United Capital

Weekly Investment Views

A Publication of United Capital Research

July 13 - July 17, 2026

Global Markets

United States

The Institute for Supply Management (ISM) Services Purchasing Managers' Index (PMI) eased to 54.0 points in June 2026 from 54.5 points in May. The reading signalled continued expansion in the US services sector despite slower growth in business activity and new orders. The employment index returned to expansion for the first time since February 2026, while price pressures eased to a four-month low. Businesses, however, continued to cite inflation risks stemming from the Middle East conflict.

Euro Area

The S&P Global Euro Area Construction Purchasing Managers' Index (PMI) fell to 42.8 points in June 2026 from 43.7 points in May, signalling a sharper contraction in construction activity. The downturn reflected weaker activity across France, Italy, and Germany, with residential construction remaining the weakest-performing segment. Although the decline in new orders eased to a four-month low, weak demand prompted further reductions in employment and purchasing activity. Input cost inflation slowed to its lowest level since March, while business sentiment weakened amid persistent uncertainty across the construction sector.

Asia

China's annual inflation eased to 1.0% in June 2026 from 1.2% in May, marking the softest increase in three months and falling slightly below expectations. Lower transport costs, driven by cheaper domestic fuel prices, contributed to the moderation in inflation. Food prices declined for a third consecutive month, reflecting weaker pork and fresh fruit prices. Core inflation eased to 1.0% in June 2026 from 1.1% May, signalling moderate underlying price pressures despite improving domestic demand.

Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD)
Ghana	GGSE	0.62%	68.53%
Nigeria	NGX ASI	6.35%	56.67%
BRVM	ICXCOMP	2.15%	36.07%
Egypt	EGX 30	3.52%	25.06%
Kenya	NSE 20	0.09%	21.50%
United States	S&P 500	0.81%	10.20%
United States	Dow Jones	(0.78%)	9.20%
Europe	STOXX 600	(1.15%)	8.11%
Brazil	IBOV	(0.03%)	7.21%
United Kingdom	FTSE 100	(1.69%)	5.45%
United States	NASDAQ	1.45%	3.79%
Germany	DAX	(1.81%)	2.56%
France	CAC 40	(1.75%)	2.17%
China	SHCOMP	0.19%	1.71%
South Africa	JALSH	(0.87%)	(5.51%)
India	SENSEX	(0.98%)	(9.95%)

*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 were mixed during the week as renewed geopolitical concerns and tightening market fundamentals supported Brent crude prices. Brent crude rose by 6.71% week-on-week to US$76.30/bbl, while Bonny Light remained unchanged at US$71.63/bbl. The gains in Brent reflected renewed supply concerns and resilient global demand expectations. However, expectations of higher OPEC+ production and slowing global economic growth continued to temper broader upside potential in the oil market.

Weekly Commodities Price Monitor				
Commodity	**Unit Price**	**Price (US$)**	**Weekly Change**	**YTD**
Oil Crude – Brent	US$/bbl	76.3	6.71%	25.39%
Oil Crude – Bonny Light	US$/bbl	71.63	0.00%	12.95%
Copper	US$/lb	6.215	1.64%	8.85%
Cocoa	US$/MT	6,455	28.69%	6.43%
Coffee	US$/lb	347.9	15.16%	(0.24%)
Gold	US$/lb	4,123.70	0.02%	(5.36%)
Compressed Natural Gas (CNG)	US$/MMBtu	3.012	(5.76%)	(18.29%)

Sources: Various Sources and United Capital Research

Outlook

Global markets will be mixed this week, with US Indexes near record highs but tech under pressure. The S&P 500 Tech sector now about 10% below its recent peak, even as the broader Index grinds higher. Renewed Strait of Hormuz strikes and Trump's comments that the ceasefire may be "over" are keeping oil and yields elevated. That is capping risk appetite this week. Core inflation is running near 3.4%, well above target. Markets now price roughly an 18–20% chance of a July rate hike rather than a cut. A soft June jobs report, just 57k added, offers some counterweight and that keeps The Federal Reserve (Fed)'s path genuinely two-sided. Q2 earnings season kicks off July 13, with S&P 500 earnings expected to grow over 23% y/y. Energy and tech are expected to lead that growth. Key risks to watch this week include: further Middle East escalation, Fed commentary from Warsh's congressional testimony, and continued AI-momentum unwind.

Select Sub-Saharan African Markets

South Africa

South Africa's manufacturing output declined by 4.3% year-on-year in May 2026, following a 2.9% contraction in April, signalling a further weakening in industrial activity. The decline reflected persistent production challenges and subdued demand, highlighting continued pressure on the country's manufacturing sector. On a monthly basis, factory output rose by 1.1% in May after a revised 2.6% decline in April, indicating a modest recovery in production momentum. Despite the monthly improvement, the annual contraction suggests the manufacturing sector remains constrained by weak economic conditions.

Kenya

The World Bank has projected Kenya's economy to grow by 4.3% in 2026 and 4.4% in 2027, following 4.6% growth in 2025. The 2026 forecast is 0.6 percentage points below its November projection, reflecting the economic impact of the US-Israeli war on Iran. Despite the downgrade, the economy is expected to remain resilient, supported by ongoing structural reforms and sustained domestic economic activity. However, the outlook remains below the government's growth projections of 5.0% for 2026 and 5.2% for 2027.

Egypt

Egypt's annual urban inflation eased to 14.3% in June 2026 from 14.6% in May, signalling a modest moderation in headline price pressures. However, annual core inflation rose to 14.3% from 13.8%, indicating that underlying inflationary pressures remained elevated despite slower headline inflation. On a monthly basis, consumer prices declined, while core prices increased modestly, reflecting mixed price trends across the economy. The divergence between headline and core inflation suggests that underlying demand and domestic cost pressures continue to pose challenges for price stability.

Outlook

African markets are expected to remain mixed this week, reflecting global developments surrounding the Middle East conflict. South Africa's interest rate outlook remains finely balanced after the surprise May rate hike and expectations of further policy tightening. Gold and platinum stocks should remain supported by safe-haven demand. Ghana's stock market is likely to consolidate near recent highs without fresh market catalysts. Brent crude near the low-US$70s supports oil importers but weighs on exporters such as Angola and Gabon.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local Currencies)**	**YTD (Local Currencies)**
Ghana	14,780.79	25.01	0.62%	68.53%
Nigeria	243,798.76	113.49	6.35%	56.67%
Tunisia	19,994.00	17.01	0.77%	48.65%
Tanzania	4,089.20	13.51	(0.02%)	48.06%
BRVM	470.47	31.6	2.15%	36.07%
Egypt	52,311.51	76.77	3.52%	25.06%

Kenya	3,813.30	29.42	0.09%	21.50%
Mauritius	2,266.60	6.38	0.89%	6.97%
Namibia	2,270.40	2.92	(1.83%)	6.04%
South Africa	109,488.65	1,445.03	(0.87%)	(5.51%)
Morocco	401.23	110.11	(2.01%)	(5.84%)

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	18.02	1.10%	22.79%
Nigeria	NGN: Naira	1,379.62	(0.68%)	4.71%
South Africa	ZAR: Rand	16.32	(0.45%)	1.52%
Namibia	NAD: Dollar	16.32	0.66%	1.46%
Angola	AOA: Kwanza	919.54	(0.03%)	(0.06%)
Sierra Leone	SLL: Leone	24,071.00	0.25%	(0.12%)
Kenya	KES: Shilling	129.25	0.04%	(0.19%)
Guinea	GNF: Franc	8,770.50	0.00%	(0.25%)
Uganda	UGX: Shilling	3,684.40	(0.54%)	(1.76%)
Mauritius	MUR: Rupee	47.13	0.30%	(1.87%)
Tunisia	TND: Dinar	2.94	(0.13%)	(1.97%)
Morocco	MAD: Dirham	9.35	0.28%	(2.42%)
Liberia	LRD: Dollar	181.56	0.06%	(2.51%)
WAEMU	CFA: Franc	573.5	0.35%	(2.53%)
Cameroun	XAF: Franc	574.03	0.98%	(2.75%)
Gabon	XAF: Franc	574.03	0.98%	(2.75%)
Egypt	EGP: Pound	49.61	(1.05%)	(3.85%)
Tanzania	TZS: Shilling	2,631.00	(0.23%)	(6.50%)
Ghana	GHS: Cedi	11.43	(0.46%)	(8.12%)

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**
Cote d'Ivoire	7.80%	0.05%	1.40%	6.40%	5.00%
Egypt	22.54%	0.00%	14.30%	8.24%	19.00%
Angola	19.80%	0.00%	10.11%	9.69%	17.00%
Ghana	13.53%	0.00%	5.30%	8.23%	14.00%
Congo	6.50%	0.00%	2.06%	4.44%	13.50%
Uganda	15.70%	0.00%	3.70%	12.00%	9.75%
Rwanda	12.70%	0.00%	12.30%	0.40%	8.25%

Tanzania	12.00%	0.00%	4.00%	8.00%	6.25%
Cameroon	8.50%	0.00%	2.70%	5.80%	4.75%
Gabon	9.70%	0.00%	2.10%	7.60%	4.75%
Mauritius	5.53%	0.00%	3.70%	1.83%	4.75%
South Africa	8.43%	(0.01%)	4.50%	3.93%	7.00%
Kenya	12.23%	(0.09%)	6.40%	5.83%	8.75%
Nigeria	18.27%	(0.27%)	15.93%	2.34%	26.50%
Ethiopia*	-	-	13.40%	0.00%	15.00%
*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

Burkina Faso's annual inflation edged up to 0.1% in May 2026 from a 0.4% decline in April, marking a return to positive price growth. The increase reflects a gradual rebound in consumer prices after April's deflation. However, overall inflation remained subdued by historical standards. The low inflation environment continues to support household purchasing power and provides room for accommodative monetary conditions across the West African Economic and Monetary Union (WAEMU).

Guinea-Bissau

Guinea-Bissau's annual inflation improved to -1.2% in May 2026 from -2.2% in April, indicating easing deflationary pressures. The smaller decline suggests consumer prices are gradually recovering. The easing in deflationary pressures suggests a gradual normalisation in price levels, supporting a more stable domestic inflation environment.

Outlook

WAEMU markets are expected to remain broadly supportive this week, underpinned by strong regional growth and inflation within the BCEAO's 1–3% target range. The regional bond market remains resilient, supported by strong issuance and improved liquidity following UMOA-Titres market reforms. The Central Bank of West African States (BCEAO) has maintained a cautious policy stance to protect external reserves and the CFA Franc peg. Key risks include Sahel security challenges, political uncertainty, and Senegal's fiscal outlook following the suspension of International Monetary Fund (IMF) financing.

Market Performance Snapshot				
	Previous	**Current**	**Weekly Change**	**YTD**
BRVM	460.55	470.47	2.15%	36.07%
Currency (CFA: Franc)	575.5	573.5	0.35%	(2.53%)
Bond Yields in WAEMU Countries				
Countries	**Tenor**	**Bond Yield**	**Weekly Change**	**YTD**
Togo	5 Year	7.00%	1.00%	1.00%
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%)
Niger	5 Year	10.00%	0.00%	3.73%
Guinea- Bissau	3 Year	7.00%	(1.00%)	0.00%

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	0.10%	3.00%
Benin	(0.70%)	3.00%
Guinea- Bissau	(1.20%)	3.00%
Niger	(4.80%)	3.00%

Sources:Various Sources and United Capital Research

Domestic Economy

The International Monetary Fund (IMF) has retained Nigeria's economic growth forecast at 4.1% for 2026 and 4.3% for 2027, unchanged from its April projections. The outlook reflects stronger macroeconomic stability and favourable terms of trade following recent policy reforms. However, IMF notes that persistent increases in essential goods prices continue to pose risks to household purchasing power and consumer welfare. Meanwhile, IMF expects global growth to slow to 3.0% in 2026 from 3.5% in 2025 before recovering to 3.4% in 2027 amid geopolitical tensions and inflationary pressures.

Equity Market

The Nigerian equities market closed the week on a strong positive note, with the NGX All-Share Index (NGX-ASI) advancing by 6.35% week-on-week to 243,798.76 points. Consequently, the year-to-date return improved to 56.67%. Sectoral performance was broadly positive, as four of the five major indices under our coverage closed higher. The Consumer Goods Index led the gains, rising 1.71% week-on-week, followed by the Banking Index (+0.54%), the Insurance Index (+0.32%), and the Industrial Goods Index, which closed largely unchanged. The Oil & Gas Index was the only laggard, edging down by 0.02% during the week. Overall, improved investor sentiment and sustained buying interest in large-cap stocks supported the market's strong performance.

Nigerian Equity Market Performance			
Index	**Close Price**	**Weekly Change**	**YTD**
NGX-ASI	243,798.76	6.35%	56.67%
Oil &Gas Index	5,291.45	(0.02%)	98.16%
Industrial Goods Index	10,713.01	0.00%	88.73%
Banking Index	2,149.14	0.54%	41.78%
Consumer Goods Index	4,691.90	1.71%	18.02%
Insurance Index	1,132.98	0.32%	(4.74%)

Sources: NGX and United Capital Research

Fixed Income and Money Market

The fixed income market was broadly bullish during the week, with yields declining across most segments despite relatively stable liquidity conditions. Across the Nigerian Treasury Bill market, yields declined across all tenors, reflecting improved investor demand for short-term government securities. The 91-day, 182-day and 364-day Treasury Bill yields fell by 0.13%, 0.90% and 0.15% to 16.69%, 18.01% and 20.74%, respectively. Similarly, the bond market closed on a bullish note, with yields declining across all benchmark maturities during the week. The 3-year, 5-year, 7-year and 10-year bond yields fell to 17.93%, 18.00%, 18.21% and 18.27%, respectively. The declines of 0.05%, 0.24%, 0.19% and 0.27% reflected stronger buying interest and improved investor sentiment across the long end. The Overnight (O/N) rate rose by 0.02% to 22.20%, while the Open Repo Rate (OPR) remained unchanged at 22.00%.

Fixed Income Securities Rates			
	Yield	Weekly Change	Year-To-Date Change
Overnight Rate (O/N)	22.20%	0.02%	(0.55%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	16.69%	(0.13%)	0.39%
182-Day NTB	18.01%	(0.90%)	1.31%
364-Day NTB	20.74%	(0.15%)	1.15%

Bond Market Rates			
Bond	Yield	Weekly Change	Year-to-Date Change
3 Years	17.93%	(0.05%)	1.02%
5 Years	18.00%	(0.24%)	0.89%
7 Years	18.21%	(0.19%)	1.15%
10 Years	18.27%	(0.27%)	1.46%

Sources: FMDQ and United Capital Research

Outlook

Equity Market

Nigerian equities could gain this week, building on last week's rebound. Major gains are expected in the banking, Oil & Gas, Industrial and Telecommunications sectors.

Fixed Income Market

Nigerian fixed income yields are expected to remain elevated as the Central Bank of Nigeria (CBN) advances its largest quarterly liquidity mop-up of 2026. The 364-day Treasury Bill stop rate rose to 17.70% at the July 8 auction from 17.34% in June despite strong investors demand. The third-quarter programme targets ₦5.8 trillion in Treasury Bill issuance against ₦2.64 trillion maturing, implying ₦3.16 trillion in net new borrowing. This might drive yields up further.

Dividend Announcements					
S/N	Company	Final Dividend (N)	Bonus	Qualification Date	Payment Date
1	Mecure Industries	0.32	-	Apr 23, 2026	TBA
2	Cornerstone Insurance	0.28	-	Jul 2, 2026	Jul 20, 2026
3	Ikeja Hotel	0.3	-	Jul 3, 2026	Aug 3, 2026
4	Aradel Holdings	23	-	Jul 9, 2026	Jul 30, 2026
5	E-Tranzact	12.5	-	Jul 6, 2026	TBA

Positioning Ahead of Interim Dividend Season

Several listed companies, including UBA Group, Zenith Bank Plc, AFRIPRUD Plc, GTCO Plc, Transcorp Plc, Guinness Plc, Transcorp Hotel Plc, Transcorp Power Plc and HBM Nigeria Plc (formerly Lafarge Africa Plc), have announced plans to consider interim dividend payments at their upcoming Board meetings. These announcements signal the start of the interim dividend season and present investors with an opportunity to strategically position their portfolios ahead of potential dividend declarations. Companies with strong earnings fundamentals and consistent dividend histories are expected to remain in focus, making the coming weeks particularly attractive for income-seeking investors.

Stock Recommendation

Stocks	Current Price	Target Price	Upside
International Breweries	11.25	20	78%
Geregu Power Plc	825.7	1,440	74%
Access Holdings Plc	24.95	40.75	63%
C & I Leasing Plc	6.4	10	56%
United Bank for Africa Plc	41	62.64	53%
Transcorp Power Plc	245.5	365	49%
Transnational Corporation	40.5	60	48%
Nigerian Breweries Plc	73.7	105	42%
AXA Mansard Insurance	12.3	17.5	42%
FCMB Group Plc	10.8	15	39%
Mutual Benefits Assurance	3.6	4.9	36%
MTN Nigeria	810	1,100	36%
Sterling Financial Holdings	7.6	10	32%
Cadbury Nigeria Plc	62.6	80	28%
AIICO Insurance Plc	3.95	5	27%
FIRST HOLDCO PLC	69.2	84.75	22%
Dangote Cement Plc	1,047	1,250	19%
Zenith Bank Plc	110.8	130	17%
GTCO Plc	126	145	15%

CONTACT US

- **Research:** Research@unitedcapitalplcgroup.com
- **Securities Trading:** Securities@unitedcapitalplcgroup.com
- **Asset Management:** Assetmanagement@unitedcapitalplcgroup.com
- **Trustees:** Trustees@unitedcapitalplcgroup.com
- **Investment Banking:** InvestmentBanking@unitedcapitalplcgroup.com
- **Investors Relations:** InvestorRelations@unitedcapitalplcgroup.com