United Capital

Weekly Investment Views

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Global Markets:

United States

The Bureau of Economic Analysis (BEA) cancelled the advance Q3 GDP estimate and delayed other key releases, creating a data gap that pushed investors to rely more heavily on the few indicators still expected. This vacuum made Federal Reserve commentary more influential, and dovish remarks early in the week lifted expectations for a December rate cut. However, that optimism was short-lived. The Fed's Beige Book quickly softened the narrative, noting that economic activity was largely unchanged, with signs of weaker spending and softer hiring. Labour-market data then reinforced this mixed backdrop as layoffs remained low, but elevated continuing claims signalled that hiring is slowing and highlighted the economy's uneven momentum.

Euro Area

Euro Area data highlighted a contrast between steady domestic demand and softening industrial activity. Lending remained resilient, with credit to firms holding at 2.9% and household lending rising to 2.8%, its strongest pace in about two and a half years, while broad money supply (M3) growth stayed at 2.8%, helping lift the European Commission's Sentiment Index to 97.0 in November from 96.8 in October. This firming in credit conditions and sentiment, however, was offset by renewed weakness in the factory sector, as the manufacturing PMI slipped back to 49.7, returning to contraction territory even as services activity remained stable. Against this mixed backdrop of solid domestic demand but softening production, policymakers at the European Central Bank (ECB) struck a cautious tone, with ECB official Martins Kazaks stressing it is "not yet time" for a rate cut given persistent inflation risks and uncertainty around the recovery path.

Asia

Japan's Consumer Prices Index (core CPI) rose by 3.0% year-on-year in October, above the Bank of Japan's target and signalling persistent inflationary pressure driven by rising labour and input costs. This elevated inflation, combined with a weaker yen, also shaped Japan's external sector performance. The currency's depreciation helped boost competitiveness and contributed to an unexpected 3.6% year-on-year rise in exports during the same month. This is supported by firm demand from Asia and Europe even as US demand softened.

Global Market Snapshot

Market	Index	Weekly
United States	S&P 500	4.19%
United States	DJI	3.66%
United States	NASDAQ	5.38%
Germany	DAX	3.06%
France	CAC 40	1.66%
Europe	STOXX 600	2.72%
United Kingdom	FTSE 100	2.13%
Brazil	IBOV	1.92%
India	SENSEX	0.41%
China	SHCOMP	1.40%
South Africa	JALSH	0.99%
Kenya	NSEASI	(4.19%)
Ghana	GGSE	1.90%
Nigeria	NGX	(0.19%)
BRVM*	ICXCOMP	3.78%

*BRVM means Bourse Régionale des Valeurs Mobilières. Regional Stock Exchange for several West African countries that are part of the West African Economic and Monetary Union (WAEMU).

Sources: Various Sources and United Capital Research

Oil Markets:

Oil prices edged higher last week as geopolitical tensions and supply disruptions in Russia added a risk premium to global oil markets, lifting most light sweet grades including Bonny Light.

Weekly Commodities Price Monitor				
Commodity	**Unit Price**	**Price (US$)**	**Weekly Change**	**YTD**
Oil Crude – Bonny Light	US$/bbl.	62.87	0.11%	(16.71%)
Oil Crude – Brent	US$/bbl.	66.29	1.61%	(11.19%)
Gold	US$/toz	4159.6	2.03%	57.50%
Compressed Natural Gas (CNG)	US$/MMBtu	4.6287	(0.82%)	27.41%
Coffee	US$/lb.	413.93	1.83%	29.45%
Copper	US$/lb.	5.08	2.38%	26.10%
Cocoa	US$/MT	5068.2	(0.78%)	(56.10%)

Sources: Various Sources and United Capital Research

Outlook:

Global markets will turn their focus to a series of key data releases that could shape expectations for growth and policy direction. In the US, upcoming labour-market indicators and Fed commentary will guide views on whether the recent easing in inflation can be sustained. Across Europe, confidence surveys and inflation readings will influence expectations around the ECB's policy path, especially as the region balances soft growth with persistent price pressures. In Asia, investors will watch China's industrial and consumption data for signs of stabilisation, while Japan's markets may react to updates on fiscal support and any shifts in the Bank of Japan's tone. Commodity markets, particularly crude oil, could see volatility as supply signals and global demand expectations fluctuate. Overall, sentiment is likely to remain cautious as markets digest how new data shapes the global growth narrative.

African Markets:

South Africa

South Africa's Producer Price Inflation (PPI) rose to 2.9% year-on-year in October, up from 2.3% in September, although it fell slightly by 0.1% on a monthly basis. While this indicates some building cost pressures in the economy, the South African Reserve Bank (SARB) noted that the domestic financial system remains resilient despite these pressures. The review highlighted strong bank capital buffers, a rebound in equity markets, and continued corporate lending. This suggests that the financial sector is well-positioned to absorb inflationary strains even as household credit growth slowed.

Ghana

The Bank of Ghana (BoG) reduced its policy (benchmark) rate by 350 basis points to 18.0%, marking the third major cut this year, as inflation eased significantly. This easing of monetary policy is supported by a strong external position, with gross international reserves rising to US$11.4 billion at the end of October 2025. This reinforces the country's external buffers and currency stability. Together, these improvements in domestic and external conditions have bolstered confidence in Ghana's economic recovery. Consequently, the World Bank's revised upward the 2025 GDP-growth projection to 4.3%.

Kenya

The World Bank raised its forecast for Kenya's 2025 GDP growth to 4.9%, pointing to easing inflation, supportive monetary policy, and a rebound in construction as key drivers of the improving outlook. This brighter growth picture is reinforced by a pickup in private-sector credit. Year-on-year lending expanded by about 5% as of September 2025, indicating that businesses are beginning to respond to the more accommodative financial conditions.

Outlook:

African markets may start the week on a positive note, supported by easing inflation and improving financial conditions across key economies. South Africa's stable financial system, Ghana's rate cuts and stronger reserves, and Kenya's upgraded growth outlook with recovering credit all point to firmer investor sentiment. Overall, the region could see slightly stronger risk appetite, though global data releases and commodity prices will remain the main drivers of short-term market moves.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local)**	**YTD (Local)**
BRVM	347.22	22.64	3.80%	25.80%
Egypt	40039	59.83	(1.8%)	32.40%
Ghana	8584.17	14.79	1.90%	75.60%
Kenya	180.38	21.91	(4.2%)	46.10%
Mauritius	2385.76	6.79	(0.5%)	(0.7%)
Morocco	18641	106.4	2.90%	26.20%
Namibia	2011.5	142.03	(1.4%)	7.90%
Nigeria	143520.52	63.22	(0.2%)	39.40%
South Africa	110567.85	13.18	1.00%	31.50%
Tanzania	2571	9.08	0.10%	20.20%
Tunisia	13120	9.9	(0.6%)	31.80%
Global Market	4375.31	132906	3.70%	15.50%
Frontier	1387.05	--	1.30%	39.50%
Emerging	1370.39	--	(0.1%)	27.40%

Sources: NGX, Various Sources and United Capital Research

Currency Performance in Select African Countries				
Currency vs USD	**Signs**	**Spot Rate**	**Weekly Change**	**YTD**
Angola	AOA: Kwanza	918.2	0.33%	0.48%
Cameroun	XAF: Franc	566.4	1.77%	11.54%
Gabon	XAF: Franc	566.4	1.77%	11.54%
Ghana	GHS: Cedi	11.2	(1.45%)	23.64%
Guinea	GNF: Franc	8688	(0.03%)	(0.51%)
Kenya	KES: Shilling	129.8	(0.12%)	(0.35%)
Liberia	LRD: Dollar	177.5	(0.20%)	2.14%
Mauritius	MUR: Rupee	46.1	0.28%	1.83%
Morocco	MAD: Dirham	9.3	0.24%	8.63%
Namibia	NAD: Dollar	17.1	0.58%	8.98%
Nigeria	NGN: Naira	1443.9	0.88%	5.98%
Sierra Leone	SLL: Leone	23	0.22%	(1.55%)
South Africa	ZAR: Rand	17.2	0.45%	8.99%
Tanzania	TZS: Shilling	2462.5	(1.34%)	(1.55%)
Tunisia	TND: Dinar	2.9	0.48%	7.65%
Uganda	UGX: Shilling	3625	0.41%	1.33%
Zambia	ZMK: Kwacha	22.9	0.26%	17.61%
WAEMU	CFA: Franc	569.5	0.00%	11.03%

Sources:NGX, Various Sources and United Capital Research

Key Rate in Select African Countries				
Countries	10Yr Bond Yield	Inflation	Real Return	Policy Rate
Angola	11.78%	17.43%	1.07%	18.50%
Cameroon	9.50%	3.30%	1.20%	4.50%
Chad	0.00%	(4.00%)	8.50%	4.50%
Congo	6.00%	8.16%	(3.66%)	4.50%
Congo DRC	0.00%	1.70%	15.80%	17.50%
Cote d'Ivoire	7.56%	0.30%	4.95%	5.25%
Egypt	19.88%	12.50%	8.50%	21.00%
Gabon	9.50%	0.70%	3.80%	4.50%
Ghana	29.85%	8.00%	10.00%	18.00%
Kenya	12.69%	4.60%	4.94%	9.54%
Mauritius	5.65%	4.10%	0.40%	4.50%
Nigeria	15.30%	16.05%	10.95%	27.00%
South Africa	8.49%	3.60%	3.15%	6.75%
Tanzania	13.50%	3.50%	2.25%	5.75%

Sources: FMDQ, Various Sources and United Capital Research

Domestic Economy:

CBN Maintains Easing Policy While Money Supply Growth Accelerates

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) retained the Monetary Policy Rate at 27%, along with the existing Cash Reserve Ratio levels of 45% for Deposit Money Banks and 16% for Merchant Banks, while adjusting the asymmetric corridor around the MPR to +50/-450 basis points. This policy stance comes as broad money supply (M3) expanded to N119.04 trillion in October from N117.78 trillion in September, a 1.06% monthly increase and 10.22% growth year-on-year. The policy stance should support credit growth to the real sector.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) fell by 0.19% week on week (W/W), closing at 143,520.52 points. Market capitalisation also dropped to ₦91.29tn due to profit taking. The Nigerian equity year to date return stood at 39.44%.

Nigerian Equity Market Performance			
Index	Close Price	Weekly Change	YTD
NGX-ASI	143,520.52	(0.19%)	39.44%
Banking	1,381.81	0.67%	27.41%
Consumer Goods	3,421.15	(0.70%)	97.56%
Industrial Goods	5,133.60	(1.92%)	43.71%
Insurance	1,082.66	(0.07%)	50.79%
Oil & Gas	2,699.31	(0.81%)	(0.47%)

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed-income market closed the week on a mixed but generally stable note as improved system liquidity filtered through the money market. Funding rates eased meaningfully, with the Open Repo Rate (OPR) and Overnight Rate (OVR) rates declining to 22.50% and 22.75%, respectively, reflecting a more liquid interbank environment. This softer funding backdrop influenced activity across the NTB curve, where short- and mid-tenor yields were mostly steady, while the yield on the 364-Day bill inched higher on mild profit-taking. Momentum was firmer in the bond market, which traded with a slightly bullish tone throughout the week. Yields across the 3-year to 10-year segment either moderated or remained unchanged, supported by renewed interest from investors positioning around recent yield highs. The 3-year bond recorded a slight decline, while the 7-year paper firmed modestly, underscoring selective demand across the curve. Open Market Operations (OMO) activity remained muted, with the 223-day OMO paper closing at 19.67%, anchoring market expectations ahead of potential liquidity management operations.

Fixed Income Market Statistics		
	Yield	**Weekly Change**
OPR	22.50%	(2.00%)
O/N	22.75%	(2.08%)
90-Day	16.06%	(0.04%)
182-Day	16.93%	0.14%
364-Day	19.01%	0.16%
Bond Market		
Bond	**Yield**	**Weekly Change**
3yrs	15.47%	(0.06%)
5yrs	15.45%	0.00%
7yrs	15.96%	0.46%
10yrs	15.30%	0.00%

Sources: FMDQ and United Capital Research

Outlook:

Equity Market

Equities are expected to trade with a mild positive bias during the week as improving macro stability and firmer investor confidence support growth in the equity market. Pockets of accumulation may emerge in fundamentally strong names with attractive valuations, helping to sustain market activity across both institutional and retail investors. However, gains are likely to remain measured as investors balance optimism around ongoing reforms with concerns over earnings pressures and policy uncertainty. Sector performance should be mixed, with opportunities concentrated in consumer names, industrials, and select banks showing resilient momentum.

Fixed Income Market

The fixed-income market is expected to trade calmly during week, supported by improving liquidity and steady interest in longer-dated securities. Recent yield moderation, following policy adjustments by the Central Bank, indicates investors are gradually positioning for a softer rate environment. Demand for medium- to long-term bonds should remain firm, though the market stays sensitive to inflation, FX liquidity, and government borrowing dynamics. Overall, the tone remains mildly bullish, with investors likely to maintain selective duration positioning.

Stock Recommendation			
Stocks	**Current Price**	**Target Price**	**Upside**
ACCESSCORP	21	35	66.67%
UBA	36.45	60	64.61%
AIICO	3.31	5	51.06%
MBENEFIT	3.27	4.7	43.73%
INTBREW	11.5	16	39.13%
TRANSCORP	42	58	38.10%
ZENITH	60	80	33.33%
PZ Cussons Nigeria Plc	40	50.72	26.80%
DANGCEM	534.6	670	25.33%
BUACEMENT	160	200	25.00%
FCMB	10.8	13.2	22.22%
WAPCO	134	157	17.16%

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