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WEEKLY BRIEF

Week of 2nd – 6th February 2026

PREPARED BY:



Wealthbridge Economic
Advisory

NEWS HIGHLIGHTS

Key Highlights During the Week

International News

- ❑ **United States:** ADP payrolls disappoint; Job openings slide, and layoffs spike as manufacturing rebounds and services remain flat.
- ❑ **UK & Eurozone:** ECB keeps rates unchanged; inflation slows faster than expected; Eurozone loses retail momentum; BoE hints at March rate cut.
- ❑ **China: China's Forex Reserves Highest Since 2015;** China's central bank buys gold for 15th consecutive month.
- ❑ **Japan:** Japan 10-Year Yield Falls as Election Looms, Household spending slumps.
- ❑ **South Africa:** South Africa Private Sector Stabilizes in January, South Africa Forex Reserves Hit Record High.
- ❑ **Ghana:** Ghana Inflation Rate Slows to Fresh Low
- ❑ **Kenya:** Kenyan inflation eases despite rising food prices, Kenya secures zero-duty access to China

Local News

- ❑ VAT allocations to FG, states, LGAs jump to N7.73 trillion in 2025
- ❑ Dangote Refinery warns coastal logistics may push petrol to N1,000 per litre.
- ❑ Tinubu launches National Halal Economy Strategy to tap \$7.7trn global market.
- ❑ FMDQ debt market hits N99.3trn as T-Bills, Bond yields compress on easing liquidity.
- ❑ CBN PMI hits 55.7 in January 2026, signals 14-month expansion.
- ❑ MTN in talks to buy remaining 75% stake in IHS Holdings
- ❑ Aradel reports N463.7 billion pre-tax profit in 2025, on strong revenue growth.

Key Macroeconomic Indices

NAFEM (₦/\$)	Monetary Policy Rate	Brent Crude oil price (\$/Barrel)	Inflation Rate	GDP Growth Rate
₦1,366.20/\$1 (06/02/26)	27.00% (Dec 2025)	\$67.91 (06/02/26)	15.15% (Dec 2025)	3.98% (Q3 2025)

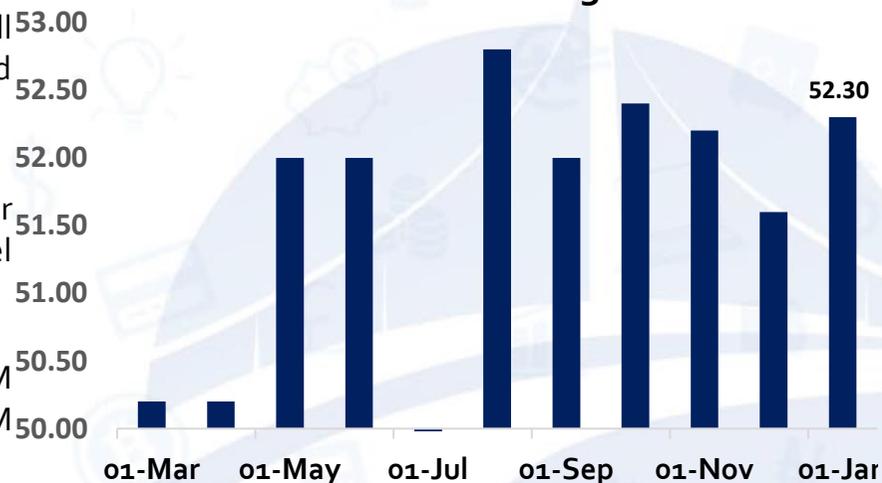


The United States

ADP payrolls disappoint; job openings slide, and layoffs spike as manufacturing rebounds and services remain flat

- U.S. labor market data weakened, with ADP reporting private payroll growth of just 22,000 jobs in January, below expectations and December’s reading. Job openings fell to about 6.5 million, the lowest since September 2020, while layoffs increased and initial jobless claims rose above consensus.
- Layoff announcements surged, with Challenger, Gray & Christmas reporting over 108,000 job cuts in January, a 118% year-on-year increase and the highest January level since 2009, reflecting rising corporate caution amid softer labor conditions.
- Business activity was mixed, as U.S. manufacturing rebounded in January, with the ISM manufacturing PMI rising to 52.6 and returning to expansion. In contrast, the ISM services PMI was unchanged at 53.8, indicating steady but moderating services growth.

US Manufacturing PMI



Source: Trading Economics, WealthBridge Research

What to Expect

- We expect the Fed to remain cautious and data-dependent, weighing signs of labor market softening against improving manufacturing activity and still-resilient services demand, while monitoring whether rising layoffs and weaker hiring momentum translate into broader economic slowdown.

U.S. Stocks See Mixed Moves

- U.S. equities closed the week mixed, as the Dow Jones Industrial Average advanced strongly, while the S&P 500 and Nasdaq Composite posted modest losses. Gains in value-oriented and mid-cap stocks supported broader market performance, but weakness in large-cap growth and technology stocks weighed on overall sentiment.

Drivers

- Drivers included rotation into value and mid-cap stocks, and cautious investor sentiment amid slowing labor market indicators.

Indices' Performance

S&P 500	6,932.30	0.10% ▼
Nasdaq Composite	23,031.21	1.84% ▼
Dow Jones Industrial average	50,115.67	2.50% ▲



UK & Eurozone



ECB keeps rates unchanged; inflation slows faster than expected; Eurozone loses retail momentum; BoE hints at March rate cut

- ❑ The ECB kept its deposit rate unchanged at 2.0% for a fifth straight meeting, noting economic resilience and signaling confidence that inflation will stabilize near its 2% target. Inflation slowed further in January, with headline inflation easing to 1.7% and core inflation falling to its lowest level since 2021.
- ❑ Eurozone retail sales lost momentum in December, declining by 0.5% month-on-month, following a downward revision to November's growth. However, retail volumes rose over the final quarter of 2025, pointing to a gradual improvement in household spending toward year-end.
- ❑ The Bank of England held its policy rate steady at 3.75%, though a split vote increased expectations of a rate cut as early as March. Policymakers signaled scope for further easing as inflation is now expected to return to target sooner than previously projected.



Source: Trading Economics, WealthBridge Research

What to Expect

With inflation easing and growth moderating, the ECB is likely to keep rates steady, while the BoE may begin gradual easing depending on incoming data.

European Markets Ended Mixed.

- ❑ In local currency terms, major European equity markets closed the week higher, supported by broad-based gains across key indices. The UK's FTSE 100 rose 1.43%, Germany's DAX advanced 0.74%, France's CAC 40 gained 1.81%, and Italy's FTSE MIB increased 0.77%, reflecting improved investor sentiment across the region.

Drivers

- ❑ Improved risk appetite and easing inflation supported gains, while growth and policy uncertainties limited upside.

Indices' Performance

FTSE 100	10,369.75	1.43 % ▲
DAX index	24,720.40	0.74 % ▲
CAC 40	8,273.62	1.81 % ▲
FTSE MIB	44,870.28	0.77% ▲

Asia



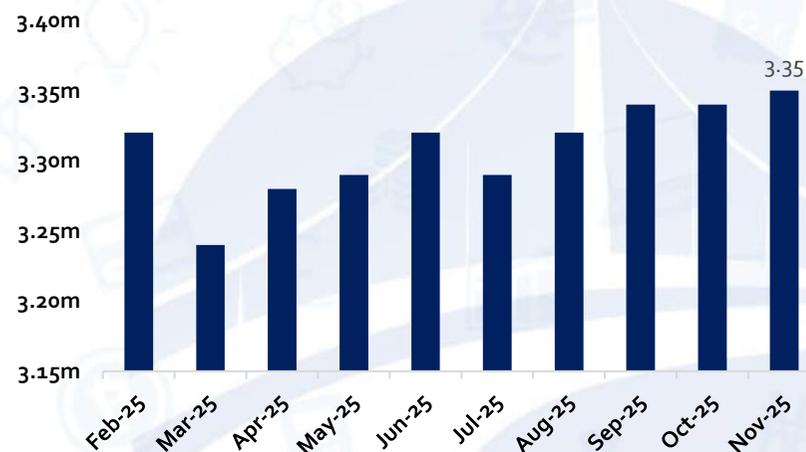
China's Forex Reserves Highest Since 2015; China's central bank buys gold for 15th consecutive month

- China's foreign exchange reserves rose by USD 41.2bn to USD 3.399trn in January 2026, marking the seventh consecutive monthly increase and the highest level since November 2015, supported by a weaker U.S. dollar.
- The People's Bank of China extended its gold-buying streak for a fifteenth consecutive month, with holdings rising to 74.19 million fine troy ounces. The value of gold reserves increased sharply to USD 369.6bn, reflecting higher global gold prices.
- In 2025, China's FX reserves rose in 11 months, increasing by USD 155.5bn over the year, underscoring continued reserve accumulation and a diversification strategy toward gold amid global market uncertainty.

What to expect

- China's central bank is likely to continue strengthening external buffers through steady FX reserve accumulation and gradual increases in gold holdings, reinforcing financial stability and reducing exposure to external currency and geopolitical risks.

China Foreign Exchange Reserves



Shanghai Composite	4,170.25	1.27% ▲
Hang Seng Index	28,214.20	3.02% ▲
Nikkei 225 index	53,322.85	0.97% ▼

Drivers

- Election-related uncertainty, concerns over fiscal funding and potential tax cuts, softer household spending, and cautious investor and positioning ahead of key economic data releases.

Japan 10-Year Yield Falls as Election Looms, Household spending slumps

- Japan's 10-year government bond yield fell to around 2.22%, a three-week low, as investors turned cautious ahead of the February 8 lower house election amid uncertainty over proposed fiscal spending and tax cuts.
- Household spending declined 2.6% year-on-year in December, reversing the prior month's growth, as persistent inflation continued to erode purchasing power, keeping cost-of-living pressures at the center of the election debate.
- Election-related uncertainty and fiscal concerns weighed on market sentiment, while investors await next week's Q4 GDP data for confirmation of a rebound following the previous quarter's contraction.



South Africa Private Sector Stabilizes in January, South Africa Forex Reserves Hit Record High



- ❑ South Africa's private sector showed signs of stabilisation in January 2026, with the S&P Global PMI rising to 50.0 from 47.7, supported by modest improvements in domestic demand despite continued weakness in services, exports, and employment.
- ❑ Purchasing activity edged higher while inventories declined amid supplier delays, with input cost inflation easing to a three-month low, allowing selling price pressures to soften. Business confidence remained relatively upbeat on expectations of stronger demand, improved energy supply, and rising tourism.
- ❑ South Africa's gross foreign exchange reserves rose to a record high of \$80.19 billion in January 2026, driven by increases in gold, SDR holdings, and foreign currency reserves, strengthening the country's external buffers.
- ❑ The forward position declined sharply to \$0.56 billion, indicating reduced unsettled swap positions and improved reserve stability, supporting confidence in South Africa's external position.

Ghana Inflation Rate Slows to Fresh Low



- ❑ Ghana's inflation eased further to 3.8% in January 2026 from 5.4% in December, marking the 13th consecutive month of disinflation and the lowest level since the CPI rebasing in 2021.
- ❑ The continued slowdown in both food and non-food prices leaves inflation well below the central bank's target band, reinforcing expectations of further policy easing in 2026 as macroeconomic conditions improve.

DOMESTIC ECONOMY AND MARKETS HIGHLIGHTS



Snapshot of Key Macroeconomic Indicators

Indicators	Current	Previous	
Inflation rate	15.15% (Dec 2025)	17.33% (Oct 2025)	▼ 218 bps
MPR	27.00% (Dec 2025)	27.00% (Nov 2025)	— 0 bps
Quarterly GDP Growth Rate	3.98% (Q3 2025 y/y)	4.23% (Q2 2025 y/y)	▼ 591bps
Yearly GDP Growth Rate	3.38% (FY 2024; y/y)	3.04% (FY 2023; y/y)	▲ 34 bps
GDP (Nominal)	₦113.59 Trn (Q3 2025)	₦100.73 Trn (Q2 2025)	▲ 12.77%
Brent Crude oil price	\$67.91 (06/02/26)	\$70.86 (30/01/26)	▼ 4.16%
Exchange rate (NAFEM W-O-W% , ₦/\$)	₦1,366.20/\$1 (06/02/26)	₦1,387.11/\$1 (30/01/26)	▼ 1.51%
Parallel Market FX Rate (IMTO) (₦/\$)	₦1,440.81/\$1 (06/02/25)	₦1,453/\$1 (30/01/25)	▼ 0.84%
P2P (₦/\$)	₦1,450/\$1 (06/02/26)	₦1,442/\$1 (30/01/26)	▲ 0.55%
External Reserve	\$46.912 billion (05/02/26)	\$46.28obillion (30/01/26)	▲ 1.37%



Key Fiscal News

VAT allocations to FG, states, LGAs jump to N7.73 trillion in 2025



- ❑ VAT allocations to the Federal Government, States, and LGAs rose to **₦7.73 trillion** in 2025 from **₦6.11 trillion** in 2024, representing a 26.46% year-on-year increase, supported by higher prices and improved tax collection.
- ❑ The increase reflects better VAT compliance, especially in major commercial centres, though allocations remained highly concentrated, highlighting uneven consumption across states.

Dangote Refinery warns coastal logistics may push petrol to N1,000 per litre



- ❑ Dangote Petroleum Refinery warned that reliance on coastal logistics for fuel distribution could add about **₦75 per litre** to petrol costs, potentially pushing pump prices to as high as **₦1,000 per litre** if passed on to consumers.
- ❑ The refinery noted that higher logistics costs could erode the price benefits of local refining, with broader implications for fuel affordability, consumer welfare, and Nigeria's energy cost structure.
- ❑ It urged policymakers and marketers to prioritise efficient evacuation methods such as gantry loading and pipeline infrastructure to preserve recent gains from increased domestic refining capacity.



Key Market News

Tinubu launches National Halal Economy Strategy to tap \$7.7trn global market



- ❑ President Bola Tinubu launched Nigeria's National Halal Economy Strategy to position the country to tap into the \$7.7 trillion global halal market and support economic diversification. The policy is projected to add about \$1.5 billion to GDP by 2027, spanning food, pharmaceuticals, cosmetics, logistics, tourism, and finance.
- ❑ The strategy provides a roadmap to align Nigerian capacity with global halal standards and convert opportunities into jobs and exports. He emphasized disciplined implementation, to be chaired by the Minister of Industry, Trade, and Investment.

FMDQ debt market hits N99.3trn as T-Bills, Bond yields compress on easing liquidity



- ❑ Nigeria's fixed income market strengthened on February 5, 2026, as Treasury bill and FGN bond yields declined across key maturities on improved liquidity and strong demand, lifting the FMDQ debt market to ₦99.30 trillion.
- ❑ Yield declines were broad-based, led by short- to mid-tenors, reflecting investor preference for balanced duration, while longer-dated bonds were largely unchanged due to inflation and fiscal concerns.

CBN PMI hits 55.7 in January 2026, signals 14-month expansion



- ❑ Nigeria's economic activity maintained strong momentum in January 2026, as the CBN composite PMI rose to 55.7 points, marking the fourteenth consecutive month of expansion and signaling broad-based improvement in business conditions.
- ❑ Expansion was recorded across agriculture, industry, and services, reflecting sustained demand and improving business confidence, though structural challenges such as inflation and FX pressures remain key risks to the outlook.



Key Market News

MTN in talks to buy remaining 75% stake in IHS Holdings



- ❑ MTN Group has entered advanced discussions to acquire the roughly 75% stake in IHS Holding it does not already own, a move that would give it full control of one of the world's largest independent tower companies. MTN said any potential offer would be near IHS's recent trading price, though no binding agreement has been reached.
- ❑ The potential acquisition would mark a strategic shift for MTN by bringing tower assets back under its control after years of sale-and-leaseback arrangements. MTN noted it would continue to explore value-unlocking options should the talks not result in a transaction.

Aradel reports N463.7 billion pre-tax profit in 2025, on strong revenue growth



- ❑ Aradel Holdings Plc reported strong FY 2025 unaudited results, with pre-tax profit rising 46.5% to ₦463.71bn and profit after tax increasing 54.9% to ₦401.22bn, driven by revenue growth across upstream, gas, and refining segments.
- ❑ Revenue grew 20% year-on-year to ₦697.3bn, supported by higher crude production, stronger refined products sales, and gas revenue growth, while margin pressures from higher costs weighed on gross and operating profits..



Equities Market

The Nigerian Equities Market Ended The Week Bearish

- Market Capitalisation: **₦110.235 tn (▲ 3.84% W-o-W)**
- All Share Index: **171,727.49 (▲ 3.84% W-o-W)**
- Year-to-Date: **10.36% (▲ 409 bps W-o-W)**
- Total Turnover (Trades): **3.860 bn (▲ 25.04% W-o-W)**
- Value of Trades: **₦128.581bn (▲ 57.76% W-o-W)**

Fixed Income Market

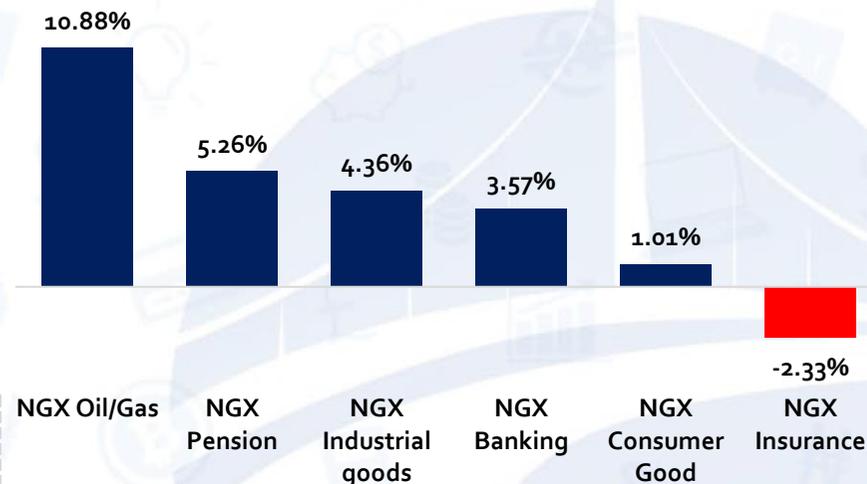
Bond Market

The Nigerian secondary bond market ended the week on a bullish note, supported by strong demand across most maturities. Robust trading activity and improved investor sentiment pushed yields lower, with the average yield declining by 31bps to 16.17%, reflecting sustained confidence in government securities. In contrast, the Nigerian sovereign Eurobond market recorded a flat performance, with average yields unchanged at 7.07% amid subdued investor activity.

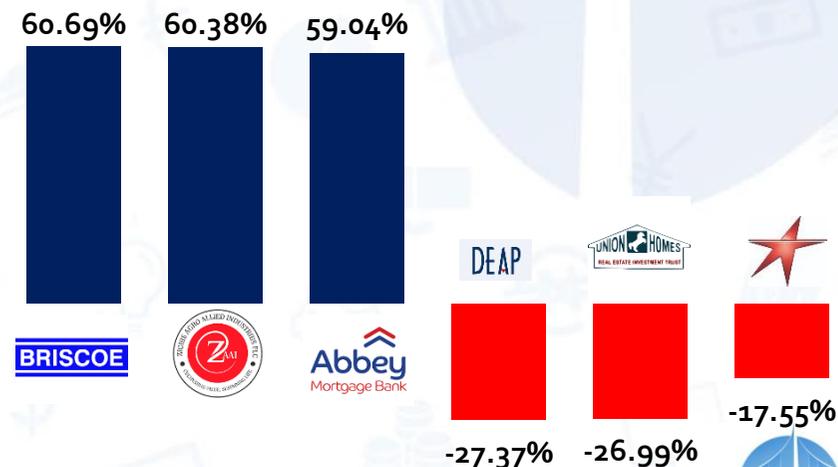
NTB and Money Markets

Net system liquidity expanded to a surplus of ₦2.62 trillion, representing a 37.1% week-on-week increase from ₦1.91 trillion, driven largely by OMO maturities and FAAC inflows. The liquidity surge eased funding conditions, with Open Repo (OPR) and Overnight (OVN) rates declining by 357bps and 355bps to close at 22.50% and 22.81%, respectively. In the Treasury space, yields declined across key maturities, with the most pronounced compression at the longer end of the NTB curve, reflecting strong demand amid excess system liquidity.

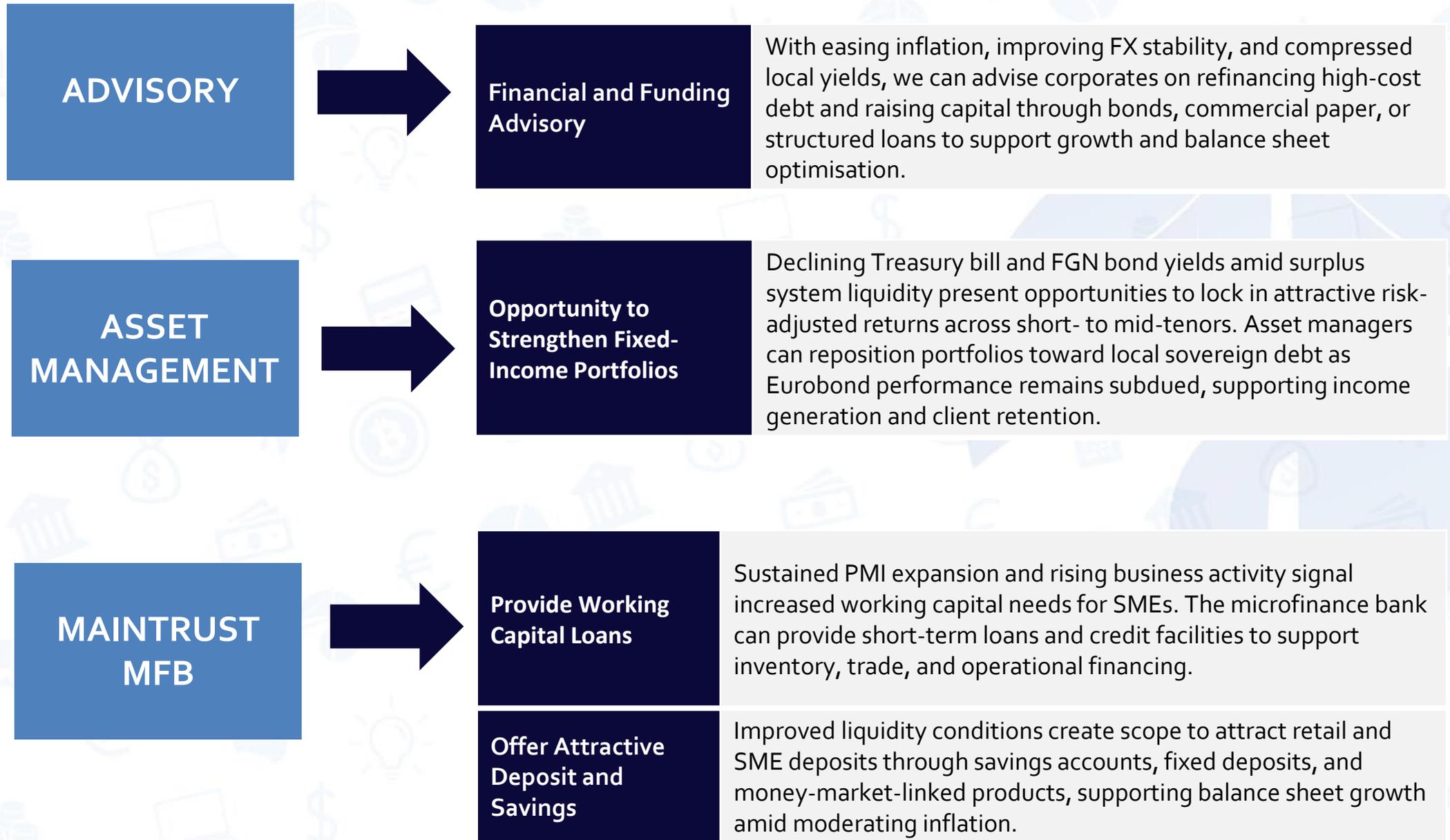
Sectoral Performances



Top Gainers & Decliners



MARKET OPPORTUNITIES





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