United Capital

Weekly Investment Views

A Publication of United Capital Research

July 06 - July 10, 2026

Global Markets

United States

The United States Institute for Supply Management (ISM) Manufacturing Purchasing Managers' Index (PMI) eased to 53.3 points in June 2026 from 54.0 points in May 2026. The ISM dropped below market expectations of 54.0 points, indicating a moderation in manufacturing activity. The slowdown was driven by softer growth in output and new orders, while the employment index remained in contraction despite showing signs of improvement. Meanwhile, the price index declined sharply, pointing to easing input cost pressures, although price levels remained elevated. Survey respondents cited some key factors weighing on the manufacturing sector, these factors are: geopolitical tensions in the Middle East, higher interest rate risks, and uncertainty surrounding tariffs and global trade policies.

Euro Area

Euro Area headline inflation eased to 2.8% year-on-year in June 2026 from 3.2% in May 2026, coming in below market expectations of 3.0% and marking its lowest level since February 2026. The decline was primarily driven by a slowdown in energy price inflation, alongside softer price growth in services and food, alcohol and tobacco. Core inflation, which excludes energy and food, also moderated to 2.4% from 2.6%, indicating a broad-based easing in underlying price pressures. Although inflation remains above the European Central Bank (ECB) 2.0% target, the latest data suggest that inflationary pressures are gradually moderating. This reinforces expectations of a more measured approach to future monetary policy.

Asia

China's RatingDog General Services PMI edged down to 54.1 points in June 2026 from 54.4 points in May 2026. But exceeded market expectations of 53.0 points, indicating continued strong expansion in the services sector. Growth was supported by resilient domestic demand and stronger export business, while employment increased for a second consecutive month. Although input cost pressures eased, output price inflation accelerated, and business confidence remained positive.

Global Equity Market Snapshot

Market	Index	Weekly Change	Year-To-Date (YTD)
Ghana	GGSE	(0.38%)	67.49%
Nigeria	NGX ASI	(1.21%)	47.31%
BRVM	ICXCOMP	3.13%	33.20%
Kenya	NSE 20	1.78%	21.39%
Egypt	EGX 30	(1.77%)	20.81%
United States	Dow Jones	1.89%	10.06%
Europe	STOXX 600	1.27%	9.37%
United States	S&P 500	1.71%	9.32%
United Kingdom	FTSE 100	1.17%	7.26%
Brazil	IBOV	0.46%	7.24%
Germany	DAX	2.34%	4.45%
France	CAC 40	0.51%	3.99%
United States	NASDAQ	1.87%	2.31%
China	SHCOMP	(2.22%)	1.51%
South Africa	JALSH	(0.41%)	(4.68%)
India	SENSEX	0.52%	(9.06%)

*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 continued to weigh on the market. Brent crude fell by 5.00% week-on-week to US$71.50/bbl, while Bonny Light declined by 3.94% to US$71.63/bbl. The bearish sentiment was reinforced by expectations of increased global oil supply. Anticipated output hikes from OPEC+, alongside concerns that slower global economic growth could weaken crude oil demand in the coming months and also depress the oil market

Weekly Commodities Price Monitor				
Commodity	**Unit Price**	**Price (US$)**	**Weekly Change**	**YTD**
Oil Crude – Brent	US$/bbl	71.5	(5.00%)	17.50%
Oil Crude – Bonny Light	US$/bbl	71.63	(3.94%)	12.95%
Copper	US$/lb	6.1145	(0.37%)	7.09%
Gold	US$/lb	4,122.80	1.86%	(5.38%)
Compressed Natural Gas (CNG)	US$/MMBtu	3.196	(3.00%)	(13.29%)
Coffee	US$/lb	302.1	9.30%	(13.38%)
Cocoa	US$/MT	5,016.10	(4.40%)	(17.29%)

Sources: Various Sources and United Capital Research

Outlook

Global markets are expected to remain cautiously optimistic this week, supported by improving prospects for a lasting US-Iran ceasefire and resilient US and Asian economic data. Eyes will particularly be on the Strait of Hormuz, where any renewed disruption could trigger an increase in both consumer and producers items. Meanwhile, the Fed'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 on the back of easing geopolitical tensions, recovering Gulf exports, and expectations of a global supply surplus. However, prices are expected to remain highly sensitive to geopolitical developments.

Select Sub-Saharan African Markets

South Africa

South Africa's Absa PMI rose sharply to 52.8 points in June 2026 from 43.1 points in May 2026, returning to expansion territory after three consecutive months of contraction. The rebound was driven by stronger business activity, a recovery in production, and a significant improvement in new sales orders as domestic demand strengthened. Supplier delivery times also improved, reflecting easing supply chain constraints, while business sentiment recovered on expectations of a more stable operating environment.

Kenya

Kenya's headline inflation eased to 6.4% year-on-year in June from 6.7% in May, reflecting slower growth in food and energy prices. Although inflation remained above the Central Bank of Kenya's preferred midpoint of 5.0%, it stayed within the target range of 2.5% – 7.5%. This suggests that underlying price pressures moderated during the month. Meanwhile, the Stanbic Bank Kenya PMI improved to 50.0 points in June 2026 from 46.6 points in May 2026. This signals a return to expansion after three consecutive months of contraction, supported by stronger customer demand and improving business conditions.

Uganda

Uganda's headline inflation accelerated to 4.2% year-on-year in June from 3.8% in May, driven mainly by higher food and transport costs. Despite the increase, inflation remained below the Bank of Uganda's 5.0% medium-term target, indicating that overall price pressures remain well contained. Meanwhile, the Stanbic Bank Uganda Purchasing Managers' Index (PMI) rose to 56.4 points in June 2026 from 55.8 points in May 2026. This signals stronger expansion in private sector activity, supported by robust growth in output and new orders, alongside continued increases in employment and business confidence.

Outlook

African markets are expected to trade modestly positive this week, tracking global cues. Nigerian equities should look to stabilise after recent profit-taking, led by banks and defensives. High yields keep competing for liquidity and the Naira stays supported by reserves above $51 billion. Ghana's GSE is likely to consolidate near its highs, while South Africa's JSE faces a mixed backdrop, with gold and platinum miners well-bid but soft PMI data capping broader gains. Brent's retreat remains a net positive for oil importers but a headwind for exporters like Nigeria.

Pan African Stock Market Monitor				
Market	**Index**	**Market Cap ($'bn)**	**WTD (Local Currencies)**	**YTD (Local Currencies)**
Ghana	14,689.01	25.13	(0.38%)	67.49%
Tanzania	4,090.10	13.59	1.61%	48.09%
Tunisia	19,841.00	16.88	1.47%	47.52%
Nigeria	229,240.34	107.36	(1.21%)	47.31%
BRVM	460.55	30.83	3.13%	33.20%
Kenya	3,809.80	29.75	1.78%	21.39%

Egypt	50,532.70	75.52	(1.77%)	20.81%
Namibia	2,312.70	2.97	(0.44%)	8.02%
Mauritius	2,246.70	6.27	0.10%	6.03%
Morocco	409.48	112.76	1.41%	(3.91%)
South Africa	110,449.25	1465.5	(0.41%)	(4.68%)

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	18.22	(0.40%)	21.45%
Nigeria	NGN: Naira	1,370.15	0.73%	5.43%
South Africa	ZAR: Rand	16.25	1.59%	1.98%
Namibia	NAD: Dollar	16.43	0.40%	0.80%
Angola	AOA: Kwanza	919.27	(0.06%)	(0.03%)
Kenya	KES: Shilling	129.3	0.19%	(0.23%)
Guinea	GNF: Franc	8,770.50	(0.09%)	(0.25%)
Sierra Leone	SLL: Leone	24,130.00	(0.64%)	(0.37%)
Uganda	UGX: Shilling	3,664.50	1.03%	(1.23%)
Tunisia	TND: Dinar	2.94	0.59%	(1.84%)
Mauritius	MUR: Rupee	47.27	1.95%	(2.16%)
Liberia	LRD: Dollar	181.66	0.22%	(2.57%)
Morocco	MAD: Dirham	9.37	0.40%	(2.69%)
Egypt	EGP: Pound	49.09	0.88%	(2.83%)
WAEMU	CFA: Franc	575.5	(0.08%)	(2.87%)
Cameroun	XAF: Franc	579.63	0.28%	(3.69%)
Gabon	XAF: Franc	579.63	0.28%	(3.69%)
Tanzania	TZS: Shilling	2,625.00	(0.10%)	(6.29%)
Ghana	GHS: Cedi	11.38	(1.32%)	(7.69%)

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	18.54%	0.99%	15.93%	2.61%	26.50%
Egypt	22.54%	0.04%	14.60%	7.94%	19.00%
Angola	19.80%	0.00%	10.88%	8.92%	17.00%
Ethiopia*	-	-	13.40%	-	15.00%
Ghana	13.53%	6.17%	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%

Kenya	12.32%	0.00%	6.40%	5.92%	8.75%
Rwanda	12.70%	(0.30%)	12.30%	0.40%	8.25%
South Africa	8.45%	0.08%	4.50%	3.95%	7.00%
Tanzania	12.00%	0.25%	4.20%	7.80%	5.75%
Cote d'Ivoire	7.75%	(0.05%)	1.40%	6.35%	5.00%
Cameroon	8.50%	0.00%	2.70%	5.80%	4.75%
Gabon	9.70%	1.20%	2.10%	7.60%	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)

Mali, Burkina Faso, and Niger have formally begun the one-year process of withdrawing from the International Criminal Court (ICC). They argue the court has become a tool of "neocolonial repression." The ICC warned that the move could undermine global efforts to combat impunity. The ICC clarified that the three countries remain bound by obligations incurred while they were parties to the Rome Statute.

Mali

Mali has established the Office of Precious Substances to centralise and oversee gold trade in a bid to curb smuggling and improve revenue collection from its artisanal mining sector. The government estimates that much of the country's artisanal gold production is traded informally. The SWISSAID report value undeclared gold exports at between $1.98 billion and $3.77 billion annually. Gold remains Mali's largest exports, with official gold exports rising to CFA 2.75 trillion (US$4.81 billion) in 2025 from CFA 1.61 trillion in 2024. This underscores the sector's importance to the country's economy.

Outlook

WAEMU markets are expected to remain steady this week. The BRVM is likely to extend its recent momentum after posting a 1.06% weekly gain and a 30%+ YTD advance. Sovereign bond yields across the zone should stay broadly stable near current levels, with Niger's elevated risk premium remaining the key outlier to watch. The CFA Franc will continue to track the Euro given the peg, leaving it largely shielded from the Dollar strength tied to the Fed's hawkish stance.The region's oil-importing economies should still benefit from Brent's retreat. The main swing factor for exporters like Côte d'Ivoire remains cocoa prices, which stay well off their 2025 highs.

Market Performance Snapshot				
	Previous	**Current**	**Weekly Change**	**YTD**
BRVM	446.57	460.55	3.13%	33.20%
Currency (CFA: Franc)	575.07	575.5	(0.08%)	(2.87%)
Bond Yields in WAEMU Countries				
Countries	**Tenor**	**Bond Yield**	**Weekly Change**	**YTD**
Niger	5 Year	0.1	0.00%	3.73%
Mali	3 Year	0.07	0.00%	1.00%
Guinea- Bissau	3 Year	0.08	0.00%	1.00%
Togo	5 Year	0.06	0.00%	0.00%
Senegal	5 Year	0.06	0.00%	0.00%
Burkina Faso	5 Year	0.07	0.00%	0.00%
Ivory coast	5 Year	0.07	0.00%	(0.46%)
Benin	2 Year	0.06	0.00%	(1.00%)

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	(0.40%)	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

United Capital Research projects Nigeria's headline inflation to edge up to 15.95% in June 2026 from 15.93% in May, marking a fourth consecutive monthly increase. The uptick is expected to be driven by higher prices of tomatoes and yam. This is due to seasonal supply constraints, partly offset by lower Premium Motor Spirit (PMS) prices, easing crude oil prices, and a marginal appreciation of the Naira. Looking ahead, we expect inflation to moderate as the harvest season improves food supply. Consequently, the Monetary Policy Committee (MPC) of the Central Bank of Nigeria (CBN) will maintain its current monetary policy stance when it meets in July

Equity Market

The Nigerian equities market closed the week on a negative note, with the NGX All-Share Index (NGX-ASI) declining by 1.21% week-on-week to 229,240.34 points. However, the market showed signs of a recovery on Friday. Consequently, the year-to-date return moderated to 47.31%. Sectoral performance was broadly bearish, as all five major indices under our coverage closed lower. The Industrial Goods Index recorded the steepest decline, falling 4.93% week-on-week, followed by the Oil & Gas Index (-4.34%), the Banking Index (-3.72%), the Insurance Index (-2.52%), and the Consumer Goods Index (-1.60%).

Nigerian Equity Market Performance			
Index	**Close Price**	**Weekly Change**	**YTD**
NGX-ASI	229,240.34	(1.21%)	47.31%
Oil/Gas Index	4,861.01	(4.34%)	82.04%
Industrial Goods Index	9,698.31	(4.93%)	70.85%
Banking Index	2,051.06	(3.72%)	35.31%
Consumer Goods Index	4,550.55	(1.60%)	14.47%
Insurance Index	1,089.02	(2.52%)	(8.43%)

Sources: NGX and United Capital Research

Fixed Income and Money Market

The fixed income market was mixed during the week, with divergent movements across the money market, Treasury bills, and bond segments. In the money market, liquidity conditions remained relatively stable as the Overnight (O/N) rate edged down by 0.03% to 22.18%, while the Open Repo Rate (OPR) remained unchanged at 22.00%. Across the Nigerian Treasury Bill (NTB) market, yields were largely lower as the 91-day and 182-day tenors declined by 0.20% and 0.11% to 16.82% and 18.91%, respectively. This reflects improved demand, while the 364-day yield edged up by 0.04% to 20.89%. In contrast, the bond market remained bearish, with yields rising across all benchmark maturities. The 3-year, 5-year, 7-year and 10-year bond yields increased by 0.70%, 0.23%, 0.17% and 0.99% to 17.98%, 18.24%, 18.40% and 18.54%, respectively, reflecting continued investor caution and repricing across the long end of the yield curve.

Fixed Income Securities Rates			
	Yield	**Weekly Change**	**Year-To-Date Change**
Overnight Rate (O/N)	22.18%	(0.03%)	(0.57%)
Open Repo Rate (OPR)	22.00%	0.00%	(0.50%)
91-Day NTB	16.82%	(0.20%)	0.52%
182-Day NTB	18.91%	(0.11%)	2.21%
364-Day NTB	20.89%	0.04%	1.30%

Bond Market Rates			
Bond	**Yield**	**Weekly Change**	**Year-to-Date Change**
3 Years	17.98%	0.70%	1.07%
5 Years	18.24%	0.23%	1.13%
7 Years	18.40%	0.17%	1.34%
10 Years	18.54%	0.99%	1.73%

Sources: FMDQ and United Capital Research

Outlook

Equity Market

The Recovery recorded last Friday maybe sustained during the week. Banking should stay comparatively resilient on the back of the ongoing recapitalisation drive. Consumer Goods and Insurance could offer relative safety for investors rotating into more defensive names. Overall direction will likely hinge on stock-specific earnings positioning ahead of H2 results season.

Fixed Income Market

Nigeria's fixed income market should stay firmly anchored by high yields next week, with the 10-year bond yield already at 18.54%. The newly announced N5.8 trillion NTB issuance programme for Q3, more than four times the prior quarter's target may lead to an increase in yields. Expect continued oversubscription at auctions given strong appetite for the 364-day Bill. Rates are unlikely to see a policy-driven shift next week, keeping fixed income the more attractive destination for liquidity relative to equities in the near term.

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

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	9.5	20	111%
C & I Leasing Plc	5.35	10	87%
Access Holdings Plc	22.6	40.75	80%
Geregu Power Plc	917.4	1,440	57%
Transnational Corporation	38.65	60	55%
FIRST HOLDCO PLC	55	84.75	54%
FCMB Group Plc	9.8	15	53%
United Bank for Africa Plc	41	62.64	53%
Transcorp Power Plc	245.5	365	49%
MTN Nigeria	750	1,100	47%
AXA Mansard Insurance	12	17.5	46%
Nigerian Breweries Plc	72.5	105	45%
Mutual Benefits Assurance	3.39	4.9	45%
Cadbury Nigeria Plc	56	80	43%
Dangote Cement Plc	891	1,250	40%
Sterling Financial Holdings	7.75	10	29%
AIICO Insurance Plc	3.99	5	25%
Zenith Bank Plc	106.75	130	22%
HBM Nigeria Plc	291	350	20%
GTCO Plc	120.95	145	20%
Wema Bank Plc	27	32	19%

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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

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