

# 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%)
Cameroon	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

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### 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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