

Weekly Market Recap

Market Performance

The **best** performer YTD within the African Sovereign Eurobonds space is **Ghana (17.63%)**, while the **worst** performing country is **Senegal (-0.03%)** (Refer to Chart 1).

Meanwhile, most African local currency bond markets have delivered **positive** returns in USD terms. **Ghana** remained the best performing country (**79.44%**) while **Botswana (-2.01%)** performed the **poorest** (Refer to Chart 2).

Weekly Commentary

African bond markets delivered a mixed performance last week, shaped by rating actions, bilateral funding announcements, and global risk sentiment. Currency movements remained the main driver of returns across markets.

South Africa gained 1.17%, supported by a 0.85% rally in the rand. The currency rebounded despite global volatility, while bond yields edged slightly lower. Attention now shifts to Fed Chair Powell's Jackson Hole speech as a potential driver of EM sentiment.

Kenya posted a modest 0.07% total return, with bonds broadly stable and the shilling little changed. Confidence was bolstered by S&P's upgrade of Kenya's sovereign credit rating to B with a stable outlook, citing stronger liquidity from robust exports, remittances, and proactive debt management. Further support came from Japan's agreement to provide JPY25bn in concessional funding, reflecting Kenya's strategy to diversify its funding sources and strengthen key sectors such as automotive and electricity supply.

Botswana delivered the week's strongest performance with a 2.73% total return, driven by a 2.48% pula appreciation alongside steady bond gains. Since the rand carries a significant weight in the pula's exchange rate basket, the currency tends to move partly alongside the rand. The Bank of Botswana maintained its policy rate at 1.9%, continuing its accommodative stance to support the economy while managing liquidity.

Ghana saw the cedi weaken against the dollar as FX demand from local corporates remained firm, particularly from the manufacturing, commerce, and services sectors. At the central bank's intermittent FX auctions, bids significantly exceeded allocations, putting further pressure on the currency. To limit instability, the Bank of Ghana has instructed banks to stop paying out foreign currency to large corporates unless fully backed by equivalent FCY deposits. Further depreciation is expected in the near term, though ongoing reforms and higher intervention volumes could gradually rebalance demand and supply.

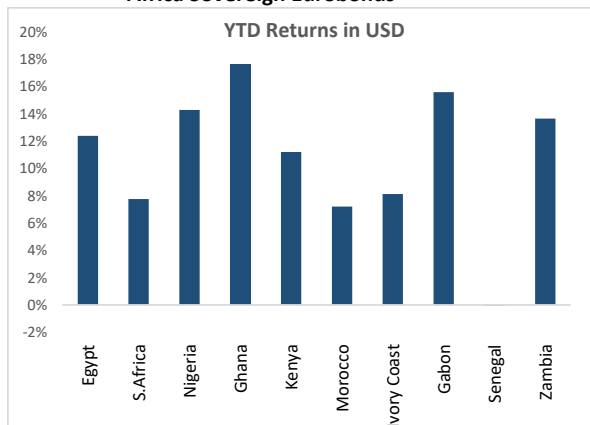
WEEKLY DATA CENTRE

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	26.06%	24.23%	23.95%	23.94%	0.01%	24.00%	9.80%	13.90%	-5.30%	-7.10%
S. Africa	6.73%	7.50%	9.54%	10.78%	-0.08%	7.00%	0.10%	3.50%	-0.60%	-5.00%
Nigeria	18.39%	17.60%	17.28%	16.38%	0.56%	27.50%	10.00%	21.88%	-0.50%	-6.10%
Ghana	16.54%	16.71%	17.02%	17.03%	0.13%	25.00%	1.40%	12.10%	4.40%	-4.80%
Kenya	8.74%	10.29%	13.25%	13.74%	0.00%	9.50%	0.80%	4.10%	-3.60%	-4.90%
Namibia	7.84%	8.01%	10.87%	12.01%	0.00%	6.75%	-3.19%	3.50%	-15.30%	-3.90%
Botswana	8.26%	8.15%	9.65%	10.95%	0.00%	1.90%	-0.10%	1.10%	-7.30%	-9.00%
Zambia	14.28%	15.96%	19.53%	20.46%	0.02%	14.50%	0.00%	13.00%	-1.00%	-3.50%
Mauritius	4.91%	5.07%	5.59%	6.06%	0.00%	4.50%	0.90%	5.20%	-4.20%	-5.70%
Morocco	2.20%	2.21%	2.72%	3.30%	0.00%	2.25%	1.10%	0.50%	-2.80%	-3.90%

RETURNS

Africa Sovereign Eurobonds

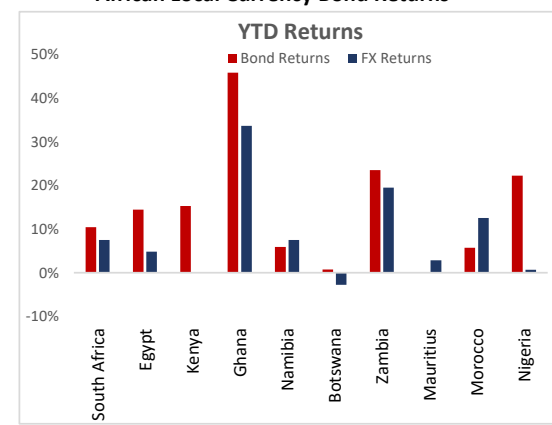


Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	12.4%	7.8%	14.3%	17.6%	11.2%	7.2%	8.1%	15.6%	0.0%	13.6%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 25 August 2025

African Local Currency Bond Returns

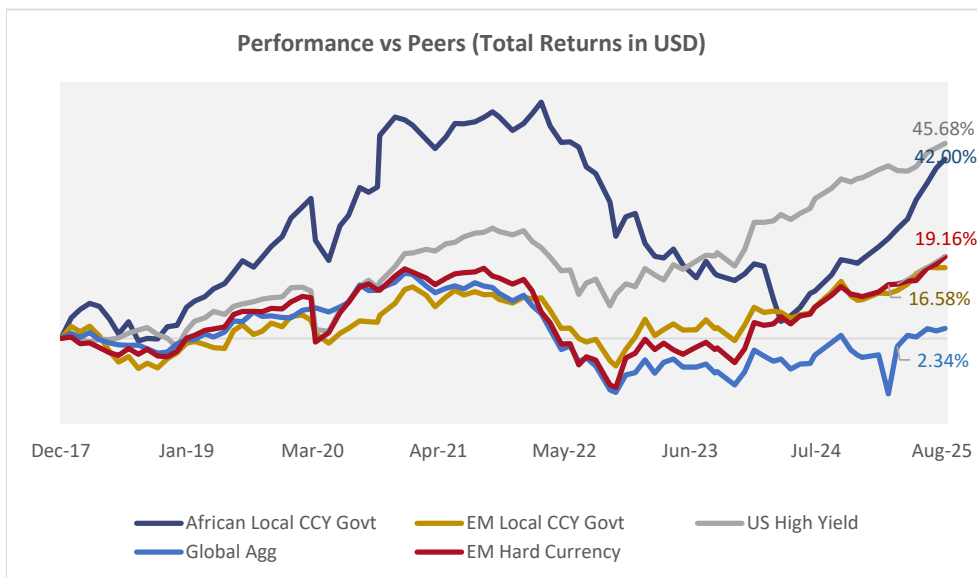


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	10.5%	14.4%	15.3%	45.8%	5.9%	0.8%	23.5%	0.1%	5.7%	22.2%
FX	7.5%	4.8%	0.1%	33.6%	7.5%	-2.8%	19.5%	2.8%	12.5%	0.7%
Total	17.9%	19.3%	15.4%	79.4%	13.4%	-2.0%	43.0%	2.9%	18.2%	22.9%

Chart 2: African Local Currency bonds and FX YTD Performance

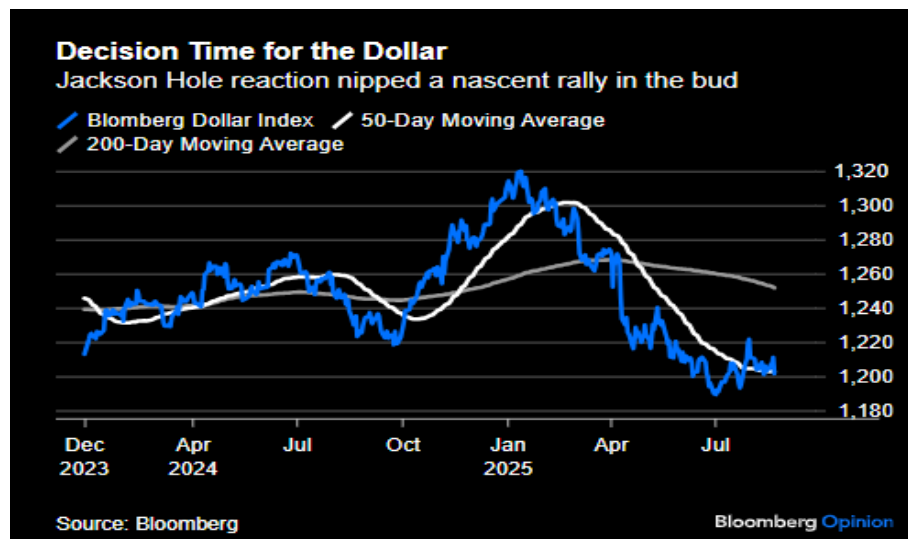
Source: Bloomberg, MCBIM as at 25 August 2025

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 25 August 2025

Chart of the week



Dollar outlook points to potential further depreciation, with dollar dipping below moving average

Source: Bloomberg

For enquiries, please contact

Abhimanyu Yadav- Head of Fixed Income
abhimanyu.yadav@mcbcm.mu

Akshita Pokhun- Fund Manager
akshita.pokhun@mcbcm.mu

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

GDP: Gross Domestic Product
CPI: Consumer Price Index

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