Weekly Investment Views

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Global Markets:

United States

In the United States (US), weekly jobless claims fell to around 214,000, indicating layoffs remain limited despite a cooling labour market. However, structural shifts hit some sectors with over 17,000 jobs lost in entertainment and media due to automation and changing revenue models. 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

In the Euro Area, the December flash Composite Purchasing Managers' Index (PMI) eased to 51.9 points from 52.8 points in November. This signals slower growth as weaker services activity and ongoing manufacturing contraction weighed on momentum. However, European Central Bank (ECB)'s projections point to a gradual recovery, with Gross Domestic Product (GDP) growth forecast at about 1.2% in 2026 and inflation easing toward 2% target, supported by resilient labour markets and improving domestic demand.

Asia

Across Asia, economic conditions were mixed, with China showing renewed momentum as factory activity returned to expansion in December, supported by pre–Lunar New Year orders. President Xi Jinping reaffirmed confidence in meeting a near 5% growth target and signalled more proactive policy support in 2026, even as weak domestic demand and exports persist. Asian equity markets closed the year mixed, reflecting thin holiday trading and cautious investor sentiment.

Global Market Snapshot

Market	Index	Weekly
United States	S&P 500	(1.25%)
United States	DJI	(1.37%)
United States	NASDAQ	(1.58%)
Germany	DAX	0.62%
France	CAC 40	0.57%
Europe	STOXX 600	0.69%
United Kingdom	FTSE 100	0.98%
Brazil	IBOV	0.42%
India	SENSEX	0.32%
China	SHCOMP	0.71%
South Africa	JALSH	(0.41%)
Kenya	NSEASI	1.25%
Ghana	GGSE	0.08%
Nigeria	NGX	1.91%
BRVM*	ICXCOMP	1.43%

*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 fell last week due to renewed concerns over oversupply and soft global demand, as higher OPEC+ output expectations and weaker economic signals weighed on market sentiment.

Weekly Commodities Price Monitor				
Commodity	**Unit Price**	**Price (US$)**	**Weekly Change**	**YTD**
Oil Crude – Bonny Light	US$/bbl.	63.42	(2.27%)	0.00%
Oil Crude – Brent	US$/bbl.	61.28	(0.84%)	0.71%
Gold	US$/toz	4,392.75	(2.44%)	0.82%
Compressed Natural Gas (CNG)	US$/MMBtu	3.579	(15.63%)	(2.90%)
Coffee	US$/lb.	348.75	1.04%	0.00%
Copper	US$/lb.	5.7375	2.91%	0.49%
Cocoa	US$/MT	6,065.00	1.66%	0.00%

Sources: Various Sources and United Capital Research

Outlook:

This week, markets could 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 PMI data, and Asia might be mixed with China supported by policy but constrained by weak demand. Oil may remain pressured from oversupply, while metals like copper could see support from infrastructure demand.

African Markets:

Ghana

In Ghana, policy credibility improved as the government completed all 2025 Eurobond payments, including a US$709 million obligation paid ahead of schedule, lifting total repayments to US$1.4 billion and reinforcing investor confidence. This fiscal discipline supported a strong Cedi performance, with the currency ending the year as one of its strongest in a decade. This is backed by favourable capital inflows and improved external balances.

Kenya

In Kenya, the year ended with stable inflation at 4.5% in December, signalling contained price pressures and a supportive environment for economic activity. Policymakers and stakeholders underscored inclusive growth at the 2025 Business Ecosystems Summit, calling for stronger financing and policy support to unlock the growth potential of about 7.4 million Micro, Small and Medium Enterprises (MSMEs).

Egypt

In Egypt, external sector conditions improved as non-oil exports rose by 18.4% in 2025 to US$44.4 billion. This helps to narrow the trade deficit and strengthen external balances. Reform momentum remains supported by international partners, with the country set to receive about US$2.7 billion from the International Monetary Fund (IMF) following successful programme reviews, reinforcing macroeconomic stability and medium-term growth prospects.

Outlook:

African markets are likely to see modest gains, supported by fiscal credibility in Ghana, stable inflation in Kenya, and reforms in Egypt. Currencies should remain steady, while high-yield bonds in Ghana, Nigeria, and Egypt may attract interest despite elevated rates and inflation.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local)**	**YTD (Local)**
BRVM	345.75	23.62	1.43%	1.40%
Egypt	41,828.97	78.31	0.75%	0.00%
Ghana	8,764.00	14.32	0.08%	0.00%
Kenya	3,139.20	14.98	1.25%	0.00%
Mauritius	2,381.80	0.26	0.44%	0.00%
Morocco	428.14	61.23	0.42%	0.47%
Namibia	2,143.00	3.68	0.57%	0.09%
Nigeria	153,472.36	69.6	1.91%	0.55%
South Africa	116,604.40	1297.8	(0.41%)	0.71%
Tanzania	2,761.90	9.14	1.86%	0.00%
Tunisia	13,305.44	10.38	0.22%	(1.07%)
Global Market	2,276.40	--	(2.98%)	0.00%
Frontier	1,463.21	--	0.44%	0.23%
Emerging	1,427.29	--	2.53%	1.63%

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	0.01%	0.03%
Cameroun	XAF: Franc	555.92	0.27%	0.40%
Gabon	XAF: Franc	555.92	(0.22%)	(0.25%)
Ghana	GHS: Cedi	11.1	0.30%	0.30%
Guinea	GNF: Franc	8700	(0.13%)	(0.13%)
Kenya	KES: Shilling	128.8	0.01%	0.04%
Liberia	LRD: Dollar	176	0.22%	0.55%
Mauritius	MUR: Rupee	45.82	0.12%	0.14%
Morocco	MAD: Dirham	9.13	0.91%	0.95%
Namibia	NAD: Dollar	16.64	0.02%	0.06%
Nigeria	NGN: Naira	1435.76	0.69%	0.69%
Sierra Leone	SLL: Leone	23.91	(0.81%)	(0.85%)
South Africa	ZAR: Rand	16.63	0.32%	0.35%
Tanzania	TZS: Shilling	2455	(0.22%)	(0.24%)
Tunisia	TND: Dinar	2.87	0.11%	0.15%
Uganda	UGX: Shilling	3605	0.91%	0.91%
Zambia	ZMK: Kwacha	22.55	0.32%	0.37%
WAEMU	CFA: Franc	555.92	0.93%	0.96%

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%	16.56%	2.44%	19.00%
Cameroon	9.20%	3.30%	1.20%	4.50%
Chad	0.00%	-4.00%	8.50%	4.50%
Congo	9.10%	8.16%	-3.66%	4.50%
Cote d'Ivoire	7.20%	0.30%	5.00%	5.30%
Egypt	19.50%	12.50%	8.50%	21.00%
Gabon	0.00%	0.70%	3.80%	4.50%
Ghana	29.30%	8.00%	13.50%	21.50%
Kenya	13.10%	4.60%	4.70%	9.30%
Mauritius	5.50%	4.10%	0.40%	4.50%
Nigeria	15.60%	14.45%	12.55%	27.00%
South Africa	8.30%	3.60%	3.40%	7.00%
Tanzania	13.70%	3.50%	2.30%	5.80%

Sources: FMDQ, Various Sources and United Capital Research

Domestic Economy:

Improved Business Confidence

Business confidence improved strongly at the end of the year, as Nigeria's Composite PMI rose to about 57.6 points in December from 56.7 points in November. This reading signals a clear expansion in private-sector activity, driven by stronger output, rising new orders, and improved momentum across both manufacturing and services, pointing to sustained economic activity.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 1.91% week on week (W/W), closing at 156,472.36 points. Market capitalisation stood at ₦99.94tn and year to date return stood at 0.55%.

Nigerian Equity Market Performance			
Index	**Close Price**	**Weekly Change**	**YTD**
NGX-ASI	156,472.36	1.91%	0.55%
Insurance Index	2,707.07	1.16%	1.38%
Consumer Goods Index	3,983.84	3.44%	0.21%
Industrial Goods Index	1,551.09	2.96%	2.32%
Banking Index	5,676.65	0.82%	0.00%
Oil/Gas Index	1,213.95	5.93%	2.07%

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed-income market traded the week as investors balanced improved system liquidity with cautious positioning. Yields across the Short-to-long-tenor Nigerian Treasury Bills yields' fell on strong investor demand. The bond market was mixed, with yields on the 3-year and 7-year curve declining while the 5-year and 10 year yield had marginal gains. Open Repo Rate (OPR) and Overnight Rate (OVR) settled at 22.50% and 22.75% respectively. Open Market Operations (OMO) yield closed at 19.76% for the 188-day paper.

Fixed Income Market Statistics		
	Yield	**Weekly Change**
OPR	22.50%	0.00%
O/N	22.75%	0.07%
90-Day NTB	16.30%	(0.05%)
182-Day NTB	16.70%	(0.74%)
364-Day NTB	19.59%	(0.45%)
Bond Market		
Bond	**Yield**	**Weekly Change**
3-Year	16.91%	(0.02%)
5-Year	17.06%	0.06%
7-Year	17.11%	(0.02%)
10-Year	16.81%	0.01%

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 take 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 Company	7.05	10	41.80%
International Breweries	14.25	20	40.40%
United Bank for Africa Plc	43	60	39.50%
Access Holdings Plc	23	32	39.10%
Aradel Holdings Plc	720	1000	38.90%
Mutual Benefits Assurance Plc	3.41	4.7	37.80%
C & I Leasing Plc	7.5	10	33.30%
Transnational Corporation Plc	45.4	60	32.20%
Zenith Bank Plc	64.5	85	31.80%
Julius Berger Nig. Plc	152	200	31.60%
FCMB Group Plc	11.5	15	30.40%
Nestle Nigeria Plc	1958	2550	30.20%
AIICO Insurance Plc	3.88	5	28.90%
AXA Mansard Insurance Plc	13.7	17.52	27.90%
Dangote Cement Plc	609	778	27.80%
MTN Nigeria Communications Plc	511	650	27.20%
P Z Cussons Nigeria Plc	45	57	26.70%
Lafarge Africa Plc	134.5	170	26.40%
BUA Cement Plc	178.5	220	23.20%
Wema Bank Plc	20.8	25	20.20%
Transcorp Power Plc	307	365	18.90%
Seplat Petroleum Development Company	5610	6500	15.90%

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