

Weekly Investment Views

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Global Markets:

United States

The US Federal Reserve cut its benchmark interest rate by 0.25%, to a range of 3.75% - 4.00%, the longest since December 2022. Despite this, October saw 153,000 job cuts, the highest in 20 years, largely driven by layoffs in the tech and retail sectors. The ongoing 35-day government shutdown further delayed key economic data releases, adding uncertainty to markets and weighing on investor sentiment.

Euro Area

In the Euro Area, inflation moderated slightly to 2.1% in October from 2.2% in September, as faster growth in services prices was offset by lower energy costs. Retail sales fell by 0.1% month-on-month in September, marking the third consecutive month of contraction and missing expectations of a 0.2% increase. Meanwhile, the Hamburg Commercial Bank Eurozone Composite PMI rose to 52.5 points in October, surpassing both the preliminary estimate of 52.2 points and September's 51.2 points, indicating modest growth in the manufacturing and services sectors.

Asia

Asia experienced mixed signals, with Japan's services PMI at 53.1 points in October, showing continued expansion but slower new orders and weaker foreign demand. China's official manufacturing PMI contracted for the seventh straight month, falling to 49.0 points, reflecting ongoing pressures from global trade tensions. Despite this, regional equity markets rose, with South Korea's KOSPI hitting record highs as investors looked past China's sluggish data and focused on broader growth prospects. Crude oil markets closed the week in the red, pressured by a stronger US dollar, weaker-than-expected Chinese economic data, and increased output from major producers.

Global Market Snapshot		
Market	Index	Weekly
United States	S&P 500	(1.50%)
United States	DJI	(1.28%)
United States	NASDAQ	(2.35%)
Germany	DAX	(1.60%)
France	CAC 40	(2.36%)
Europe	STOXX 600	(0.70%)
United Kingdom	FTSE 100	0.19%
Brazil	IBOV	2.54%
India	SENSEX	(0.75%)
China	SHCOMP	1.34%
South Africa	JALSH	0.78%
Kenya	NSEASI	3.45%
Ghana	GGSE	(0.73%)
Nigeria	NGX	(2.66%)
BRVM*	ICXCOMP	1.03%

Sources: NGX, Various Sources and United Capital Research

Oil Markets:

Oil prices fell last week, pressured by a stronger US Dollar, disappointing economic data from China, and increased output from major global producers.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD
Oil Crude – Bonny Light	US\$/bbl	64.64	(2.0%)	(13.4%)
Oil Crude – Brent	US\$/bbl	4024.6	(2.7%)	52.40%
Gold	US\$/toz	3.96	20.30%	9.00%
CNG (Gas)	US\$/MMBtu	387.55	(5.5%)	21.20%
Coffee	US\$/lb.	5.08	(0.4%)	26.20%
Copper	US\$/lb.	6278.88	(0.9%)	(45.6%)
Cocoa	US\$/MT	64.64	(2.0%)	(13.4%)

Sources: Various Sources and United Capital Research

Outlook:

Markets will watch for inflation data and Fed commentary for clues on 2026 policy direction. If inflation remains sticky, Central Banks may tighten interest rates, which could dampen growth. With global valuations in many markets elevated, any surprise negative data could trigger a re-pricing of assets. US government shutdown could continue to impact the release of key economic data in the US.

African Markets:

South Africa

In South Africa, private-sector business activity declined in October, with the PMI falling to 48.8 points from 50.2 points in September, signaling contraction. The decline was driven mainly by weaker new orders and export sales, the sharpest drops in nearly a year, reflecting both subdued domestic demand and global headwinds. Despite the slowdown, input cost inflation moderated, supplier delivery times improved, and business sentiment remained cautiously optimistic, with roughly a third of firms expecting growth over the next year.

Kenya

Kenya, by contrast, saw private-sector expansion accelerate, with the PMI rising to 52.5 points in October from 51.9 points in September, marking the fastest pace since December 2021. Annual inflation increased to 4.6%, the highest since June 2024, but remained below the 5% midpoint of the Central Bank of Kenya's target for the seventeenth consecutive month, reflecting still-moderate domestic demand.

Egypt

Egypt's non-oil private-sector PMI improved slightly to 49.2 points in October, up from 48.8 points in September, indicating the mildest contraction in eight months. New orders declined at the slowest pace in five months, suggesting tentative improvement in demand conditions for businesses outside the oil sector.

Outlook:

The overall sentiment for the Sub-Saharan Africa (SSA) region remains one of resilience despite persistent challenges (high debt, tight global financing). Investors will continue to monitor developments in countries undergoing IMF programs and domestic reforms (e.g., Ghana, Kenya, and Nigeria) for signs of progress in managing fiscal deficits and mobilizing domestic revenue. In Ethiopia, continued debt restructuring and lower external obligations may boost investor confidence. South Africa's narrowing budget deficit signals fiscal stability and could support steady market performance. Uganda's strong coffee exports and rising agricultural output are likely to underpin local economic sentiment and modest market gains.

Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local)	YTD (Local)
BRVM	344.4	23.24	1.03%	24.80%
Egypt	38268	58.62	0.00%	24.80%
Ghana	8341.9	15.22	(0.73%)	70.60%
Kenya	185	22.53	3.50%	49.80%
Mauritius	2464.4	7.07	12.80%	1.70%

Morocco	19547	112.23	0.80%	38.00%
Namibia	2011.5	142.03	(1.40%)	7.90%
Nigeria	154126.5	61.68	(2.66%)	49.70%
South Africa	109669.8	13.17	(1.00%)	30.40%
Tanzania	2533	8.74	1.40%	14.50%
Tunisia	12536	9.9	0.60%	27.40%
Global Market	4343.6	132906	(8.40%)	15.50%
Frontier	1389.9	--	(0.80%)	35.40%
Emerging	1381.4	--	0.20%	25.20%

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	918.7	0.00%	0.60%
Cameroon	XAF: Franc	569.4	(0.80%)	11.10%
Gabon	XAF: Franc	569.4	(0.80%)	11.10%
Ghana	GHS: Cedi	10.9	1.20%	25.90%
Guinea	GNF: Franc	8680	0.00%	(0.40%)
Kenya	KES: Shilling	129.2	0.00%	0.20%
Liberia	LRD: Dollar	183	0.00%	(4.80%)
Mauritius	MUR: Rupee	45.5	0.10%	3.10%
Morocco	MAD: Dirham	9.3	(0.30%)	8.60%
Namibia	NAD: Dollar	17.3	0.20%	8.20%
Nigeria	NGN: Naira	1437	1.60%	6.40%
Sierra Leone	SLL: Leone	23153	0.00%	(1.2%)
South Africa	ZAR: Rand	17.3	0.40%	(8.10%)
Tanzania	TZS: Shilling	2460	0.90%	(1.40%)
Tunisia	TND: Dinar	3	(0.30%)	7.50%
Uganda	UGX: Shilling	3485	(0.70%)	5.10%
Zambia	ZMK: Kwacha	22.1	1.60%	20.70%
WAEMU	CFA: Franc	569.4	(0.20%)	(11.10%)

Sources: NGX, Various Sources and United Capital Research

Key Rates in Select African Countries

Countries	10Yr Bond Yield	Inflation	Real Return	Policy Rate
Angola	11.80%	18.20%	0.80%	19.00%
Cameroon	9.50%	3.30%	1.20%	4.50%
Chad	0.00%	2.70%	1.80%	4.50%
Congo	9.50%	8.20%	(3.70%)	4.50%

Congo DRC	0.00%	1.70%	15.80%	17.50%
Cote d'Ivoire	7.20%	(0.2%)	5.50%	5.30%
Egypt	20.40%	11.70%	9.30%	21.00%
Gabon	0.00%	2.00%	2.50%	4.50%
Ghana	29.90%	9.40%	12.10%	21.50%
Kenya	13.10%	4.60%	4.70%	9.30%
Mauritius	5.60%	4.40%	0.10%	4.50%
Nigeria	15.60%	18.00%	9.00%	27.00%
South Africa	8.90%	3.40%	3.60%	7.00%
Tanzania	13.50%	3.40%	2.40%	5.80%

Sources: NGX, Various Sources and United Capital Research

Domestic Economy:

Broad Money Growth and Regulatory Boosts

Nigeria's broad money supply (M3) fell slightly to ₦117.78 trillion in September, down 1.6% from August's ₦119.69 trillion, reflecting temporary seasonal factors. Despite the dip, M3 remains 7.6% higher than the ₦109.41 trillion recorded in September 2024, indicating continued monetary expansion and liquidity in the economy. This measure, which captures all cash, deposits, and large institutional or foreign currency holdings, suggests that the overall money supply remains supportive of economic activity. Investor confidence received a notable boost as the Financial Action Task Force (FATF) removed Nigeria from its grey list, ending nearly three years of being classified as a destination for money laundering risks. This development, alongside similar moves for South Africa, Burkina Faso, and Mozambique, underscores stronger regulatory enforcement and enhances the perception of Nigeria as a safer investment destination.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) fell by 0.97% week on week (W/W), closing at 153,676.66 points. Market capitalisation rose to ₦97.83tn reflecting pockets of renewed buying interest. The Nigerian equity year to date return stood at 49.74%.

Nigerian Equity Market Performance			
Index	Close Price	Weekly Change	YTD
NGX-ASI	154,126.50	(1.00%)	49.74%
Banking	1,466.40	(3.40%)	(2.11%)
Consumer Goods	4,094.20	(1.30%)	(2.28%)
Industrial Goods	5,955.80	9.48%	(1.02%)
Insurance	1,231.20	(4.50%)	(3.47%)
Oil & Gas	2,912.80	9.45%	0.30%

Sources: NGX, United Capital Research

Fixed Income and Money Market:

The Nigerian Treasury Bills (NTBs) traded mixed as investors balanced moderate short-term demand against mild profit-taking on longer tenors. Open Repo Rate (OPR) and Overnight Rate (OVR) settled at 24.50% and 24.84% respectively. Open Market Operations (OMO) yield closed at 19.96% for the 250-day paper.

Fixed Income Market Statistics

	Yield	Weekly Change
OPR	24.50%	0.00%
O/N	24.80%	0.00%
91-Day	16.50%	(0.10%)
182-Day	17.30%	0.00%
365-Day	18.60%	0.40%
Bond Market		
Bond	Yield	Weekly Change
3yrs	16.14%	(0.04%)
5yrs	15.99%	0.03%
7yrs	15.80%	0.11%
10yrs	15.58%	0.00%

Sources: FMDQ, United Capital Research

Outlook:

Equity Market

The equity market might be mixed as investors digest recent earnings and await fresh macroeconomic data. Sentiment could stay cautious, with selective buying in fundamentally strong stocks providing some support. Investors could focus on large-cap stocks with quality Q3 2025 earnings.

Fixed Income Market

The fixed income market is expected to remain broadly stable, with modest activity in the NTB segment. Investors may stay positioned for short-duration instruments ahead of upcoming primary market auctions and potential monetary policy signals

Stock Recommendation

Stocks	Current Price (N)	Target Price (N)	Upside
United Bank for Africa	40.05	60	50%
Access Holdings	24.45	32	31%
AIICO Insurance	3.91	5	28%
Zenith Bank	63	80	27%
FCMB	10.75	13.2	23%
Nestle Nigeria	1915	2350	23%
Lafarge Africa	140	170	21%
Aradel Holdings	782	950	21%
Okomu Oil Palm	1080	1250	16%

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