

## Weekly Market Recap

### Market Performance

African bonds continued to gain (in USD terms) across both hard and local currency segments.

The **Africa Eurobond Index** rose **+14.46% YTD**, led by Ghana (+20.4%), Egypt (+18.3%) and Zambia (+16.0%), while Senegal lagged (-2.4%) amid fiscal concerns.

The **African Local Currency Bond Index** climbed **+24.3% YTD** in USD terms, with Ghana (+73.6%), Zambia (+51.1%) and Nigeria (+36.1%) leading on strong FX and bond performance.

### Weekly Commentary

African local bonds posted mixed performance this week. **Zambia (+4.79%)** and **Ghana (+3.68%)** led on the back of stronger currencies, while **Namibia (-0.85%)** and **Botswana (-0.73%)** lagged. Overall, bond markets were stable, though most currencies softened as the US dollar gained nearly 0.8% during the week.

In **Kenya**, the Central Bank of Kenya cut its policy rate by 25bps to 9.25% to support growth, with inflation expected to stay below 5%. The onset of long rains harvests seasons, stable to low oil prices and a stable exchange rate should be supportive. However, the upside risks are geopolitical tensions worsening which may bump up international oil prices. Despite import growth, the shilling remained stable, supported by robust exports growth, healthy remittance inflows from investors, external borrowing by government and the extension of the oil import deal to 2028.

In **Ghana**, bonds gained 3.68%, supported by a 3.3% appreciation of the cedi. The Bank of Ghana announced new spot dollar auctions under its Domestic Gold Purchase Programme to boost FX liquidity and transparency. Around USD 1.15bn will be auctioned in October, with all licensed banks eligible to participate. Future auction sizes will depend on market conditions.

In **Egypt**, bonds rose 0.53% while the pound eased 0.6%. Inflation slowed to 11.7% y/y in September, its lowest in over two years, helped by a stronger currency easing import-driven price pressures. Month-on-month inflation rose to 1.8% from 0.4% in August, and a planned 15–20% fuel price hike could add some pressure. The central bank has cut rates by 625bps this year to support growth, with inflation expected to settle around 11% by year-end.

**Namibia** underperformed as both bonds and the currency weakened. Inflation rose slightly to 3.5% y/y due to higher transport and utility costs, but core inflation remains contained. The central bank is likely to stay cautious to balance growth and stability.

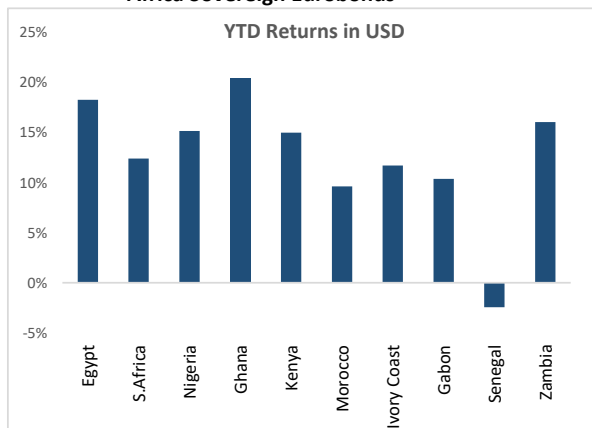
## WEEKLY DATA CENTRE

### STATISTICS

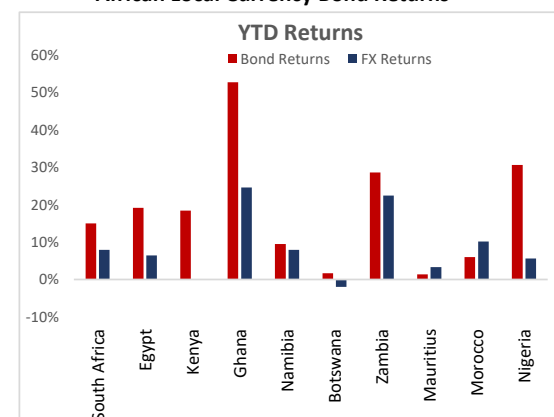
Local Currency Yields						Economic Indicators				
	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	25.35%	23.23%	22.73%	22.72%	-0.04%	21.00%	9.80%	11.70%	-5.30%	-7.10%
S. Africa	6.69%	7.51%	9.08%	10.19%	-0.13%	7.00%	0.80%	3.30%	-0.60%	-5.00%
Nigeria	18.10%	16.10%	15.80%	15.84%	-0.19%	27.00%	10.00%	20.12%	-0.50%	-6.10%
Ghana	15.76%	15.91%	16.03%	16.04%	-0.01%	21.50%	1.40%	9.40%	4.40%	-4.80%
Kenya	8.75%	10.00%	13.17%	13.59%	0.04%	9.25%	1.20%	4.60%	-3.60%	-4.90%
Namibia	7.73%	7.89%	10.48%	11.66%	-0.11%	6.75%	-1.52%	3.50%	-15.30%	-3.90%
Botswana	7.29%	7.44%	9.79%	10.91%	0.01%	1.90%	-3.60%	1.40%	-7.30%	-9.00%
Zambia	14.13%	15.38%	19.13%	19.88%	0.00%	14.50%	0.00%	12.30%	-1.00%	-3.50%
Mauritius	4.69%	4.86%	5.55%	5.96%	0.03%	4.50%	0.40%	4.40%	-4.20%	-5.70%
Morocco	2.22%	2.28%	2.78%	3.31%	0.01%	2.25%	1.10%	0.30%	-2.80%	-3.90%

### RETURNS

#### Africa Sovereign Eurobonds



#### African Local Currency Bond Returns



Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	18.3%	12.4%	15.2%	20.4%	15.0%	9.6%	11.7%	10.4%	-2.4%	16.0%

Chart 1: African Eurobonds YTD Performance

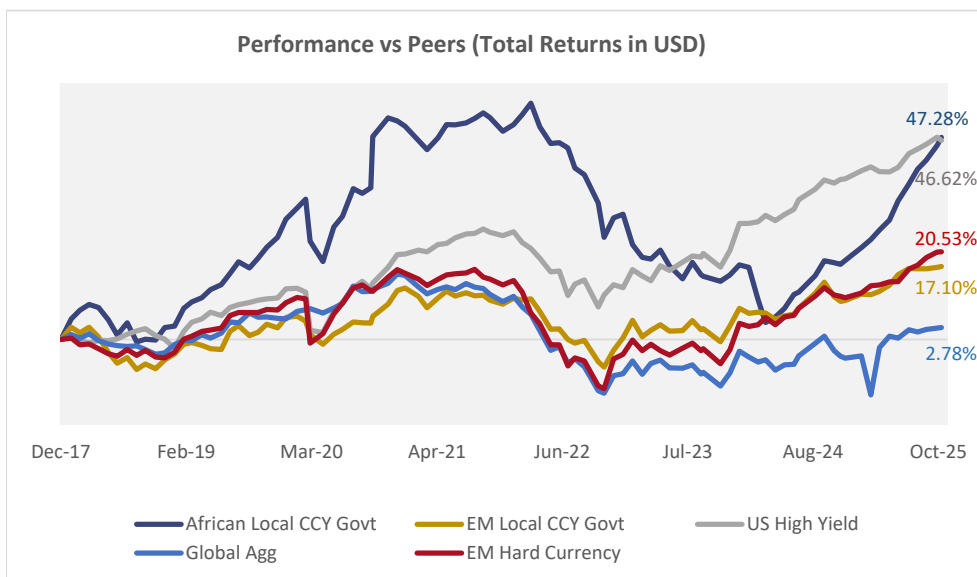
Source: Bloomberg, MCBM as at 13 October 2025

Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	15.0%	19.2%	18.4%	52.7%	9.5%	1.7%	28.6%	1.4%	5.9%	30.6%
FX	7.9%	6.4%	0.1%	24.6%	7.9%	-2.0%	22.4%	3.3%	10.2%	5.6%
Total	22.9%	25.6%	18.5%	77.3%	17.5%	-0.3%	51.1%	4.7%	16.1%	36.2%

Chart 2: African Local Currency bonds and FX YTD Performance

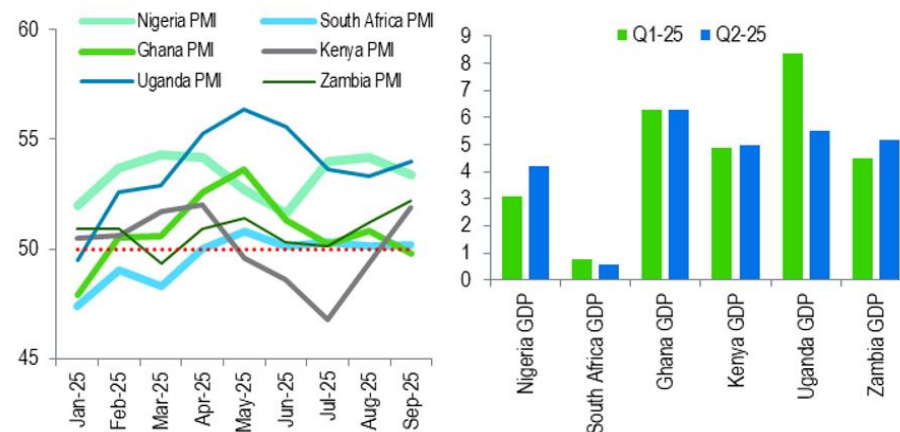
Source: Bloomberg, MCBM as at 13 October 2025

## Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 13 October 2025

## Chart of the week



GDP and PMI data point to accelerating growth across Africa. South Africa, Kenya, Zambia, and Ghana are benefiting from stronger output, FX stability, and ongoing reforms, supporting a resilient growth outlook.

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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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