

Weekly Investment Views

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Global Markets:

United States

In the United States (US), the economy expanded at a strong 2.3% year-on-year in Q3 2025, driven by solid consumer spending and exports. This strength pushed the S&P 500 to a record high. However, pressure remains in parts of the consumer sector, as more than 4,100 retail and restaurant businesses closed this year, showing that economic conditions are still uneven.

Euro Area

In the Euro Area, composite PMI fell to 51.9 points in December from 52.8 points in November, showing softer expansion and continued weakness in manufacturing. Despite this, the region's external position improved, with an €18.4 billion trade surplus in October, helping offset slower domestic demand.

Asia

Japan is balancing economic growth while keeping rising debt under control. The government plans to issue more bonds to fund a larger budget, while the central bank raised interest rates to 0.75%. The equity market ended the week slightly higher, supported by positive global sentiment and strong performance in technology stocks.

| Global Market Snapshot | | |
|--|-----------|---------|
| Market | Index | Weekly |
| United States | S&P 500 | 2.80% |
| United States | DJI | 1.16% |
| United States | NASDAQ | 3.81% |
| Germany | DAX | 1.58% |
| France | CAC 40 | 0.30% |
| Europe | STOXX 600 | 1.54% |
| United Kingdom | FTSE 100 | 1.08% |
| Brazil | IBOV | 1.99% |
| India | SENSEX | 1.06% |
| China | SHCOMP | 1.83% |
| South Africa | JALSH | 2.92% |
| Kenya | NSEASI | 1.89% |
| Ghana | GGSE | 0.25% |
| Nigeria | NGX | 0.97% |
| BRVM* | ICXCOMP | (1.92%) |
| *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 rose during the week primarily due to increased concerns about potential supply disruptions from a US blockade of Venezuelan oil tankers and geopolitical risks.

| Weekly Commodities Price Monitor | | | | |
|----------------------------------|------------|--------------|---------------|----------|
| Commodity | Unit Price | Price (US\$) | Weekly Change | YTD |
| Oil Crude – Bonny Light | US\$/bbl. | 63.52 | 1.71% | (15.85%) |
| Oil Crude – Brent | US\$/bbl. | 62.67 | 5.01% | (16.04%) |
| Gold | US\$/toz | 4,511.65 | 3.15% | 70.83% |
| Compressed Natural Gas (CNG) | US\$/MMBtu | 4.486 | 11.48% | 23.48% |
| Coffee | US\$/lb. | 346.95 | (1.41%) | 8.51% |
| Copper | US\$/lb. | 5.6358 | 3.69% | 39.97% |
| Cocoa | US\$/MT | 5,958.00 | (0.33%) | (48.39%) |

Sources: Various Sources and United Capital Research

Outlook:

Global markets are likely to start this week cautiously optimistic as strong US growth contrasts with weak consumer sectors, while Euro Area manufacturing slows despite a healthy trade surplus. In Asia, Japan's tighter policy and increased bond issuance will draw attention, with tech stocks supporting markets. Oil and commodities may remain volatile due to geopolitical risks and potential supply disruptions. Investors are expected to focus on selective opportunities amid mixed economic signals.

African Markets:

Ghana

In Ghana, outstanding International Monetary Fund (IMF) credit reached SDR 2.85 billion as of December 2025, making it one of the largest IMF borrowers on the continent. The IMF's completion of the fifth review under Ghana's Extended Credit Facility unlocked additional funding and signalled progress toward key stabilisation goals, including lower inflation and improved external balances.

Kenya

Fiscal pressures intensified as the government projected a wider budget deficit of 5.3% of GDP for the 2026/27 fiscal year. This is driven by infrastructure spending and rising debt service costs, with financing split between domestic and external borrowing. This outlook underscores ongoing challenges around debt sustainability and investor confidence.

Egypt

Egypt recorded more encouraging developments, as a staff-level IMF agreement on programme reviews opened the door to roughly US\$2.5 billion in financing. This supports foreign exchange stability, while inflation continued to ease, reinforcing the country's gradual disinflation trend.

Outlook:

African markets are expected to trade cautiously next week as investors monitor Ghana's IMF progress, Kenya's widening budget deficit, and Egypt's easing inflation with new IMF support. Regional currency moves, especially the Cedi, Rand, and Naira, alongside Central Bank policies, will influence flows. Investors are likely to remain selective across equities and bonds amid mixed growth and fiscal signals.

| Pan African Stock Market Monitor | | | | |
|----------------------------------|------------|--------------------|-------------|-------------|
| Market | Index | Market Cap (\$'bn) | WTD (Local) | YTD (Local) |
| BRVM | 339.58 | 23.62 | (1.92%) | 1.40% |
| Egypt | 41,524.00 | 78.31 | 0.03% | 38.41% |
| Ghana | 8,744.00 | 14.32 | 0.25% | 79.16% |
| Kenya | 3,089.90 | 14.98 | 1.89% | 58.61% |
| Mauritius | 2,370.80 | 0.26 | (0.09%) | (0.60%) |
| Morocco | 430.43 | 61.23 | 0.09% | 24.24% |
| Namibia | 2,130.00 | 3.68 | 2.15% | 17.10% |
| Nigeria | 153,534.52 | 97.89 | 0.97% | 49.17% |
| South Africa | 117,373.00 | 1297.8 | 2.92% | 35.70% |
| Tanzania | 2,695.00 | 9.14 | 0.82% | 27.93% |
| Tunisia | 13,269.16 | 10.38 | 0.67% | 32.43% |
| Global Market | 2,326.20 | -- | 4.12% | (3.60%) |
| Frontier | 1,458.37 | -- | 3.33% | 43.34% |
| Emerging | 1,411.37 | -- | 0.00% | 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 | 912.29 | (0.02%) | (0.03%) |
| Cameroun | XAF: Franc | 555.92 | 0.40% | 13.35% |
| Gabon | XAF: Franc | 555.92 | 0.40% | 13.35% |
| Ghana | GHS: Cedi | 11.1 | 3.15% | 31.98% |
| Guinea | GNF: Franc | 8700 | (0.09%) | (1.13%) |
| Kenya | KES: Shilling | 128.8 | 0.08% | 0.04% |
| Liberia | LRD: Dollar | 176 | 0.00% | 4.55% |
| Mauritius | MUR: Rupee | 45.82 | (0.04%) | 2.14% |
| Morocco | MAD: Dirham | 9.13 | 0.55% | 10.95% |
| Namibia | NAD: Dollar | 16.64 | 0.96% | (46.94%) |
| Nigeria | NGN: Naira | 1450.7 | 0.22% | 5.87% |
| Sierra Leone | SLL: Leone | 23.91 | (3.97%) | (4.85%) |
| South Africa | ZAR: Rand | 16.63 | 0.96% | 13.35% |
| Tanzania | TZS: Shilling | 2455 | 0.20% | (2.24%) |
| Tunisia | TND: Dinar | 2.87 | 1.39% | 11.15% |
| Uganda | UGX: Shilling | 3605 | (1.33%) | 1.91% |
| Zambia | ZMK: Kwacha | 22.55 | 2.66% | 23.37% |
| WAEMU | CFA: Franc | 555.92 | 0.12% | 13.96% |

Sources:NGX, Various Sources and United Capital Research

| Key Rate in Select African Countries | | | | |
|--------------------------------------|-----------------|-----------|-------------|-------------|
| Countries | 10Yr Bond Yield | Inflation | Real Return | Policy Rate |
| Angola | 12.30% | 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 2026 Budget Outlook

Nigeria's 2026 budget targets ₦58.18tn expenditure, ₦34.33tn revenue, leaving a ₦23.85tn deficit. The deficit will be financed mainly through domestic borrowing and selective external loans. Key priorities include security (₦5.41tn), infrastructure (₦3.56tn), education (₦3.52tn) and health (₦2.48tn). The 2026 budget is guided by four clear objectives which are: consolidate macroeconomic stability; improve the business and investment environment; promote job-rich growth and reduce poverty; and strengthen human capital development while protecting the vulnerable. Watch for the details in our upcoming note on the proposed budget.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 0.97% week on week (W/W), closing at 153,534.52 points. Market capitalisation stood at ₦97.89tn and year to date return stood at 49.17%.

| Nigerian Equity Market Performance | | | |
|------------------------------------|-------------|---------------|---------|
| Index | Close Price | Weekly Change | YTD |
| NGX-ASI | 153,534.52 | 0.97% | 49.17% |
| Consumer Goods Index | 2,675.99 | 0.00% | (1.33%) |
| Insurance Index | 3,851.41 | 3.34% | 122.41% |
| Banking Index | 1,509.37 | 3.13% | 39.17% |
| Industrial Goods Index | 5,630.30 | 1.17% | 57.62% |
| Oil/Gas Index | 1,146.01 | (2.13%) | 59.61% |

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed-income market traded mixed this week as investors balanced improved system liquidity with cautious positioning. Yields across the Short- to long-tenor Nigerian Treasury Bills (NTB) yields' rose on weaker investor demand. The bond market was mixed, with yields on the 3-year and 5-year curve declining while the 7-year and 10 year yield had marginal gains. Open Repo Rate (OPR) and Overnight Rate (OVR) settled at 22.50% and 22.68% respectively. Open Market Operations (OMO) yield closed at 19.63% for the 196-day paper.

| Fixed Income Market Statistics | | |
|--------------------------------|--------|---------------|
| Tenor | Yield | Weekly Change |
| OPR | 22.50% | 0.00% |
| O/N | 22.68% | (0.07%) |
| 90-Day | 16.35% | 0.51% |
| 182-Day | 17.44% | 0.09% |
| 364-Day | 20.04% | 0.23% |
| Bond Market | | |
| Bond | Yield | Weekly Change |
| 3yrs | 16.93% | (0.05%) |
| 5yrs | 17.00% | (0.15%) |
| 7yrs | 17.13% | 0.02% |
| 10yrs | 16.80% | 0.04% |

Sources: FMDQ and United Capital Research

Outlook:

Equity Market

The Nigerian equity market is likely to trade cautiously positive this week, supported by steady GDP growth, strong external reserves, and broad-based sector gains. Investors will focus on fundamentally strong stocks in consumer goods, banking, and industrials, while profit-taking may limit sharp rallies.

Fixed Income Market

The fixed-income market may see moderate activity, with stable liquidity and steady interbank rates supporting demand for Treasury bills and Government bonds. Yields may adjust slightly across the 3- to 10-year curve as investors monitor domestic borrowing and fiscal developments.

| Stock Recommendation | | | |
|------------------------|---------------|--------------|--------|
| Stocks | Current Price | Target Price | Upside |
| MUTUAL BENFIT | 3.19 | 4.7 | 47.34% |
| ACCESSCORP | 20.5 | 30 | 46.34% |
| UNITED BANK FOR AFRICA | 42 | 60 | 42.86% |
| TRANSCORP | 41 | 58 | 41.46% |
| AIICO | 3.78 | 5 | 32.28% |
| ZENITH BANK | 63 | 80 | 26.98% |
| AXAMANSARD | 13 | 16.5 | 26.92% |
| DANGOTE CEMENT | 609 | 770 | 26.44% |
| NESTLE PLC | 1958 | 2450 | 25.13% |
| WEMA BANK | 19.05 | 23 | 20.73% |
| LAFARGE | 134 | 160 | 19.40% |
| BUACEMENT | 175 | 204.08 | 16.62% |

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