

Weekly Investment Views

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Global Markets

United States

The US Federal Reserve kept its policy rate unchanged at 3.50%-3.75% for a fourth consecutive meeting in June, in line with expectations. Updated projections revealed a divided policy stance, with some officials still expecting further rate hike this year. While the Fed lowered its 2026 growth forecast to 2.2%, it raised inflation projections sharply for both 2026 and 2027. PCE inflation was revised to 3.6% from 2.7% for 2026. For 2027, it was raised to 3.3% from 2.7%. Policymakers noted that economic activity and labour market conditions remain resilient despite elevated uncertainty linked partly to Middle East tensions. The revised outlook suggests rates may remain higher for longer, supporting the US Dollar and potentially tightening financing conditions for emerging markets.

Euro Area

Euro Area construction output rose by 0.9% year-on-year in April 2026, accelerating from a revised 0.2% increase in March. Growth was driven by stronger specialised construction activities, while building construction remained weak despite a slower rate of contraction. Construction activity improved in Germany and Spain but remained subdued across several major economies, including France and the Netherlands. Construction is a key indicator of investment, infrastructure development, and broader economic activity. The increase suggests improving business confidence and underlying growth momentum across the region.

Asia

In Asia, the Bank of Japan raised its key interest rate by 0.25% to 1.0% at its June meeting. This is the highest level since 1995 and in line with market expectations. The move was aimed at limiting inflationary pressures from rising energy costs linked to the Middle East conflict. Policymakers warned that underlying inflation could exceed the 2% target but maintained that financial conditions would remain accommodative to support economic activity. The decision reinforces Japan's gradual policy normalisation path and could support the Yen while modestly tightening domestic financing conditions.

Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD) Change
Ghana	GGSE	2.15%	67.70%
Nigeria	NGX ASI	(3.59%)	51.62%
BRVM	ICXCOMP	0.48%	26.88%
Egypt	EGX 30	3.55%	25.80%
Kenya	NSE 20	1.84%	14.98%
United States	S&P 500	1.44%	9.57%
Europe	STOXX 600	2.51%	7.48%
United States	Dow Jones	1.41%	7.28%
United States	NASDAQ	2.74%	5.02%
United Kingdom	FTSE 100	0.93%	4.72%
Brazil	IBOV	(1.88%)	4.44%
France	CAC 40	1.40%	3.91%
China	SHCOMP	2.60%	3.06%
Germany	DAX	3.38%	2.19%
South Africa	JALSH	2.02%	(0.75%)
India	SENSEX	4.85%	(9.17%)

*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 sharply during the week. This was as concerns over potential supply disruptions from the Middle East eased, reducing the geopolitical risk premium embedded in prices. Brent crude fell by 11.65% week-on-week to US\$79.85/bbl, while Bonny Light remained unchanged at US\$96.75/bbl. The decline was further supported by expectations of adequate global supply and a lack of significant disruptions to key oil transit routes despite ongoing regional tensions.

Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD Change
Oil Crude – Bonny Light	US\$/bbl	96.75	0.00%	52.55%
Oil Crude – Brent	US\$/bbl	79.85	(11.65%)	31.22%
Copper	US\$/lb	6.37	(0.31%)	11.65%
Gold	US\$/lb	4,210.00	(0.72%)	(3.38%)
Compressed Natural Gas (CNG)	US\$/MMBtu	3.23	5.00%	(12.29%)
Coffee	US\$/lb	265.86	4.03%	(23.77%)
Cocoa	US\$/MT	4,253.80	12.00%	(29.86%)

Sources: Various Sources and United Capital Research

Outlook

This week, global markets are expected to trade with cautious optimism following a turbulent first half of the year, with attention shifting to the durability of the US–Iran interim peace agreement and its impact on oil supply. The Federal Open Market Committee (FOMC) has signalled a more hawkish outlook, with higher inflation projections and a growing split among officials on the likelihood of further rate hikes. In Europe, markets are now focused on how Euro Area assets adjust alongside the policy rate increase by the European Central Bank (ECB) and Fed guidance. A widening rate differential may continue to support the US Dollar and maintain pressure on emerging-market currencies. In oil markets, focus will be on the pace of implementation of the peace agreement and whether supply normalisation leads to further price moderation. In Japan, attention will be on whether equities can maintain momentum amid shifting currency and energy dynamics. Overall, sentiment will be shaped by confidence in the stability of the Iran agreement. Continued de-escalation will likely support risk assets and ease inflation pressures, while any disruption could quickly reverse recent market gains.

Select Sub-Saharan African Markets

South Africa

South Africa's annual inflation rate accelerated to 4.5% in May 2026 from 4.0% in April 2026. This was driven largely by higher fuel costs amid rising geopolitical tensions in the Middle East. Consumer prices also increased by 0.7% month-on-month, reflecting broader cost pressures across the economy. The uptick suggests inflation risks remain elevated and may limit the scope for monetary policy easing in the near term. Higher inflation could also weigh on household purchasing power and consumer spending if price pressures persist.

Rwanda

Rwanda's economy grew by 10.0% year-on-year in Q1 2026, higher than the 6.5% recorded in Q1 2025 and the strongest Q1 performance since 2022. However, it remains one of the fastest growth rates in the region. Growth was driven by strong performances in services, industry, and agriculture. However, activity in the hospitality and health sectors remained weak. The strong annual expansion highlights Rwanda's resilient economic momentum and supports its medium-term growth outlook.

Namibia

The Bank of Namibia raised its policy rate by 0.25% to 6.75% in June 2026, citing rising inflationary pressures. The Bank also cited the need to protect the currency peg with the South African Rand. The decision followed a second consecutive increase in inflation, which reached 4.1% in May 2026, its highest level since March 2025. Policymakers also revised inflation forecasts higher for 2026 and 2027 due to elevated oil prices and other upside risks. Inflation outlook has been revised up to 4.0% in 2026 (vs 3.7%) and 3.6% in 2027 (vs 3.4%). While economic growth is expected to remain modest at 2.6% this year, the rate hike underscores the central bank's focus on maintaining price and exchange rate stability.

Outlook

African markets are expected to trade more steadily this week as easing Middle East tensions and lower oil prices reduce the recent risk premium. Although, earlier energy-driven inflation pressures will continue to influence policy outlooks. With Brent crude easing sharply, inflation pressures may moderate, potentially reducing the need for further tightening. Namibia also hiked its repo rate, reflecting imported inflation pressures tied to energy costs and its currency peg to South Africa. In Rwanda, while growth remains strong, the Central Bank is likely to remain cautious, though lower oil prices could gradually ease imported inflation pressures. Overall, the region remains exposed to oil-driven inflation dynamics. However, the recent decline in crude prices is broadly supportive. This will help ease near-term inflation risks and reduce the likelihood of further aggressive policy tightening, provided the geopolitical de-escalation holds.

Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local Currencies)	YTD Change (Local Currencies)
Ghana	14,708.07	25.43	2.15%	67.70%
Nigeria	235,941.27	111.95	(3.59%)	51.62%
Tanzania	3,950.10	13.04	1.37%	43.02%
Tunisia	18,520.00	15.76	0.43%	37.70%
BRVM	438.68	29.47	0.48%	26.88%
Egypt	52,621.84	74.86	3.55%	25.80%

Kenya	3,608.70	28.11	1.84%	14.98%
Namibia	2,411.60	3.0911	2.23%	12.64%
Mauritius	2,171.80	5.95	0.05%	2.50%
South Africa	114,997.71	1500.14	2.02%	(0.75%)
Morocco	410.28	111.94	4.12%	(3.72%)

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	17.9	(2.68%)	23.63%
Nigeria	NGN: Naira	1,363.30	(0.09%)	5.96%
South Africa	ZAR: Rand	16.44	(0.96%)	0.75%
Namibia	NAD: Dollar	16.45	(1.05%)	0.67%
Angola	AOA: Kwanza	919.82	(0.20%)	(0.09%)
Guinea	GNF: Franc	8,761.00	(0.01%)	(0.14%)
Sierra Leone	SLL: Leone	24,108.10	0.16%	(0.28%)
Kenya	KES: Shilling	129.45	0.15%	(0.35%)
Uganda	UGX: Shilling	3,652.43	3.02%	(0.90%)
Tunisia	TND: Dinar	2.94	(0.73%)	(1.79%)
WAEMU	CFA: Franc	570	(0.35%)	(1.93%)
Morocco	MAD: Dirham	9.32	(0.72%)	(2.14%)
Mauritius	MUR: Rupee	47.5	0.78%	(2.63%)
Liberia	LRD: Dollar	182.37	0.15%	(2.94%)
Cameroun	XAF: Franc	578.98	(0.52%)	(3.58%)
Gabon	XAF: Franc	578.98	(0.52%)	(3.58%)
Egypt	EGP: Pound	49.92	4.14%	(4.45%)
Ghana	GHS: Cedi	11.2	(0.89%)	(6.25%)
Tanzania	TZS: Shilling	2,630.50	(0.40%)	(6.48%)

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	16.79%	1.84%	15.93%	0.86%	26.50%
Egypt	22.35%	0.21%	14.60%	7.75%	19.00%
Angola	19.80%	0.00%	10.88%	8.92%	17.00%
Ethiopia*	-	-	13.40%	0.00%	15.00%
Ghana	7.36%	0.00%	3.70%	3.66%	14.00%
Congo	6.50%	(0.20%)	2.06%	4.44%	13.50%
Kenya	12.14%	(0.06%)	6.70%	5.44%	8.75%

Rwanda	12.70%	0.00%	12.30%	0.40%	8.25%
South Africa	8.44%	(0.17%)	4.50%	3.94%	7.00%
Tanzania	12.00%	0.00%	4.20%	7.80%	5.75%
Cote d'Ivoire	7.80%	0.00%	0.30%	7.50%	5.00%
Cameroon	8.50%	(0.20%)	2.70%	5.80%	4.75%
Gabon	9.70%	3.41%	2.10%	7.60%	4.75%
Mauritius	5.53%	(0.02%)	4.30%	1.23%	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 WAEMU confirmed the alignment of its rules of origin framework with the Harmonized Commodity Description and Coding System (HS) 2022 classification system. This is the latest international standard used to classify traded goods for customs and tariff purposes. The reform is expected to simplify product classification, reduce trade disputes, and improve customs compliance and revenue collection across member states. This development should facilitate smoother cross-border trade, enhance trade transparency, and strengthen the effectiveness of the WAEMU customs union over the medium term.

Côte d'Ivoire

On 16 June 2026, Côte d'Ivoire raised FCFA 110 billion on the WAEMU regional financial market through a simultaneous issuance of Treasury Bills and Bonds. The auction attracted FCFA 157.61 billion in total bids against an initial target of 100 billion, translating to a strong 1.58x subscription rate. The issuance comprised 364-day Treasury Bills, where only FCFA 10 billion was retained from FCFA 45 billion in bids. This highlights the Treasury's selective approach, alongside 3-year Treasury Bonds with a 5.20% coupon rate and a weighted average yield of 6.56%, and 5-year Treasury Bonds with a 5.45% coupon rate and a weighted average yield of 7.06%. The successful issuance underscores continued investor confidence in Côte d'Ivoire's economic outlook and its position as a key borrower in the regional debt market. Furthermore, the strong oversubscription reflects ample liquidity within the WAEMU financial system, as governments increasingly rely on domestic funding sources to meet fiscal needs.

Outlook

WAEMU markets are expected to remain broadly positive in the week ahead. Performance will be supported by solid regional fundamentals and a more favourable external environment following the easing of Middle East tensions and lower oil prices. The Central Bank of West African States (BCEAO)'s policy rate continues to provide an accommodative monetary backdrop. Inflation remains contained, though it is expected to edge higher, with energy prices and geopolitical risks still representing key upside pressures. The recent decline in oil prices should ease external cost pressures and reinforce the case for sustained monetary accommodation. Equity market activity on the BRVM is expected to remain thin but selective, with investor interest concentrated in banking, telecoms, and logistics stocks. Overall, easing oil-related pressures provide near-term macroeconomic support, though sensitivity to global commodity cycles and any reversal in geopolitical conditions remains a key risk for the region.

Market Performance Snapshot				
	Previous	Current	Weekly Change	YTD Change
BRVM	436.6	438.68	0.48%	26.88%
Currency (CFA: Franc)	568	570	(0.35%)	(1.93%)
Bond Yields in WAEMU Countries				
Countries	Tenor	Bond Yield	Weekly Change	YTD Change
Niger	5 Year	10.00%	0.00%	3.73%
Mali	3 Year	7.00%	1.00%	1.00%
Guinea- Bissau	3 Year	8.00%	0.00%	1.00%
Burkina Faso	5 Year	7.00%	0.00%	0.00%
Togo	5 Year	6.00%	(1.00%)	0.00%
Senegal	5 Year	6.00%	(1.00%)	0.00%
Ivory coast	5 Year	7.00%	0.00%	(0.46%)
Benin	2 Year	6.00%	0.00%	(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%
Benin	0.30%	3.00%
Ivory coast	(0.70%)	3.00%
Guinea- Bissau	(2.50%)	3.00%
Niger	(7.50%)	3.00%

Sources: Various Sources and United Capital Research

Domestic Economy

Inflation rose to 15.93% in May 2026, up slightly from 15.69% in April 2026. This was broadly in line with United Capital Research's forecast of 15.94%. This marks the third consecutive monthly increase in headline inflation this year. Food inflation accelerated to 16.96%, remaining above headline inflation, driven by higher prices of key food item staples. Core inflation also rose to 16.82%, indicating strengthening underlying price pressures beyond food and energy. The persistent inflation trend suggests a cautious fixed income market outlook, with yields likely to remain responsive to inflation dynamics and investor return expectations.

Equity Market

The Nigerian equities market closed the week on a negative note, with the NGX All-Share Index (NGX-ASI) falling by 3.59% week-on-week to 235,941.27 points from 244,738.74 points. Consequently, the year-to-date return moderated to 51.62%. Sectoral performance was broadly negative, as all five major indices under our coverage closed in the red. The Banking Index recorded the steepest decline, falling 10.49% week-on-week, followed by the Insurance Index, which lost 7.22%. Similarly, the Industrial Goods Index declined by 4.11%, while the Consumer Goods Index shed 1.61%. The Oil and Gas Index recorded the least loss, declining by 1.06%. Overall, market sentiment remained cautious during the week as investors continued to rebalance portfolios and take profits in some previously strong-performing counters. Nevertheless, the market continues to maintain a solid year-to-date return, supported by sustained domestic participation and continued interest in fundamentally sound stocks.

Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD Change
NGX-ASI	235,941.27	(3.59%)	51.62%
Oil/Gas Index	5,637.73	(1.06%)	111.13%
Industrial Goods Index	11,114.23	(4.11%)	95.79%
Banking Index	2,058.07	(10.49%)	35.77%
Consumer Goods Index	4,696.54	(1.61%)	18.14%
Insurance Index	1,168.47	(7.22%)	(1.75%)

Sources: NGX and United Capital Research

Fixed Income and Money Market

The fixed income market was mostly bearish during the week, with yields exhibiting mixed but generally upward movements across the curve. In the money market, liquidity conditions remained broadly stable. The Overnight (O/N) rate increased by 0.15% to 22.19%, while the Open Repo Rate (OPR) remained unchanged at 22.00%. Across the Nigerian Treasury Bill (NTB) curve, performance was mostly bearish. Only the 364-day NTB yield eased by 0.23% to 19.27%, suggesting demand at the long end. Conversely, the 91-day and 182-day NTB yields increased by 0.49% and 0.27% to 16.84% and 17.88% respectively, indicating weaker demand for short- and medium-term papers. In the bond market, yields were higher across board. The 3-year and 5-year bond yields increased marginally by 0.14% and 0.04% to 17.13% and 17.64% respectively. The 7-year and 10-year bond yields increased by 0.35% and 1.83% to 17.38% and 16.79%. This highlights shifting investor positioning and short-term market re-pricing. Overall, fixed income trading this week reflected a cautious market environment, with investors adjusting portfolio positions amid evolving yield expectations and selective demand across maturities.

Fixed Income Securities Rates

	Yield	Weekly Change	Year-To-Date Change
Overnight Rate (O/N)	22.19%	0.15%	(0.56%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	16.84%	0.49%	0.54%
182-Day NTB	17.88%	0.27%	1.18%
364-Day NTB	19.29%	(0.23%)	(0.30%)

Bond Market Rates

Bond	Yield	Weekly Change	Year-to-Date Change
3 Years	17.13%	0.14%	0.22%
5 Years	17.64%	0.04%	0.53%
7 Years	17.38%	0.35%	0.32%
10 Years	16.79%	1.83%	(0.02%)

Sources: FMDQ and United Capital Research

Outlook

Equity Market

Recent market pullbacks may create opportunities for bargain hunting. The Relative Strength Index (RSI) shows the index is already in the oversold region. In addition, easing geopolitical tensions following the US-Iran peace agreement could support global risk appetite and capital flows into frontier markets. Domestic fundamentals remain supportive, with external reserves above \$50 billion. The government's decision not to introduce new taxes on telecommunications services and petroleum products is also helping to support business activity. However, investors will continue to monitor oil prices, exchange rate movements, and fixed-income yields for direction. Overall, market activity is expected to be driven by a mix of bargain hunting and profit-taking.

Fixed Income Market

The Nigerian fixed income market is expected to maintain a cautious-to-bearish tone in the week ahead, with yields likely to remain elevated across the curve as the market continues to adjust. This repricing trend has already been evident in recent NTB auctions, where stop rates rose across all tenors, led by the 364-day bill, which continues to attract strong subscription despite higher yields. In the week ahead, investor positioning is expected to remain defensive, with preference for short- to mid-dated instruments. However, demand for longer tenors stays more selective amid uncertainty around the inflation path. The 364-Day NTB is likely to remain the key focus for yield-seeking investors. Overall, the market is expected to remain yield-driven, with continued upward pressure across the curve as inflation and policy uncertainty persist.

Dividend Announcements

S/N	Company	Final Dividend (N)	Bonus	Qualification Date	Payment Date
1	Mecure Industries	0.32	-	Apr 23, 2026	TBA
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	10.8	20	85%
Access Holdings	22.8	40.75	79%
C & I Leasing	6	10	67%
United Bank for Africa	39.5	62.64	59%
Transcorp Power	245.5	365	49%
Transnational Corporation	44	60	36%
Geregu Power	1,019.30	1,440	41%
First HoldCo	55	84.75	54%
MTN Nigeria	800	1,100	38%
FCMB Group	10.9	15	38%
AXA Mansard Insurance	12.85	17.5	36%
Nigerian Breweries	79	105	33%
Mutual Benefits Assurance	3.7	4.9	32%
Sterling Financial Holdings	7.75	10	29%
Cadbury Nigeria	62.1	80	29%
AICO Insurance	4	5	25%
Dangote Cement	1,070	1,250	17%

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