April 2026 Newsletter

Economic Update

April 2026 saw a partial stabilization in global markets following the heightened geopolitical tensions and energy shock experienced in March. While risks remained elevated, particularly around the Middle East, the month was characterized by intermittent de-escalation signals and a gradual recalibration of market expectations.

Oil markets remained the central driver of macro sentiment, although volatility moderated relative to March extremes. Brent crude traded within a wide but softer range of approximately $100–$112 per barrel, as markets balanced lingering supply disruption risks around the Strait of Hormuz with improving diplomatic rhetoric. The absence of a full-scale escalation helped ease immediate fears of sustained supply shocks, leading to more measured price movements compared to the sharp spikes observed in the prior month.

Nonetheless, geopolitical developments continued to exert a strong influence on asset prices. Market sensitivity to political signaling persisted, with headlines around negotiations involving Iran and global powers driving short-term swings in commodities and risk assets. However, compared to March, reactions were less disorderly, suggesting some degree of risk-off fatigue and positioning adjustment among investors.

From a macroeconomic standpoint, the inflationary impulse from March's energy shock carried into April, although at a diminishing pace. Headline inflation remained elevated across advanced economies, particularly in Europe, where energy costs continued to feed through to consumer prices. However, early signs of stabilization in oil prices helped temper expectations of a sustained inflation surge.

Overall, April reflected a transition from acute geopolitical-driven volatility to a more balanced, though still uncertain, macro environment. Markets began to price in a lower probability of extreme outcomes while remaining cautious amid unresolved geopolitical risks and a still-fragile inflation outlook.

Market Update

The local bourse sustained its bullish momentum in April 2026, with the NGX-ASI delivering a strong month-on-month performance of +20.4% MoM, outperforming the +4.4% gains recorded in the preceding month. This positive market performance translated into a sizable increase in investors' wealth, as total market capitalization expanded significantly from N129.2trn to N156trn over the course of the month. Investor sentiment remained firmly upbeat in April, supported by a still-favorable macroeconomic environment and ample system liquidity, which continued to underpin risk appetite. Confidence was further reinforced by positive external signals, including Nigeria's recent inclusion in the FTSE Russell Frontier Market Index, which helped sustain offshore visibility.

In the Treasury Bills market, activity remained strong, supported by elevated system liquidity. CBN conducted two auctions in April, offering a combined ₦1.45 trillion lower than the ₦3.35 trillion offered in March. Demand significantly outpaced supply at both sessions, with total subscriptions of approximately ₦5.32 trillion across both auctions. The CBN allotted a combined ₦1.63 trillion, exceeding the planned offer size, with investor appetite heavily concentrated at the 364-day tenor. Stop rates eased modestly at the first auction, settling at 15.95%, 16.19%, and 16.20% across the three tenors, before holding steady at the second auction. Average secondary market yields closed the month lower at 17.47%.

At the April 27 bond auction, the DMO re-opened three instruments, FGN AUG 2030, FGN JUN 2032, and FGN JAN 2035, with a combined offer of ₦700 billion. Investor appetite remained resilient, with total subscriptions reaching ₦948 billion while total allotment amounted to ₦276.80 billion, though demand was skewed toward the long end of the curve. Marginal rates cleared at 16.30%, 16.50%, and 16.59% for the respective maturities, as investors demanded a wider inflation risk premium following the pass-through effects of elevated global oil prices. Average yield rose from 15.59% to 16.07% by month end.

FUND PERFORMANCE – MARCH

	Fund I	Fund II	Fund III	Fund IV	Fund V	Fund VI Active	Fund VI RETIREE
Performance	8.09%	6.81%	3.64%	2,12%	1.23%	4.49%	1.65%
Allocations							
Govt Securities	26.81%	41.79%	58.63%	63.79%	27.18%	23.09%	-
Corporate Securities	10.64%	10.16%	7.13%	7.16%	-	-	-
Equity Market	38.61%	28.32%	15.99%	5.66%	-	13.68%	-
Money Market/Tbills	20.28%	12.19%	16.77%	20.44%	42.86%	62.95%	100.00%
Alternative assets	2.80%	7.36%	1.19%	0.66%	-	-	-
Others	0.86%	0.18%	0.29%	2.29%	29.96%	0.28%	-

Industry Update

Pension fund assets near N30 trillion as equity allocations hit record high

Nigeria's pension fund industry sustained its growth momentum in March 2026, with total assets closing at N29.52 trillion, up from N29.43 trillion in February. The quarter recorded one of the strongest expansions in equity allocation in recent years, as domestic ordinary shares rose 27% year-to-date to N5.46 trillion, driven by improved market conditions and a deliberate shift by Pension Fund Administrators toward domestic opportunities. FGN securities retained their dominant position, accounting for over 58% of total pension assets.

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PenCom targets N100 trillion in pension assets within five years

PenCom Director-General, Omolola Oloworaran, disclosed at the FSDH Investors Conference that pension assets currently stand at approximately N29.5 trillion and are expected to cross the N30 trillion mark imminently. She projected the industry could grow to N100 trillion within five years, anchored on sustained reforms, broader participation, and improved investment structures. She also emphasized the critical role of pension funds as a long-term source of capital for infrastructure development.

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PenCom cracks down on N29.84 billion in uncredited pension contributions

The National Pension Commission issued multiple directives between April 2 and 9, 2026, mandating employers with uncredited pension contributions to publish the names of affected employees in at least four national daily newspapers. The N29.84 billion backlog, currently held by PFAs pending reconciliation, stems largely from employers' failure to remit accurate contribution schedules and employees' incomplete data records. PenCom warned of regulatory action against non-compliant employers and urged affected workers to complete the ongoing Data Recapture Exercise to avoid losing access to key pension services.

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