

## Weekly Market Recap

### Market Performance

The best performer YTD within the African Sovereign Eurobonds space is Zambia (14.5%), while the worst performing country is Senegal (-13.2%) (Refer to Chart 1).

In African Local currency bonds, Ghana was the best performing country (78.3%) while Mauritius (3.4%) performed the poorest (Refer to Chart 2). Returns are in USD terms.

### Weekly Commentary

African local currency bond markets delivered a strong performance last week, driven by falling yields, steady currencies, and improving sentiment. Ghana and Nigeria led the rally, while most other countries posted positive, though more modest, returns.

Yields declined in nearly all markets, with Ghana recording the most significant move; a drop of 312bps on the 10-year bond to 18.58%. This followed the release of June inflation data, which came in at 13.7%, the lowest since December 2021. The lower than expected reading strengthened expectations of policy easing and drew strong demand from both local and foreign investors. Ghana's delivered a return of 7.13% for the week.

Nigeria also performed strongly. The average bond yield fell by 30bps, with the 10-year at 18.00%, supported by strong secondary market demand, limited supply from the Debt Management Officers, and expectations of continued easing. Ample liquidity and a firm naira contributed to bond returns of 3.30% and total returns of 3.39% for the week.

Looking ahead, the outlook for African local currency asset class remains broadly constructive. Inflation appears to be peaking/ have peaked in several key markets, while currencies have shown signs of stabilization. At the same time, the interest rate environment has become more supportive. With investor demand holding up and local market liquidity improving, African local currency debt is well-positioned as we enter the second half of the year.

## 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	25.44%	24.12%	22.77%	22.77%	-0.39%	24.00%	9.80%	16.80%	-5.30%	-7.10%
S. Africa	6.98%	7.71%	9.73%	10.97%	-0.19%	7.25%	0.10%	2.80%	-0.60%	-5.00%
Nigeria	20.80%	17.92%	18.00%	16.13%	-0.30%	27.50%	10.00%	22.97%	-0.50%	-6.10%
Ghana	18.10%	18.89%	18.58%	18.59%	-3.12%	28.00%	1.40%	13.70%	1.40%	-4.80%
Kenya	9.72%	10.43%	13.21%	13.52%	-0.17%	9.75%	0.80%	3.80%	-1.30%	-4.90%
Namibia	7.87%	8.03%	10.87%	12.01%	-0.09%	6.75%	-3.19%	3.50%	-15.30%	-3.90%
Botswana	6.62%	6.86%	9.31%	10.92%	-0.01%	1.90%	-0.10%	1.90%	-7.30%	-9.00%
Zambia	13.83%	15.43%	19.19%	20.01%	0.01%	14.50%	0.00%	14.10%	-1.00%	-3.50%
Mauritius	4.92%	5.18%	5.62%	6.09%	0.00%	4.50%	0.90%	4.20%	-4.20%	-5.70%
Morocco	2.17%	2.21%	2.76%	3.37%	-0.01%	2.25%	1.10%	0.40%	-2.80%	-3.90%

### RETURNS

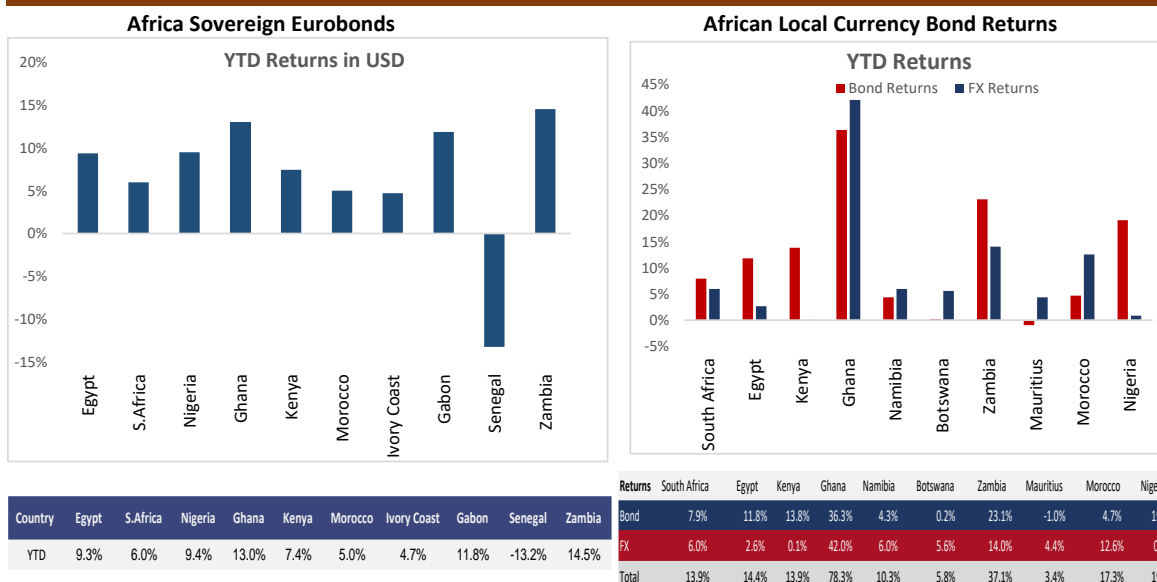


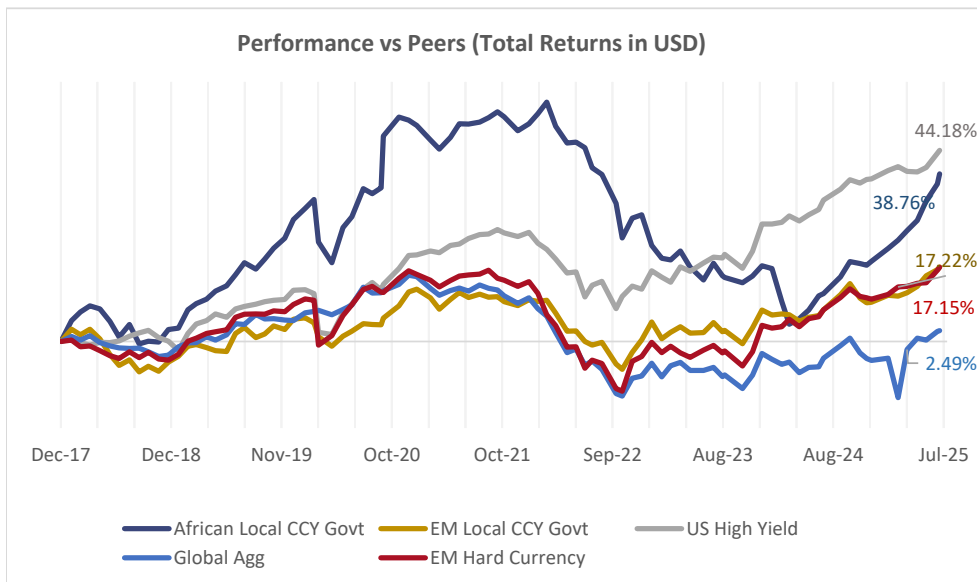
Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 07 July 2025

Chart 2: African Local Currency bonds and FX YTD Performance

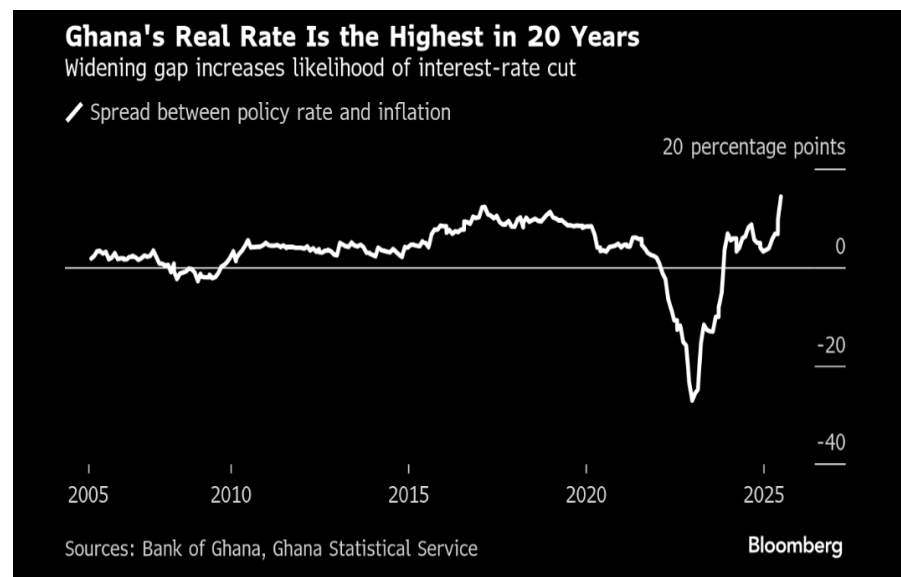
Source: Bloomberg, MCBIM as at 07 July 2025

## Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 07 July 2025

## Chart of the week



For enquiries, please contact

**Abhimanyu Yadav**- Head of Fixed Income  
[abhimanyu.yadav@mcbcm.mu](mailto:abhimanyu.yadav@mcbcm.mu)

**Akshita Pokhun**- Fund Manager  
[akshita.pokhun@mcbcm.mu](mailto:akshita.pokhun@mcbcm.mu)

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

GDP: Gross Domestic Product  
CPI: Consumer Price Index

Disclaimer: The information is not intended to be published or made available to any person in any jurisdiction where doing so would contravene any applicable laws or regulations. This document does not constitute an offer or solicitation to invest in securities. It is provided for informational purposes only and does not constitute investment, legal, tax or other advice or any recommendation on behalf of MCB Investment Management Co. Ltd to buy or sell securities. MCB Investment Management Co. Ltd holds a CIS Manager Licence and an investment adviser (unrestricted) licence from the Financial Services Commission.