

# Weekly Investment Views

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## Global Markets:

### United States

In the United States (US), private employers cut 32,000 jobs in November, marking the largest monthly decline in over two and a half years as small businesses scaled back their workforce. Despite this, the services sector remained resilient, with the November services Purchasing Managers' Index (PMI) holding steady at 52.6 points. This indicates ongoing expansion even as employment and new orders weakened. US equity markets responded positively, rising as investors priced in a growing likelihood of a Federal Reserve rate cut at its December meeting, reflecting optimism that easing monetary policy could support economic activity.

### Euro Area

Euro Area inflation edged up to 2.2% in November, from 2.1% in October, driven primarily by rising services-sector prices, while core inflation remained steady at 2.4%. Private sector activity accelerated, with the composite PMI climbing to 52.8 points, the fastest pace in roughly 30 months, underpinned by strong services demand despite weakness in manufacturing. The services PMI itself reached 53.6 points, the highest reading since mid-2023, reflecting robust new business volumes across several countries, particularly Ireland and France, signaling solid underlying momentum in consumer-oriented sectors.

### Asia

In Asia, China's manufacturing sector contracted slightly in November, with the private-sector PMI falling to 49.9 from 50.6 points, reflecting stalled production and weaker new orders. Despite the slowdown in China, Asian equities markets, particularly in Japan, gained traction after a strong 30-year Japanese government bond sale helped stabilise bond-market volatility, boosting investor confidence.

Global Market Performance		
Market	Index	Weekly Change
United States	S&P 500	0.12%
United States	DJI	0.28%
United States	NASDAQ	0.58%
Germany	DAX	0.19%
France	CAC 40	(0.01%)
Europe	STOXX 600	0.42%
United Kingdom	FTSE 100	(0.10%)
Brazil	IBOV	3.38%
India	SENSEX	(0.10%)
China	SHCOMP	0.42%
South Africa	JALSH	(0.03%)
Kenya	NSEASI	(0.22%)
Ghana	GGSE	(0.12%)
Nigeria	NGX ASI	2.45%
BRVM*	ICXCOMP	1.75%

\*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 edged higher last week as geopolitical tensions and supply disruptions in Russia added a risk premium to global oil markets, lifting most light sweet grades including Bonny Light.

### **Weekly Commodities Price Monitor**

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD
Oil Crude – Bonny Light	US\$/bbl	65.71	0.03%	(12.94%)
Oil Crude – Brent	US\$/bbl	63.27	0.11%	(15.23%)
Gold	US\$/toz	4,225.65	(0.69%)	60.00%
Compressed Natural Gas (CNG)	US\$/MMBtu	5.095	5.05%	40.24%
Coffee	US\$/lb	380.5	(0.18%)	19.00%
Copper	US\$/lb	5.3555	1.58%	33.01%
Cocoa	US\$/MT	5,486.00	(0.33%)	(52.48%)

Sources: Various Sources and United Capital Research

## **Outlook:**

Global markets are likely to trade cautiously this week as investors monitor economic signals across major regions. In the US, labour market and other economic data will influence expectations ahead of the Fed's December meeting, while Euro Area inflation and business surveys will shape views on European Central Bank policy. In Asia, focus remains on Chinese manufacturing and Japan's market stability amid global yield shifts. Commodity markets, especially oil, may react to supply developments and changing demand expectations. Overall, investors are expected to balance softening activity with prospects of accommodative monetary policy.

## **African Markets:**

### **South Africa**

South Africa's industrial sector showed continued weakness in November as manufacturing sentiment plunged, with the Absa Manufacturing PMI falling sharply to 42.0 from 49.2 points in October. This highlights contraction in output and persistent weak demand. Overall private sector activity also contracted for the second consecutive month, with firms reporting falling output, declining new orders, weak domestic demand, and rising input costs, underscoring ongoing pressures in the industrial and services segments.

### **Namibia**

In Namibia, the African Development Bank pledged \$1.78 billion in financing over 2025–2030 to support transport, energy, and water projects. This is part of a broader effort to stimulate infrastructure and economic growth in Namibia. The Bank of Namibia maintained its main interest rate at 6.50% as of December 03, 2025. This signals cautious optimism following an earlier rate cut and reflecting alignment with regional monetary policy conditions.

### **Kenya**

Kenya's economy showed strong momentum in November, with private-sector activity rising to a five-year high as the Kenya PMI increased to 55.0 from 52.5 points. Expansion was broad-based across agriculture, manufacturing, and services. The government also announced a major infrastructure initiative of \$1.5 billion highway expansion linking the port of Mombasa to inland regions and neighbouring landlocked countries financed through a mix of debt and equity in collaboration with Chinese firms, aimed at boosting trade and connectivity.

## **Outlook:**

African markets are expected to trade cautiously this week as investors monitor a mix of domestic and regional developments. In South Africa, weak manufacturing and subdued private-sector activity could limit risk appetite, while Kenya's strong PMI and ongoing infrastructure projects may provide pockets of optimism. Attention will also focus on currency movements, particularly the Naira, Cedi, and Rand, as well as Central Banks' policy signals, including Namibia's maintained rate. Bond and equity markets may react to inflation trends, fiscal measures, and regional trade developments, with commodity-linked sectors sensitive to global supply and demand dynamics. Overall, investors are likely to balance growth prospects against persistent macroeconomic pressures and external uncertainties, positioning portfolios selectively across sectors and countries.

## Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local)	YTD (Local)
BRVM	353.29	21.53	1.75%	25.80%
Egypt	41,499.07	60.52	3.65%	41.51%
Ghana	8,424.00	17.00	(0.12%)	69.60%
Kenya	3,171.60	22.53	(0.22%)	46.60%
Mauritius	2,464.40	7.37	12.80%	1.70%
Morocco	19,547.00	112.43	0.80%	38.00%
Namibia	2,011.50	142.53	(1.40%)	7.90%
Nigeria	147,040.07	64.77	2.45%	42.86%
South Africa	110,924.74	15.72	(0.03%)	29.10%
Tanzania	2533	8.94	1.40%	14.50%
Tunisia	12536	9.90	0.60%	27.40%
Global Market	4333.6	131906.00	(6.40%)	16.50%
Frontier	1376.06	--	(0.80%)	35.40%
Emerging	1380.9	--	0.20%	25.10%

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	921.6	(2.0%)	(0.8%)
Cameroon	XAF: Franc	571.1	0.80%	(11.4%)
Gabon	XAF: Franc	571.1	0.80%	(11.3%)
Ghana	GHS: Cedi	10.9	(1.2%)	(25.9%)
Guinea	GNF: Franc	8695	1.00%	0.40%
Kenya	KES: Shilling	129.2	0.00%	(0.2%)
Liberia	LRD: Dollar	183	0.00%	4.80%
Mauritius	MUR: Rupee	45.5	(0.1%)	(3.1%)
Morocco	MAD: Dirham	9.3	0.30%	(8.6%)
Namibia	NAD: Dollar	17.3	(0.2%)	(8.2%)
Nigeria	NGN: Naira	1447.83	(0.1%)	6.10%
Sierra Leone	SLL: Leone	23153	0.00%	1.20%
South Africa	ZAR: Rand	17.3	(0.4%)	8.10%
Tanzania	TZS: Shilling	2460	(0.9%)	1.40%
Tunisia	TND: Dinar	3	0.30%	(7.5%)
Uganda	UGX: Shilling	3485	0.70%	(5.1%)
Zambia	ZMK: Kwacha	22.1	(1.6%)	(20.7%)
WAEMU	CFA: Franc	569.4	0.20%	11.10%

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	12.80%	17.40%	0.80%	19.00%
Cameroon	9.40%	3.20%	1.20%	4.50%
Chad	0.00%	(4.0%)	1.80%	4.50%
Congo	9.30%	8.20%	(3.7%)	4.50%
Congo DRC	0.00%	1.70%	15.80%	17.50%
Cote d'Ivoire	7.10%	0.30%	5.50%	5.30%
Egypt	19.80%	12.50%	9.30%	21.00%
Gabon	0.00%	0.70%	2.50%	4.50%
Ghana	29.70%	8.00%	12.10%	21.50%
Kenya	13.20%	4.60%	4.70%	9.30%
Mauritius	5.30%	4.10%	0.10%	4.50%
Nigeria	15.50%	16.05%	9.00%	27.00%
South Africa	8.10%	3.60%	3.60%	7.00%
Tanzania	13.30%	3.50%	2.40%	5.80%

Sources: FMDQ, Various Sources and United Capital Research

### Domestic Economy:

#### Nigeria's PMI rose in November Amid Broad-Based Activity and Fiscal Planning

Nigeria's composite CBN Purchasing Managers' Index rose to 56.4 points in November from 55.4 points in October. This marks the twelfth consecutive month of expansion. Sectoral activity was broad-based, with agriculture at 58.2 points, services at 56.8 points, and industry at 54.2 points, reflecting sustained growth across the economy. Also, real GDP growth increased, with the National Bureau of Statistics reporting Q3 GDP 2025 growth rate of 3.98% year-on-year compared to 3.86% in Q3 2024. The Federal Government has approved a 2026 fiscal plan totaling ₦54.5 trillion (US\$37.7 billion), projecting revenue of ₦34.33 trillion while planning a deficit of ₦20.1 trillion. Debt servicing costs are budgeted at ₦15.9 trillion. The combination of sustained PMI expansion and a clear fiscal roadmap is expected to underpin economic activity, while cautious monitoring of government spending and investment will be crucial to maintaining growth momentum.

### Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 2.45% week on week (W/W), closing at 147,040.07 points and year to date of 42.86%. Market capitalisation stood at ₦93.77tn and year to date of 42.80%.

### Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD
NGX-ASI	147,040.07	2.45%	42.86%
Banking	5,512.64	7.38%	54.32%
Consumer Goods	1,426.04	3.20%	31.49%
Industrial Goods	3,474.44	1.56%	100.64%
Insurance	1,098.68	1.48%	53.02%
Oil & Gas	2,684.05	(0.57%)	(1.03%)

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. Short- and mid-tenor Nigerian Treasury Bill (NTB) yields declined on renewed demand, while the 12 months - year bill yield inched higher on mild profit-taking. The bond market was slightly 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 22.75% respectively. Open Market Operations (OMO) yield closed at 19.84% for the 228-day paper. The fixed-income market traded mixed during the week as investors balanced improved system liquidity with cautious positioning.

Fixed Income Market Statistics		
Tenor	Yield	Weekly Change
OPR	22.50%	(2.00%)
O/N	22.75%	(1.63%)
90-Day	15.84%	(0.26%)
182-Day	16.86%	0.07%
364-Day	20.47%	1.62%
Bond Market		
Bond	Yield	Weekly Change
3yrs	15.78%	0.25%
5yrs	15.45%	0.00%
7yrs	16.20%	0.70%
10yrs	15.31%	0.01%

Sources: FMDQ and United Capital Research

## Outlook:

### Equity Market

The Nigerian equity market may continue to experience cautious optimism this week. While recent profit-taking has slightly moderated short-term gains, sustained PMI expansion, broad-based sectoral growth, and clarity on the 2026 fiscal plan could underpin positive investor sentiment. Key drivers will include macroeconomic indicators such as inflation, FX stability, and any fiscal developments that signal effective spending and investment management. Overall, the market bias remains cautiously positive, with potential selective buying in fundamentally strong stocks.

### Fixed Income Market

The fixed-income market could remain moderately active this week, supported by steady system liquidity and ongoing investor appetite for short- and mid-tenor NTBs. The upcoming Debt Management Office (DMO) bond auctions, combined with a focus on fiscal sustainability and debt servicing, may encourage demand across the 3- to 10-year tenor spectrum. Stable OPR and OVR rates suggest the Central Bank will maintain measured liquidity management, which could favour selective yield compression, especially in short-term papers.

## Stock Recommendation

Stocks	Current Price	Target Price	Upside
ACCESSCORP	21.5	35	62.79%
UBA	40	60	50.00%
MBENEFIT	3.2	4.7	46.88%
AIICO	3.51	5	42.45%
INTBREW	11.35	16	40.97%
TRANSCORP	42	58	38.10%
ZENITH	62.2	80	28.62%
BUACEMENT	162	204.08	25.98%
DANGCEM	614	770	25.41%
PZ Cussons Nigeria Plc	40.45	50.72	25.39%
AXAMANSARD	12.9	15.04	16.59%
FIRSTHOLDCO	31.5	36.7	16.51%
WAPCO	138	160	15.94%

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