Weekly Investment Views

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Global Markets

United States

US headline inflation eased to 3.5% y/y in June 2026 from 4.2% in May, marking its first decline in five months. The reading was below the 3.8% consensus forecast, reflecting slower energy price growth following the US-Iran ceasefire and softer shelter, food, and core inflation. On a monthly basis, CPI fell by 0.4%, the largest decline since April 2020, driven by a 5.7% drop in energy prices. Annual core inflation also slowed to 2.6% from 2.9%, while monthly core CPI remained unchanged.

Euro Area

Euro Area industrial production declined 1.2% y/y in May 2026, reversing April's 0.3% increase as weaker consumer goods output outweighed gains in capital and energy goods. The Euro Area recorded a €7.8bn trade deficit in May, compared with a €15.0bn surplus a year earlier and worse than market expectations. The deterioration reflected a 10.0% rise in imports, a wider energy deficit, lower machinery and chemicals surpluses, and weaker exports to the US, China, and Turkey.

Asia

China's economy grew by 4.3% y/y in Q2 2026, slowing from 5.0% in Q1 and missing the 4.5% market forecast. The slowdown reflected weak domestic demand, subdued private investment, and a prolonged property downturn, despite resilient AI-related exports. The reading fell below Beijing's 4.5%–5.0% annual growth target, reinforcing expectations of additional policy support. The National Bureau of Statistics cited elevated external uncertainties and persistent imbalances between strong supply and weak demand. China's economy expanded 4.7% in H1 2026, supported by high-tech manufacturing, equipment production, and resilient services activity.

Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD)
Ghana	GGSE	0.78%	69.85%
Nigeria	NGX ASI	(0.14%)	56.45%
BRVM	ICXCOMP	2.01%	38.81%
Egypt	EGX 30	1.18%	26.53%
Kenya	NSE 20	3.31%	25.52%
United States	S&P 500	(0.13%)	10.05%
United States	Dow Jones	0.12%	9.34%
Europe	STOXX 600	0.45%	8.60%
Brazil	IBOV	0.63%	7.88%
United Kingdom	FTSE 100	0.95%	6.45%
France	CAC 40	0.62%	2.80%
United States	NASDAQ	(1.24%)	2.50%
Germany	DAX	(0.81%)	1.74%
China	SHCOMP	(3.82%)	(2.18%)
South Africa	JALSH	0.78%	(4.77%)
India	SENSEX	0.58%	(9.43%)

*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

Crude oil prices gained during the week as geopolitical tensions and supply concerns supported Brent crude prices. Brent crude rose by 10.39% w/w to US$84.23/bbl, while Bonny Light also gained by 11.61% to US$84.50/b. The gains reflected heightened geopolitical risks and concerns over potential supply disruptions. However, expectations of higher OPEC+ production continued to limit further upside in oil prices.

Weekly Commodities Price Monitor				
Commodity	**Unit Price**	**Price (US$)**	**Weekly Change**	**YTD**
Oil Crude – Brent	US$/b	84.23	10.39%	38.42%
Oil Crude – Bonny Light	US$/b	84.5	11.61%	33.24%
Copper	US$/lb	6.296	1.30%	10.27%
Gold	US$/lb	3,976.20	(3.58%)	(8.74%)
Coffee	US$/lb	312.6	(10.15%)	(10.37%)
Cocoa	US$/MT	5,362	(16.93%)	(11.59%)
Compressed Natural Gas (CNG)	US$/MMBtu	2.858	(5.11%)	(22.46%)

Sources: Various Sources and United Capital Research

Outlook

Global markets will mixed this week as investors assess central bank decisions alongside evolving political developments. The European Central Bank meets Thursday, July 23, 2026 and is expected to hold policy rate constant stance as elevated crude oil prices sustain inflation risks. The Bank of Japan is expected to keep rates at 1.0% on Thursday, with markets pricing the next hike in December. UK assets should remain sensitive to political developments as Andy Burnham prepares to enter Downing Street after winning Labour's leadership vote. US flash Purchasing Managers' Index readings on Friday are expected to ease modestly from June's multi-month high. Market volatility may remain elevated after the Chicago Board Options Exchange Volatility Index (VIX) rose to 16.72 last week, while China's Loan Prime Rate decision could influence risk sentiment.

Select Sub-Saharan African Markets

Ethiopia

The National Bank of Ethiopia raised its policy rate by 1.00% to 16.0%, citing renewed inflationary pressures from higher global oil prices. Headline inflation accelerated to 13.4% y/y in May 2026 from 11.7% in April, prompting the Central Bank to maintain a tight monetary policy stance. The Central Bank expects inflation to moderate by December 2026 but remain in double digits over the next six months. It also eased foreign exchange regulations by reducing export surrender requirements, lowering FX commission rates, removing credit caps, and introducing targeted reserve requirements.

Kenya

Kenya reduced Value Added Tax (VAT) on petroleum products to 8% from 16% in April 2026 to cushion consumers from higher global oil prices. The government extended the reduced VAT for another three months until mid-October and approved a KSh945mn fuel subsidy. The measures aim to mitigate higher import costs amid renewed Middle East tensions, as Kenya imports most of its refined petroleum products from the region.

Angola

The National Bank of Angola cut its policy rate by 1.25% to 15.75%, citing easing inflation and an improving economic outlook. Annual inflation slowed to 10.11% in June from 10.88% in May, with further moderation expected despite Middle East-related uncertainties. Angola's economy expanded 5.3% y/y in Q1 2026, driven by 6.2% growth in the non-oil sector despite a 0.2% contraction in oil output. The central bank lowered its 2026 inflation forecast to 8.6% and raised its growth forecast to 3.6%, supported by stronger non-oil activity and higher oil prices.

Outlook

Ethiopia's tighter policy stance should keep the Birr (Ethiopian Currency) and lending conditions under pressure, as inflation remains in double digits despite expected moderation. Angola's rate cut should ease credit conditions and support domestic demand, with further monetary easing likely if disinflation persists. Kenya's extended VAT relief on fuel should stabilise pump prices into October and cushion consumer inflation ahead of the next Energy and Petroleum Regulatory Authority (EPRA) pricing review. South Africa's Rand and bond market should remain sensitive to inflation data, with the South African Reserve Bank expected to maintain a higher-for-longer policy stance. North African equities should extend recent gains, supported by Morocco's revived Forafric deal and Egypt's Talaat Moustafa Group Holding (TMG) expansion despite lingering oil price risks.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local Currencies)**	**YTD (Local Currencies)**
Ghana	14,896.64	24.63	0.78%	69.85%
Tunisia	21,242.00	18.07	6.24%	57.93%
Nigeria	243,462.13	113.68	(0.14%)	56.45%
Tanzania	4,102.90	13.55	0.34%	48.55%
BRVM	479.92	32.34	2.01%	38.81%
Egypt	52,928.06	76.81	1.18%	26.53%

Kenya	3,939.60	30.38	3.31%	25.52%
Mauritius	2,265.40	6.12	(0.05%)	6.91%
Namibia	2,277.80	2.93	0.33%	6.39%
South Africa	110,337.36	1,461.07	0.78%	(4.77%)
Morocco	399.11	108.28	(0.53%)	(6.34%)

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	18.32	(1.64%)	20.78%
Nigeria	NGN: Naira	1,380.18	(0.04%)	4.66%
South Africa	ZAR: Rand	16.4	(0.49%)	1.02%
Namibia	NAD: Dollar	16.4	(0.49%)	0.96%
Angola	AOA: Kwanza	919.33	0.02%	(0.04%)
Sierra Leone	SLL: Leone	24,091.00	(0.08%)	(0.21%)
Kenya	KES: Shilling	129.3	(0.04%)	(0.23%)
Guinea	GNF: Franc	8,770.50	0.00%	(0.25%)
Tunisia	TND: Dinar	2.93	0.50%	(1.48%)
Mauritius	MUR: Rupee	47.03	0.21%	(1.66%)
Uganda	UGX: Shilling	3,689.90	(0.15%)	(1.91%)
Morocco	MAD: Dirham	9.33	0.22%	(2.20%)
WAEMU	CFA: Franc	571.75	0.31%	(2.23%)
Liberia	LRD: Dollar	181.17	0.22%	(2.30%)
Cameroun	XAF: Franc	573.87	0.03%	(2.73%)
Gabon	XAF: Franc	573.87	0.03%	(2.73%)
Egypt	EGP: Pound	50.45	(1.67%)	(5.45%)
Tanzania	TZS: Shilling	2,628.50	0.10%	(6.41%)
Ghana	GHS: Cedi	11.52	(0.82%)	(8.88%)

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
Kenya	12.47%	0.24%	6.40%	6.07%	8.75%
South Africa	8.64%	0.21%	4.50%	4.14%	7.00%
Nigeria	18.35%	0.08%	15.91%	2.44%	26.50%
Egypt	22.54%	0.00%	14.30%	8.24%	19.00%
Angola	19.80%	0.00%	10.11%	9.69%	15.75%
Congo	6.50%	0.00%	2.06%	4.44%	13.50%
Ghana	13.53%	0.00%	5.30%	8.23%	14.00%

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%
Rwanda	12.70%	0.00%	12.70%	0.00%	8.25%
Mauritius	5.52%	(0.01%)	3.70%	1.82%	4.75%
Cote d'Ivoire	7.73%	(0.07%)	1.80%	5.93%	5.00%
Uganda	15.60%	(0.10%)	3.70%	11.90%	9.75%
Ethiopia*	-	-	13.40%	0.00%	16.00%
*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)

Benin

Benin has secured €100mn in financing from the European Investment Bank and the International Bank for Industry and Commerce to strengthen strategic agricultural value chains. The funding will expand credit access for small and medium-sized businesses operating across integrated agricultural value chains. The financing will support the cotton, textile, soybean, and cashew sectors to boost local processing and value addition. The initiative aims to strengthen supply chain resilience, improve product traceability, and enhance compliance with European market standards.

Senegal

Senegal's annual inflation eased to 0.4% y/y in June 2026 from 1.3% in May, marking the slowest increase since January. The moderation reflected the first decline in food prices in five months, alongside lower housing, utilities, and transport costs. However, stronger price increases for alcohol, tobacco, health, recreation, and clothing partly offset the broader disinflation. On a monthly basis, consumer prices were unchanged in June 2026 after increasing 0.2% in May.

Outlook

WAEMU markets will experience increased activity this week as governments continue tapping the regional bond market to meet the CFA12.7tn issuance target. Auction demand should remain firm, supported by Mali's recent sale, which achieved 128.93% subscription across three-year and five-year tranches. The BCEAO's 5.00% policy rate should keep financing costs stable despite negative inflation in some member states. Short-term WAEMU bond yields should remain within the 6.00%-6.50% range, reflecting recent Togolese and Malian issuances. The regional secondary market should remain in focus as the BCEAO and UMOA-Titres continue efforts to improve transparency and liquidity. Regional economic growth should remain near 6%, supported by lower food prices despite tight external financing conditions.

Market Performance Snapshot

	Previous	Current	Weekly Change	YTD
BRVM	470.47	479.92	2.01%	38.81%
Currency (CFA: Franc)	573.5	571.75	0.31%	(2.23%)

Bond Yields in WAEMU Countries

Countries	Tenor	Bond Yield	Weekly Change	YTD
Senegal	5 Year	7.00%	1.00%	1.00%
Togo	5 Year	7.00%	0.00%	1.00%
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	7.00%	0.00%	0.00%
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	1.80%	3.00%
Mali	1.30%	3.00%
Senegal	0.40%	3.00%
Benin	0.40%	3.00%
Togo	0.10%	3.00%
Burkina Faso	0.10%	3.00%
Guinea- Bissau	(1.20%)	3.00%
Niger	(2.90%)	3.00%

Sources:Various Sources and United Capital Research

Domestic Economy

Nigeria's headline inflation eased marginally to 15.91% in June 2026 from 15.93% in May, marking its first decline after three consecutive monthly increases. The inflation rate is lower than the 25.29% recorded in June 2025. However, food price pressures persisted due to an increase in staple food items prices. United Capital Research had earlier released a forecast of 15.95% for June 2026 inflation.

Equity Market

The Nigerian equities market closed the week on a negative note, with the NGX All-Share Index (NGX-ASI) declining by 0.14% week-on-week to 243,462.13 points. Consequently, the year-to-date return moderated to 56.45%. Sectoral performance was mixed, as the Banking and Insurance indices gained 9.30% and 0.25%, respectively. However, the Industrial Goods, Oil & Gas, and Consumer Goods indices declined by 6.26%, 0.79%, and 0.15%, respectively. Overall, profit-taking in large-cap industrial stocks outweighed buying interest in banking stocks, resulting in the market's weekly decline.

Nigerian Equity Market Performance			
Index	**Close Price**	**Weekly Change**	**YTD**
NGX-ASI	243,462.13	(0.14%)	56.45%
Oil/Gas Index	5,249.44	(0.79%)	96.59%
Industrial Goods Index	10,042.21	(6.26%)	76.91%
Banking Index	2,348.99	9.30%	54.96%
Consumer Goods Index	4,684.75	(0.15%)	17.84%
Insurance Index	1,135.86	0.25%	(4.50%)

Sources: NGX and United Capital Research

Fixed Income and Money Market

The fixed income market traded mixed during the week, with Treasury Bill and bond yields showing mixed movements despite stable liquidity conditions. Across the Nigerian Treasury Bill market, the 91-day yield declined by 0.23% to 16.46%, while the 182-day and 364-day yields rose by 0.26% and 0.16% to 18.27% and 20.90%, respectively. Similarly, the bond market closed mixed, as the 3-year and 7-year yields declined by 0.07% and 0.02% to 17.86% and 18.19%, respectively. Meanwhile, the 5-year and 10-year bond yields increased by 0.03% and 0.08% to 18.03% and 18.35%, respectively. The Overnight (O/N) rate rose by 0.05% to 22.25%, 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)	22.25%	0.05%	(0.50%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	16.46%	(0.23%)	0.16%
182-Day NTB	18.27%	0.26%	1.57%
364-Day NTB	20.90%	0.16%	1.31%

Bond Market Rates			
Bond	Yield	Weekly Change	Year-to-Date Change
3 Years	17.86%	(0.07%)	0.95%
5 Years	18.03%	0.03%	0.92%
7 Years	18.19%	(0.02%)	1.13%
10 Years	18.35%	0.08%	1.54%

Sources: FMDQ and United Capital Research

Outlook

Equity Market

The release of half year results should stimulate activity in the market. The All-Share Index should remain above 242,000 points, although profit-taking may follow gains that lifted year-to-date returns above 56%. Telecom, Banking and industrial stocks are expected to drive overall market performance. Investors are likely to buy on price dips, supported by positive market sentiment and the ongoing second-half rally. Oil and gas, alongside consumer goods stocks, should remain in focus following strong gains recorded earlier this month.

Fixed Income Market

All eyes will be on the outcome of the Monetary Policy Committee (MPC) meeting on July 20 and 21. The Monetary Policy Rate is expected to remain at 26.50%, as inflation remains too high to support an early rate cut. Nigerian Treasury Bill yields should remain elevated, with 91-day, 182-day, and 364-day yields staying near current levels. Investors should continue favouring long-term Bills as yields are currently around peak levels. Federal Government of Nigeria bond yields should remain broadly stable, with limited room for a significant decline before the fourth quarter. Foreign investor demand should continue supporting the bond market after strong inflows during the first quarter of 2026.

Dividend Announcements								
S/N	Company	Interim Dividend(₦)	Final Dividend (₦)	Final Dividend Yield	Bonus	Qualification Date	Closure of Register	Payment Date
1	Mecure Industries		0.32	0.34%	-	Apr 23, 2026	24-Apr-26 - 30-Apr-26	TBA
2	Ikeja Hotel		0.3	0.79%	-	Jul 3, 2026	06-Jul-26 - 10-Jul-26	Aug 3, 2026
3	Aradel Holding		23	1.31%	-	Jul 9, 2026	Jul 10, 2026	Jul 30, 2026
4	Cornerstone Insurance		0.28	4.15%	-	Jul 2, 2026	3-6-Jul-2026	Jul 30, 2026
5	Transcorp Power Plc	1.5				Jul 20, 2026	Jul 21, 2026	Jul 30, 2026

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 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 dividend-seeking investors.

Stock Recommendation			
Stocks	**Current Price**	**Target Price**	**Upside**
C & I Leasing Plc	5.55	10	80%
Access Holdings Plc	25	40.75	63%
AXA Mansard Insurance	11.2	17.5	56%
International Breweries	13.35	20	50%
Transcorp Power Plc	245.5	365	49%
Transnational Corporation	42.65	60	41%
Cadbury Nigeria Plc	57	80	40%
Nigerian Breweries Plc	75	105	40%
FCMB Group Plc	10.8	15	39%
United Bank for Africa Plc	45.5	62.64	38%
Mutual Benefits Assurance	3.67	4.9	34%
MTN Nigeria	826.5	1,100	33%
Geregu Power Plc	825.7	1,050	27%
Sterling Financial Holdings	8	10	25%
AIICO Insurance Plc	4.13	5	21%
Aradel Holdings Plc	1,526.80	1,833	20%
Dangote Cement Plc	1,047	1,250	19%

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