

Weekly Investment Views

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Global Markets

United States

US inflation rose to 4.2% in May 2026 from 3.8% in April 2026. This is the highest level since April 2023 and the third consecutive monthly increase. The rise was driven mainly by higher energy prices following the Iran-related energy shock, with gasoline and fuel oil costs surging sharply. Inflation also accelerated for food and housing, while core inflation edged up to 2.9% from 2.8% in April 2026. The current rising inflation rate provides justification for the Federal Open Market Committee (FOMC) to increase interest rates when it meets this week. However, political pressure may not allow an interest rate hike.

Euro Area

The European Central Bank (ECB) raised interest rates by 0.25% at its June 2026 meeting. This marks the first hike since 2023, as it sought to contain the mounting inflationary pressures. The decision reflected concerns over higher energy costs linked to the Iran conflict and disruptions to oil shipments through the Strait of Hormuz. The ECB raised its inflation forecasts for 2026 and 2027 while slightly lowering its Euro Area growth projections for both years. The ECB's hawkish stance signals a prioritisation of price stability, but tighter financial conditions could weigh on economic growth and borrowing activity across the region.

Asia

In Asia, China's inflation remained stable at 1.2% in May 2026 as higher transport costs were offset by falling food prices. This highlights the subdued consumer demand. In contrast, Japan's producer inflation accelerated to 6.3%, the highest level since March 2023. This was driven by rising energy and manufacturing costs linked to ongoing supply chain disruptions. The region faces a mixed economic environment, with weak consumer demand in China and rising cost pressures in Japan reflecting the broader impact of elevated energy prices and geopolitical tensions on Asian economies.

Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD) Change
Ghana	GGSE	0.28%	64.18%
Nigeria	NGX ASI	0.88%	57.27%
BRVM	ICXCOMP	(0.80%)	26.28%
Egypt	EGX 30	(3.48%)	21.49%
Kenya	NSE 20	0.00%	12.90%
United States	S&P 500	(2.51%)	8.02%
Brazil	IBOV	0.68%	6.44%
United States	Dow Jones	(1.38%)	5.80%
Europe	STOXX 600	(0.47%)	4.85%
United Kingdom	FTSE 100	(0.54%)	3.75%
France	CAC 40	1.29%	2.47%
United States	NASDAQ	(3.81%)	2.22%
China	SHCOMP	(1.74%)	0.46%
Germany	DAX	(2.95%)	(1.15%)
South Africa	JALSH	0.24%	(2.72%)
India	SENSEX	(0.71%)	(13.36%)

*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 declined during the week as easing supply concerns and expectations of higher Organisation of Petroleum Exporting Countries (OPEC+) output weighed on the market for most of the period. Brent crude fell by 4.89% week-on-week to US\$90.38/bbl, while Bonny Light declined by 5.17% to US\$96.75/bbl. Despite persistent geopolitical tensions in the Middle East, reports of limited oil flows through the Strait of Hormuz and the prospect of additional OPEC+ supply helped temper fears of severe shortages.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD Change
Oil Crude – Bonny Light	US\$/bbl	96.75	(5.17%)	52.55%
Oil Crude – Brent	US\$/bbl	90.38	(4.89%)	48.53%
Copper	US\$/lb	6.3945	(2.15%)	12.00%
Gold	US\$/lb	4,240.62	(5.87%)	(2.67%)
Compressed Natural Gas (CNG)	US\$/MMBtu	3.079	(7.70%)	(16.47%)
Coffee	US\$/lb	255.55	3.40%	(26.72%)
Cocoa	US\$/MT	3,798.00	(6.08%)	(37.38%)

Sources: Various Sources and United Capital Research

Outlook

This week, global markets will trade cautiously. Attention will be focused on the June 16–17 FOMC meeting. This will be the first under new Fed Chair, Kevin Warsh. While inflation rate trend supports an increase in Fed rate, political pressure may influence holding rates at 3.50%-3.75%. However, focus will be on its updated economic projections and guidance for signals on the future path of interest rates. In Europe, the ECB has already raised rates, citing higher energy costs and inflation risks linked to the Iran conflict. Investors will watch for further signals on whether this marks the start of a broader tightening cycle. If FOMC raises Fed rates, yields on Eurobonds may increase, leading to currency pressure in emerging markets. In China, while stimulus expectations and AI-related investments have supported Chinese equities, concerns over global growth could weigh on sentiment. Middle East developments also remain a key risk for global oil markets. Any easing of tensions could lower oil prices and improve risk appetite. Further escalation may keep inflation elevated and reinforce expectations of higher interest rates for longer.

Select Sub-Saharan African Markets

Ghana

Ghana's economy grew by 6.4% year on year in Q1-2026, up from 5.8% in Q4-2025. This marks its strongest expansion since Q2-2025. Growth was driven by non-oil sectors, particularly services (+7.1%), led by information and communication (+25.2%). Industry expanded by 6.9%, supported by mining, oil and gas, manufacturing, and electricity. Meanwhile, agriculture grew by 4.0%, aided by stronger crop and cocoa production. The broad-based growth suggests improving economic resilience, which could support investor confidence and strengthen Ghana's medium-term growth outlook.

Rwanda

Rwanda's annual inflation rate accelerated to 12.3% in May 2026 from 11.5% in April 2026. This is the highest level since October 2023. The increase was driven by higher transport costs and rising food prices, while housing and utility costs remained elevated. Core inflation also rose to 9.2%, its highest level since January 2024. This indicates persistent underlying price pressures. On a monthly basis, consumer prices increased by 0.6%, easing from 5.9% in April. Sustained inflationary pressures could prompt tighter monetary policy, potentially weighing on consumer spending and economic activity.

South Africa

South Africa's economy grew by 1.9% year on year in Q1-2026, accelerating from 0.8% in Q4 2025. This slightly exceeded market expectations of 1.8%. The stronger performance points to improving economic momentum after a subdued growth in 2025. The faster growth could support business confidence and investment activity, although structural challenges may continue to constrain the pace of expansion.

Outlook

African markets are expected to remain cautious this week as Middle East tensions continue to influence energy prices and global risk sentiment. In South Africa, the weaker Rand and the apex bank's hawkish stance may keep market sentiment mixed. Ghana's market outlook remains relatively positive, supported by strong gold inflows, easing inflation, and currency stability. Higher oil prices, however, could pose risks to the inflation outlook. Rwanda's market is likely to remain supported by strong domestic fundamentals and steady investor participation, despite potential spillovers from rising import costs. Overall, commodity exporters such as Ghana appear better positioned to weather external shocks. However, oil importers remain vulnerable to elevated energy prices. Investor focus this week will centre on geopolitical developments, central bank decisions, and their implications for African assets.

Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local Currencies)	YTD Change (Local Currencies)
Ghana	14,398.93	22.55	0.28%	64.18%
Nigeria	244,738.70	115.24	0.88%	57.27%
Tanzania	3,896.69	12.8	(1.43%)	41.09%
Tunisia	18,439.99	15.91	0.14%	37.10%
BRVM	436.6	29.85	(0.80%)	26.28%
Egypt	50,818.84	70.34	(3.48%)	21.49%

Kenya	3,543.42	27.19	0.00%	12.90%
Namibia	2,359	3.02	0.69%	10.18%
Mauritius	2,170.75	5.98	(2.60%)	2.45%
South Africa	112,721.30	1493.3	0.24%	(2.72%)
Morocco	394.04	111	(4.61%)	(7.53%)

Sources: NGX, Various Sources and United Capital Research

Currency Performance in Select African Countries				
Currency vs USD	Signs	Spot Rate	Weekly Change	YTD Change
Zambia	ZMW: Kwacha	17.42	0.53%	27.04%
Nigeria	NGN: Naira	1,362.05	0.01%	6.06%
Namibia	NAD: Dollar	16.27	0.31%	1.74%
South Africa	ZAR: Rand	16.29	0.05%	1.73%
Angola	AOA: Kwanza	918	0.20%	0.11%
Guinea	GNF: Franc	8,760.00	0.07%	(0.13%)
Sierra Leone	SLL: Leone	24,146.30	(0.06%)	(0.44%)
Kenya	KES: Shilling	129.65	(3.32%)	(0.50%)
Tunisia	TND: Dinar	2.92	(0.21%)	(1.07%)
Morocco	MAD: Dirham	9.25	(0.49%)	(1.42%)
WAEMU	CFA: Franc	568	(0.44%)	(1.58%)
Cameroun	XAF: Franc	575.99	(2.03%)	(3.08%)
Gabon	XAF: Franc	575.99	(2.03%)	(3.08%)
Liberia	LRD: Dollar	182.64	(0.03%)	(3.09%)
Mauritius	MUR: Rupee	47.87	(0.65%)	(3.38%)
Uganda	UGX: Shilling	3,762.71	(0.01%)	(3.81%)
Ghana	GHS: Cedi	11.1	6.40%	(5.41%)
Tanzania	TZS: Shilling	2,620.00	(0.57%)	(6.11%)
Egypt	EGP: Pound	51.99	(0.32%)	(8.25%)

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%	15.69%	(0.74%)	26.50%
Egypt	22.14%	0.14%	14.60%	7.40%	19.00%
Angola	19.80%	(2.20%)	10.88%	11.12%	17.00%
Ethiopia*	5.55%	-	11.70%	-	15.00%
Ghana	7.36%	0.00%	3.70%	3.66%	14.00%
Congo	-	0.00%	2.06%	4.64%	13.50%
Kenya	6.70%	0.02%	6.70%	5.48%	8.75%

Rwanda	6.29%	0.00%	12.30%	0.40%	8.25%
South Africa	12.20%	0.05%	4.00%	4.55%	7.00%
Tanzania	12.70%	0.20%	4.20%	7.60%	5.75%
Cote d'Ivoire	8.61%	0.00%	0.30%	7.50%	5.00%
Cameroon	12.00%	0.20%	2.50%	6.00%	4.75%
Chad*	7.80%	-	(2.80%)	-	4.75%
Gabon	8.70%	0.00%	2.10%	4.19%	4.75%
Mauritius	-	(0.02%)	4.30%	1.27%	4.75%

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 Central Bank of West African States (BCEAO) left its key interest rates unchanged at its June 2026 meeting. The apex bank kept the liquidity injection rate at 3.00% and the marginal lending rate at 5.00%. The reserve requirement ratio was also maintained at 3.00%. The decision reflected stable inflation conditions, ongoing economic growth, and an assessment of external risks facing the West African Economic and Monetary Union (WAEMU). The hold signals the BCEAO's confidence in the current policy stance, supporting economic activity while remaining vigilant to potential inflationary pressures.

Benin

Benin's merchandise exports rose to FCFA 223.96 billion in Q1-2026, increasing by 51.1% year-on-year. The strong performance was driven by higher exports of cotton, oilseeds, and soybeans. Unprocessed cotton remained the country's largest export, accounting for 31.3% of total exports, while re-exports of specialised boats to Côte d'Ivoire contributed 21.9%. The top ten export products represented 83.6% of total external sales. The sharp increase in exports could support Benin's external position and economic growth. However, the concentration of exports in a few products highlights the need for greater diversification.

Outlook

WAEMU markets are expected to remain broadly positive in the week ahead. The market will remain supported by strong economic fundamentals and improving fiscal conditions. The BCEAO's decision to maintain its policy rate at 3.00% provides a stable monetary policy backdrop. While inflation remains low, the Central Bank has flagged potential upside risks from rising energy prices linked to Middle East tensions. Meanwhile, stronger external balances, supported by exports of gold, hydrocarbons, and cocoa, continue to bolster the region's resilience. Overall, telecoms, banking, and commodity-linked stocks are expected to attract investor interest. However, external risks, including higher oil prices, tighter global financial conditions, and geopolitical uncertainty, could influence market sentiment in the near term.

Market Performance Snapshot				
	Previous	Current	Weekly Change	YTD Change
BRVM	440.13	436.6	(0.80%)	26.28%
Currency (CFA: Franc)	565.5	568	(0.44%)	(1.58%)

Bond Yields in WAEMU Countries				
Countries	Tenor	Bond Yield	Weekly Change	YTD Change
Niger	5 Year	10.00%	0.00%	3.73%
Togo	5 Year	7.00%	0.00%	1.00%
Senegal	5 Year	7.00%	0.00%	1.00%
Guinea- Bissau	3 Year	8.00%	0.00%	1.00%
Mali	3 Year	6.00%	0.00%	0.00%
Ivory coast	5 Year	7.00%	0.00%	(0.46%)
Benin	2 Year	6.00%	0.00%	(1.00%)
Burkina Faso	5 Year	6.00%	(1.00%)	(1.00%)

Sources: Various Sources and United Capital Research

Key Rates in WAEMU Countries

Countries	Inflation	Policy Rate
Senegal	1.30%	3.00%
Mali	1.00%	3.00%
Togo	0.40%	3.00%
Burkina Faso	0.40%	3.00%
Ivory coast	0.30%	3.00%
Benin	(0.60%)	3.00%
Guinea- Bissau	(2.50%)	3.00%
Niger	(7.50%)	3.00%

Sources: Various Sources and United Capital Research

Domestic Economy

Nigeria's Composite Purchasing Managers' Index (PMI) improved to 49.6 points in May 2026 from 49.4 points in April. This signals a gradual strengthening in business conditions. While the index remained marginally below the 50-point expansion threshold, the improvement suggests growing resilience across the economy. The industry and services sectors both recorded PMI readings of 49.3 points, indicating a moderation in the pace of weakness amid signs of recovery. Meanwhile, the agriculture sector sustained its positive momentum, expanding for the twenty-second consecutive month with a PMI reading of 50.9 points. The combination of improving PMI readings and easing cost pressures points to a cautiously optimistic outlook for economic activity in the months ahead.

Equity Market

The Nigerian equities market closed the week on a positive note, with the NGX All-Share Index (NGX-ASI) rising by 0.88% week-on-week to 244,738.74 points from 242,593.31 points. This weekly gain brought the year-to-date return to 57.27%. Sectoral performance was mostly positive, as three out of the five major indices under our coverage closed in the green. The Insurance Index recorded the highest gain, rising 1.63% week-on-week, followed by the Banking Index, which gained 0.95%. The Oil & Gas Index gained the least, increasing by 0.50%. On the flip side, the Consumer Goods Index and Industrial Goods Index declined by 1.96% and 1.00%, respectively. Overall, market sentiment remained positive during the week, supported by sustained investor interest in banking, insurance, and oil & gas stocks, which outweighed profit-taking activities in the consumer and industrial goods sectors. The broad-based gains across key sectors underscore continued confidence in the equities market.

Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD Change
NGX-ASI	244,738.74	0.88%	57.27%
Oil/Gas Index	5,698.36	0.50%	113.40%
Industrial Goods Index	11,590.65	(1.00%)	104.19%
Banking Index	2,299.26	0.95%	51.68%
Consumer Goods Index	4,773.61	(1.96%)	20.08%
Insurance Index	1,259.41	1.63%	5.89%

Sources: NGX and United Capital Research

Fixed Income and Money Market

The fixed income market was relatively mixed during the week, with yields exhibiting modest movements across both money market and sovereign debt instruments. In the money market, liquidity conditions remained broadly stable. The Overnight (O/N) rate declined by 0.11% to 22.04%, while the Open Repo Rate (OPR) remained unchanged at 22.00%. Across the Nigerian Treasury Bill (NTB) curve, performance was mostly bearish. Only the 91-day NTB yield eased by 0.27% to 16.35%, suggesting demand at the short end. Conversely, the 182-day and 364-day NTB yields increased by 0.19% and 0.68% to 17.61% and 19.52% respectively, indicating weaker demand for medium- and long-term papers. In the bond market, yields were largely higher. The 3-year and 5-year bond yields increased by 0.71% and 0.59% to 16.99% and 17.60% respectively. The 7-year bond yield, however, declined marginally by 0.05% to 17.03%. Meanwhile, the 10-year bond yield was unchanged at 14.96%, highlighting sustained demand at the long end of the curve. Overall, fixed income trading this week reflected cautious investor sentiment, with demand concentrated in select short- and long-dated instruments. Rising yields across most medium-tenor treasury bills and bonds suggest investors sought higher returns, while stable money market rates indicate adequate liquidity conditions and limited funding pressures.

Fixed Income Securities Rates

	Yield	Weekly Change	Year-To-Date Change
Overnight Rate (O/N)	22.04%	(0.11%)	(0.71%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	16.35%	(0.27%)	0.05%
182-Day NTB	17.61%	0.19%	0.91%
364-Day NTB	19.52%	0.68%	(0.07%)

Bond Market Rates

Bond	Yield	Weekly Change	Year-to-Date Change
3 Years	16.99%	0.71%	0.08%
5 Years	17.60%	0.59%	0.49%
7 Years	17.03%	(0.05%)	(0.03%)
10 Years	14.96%	0.00%	(1.85%)

Sources: FMDQ and United Capital Research

Outlook

Equity Market

The Nigerian equity market is expected to remain cautiously positive in the week ahead. Periods of volatility may persist as investors adjust to the T+1 settlement cycle and position ahead of the expected Dangote Refinery IPO. Profit-taking may continue in some large-cap stocks, while bargain hunting could provide support. Despite recent declines, the market outlook remains positive, supported by strong short-term outlook and resilient earnings, particularly in the banking and telecom sectors. Investor attention is also likely to shift toward fundamentally strong and attractively valued stocks. Domestic liquidity, fixed income yields, and exchange rate stability will remain key drivers of market direction. Investors will also watch the upcoming FOMC meeting for signals on global risk sentiment and capital flows. Overall, buying interest is expected in banking, telecoms, and oil and gas stocks, while market activity will be shaped by liquidity conditions, IPO positioning, and external developments.

Fixed Income Market

The Nigerian fixed income market is expected to maintain a mildly cautious mood in the week ahead. Yields are likely to trend modestly higher amid increased debt issuance, ongoing liquidity management measures, and lingering inflation concerns. In the bond segment, investors are likely to remain selective, with a preference for short- to mid-term instruments. Meanwhile, demand for longer-dated securities may stay relatively measured due to uncertainties surrounding inflation and the future monetary policy path. Nonetheless, elevated yield levels are expected to continue attracting interest from domestic institutional investors. The outcome of the upcoming FOMC meeting may also influence foreign investor participation and broader market sentiment. Overall, yields are expected to trend slightly higher across the curve, with investors favouring NTBs, particularly the 364-day tenor.

Dividend Announcements

S/N	Company	Final Dividend (N)	Bonus	Qualification Date	Payment Date
1	Mecure Industries	0.32	-	Apr 23, 2026	TBA
2	Haldane Mccall	0.05	-	May 28, 2026	Jun 18, 2026
3	Chemical & Allied Products	4	-	Jun 3, 2026	Jun 25, 2026
4	Dangote Cement	45	-	Jun 17, 2026	Jul 2, 2026
5	Ikeja Hotel	0.3	-	Jul 3, 2026	Aug 3, 2026

Stock Recommendation

Stocks	Current Price	Target Price	Upside
International Breweries	12.1	20	65%
Access Holdings Plc	24.7	40.75	65%
C & I Leasing Plc	6.65	10	50%
Transcorp Power Plc	245.5	365	49%
United Bank for Africa Plc	43	62.64	46%
AXA Mansard Insurance	12.6	17.5	39%
MTN Nigeria	800	1,100	38%
Transnational Corporation	45	60	33%
Nigerian Breweries Plc	80	105	31%
Geregu Power Plc	1,132.50	1,440	27%
Sterling Financial Holdings	7.9	10	27%
FCMB Group Plc	11.9	15	26%
FIRST HOLDCO PLC	69	84.75	23%
Mutual Benefits Assurance	4.09	4.9	20%
Cadbury Nigeria Plc	69	80	16%

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