United Capital

Weekly Investment Views

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Global Markets:

United States

The S&P Global US Composite Purchasing Managers' Index (PMI) fell to 51.9 in February from 53.0 points in January, marking its lowest level in ten months and reflecting slower growth across both the manufacturing and services sectors, alongside softer new business activity. Similarly, the Manufacturing PMI declined to 51.6 from 53.4 points, though it still signaled a seventh consecutive month of expansion. Overall, the data suggests that while the US economy continues to expand, the pace of growth is moderating amid weaker demand and external trade pressures.

Euro Area

Annual inflation in the Euro Area rose to 1.9% in February 2026, up from 1.7% in January and above market expectations, as price pressures strengthened across key components of the consumer basket. Core inflation also edged higher to 2.4%. Meanwhile, the labour market remained resilient, with the unemployment rate falling to a record low of 6.1% in January, supported by a decline in the number of unemployed and a drop in youth unemployment. This shows that the Euro Area economy remains relatively resilient, but the rebound in inflation could complicate the pace of monetary policy easing by the European Central Bank (ECB).

Asia

China's RatingDog Composite PMI rose to 55.4 in February from 51.6 points in January, marking the fastest expansion in private-sector activity since May 2023, as output and new business growth strengthened across both manufacturing and services, supported by improved export demand. Meanwhile, the government set a 2026 economic growth target of 4.5%–5%, slightly lower than recent years, while maintaining supportive fiscal policies, including a 4.0% fiscal deficit target, to sustain economic momentum and prevent deflation.

Global Equity Market Snapshot

Market	Index	Weekly	Year-To-Date (YTD)
Ghana	GGSE	13.77%	62.70%
Nigeria	NGX ASI	2.15%	26.58%
BRVM	ICXCOMP	(1.26%)	18.90%
Kenya	NSE 20	(2.96%)	14.26%
Egypt	EGX 30	(3.45%)	13.60%
Brazil	IBOV	(5.52%)	12.00%
United Kingdom	FTSE 100	(3.99%)	4.86%
South Africa	JALSH	(5.08%)	3.71%
China	SHCOMP	(0.92%)	3.52%
Europe	STOXX 600	(4.48%)	2.03%
United States	S&P 500	(1.13%)	(0.22%)
United States	Dow Jones	(3.12%)	(0.23%)
United States	NASDAQ	(0.06%)	(0.91%)
France	CAC 40	(6.67%)	(1.27%)
Germany	DAX	(5.83%)	(2.75%)
India	SENSEX	(2.71%)	(6.11%)

*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 surged last week as escalating geopolitical tensions in the Middle East raised concerns over potential supply disruptions. In particular, fears of disruptions to shipments through the Strait of Hormuz, a key global oil transit route, led investors to price in a higher geopolitical risk premium. This development highlights the sensitivity of oil markets to geopolitical shocks and could sustain upward pressure on global inflation if elevated prices persist.

Weekly Commodities Price Monitor				
Commodity	**Unit Price**	**Price (US$)**	**Weekly Change**	**YTD**
Oil Crude – Brent	US$/bbl.	85.41	20.72%	40.36%
Oil Crude – Bonny Light	US$/bbl.	83.54	14.78%	31.73%
Gold	US$/lb.	5,095.89	(1.89%)	16.96%
Copper	US$/lb.	5.837	(2.80%)	2.23%
Coffee	US$/lb.	288.8	2.30%	(17.19%)
Compressed Natural Gas (CNG)	US$/MMBtu.	2.997	6.01%	(18.69%)
Cocoa	US$/MT.	3,055.00	(0.26%)	(49.63%)

Sources: Various Sources and United Capital Research

Outlook:

This week, equity markets across the US, Europe, and Asia will likely open on a cautious note, with investors weighing the impact of higher energy costs on corporate margins and consumer spending. In the US, attention will remain on inflation expectations and any Fed commentary that could either soothe or heighten concerns about the rate path. European markets face a dual headwind from elevated energy prices and sluggish growth momentum, while Asian markets will look to Chinese policy signals and regional trade data for directional cues. Oil prices are expected to stay sensitive to tension between the US and Iran, where any escalation could push prices higher, while diplomatic progress may help ease pressure.

African Markets:

Malawi

The Reserve Bank of Malawi reduced its benchmark interest rate by 2.00% points to 24% following its first Monetary Policy Committee meeting under new governor George Partridge, citing a gradual easing in inflationary pressures. The move marks the first policy rate adjustment since February 2024, when the country faced persistent inflation and currency pressures.

Kenya

Kenya's private sector growth slowed in February, as weaker performance in agriculture and manufacturing weighed on overall activity, although gains in construction, wholesale and retail, and services provided some support. Reflecting this moderation, the Stanbic Bank Kenya Purchasing Managers' Index declined to 50.4 in February from 51.9 in January, though it remained above the 50-point threshold that signals expansion.

South Africa

South Africa's S&P Global PMI remained unchanged at 50.0 in February 2026, the same level as January, indicating stable private sector activity at the threshold between expansion and contraction. This suggests that South Africa's economy remains fragile, with stable business activity despite improving confidence and easing cost pressures.

Outlook:

African markets are expected to trade cautiously this week amid global risk-off sentiment. In Nigeria, the Central Bank of Nigeria's recent rate cut to 26.5% signals a cautious start to monetary easing, which could continue to support equity market sentiment. Meanwhile, South African equities may face pressure from weaker metals prices, while Egypt and Kenya could see support from ongoing reforms and improving financial conditions. Overall, improving macro fundamentals and easing monetary policy may provide some support, although global volatility and elevated oil prices remain key risks.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local)**	**YTD (Local)**
Ghana	14273.08	20.47	13.77%	62.69%
Tanzania	3843.69	12.66	(2.60%)	39.17%
Nigeria	196968.15	91.13	2.15%	26.58%
BRVM	411.08	28.55	(1.26%)	18.90%
Kenya	3586.16	25.27	(2.96%)	14.26%
Egypt	47516.44	62.31	(3.45%)	13.60%
Tunisia	14986.22	12.82	(0.9%)	11.42%

Emerging	1503.53	--	(7.15%)	7.06%
Namibia	2268.3	2.39	(5.85%)	5.95%
South Africa	120167.42	1515.87	(5.08%)	3.71%
Frontier	1493.78	--	(4.16%)	2.33%
Mauritius	2269.9	7.72	(2.29%)	(4.7%)
Morocco	389.35	106.07	(5.74%)	(8.63%)
Global Market	2099.8	--	(3.4%)	(7.76%)

Sources: NGX, Various Sources and United Capital Research

Currency Performance in Select African Countries				
Currency vs USD	**Signs**	**Spot Rate**	**Weekly Change**	**YTD**
Zambia	ZMW: Kwacha	19.26	(2.23%)	14.90%
Nigeria	NGN: Naira	1,387.45	(1.99%)	4.12%
Angola	AOA: Kwanza	918.831	0.00%	0.02%
Kenya	KES: Shilling	129.15	(0.12%)	(0.12%)
Guinea	GNF: Franc	8769	0.02%	(0.23%)
Namibia	NAD: Dollar	16.597	(3.98%)	(0.25%)
South Africa	ZAR: Rand	16.653	(4.28%)	(0.51%)
Tunisia	TND: Dinar	2.91	(1.43%)	(0.82%)
WAEMU	CFA: Franc	565	(1.73%)	(1.06%)
Uganda	UGX: Shilling	3674.77	(2.08%)	(1.50%)
Morocco	MAD: Dirham	9.3	(1.50%)	(1.92%)
Mauritius	MUR: Rupee	47.32	(2.13%)	(2.26%)
Ghana	GHS: Cedi	10.775	(0.93%)	(2.55%)
Cameroun	XAF: Franc	575.275	(0.78%)	(2.96%)
Gabon	XAF: Franc	575.275	(0.78%)	(2.96%)
Liberia	LRD: Dollar	182.93	(0.18%)	(3.24%)
Tanzania	TZS: Shilling	2565	(0.39%)	(4.09%)
Egypt	EGP: Pound	50.1	(4.29%)	(4.79%)
Sierra Leone	SLL: Leone	23628.2	1.87%	(11.25%)

Sources:NGX, Various Sources and United Capital Research

Key Rate in Select African Countries				
Countries	**10Yr Bond Yield**	**Inflation**	**Real Return**	**Policy Rate**
Nigeria	15.45%	15.10%	0.35%	26.50%
Egypt	20.30%	11.90%	8.40%	19.00%
Angola	10.10%	14.56%	(4.46%)	17.50%
Ghana	21.00%	3.30%	17.70%	15.50%
Congo	9.20%	2.11%	7.09%	15.00%
Kenya	11.57%	4.30%	7.27%	8.75%

South Africa	8.24%	3.50%	4.74%	6.75%
Tanzania	13.70%	3.30%	10.40%	5.75%
Cote d'Ivoire	7.78%	0.30%	7.48%	5.00%
Cameroon	8.30%	2.50%	5.80%	4.75%
Chad	0.00%	(4.30%)	4.30%	4.75%
Gabon	0.00%	2.10%	(2.10%)	4.75%
Mauritius	5.48%	3.50%	1.98%	4.50%

Sources: FMDQ, Various Sources and United Capital Research

Domestic Economy:

Nigeria's broad money supply (M3) contracted slightly to N123.36 trillion in January 2026, from N124.4 trillion in December 2025, according to the latest monetary statistics released by the Central Bank of Nigeria (CBN). Broad money, which includes currency in circulation outside banks, demand deposits, savings and time deposits, as well as foreign currency deposits, reflects the total liquidity within the economy. The month-on-month decline suggests a modest tightening in liquidity conditions at the start of the year, although money supply remains significantly higher on a year-on-year basis.

Equity Market:

The Nigerian Exchange All Share Index (NGX-ASI) rose by 2.15% week on week (W/W), closing at 196,968.15 points. Market capitalisation stood at ₦126.44tn and year to date return stood at 26.58%. The Oil & Gas sector recorded the best gain during the week while the Insurance sector recorded the least performance.

Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD
NGX-ASI	196,968.15	2.15%	26.58%
Oil & Gas Index	4,443.66	9.43%	66.41%
Industrial Goods Index	7,599.07	3.89%	33.87%
Banking Index	1,896.70	0.24%	25.12%
Consumer Goods Index	4,366.52	(0.09%)	9.84%
Insurance Index	1,334.36	(1.88%)	12.20%

Sources: NGX and United Capital Research

Fixed Income and Money Market:

The fixed income market recorded mostly bearish movements during the week. In the Nigerian Treasury bills (NTBs) segment, yields declined at only the short end, with the 91-day NTB easing to 16.26%, while the 182-day and 364-day tenors rose to 17.57% and 18.76% respectively, indicating renewed demand at the short end but some upward repricing in the mid and long end of the curve. The O/N rate improved to 22.29%. In the bond market, yields moderated only on the shorter end, with the 3-year yield falling to 15.73%. While the 5-year, 7-year and 10-year yields rose, still suggesting stable investor appetite and expectations of a softer rate environment following the policy adjustment.

Fixed Income Market Statistics

	Yield	Weekly Change	Year-To-Date
182-Day NTB	17.57%	0.10%	0.87%
91-Day NTB	16.26%	(0.27%)	(0.04%)
Overnight Rate (O/N)	22.29%	0.04%	(0.46%)
Overnight Policy Rate (OPR)	22.00%	0.00%	(0.50%)
364-Day NTB	18.76%	0.28%	(0.83%)

Bond Market			
Bond	**Yield**	**Weekly Change**	**Year-to-Date**
5yrs	16.28%	0.50%	(0.83%)
7yrs	16.22%	0.65%	(0.84%)
3yrs	15.73%	(0.27%)	(1.18%)
10yrs	15.45%	0.01%	(1.36%)

Sources: FMDQ and United Capital Research

Outlook:

Equity Market

This week, the Nigerian equity market is likely to sustain its bullish momentum, though the pace of gains may moderate as the market approaches the significant 200,000-point threshold on the ASI. The Oil and gas sector may attract attention given elevated global oil prices. Overall, the market's structural bull run remains intact, supported by the CBN's rate cut and improving macro visibility, but investors should remain alert to global risk-off sentiment and potential profit-taking as valuations stretch.

Fixed Income Market

The fixed income market may remain cautious despite the March 04, 2026 NTB auction, as the slight rise in stop rates, particularly at the long end, suggests investors are not fully convinced about the pace of the Central Bank of Nigeria's easing cycle. While short-term yields may remain relatively stable, mid-to-long tenors could face upward pressure depending on auction supply, liquidity conditions, and Naira stability, which continues to influence market pricing.

Stock Recommendation			
Stocks	**Current Price**	**Target Price**	**Upside**
International Breweries	13.6	20	47.06%
C & I Leasing Plc	7.3	10	36.99%
Sterling Financial Holdings	7.85	10	27.39%
United Bank for Africa Plc	47.6	60	26.05%
Access Holdings Plc	25.95	32	23.31%
MTN Nigeria Plc	790	950	20.25%
Lafarge Africa Plc	210	250	19.05%
AIICO Insurance Plc	4.2	5	19.05%
Transcorp Power Plc	306.9	365	18.93%
Transnational Corporation	51	60	17.65%
Dangote Cement Plc	815	950	16.56%

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