

Weekly Market Recap

Market Performance

The best performer YTD within the African Sovereign Eurobonds space is Ghana (9.4%), while the worst performing country is Senegal (-10.4%) (Refer to Chart 1).

In African Local currency bonds, Ghana was the best performing country (68.7%) while Mauritius (2.1%) performed the poorest (Refer to Chart 2). Returns are in USD terms.

Weekly Commentary

Kenya: Policy easing continues, IMF engagement progresses

The Central Bank of Kenya cut its policy rate by 25bp to 9.75%, bringing cumulative easing to 325bp since August 2024. The decision reflects confidence in contained inflation and room to further stimulate lending and economic activity.

In parallel, Kenya has formally requested IMF negotiations for a new financing arrangement, scheduled for September as the government seeks additional funding to stabilize public debt, support the currency, and maintain growth momentum amid ongoing external pressures.

Southern Africa: Inflation softens further

Botswana's inflation moderated to 1.9% y/y in May (April: 2.3%), driven by falling transport costs and stable food inflation, with lingering effects from last year's drought.

Namibia saw inflation ease to 3.5% y/y (April: 3.6%), primarily due to a steep decline in fuel prices, while housing and utilities inflation softened on lower mortgage credit demand.

Ghana: Solid Q1 growth momentum

Ghana's GDP expanded by 5.3% y/y in Q1 2025 (Q4 2024: 3.6%), supported by broad-based sectoral growth. Agriculture grew 6.6% y/y, boosted by improved crop yields and a rebound in cocoa production after seven quarters of contraction. Industry expanded 3.4% y/y, with gold exports up 76.8% y/y on stronger production (+28% y/y), offsetting continued weakness in oil (-22.1% y/y). Services remained resilient at 5.9% y/y, led by trade, ICT, transport, and financial services.

WEEKLY DATA CENTRE

STATISTICS

	Local Currency Yields					Economic Indicators				
	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	25.16%	22.85%	23.32%	23.30%	-0.15%	24.00%	9.80%	16.80%	-5.30%	0.50%
S. Africa	7.11%	7.85%	10.14%	11.33%	0.05%	7.25%	0.10%	2.80%	-0.60%	-5.00%
Nigeria	23.15%	19.09%	19.00%	18.13%	0.02%	27.50%	10.00%	23.71%	-0.50%	-6.10%
Ghana	21.14%	21.29%	22.64%	22.72%	0.29%	28.00%	1.40%	18.40%	1.40%	3.10%
Kenya	8.99%	10.62%	13.15%	13.47%	-0.41%	9.75%	1.80%	3.80%	-1.30%	-4.90%
Namibia	7.91%	8.05%	10.92%	12.18%	-0.11%	6.75%	7.63%	3.50%	-15.30%	-3.90%
Botswana	6.56%	6.78%	9.28%	10.76%	0.03%	1.90%	1.30%	1.90%	0.90%	-9.00%
Zambia	13.81%	15.46%	19.15%	19.71%	-0.05%	14.50%	0.00%	15.30%	-1.10%	-5.70%
Mauritius	5.05%	5.21%	5.72%	6.20%	0.08%	4.50%	0.90%	4.20%	-4.40%	-5.70%
Morocco	2.10%	2.11%	2.71%	3.33%	0.00%	2.25%	1.10%	0.70%	-2.80%	-3.90%

RETURNS

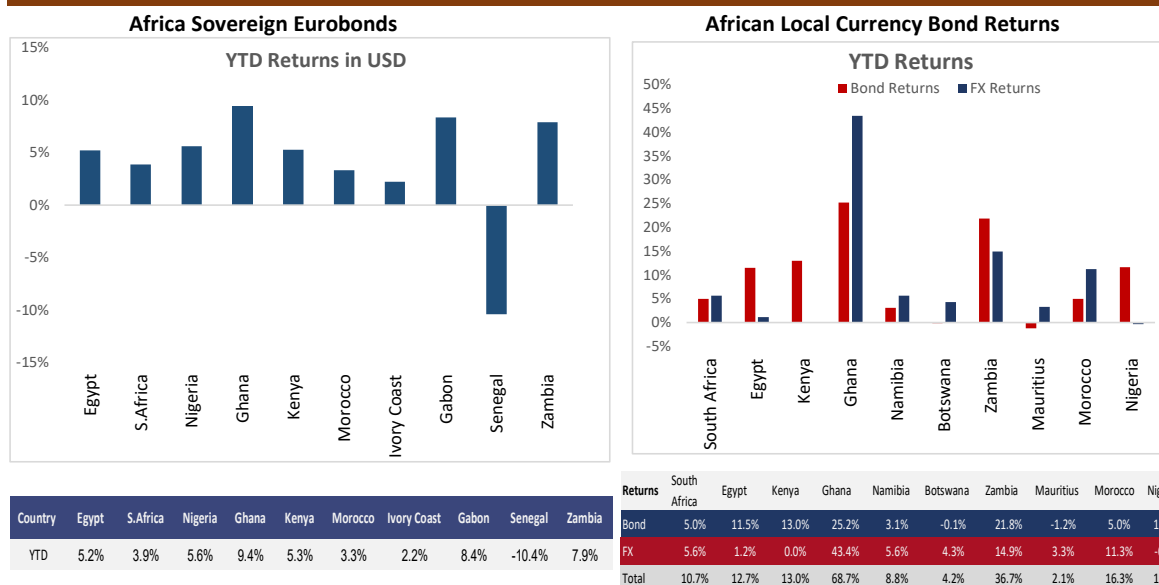


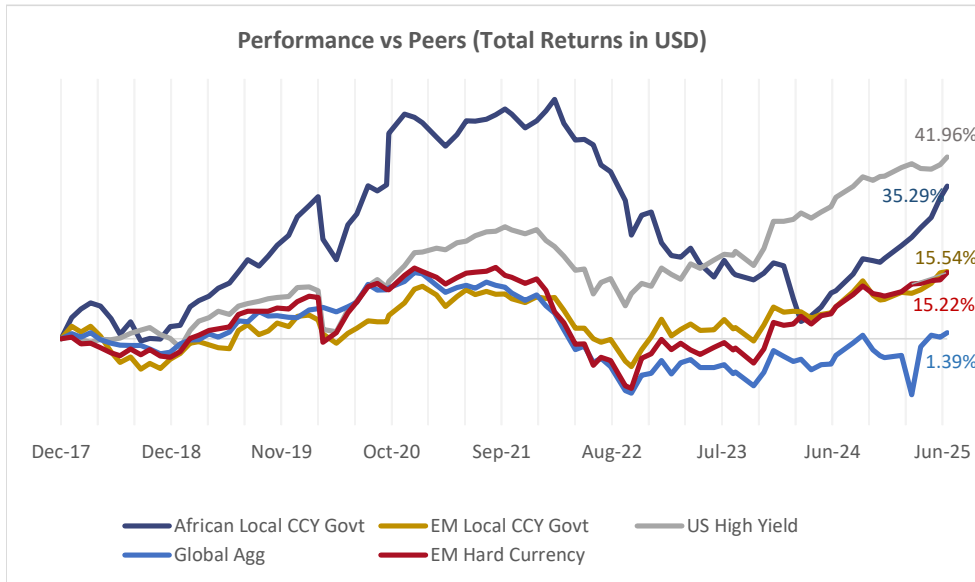
Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 16 June 2025

Chart 2: African Local Currency bonds and FX YTD Performance

Source: Bloomberg, MCBIM as at 16 June 2025

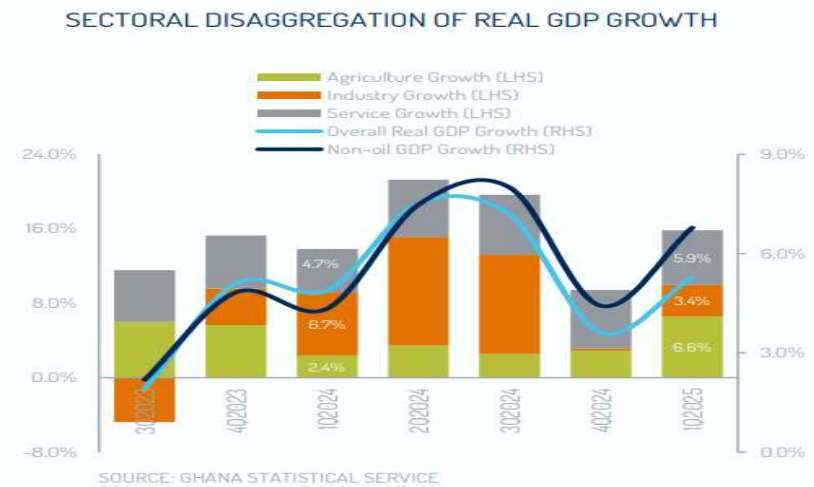
Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 16 June 2025

Chart of the week

SECTORAL DISAGGREGATION OF REAL GDP GROWTH IN GHANA



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YTD: Year to date
 MTD: Month to date
 LCY: Local Currency

GDP: Gross Domestic Product
 CPI: Consumer Price Index

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