Weekly Market Recap

Market Performance

African bonds extend gains (in USD terms) across both hard and local currency segments.

The **Africa Eurobond Index** rose **+16.1% YTD**, led by Ghana (+22.6%), Egypt (+21.4%) and Nigeria (+17.7%), while Senegal lagged (-3.6%) amid fiscal concerns.
The **African Local Currency Bond Index** climbed **+25.2% YTD** in USD terms, with Ghana (+90.1%), Zambia (+55.1%) and Nigeria (+38.1%) leading on strong FX and bond performance.

Weekly Commentary

African local bonds delivered mixed performance this week. Bond markets were stable across most countries, while FX performance was more uneven.

In **South Africa**, inflation edged slightly higher to 3.4% y/y in September, up from 3.1% in August, broadly in line with expectations. The rise mainly reflected higher housing and health costs, though food prices continued to ease. Overall, inflation remains well within target and the near-term outlook looks contained, with falling food price risks and slower goods inflation suggesting limited upward pressure ahead.

In **Egypt**, bonds gained **0.74%** while the pound weakened slightly. The IMF urged the government to speed up its privatisation programme, a key part of its US$8bn support package. The move aims to attract foreign investors, reduce public debt, and unlock an additional US$2.5bn in funding. Authorities are targeting three to four strategic asset sales this fiscal year, notably in telecoms, airports, and finance.

In **Namibia**, bonds rose **1.33%** despite a cautious mid-year budget review. The finance minister cut 2025 growth to 3.3% from 4.5%, citing weaker manufacturing, though steady demand and anchored inflation supported bond performance.

In **Botswana**, Moody's downgraded the country's rating to Baa1 with a negative outlook, citing the prolonged downturn in the diamond sector. The weak diamond market continues to weigh on exports, growth, and reserves, though policy stability and low political risk remain supportive.

Zambia outperformed, up **2.86%**, supported by a 2.4% kwacha gain and optimism over new mining rules. The government's plan to boost local sourcing to 40% over five years is expected to boost local industries, create jobs, and strengthen domestic supply chains.

WEEKLY DATA CENTRE

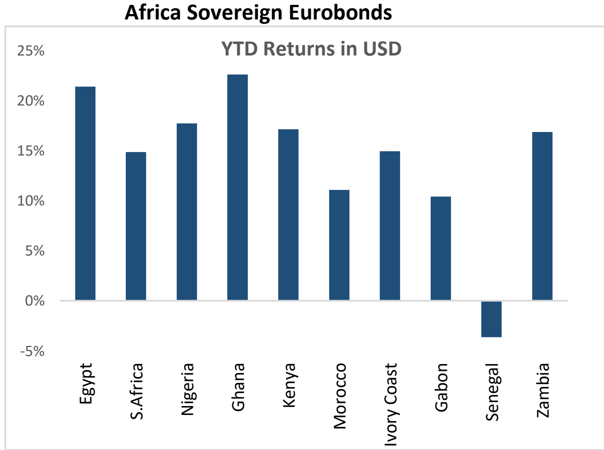
STATISTICS

Local Currency Yields	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield
Egypt	24.93%	23.04%	22.77%	22.74%	0.00%
S. Africa	6.70%	7.38%	8.89%	10.02%	-0.02%
Nigeria	18.42%	16.01%	15.69%	15.14%	0.03%
Ghana	14.46%	15.32%	16.02%	15.89%	0.06%
Kenya	8.75%	9.81%	13.15%	13.31%	0.00%
Namibia	7.71%	7.86%	10.31%	11.44%	-0.14%
Botswana	8.64%	8.78%	10.90%	11.27%	-0.08%
Zambia	14.21%	15.60%	19.20%	19.86%	0.31%
Mauritius	4.79%	4.94%	5.54%	5.97%	-0.01%
Morocco	2.26%	2.34%	2.87%	3.43%	0.04%

Economic Indicators	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	21.00%	9.80%	11.70%	-5.30%	-7.10%
S. Africa	7.00%	0.80%	3.40%	-0.60%	-5.00%
Nigeria	27.00%	10.00%	18.02%	-0.50%	-6.10%
Ghana	21.50%	1.40%	9.40%	4.40%	-4.80%
Kenya	9.25%	1.20%	4.60%	-3.60%	-4.90%
Namibia	6.50%	-1.52%	3.50%	-15.30%	-3.90%
Botswana	1.90%	-3.60%	3.70%	-7.30%	-9.00%
Zambia	14.50%	0.00%	12.30%	-1.00%	-3.50%
Mauritius	4.50%	0.40%	4.40%	-4.20%	-5.70%
Morocco	2.25%	1.10%	0.40%	-1.60%	-3.90%

RETURNS

Africa Sovereign Eurobonds

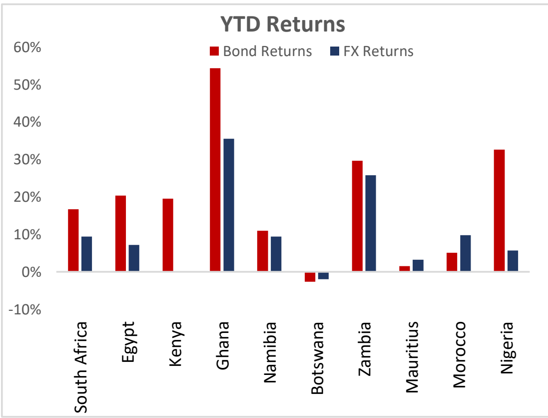


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	21.4%	14.9%	17.7%	22.6%	17.1%	11.1%	14.9%	10.4%	-3.6%	16.9%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 27 October 2025

African Local Currency Bond Returns

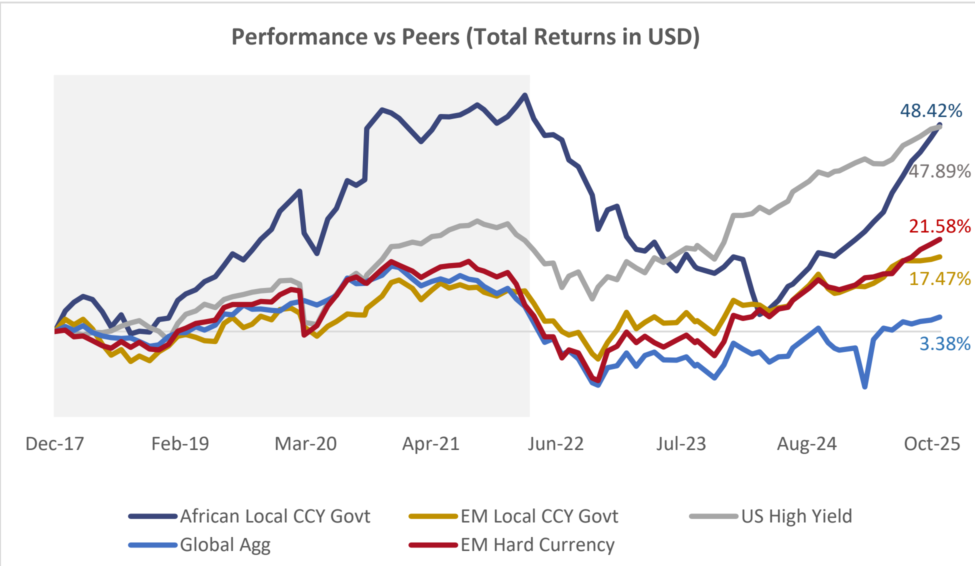


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	16.7%	20.3%	19.5%	54.3%	11.0%	-2.6%	29.7%	1.5%	5.1%	32.6%
FX	9.4%	7.2%	0.1%	35.5%	9.4%	-2.0%	25.7%	3.2%	9.8%	5.7%
Total	26.1%	27.5%	19.6%	89.8%	20.4%	-4.6%	55.4%	4.7%	14.9%	38.4%

Chart 2: African Local Currency bonds and FX YTD Performance

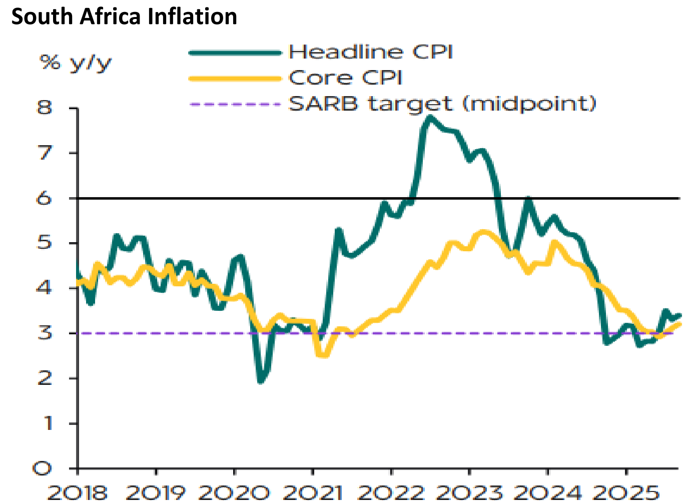
Source: Bloomberg, MCBIM as at 27 October 2025

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 27 October 2025

Chart of the week



Source: RMB research

For insights or access to MCBIM's African fixed income strategies, 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