Weekly Investment Views

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Global Markets

United States

The S&P Global US Composite Purchasing Managers' Index (PMI) remained unchanged at 51.7 points in May 2026, reflecting resilient but slower private sector growth. Meanwhile, the US Manufacturing PMI rose to 55.3 points, its highest level since May 2022, supported by stronger output and job creation. The services sector remained weak at 50.9 points from 51 points in the previous month. Rising energy costs and supply disruptions also pushed input prices to their highest level since late 2022. Overall, this suggest that US economic activity remains resilient, although growth momentum is becoming uneven across sectors.

Euro Area

The S&P Global Eurozone Composite PMI fell to 47.5 points in May 2026 from 48.8 points, signaling the sharpest decline in private sector activity since October 2023. The decline was driven by weaker services activity, while manufacturing growth slowed but remained in expansion territory. Meanwhile, rising energy prices from the Middle East conflict increased input costs and weakened consumer purchasing power. In addition, the European Commission lowered the Euro Area's growth forecast and raised its inflation outlook due to prolonged energy shocks. Weak PMI readings and the lower growth forecasts suggest slowing economic activity across the Euro Area.

Asia

China's retail sales rose by 0.2% year-on-year in April 2026, reflecting the weakest consumer demand since December 2022. Consumer spending weakened sharply due to the economic impact of the Iran war, particularly in automobile and housing-related purchases. China's industrial production also slowed to 4.1% year-on-year, marking its weakest growth since July 2023. Weaker retail sales and industrial output suggest slowing economic momentum in China amid rising external pressures.

Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD)
Ghana	GGSE	1.09%	65.21%
Nigeria	NGX ASI	(0.25%)	60.47%
Egypt	EGX 30	(2.00%)	24.53%
BRVM	ICXCOMP	2.92%	21.92%
Kenya	NSE 20	(1.32%)	11.04%
Brazil	IBOV	(0.40%)	10.26%
United States	S&P 500	(0.74%)	8.77%
United Kingdom	FTSE 100	0.68%	5.16%
Europe	STOXX 600	0.73%	4.69%
United States	Dow Jones	0.44%	4.62%
United States	NASDAQ	(1.28%)	4.13%
China	SHCOMP	(2.41%)	2.73%
Germany	DAX	0.62%	0.48%
France	CAC 40	0.05%	(0.78%)
South Africa	JALSH	(2.82%)	(1.57%)
India	SENSEX	(0.29%)	(11.78%)

*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 markets traded lower during the week as optimism around US-Iran ceasefire negotiations reduced geopolitical risk premium. Bonny Light crude fell by 2.33% to $111.54/b, while Brent crude declined by 2.97% to $102.58/b. The easing concerns over prolonged Strait of Hormuz disruptions largely drove the decline in prices. Meanwhile, the spread between both benchmarks narrowed slightly as both grades moved lower during the week. Despite the decline, oil prices remained elevated overall due to Middle East supply disruptions and falling global inventories.

Weekly Commodities Price Monitor				
Commodity	**Unit Price**	**Price (US$)**	**Weekly Change**	**YTD**
Oil Crude – Bonny Light	US$/bbl	111.54	(2.33%)	75.88%
Oil Crude – Brent	US$/bbl	102.58	(2.97%)	68.58%
Copper	US$/lb	6.294	(4.80%)	10.24%
Gold	US$/lb	4,542.50	(3.05%)	4.26%
Compressed Natural Gas (CNG)	US$/MMBtu	3.018	4.28%	(18.12%)
Coffee	US$/lb	273.4	(7.15%)	(21.61%)
Cocoa	US$/MT	3,767.00	(10.07%)	(37.89%)

Sources: Various Sources and United Capital Research

Outlook

Global markets are expected to remain cautious this week as investors monitor elevated oil prices, US-Iran negotiations, and key US economic data. Markets are also assessing the direction of monetary policy under new US Federal Reserve Chairman, Kevin Warsh. US equities may remain under pressure as rising Treasury yields and elevated oil prices continue to weigh on inflation and investor sentiment. Although NVIDIA reported strong earnings, gains in technology stocks remained limited. Meanwhile, emerging market assets may face continued pressure from a stronger US Dollar and tighter global financial conditions. In the oil market, prices are expected to remain volatile due to uncertainty surrounding US-Iran negotiations. The International Energy Agency (IEA) also noted that the global oil market is expected to remain in deficit until Q4 2026, supporting elevated oil prices. However, any progress in diplomatic negotiations could ease geopolitical tensions and reduce oil prices.

Select Sub-Saharan African Markets

Ghana

The Bank of Ghana maintained its benchmark interest rate at 14% in May 2026, ending a streak of five consecutive rate cuts. Policymakers adopted a cautious stance to balance inflation control with support for economic growth. The Central Bank also warned that the Middle East conflict could increase inflationary pressures and policy uncertainty. This decision suggests that the central bank remains cautious amid rising external risks and inflation concerns.

Rwanda

The National Bank of Rwanda raised its benchmark interest rate by 1.00% points to 8.25% in May 2026, the highest level since 2009. This followed a 0.50% points hike in February as inflationary pressure persists. The Central Bank also cited the Middle East conflict as a key driver of imported price pressures. Consequently, the policy tightening signals a shift toward stronger inflation control, even at the cost of weaker near-term economic activity.

South Africa

South Africa's annual inflation rate rose to 4.0% in April 2026 from 3.1% in March, exceeding market expectations. Higher electricity tariffs and rising fuel prices mainly drove the increase in inflation. Meanwhile, food inflation eased due to strong agricultural output, while restaurant and hotel prices also slowed. Core inflation rose to 3.6%, its highest level since December 2024, reflecting broader underlying price pressures. The rising inflationary pressures could limit the South African Reserve Bank's room for further interest rate cuts.

Outlook

African markets are expected to trade cautiously this week, as high oil prices, a more hawkish Fed outlook, and persistent geopolitical risks continue to drive mixed conditions across the region. Ghana is set to exit its IMF programme this May, after reaching its 55% debt-to-GDP target ahead of schedule, improving its credit profile. In South Africa, attention will focus on the South African Reserve Bank Monetary Policy Committee meeting on 28 May. Because of this, the Johannesburg Stock Exchange (JSE) is likely to trade range-bound, with resource stocks supported by elevated commodity prices and rate-sensitive sectors awaiting policy clarity. Overall, African markets are likely to remain defensive, with performance varying across countries, shaped by oil prices, global rates, and geopolitical developments.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local Currencies)**	**YTD (Local Currencies)**
Ghana	14,489.47	23.45	1.09%	65.21%
Nigeria	249,712.37	117.04	(0.25%)	60.47%
Tanzania	3,859.88	12.94	0.75%	39.75%
Tunisia	16,962.81	12.73	(1.51%)	26.12%
Egypt	52,090.96	70.46	(2.00%)	24.53%
BRVM	421.55	28.83	2.92%	21.92%

Kenya	3,485.23	28.42	(1.32%)	11.04%
Namibia	2,305.60	3.39	(2.14%)	7.69%
Mauritius	2,242.78	6.22	(2.40%)	5.85%
South Africa	114,052.91	1464.74	(2.82%)	(1.57%)
Morocco	407.86	114.34	(2.20%)	(4.29%)

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	18.86	0.34%	17.34%
Nigeria	NGN: Naira	1,372.31	(0.10%)	5.27%
South Africa	ZAR: Rand	16.45	0.13%	0.69%
Namibia	NAD: Dollar	16.45	0.27%	0.64%
Angola	AOA: Kwanza	919.82	(0.20%)	(0.09%)
Guinea	GNF: Franc	8,764.50	0.05%	(0.18%)
Sierra Leone	SLL: Leone	24,112.10	(0.05%)	(0.29%)
Kenya	KES: Shilling	129.6	(0.35%)	(0.46%)
Tunisia	TND: Dinar	2.91	(0.28%)	(0.79%)
WAEMU	CFA: Franc	565.5	(1.33%)	(1.15%)
Morocco	MAD: Dirham	9.23	(0.46%)	(1.15%)
Cameroun	XAF: Franc	564.78	1.60%	(1.16%)
Gabon	XAF: Franc	564.78	1.60%	(1.16%)
Mauritius	MUR: Rupee	47.33	(0.91%)	(2.28%)
Liberia	LRD: Dollar	182.76	0.03%	(3.15%)
Uganda	UGX: Shilling	3,775.67	(0.68%)	(4.14%)
Tanzania	TZS: Shilling	2,605.00	(0.38%)	(5.57%)
Ghana	GHS: Cedi	11.55	(1.86%)	(9.09%)
Egypt	EGP: Pound	52.92	(0.08%)	(9.86%)

Sources:NGX, Various Sources and United Capital Research

Key Rates in Select African Countries					
Countries	**10Yr Bond Yield**	**Weekly Change**	**Inflation**	**Real Return**	**Policy Rate**
Nigeria	14.96%	0.00%	15.38%	-0.43%	26.50%
Egypt	21.55%	0.15%	14.90%	6.50%	19.00%
Angola	22.00%	0.00%	11.58%	10.42%	17.00%
Ethiopia*	-		9.40%	-	15.00%
Ghana	7.36%	1.16%	3.40%	2.80%	14.00%
Congo	6.70%	0.00%	2.07%	4.63%	13.50%
Kenya	11.93%	0.41%	5.60%	5.92%	8.75%

Rwanda	12.70%	0.00%	11.50%	1.20%	7.25%
South Africa	8.77%	0.14%	3.10%	5.53%	6.75%
Tanzania	11.80%	0.00%	4.00%	7.80%	5.75%
Cote d'Ivoire	7.80%	0.00%	0.30%	7.50%	5.00%
Cameroon	8.50%	0.00%	2.50%	6.00%	4.75%
Chad*	-	-	(3.00%)	-	4.75%
Gabon	6.29%	0.00%	2.10%	4.19%	4.75%
Mauritius	5.49%	(0.05%)	3.60%	1.94%	4.50%
*Countries marked with an asterisk (*) do not currently have an active 10-year bond in issue; as such, their corresponding real return cannot be computed due to the absence of a benchmark yield.					

Sources: FMDQ, Various Sources and United Capital Research

West African Economic and Monetary Union (WAEMU)

The International Monetary Fund (IMF) Executive Board concluded its 2026 consultation on WAEMU common policies, highlighting a strong but risk-exposed regional outlook. Growth reached 6.6% in 2025, making the bloc one of the fastest-growing globally. Inflation declined and fell below the Central Bank's target range, driven largely by temporary food price deflation. External balances improved significantly, with the current account deficit narrowing from 5.7% to 1.7% of Gross Domestic Product (GDP). This is supported by higher cocoa and gold prices and rising hydrocarbon exports. Foreign exchange reserves also strengthened, reaching 7.8 months of import cover. However, risks persist, including a tight sovereign-bank nexus, elevated non-performing loans, and vulnerability to regional security and climate-related shocks. The stronger growth and external position could support investor confidence in the region, although structural risks may continue to pressure financial stability.

Senegal

According to Senegal's Finance minister, the country's fuel subsidy bill could exceed its 2026 budget allocation by 1.15 trillion CFA francs if oil prices rise to $115 per barrel. The country also remains under fiscal pressure after the government disclosed previously unreported debts estimated at up to $13 billion in 2024. Consequently, the IMF suspended financing support, while Senegal lost access to international debt markets. Rising subsidy costs and limited external financing could further weaken the country's fiscal position and increase borrowing pressures.

Outlook

WAEMU markets are expected to remain resilient, supported by its accommodative monetary policy and strong regional economic growth. Lower inflation and supportive monetary conditions continue to support fixed income and equity market performance. The BRVM equity market is expected to maintain its strong momentum, supported by strong corporate earnings, higher cocoa revenues, and rising retail investor participation. Ivorian blue-chip stocks and regional banking names are expected to remain key market drivers this week. WAEMU's economy grew by 6.6% in 2025 and is projected to expand by 6.4% in 2026, among the fastest growth rates globally. Growth has been supported by agriculture, extractive industries, and the services sector. Meanwhile, the expected Initial Public Offering (IPO) of Bridge Bank Group Côte d'Ivoire could further improve investor interest in the BRVM. However, rising global energy prices remain a major risk for the region due to its dependence on fuel imports. Security risks across the Sahel region also remain key concerns for investors. Overall, the BRVM is expected to maintain its positive momentum barring significant external shocks.

Market Performance Snapshot				
	Previous	**Current**	**Weekly Change**	**YTD**
BRVM	409.59	421.55	2.92%	21.92%
Currency (CFA: Franc)	558	565.5	(1.33%)	(1.15%)
Bond Yields in WAEMU Countries				
Countries	**Tenor**	**Bond Yield**	**Weekly Change**	**YTD**
Togo	5 Year	7.00%	0.00%	1.00%
Senegal	5 Year	7.00%	0.00%	1.00%
Mali	3 Year	6.00%	0.00%	0.00%
Benin	2 Year	6.00%	0.00%	(1.00%)
Niger	5 Year	10.00%	0.00%	3.73%
Burkina Faso	5 Year	6.00%	(1.00%)	(1.00%)
Ivory coast	5 Year	5.85%	(1.51%)	(1.61%)
Guinea- Bissau	3 Year	6.25%	(1.75%)	(0.75%)

Sources:Various Sources and United Capital Research

Key Rates in WAEMU Countries		
Countries	**Inflation**	**Policy Rate**
Senegal	1.40%	5.00%
Togo	0.70%	5.00%
Mali	0.70%	5.00%
Burkina Faso	0.40%	5.00%
Ivory coast	0.30%	5.00%
Benin	(0.60%)	5.00%
Guinea- Bissau	(4.30%)	5.00%
Niger	(7.50%)	5.00%

Sources:Various Sources and United Capital Research

Domestic Economy

The Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) retained the Monetary Policy Rate (MPR) at 26.50% to sustain exchange rate stability, curb inflationary pressures, and support investor confidence. The MPC also maintained all other monetary policy rates, including the corridor around the MPR. Meanwhile, S&P Global upgraded Nigeria's sovereign credit rating from "B-" to "B" with a Stable Outlook. The agency cited stronger external reserves, improved FX reforms, higher oil production, and better macroeconomic resilience. Overall, these developments reinforce confidence in Nigeria's reform trajectory and could support capital inflows, Naira stability/appreciation, stronger demand for FGN Bonds, and increased foreign participation in the Nigerian capital market.

Equity Market

The NGX All-Share Index closed bearish last week, declining by 0.25% week-on-week from 250,330.92 points to 249,712.37 points. Year-to-date return moderated slightly to 60.47%. Sectoral performance was broadly negative, with three of the five sectors under our coverage closing in the red. The Insurance Index declined the most, losing 1.77% week-on-week. The Industrial Goods Index followed with a loss of 1.24%, while the Consumer Goods Index declined the least at 0.84%. On the gainers' side, the Banking Index led with a 1.11% week-on-week gain. The Oil and Gas Index closed marginally positive, gaining 0.07%.

Nigerian Equity Market Performance			
Index	**Close Price**	**Weekly Change**	**YTD**
NGX-ASI	249,712.37	(0.25%)	60.47%
Oil/Gas Index	5,831.83	0.07%	118.40%
Industrial Goods Index	12,252.18	(1.24%)	115.84%
Banking Index	2,416.78	1.11%	59.43%
Consumer Goods Index	4,980.12	(0.84%)	25.27%
Insurance Index	1,245.52	(1.77%)	4.73%

Sources: NGX and United Capital Research

Fixed Income and Money Market

The fixed income market reflected broadly bearish sentiment during the week, with yields increasing across most money market and fixed income instruments amid cautious investor sentiment. In the money market, the Overnight (O/N) rate declined marginally by 0.02% to 22.18%, while the Open Repo Rate (OPR) remained unchanged at 22.00%, indicating relatively stable system liquidity. In the Nigerian Treasury Bills market, yields rose across all maturities, reflecting weak investor demand and cautious sentiment. The 91-day, 182-day, and 364-day NTB yields rose to 16.56%, 17.58%, and 18.81%, respectively. Performance in the bond market was bearish, with the 3-year, 5-year and 7-year bond yields rising to 16.23%, 17.22%, and 17.00%, respectively. The 10-year bond yield remained unchanged at 14.96%, suggesting relatively balanced demand at the longer end of the curve. Overall, the market maintained a cautious tone during the week as investors demanded higher yields across most fixed income instruments amid persistent inflationary concerns.

Fixed Income Securities Rates			
	Yield	Weekly Change	Year-To-Date Change
Overnight Rate (O/N)	22.18%	(0.02%)	(0.57%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	16.56%	0.23%	0.26%
182-Day NTB	17.58%	0.06%	0.88%
364-Day NTB	18.81%	0.05%	(0.78%)

Bond Market Rates			
Bond	Yield	Weekly Change	Year-to-Date Change
3 Years	16.23%	0.04%	(0.68%)
5 Years	17.22%	0.52%	0.11%
7 Years	17.00%	0.17%	(0.06%)
10 Years	14.96%	0.00%	(1.85%)

Sources: FMDQ and United Capital Research

Outlook

Equity Market

The Nigerian equity market is expected to trade cautiously this week as profit-taking activities compete with continued investor demand. Although the NGX-ASI remains at historically elevated levels, selective buying in fundamentally strong stocks is expected to support the market. Banking stocks are likely to remain in focus following the MPC's decision to retain the MPR at 26.5%. Meanwhile, expectations surrounding the FTSE Russell Frontier Market reclassification could continue to support foreign investor interest ahead of its September 01, 2026 commencement date. However, rising inflation, elevated US Treasury yields, and global risk-off sentiment may limit upside potential. Overall, the market is expected to consolidate around current levels, with selective opportunities likely across banking, industrial goods, and oil and gas stocks.

Fixed Income Market

This week, the Nigerian fixed income market is expected to trade cautiously after the MPC retained the MPR at 26.5%. The yields on short-tenor securities may respond to the liquidity position and inflation rate expectations. The long-term securities will respond to the credit rating and the positive macroeconomic environment. Meanwhile, demand for Treasury bills is expected to remain strong, especially at the short end of the curve. Investors are likely to prefer shorter-term instruments due to uncertainty around inflation and interest rates. Stable exchange rate and attractive yields are also expected to support investor participation. Pension fund administrators and other institutional investors are expected to remain active, although investment decisions may become more selective. Overall, the market is expected to remain active but largely range-bound during the week.

Dividend Announcements					
S/N	Company	Final Dividend (N)	Bonus	Qualification Date	Payment Date
1	Mecure Industries	0.32	-	Apr 23, 2026	TBA
2	Seplat Energy	US$0.05(+US$0.033 special)	-	May 15, 2026	May 29, 2026
3	Haldane Mccall	0.05	-	May 28, 2026	Jun 18, 2026
4	Chemical & Allied Products	4	-	Jun 3, 2026	Jun 25, 2026
5	Dangote Cement	45	-	Jun 17, 2026	Jul 2, 2026
6	Ikeja Hotel	0.3	-	Jul 3, 2026	Aug 3, 2026
7	GTCO	11.76	-	Apr 13, 2026	Apr 28, 2026
8	Stanbic	4	-	May 4, 2026	May 26, 2026
9	Meyer	0.45	-	Apr 30,2026	May 25,2026

Stock Recommendation			
Stocks	**Current Price**	**Target Price**	**Upside**
Access Holdings Plc	24.95	40.75	63%
International Breweries	12.75	20	57%
C & I Leasing Plc	6.6	10	52%
United Bank for Africa Plc	45	62.64	39%
MTN Nigeria	820	1100	34%
Transcorp Power Plc	272.7	365	34%
FCMB Group Plc	11.55	15	30%
AXA Mansard Insurance	13.65	17.5	28%
Geregu Power Plc	1132.5	1440	27%
Sterling Financial Holdings	7.9	10	27%
Transnational Corporation	47.75	60	26%
Nigerian Breweries Plc	86	105	22%
FIRST HOLDCO PLC	70	84.75	21%
Cadbury Nigeria Plc	69	80	16%

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