

Weekly Investment Views

A Publication of United Capital Research

December 22 - 26, 2025

Global Markets:

United States

In the United States (US), inflation rate dropped to 2.7% in November 2025, the lowest since July 2025. No report for October 2025 because of the shutdown. Weekly jobless claims declined by 13,000 to 224,000 for the week ended Dec-13, suggesting fewer new layoffs. However, claims remain higher than anticipated. The unemployment rate has climbed to 4.6% the highest level since October 2025.

Euro Area

The European Central Bank (ECB) maintained its key policy rate at 2% for the fourth consecutive meeting, signalling confidence that current economic conditions do not require policy adjustment. Supporting this stance, updated staff projections indicate that Euro Area inflation is expected to stabilise close to the 2% target over the medium term, while economic growth between 2025 and 2028 is projected to remain modest and largely driven by domestic demand. Financial markets had largely priced in this outcome, with European equities edging modestly lower ahead of the decision as investors adjusted positions in anticipation of prolonged rate stability.

Asia

The Bank of Japan raised its short-term interest rate to 0.75%, the highest in 30 years, responding to sustained inflation and improving business confidence. China launched a US\$113 billion free-trade initiative in Hainan Island to attract foreign investment, boost trade, and diversify the economy. Asian markets advanced moderately, supported by the BOJ hike and stronger Wall Street performance, despite a weaker Yen and mixed external signals.

Global Market Snapshot

Market	Index	Weekly
United States	S&P 500	(0.77%)
United States	DJI	(1.04%)
United States	NASDAQ	(0.70%)
Germany	DAX	0.16%
France	CAC 40	0.97%
Europe	STOXX 600	1.23%
United Kingdom	FTSE 100	2.09%
Brazil	IBOV	(1.77%)
India	SENSEX	(0.39%)
China	SHCOMP	0.03%
South Africa	JALSH	1.43%
Kenya	NSEASI	3.88%
Ghana	GGSE	0.76%
Nigeria	NGX	1.76%
BRVM*	ICXCOMP	(1.03%)

*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 this week mainly due to expectations of abundant global supply and easing geopolitical risk premiums, particularly optimism about a potential Russia-Ukraine peace deal that reduced concerns over supply disruptions.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD
Oil Crude – Bonny Light	US\$/bbl.	63.35	(4.33%)	(16.07%)
Oil Crude – Brent	US\$/bbl.	59.68	(2.36%)	(20.04%)
Gold	US\$/toz	4,354.00	0.59%	64.86%
Compressed Natural Gas (CNG)	US\$/MMBtu	3.923	(4.62%)	7.98%
Coffee	US\$/lb.	345.1	(6.55%)	7.93%
Copper	US\$/lb.	5.4855	2.36%	36.23%
Cocoa	US\$/MT	5,934.00	(4.69%)	(48.60%)

Sources: Various Sources and United Capital Research

Outlook:

Global markets are expected to trade cautiously this week as investors digest signals from major regions. In the United States (US), easing inflation and slightly higher unemployment may influence further rate cut early next year. Euro Area markets may remain steady as the European central Bank (ECB) signals confidence in stable growth and inflation near target. In Asia, the BOJ's historic rate hike and China's large free-trade initiative may support risk appetite, though a weaker Yen and uneven external data could limit gains. Oil prices may stay under pressure amid abundant supply and easing geopolitical concerns. Overall, markets are likely to balance moderating inflation with persistent uncertainties in growth, energy demand, and monetary policy.

African Markets:

South Africa

In South Africa, inflation eased slightly to 3.5% in November from 3.6% in October, below expectations, driven by lower fuel and transport costs. Food prices, particularly meat, rose, highlighting uneven sectoral pressures. Inflation expectations for 2026–27 declined after setting a tighter 3% target, strengthening confidence in medium-term price stability.

Ghana

In Ghana, unemployment fell to 12.8% in Q3 2025 from 13.7% a year earlier, led by the services sector. Parliament approved amendments to the Bank of Ghana Act, restricting central bank financing of government spending and banning direct primary market purchases except in emergencies, aimed at containing inflation and boosting investor confidence.

Kenya

Kenya advanced key institutional reforms to support long-term investment and reduce fiscal pressures. The cabinet approved the establishment of both an infrastructure fund and a sovereign wealth fund, designed to finance major projects such as roads and power plants while lowering reliance on public borrowing. Initial funding is expected to come from the planned sale of stakes in selected state-owned assets, including Safaricom. Complementing this strategy, Kenya signed a US\$311 million agreement with Africa50 and an Indian firm to develop high-voltage power transmission lines. This is aimed at improving grid reliability, reducing transmission losses, integrating renewable energy, and addressing persistent load-shedding challenges.

Outlook:

African markets are expected to trade with mixed momentum this week as investors assess easing inflation, policy reforms, and fiscal developments across key economies. In South Africa, softer inflation and lower medium-term expectations may support stable bond and equity sentiment. Ghana could see improved investor confidence following reforms that limit central bank financing of government spending. In East Africa, Kenya's push to create an infrastructure fund and sovereign wealth fund, alongside new power sector investments, may support medium-term growth prospects despite near-term fiscal pressures. Currency movements are likely to remain uneven, reflecting country-specific fundamentals, while bond markets will continue to price in high real yields in select frontier markets amid cautious global risk appetite.

Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local)	YTD (Local)
BRVM	342.66	23.62	(1.03%)	1.40%
Egypt	40,926.86	78.31	(2.63%)	34.07%
Ghana	8,745.82	14.32	0.76%	79.99%
Kenya	3,070.19	14.98	3.88%	60.84%
Mauritius	2,362.00	0.26	(0.55%)	(0.96%)
Morocco	432.06	61.23	1.41%	22.97%
Namibia	2,093.30	3.68	2.06%	17.10%
Nigeria	152,057.38	66.49	1.76%	47.73%
South Africa	114,926.12	1297.8	1.43%	35.70%
Tanzania	2,665.92	9.14	1.59%	25.70%
Tunisia	13,186.07	10.38	(0.31%)	33.33%
Global Market	2,257.40	--	(2.95%)	(3.60%)
Frontier	1,426.57	--	1.51%	43.34%
Emerging	1,366.58	--	(1.59%)	26.72%

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

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PAGE 3

Key Rate in Select African Countries

Countries	10Yr Bond Yield	Inflation	Real Return	Policy Rate
Angola	12.30%	16.56%	(4.26%)	19.00%
Cameroon	9.20%	3.30%	5.90%	4.50%
Chad	0.00%	-4.00%	4.00%	4.50%
Congo	9.10%	8.16%	0.94%	4.50%
Cote d'Ivoire	7.20%	0.30%	6.90%	5.30%
Egypt	19.50%	12.50%	7.00%	21.00%
Gabon	0.00%	0.70%	(0.70%)	4.50%
Ghana	29.30%	8.00%	21.30%	21.50%
Kenya	12.73%	4.60%	8.13%	9.30%
Mauritius	5.66%	4.10%	1.56%	4.50%
Nigeria	15.60%	14.45%	1.15%	27.00%
South Africa	8.30%	3.60%	4.70%	7.00%
Tanzania	13.70%	3.50%	10.20%	5.80%

Sources: FMDQ, Various Sources and United Capital Research

Domestic Economy:

Nigeria's Inflation Eases

Nigeria's inflation trajectory showed continued moderation, with the headline rate easing to 14.45% in November 2025 year-on-year from 16.05% in October 2025. Food inflation also slowed, marking the eighth consecutive monthly decline in overall price pressures. This trend reflects gradually easing demand-side pressures and some stabilisation in essential goods prices, offering modest relief to households and signaling potential room for more balanced monetary conditions. To stimulate economic growth, President Tinubu, on Friday presented the 2026 Budget proposal to the National Assembly follows: Projected Total expenditure ₦58.18 trn, projected revenue ₦34.33 trn, budget deficit ₦23.85 trn which is 4.28% of the Gross Domestic Product (GDP), Capital expenditure ₦26.08 trn, Recurrent (non-debt) expenditure ₦15.25 trn. Please watch out for our detailed analysis of the budget proposal.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 1.76% week on week (W/W), closing at 152,057.38 points. Market capitalisation stood at ₦96.94tn and year to date return stood at 47.73%.

Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD
NGX-ASI	152,057.38	1.76%	47.73%
Consumer Goods Index	3,726.91	4.51%	115.22%
Insurance Index	1,170.98	3.07%	63.09%
Banking Index	1,463.56	2.75%	34.95%
Industrial Goods Index	5,565.13	0.72%	55.79%
Oil/Gas Index	2,675.99	(0.17%)	(1.33%)

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed-income market traded mixed during last week as investors balanced improved system liquidity with cautious positioning. Long-tenor Nigerian Treasury Bills yields' declined on renewed demand, while the mid to short- tenor Nigerian Treasury Bills yields' rose. The bond market was bullish, with yields falling across the 3-year to 10-year curve. Open Repo Rate (OPR) and Overnight Rate (OVR) settled at 22.50% and 22.75% respectively. Open Market Operations (OMO) yield closed at 19.69% for the 201-day paper

Fixed Income Market Statistics		
Tenor	Yield	Weekly Change
OPR	22.50%	0.00%
O/N	22.75%	(0.04%)
90-Day	15.84%	0.10%
182-Day	17.35%	0.54%
364-Day	19.81%	(0.66%)
Bond Market		
Bond	Yield	Weekly Change
3yrs	16.98%	(0.21%)
5yrs	17.15%	(0.12%)
7yrs	17.11%	(0.09%)
10yrs	16.76%	1.45%

Sources: FMDQ and United Capital Research

Outlook:

Equity Market

The Nigerian equity market is likely to remain broadly positive in the coming week, supported by easing inflation, improving macroeconomic sentiment, and continued investor appetite for fundamentally strong stocks. Gains may be driven by consumer goods, building materials, banking, and insurance stocks, as investors position for earnings resilience and inflation relief. However, intermittent profit-taking is expected after the strong year-to-date performance, which could moderate upside momentum.

Fixed Income Market

The Fixed income market is expected to trade mixed, with sustained demand for longer-dated bonds as investors lock in attractive real yields amid moderating inflation. Treasury bill yields may remain uneven across tenors, reflecting liquidity conditions and cautious positioning ahead of primary market auctions. Overall, bond yields are likely to stay biased downward, while money market rates should remain stable around current levels in the absence of major liquidity shocks.

Stock Recommendation

Stocks	Current Price	Target Price	Upside
UNITED BANK FOR AFRICA	40	60	50.00%
MUTUAL BENFIT	3.18	4.7	47.80%
ACCESSCORP	20.5	30	46.34%
TRANSCORP	41	58	41.46%
INTERNATIONAL BREWRIES	12	16	33.33%
AIICO	3.9	5	28.21%
ZENITH BANK	63.3	80	26.38%
DANGOTE CEMENT	610	770	26.23%
NESTLE PLC	1958	2450	25.13%
WEMA BANK	19.1	23	20.42%
LAFARGE	133	160	20.30%
BUACEMENT	170	204.08	20.05%
AXAMANSARD	14	16.5	17.86%

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CONTACT US

- **Research:** Research@unitedcapitalplcgroup.com
- **Securities Trading:** Securities@unitedcapitalplcgroup.com
- **Asset Management:** Assetmanagement@unitedcapitalplcgroup.com
- **Trustees:** Trustees@unitedcapitalplcgroup.com
- **Investment Banking:** InvestmentBanking@unitedcapitalplcgroup.com
- **Investors Relations:** InvestorRelations@unitedcapitalplcgroup.com