

# Weekly Investment Views

A Publication of United Capital Research

June 29 - July 03, 2026



## Global Markets

### United States

The United States' Personal Consumption Expenditures (PCE) Price Index, the Federal Reserve's preferred measure of inflation, rose to 4.1% year-on-year in May 2026. This is an acceleration from 3.8% in April 2026, marking its highest level since April 2023 and matching market expectations. Core PCE inflation, which excludes volatile food and energy prices, rose slightly to 3.4% in May 2026 from 3.3% in April 2026. The continued increase in both headline and core inflation suggests underlying price pressures remain elevated. This reinforces expectations that the Federal Reserve will maintain a cautious stance on interest rate cuts. This could keep global financial conditions tighter for longer and support higher US Treasury yields and the US Dollar.

### Euro Area

The Euro Area Services Purchasing Managers' Index (PMI) Business Activity Index rose to 48.9 points in June 2026 from 47.7 points in May 2026. This is the highest level in three months and above market expectations of 48.5 points. This reading signals a slower decline in services activity as business conditions continue to stabilise. If sustained, the improving trend could support economic activity in the Euro Area and strengthen expectations that the European Central Bank (ECB) will consider easing monetary policy as inflationary pressures moderate.

### Asia

In Asia, Japan's S&P Global Composite Purchasing Managers' Index (PMI) rose to 52.5 points in June 2026 from 51.1 points in May 2026. This marks the highest level since March and the 15th consecutive month of private sector expansion. The improvement was driven by the strongest manufacturing output growth since January 2022, alongside continued expansion in the services sector. This development points to continued resilience in Japan's economy, but persistent cost pressures and weaker business sentiment could temper the pace of future growth.

### Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD)
Ghana	GGSE	0.25%	68.12%
Nigeria	NGX ASI	(1.65%)	49.12%
BRVM	ICXCOMP	1.80%	29.16%
Egypt	EGX 30	(2.24%)	22.98%
Kenya	NSE 20	3.73%	19.26%
United States	Dow Jones	0.69%	8.03%
Europe	STOXX 600	0.48%	8.00%
United States	S&P 500	(1.91%)	7.48%
Brazil	IBOV	2.21%	6.74%
United Kingdom	FTSE 100	1.25%	6.03%
China	SHCOMP	0.73%	3.82%
France	CAC 40	(0.43%)	3.46%
Germany	DAX	(0.13%)	2.06%
United States	NASDAQ	(4.37%)	0.43%
South Africa	JALSH	(3.56%)	(4.29%)
India	SENSEX	(0.40%)	(9.53%)

\*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 further during the week as easing geopolitical tensions in the Middle East weighed on prices. Brent crude fell by 5.04% week-on-week to US\$75.50/bbl, while Bonny Light declined by 10.93% to US\$72.70/bbl. The bearish sentiment was further reinforced by expectations of ample global oil supply, including anticipated output increases from OPEC+. Also, concerns that softer global economic growth could dampen crude demand in the coming months supported performance.

## Weekly Commodities Price Monitor

Commodity	Unit Price	Price (US\$)	Weekly Change	YTD
Oil Crude – Brent	US\$/bbl	75.5	(5.04%)	24.08%
Oil Crude – Bonny Light	US\$/bbl	72.7	(10.93%)	14.63%
Copper	US\$/lb	6.14	(3.88%)	7.50%
Gold	US\$/lb	4,047.60	(4.67%)	(7.10%)
Compressed Natural Gas (CNG)	US\$/MMBtu	3.3	0.58%	(10.61%)
Cocoa	US\$/MT	5,247.00	23.84%	(13.49%)
Coffee	US\$/lb	276.4	1.66%	(20.75%)

Sources: Various Sources and United Capital Research

### Outlook

Global markets are expected to remain cautiously optimistic in the week ahead. Markets will be supported by the improving prospects for a lasting US-Iran peace agreement and resilient economic fundamentals. Markets will also be supported by the resilient economic data from the US and Asia, and improving business confidence in Europe, despite the geopolitical risks. Eyes will particularly be on the security situation around the Strait of Hormuz, where any renewed disruption could trigger risk aversion. Meanwhile, the Federal Reserve's hawkish stance is expected to keep the US Dollar and Treasury yields elevated, potentially weighing on emerging market assets. In oil markets, Brent crude is likely to remain under pressure. This will be on the back of easing geopolitical tensions, recovering Persian Gulf exports and expectations of a global supply surplus improve the supply outlook. However, prices are expected to remain highly sensitive to geopolitical developments.

### Select Sub-Saharan African Markets

#### South Africa

South Africa's Producer Price Index (PPI) accelerated to 7.8% year-on-year in May 2026 from 4.8% in April 2026. This was driven mainly by higher prices for petroleum, chemical, rubber and plastic products. On a monthly basis, producer prices rose 2.6%, reflecting broad-based cost pressures although agricultural producer prices remained below year-earlier levels. The sharp increase in producer inflation suggests rising input costs for businesses, which could eventually feed into consumer prices and complicate the South African Reserve Bank's (SARB) efforts to ease monetary policy.

#### Egypt

Egypt's economy grew by 5.0% year-on-year in Q3 of fiscal year 2025/2026, up from 4.8% in the corresponding period a year earlier. The stronger-than-expected performance came despite regional geopolitical tensions, global supply chain disruptions and higher oil prices. The resilient growth highlights the economy's ability to withstand external shocks and could support investor confidence. Sustaining this momentum, however, will depend on continued macroeconomic stability and easing external risks.

#### Ghana

Ghana's Prime Building Cost Index (PBCI) inflation rose to 2.7% year-on-year in May 2026 from 2.2% in April 2026, indicating a modest increase in construction costs. However, the rate remained significantly lower than 22.0% recorded in May 2025. This reflects a substantial easing in cost pressures across the building and construction sector. The moderation in construction inflation is expected to support investment and infrastructure development. This also signals broader progress in stabilising inflation across the economy.

### Outlook

African markets are expected to trade cautiously in the week ahead. Oil prices, geopolitical developments and global financial conditions still remain the key drivers of sentiment. The recent decline in Brent crude prices should provide some relief for oil-importing economies by easing imported inflation and reducing pressure on external balances. However, inflation risks remain elevated due to lingering energy costs and supply chain disruptions. This could prompt central banks to balance supporting economic growth with containing price pressures. Markets will also monitor developments in major economies such as South Africa and Kenya for further policy signals.

## Pan African Stock Market Monitor

Market	Index	Market Cap (\$'bn)	WTD (Local Currencies)	YTD (Local Currencies)
Ghana	14,744.72	25.49	0.25%	68.12%
Nigeria	232,049.02	110.1	(1.65%)	49.12%
Tanzania	4,025.11	13.29	1.90%	45.74%
Tunisia	19,553.54	16.64	5.58%	45.38%
BRVM	446.57	30	1.80%	29.16%
Egypt	51,443.07	73.18	(2.24%)	22.98%

Kenya	3,743.18	29.16	3.73%	19.26%
Namibia	2,322.90	2.98	(3.68%)	8.50%
Mauritius	2,244.43	6.15	3.34%	5.93%
South Africa	110,900.74	1446.74	(3.56%)	(4.29%)
Morocco	403.79	110.17	(1.58%)	(5.24%)

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	18.15	(1.38%)	21.93%
Nigeria	NGN: Naira	1,380.11	(1.22%)	4.67%
Namibia	NAD: Dollar	16.49	(0.27%)	0.40%
South Africa	ZAR: Rand	16.5	(0.37%)	0.38%
Sierra Leone	SLL: Leone	23,975.90	0.55%	0.27%
Angola	AOA: Kwanza	918.75	0.12%	0.03%
Guinea	GNF: Franc	8,762.50	(0.02%)	(0.16%)
Kenya	KES: Shilling	129.55	(0.08%)	(0.42%)
Uganda	UGX: Shilling	3,702.14	(1.34%)	(2.23%)
Tunisia	TND: Dinar	2.96	(0.64%)	(2.42%)
Liberia	LRD: Dollar	182.06	0.17%	(2.78%)
WAEMU	CFA: Franc	575.07	(0.88%)	(2.79%)
Morocco	MAD: Dirham	9.41	(0.96%)	(3.08%)
Egypt	EGP: Pound	49.52	0.81%	(3.68%)
Cameroun	XAF: Franc	581.24	(0.39%)	(3.96%)
Gabon	XAF: Franc	581.24	(0.39%)	(3.96%)
Mauritius	MUR: Rupee	48.19	(1.43%)	(4.03%)
Tanzania	TZS: Shilling	2,622.50	0.31%	(6.20%)
Ghana	GHS: Cedi	11.23	(0.22%)	(6.46%)

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	17.55%	0.76%	15.93%	1.62%	26.50%
Egypt	22.50%	0.15%	14.60%	7.90%	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%	0.00%	2.06%	4.44%	13.50%
Kenya	12.32%	0.18%	6.70%	5.62%	8.75%

Rwanda	13.00%	0.30%	12.30%	0.70%	8.25%
South Africa	8.37%	(0.06%)	4.50%	3.87%	7.00%
Tanzania	11.75%	(0.25%)	4.20%	7.55%	5.75%
Cote d'Ivoire	7.80%	0.00%	1.40%	6.40%	5.00%
Cameroon	8.50%	0.00%	2.70%	5.80%	4.75%
Gabon	8.50%	(1.20%)	2.10%	6.40%	4.75%
Mauritius	5.53%	0.00%	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 Qatar Chamber held discussions with diplomats from Mali, Niger and Burkina Faso to strengthen trade and investment cooperation. Both sides highlighted opportunities to expand private sector partnerships and increase Qatari investment across key sectors. The talks focused on improving commercial ties, showcasing the investment climate in the three West African countries and encouraging business-to-business collaboration. The engagement reflects growing interest from Gulf investors in West Africa and could help attract foreign direct investment into the region. This engagement could also boost trade and support economic diversification in the three countries.

### Burkina Faso

The International Islamic Trade Finance Corporation (ITFC) signed a US\$1.0 billion five-year framework agreement with the Government of Burkina Faso. The agreement builds on a previous EUR900 million financing programme signed in 2023, which is nearly fully implemented. The additional funding is expected to strengthen trade, improve energy security, support agricultural production and encourage private sector growth. Looking ahead, successful implementation could boost Burkina Faso's economic resilience, attract further development financing. It can also support stronger medium-term growth despite ongoing regional security and economic challenges.

### Outlook

WAEMU markets are expected to maintain a positive tone in the week ahead. Markets will be supported by accommodative monetary policy, contained inflation and resilient regional economic fundamentals. The recent hold in the Central Bank of West African States (BCEAO)'s policy rate and continued healthy demand for regional government securities should support liquidity and investment activity. Meanwhile, banking, telecommunications and consumer goods stocks are likely to remain in focus. The recent decline in oil prices also provides relief for the region's predominantly oil-importing economies by easing inflationary pressures and supporting consumer purchasing power. However, market sentiment will remain sensitive to global geopolitical developments. Any renewed surge in energy prices or deterioration in external conditions posing risks to inflation, fiscal balances and investor confidence.

## Market Performance Snapshot

	Previous	Current	Weekly Change	YTD
BRVM	438.68	446.57	1.80%	29.16%
Currency (CFA: Franc)	570	575.07	(0.88%)	(2.79%)

## Bond Yields in WAEMU Countries

Countries	Tenor	Bond Yield	Weekly Change	YTD
Togo	5 Year	6.00%	0.00%	0.00%
Senegal	5 Year	6.00%	0.00%	0.00%
Burkina Faso	5 Year	7.00%	0.00%	0.00%
Mali	3 Year	7.00%	0.00%	1.00%
Benin	2 Year	6.00%	0.00%	(1.00%)
Ivory coast	5 Year	7.00%	0.00%	(0.46%)
Guinea- Bissau	3 Year	8.00%	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
Ivory coast	1.40%	3.00%
Senegal	1.30%	3.00%
Mali	1.30%	3.00%
Togo	0.40%	3.00%
Burkina Faso	(0.40%)	3.00%
Benin	(0.70%)	3.00%
Guinea- Bissau	(2.50%)	3.00%
Niger	(4.80%)	3.00%

Sources: Various Sources and United Capital Research

### Domestic Economy

Nigeria's broad money supply (M3) rose to ₦129.21 trillion in May 2026, from ₦124.99 trillion in April 2026 and ₦123.36 trillion in January. This represents a ₦5.85 trillion increase over the first five months of the year. On a year-on-year basis, M3 expanded by 8.6% from ₦119.01 trillion in May 2025, reflecting sustained growth in liquidity within the financial system. The expansion was largely driven by a sharp increase in net domestic assets, which rose to ₦102.26 trillion in May 2026. Looking ahead, with inflationary pressures still elevated, the Central Bank of Nigeria is likely to maintain a cautious monetary policy stance. The Apex Bank will rely on liquidity management tools to contain excess liquidity and maintain exchange rate stability.

### Equity Market

The Nigerian equities market closed the week on a negative note, with the NGX All-Share Index (NGX-ASI) falling by 1.65% week-on-week to 232,049.02 points. Consequently, the year-to-date return moderated to 49.12%. Sectoral performance was mostly negative, as four out of the five major indices under our coverage closed in the red. The Oil & Gas Index recorded the steepest decline, falling 9.86% week-on-week, followed by the Industrial Goods Index, which lost 8.21%. Similarly, the Insurance Index declined by 4.39%, while the Consumer Goods Index shed 1.53%. The Banking Index was the sole gainer, rising by 3.51%. Overall, market sentiment remained cautious during the week as investors continued to rebalance portfolios and take profits in some previously strong-performing stocks. The current market condition provides strong opportunities for investors to re-enter.

## Nigerian Equity Market Performance

Index	Close Price	Weekly Change	YTD
NGX-ASI	232,049.02	(1.65%)	49.12%
Oil/Gas Index	5,081.62	(9.86%)	90.31%
Industrial Goods Index	10,201.73	(8.21%)	79.72%
Banking Index	2,130.27	3.51%	40.53%
Consumer Goods Index	4,624.77	(1.53%)	16.33%
Insurance Index	1,117.15	(4.39%)	(6.07%)

Sources: NGX and United Capital Research

### Fixed Income and Money Market

The fixed income market was bearish during the week, with yields exhibiting upward movements across the curve. In the money market, liquidity conditions remained broadly stable. The Overnight (O/N) rate increased slightly by 0.02% to 22.21%, while the Open Repo Rate (OPR) remained unchanged at 22.00%. Across the Nigerian Treasury Bill (NTB) curve, performance was bearish. The 91-Day, 182-Day and 364-Day NTB yields increased by 0.18%, 1.14% and 1.56% to 17.02%, 19.02% and 20.85% respectively, indicating weaker demand across board. In the bond market, yields were also higher across board. The 3-year, 5-year, 7-year and 10-year bond yields increased significantly by 0.15% and 0.37%, 0.85% and 0.76% to 17.28%, 18.01%, 18.23% and 17.55% respectively. This highlights shifting investor positioning and short-term market re-pricing.

### Fixed Income Securities Rates

	Yield	Weekly Change	Year-To-Date Change
Overnight Rate (O/N)	22.21%	0.02%	(0.54%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	17.02%	0.18%	0.72%
182-Day NTB	19.02%	1.14%	2.32%
364-Day NTB	20.85%	1.56%	1.26%

### Bond Market Rates

Bond	Yield	Weekly Change	Year-to-Date Change
3 Years	17.28%	0.15%	0.37%
5 Years	18.01%	0.37%	0.90%
7 Years	18.23%	0.85%	1.17%
10 Years	17.55%	0.76%	0.74%

Sources: FMDQ and United Capital Research

### Outlook

#### Equity Market

The Nigerian equity market is expected to trade mixed in the week ahead as bargain hunting competes with continued profit-taking. Investors are likely to focus on fundamentally strong stocks, particularly in the banking, industrial and consumer goods sectors, supported by resilient corporate fundamentals ahead of H1 financials release. Strong external reserves and relative exchange rate stability continue to support investor confidence, although elevated fixed-income yields may limit demand for equities as investors weigh returns across asset classes. Market sentiment will be influenced by movements in oil prices, exchange rate developments and corporate releases, with sector rotation expected to remain a key feature of trading.

#### Fixed Income Market

The Nigerian fixed income market is expected to maintain a cautious tone in the week ahead. Yields are likely to remain elevated as the Central Bank of Nigeria (CBN) continues to tighten liquidity conditions through Treasury Bill and Open Market Operation (OMO) auctions. Investors are expected to maintain a preference for short- and medium-dated instruments, particularly the 364-day Treasury Bill. Meanwhile, demand for longer-dated Federal Government of Nigeria (FGN) bonds is likely to remain selective. Market sentiment will be driven by liquidity conditions, auction outcomes and inflation expectations, with the Central Bank's hawkish monetary policy stance expected to keep upward pressure on yields across the curve.

### Dividend Announcements

S/N	Company	Final Dividend (N)	Bonus	Qualification Date	Payment Date
1	Mecure Industries	0.32	-	Apr 23, 2026	TBA
2	Ecobank Transnational Incorporated	0.16 US Cents	-	Jun 12, 2026	Jun 30, 2026
3	Dangote Cement	45	-	Jun 17, 2026	Jul 2, 2026
4	Cornerstone Insurance	0.28	-	Jul 2, 2026	Jul 20, 2026
5	Ikeja Hotel	0.3	-	Jul 3, 2026	Aug 3, 2026
6	Aradel Holdings	23	-	Jul 9, 2026	Jul 30, 2026

## Stock Recommendation

Stocks	Current Price	Target Price	Upside
International Breweries	10.45	20	91%
C & I Leasing	5.25	10	90%
Access Holdings	22.95	40.75	78%
United Bank for Africa	39.85	62.64	57%
Geregu Power	917.4	1440	57%
FCMB Group	9.95	15	51%
Transcorp Power	245.5	365	49%
Nigerian Breweries	72.5	105	45%
AXA Mansard Insurance	12.1	17.5	45%
Transnational Corporation	41.5	60	45%
Mutual Benefits Assurance	3.4	4.9	44%
First HoldCo	60.5	84.75	40%
MTN Nigeria	830	1,100	33%
Dangote Cement	963	1,250	30%
Sterling Financial Holdings	7.75	10	29%
Cadbury Nigeria	62.1	80	29%
AICO Insurance	4.02	5	24%

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