

STOCK MARKET IN 2025, PROJECTIONS FOR 2026

PHOTOS BY MIRIAM NAMUTEBI

By Ali Twaha

Choosing a company to invest in can feel daunting. It is a high-stakes decision that forces investors to balance careful research with their own financial goals.

Financial experts say investing is difficult because it requires a bet on the future, while dealing with risks that are part of how markets work.

For investors at the Uganda Securities Exchange (USE), 2025 told very different stories shaped by the shares they held. Depending on the companies they chose, Ugandan and foreign investors point to a good year or a painful one.

But overall, the market moved higher, with the USE All Share Index rising by about 37% at the end of December 2025, according to a report from Crested Capital. This growth, measuring local and cross-listed counters, means that the average value of listed shares increased a lot over the year.

"In financial year 2025, Uganda's capital markets showed stronger activity in both equities and fixed income, although the scale and dynamics of the two markets were markedly different," Calvin David Bateme, head of research at Crested Capital, said in a report.

Market total turnover rose to about sh98.4b, up from sh77.5b in 2024. Experts say more trading usually means more confidence in the market.

Investors were more willing to buy and sell, especially during the middle and end of the year when dividend payments and year-end positioning drove activity. In December alone, more than sh16b worth of shares exchanged hands according to the USE data for the month in review.

"This could be attributed to robust financial results, particularly significant growth in data and fintech revenues, boosting investor confidence," the report said.

LISTED FIRM PERFORMANCE

Out of the 11 locally listed companies, six ended the year with price gains, four recorded losses, and one was flat.

Bank of Baroda's share price more than doubled. The financial institution was the top performer on the stock exchange. The share price rose from sh22.25 in January to sh47 in December, registering a 111.24% gain in the period. In other words, an investment in Baroda turned a sh100,000 investment into about sh211,218 by the end of the year.

"This is before calculating the dividends they have earned for the year. Some investors in Baroda have realised more than 200% return on investment," Alex Kakande, financial and investment analyst, said.

Quality Chemical Industries Limited (QCIL) and Stanbic Holdings shareholders also saw large gains from their stock holdings, supported by strong investor confidence and dividend payments. QCIL stock price increased from sh63.5 to sh116, a gain of 82.68% by the close of the year.

Meanwhile, Stanbic stock price moved from sh39.25 to sh60, delivering 53.68% gains for investors. MTN share price increased from sh276 to sh315,



Shareholders during the Vision Group Annual General meeting on December 11, 2025

BETWEEN THE LINES

2025 stock gains were concentrated in banks and telecoms, while the biggest losses came from companies facing operational uncertainty.

representing a 14.13% gain.

MTN shares have been scarce in the last quarter of 2025, where only a few individual sellers have been able to float shares to the market. Any large transactions have been through mostly foreign institutional holders transferring shares between themselves," Expedito Gitta, an investment analyst, said.

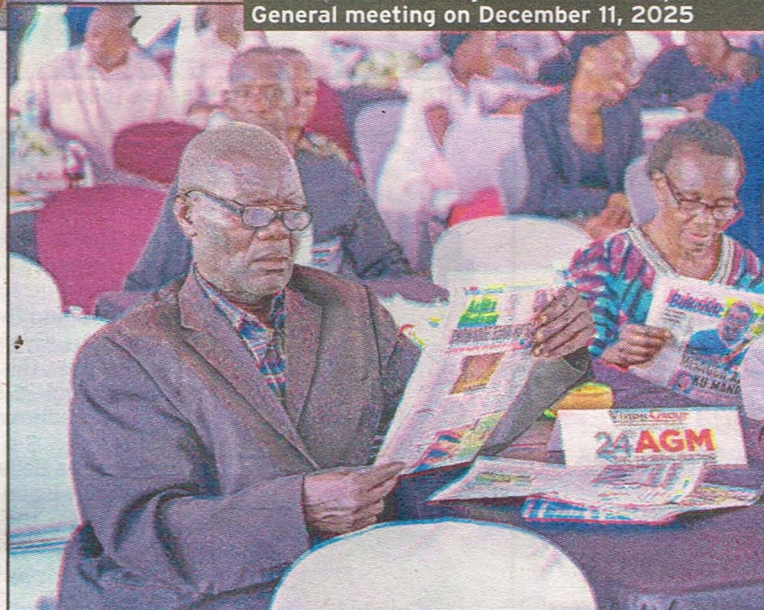
"The scarcity and high demand have led to the sharp share price increment witnessed in the last quarter of the year by 24% from the lows of July 2025.

"Investors who have tried buying large blocks of the company shares have found it difficult to get sellers of such large blocks. Some investors have gone forward with buying small amounts of shares at small prices, while others have decided to buy into fixed income (bonds) as they wait for other opportunities to possibly present themselves."

Airtel Uganda's stock price moved from sh58 to sh85, a 46.55% increase supported by overall returns on dividends to investors. dfcu Limited stock rose from sh225 to sh301, a 33.78% increase.

New Vision Printing and Publishing stock slipped slightly from sh152 to sh150, a loss of 1.32%. The British American Tobacco Uganda shares fell from sh15,000 to sh13,500, a decline of 10% on investors' capital.

NIC Holdings' share price remained flat at sh5 throughout the year, recording no gain and no loss.



Uganda Clays Limited shares fell from sh9 to sh5, a loss of 44.44% for investors. If an investor only played with Uganda Clays and Umeme, 2025 felt like a really bad year.

"UCL share prices plummeted in 2025 by 44%, as the company reported continuous losses. Some investors with large blocks write the investment off their books, but retain the shares in the unlikely event that the company ever recovers. Hard lessons have been learned on when to sell an investment, and knowing when to walk away," Gitta said.

OUTLOOK ON THE BOURSE

2026 will also see Airtel Uganda make formal announcements to list its nearly 9.1% stake on the Uganda Securities Exchange (USE). The announcement will most likely come towards the end of 2026.

On November 7, 2023, Airtel listed at sh100 per share on the USE. Airtel is a

subsidiary of Bharti Airtel. The telcom's Initial Public Offering (IPO) managed to meet and list 10.9% compared to the 20% free float requirement under the Broadband Policy 2018.

From the date listing, the USE rules require that, within three years, any undersubscribed issuer must meet the 20% threshold.

"Given the stock's solid price performance over the past year and an attractive dividend yield of 8.94% in 2025, the upcoming offer may be an opportunity for investor participation in Airtel Uganda's consistent profitability and cash flows," Bateme says.

In 2024, MTN completed the sale of about 1.5 billion ordinary shares in a secondary offer. Many of those who participated were existing shareholders. MTN was listed in December 2021. The offer, priced at sh170 per share, was oversubscribed by 230%, resulting in an oversubscription of 130%.

TECH THREATS

Despite posting commendable results at the stock, telecoms and banking sectors are increasingly facing pressures from emerging technologies. Experts say in 2026, data consumption will almost certainly rise, driven by cheaper smartphones, more video content and the steady pull of social platforms. Telecom operators will face pressure to keep improving speeds while defending revenues in a market where competition is getting louder.

EVENTS TO WATCH IN 2026

In mid-November 2025, the parent of Safaricom, Vodacom Group, signed a formal agreement with Starlink. Under the deal, Starlink's satellite technology will act as a backbone for Vodacom's mobile network across Africa. This means areas where fibre or wired infrastructure is too costly or unreliable can now tap into Starlink's low-Earth orbit satellites for internet connectivity. Already, Airtel Uganda has announced a partnership with Starlink. It should not come as a surprise if MTN unveils a similar arrangement in 2026.

Starlink applied for a license from the UCC to begin operations in Uganda. The company aims to provide high-speed internet to areas with limited connectivity. President Museveni welcomed the move in April 2025 after a meeting with Starlink officials.

"I have been in talks with Elon Musk. He has been telling me that his satellite, Starlink, is now cheaper. We are studying that. If it is true, we shall allow Elon Musk to bring his satellites here if they can make a digital connection cheaper than the underground," Museveni said.

FOREX RATES

CURRENCY	BUY	SELL
US DOLLAR	3,440	3,490
EURO	3,990	4,250
POUND	4,590	4,850
KENYA SH	26	39.6
TZ SH	1.32	1.54
DHIRAM	920	1,050
S.A.RAND	195	250
JAPANESE YEN	16	28
RWANDESE FRANCS	2.0	3.2
DOLLAR OLDER & SMALLER	3,200	3,490

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RATES ARE SUBJECT TO CHANGE