United Capital

Weekly Investment Views

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Global Markets:

United States

In the United States (US), the Federal Reserve cut its benchmark interest rate by 0.25%, marking the third consecutive reduction and lowering the policy range to 3.5%–3.75%, the lowest in about three years. This move reflects efforts to stimulate economic activity amid slowing growth. Meanwhile, weekly jobless claims rose sharply to 236,000, the largest jump in nearly five years, though much is attributed to seasonal holiday volatility. On a positive note, the U.S. trade deficit narrowed to $52.8 billion in September 2025, the smallest since mid-2020, as exports grew faster than imports, potentially supporting third-quarter GDP estimates.

Euro Area

Euro Area annual GDP grew 1.4% year-on-year in Q3 2025, compared with the 1.6% expansion recorded in both Q1 and Q2. This was driven by exports and government spending, with Spain and the Netherlands leading major economies. The European Central Bank (ECB) has hinted that it is likely to keep interest rates on hold through the end of 2026, signaling confidence in a stable economic outlook and inflation near target.

Asia

Asia is experiencing mixed monetary trends. The Bank of Japan is expected to raise its policy rate from 0.5% to 0.75%, demonstrating a tighter stance to address inflation and evolving economic conditions. Asian stock markets generally rose in line with global equities, though caution persisted in some sectors amid valuation concerns. China pledged to maintain proactive fiscal stimulus in 2026, focusing on boosting consumption, investment, and income support, while targeting growth near 5% despite a broader slowdown.

Global Market Snapshot

Market	Index	Weekly
United States	S&P 500	0.45%
United States	DJI	1.56%
United States	NASDAQ	(0.02%)
Germany	DAX	1.37%
France	CAC 40	0.19%
Europe	STOXX 600	0.81%
United Kingdom	FTSE 100	0.63%
Brazil	IBOV	1.16%
India	SENSEX	(0.52%)
China	SHCOMP	(0.34%)
South Africa	JALSH	1.55%
Kenya	NSEASI	(1.07%)
Ghana	GGSE	0.41%
Nigeria	NGX	1.63%
BRVM*	ICXCOMP	(1.14%)

*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 fell last week mainly due to concerns over slower global demand and increasing US crude inventories.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US$)	Weekly Change	YTD
Oil Crude – Bonny Light	US$/bbl.	63.74	(3.75%)	(15.55%)
Oil Crude – Brent	US$/bbl.	61.15	(4.08%)	(18.07%)
Gold	US$/toz	4,367.70	2.94%	65.38%
Compressed Natural Gas (CNG)	US$/MMBtu	4.208	(20.44%)	15.83%
Coffee	US$/lb.	376.5	0.44%	17.75%
Copper	US$/lb.	5.4705	0.16%	35.86%
Cocoa	US$/MT	6,358.50	11.63%	(44.92%)

Sources: Various Sources and United Capital Research

Outlook:

Global markets are likely to trade cautiously this week as investors weigh mixed economic signals across major regions. In the US, the Fed's rate cut and rising jobless claims will guide expectations on future easing and demand strength. Euro Area sentiment may remain steady as moderate GDP growth and the ECB's commitment to stable policy provide some clarity. In Asia, Japan's expected rate hike and China's continued fiscal support will shape regional risk appetite. Equity markets may see uneven performance, while oil prices could stay under pressure amid weak demand signals and higher US inventories. Overall, markets will balance easing monetary conditions with persistent uncertainty in global growth and energy demand.

African Markets:

South Africa

In South Africa, inflation expectations declined after the finance minister set a tighter 3% inflation target for 2026–27, reflecting increased confidence in price stability. The Rand strengthened against the US Dollar, reaching near its highest level of the year as rising gold prices improved market sentiment, while bond yields softened slightly, indicating stronger demand for local assets.

Ghana

Ghana's economy expanded by 5.5% year-on-year in Q3 2025, led by agriculture at 8.6% and services at 7.6%, despite slower overall growth compared with the previous year (7% expansion). The government increased the agriculture and agribusiness budget to approximately GH¢13 billion (US$1.13 billion) for 2026, raising its allocation from 0.5% of total spending in 2025 to 5 percent. This move aims to strengthen the sector despite ongoing concerns about post-harvest losses.

Kenya

Kenya's Central Bank cut its benchmark lending rate by 0.25% to 9.0%, marking the ninth consecutive reduction to encourage bank lending and sustain growth around 5% amid stable inflation. Additionally, Kenya and the US International Development Finance Corporation agreed on a $1 billion debt-for-food-security swap, replacing expensive debt with lower-cost financing to free resources for food and development programs.

Outlook:

African markets are likely to trade cautiously this week as investors monitor regional economic signals and domestic developments. In South Africa, a stronger Rand and easing inflation may support equities, despite weak industrial activity which could limit risk appetite. Ghana's GDP growth and higher agricultural spending provide optimism, while high bond yields remain a concern. In Kenya, lower rates and the $1 billion debt-for-food swap support growth, with infrastructure projects adding selective opportunities. Currency movements and Central Bank policies across the region will guide flows, while bond and equity markets remain sensitive to inflation, fiscal measures, and commodity trends. Overall, investors are expected to balance growth prospects with persistent macroeconomic pressures.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local)**	**YTD (Local)**
BRVM	348.75	23.72	(1.14%)	1.40%
Egypt	42,033.78	80.8	1.27%	36.74%
Ghana	8,635.00	11.49	0.41%	83.26%
Kenya	177.66	14.98	(1.07%)	57.11%
Mauritius	2,375.00	0.46	(1.48%)	0.08%
Morocco	426.05	60.03	0.23%	22.97%
Namibia	2,051.00	2.6	(1.49%)	11.11%
Nigeria	149,433.25	95.26	1.63%	45.18%
South Africa	114,220.43	1,286.70	1.55%	30.04%
Tanzania	2,624.20	9.02	2.12%	24.86%
Tunisia	13,226.89	11.48	(0.31%)	33.74%
Global Market	2,325.90	--	1.80%	(0.70%)
Frontier	1,405.41	--	(0.84%)	41.21%
Emerging	1,388.60	--	0.23%	28.78%

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	912.14	(2.0%)	(0.8%)
Cameroun	XAF: Franc	561.3	0.80%	(11.4%)
Gabon	XAF: Franc	561.3	0.80%	(11.4%)
Ghana	GHS: Cedi	11.45	(1.4%)	(25.9%)
Guinea	GNF: Franc	8694	1.10%	0.40%
Kenya	KES: Shilling	128.8	0.30%	(0.2%)
Liberia	LRD: Dollar	176	0.10%	4.80%
Mauritius	MUR: Rupee	45.8	(0.3%)	(3.1%)
Morocco	MAD: Dirham	9.2	0.20%	(8.6%)
Namibia	NAD: Dollar	16.9	(0.1%)	(8.2%)
Nigeria	NGN: Naira	1,454.41	(0.3%)	5.60%
Sierra Leone	SLL: Leone	22,683.00	0.00%	1.20%
South Africa	ZAR: Rand	16.85	(0.1%)	8.10%
Tanzania	TZS: Shilling	2,450.00	1.05%	2.50%
Tunisia	TND: Dinar	3	0.10%	(7.5%)
Uganda	UGX: Shilling	3548	0.00%	(5.1%)
Zambia	ZMK: Kwacha	23	(0.31%)	(20.7%)
WAEMU	CFA: Franc	559.56	(0.2%)	11.10%

Sources:NGX, Various Sources and United Capital Research

Key Rate in Select African Countries				
Countries	**10Yr Bond Yield**	**Inflation**	**Real Return**	**Policy Rate**
Angola	12.80%	16.56%	0.80%	19.00%
Cameroon	9.40%	3.30%	1.20%	4.50%
Chad	0.00%	(4.0%)	1.80%	4.50%
Congo	9.30%	8.16%	(3.7%)	4.50%
Congo DRC	7.10%	0.30%	5.50%	5.30%
Cote d'Ivoire	19.80%	12.50%	9.30%	21.00%
Egypt	0.00%	0.70%	2.50%	4.50%
Gabon	29.70%	8.00%	12.10%	21.50%
Ghana	13.20%	4.60%	4.70%	9.30%
Kenya	5.30%	4.10%	0.10%	4.50%
Mauritius	15.50%	16.05%	9.00%	27.00%
Nigeria	8.10%	3.60%	3.60%	7.00%
South Africa	13.30%	3.50%	2.40%	5.80%
Tanzania	13.50%	3.50%	2.25%	5.75%

Sources: FMDQ, Various Sources and United Capital Research

Domestic Economy:

Nigeria's Trade Surplus Strengthens

Nigeria's external sector strengthened in Q3 2025, with the National Bureau of Statistics (NBS) reporting an 11.08% rise in exports and a slower 5.51% increase in imports. This widened the trade surplus by 27.29% year-on-year and supports a more stable exchange rate. Non-crude exports totaled ₦10.01 trillion representing 44% of the total exports from ₦7.13 trillion representing 35% of total exports in Q3 2024. Non-oil products contributed ₦2.99 trillion, accounting for 13.14% of total exports. Major export destinations were India, Spain, France, the Netherlands, and Italy, driven mainly by crude oil, natural gas, jet fuel, and urea. China remained Nigeria's top import partner, followed by the US, India, the UAE, and Belgium. However, a 10% quarter-on-quarter drop in the trade surplus signals shifting external conditions, underscoring the need to track import growth relative to exports.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 1.63% week on week (W/W), closing at 149,433.25 points. Market capitalisation also rose to ₦95.26tn. The Nigerian equity year to date return stood at 45.18%.

Nigerian Equity Market Performance			
Index	**Close Price**	**Weekly Change**	**YTD**
NGX-ASI	149,433.25	1.63%	45.18%
Insurance Index	1,136.05	3.40%	58.22%
Consumer Goods Index	3,566.12	2.64%	105.94%
Industrial Goods Index	5,525.20	0.23%	54.67%
Banking Index	1,424.34	(0.12%)	31.33%
Oil/Gas Index	2,680.61	(0.13%)	(1.16%)

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed income market traded during the week as investors balanced improved system liquidity with cautious positioning. Short- and mid-tenor Nigerian Treasury Bills yields' declined on renewed demand, while the 12 months -year bill yield remained on changed. The bond market was bearish, with yields rising across the 3-year to 10-year curve. Open Repo Rate (OPR) and Overnight Rate (OVR) settled at 22.50% and 22.79% respectively. Open Market Operations (OMO) yield closed at 19.76% for the 208-day paper.

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

The Nigerian equity market may continue to experience measured optimism this week. Broad-based sectoral gains, particularly in banking, ICT, Food and beverages, and building materials, alongside sustained NGX-ASI momentum, could support positive investor sentiment. The strengthening trade surplus and stability in the exchange rate may provide additional confidence, while monitoring of import growth relative to exports will remain important for assessing external risks. Key drivers will include upcoming macroeconomic data, corporate earnings updates, and any fiscal developments that signal effective spending and investment management. Overall, selective buying in fundamentally strong stocks is expected to underpin cautious market optimism.

Fixed Income Market

The fixed-income market is likely to remain moderately active, supported by steady system liquidity and renewed investor demand for short- and mid-tenor Nigerian Treasury Bills. Bond yields may remain at current levels, while stable OPR and OVR rates suggest measured central bank liquidity management. Upcoming Debt Management Office (DMO) auctions and continued focus on debt sustainability are expected to guide investor positioning, with potential yield compression in short-term papers offering selective opportunities.

Stock Recommendation			
Stocks	**Current Price**	**Target Price**	**Upside**
UBA	39.7	60	51.13%
ACCESSCORP	20.1	30	49.25%
MBENEFIT	3.17	4.7	48.26%
AIICO	3.45	5	44.93%
TRANSCORP	42.2	58	37.44%
INTBREW	11.95	16	33.89%
BUACEMENT	162	204.08	25.98%
DANGCEM	614.9	770	25.22%
ZENITH	64	80	25.00%
WEMABANK	18.9	23	21.69%
MANSARD	14	16.5	17.86%
FIRSTHOLDCO	31.45	36.7	16.69%
WAPCO	140	160	14.29%

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