

Weekly Investment Views

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Global Markets:

United States

In the United States (US), the Federal Reserve retained the federal funds rate at 3.50 – 3.75% in January, pausing after three cuts in 2025 that eased borrowing costs. The US flash Composite Purchasing Managers Index (PMI) rose slightly to 52.8 points, signalling modest growth, though expansion remains slower than in the latter half of 2025.

Euro Area

In the Euro Area, economic activity expanded modestly in January, with the Composite PMI at 51.5 points. Services drove growth, while manufacturing rebounded back to expansion, signalling some industrial stabilisation despite restrained overall momentum.

Asia

Across Asia, Japan's unemployment held at 2.6% in December while inflation eased to 2.1%, supporting a cautious policy outlook. Asian equities, including the Nikkei and Kospi, saw consolidation amid mixed tech earnings and profit taking.

Global Market Snapshot

Market	Index	Weekly	Year-To-Date
United States	S&P 500	0.77%	1.80%
United States	DJI	(0.06%)	2.10%
United States	NASDAQ	0.00%	2.51%
Germany	DAX	(1.85%)	(0.20%)
France	CAC 40	(0.43%)	(0.51%)
Europe	STOXX 600	0.08%	2.70%
United Kingdom	FTSE 100	0.00%	2.56%
Brazil	IBOV	2.39%	13.66%
Egypt	EGX 30	2.85%	14.24%
India	SENSEX	0.90%	(3.46%)
China	SHCOMP	(0.44%)	3.76%
South Africa	JALSH	(0.69%)	4.85%
Kenya	NSEASI	0.85%	4.94%
Ghana	GGSE	0.22%	2.62%
Nigeria	NGX	(0.09%)	6.27%
BRVM*	ICXCOMP	1.62%	4.73%

*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:

Global oil prices surged this week, driven by supply concerns and rising demand, with Bonny Light up 7.6% to \$73.92/bbl, signalling strong market sentiment despite lingering oversupply risks. This is expected to place upward pressure on the pump price of Premium Motor Spirit (PMS) in Nigeria. However, the appreciation in the exchange rate should moderate the impact of the price surge.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD
Oil Crude – Bonny Light	US\$/bbl.	73.92	7.61%	16.56%
Oil Crude – Brent	US\$/bbl.	68.78	5.70%	13.03%
Gold	US\$/toz	5,104.45	1.74%	17.15%
Compressed Natural Gas (CNG)	US\$/MMBtu	3.899	(26.09%)	5.78%
Coffee	US\$/lb.	340	(3.11%)	(2.51%)
Copper	US\$/lb.	5.9525	0.08%	4.26%
Cocoa	US\$/MT	4,029.50	(4.08%)	(33.56%)

Sources: Various Sources and United Capital Research

Outlook:

This week, Global markets are set for a cautious start as investors weigh mixed signals. US jobs and strong Q3 2025 GDP support confidence, while Eurozone growth is slow but steady. In Asia, Japan's factories expanded and China set a cautious 2026 Gross Domestic Product (GDP) target. Oil and commodities remain sensitive to supply risks, and positive global economic growth keeping investors selective amid uncertainty.

African Markets:

South Africa

South Africa's central bank kept its repo rate unchanged at 6.75%, citing persistent inflation risks and external uncertainties, even as headline inflation edged slightly higher in December 2025.

Ghana

The Bank of Ghana cut the policy rate by 2.5% at its first meeting of 2026 to settle at 15.50% (previously 18.00%). This brings borrowing cost to its lowest level since February 2022.

Kenya

Kenya's inflation eased to 4.4% in January, supporting price stability as the government targets over KSh258 billion in Q1 2026 investment, focusing on agriculture, manufacturing, renewable energy, and ICT.

Outlook:

African markets are set for a mixed week as macro conditions vary across the continent. South Africa's stable 3.6% inflation supports accommodative policy, while Ghana shows moderate cost pressures. Kenya's strong 5.1% GDP growth and record foreign exchange (FX) reserves signal resilience, despite debt risks. Equity gains may continue in Egypt and Tanzania, currencies remain broadly stable, and high bond yields in Ghana, Nigeria, and Kenya offer attractive real returns amid moderate inflation.

Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local)	YTD (Local)
BRVM	362.09	25.49	1.62%	4.73%
Egypt	47,785.93	68.37	2.85%	14.24%
Emerging	1,500.21	--	1.03%	6.82%
Frontier	1,517.12	--	0.36%	3.93%
Ghana	9,003.00	16.01	0.22%	2.62%
Global Market	2,327.10	--	1.75%	2.23%
Kenya	3,270.80	23.7	0.12%	4.21%

Mauritius	2,358.00	5.95	(0.53%)	(1.00%)
Morocco	419.47	109.24	(3.12%)	(1.56%)
Namibia	2,244.80	53.9	3.20%	4.85%
Nigeria	165,370.40	75.67	(0.09%)	6.27%
South Africa	121,490.00	13.93	(0.69%)	4.93%
Tanzania	3,257.10	9.2	6.85%	17.93%
Tunisia	14,136.07	12.42	2.39%	5.10%

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	917	0.21%	0.22%
Cameroun	XAF: Franc	550.37	1.53%	1.43%
Egypt	EGP: Pound	46.93	0.47%	1.64%
Gabon	XAF: Franc	550.37	1.53%	1.43%
Ghana	GHS: Cedi	10.95	(0.48%)	(4.12%)
Guinea	GNF: Franc	8,775.00	(0.18%)	(0.30%)
Kenya	KES: Shilling	129	0.00%	0.00%
Liberia	LRD: Dollar	185.5	(1.04%)	(4.58%)
Mauritius	MUR: Rupee	45.43	1.06%	1.80%
Morocco	MAD: Dirham	9.08	0.64%	0.41%
Namibia	NAD: Dollar	15.92	1.39%	3.97%
Nigeria	NGN: Naira	1,388.12	2.24%	4.07%
Sierra Leone	SLL: Leone	20,970.00	0.00%	(0.00%)
South Africa	ZAR: Rand	15.96	1.08%	3.79%
Tanzania	TZS: Shilling	2,555.00	0.00%	(3.72%)
Tunisia	TND: Dinar	2.83	2.93%	2.05%
Uganda	UGX: Shilling	3,566.05	(0.91%)	1.50%
Zambia	ZMK: Kwacha	19.82	(1.01%)	11.65%
WAEMU	CFA: Franc	547.5	2.06%	2.10%

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%	(3.40%)	18.50%
Cameroon	9.20%	2.80%	6.40%	4.50%
Chad	0.00%	8.90%	(8.90%)	4.50%
Congo	9.10%	2.10%	7.00%	17.50%
Cote d'Ivoire	7.53%	0.10%	7.43%	20.00%
Egypt	19.50%	12.30%	7.20%	4.50%

Gabon	0.00%	1.80%	(1.80%)	18.00%
Ghana	29.30%	5.40%	23.90%	9.00%
Kenya	13.01%	4.50%	8.51%	4.50%
Mauritius	5.59%	4.50%	1.09%	27.00%
Nigeria	16.87%	15.15%	1.72%	6.75%
South Africa	8.15%	3.60%	4.55%	5.75%
Tanzania	13.70%	3.60%	10.10%	18.50%

Sources: FMDQ, Various Sources and United Capital Research

Domestic Economy:

Broad money (M3) rose to ₦124.4trillion in December 2025, driven by a 4% increase in narrow money to ₦42.1 trillion, while quasi money edged lower, as stronger transactional balances and expanding domestic assets underpinned overall liquidity growth.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) fell by 0.09% week on week (W/W), closing at 165,370.40 points. Market capitalisation stood at ₦106.15tn and year to date return stood at 6.27%. Insurance sector recorded the best gain during the week while banking sector recorded the worst performance.

Nigerian Equity Market Performance			
Index	Close Price	Weekly Change	YTD
NGX-ASI	165,370.40	(0.09%)	6.27%
Insurance Index	1,329.16	0.81%	11.76%
Consumer Goods Index	4,103.12	0.69%	3.21%
Industrial Goods Index	5,985.87	0.09%	5.45%
Oil/Gas Index	3,038.79	0.06%	13.80%
Banking Index	1,621.77	(0.63%)	6.99%

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed-income market traded mixed this week as yields across the Short- to Longer-tenor Nigerian Treasury Bills yields' rose on weak investor demand. The bond market was largely bullish, with yields on the 3-year, 5-year and 7-year falling while the 10-year curve yield had marginal gains. Open Repo Rate (OPR) and Overnight Rate (OVR) settled at 26.07% and 26.36% respectively. Open Market Operations (OMO) yield closed at 21.0% for the 235-day paper.

Fixed Income Market Statistics			
	Yield	Weekly Change	Year-To-Date
OPR	26.07%	3.57%	3.57%
O/N	26.36%	3.65%	3.61%
90-Day NTB	17.18%	(0.06%)	0.88%
182-Day NTB	18.23%	(0.07%)	1.53%
364-Day NTB	19.55%	(1.35%)	(0.04%)

Bond Market

Bond	Yield	Weekly Change	Year-to-Date
3-Year	16.96%	(0.29%)	0.05%
5-Year	16.80%	(0.79%)	(0.51%)
7-Year	16.69%	(0.96%)	(0.42%)
10-Year	16.88%	0.01%	0.07%

Sources: FMDQ and United Capital Research

Outlook:

Equity Market

Nigerian equities are likely to trade sideways with sector rotation, as liquidity remains supportive but investors stay selective, favouring oil & gas and insurance stocks amid profit taking in banking sector stocks.

Fixed Income Market

Fixed income sentiment remains mixed, with elevated money market rates sustaining demand for longer-dated bills and bonds, while short-tenor yields stay pressured by liquidity management and cautious investor positioning

Stock Recommendation

Stocks	Current Price	Target Price	Upside
Access Holdings Plc	22.6	32	41.59%
International Breweries	14.5	20	37.93%
Sterling Financial Holdings	7.3	10	36.99%
United Bank for Africa Plc	44.3	60	35.44%
FCMB Group Plc	11.1	15	35.14%
Transnational Corporation	45.9	60	30.72%
C & I Leasing Plc	7.65	10	30.72%
Aradel Holdings Plc	780.2	1000	28.17%
Dangote Cement Plc	635	778	22.52%
BUA Cement Plc	183	220	20.22%
AIICO Insurance Plc	4.2	5	19.05%
Zenith Bank Plc	71.45	85	18.96%
Transcorp Power Plc	307	365	18.89%
Nestle Nigeria Plc	2153.8	2550	18.40%
MTN Nigeria	572	675	18.01%

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