

Weekly Investment Views

A Publication of United Capital Research

January 12-16, 2026

Global Markets:

United States

The United States (US) labour market showed mild softening this week, as initial jobless claims rose slightly but remained historically low, indicating that while layoffs are rising modestly, overall labor conditions are still relatively resilient rather than sharply deteriorating. Despite this, Wall Street remained strong, with the S&P 500 and Dow Jones reaching near-record highs on optimism over a soft-landing and resilient corporate earnings.

Euro Area

Euro Area inflation hit the European Central Bank (ECB)'s target: In December 2025, annual inflation in the Euro Area eased to 2.0% (exactly on the ECB's target rate) down from 2.1% in November. Core inflation (excluding food and energy) also moderates slightly, easing pressure on monetary policy and bolstering expectations that the ECB will keep interest rates unchanged in the near term.

Asia

China's inflation dynamics showed mixed signals, with December consumer prices rising to a ~3-year high driven largely by food prices, yet overall inflation remains weak and the Producer Price Index (PPI) continued to fall, underscoring persistent domestic demand weakness and structural challenges in the economy.

Global Market Snapshot

Market	Index	Weekly
United States	S&P 500	1.11%
United States	DJI	2.50%
United States	NASDAQ	1.02%
Germany	DAX	2.60%
France	CAC 40	1.15%
Europe	STOXX 600	1.86%
United Kingdom	FTSE 100	0.78%
Brazil	IBOV	1.12%
India	SENSEX	(2.55%)
China	SHCOMP	2.88%
South Africa	JALSH	2.07%
Kenya	NSEASI	0.50%
Ghana	GGSE	3.04%
Nigeria	NGX	3.72%
BRVM*	ICXCOMP	(0.62%)

*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 closed higher, after a sharp rebound from the prior sessions as markets fretted over potential supply disruptions in Russia and Iran, while developments in Venezuela continued to command attention.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD
Oil Crude – Bonny Light	US\$/bbl.	63.42	0.00%	0.00%
Oil Crude – Brent	US\$/bbl.	61.99	1.87%	1.87%
Gold	US\$/t oz	4,460.70	1.55%	2.38%
Compressed Natural Gas (CNG)	US\$/MMBtu	3.407	(4.81%)	(7.57%)
Coffee	US\$/lb.	372.35	6.77%	6.77%
Copper	US\$/lb.	5.7965	1.03%	1.52%
Cocoa	US\$/MT	6,077.00	0.20%	0.20%

Sources: Various Sources and United Capital Research

Outlook:

This week, markets are likely to remain cautious, balancing resilient US labour data and supportive policies against slowing growth and weak demand. US stocks may hold near highs, Europe may see modest moves on soft Purchasing Managers Index (PMI) data, and Asia could be mixed with China supported by policy but constrained by weak demand. Oil may stay pressured from oversupply, while metals like copper could see support from infrastructure demand.

African Markets:

South Africa

The seasonally adjusted Purchasing Managers Index (PMI) sponsored by Absa (a South African bank) fell to 40.5 points in December from 42.0 points in November, concluding a year marked by predominantly contractionary readings. South African manufacturing sentiment fell in December to its lowest level for 2025, driven by steep declines in inventories and employment sub-indices.

Kenya

Kenya's economy accelerated to 4.9% year-on-year growth in the third quarter of 2025, up from the 4.2% recorded during the same period in 2024. According to the Kenya National Bureau of Statistics, the growth was primarily fuelled by agriculture and a resurgent construction industry. Notably, construction pivoted from a 2.6% contraction in Q3 2024 to a robust 6.7% in 2025.

Tanzania

Tanzania's Central Bank maintained its benchmark interest rate at 5.75% during Thursday's policy meeting. This marks the second consecutive hold as the bank prioritises fostering robust economic growth. The Monetary Policy Committee expects economic conditions to be favourable, and therefore, keeping the rate unchanged would support robust economic growth.

Outlook:

African markets are positioned for modest gains in the coming week, though the outlook remains mixed. While South Africa's manufacturing sector continues to struggle with contractionary PMI readings (falling to 40.5 points in December), regional sentiment is bolstered by Tanzania's steady policy stance at 5.75%. Additionally, Egypt's macroeconomic stability remains supported by the ongoing rollout of EU funding disbursements.

Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local)	YTD (Local)
BRVM	343.62	23.6	(0.62%)	1.40%
Egypt	41,856.76	63.34	0.07%	0.00%
Ghana	8,797.51	16.06	3.04%	0.00%
Kenya	191.87	23.41	0.50%	0.00%
Mauritius	2,378.90	6.71	(0.12%)	0.00%
Morocco	437.48	116.13	2.18%	2.67%
Namibia	2,168.60	3.89	1.19%	1.29%

Nigeria	162,298.08	103.78	3.72%	4.30%
South Africa	118,234.28	14.19	2.07%	2.12%
Tanzania	2,894.30	10.06	4.79%	0.00%
Tunisia	13,136.45	11.95	(1.27%)	(2.33%)
Global Market	2,317.30	--	1.80%	0.00%
Frontier	1,497.76	--	2.36%	2.60%
Emerging	1,451.82	--	1.72%	3.38%

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	918.2	0.65%	(0.08%)
Cameroun	XAF: Franc	563.1	1.29%	0.87%
Gabon	XAF: Franc	563.1	1.29%	0.87%
Ghana	GHS: Cedi	10.7	0.85%	2.10%
Guinea	GNF: Franc	8753.5	0.09%	0.06%
Kenya	KES: Shilling	129	0.00%	0.00%
Liberia	LRD: Dollar	179.5	2.01%	(1.04%)
Mauritius	MUR: Rupee	46.7	0.47%	0.99%
Morocco	MAD: Dirham	9.2	0.95%	1.41%
Namibia	NAD: Dollar	16.6	1.26%	0.09%
Nigeria	NGN: Naira	1426.1	(0.52%)	(1.28%)
Sierra Leone	SLL: Leone	23	(4.02%)	1.55%
South Africa	ZAR: Rand	16.6	1.24%	0.01%
Tanzania	TZS: Shilling	2497.5	0.91%	1.52%
Tunisia	TND: Dinar	2.9	1.40%	1.48%
Uganda	UGX: Shilling	3601.1	(0.58%)	(0.51%)
Zambia	ZMK: Kwacha	19.4	(7.85%)	(12.43%)
WAEMU	CFA: Franc	563.1	1.29%	0.87%

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%	15.70%	2.80%	18.50%
Cameroon	9.20%	2.80%	1.70%	4.50%
Chad	0.00%	(4.30%)	8.80%	4.50%
Congo	9.10%	8.16%	9.34%	17.50%
Cote d'Ivoire	7.53%	0.00%	5.25%	5.25%
Egypt	19.50%	12.30%	7.70%	20.00%

Gabon	0.00%	1.80%	2.70%	4.50%
Ghana	29.30%	5.40%	12.60%	18.00%
Kenya	12.64%	4.50%	4.50%	9.00%
Mauritius	5.67%	4.50%	0.00%	4.50%
Nigeria	15.60%	14.45%	12.55%	27.00%
South Africa	8.38%	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:

Total foreign exchange inflows into the FX market rose sharply by 38% month on month to \$2.8 billion in December 2025, marking a rebound from the much steeper 67% contraction recorded in the previous month. While most supply sources improved, domestic corporate inflows fell to \$420 million (down 5%) month on month. The overall volume remains the second lowest in 16 months, signalling that foreign exchange liquidity remains fragile.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 3.72% week on week (W/W), closing at 162,298.08 points. Market capitalisation stood at ₦103.78tn and year to date (YTD) return stood at 4.30%.

Nigerian Equity Market Performance			
Index	Close Price	Weekly Change	YTD
NGX-ASI	162,298.08	3.72%	4.30%
Insurance Index	1,213.95	1,296.79	6.82%
Industrial Goods Index	5,676.65	5,945.63	4.74%
Oil/Gas Index	2,707.07	2,834.22	4.70%
Banking Index	1,551.09	1,598.77	3.07%
Consumer Goods Index	3,983.84	4,093.84	2.76%

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed-income market was bearish last week as investors rotated capital into equity market. Nigerian Treasury Bill yields rose across the entire curve due to tepid demand, while the bond market remained mixed, seeing the 3-year, 5-year, 7-year, and 10-year tenors rise marginally. In the money market, the Open Repo (OPR) and Overnight (OVR) rates settled at 22.50% and 22.71%, respectively, while the 208-day OMO paper closed at a yield of 21.76%.

Fixed Income Market Statistics		
	Yield	Weekly Change
OPR	22.50%	0.00%
O/N	22.71%	0.03%
90-Day NTB	16.43%	0.08%
182-Day NTB	16.64%	(0.80%)
364-Day NTB	21.23%	1.19%

Bond Market

Bond	Yield	Weekly Change
3-Year	17.25%	0.32%
5-Year	17.34%	0.34%
7-Year	17.45%	0.32%
10-Year	16.86%	0.06%

Sources: FMDQ and United Capital Research

Outlook:

Equity Market

This week, the equity market is expected to remain positive but selective, supported by improving business confidence and strong momentum in consumer goods, banking, and insurance stocks. However, gains may moderate as investors make profits after recent advances and await fresh catalysts.

Fixed Income Market

The fixed-income market is likely to stay mixed, with Treasury bill yields remaining under mild downward pressure due to strong demand and ample liquidity, while bond yields may continue to move sideways. Investor positioning will remain cautious, focusing on attractive tenors amid elevated money market rates.

Stock Recommendation

Stocks	Current Price	Target Price	Upside
Sterling Financial Holdings	7	10	42.86%
Access Holdings Plc	22.65	32	41.28%
Aradel Holdings Plc	724	1,000	38.12%
United Bank for Africa Plc	44	60	36.36%
International Breweries	14.8	20	35.14%
FCMB Group Plc	11.25	15	33.33%
Transnational Corporation	45.4	60	32.16%
Julius Berger Nig. Plc	152.9	200	30.80%
Nestle Nigeria Plc	1958	2,550	30.23%
Zenith Bank Plc	67	85	26.87%
C & I Leasing Plc	7.95	10	25.79%
AIICO Insurance Plc	4.03	5	24.07%
Dangote Cement Plc	635	778	22.52%
BUA Cement Plc	183	220	20.22%
AXA Mansard Insurance	14.63	18	19.75%
Transcorp Power Plc	307	365	18.89%
MTN Nigeria	550	650	18.18%
Mutual Benefits Assurance	3.98	4.7	18.09%

Lafarge Africa Plc	150	170	13.33%
Wema Bank Plc	22.5	25	11.11%
P Z Cussons Nigeria Plc	51.5	57	10.68%
Seplat Petroleum	6171	6500	5.33%

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