

Weekly Investment Views

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Global Markets

United States

The Personal Consumption Expenditures (PCE) Price Index, showed that inflation remained elevated in April 2026. Headline PCE inflation rose 3.8% year-on-year, while core PCE inflation excluding food and energy stood at 3.3% year-on-year. On a monthly basis, core PCE increased by 0.2%, indicating that underlying price pressures remain above target, albeit with tentative signs of moderation. The data supports expectations that the Federal Reserve is likely to maintain a higher-for-longer interest rate stance, amid persistent inflationary pressures and elevated energy costs.

Euro Area

Euro Area consumer confidence remained subdued in May 2026, highlighting continued caution among households despite a modest improvement in sentiment. The European Commission's flash estimate shows the indicator rising to around -19.0 from -20.6 in April, though it remains well below its long-term average. While the uptick points to some stabilisation, sentiment is still weighed down by weak growth, elevated interest rates, and persistent geopolitical uncertainty. The deeply negative reading suggests households remain cautious, implying that private consumption may stay soft in the near term and continue to constrain the pace of economic recovery.

Asia

Japan's core Consumer Price Index (CPI), which excludes fresh food, remained subdued and below the Bank of Japan's 2% target. Core CPI rose about 1.4% year-on-year in April 2026, down from 1.8% in March, reflecting the dampening effects of government subsidies despite underlying pressures from imported costs, Yen weakness, and rising wages. While some price momentum persists, the overall inflation picture remains mixed. Against this backdrop, the Bank of Japan (BOJ) has maintained a cautious stance, reinforcing expectations of a gradual approach to policy normalisation.

Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD) Change
Ghana	GGSE	(0.76%)	63.96%
Nigeria	NGX ASI	0.27%	60.90%
Egypt	EGX 30	1.09%	25.89%
BRVM	ICXCOMP	0.30%	22.29%
Kenya	NSE 20	0.17%	11.23%
United States	S&P 500	1.58%	10.49%
Brazil	IBOV	(1.46%)	8.65%
United States	NASDAQ	2.37%	6.60%
Europe	STOXX 600	0.73%	5.45%
United States	Dow Jones	0.76%	5.42%
United Kingdom	FTSE 100	(0.17%)	4.98%
China	SHCOMP	(0.21%)	2.51%
Germany	DAX	1.97%	2.46%
France	CAC 40	1.27%	0.48%
South Africa	JALSH	0.91%	(0.67%)
India	SENSEX	0.91%	(10.97%)

*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 easing geopolitical tensions and optimism around US-Iran ceasefire negotiations reduced the risk premium in global energy markets. Brent crude declined by 9.63% week-on-week to US\$92.70/bbl, while Bonny Light crude remained flat at US\$111.54/bbl. Despite the weekly decline, oil prices remained significantly elevated on a year-to-date basis amid lingering Middle East supply risks and tighter global inventories.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD Change
Oil Crude – Bonny Light	US\$/bbl	111.54	0.00%	75.88%
Oil Crude – Brent	US\$/bbl	92.7	(9.63%)	52.34%
Copper	US\$/lb	6.396	1.62%	12.02%
Gold	US\$/lb	4,495.50	(1.03%)	3.18%
Compressed Natural Gas (CNG)	US\$/MMBtu	3.285	8.85%	(10.88%)
Coffee	US\$/lb	274.25	0.31%	(21.36%)
Cocoa	US\$/MT	4,099.00	8.81%	(32.42%)

Sources: Various Sources and United Capital Research

Outlook

Global markets are expected to remain cautious this week as investors focus on the May Nonfarm Payrolls report, Institute for Supply Management (ISM) Purchasing Managers' Index (PMI) readings, and ongoing US-Iran negotiations over the Strait of Hormuz. Any diplomatic breakthrough could pull oil prices lower, while a breakdown in talks risks a fresh spike that would reinforce the higher-for-longer inflation narrative. US equities may face continued headwinds from elevated Treasury yields. Meanwhile, emerging market assets are likely to remain under pressure from a stronger US Dollar and tighter global financial conditions, with any further rise in yields or Middle East escalation likely to amplify currency and capital flow pressures across vulnerable economies.

Select Sub-Saharan African Markets

Ghana

Ghana attracted over US\$2.61 billion in Foreign Direct Investment (FDI) in 2025 across 253 projects, reflecting improving investor confidence despite global uncertainties. According to the Ghana Investment Promotion Centre (GIPC), inflows were driven largely by petroleum investments, alongside growing activity in manufacturing and industry, with key contributions from China, India, Nigeria, the UAE, and the United Kingdom. This points to strengthening confidence in Ghana's economic recovery, supported by improving macroeconomic stability and a more stable exchange rate.

Kenya

Kenya's inflation rate accelerated to 5.6% in April 2026 from 4.4% in March 2026, the highest level since March 2024. The increase was largely driven by higher fuel prices amid Middle East tensions, which pushed transportation inflation to 10.0% from 3.8%, while food inflation also rose to 8.8% from 7.7%. Despite government measures to cushion fuel costs, inflationary pressures are expected to remain elevated in the near term.

South Africa

The South African Reserve Bank (SARB) raised its repo rate by 25 basis points to 7.0% at its May 2026 Monetary Policy Committee meeting, marking its first hike since 2023, with the prime rate rising to 10.5%. The decision followed an increase in inflation to 4.0% in April from 3.1% in March, largely driven by higher global energy prices linked to Middle East tensions. The SARB Governor Lesetja Kganyago cautioned that inflation risks had intensified, warning of potential second-round effects from overlapping global shocks. While inflation forecasts for 2026 and 2027 were revised upward, growth projections were lowered, reflecting weaker consumption, slowing investment, and persistent uncertainty. The move underscores SARB's focus on anchoring inflation expectations despite a fragile growth backdrop.

Outlook

African markets are expected to remain under pressure this week as the US-Iran conflict continues to weigh on the continent's disinflation progress. Eleven African central banks, including Nigeria, South Africa, Kenya, and Egypt, have already paused their rate-cutting cycles as higher fuel and food costs reintroduce inflation risks. A stronger US Dollar and rising Treasury yields are further tightening financial conditions and increasing the cost of external borrowing, with oil-importing economies remaining particularly exposed. The African Development Bank's 2026 African Economic Outlook, projects continental GDP growth of 4.2% for 2026, though with inflation expected to remain elevated at 10.4%, tighter global conditions continue to cloud the near-term outlook.

Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local Currencies)	YTD Change (Local Currencies)
Ghana	14,379.41	22.42	(0.76%)	63.96%
Nigeria	250,385.47	117.04	0.27%	60.90%
Tanzania	3,936.90	12.97	2.76%	42.54%
Tunisia	17,542.00	1,553	1.85%	30.42%
Egypt	52,658.75	71.92	1.09%	25.89%
BRVM	422.81	28.85	0.30%	22.29%

Kenya	3,491.20	26.52	0.17%	11.23%
Namibia	2,342.80	3.25	(0.56%)	9.43%
Mauritius	2,251.50	6.22	(2.02%)	6.26%
South Africa	115,096.47	1,528.79	0.91%	(0.67%)
Morocco	420.14	119.64	0.74%	(1.40%)

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	18.57	1.58%	19.19%
Nigeria	NGN: Naira	1,375.41	(0.23%)	5.03%
Namibia	NAD: Dollar	16.21	1.47%	2.12%
South Africa	ZAR: Rand	16.22	1.42%	2.12%
Angola	AOA: Kwanza	919.82	(0.00%)	(0.09%)
Guinea	GNF: Franc	8,764.50	0.00%	(0.18%)
Tunisia	TND: Dinar	2.89	0.47%	(0.32%)
Sierra Leone	SLL: Leone	24,126.00	(0.06%)	(0.35%)
Kenya	KES: Shilling	129.5	0.08%	(0.39%)
Morocco	MAD: Dirham	9.2	0.32%	(0.84%)
WAEMU	CFA: Franc	565	0.09%	(1.06%)
Mauritius	MUR: Rupee	47.55	(0.46%)	(2.73%)
Cameroun	XAF: Franc	574.28	(1.65%)	(2.79%)
Gabon	XAF: Franc	574.28	(1.65%)	(2.79%)
Liberia	LRD: Dollar	182.65	0.06%	(3.09%)
Uganda	UGX: Shilling	3,775.70	(0.00%)	(4.14%)
Tanzania	TZS: Shilling	2,615.00	(0.38%)	(5.93%)
Egypt	EGP: Pound	52.22	1.34%	(8.66%)
Ghana	GHS: Cedi	11.7	(1.28%)	(10.26%)

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	21.70%	0.15%	14.90%	6.65%	19.00%
Ethiopia*	-	-	11.70%	-	15.00%
Angola	22.00%	0.00%	11.58%	10.42%	17.00%
Rwanda	12.70%	0.00%	11.50%	1.20%	8.25%
Kenya	12.10%	0.17%	4.00%	7.93%	8.75%
Tanzania	11.80%	0.00%	4.00%	7.80%	5.75%

South Africa	8.45%	(0.32%)	4.00%	4.77%	7.00%
Mauritius	5.57%	0.08%	3.60%	1.89%	4.75%
Ghana	7.36%	0.00%	3.40%	3.96%	14.00%
Cameroon	8.50%	0.00%	2.50%	6.00%	4.75%
Gabon	6.29%	0.00%	2.10%	4.19%	4.75%
Congo	6.70%	0.00%	2.06%	4.64%	13.50%
Cote d'Ivoire	7.80%	0.00%	0.30%	7.50%	5.00%
Chad*	-	-	(3.00%)	-	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)

Burkina Faso

International Monetary Fund (IMF) staff and the Burkinabè authorities have concluded discussions under the 2026 Article IV Consultation. They also reached a staff-level agreement to complete the fifth review under the Extended Credit Facility (ECF), including a request to increase access by 50% of quota (SDR 60.2 million). This also covers the first review under the Resilience and Sustainability Facility (RSF). Burkina Faso's economy grew by 5.3% in 2025, supported by strong mining activity driven by elevated global gold prices. Fiscal discipline helped reduce the fiscal deficit from 5.8% of GDP in 2024 to 1.8% of GDP in 2025. However, rising global fertilizer and petroleum prices linked to Middle East tensions have weakened the near-term outlook, increasing pressure on the balance of payments and food security.

Senegal

Senegal is seeking a waiver from the IMF after previously debt obligations pushed the country's public debt level to 132% of GDP at the end of 2024, significantly above earlier estimates. The revelation led the IMF to freeze Senegal's US\$1.8 billion lending programme pending further review and corrective fiscal measures. Senegalese authorities are now working with the IMF to restore programme credibility through stronger fiscal transparency and revised debt reporting. It will also embark on reforms aimed at stabilising public finances and rebuilding investor confidence.

Outlook

WAEMU markets are expected to maintain their positive momentum this week. However, global headwinds from the US-Iran conflict and rising oil prices pose a growing risk to the region's low-inflation environment. The BRVM Composite Index has delivered a strong year-to-date gain of 19.35% as of mid-May 2026. This is supported by robust corporate earnings in Côte d'Ivoire, strong cocoa revenues, and increasing retail investor participation. The BCEAO cut its benchmark rate to 3.00% in March 2026, as regional inflation remained near zero in early 2026, providing a supportive backdrop for credit and investment activity. However, as an oil-importing bloc, WAEMU economies remain vulnerable to elevated energy prices feeding through to transport and food costs, which could reverse the region's remarkable disinflation progress. WAEMU governments are targeting 12.7 trillion CFA francs in bond issuances in 2026. Tighter global financial conditions driven by rising US Treasury yields may push borrowing costs higher as the year progresses, adding pressure to already elevated fiscal financing needs across the region.

Market Performance Snapshot

	Previous	Current	Weekly Change	YTD Change
BRVM	421.55	422.81	0.30%	22.29%
Currency (CFA: Franc)	565.5	565	(1.33%)	(1.15%)

Bond Yields in WAEMU Countries

Countries	Tenor	Bond Yield	Weekly Change	YTD Change
Guinea- Bissau	3 Year	8.00%	1.75%	1.00%
Ivory coast	5 Year	7.00%	1.15%	(0.46%)
Burkina Faso	5 Year	7.00%	1.00%	0.00%
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%

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

Nigeria's economy grew by 3.89% y/y in Q1 2026, higher than 3.13% in Q1 2025. Overall performance remained resilient despite mixed sectoral trends. Growth was largely driven by the non-oil sector, which expanded by 3.94% y/y and accounted for 96.08% of GDP. Key supports included telecoms, trade, agriculture, financial services, real estate, and construction. The oil sector grew by 2.57%, weighed by lower crude production but still contributing positively to output. Services led sectoral performance with 57.73% of GDP and 4.31% growth, while agriculture and industry grew by 3.15% and 3.50%, supported by refining, cement, construction, and financial services.

Equity Market

The Nigerian equities market closed positive during the week, with the NGX All-Share Index (NGX-ASI) rising by 0.27% week-on-week to 250,385.47 points from 249,712.37 points, bringing the year-to-date return to 60.90%. Sectoral performance was mixed, with the Oil & Gas Index leading gainers after advancing by 2.53% week-on-week, followed by the Insurance Index which gained 1.41%. On the downside, the Banking Index recorded the largest decline, falling by 2.43%, while the Consumer Goods and Industrial Goods indices declined by 1.52% and 0.05%, respectively. Overall, market performance reflected selective buying interest across oil & gas and insurance counters amid profit-taking in banking and consumer stocks.

Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD Change
NGX-ASI	250,385.47	0.27%	60.90%
Oil/Gas Index	5,979.61	2.53%	123.94%
Industrial Goods Index	12,246.58	(0.05%)	115.74%
Banking Index	2,358.17	(2.43%)	55.57%
Consumer Goods Index	4,904.64	(1.52%)	23.37%
Insurance Index	1,263.03	1.41%	6.20%

Sources: NGX and United Capital Research

Fixed Income and Money Market

The fixed income market reflected a mixed but generally cautious mood during the week. Yields showed divergent movements across money market and bond instruments amid uneven investor demand. In the money market, the Overnight (O/N) rate edged slightly higher to 22.19% from 22.18%, while the Open Repo Rate (OPR) remained unchanged at 22.00%, indicating relatively stable system liquidity conditions. The Nigerian Treasury Bill (NTB) yields showed mixed movements. The 91-day NTB rose marginally to 16.63% from 16.56%, the 182-day NTB declined to 17.35% from 17.58%, and the 364-day NTB increased to 19.04% from 18.81%. All these reflected uneven demand across maturities. In the bond market, performance was also mixed. The 3-year bond edged slightly higher to 16.24% from 16.23%, while the 5-year bond declined to 17.01% from 17.22%. The 7-year bond increased to 17.09% from 17.00%, whereas the 10-year bond remained unchanged at 14.96%, suggesting relatively stable demand at the long end of the curve. Overall, market activity reflected a cautious and selective investor stance. Yields adjusted unevenly across maturities rather than moving uniformly higher, indicating differentiated demand conditions across both the money market and sovereign yield curve.

Fixed Income Securities Rates

	Yield	Weekly Change	Year-To-Date Change
Overnight Rate (O/N)	22.19%	0.01%	(0.56%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	16.63%	0.07%	0.33%
182-Day NTB	17.35%	(0.23%)	0.65%
364-Day NTB	19.04%	0.23%	(0.55%)

Bond Market Rates

Bond	Yield	Weekly Change	Year-to-Date Change
3 Years	16.24%	0.01%	(0.67%)
5 Years	17.01%	(0.21%)	(0.10%)
7 Years	17.09%	0.09%	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 mixed this week. Recent sessions have been marked by profit-taking in banking names, with First Holdco, GTCO, and Access Holdings among the decliners as investors lock in gains. Investor sentiment in the week ahead will be shaped by Naira stability, and the broader global risk environment.

Fixed Income Market

Nigeria's fixed income market is expected to remain under modest pressure this week. In the FGN bond secondary market, average yields have edged up to around 16.11% as institutional investors reduce exposure to longer-dated maturities. Demand remains concentrated at the short end of the curve, with the 364-day Treasury bill yielding approximately 16.15% following strong oversubscription at the May auction.

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
Access Holdings Plc	24.05	40.75	69%
C & I Leasing Plc	6.1	10	64%
International Breweries	12.65	20	58%
Transcorp Power Plc	245.5	365	49%
United Bank for Africa Plc	44.5	62.64	41%
MTN Nigeria	820	1,100	34%
Transnational Corporation	46	60	30%
AXA Mansard Insurance	13.5	17.5	30%
FCMB Group Plc	11.7	15	28%
Geregu Power Plc	1,132.50	1,440	27%
Sterling Financial Holdings	7.9	10	27%
Nigerian Breweries Plc	83.6	105	26%
FIRST HOLDCO PLC	70	84.75	21%
Cadbury Nigeria Plc	69	80	16%

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