Weekly Market Recap

Market Performance

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

The **Africa Eurobond Index** rose **+16.2% YTD**, led by Ghana (+24.7%), Egypt (+22.1%) and Nigeria (+19.2%), while Senegal lagged (-13.7%) amid fiscal concerns.
The **African Local Currency Bond Index** climbed **+27.5% YTD** in USD terms, with Ghana (+90.5%), Zambia (+58.9%) and Nigeria (+42.4%) leading on strong FX and bond performance.

Weekly Commentary

African bond market was influenced this week by overall expectations of rate cuts across the continent, as easing inflation and stronger currencies gave central banks room to shift toward supporting growth.

Zambia was the week's top performer, returning **2.86%**, supported by a 2.42% appreciation in the kwacha. The Bank of Zambia cut its policy rate by 25 bps to 14.25%, starting a cautious easing cycle, balancing support for growth with currency stability, amid moderating inflation, which fell to 11.9% year-on-year in October, from 12.3% in September. Despite slower USD inflows from mining and lower FX sales to banks, reserves rose to USD 5.2bn, aided by an IMF disbursement.

Namibia delivered a strong **1.33%**, supported by firm bond demand and a stable Namibian dollar. The country benefitted from shift toward lower interest rates as inflation pressures cool averaging 3.6% in the first eight months of the year.

Nigeria gained **1.29%**, with strong bond performance of 1.13%, during the week, driven by a positive macro and policy backdrop and naira stability. S&P revised the country's outlook to positive and affirmed its rating at B-/B, citing ongoing fiscal reforms and improved debt management. Strong international demand for Nigeria's USD 2.35bn Eurobonds further supported the market.

South Africa rose **1.23%**, due to rand strength and expectations of a 25bps rate cut as the National Treasury formalised the South African Reserve Bank's new 3% inflation target from the previous range of 3%-6%, indicating that the country is moving toward a lower inflation trend.

However, overall performance was impacted by **Senegal**'s sharp bond selloff after IMF talks ended without a new program. The 2033 eurobond fell by 5% and the 2048 bond by 3.9%, pushing yields higher. S&P also downgraded Senegal to CCC+ from B-, highlighting rising credit risks and political tensions across African sovereign markets.

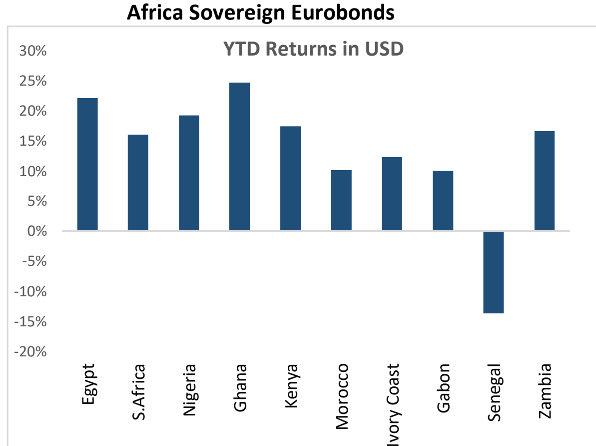
WEEKLY DATA CENTRE

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	24.69%	22.78%	20.30%	20.31%	-0.51%	21.00%	9.80%	12.50%	-5.30%	-7.10%
S. Africa	6.57%	7.29%	8.64%	9.54%	-0.10%	7.00%	0.80%	3.40%	-0.60%	-5.00%
Nigeria	17.90%	15.54%	15.47%	15.16%	-0.01%	27.00%	10.00%	18.02%	-0.50%	-6.10%
Ghana	14.51%	15.00%	15.87%	15.97%	0.03%	21.50%	1.40%	8.00%	4.40%	-4.80%
Kenya	8.81%	9.72%	12.98%	13.68%	-0.17%	9.25%	1.20%	4.60%	-3.60%	-4.90%
Namibia	7.61%	7.77%	10.11%	11.14%	-0.16%	6.50%	-1.52%	3.60%	-15.30%	-3.90%
Botswana	8.93%	9.19%	11.55%	11.62%	0.02%	3.50%	-3.60%	3.90%	-7.30%	-9.00%
Zambia	13.87%	14.96%	17.59%	18.75%	-0.80%	14.25%	0.00%	11.90%	-1.00%	-3.50%
Mauritius	4.89%	5.02%	5.55%	5.97%	0.00%	4.50%	0.40%	4.10%	-4.20%	-5.70%
Morocco	2.21%	2.28%	2.85%	3.40%	0.04%	2.25%	1.10%	0.40%	-1.60%	-3.90%

RETURNS

Africa Sovereign Eurobonds

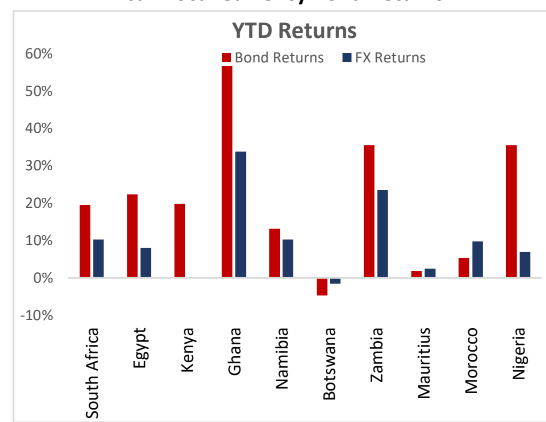


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	22.1%	16.1%	19.2%	24.7%	17.4%	10.1%	12.3%	10.0%	-13.7%	16.6%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 17 November 2025

African Local Currency Bond Returns

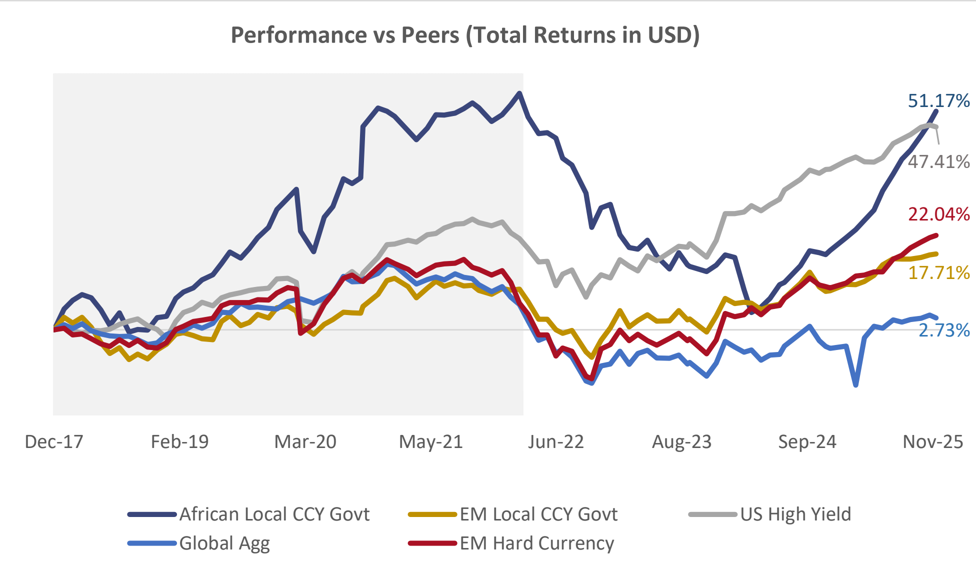


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	19.5%	22.3%	19.8%	56.7%	13.1%	-4.7%	35.5%	1.8%	5.3%	35.5%
FX	10.2%	8.0%	0.0%	33.8%	10.2%	-1.5%	23.5%	2.4%	9.8%	6.9%
Total	29.7%	30.3%	19.8%	90.5%	23.4%	-6.2%	58.9%	4.2%	15.1%	42.4%

Chart 2: African Local Currency bonds and FX YTD Performance

Source: Bloomberg, MCBIM as at 17 November 2025

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 17 November 2025

Chart of the week

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