

Weekly Investment Views

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Global Markets:

United States

Last week, the US data pointed to a moderate economic expansion while inflationary pressures continued to linger as inflation rate remained stable at 2.7% in December 2025. The Federal Reserve's Beige Book noted modest growth and stable employment across most districts. Retail sales for November rose 0.6% month-on-month, exceeding expectations and signalling resilient consumer demand. Meanwhile, producer prices increased 0.2% in November, and import prices rose modestly over September–November, highlighting ongoing inflationary pressures. Markets responded with some volatility, particularly in tech and consumer sectors, reflecting the balance between growth and costs. Overall, the US economy is growing steadily, but inflationary pressures suggest the Fed will remain cautious and data-dependent in its policy decisions.

Euro Area

Last week, the Euro Area showed signs of gradual stabilisation. Investor confidence rose to -1.8 in January from -6.2 in December, reflecting cautious optimism. Inflation eased, with Spain's EU-harmonised rate at 3.0%, reducing concerns about aggressive European Central Bank (ECB) tightening. Overall, the economy is stabilising, though growth momentum remains modest.

Asia

China's growth is set to slow to 4.5% in 2026, down from 4.9% in 2025, while a record \$1.2 trillion trade surplus cushions the economy. In response, the People's Bank of China (PBoC) cut targeted policy rates by 0.25% to support key sectors without broad easing. In Japan, wholesale inflation eased to 2.4% in December, but a weak Yen keeps import pressures in view. Both countries show policymakers balancing slower growth with inflation management to stabilise their economies.

Global Market Snapshot

Market	Index	Weekly
United States	S&P 500	0.33%
United States	DJI	0.36%
United States	NASDAQ	0.16%
Germany	DAX	0.95%
France	CAC 40	0.84%
Europe	STOXX 600	1.78%
United Kingdom	FTSE 100	1.93%
Brazil	IBOV	1.62%
India	SENSEX	(0.95%)
China	SHCOMP	0.73%
S/Africa	JALSH	3.32%
Kenya	NSEASI	0.93%
Ghana	GGSE	0.59%
Nigeria	NGX	2.36%
BRVM	ICXCOMP	1.46%

*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

Crude Oil Markets:

Oil prices rose last week, supported by lingering geopolitical risks around Russia and Iran, alongside continued scrutiny of supply developments in Venezuela.

Weekly Commodities Price Monitor				
Commodity	Unit Price	Price (US\$)	Weekly Change	YTD
Oil Crude – Bonny Light	US\$/bbl.	68.23	6.96%	7.70%
Oil Crude – Brent	US\$/bbl.	63.76	2.86%	4.78%
Gold	US\$/toz	4615.7	3.07%	6.85%
Compressed Natural Gas (CNG)	US\$/MMBtu	3.128	(8.19%)	(15.14%)
Coffee	US\$/lb.	358.8	(3.64%)	2.88%
Copper	US\$/lb.	5.99	3.36%	5.45%
Cocoa	US\$/MT	4966	(18.28%)	(18.12%)

Sources: Various Sources and United Capital Research

Outlook:

This week, markets are likely to remain cautious, balancing resilient US data and Central Bank signals against slowing growth and persistent inflation pressures. US stocks may hold near highs, Europe may see modest moves on inflation and trade data, and Asia could be mixed, with China supported by targeted policy but constrained by slowing growth, while Japan faces easing inflation amid import cost pressures from a weak Yen. Oil may stay pressured from oversupply.

African Markets:

South Africa

External conditions offered some support for South Africa last week, with relative stability in the Rand helping to anchor sentiment. This was underpinned by progress towards extending the African Growth and Opportunity Act (AGOA) after approval by the US House of Representatives, which strengthens the outlook for exports, manufacturing activity, and foreign exchange inflows. Overall, improved trade access provides near-term support for the economy, even as domestic growth challenges remain.

Ghana

Last week, attention centred on improving inflation dynamics, with projections pointing to inflation falling below 10% in 2026, reinforcing confidence in Ghana's macro stabilisation. This more benign inflation outlook supports real incomes and policy credibility, even as foreign exchange pressures persist and continue to require Central Bank intervention. Overall, easing inflation expectations strengthen the recovery narrative, despite ongoing currency challenges.

Kenya

A major macroeconomic development for Kenya was progress on trade policy with China, where the government struck a preliminary trade agreement giving about 98.2% of Kenyan export goods duty-free access to the Chinese market. This move is part of ongoing bilateral negotiations to boost exports and help address the country's long-standing trade imbalance builds on state-level engagements and could significantly expand market access for key sectors like agriculture and manufacturing once finalised.

Outlook:

This week, African markets are likely to remain cautious, with currencies like the Ghanaian Cedi under pressure and inflation data shaping Central Bank expectations. Trade developments, including AGOA and China deals, may support exports, while equities are expected to be range-bound, sensitive to commodities and global trends.

Pan African Stock Market Monitor				
Market	Index	Market Cap (\$'bn)	WTD (Local)	YTD (Local)
BRVM	348.65	23.83	1.46%	0.80%
Egypt	43,347	62.88	3.60%	3.60%
Ghana	8,859.08	16.26	0.59%	1.00%
Kenya	193.87	23.63	0.93%	3.90%

Mauritius	2,377.44	6.74	(0.1%)	(0.2%)
Morocco	19,270	115.55	(0.6%)	2.20%
Namibia	2,187.60	53.8	0.90%	2.20%
Nigeria	166,129.48	74.93	2.36%	6.76%
South Africa	120,870.11	14.82	3.32%	4.30%
Tanzania	2,978.30	10.34	2.90%	7.80%
Tunisia	13,702	11.95	4.40%	1.90%
Global Market	4,517.60	--	0.70%	2.00%
Frontier	1,500.14	--	0.10%	2.80%
Emerging	1,478.25	--	1.80%	5.30%

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	0.03%	0.03%
Cameroun	XAF: Franc	575.3	(0.22%)	(3.06%)
Gabon	XAF: Franc	575.3	(0.22%)	(3.06%)
Ghana	GHS: Cedi	10.8	(0.84%)	(2.95%)
Guinea	GNF: Franc	8,754.50	(0.01%)	(0.07%)
Kenya	KES: Shilling	129	0.00%	0.04%
Liberia	LRD: Dollar	179	(0.62%)	(1.04%)
Mauritius	MUR: Rupee	46.2	0.71%	0.11%
Morocco	MAD: Dirham	9.2	(0.22%)	(1.43%)
Namibia	NAD: Dollar	16.4	0.92%	1.08%
Nigeria	NGN: Naira	1,419.30	0.03%	1.15%
Sierra Leone	SLL: Leone	23,165	0.00%	0.00%
South Africa	ZAR: Rand	16.3	1.13%	1.35%
Tanzania	TZS: Shilling	2,515	(0.70%)	(2.24%)
Tunisia	TND: Dinar	2.9	0.12%	(0.34%)
Uganda	UGX: Shilling	3,549.30	1.36%	2.04%
Zambia	ZMK: Kwacha	19.9	0.33%	9.98%
WAEMU	CFA: Franc	575.3	(0.22%)	(3.06%)

Sources: NGX, Various Sources and United Capital Research

Key Rates in Select African Countries

Countries	10Yr Bond Yield	Inflation	Real Return	Policy Rate
Angola	12.30%	15.70%	1.80%	17.50%
Cameroon	9.20%	2.80%	1.95%	4.75%
Chad	0.00%	(4.30%)	9.05%	4.75%
Congo	9.10%	(0.40%)	3.90%	3.50%
Congo DRC	0.00%	2.27%	12.73%	15.00%
Cote d'Ivoire	7.53%	0.00%	5.25%	5.25%
Egypt	19.81%	12.30%	7.70%	20.00%
Gabon	0.00%	1.80%	2.95%	4.75%
Ghana	29.30%	5.40%	12.60%	18.00%
Kenya	13.01%	4.50%	4.50%	9.00%
Mauritius	5.71%	4.50%	0.00%	4.50%
Nigeria	16.86%	15.15%	11.85%	27.00%
South Africa	8.36%	3.50%	3.25%	6.75%
Tanzania	13.70%	3.60%	2.15%	5.75%

Sources: FMDQ, Various Sources and United Capital Research

Domestic Economy:

Nigeria's revised headline inflation rate eased by 2.18% to 15.15% in December 2025 from 17.33% in November 2025 following a methodological review by the National Bureau of Statistics (NBS). The December 2025 year-on-year headline inflation rate was computed using a 12-month index reference period, with the average CPI for 2024 set to 100, rather than a single-month base. According to the NBS, this approach avoids an artificial spike in inflation rate caused by base effects and better reflects current inflation conditions.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 2.36% week on week (W/W), closing at 166,129.48 points. Market Capitalisation stood at ₦106.35tn and year to date (YTD) return stood at 6.76%.

Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD
NGX-ASI	166,129.48	2.36%	6.76%
Banking	1,653.90	3.45%	9.11%
Consumer Goods	4,158.81	1.59%	4.61%
Industrial Goods	5,985.57	0.67%	5.45%
Insurance	1,319.90	1.78%	10.98%
Oil & Gas	2,996.08	5.71%	12.20%

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed-income market was bearish last week as investors shifted towards equities, pushing Treasury Bill yields higher across the curve amid weak demand. The Open Repo Rate (OPR) held at 22.50%, while the Overnight Rate (OVR) rose to 22.78%. The bond market was mixed, with a slight yield drop on the 3-year paper, higher yields on the 5-year and 7-year tenors, and no change on the 10-year. In the Open Market Operation (OMO) segment, the 201-day paper closed at 21.53%, underscoring tight liquidity conditions.

Fixed Income Market Statistics		
	Yield	Weekly Change
OPR	22.50%	0.00%
O/N	22.78%	0.07%
91-Day	16.65%	0.07%
182-Day	17.66%	0.02%
365-Day	21.47%	0.24%
Bond Market		
Bond	Yield	Weekly Change
3yrs	17.19%	(0.06%)
5yrs	18.05%	0.71%
7yrs	17.87%	0.42%
10yrs	16.86%	0.00%

Sources: FMDQ and United Capital Research

Outlook:

Equity Market

The equity market is expected to remain positive but selective, underpinned by improving business sentiment and sustained interest in Consumer goods, Banking, and Insurance stocks. Upside may be more measured as investors lock in profits following recent gains and remain cautious ahead of new market-moving catalysts.

Fixed Income Market

The fixed-income market is likely to remain mixed, with Treasury Bill yields facing mild downward pressure on the back of strong demand and comfortable system liquidity, while bond yields may trade sideways. Investor activity is expected to stay cautious, with preference for attractive tenors amid still-elevated money market rates.

Stock Recommendation			
Stocks	Current Price	Target Price	Upside
Access Holdings Plc	22.75	32	40.66%
International Breweries	14.95	20	33.78%
Aradel Holdings Plc	752.1	1,000	32.96%
United Bank for Africa Plc	45.2	60	32.74%
Julius Berger Nig. Plc	152.9	200	30.80%
Sterling Financial Holdings	7.75	10	29.03%
FCMB Group Plc	11.65	15	28.76%
Dangote Cement Plc	635	778	22.52%
C & I Leasing Plc	8.2	10	21.95%
Zenith Bank Plc	69.85	85	21.69%
Transnational Corporation	49.75	60	20.60%

BUA Cement Plc	183	220	20.22%
Transcorp Power Plc	307	365	18.89%
Nestle Nigeria Plc	2,153.80	2,550	18.40%
AXA Mansard Insurance	14.8	17.52	18.38%
AIICO Insurance Plc	4.25	5	17.65%
MTN Nigeria	580	675	16.00%

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