

## Weekly Market Recap

### Market Performance

The **best** performer YTD within the African Sovereign Eurobonds space is **Ghana (18.2%)**, while the **worst** performing country is **Senegal (-1.1%)** (Refer to Chart 1).

Meanwhile, most African local currency bond markets have delivered **positive** returns in USD terms. **Ghana** remained the best performing country (**72.8%**) while **Botswana (-1.8%)** performed the **poorest** (Refer to Chart 2).

### Weekly Commentary

African bond markets delivered mixed performance last week, with returns largely shaped by currency moves and domestic policy developments. Most African currencies posted negative returns for the week, while select markets benefitted from supportive inflation data and policy easing.

South Africa slipped marginally, with bond yields edging higher and the rand giving back some of its recent gains. The currency retreat reflected a broader pullback in risk appetite as investor concerns returned over political interference in the Federal Reserve's governance, even as expectations for a September rate cut remained intact.

Kenya posted a moderate gain, supported by stable bond performance and slight shilling weakness. Inflation accelerated for a third consecutive month in August, rising to 4.5% y/y from 4.1%, driven by food and transport costs. Public debt climbed to KES11.8trn by end-June, highlighting ongoing fiscal challenges, while investor confidence was underpinned by active debt management and resilient domestic demand.

Zambia recorded positive bond returns, but currency depreciation weighed on overall performance. Headline inflation eased to 12.6% y/y in August, down from 13.0%, supported by lower maize and fuel costs that sharply reduced transport inflation. While disinflation continues, the kwacha's weakness weighs on returns as markets look ahead to the central bank's November meeting, where a rate cut remains anticipated.

Egypt saw improved sentiment after the central bank cut policy rates by 200bp. Headline inflation eased to 13.9% y/y in July, while core inflation remained stable. Investors welcomed the move as a sign that disinflation is on track, though the pound remains under mild pressure.

The Ghanaian cedi continues to underperform, weakening further due to strong corporate FX demand. While the government is taking steps to improve fiscal oversight, near-term currency pressures remain a concern. The Bank of Ghana has pledged to intervene where needed, but volatility is likely to continue until the market stabilizes.

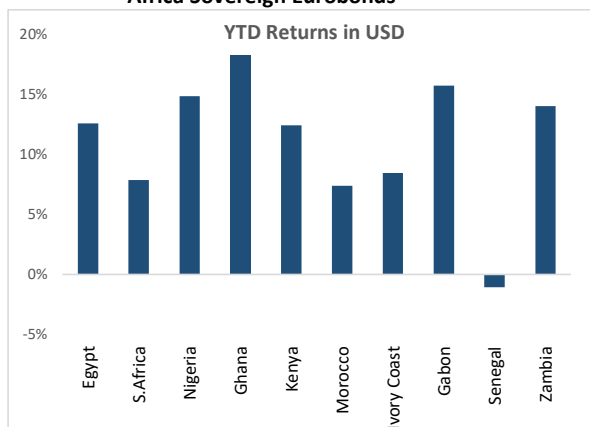
## WEEKLY DATA CENTRE

### 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	25.85%	24.04%	23.98%	23.98%	0.02%	22.00%	9.80%	13.90%	-5.30%	-7.10%
S. Africa	6.68%	7.54%	9.60%	10.85%	0.04%	7.00%	0.10%	3.50%	-0.60%	-5.00%
Nigeria	18.94%	17.54%	17.16%	15.73%	-0.10%	27.50%	10.00%	21.88%	-0.50%	-6.10%
Ghana	15.98%	16.41%	16.93%	16.87%	-0.08%	25.00%	1.40%	12.10%	4.40%	-4.80%
Kenya	9.70%	10.29%	13.39%	13.57%	-0.02%	9.50%	0.80%	4.50%	-3.60%	-4.90%
Namibia	7.80%	7.96%	10.78%	11.94%	-0.06%	6.75%	-3.19%	3.50%	-15.30%	-3.90%
Botswana	8.07%	8.00%	9.77%	10.98%	0.14%	1.90%	-0.10%	1.10%	-7.30%	-9.00%
Zambia	13.80%	15.45%	19.40%	20.10%	-0.10%	14.50%	0.00%	12.60%	-1.00%	-3.50%
Mauritius	4.89%	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%	3.29%	0.00%	2.25%	1.10%	0.50%	-2.80%	-3.90%

### RETURNS

#### Africa Sovereign Eurobonds

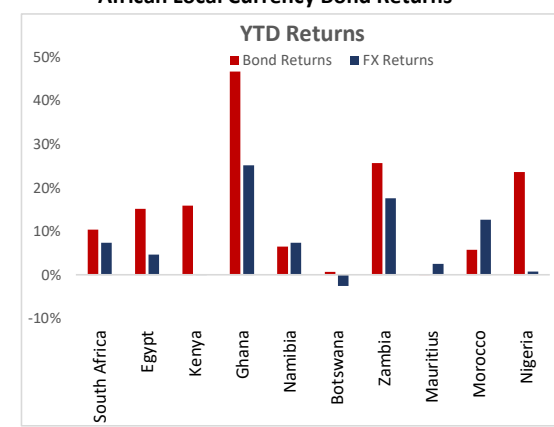


Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	12.6%	7.9%	14.8%	18.2%	12.4%	7.4%	8.4%	15.7%	-1.1%	14.0%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 01 September 2025

#### African Local Currency Bond Returns

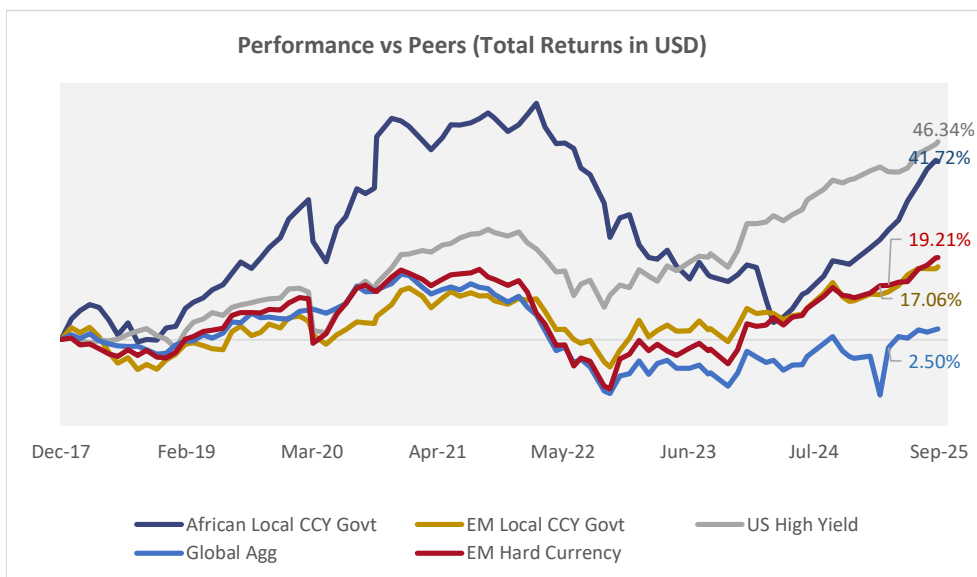


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	10.4%	15.2%	15.9%	46.6%	6.5%	0.7%	25.6%	0.2%	5.8%	23.5%
FX	7.4%	4.6%	0.1%	25.1%	7.4%	-2.5%	17.6%	2.5%	12.7%	0.8%
Total	17.8%	19.8%	15.9%	71.7%	13.8%	-1.8%	43.2%	2.7%	18.4%	24.3%

Chart 2: African Local Currency bonds and FX YTD Performance

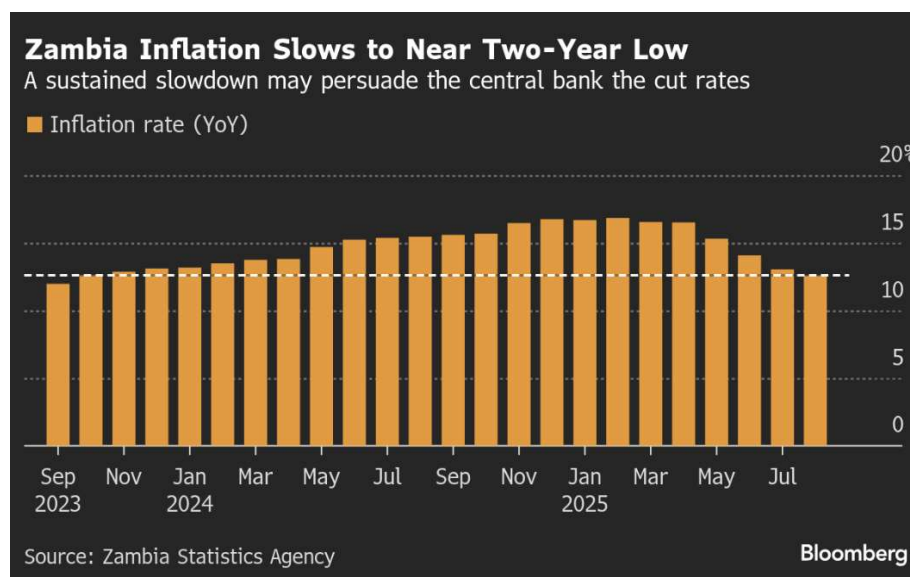
Source: Bloomberg, MCBIM as at 01 September 2025

## Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 01 September 2025

## Chart of the week



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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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