradel Holdings	11	Nestle Nigeria Plc
4	Bua Cement	12	Nigeria Breweries Plc
5	Dangote Cement	13	Seplat Energy
6	Fidelity Bank Nigeria	14	Stanbic IBTC
7	First Holdco	15	United Bank for Africa
8	Guaranty Trust Holding	16	Zenith Bank

DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY MARKET

Summary of Equity Transactions (N'Trillion)						
Month	**Total**	**Foreign**	**Domestic**	**Foreign**	**Retail***	**Institutional***
Jan-2026	0.86	0.11	0.75	13.2%	48.1%	51.9%
Feb-2026	1.54	0.14	1.4	9.0%	39.1%	60.9%
Mar-2026	1.74	0.29	1.46	16.6%	37.2%	62.8%
Apr-2026	1.8	0.25	1.56	13.7%	44.0%	56.0%
May-2026	1.94	0.18	1.76	9.5%	41.3%	58.7%
Jun-2026	1.71	0.19	1.53	10.9%	34.9%	65.1%
Jul-2026	2.37	0.13	2.24	5.6%	26.1%	73.9%
YTD-Jul 2026	11.98	1.29	10.68	10.8%	37.2%	62.8%
YTD-Jul 2025	6.01	1.28	4.73	21.3%	42.1%	57.9%

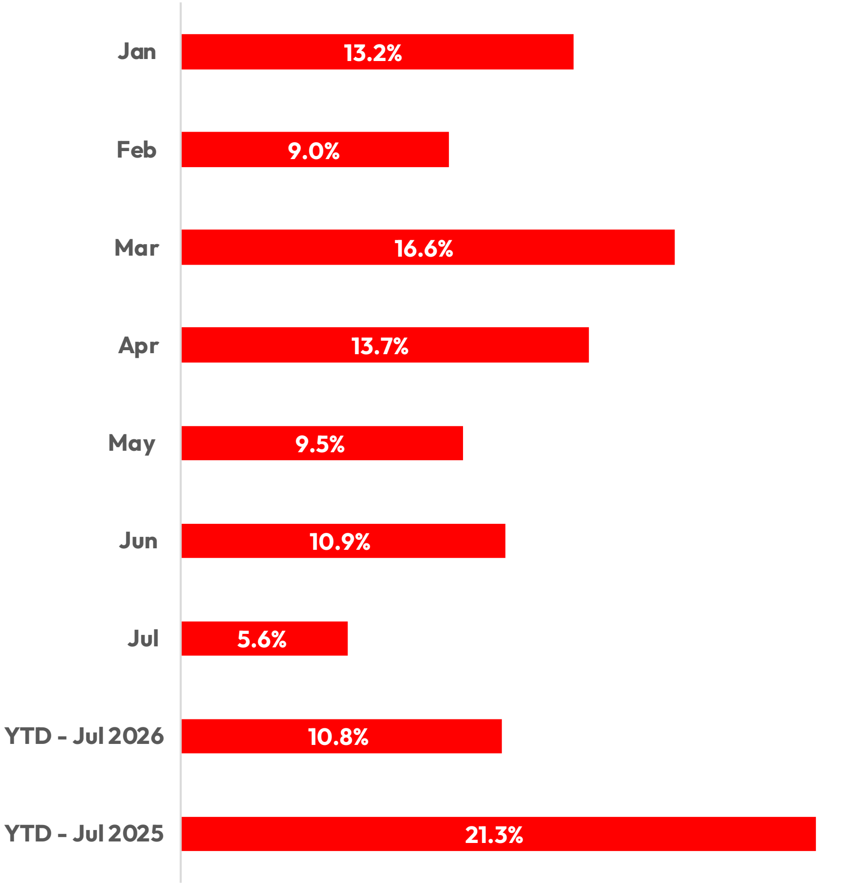
*Domestic.

Sources: NGX and United Capital Research

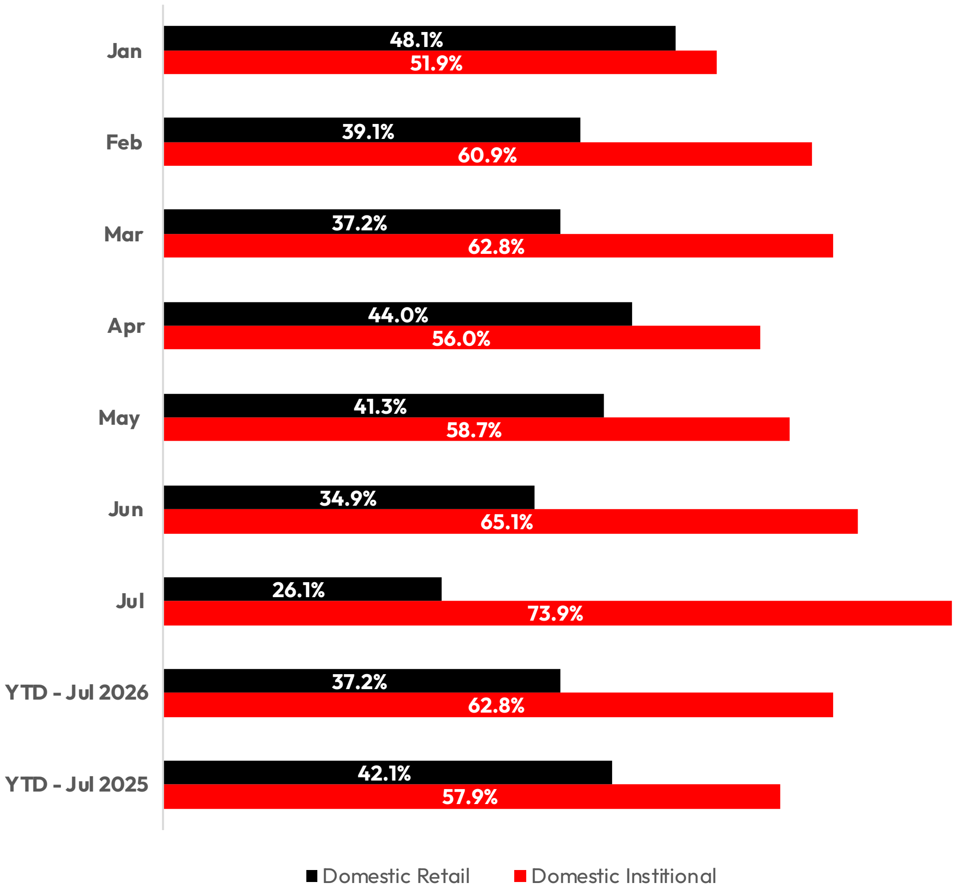
- Total equity transactions increased to ₦2.37trn in July 2026, from ₦1.71trn in June 2026
- Domestic investors remained dominant in July, accounting for 94% of total transactions
- This is an increase from 89% in June 2026
- Institutional investors accounted for 73.9% of domestic transactions in July
- YTD, equity transactions rose to ₦11.98trn as at July 2026
- This compares with ₦6.01trn in the corresponding period of 2025
- This reflects significantly higher market activity in 2026
- Institutional investors accounted for 62.8% of domestic transactions YTD
- Domestic investor dominance buffers external volatility
- However, foreign investor activity could improve further in the coming months
- Supported by Nigeria's FTSE Russell reclassification and improved market access

DOMESTIC & FOREIGN PORTFOLIO PARTICIPATION IN EQUITY TRADING JULY 2026

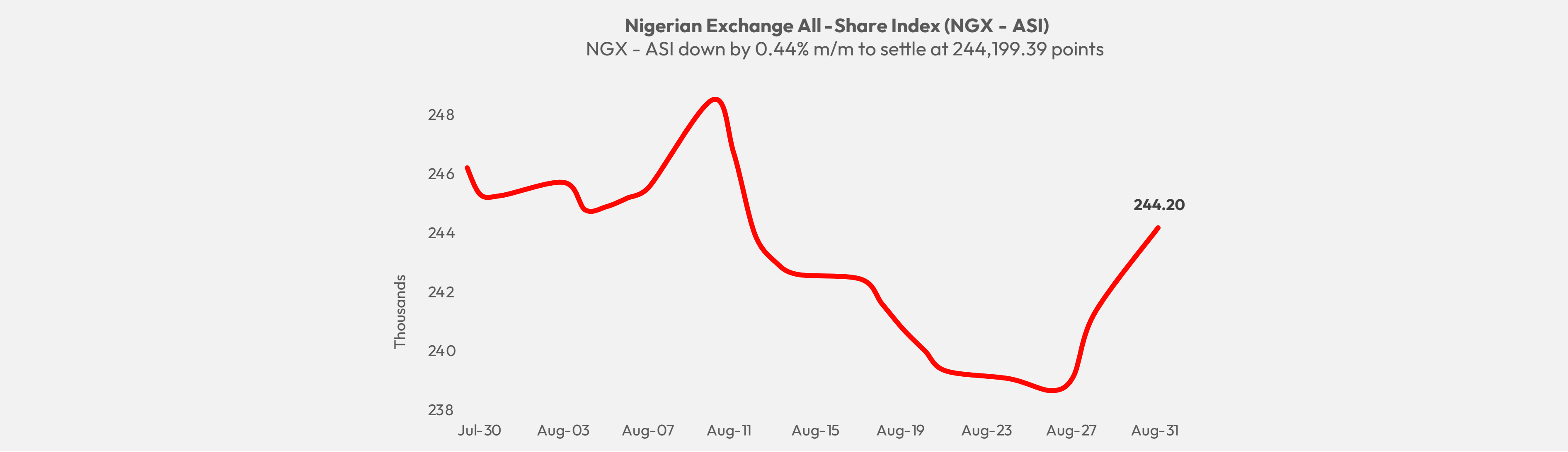
Share of Foreign Investors in Equity Trading 2026

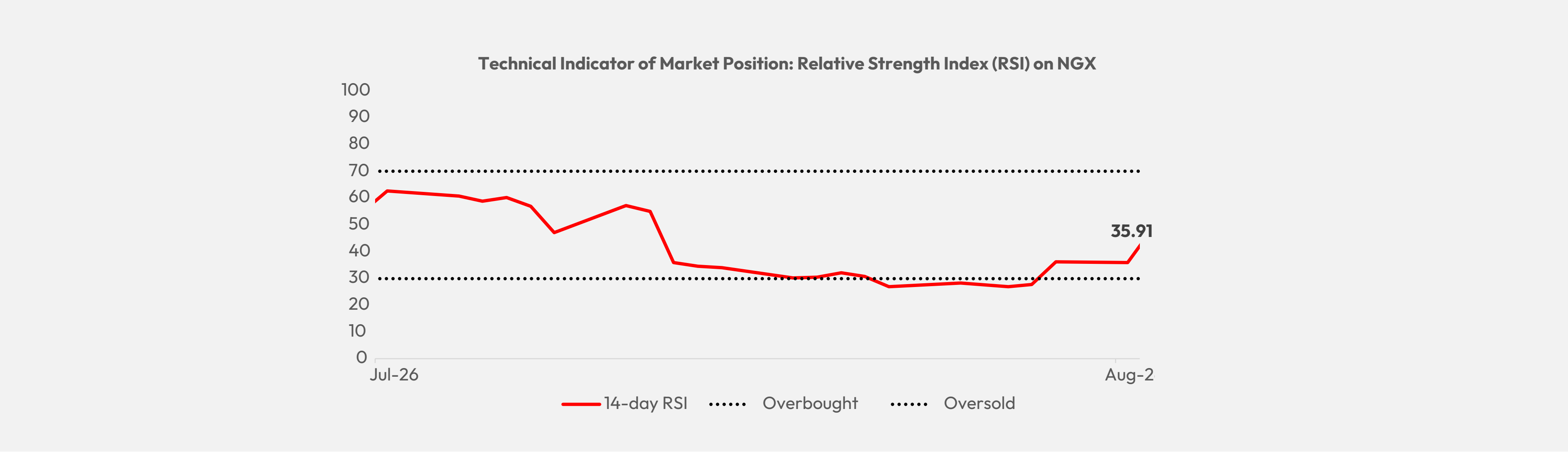


Share of Retail and Institutional Investors in Domestic Equity Trading



DOMESTIC EQUITY MARKET





DOMESTIC EQUITY MARKET [CONT'D]

Top Gainers (+) for the Month		Top Decliners (-) for the Month	
Stock	**Gain**	**Stock**	**Decline**
HMCALL	37.46%	ZICHIS	(40.73%)
ACCESSCORP	22.05%	THOMASWY	(37.21%)
LINKASSURE	14.38%	INTENEGINS	(32.05%)
FIRSTHOLDCO	11.93%	CMFC	(28.61%)
TRANSCOHOT	9.76%	ROYALEX	(28.36%)

NGX Indices Performance in August 2026				
Index	**31 -Jul**	**31 -Aug**	**MoM**	**YTD**
NGX -ASI	245,283.68	244,199.39	(0.44%)	56.93%
Oil/Gas Index	5,242.33	5,255.56	0.25%	96.82%
Industrial Goods Index	10,525.17	10,311.46	(2.03%)	81.65%
Banking Index	2,527.59	2,624.05	3.82%	73.11%
Consumer Goods Index	4,405.53	4,081.75	(7.35%)	2.67%
Insurance Index	1,200.08	1,089.01	(9.26%)	(8.43%)

MARKET RETURN
Equity market closed August with a month-on-month loss of 0.44%

MARKET CAP
Market capitalisation depreciated 0.37% to close at ₦157.74 trillion

KEY DRAGS
International Breweries, Transcorp, BUA Foods and HBM Nigeria led the losses

TECHNICAL SIGNA
NGX RSI is in oversold territory, leaving room for a near-term rebound

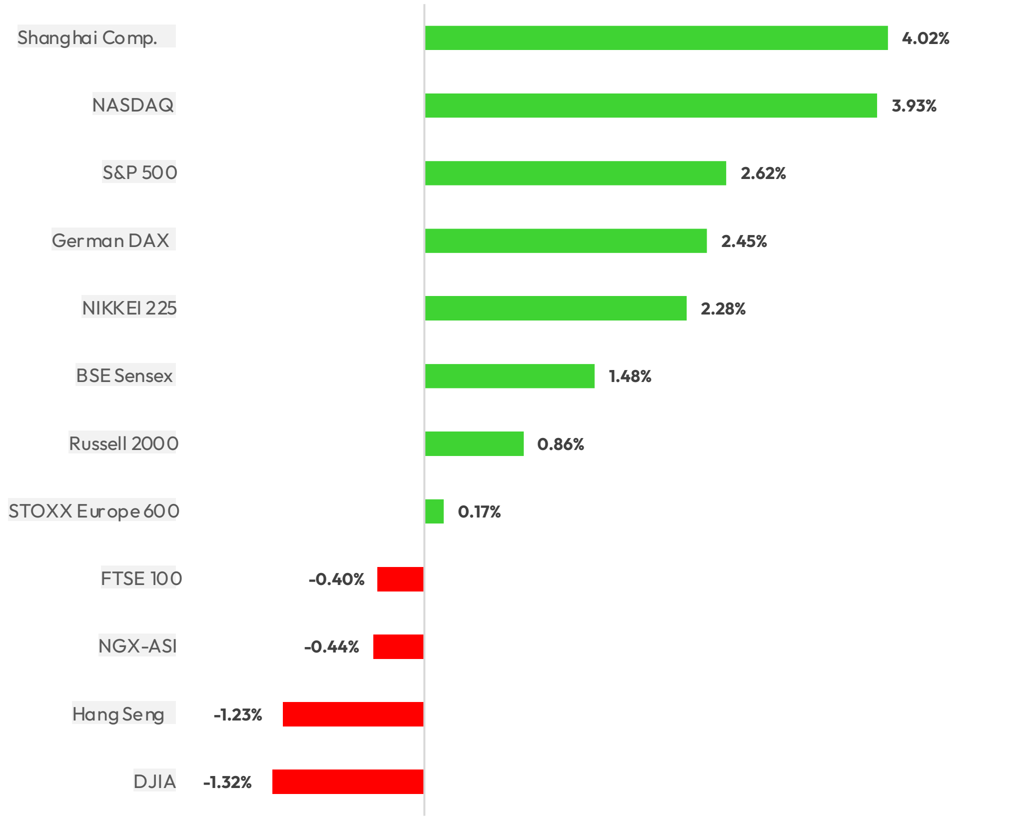
DIVIDEND PAYMENTS TO EXPECT IN SEPTEMBER 2026 AND BEYOND

S/N	Company	Type	Dividend (₦)	Dividend Yield	Bonus	Qualification Date	Closure of Register	Payment Date
1	Ikeja Hotel Plc	Interim	0.03	0.07%	-	Aug 7, 2026	Aug 10 to 14, 2026	Sept 4, 2026
2	Custodian Investment	Interim	0.25	0.34%	-	Aug 17, 2026	Aug 18 to 21, 2026	Sep 8, 2026
3	MTN Nigeria	Interim	26	3.22%	-	Aug 20, 2026	Aug 21, 2026	Sep 7, 2026
4	PZ Cusssons Plc	Final	2.50	3.09%	-	Oct 09, 2026	Oct 12 to 16, 2026	Oct 30, 2026

EQUITY MARKET – GLOBAL EQUITIES

Global Stock Market Performance in August 2026

Global equities were broadly positive in August, led by China and US technology stocks on resilient earnings and renewed AI optimism. However, UK, Nigeria, Hong Kong and the Dow recorded losses amid profit taking



Global Stock Market Performance Year Till Date (YTD)

Nigeria remained the best-performing market among the indices we track, with the NGX-ASI returning 56.93% YTD, supported by strong corporate earnings, sustained foreign and domestic investor interest, a stabilising Naira, and rising external reserves

Global Indices Performance in July 2026

Index	Countries	MTD	YTD
NGX-ASI	Nigeria	(0.44%)	56.93%
NIKKEI 225	Japan	2.28%	30.77%
Russell 2000	United States (Small Cap)	0.86%	18.35%
NASDAQ	US (Tech and Growth Stocks)	3.93%	13.46%
S&P 500	United States (US)	2.62%	12.28%
STOXX Europe 600	17 European Countries	0.17%	9.70%
DJIA	United States	(1.32%)	9.20%
FTSE 100	United Kingdom	(0.40%)	8.99%
German DAX	Germany	2.45%	7.14%
Shanghai Comp.	China	4.02%	0.44%
Hang Seng	Hong Kong	(1.23%)	(0.25%)
BSE Sensex	India	1.48%	(8.36%)

Stocks in Focus

OPERATIONAL HIGHLIGHTS OF LEADING OIL PRODUCING COMPANIES

Aradel Holdings Plc

- Expanded its operations by fully acquiring ND Western and Renaissance Africa Energy in December 2025
- Crude oil production rose 258% to 55.6 thousand barrels per day, while gas production increased 1,121% to 503.2 million standard cubic feet per day
- Refined product output declined 22% to 126.2 million litres due to feedstock shortages and maintenance downtime
- Management maintained its full-year production guidance of 110,000 to 140,000 barrels of oil equivalent per day
- The company has positioned itself as a major beneficiary of Nigeria's gas commercialisation agenda

Seplat Energy Nigeria Plc

- Operates a portfolio of 11 Petroleum Mining Leases, 17 Petroleum Prospecting Licences, and 5 Oil Mining Leases across the onshore and shallow-water Niger Delta
- Converted its onshore assets to the Petroleum Industry Act fiscal framework in December 2025, reducing its applicable tax rate
- Second-quarter production increased 15% quarter-on-quarter to 149,070 barrels of oil equivalent per day
- Onshore production grew 11% to 60,690 barrels per day, while offshore production declined 1% due to repairs at the Yoho field
- Management maintained its 2026 production guidance of 135,000 to 155,000 barrels of oil equivalent per day

PRODUCTION HIGHLIGHTS OF LEADING OIL & GAS COMPANIES IN NIGERIA

Parameters	Aradel Holdings			Seplat Energy Nigeria		
Production Highlights	**H1 2025**	**H1 2026**	**Change**	**H1 2025**	**H1 2026**	**Change**
Crude Oil Production (kbopd)*	15.5	55.6	259%	100.33	99.52	(0.81%)
Gas Production (mmscf/d)*	41.2	503.2	1121%	176.3	182.9	3.74%
kbopd*: thousand barrels of oil per day						
mmscf /d*: million standard cubic feet of gas per day						

STOCKS IN FOCUS – LEADING OIL & GAS COMPANIES IN NIGERIA

H1 2026/2025 Results at a Glance - N' Billion								
	Aradel Holdings Plc				Seplat Energy Nigeria Plc			
	H1 2025	H1 2026	Change	FY 2026	H1 2025	H1 2026	Change	FY 2026
Turnover	368	2,491	577%	4,734.33	2,167	2,502	15%	4,775.71
Cost of Sales	205	1,052	413%	1,998.51	1,415	1,380	(2%)	2,634.77
Gross Profit	163	1,440	782%	2,735.83	751	1,122	49%	2,140.94
Operating Profit	119	1,055	790%	2,005.08	601	902	50%	1,721.05
Profit Before Tax	191	753	293%	1,430.32	454	790	74%	1,508.59
Profit After Tax	146	191	31%	415.44	43	225	430%	430.35
Shares in Issue	4.3448	4.3448	-	4.3448	0.5999	0.5999	-	0.5999
Price as at August 12/ Target Price	-	1,526.80	-	2,000	-	11,363.90	-	14,000
Trailing EPS	-	175.73	-	95.62	-	713.16	-	717.31
P/E Ratio	-	8.69x	-	20.92x	-	15.93x	-	19.53x
Gross Profit Margin	44%	58%	13%	58%	35%	45%	10%	45%
Operating Profit Margin	32%	42%	10%	42%	28%	36%	8%	36%
PBT Margin	52%	30%	(22%)	30%	21%	32%	11%	32%
PAT Margin	40%	8%	(32%)	9%	2%	9%	7%	9%
Forecast Dividend Payout				65%				91%
Forecast DPS				62.15				650
Forward Dividend Yields				3.11%				4.64%
Target Price - One Year Investment Horizon				2,000				14,000

COMPANY SNAPSHOT : DANGOTE SUGAR REFINERY

Dangote Sugar Refinery Plc

Business

- Refines raw sugar into edible, Vitamin A-fortified sugar
- Supplies retail consumers and industrial users across Nigeria
- Integrated strategy combines the Apapa refinery with local sugarcane projects

Operating Footprint

- Apapa refinery commissioned in 2000
- Backward Integration Projects in Adamawa, Nasarawa and Taraba
- Numan upgrade is intended to support power generation and ethanol production
- Imports raw sugar from Brazil

Shareholding Structure

12.15bn shares outstanding at H1 2026 with additional 8.098 bn Rights Issue after. Total shares in issue 20.245bn

72.25% - DIL and Alhaji Aliko Dangote | **27.75% - Others**

Control remains concentrated, supporting strategic continuity but limiting free float

Revenue Drivers

- Sales to major food and beverage, and carbonated soft drink producers
- Retail-packaged sugar sold through distributors and wholesalers nationwide
- Strong demand concentrated in Lagos and the South-West, with significant consumption across Northern Nigeria

COMPANY SNAPSHOT : NASCON ALLIED INDUSTRIES

Nascon Allied Industries Plc

Business
- Processes raw salt into refined edible and industrial-grade salt
- Produces seasoning cubes under the Dangote Classic brand
- Serves household, food-processing and industrial customers

Operating Footprint
- Salt and seasoning facilities in Lagos, Ogun and Rivers States
- Facilities include Apapa, Ota and Port Harcourt operations
- Strong distribution reach supports nationwide product availability

Shareholding Structure
2.70bn shares outstanding

62.19% - DIL	37.81% - Others

A larger public float than Dangote Sugar offers relatively broader market participation

Revenue Drivers
- Dangote Refined Salt, which remains the core earnings engine
- Industrial and food-processing customers
- Household salt sold through traditional and modern retail channels
- Growing contribution from seasoning products

DANGOTE SUGAR REFINERY – RIGHTS ISSUE

- Dangote Sugar Refinery's completed rights issue is a major step towards strengthening its finances and supporting sustainable profitability
- The company raised about ₦485 billion equity capital through new shares
- We expect that most of the proceeds will go into share premium, after accounting for the nominal share capital value
- The funds will mainly strengthen working capital and support raw sugar imports and inventory needs
- This should reduce the company's reliance on bank loans and letters of credit
- This is important because Dangote Sugar requires significant foreign currency funding to import raw sugar for local refining
- The rights issue should also support balance-sheet repair
- We expect that management could use the larger share premium balance to offset accumulated losses
- This would remove a key constraint on future dividend payments
- The stronger balance sheet should also improve earnings quality by reducing reliance on debt
- Improved working capital should also help the company operate more efficiently
- Importantly, stronger profitability and lower finance costs could improve Dangote Sugar's ability to resume dividend payments

DANGOTE SUGAR REFINERY & NASCON ALLIED INDUSTRIES: COMPANY RESULTS & FORECAST PRICES

H1 2026/2025 Results at a Glance - N' Billion								
	Dangote Sugar				Nascon Allied Industries			
	H1 2025	H1 2026	Change	FY 2026	H1 2025	H1 2026	Change	FY 2026
Turnover	430	392	(9%)	862.08	78	81	4%	158.55
Cost of Sales	379	298	(21%)	646.98	41	40	(1%)	78.83
Gross Profit	52	94	82%	215.10	37	41	9%	79.72
Operating Profit	38	92	141%	211.01	21	25	15%	47.91
Profit Before Tax	(22)	44	-	105.62	23	30	28%	58.03
Profit After Tax	(24)	42	-	98.64	16	20	26%	38.30
Shares in Issue	12.15	12.15	-	20.46	2.70	2.70	-	2.70
Current Price (26 August)/Target Price	-	68.00	-	82.00		195.00	-	220.00
Trailing EPS /Forecast EPS	-	0.14	-	4.82		15.05	-	14.17
P/E Ratio / Forward P/E Ratio	-	485.71	-	17.00		12.96	-	15.52
Gross Profit Margin	12%	24%	12%	25%	48%	50%	2%	50%
Operating Profit Margin	9%	23.48%	15%	24.48%	27%	30%	3%	30%
PBT Margin	(5%)	11.25%	16%	12.25%	30%	37%	7%	37%
PAT Margin	(6%)	10.59%	16%	11.44%	20%	24%	4%	24%
Forecast DPS				3.00				6.85
Forward Dividend Yields				3.66%				3.11 %
Target Price – One Year Investment Horizon – BUY				**82.00**	**Target Price – One Year Investment Horizon - HOLD**			220.00

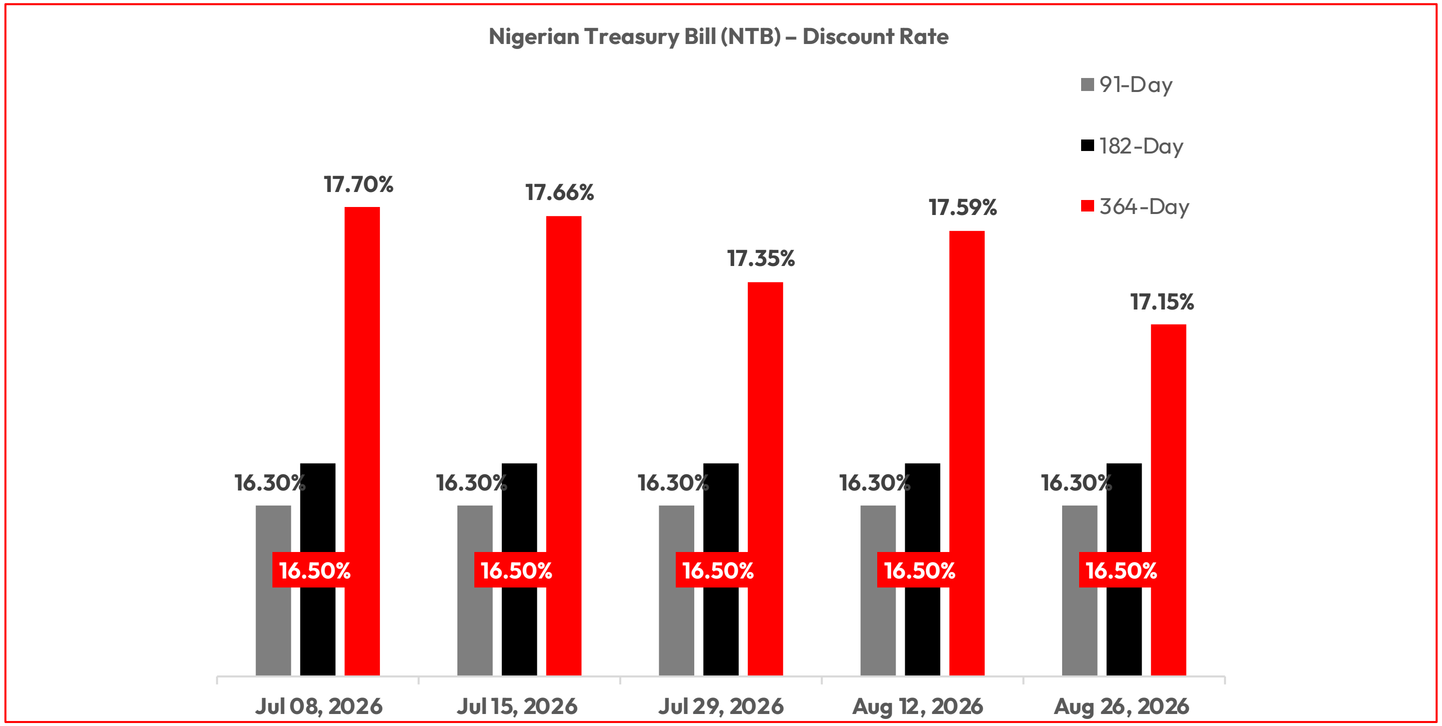
- Dangote Sugar's profit turn positive in H1 2026, driven by margin expansion, lower finance costs and easing FX pressures
- ₦485bn Rights Issue should repair balance sheet and augment working capital and position the company to pay dividend
- We estimate a target price of ₦82.00/share, implying a 21% upside

- NASCON continues to deliver strong earnings growth supported by resilient demand for its dominant salt business and growing seasoning segment
- The company has strong cash flow generation capacity
- We estimate target price of ₦220.00/share implying 13% upside

Fixed Income Securities

Fixed Income Securities – Money and Treasury Bills Market

Nigerian Treasury Bills (NTBs) Yields – Secondary Market			
NTBs	Previous	Current	Change
91 - Day	16.98%	18.26%	1.28%
182 - Day	17.97%	18.95%	0.98%
364 - Day	20.46%	20.05%	(0.41%)



FIXED INCOME SECURITIES – MONEY AND TREASURY BILLS MARKET

NTBs Primary Market Auction August 2026				
Tenor	**91-Day**	**182-Day**	**364-Day**	**Total**
Offer (₦'bn)	200.00	200.00	1000.00	1,400.00
Subscription (₦'bn)	265.53	116.91	7,819.12	8,201.55
Allotment (₦'bn)	237.67	83.07	1,898.19	2,218.93
Subscription Rate	1.33x	0.58x	7.82x	4.10x
Allotment Rate	1.19x	0.42x	1.90x	1.11x
Stop Rate* (Last Auction)	16.30%	16.50%	17.15%	-
True Yield* (Last Auction)	16.99%	17.98%	20.70%	-
June True Yield* (Last Auction)	16.99%	17.98%	20.98%	-
MoM Change	0.00%	0.00%	(0.28%)	-

The offer amount for the 364-Day tenor was far higher than the lower tenors at N1 trillion

The 364-Day NTB recorded the highest patronage, with subscription surging to 7.82x

The 182-Day tenor recorded undersubscription at 0.58x, while the 91-Day was oversubscribed at 1.33x, showing investors demand clustering at the short and long ends of the curve

Yields across most tenors in August stayed flat from July's levels, except the 364-Day posting a marginal drop in yield to 20.70% yield

FEDERAL GOVERNMENT OF NIGERIA BONDS AND EUROBOND MARKET

FGN Bonds Secondary Market Yields			
Tenor	**July**	**August**	**Change**
5-Year	17.20%	17.14%	(0.06%)
7-Year	17.40%	17.16%	(0.24%)
10 -Year	17.39%	17.12%	(0.27%)

Eurobonds Secondary Market Yields			
Tenor	**July**	**August**	**Change**
5-Year	6.21%	5.98%	(0.23%)
7-Year	6.73%	6.58%	(0.15%)
10 -Year	6.95%	6.98%	0.03%

FEDERAL GOVERNMENT OF NIGERIA BONDS AND EUROBOND MARKET

August 2026 FGN Bond Primary Market Auction				
Tenor	**2035**	**2037**	**2038**	**Total**
Offer (₦' billion)	250.00	100.00	750.00	1,100.00
Subscription (₦' billion)	513.61	392.48	821.32	1,727.41
Allotment (₦' billion)	64.13	110.01	631.02	805.16
Subscription Rate	2.05x	3.92x	1.10x	1.57x
Allotment Rate	0.26x	1.10x	0.84x	0.73x
Marginal Rate	17.15%	17.19%	17.79%	-
Previous Marginal Rate	18.34%	18.35%	18.40%	-
Change	(1.19%)	(1.16%)	(0.61%)	-

FGN Bond auction was oversubscribed in August 2026 at 1.57x subscription rate

This reflects sustained demand from investors chasing attractive real returns

Investors' sentiment in the Nigerian Eurobond market improved

In August 2026, Nigeria's Eurobond yields (5- year and 7-year) declined supported by:

- Improved external reserves and sustained Naira stability boosted investor confidence
- Higher oil prices strengthened expectations for stronger fiscal and external balances

FEDERAL GOVERNMENT OF NIGERIA BONDS AND EUROBOND MARKET

Growth in Money Supply:
Broad Money (M3) Increased to ₦133.78trn in July 2026 from ₦133.25trn in June, a 4.1% monthly rise and 15.8% year-on-year growth

Drivers of Money Supply Growth: Major drivers are: Quasi-money (savings & time deposits) increased to ₦95.09trn in July from ₦88.54trn in June.

Other Drivers:
Demand deposits: however, dropped to ₦38.87trn from ₦39.78trn while currency outside the Banks dropped to ₦4.8trn from ₦4.9trn in June

Implications: Inflationary Pressure: Rising liquidity risks fueling inflation if not matched by output growth. Financial Inclusion: Decline in currency outside banks indicates more funds entering the formal banking system

Private Sector Credit Growth:
Credit to Private Sector: Rose to ₦83.43trn in July 2026, up from ₦76.72trn in July 2025—8.74% year-on-year increase

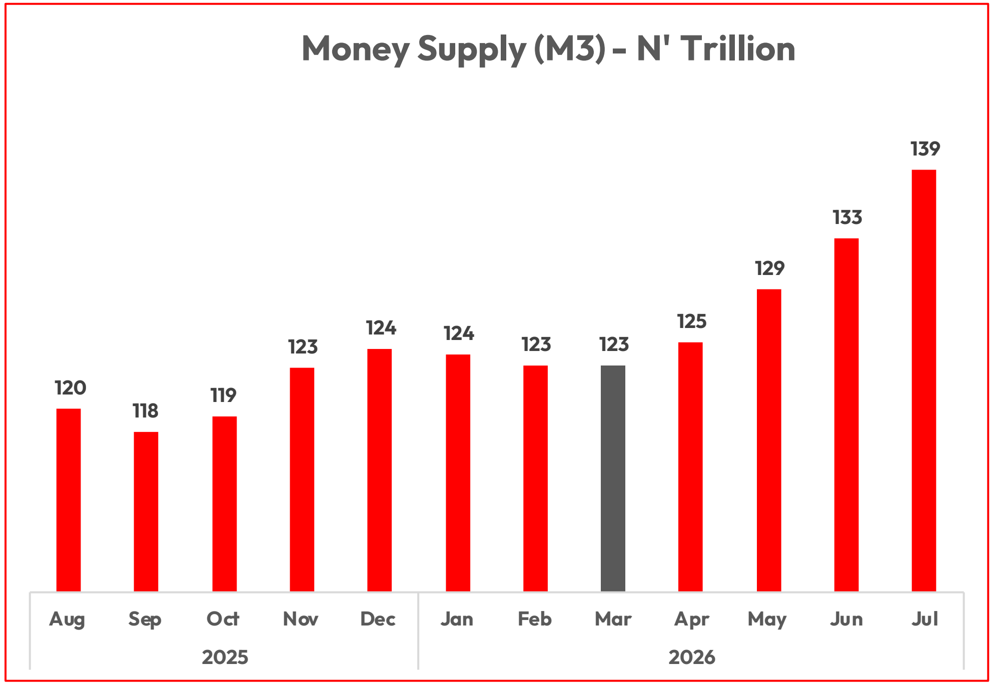
Financial Sector Resilience:
Banks show stronger balance sheets and willingness to lend. Inflationary Risks: More credit can fuel demand-pull inflation if productivity gains lag

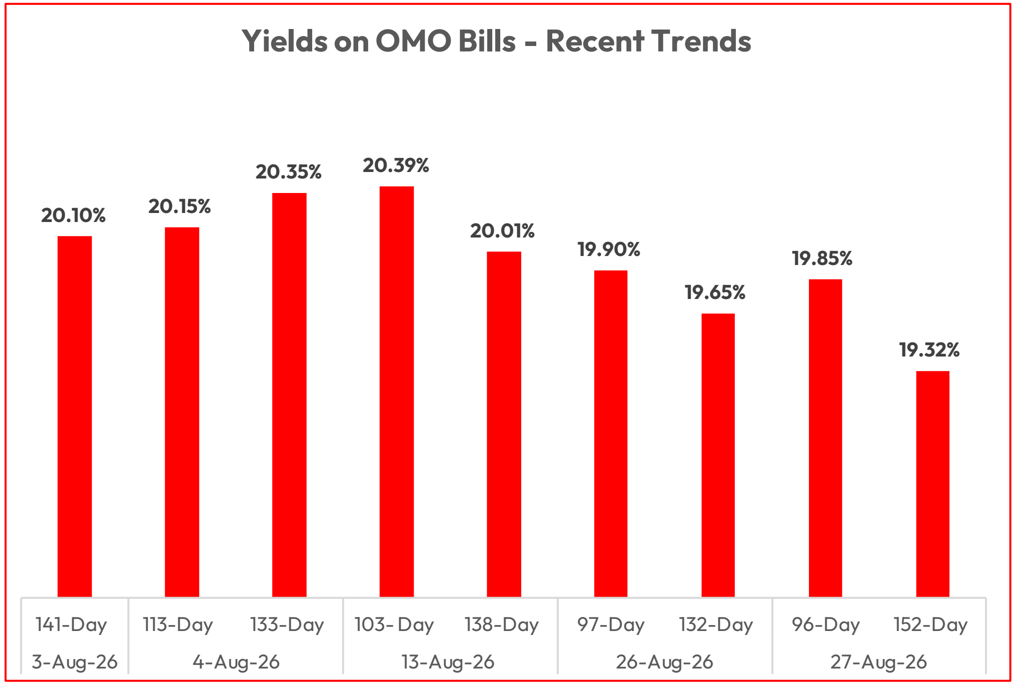
Implications:
Business Expansion: More financing available for firms. However, increased credit supports investment, job creation, and GDP growth

Summary:
Nigeria's July 2026 liquidity surge reflects stronger domestic deposits. However, if the growth in money supply is not directed to boost output it may become inflationary

What Should CBN Do?
The CBN will continue to use the Open Market Operations (OMO) to absorb excess liquidity within the banking system. Although tighter liquidity management may help contain inflationary pressure, it could sustain relatively attractive yields thereby encouraging continued portfolio inflows and providing additional support for Naira stability

CBN EXPANDS PARTICIPATIONS IN OPEN MARKET OPERATIONS (OMO)





- Money supply increased by 15.9% between August 2025 and July 2026
- Faster money supply growth could increase demand-side inflation risks if it continues to outpace output growth
- Consequently, the CBN confirmed that all participants can purchase OMO Bills
- Although the yields on the OMO Bill dropped marginally in August, it is still higher than the yields on Nigerian Treasury Bills (NTB)
- Therefore, OMO investment is still very attractive

*The CBN did not release the official figure for March 2026. Therefore, the February 2026 figure was maintained

IMPACTS OF CBN'S NEW DIRECTIVE ON OPEN MARKET OPERATION (OMO) BILLS

- OMO Bills usually offer higher yields than similar NTB tenor because of the liquidity/FX management component of OMO
- This makes them even more attractive to investors
- Given the superior yields available on OMO Bills, money market funds, deposits and Treasury Bill portfolios may face increased competition for investor funds in the near term

OMO Participation Framework

Who Can Participate?

- Individuals, Companies and non-bank financial institutions through Deposit Money Banks (DMB)

How Participation Will Work

- DMBs will submit bids and settle OMO transactions on behalf of their customers
- Investors can participate in both the primary and secondary OMO markets
- The revision takes effect immediately

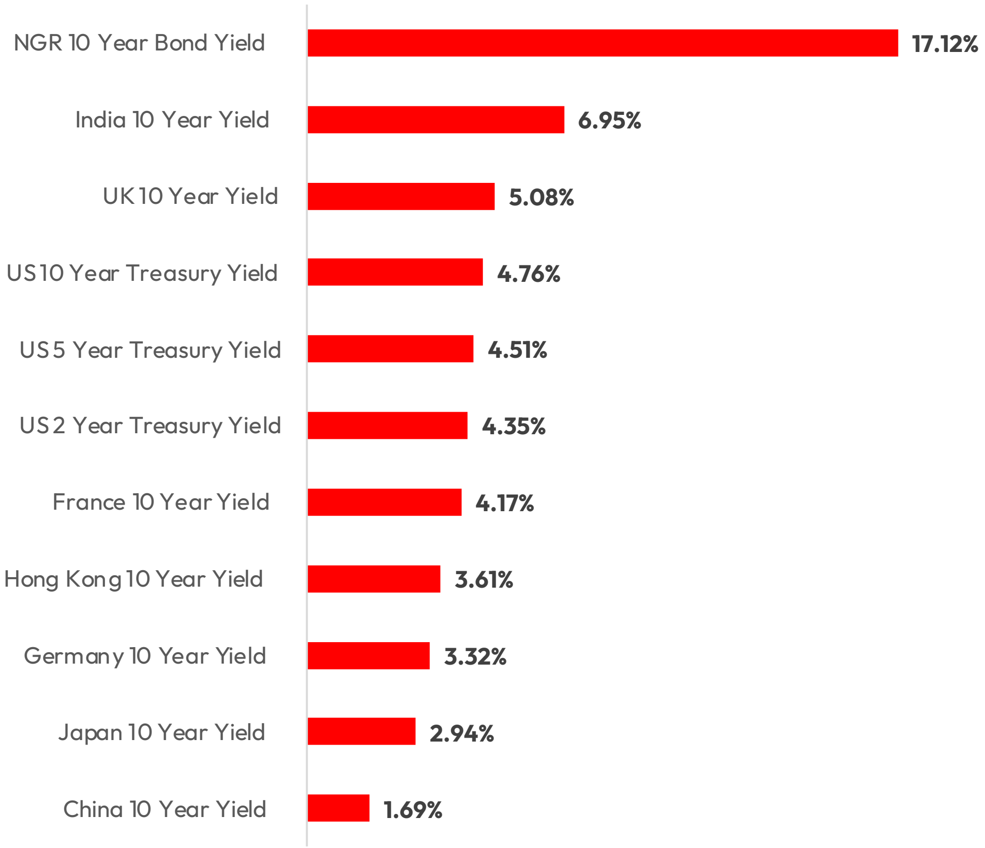
Expected Market Impacts

- Possible increase in the interbank rates on liquidity mop up by CBN
- Higher demand for OMO Bills as more investors gain access
- Creating additional investment outlet for fund/investment managers
- A drop in OMO yield may be gradual as CBN conducts it to manage liquidity
- Funds may exit fixed deposit accounts to OMO, creating liquidity squeeze
- This may reduce margins for financial institutions
- Active management of clients important to retain fund in fixed deposits within financial institutions

FIXED INCOME SECURITIES – GLOBAL GOVERNMENT BONDS

Government 10-Year Bond Yields Performance

Nigeria's 10-year bond yield remained a clear outlier at 17.12%, offering a significant yield premium over global peers. Global yields stayed elevated but mixed, reflecting persistent rate pressures



Global Government Securities- Monthly Performance

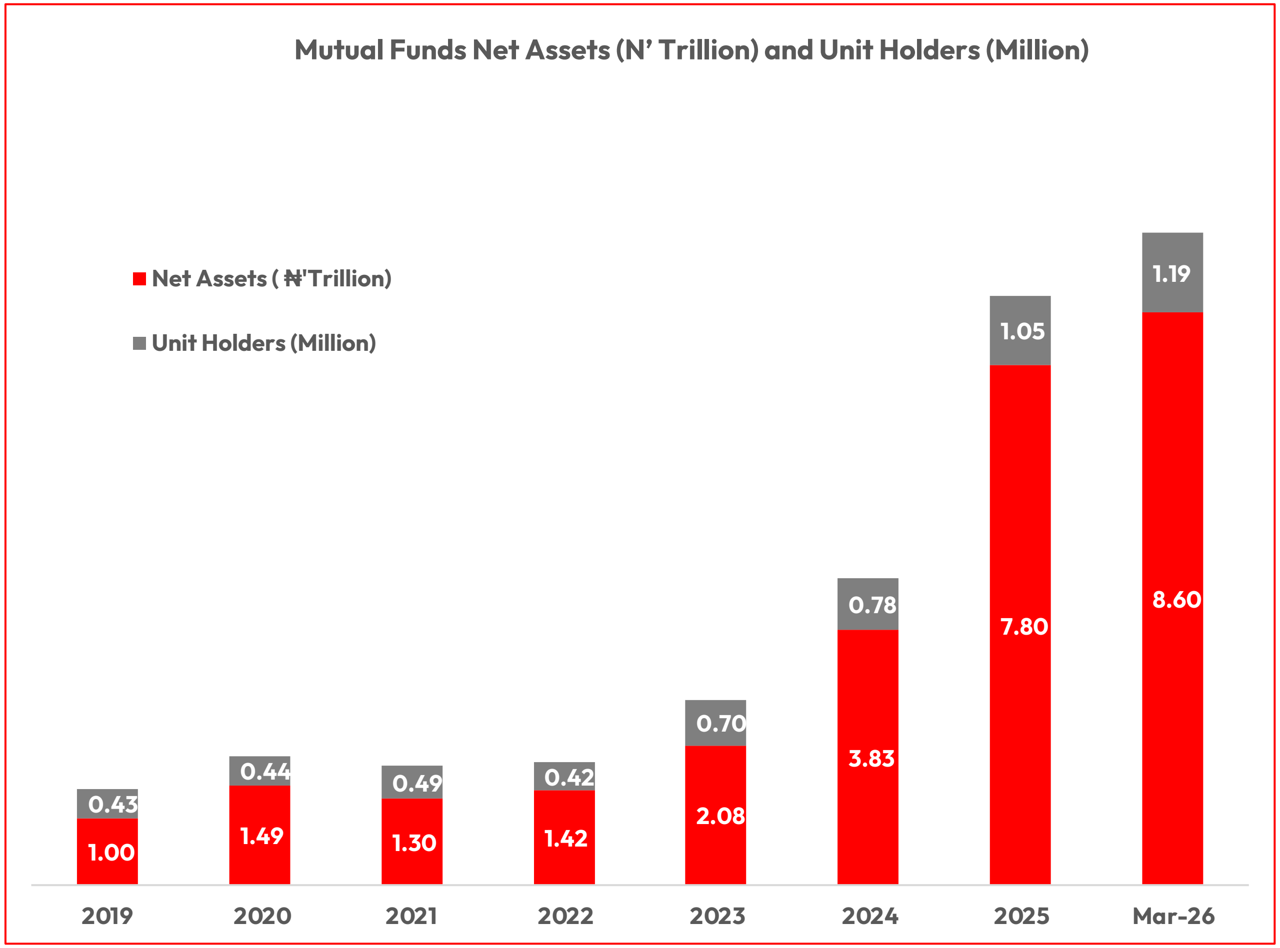
Most global yields increased in August as elevated energy prices, inflation uncertainty and fiscal concerns pressured sovereign bonds. Conversely, Nigeria's 10-year yield declined, reflecting improving domestic inflation and sustained investor demand

10-Year Securities	Yields		Change M/M
	July Average	August Average	
France 10 Year Yield	4.00%	4.17%	0.17%
Japan 10 Year Yield	2.80%	2.94%	0.15%
Germany 10 Year Yield	3.20%	3.32%	0.12%
India 10 Year Yield	6.83%	6.95%	0.11%
Hong Kong 10 Year Yield	3.51%	3.61%	0.10%
US 2 Year Treasury Yield	4.29%	4.35%	0.06%
US 5 Year Treasury Yield	4.46%	4.51%	0.05%
UK 10 Year Yield	5.06%	5.08%	0.02%
US 10 Year Treasury Yield	4.75%	4.76%	0.01%
China 10 Year Yield	1.71%	1.69%	(0.02%)
NGR 10 Year Bond Yield	17.39%	17.12%	(0.27%)

Mutual Funds Growth in 2026

Mutual Funds Growth as of March 2026

- The consistent increase in mutual fund net asset value reflects:
  - growing investor confidence
  - greater participation in formal investment products
  - and deeper financial market development
- This trend highlights how economic and financial sector reforms are creating wealth and investment opportunities for Nigerians
- As at March 2026, only 1.19mn unit holders were available for mutual funds
- Given Nigeria population of over 230mn, more participation can deepen the market



Outlook for September 2026:

Global Economy & Markets Outlook in September 2026

Indicators	September Outlook	Drivers	Financial Market Impacts
GDP	Relatively weak growth in many advanced economies	Renewed US-Iran crisis	Volatile market with possible increase in yields on fixed income securities and drop in equity prices
Inflation	May rise marginally	Expectation of increase in crude oil price driving energy costs up	Global yields to remain a bit volatile from level attained in August
Commodity Prices	Oil prices may rise/continue to be volatile on sustained Middle East tensions, while AI demand could lift copper prices	Non-settlement between the US and Iran	Gold price may drop as yields on fixed income market increase
Investment Flows	Selective increase in investment flows into AI, technology, and power sectors	Growth in AI and Tech industry	Capital flowing into Hang Seng, Indian and Nigerian equities; Nasdaq and Nikkei under
Global Trade	Weak and fragile	Uncertainty around the full reopening of Strait of Hormuz	Increased freight, logistics, and insurance costs

Nigerian Economy and Markets Outlook in September 2026

Indicators	September Outlook	Drivers	Financial Market Impacts
Inflation	August inflation to ease to 15.31%	Moderation in food prices, Naira appreciation and CBN's tight policy stance	Yields on Fixed Income Securities may moderate
Currency	Broadly stable – US$/N1,320 levels	Strong external reserves, favourable crude oil price and production	Incentives for foreign investors to invest in Nigerian financial market
Lending	Gradual credit expansion	Growth in loanable funds and attractive financial opportunities	Continued bank lending to businesses despite tight policy rate; liquidity growth yet to fully reflect in easier credit
Equity Market	Cautiously bullish	FTSE Russell Announcement, improvement in country credit rating Possibility of profit taking, incoming Initial Public Offering (IPO)	Stay with fundamentally strong stocks that have history of dividend payment

Stock Recommendations

S/N	Stocks	Current Price	Target Price	Upside	Duration	Remark
1	Transnational Corporation	36.75	60	63%	Mar-27	BUY
2	Mutual Benefits Assurance	3.15	4.9	56%	Mar-27	BUY
3	International Breweries	9.8	15	53%	Mar-27	BUY
4	AXA Mansard Insurance	12	17.5	46%	Mar-27	BUY
5	Aradel Holdings Plc	1,415	2,000	41%	Mar-27	BUY
6	Transcorp Power Plc	219.6	310	41%	Mar-27	BUY
7	Nigerian Breweries Plc	75	105	40%	Mar-27	BUY
8	MTN Nigeria	807	1,100	36%	Mar-27	BUY
9	AIICO Insurance Plc	3.76	5	33%	Mar-27	BUY
10	United Bank for Africa Plc	47.35	62.64	32%	Mar-27	BUY
11	FCMB Group Plc	11.7	15	28%	Mar-27	BUY
12	Access Holdings Plc	32.1	40.75	27%	Mar-27	BUY
13	Cadbury Nigeria Plc	64.9	80	23%	Mar-27	BUY
14	BUA Cement	309	380	23%	Mar-27	BUY
15	Dangote Cement Plc	1,034	1,250	21%	Mar-27	BUY
16	HBM Nigeria	335	400	19%	Mar-27	BUY
17	Dangote Sugar Refinery Plc	70	82	17%	Mar-27	BUY

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AFRICA'S FASTEST GROWING COMPANIES

2022 -2025

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