

Weekly Market Recap

Market Performance

African bonds recorded mixed performances (in USD terms) across hard and local currency segments.

The **Africa Eurobond Index** fell **+0.08% YTD**, led by Gabon (+7.6%), Senegal (+3.6%) and Zambia (+2.0%), while Egypt fell by (-0.8%) among others.

The **African Local Currency Bond Index** climbed **+1.69% YTD** in USD terms, with Zambia (+13.3%), South Africa (+4.3%) and Namibia (+3.2%) leading on strong FX.

Weekly Commentary

African local markets had a strong week, supported by broad FX gains and steady bond performance as the US dollar softened and global risk appetite improved. Currency strength was the main driver of returns across the region. South Africa and Zambia stood out, while Ghana continued to benefit from improving external buffers.

South Africa led regional performance, with total returns of 3.5%, supported by bond gains and a 2.2% appreciation in the rand for the week. The currency extended its rally for a ninth straight week, the longest in over two decades. Record-high gold prices, driven by geopolitical risks, also lifted South African assets.

Inflation remains well contained, reinforcing confidence in the policy framework and giving the SARB room to cut rates gradually, while preserving South Africa's real yield appeal.

Zambia delivered solid returns (+2.7%), supported by gains in both bonds and the currency. The Bank of Zambia decided to raise the non-resident participation limit in primary government bond auctions to 23%, from 5%. This should ease refinancing pressures ahead of sizeable debt repayments this year, reduce rollover risk, and limit FX volatility by allowing foreign investors to reinvest locally.

Outside local markets, Gabon's USD bonds rallied sharply, becoming among the best performers in emerging markets after the government agreed to implement an IMF-supported reform programme. Bonds maturing in 2029 and 2031 rose strongly, reflecting renewed investor confidence. While Gabon remains in distressed territory, renewed IMF engagement marks an important step toward stabilisation and raises the prospect of a future re-rating.

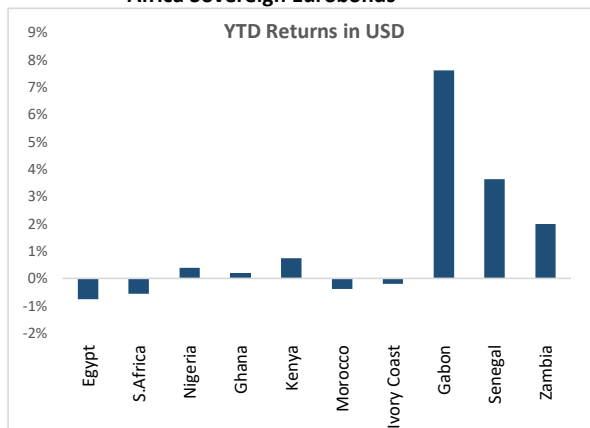
WEEKLY DATA CENTRE

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	23.8%	22.3%	19.8%	19.8%	-0.5%	20.0%	9.8%	12.3%	-5.3%	-7.1%
S. Africa	6.1%	6.9%	8.1%	9.0%	-0.3%	6.8%	0.5%	3.6%	-0.6%	-5.0%
Nigeria	20.9%	17.4%	17.7%	15.6%	0.2%	27.0%	13.2%	15.2%	9.2%	-5.3%
Ghana	14.2%	15.0%	16.4%	16.4%	0.1%	18.0%	1.3%	5.4%	4.4%	-4.8%
Kenya	8.2%	9.5%	13.0%	13.3%	0.0%	9.0%	1.2%	4.5%	-3.6%	-4.9%
Namibia	7.5%	7.6%	9.9%	10.9%	-0.1%	6.5%	-2.5%	3.2%	-15.3%	-3.9%
Botswana	10.4%	10.3%	11.3%	11.5%	0.0%	3.5%	10.9%	3.9%	-7.3%	-9.0%
Zambia	14.1%	15.1%	17.6%	18.8%	0.0%	14.3%	0.0%	11.2%	-1.0%	-3.5%
Mauritius	4.7%	4.9%	5.5%	5.9%	-0.1%	4.5%	1.0%	4.5%	-6.4%	-5.7%
Morocco	2.4%	2.6%	3.1%	3.6%	0.0%	2.3%	1.1%	-0.3%	-1.6%	-3.9%

RETURNS

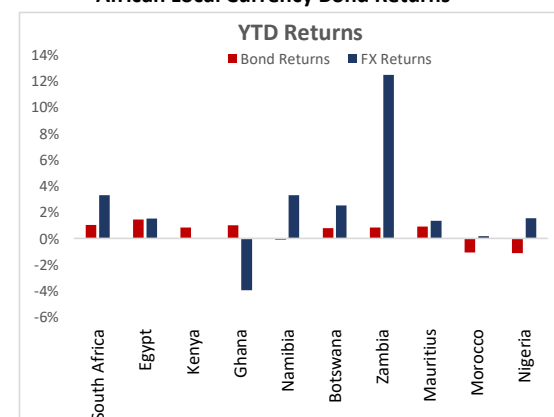
Africa Sovereign Eurobonds



Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-0.8%	-0.6%	0.4%	0.2%	0.7%	-0.4%	-0.2%	7.6%	3.6%	2.0%

Chart 1: African Eurobonds YTD Performance
Source: Bloomberg, MCBM as at 26 January 2026

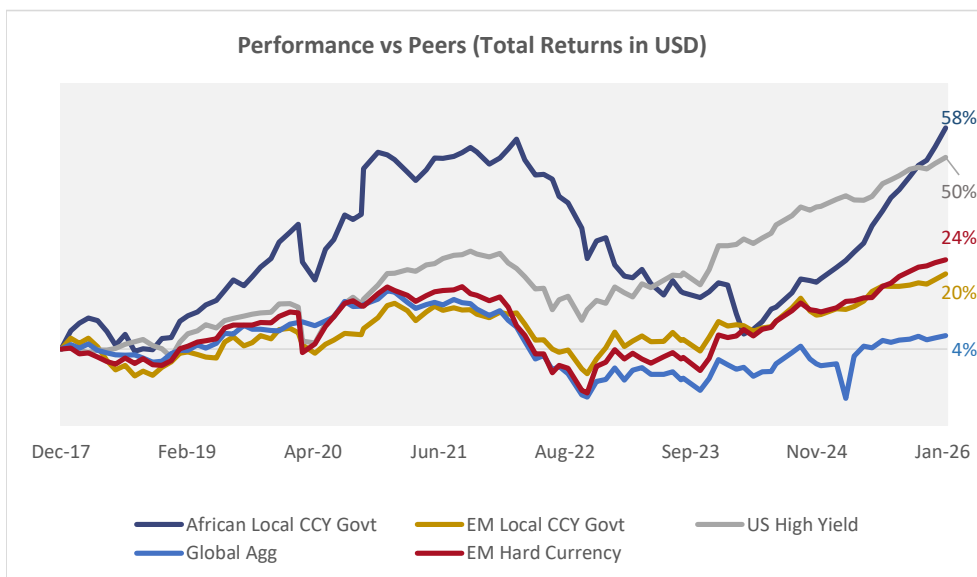
African Local Currency Bond Returns



Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	1.0%	1.4%	0.8%	1.0%	-0.1%	0.8%	0.8%	0.9%	-1.1%	-1.1%
FX	3.3%	1.5%	0.0%	-3.9%	3.3%	2.5%	12.5%	1.3%	0.2%	1.5%
Total	4.3%	2.9%	0.8%	-2.9%	3.2%	3.3%	13.3%	2.3%	-0.9%	0.4%

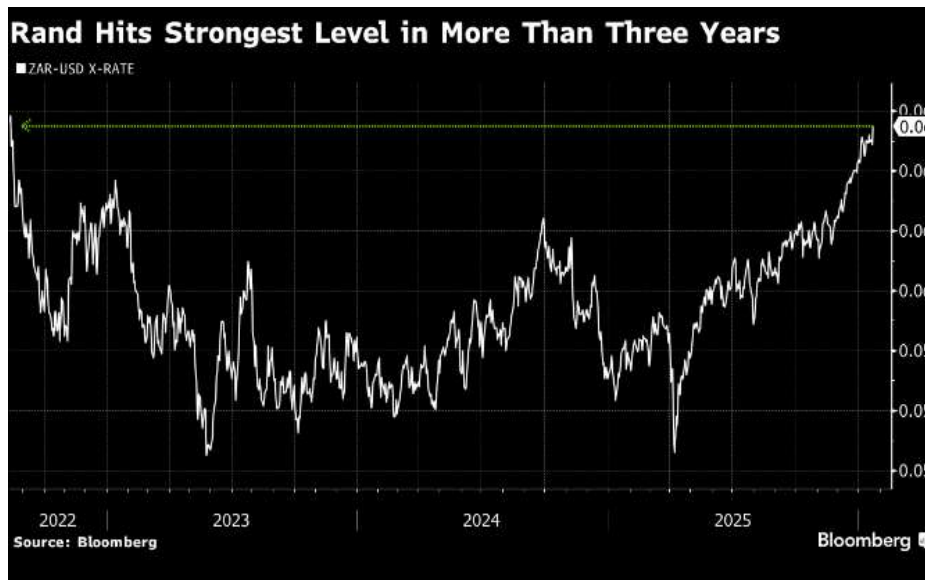
Chart 2: African Local Currency bonds and FX YTD Performance
Source: Bloomberg, MCBM as at 26 January 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 26 January 2026

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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