Weekly Market Recap

Market Performance

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

The Africa Eurobond Index fell **-0.36% YTD**, driven by **Egypt (-3.2%)**, **Kenya (-3.1%)** and **South Africa (-0.8%)**.
The African Local Currency Bond Index returned **+1.25% YTD** in USD terms, lead by **Zambia (+20.8%)**, **Nigeria (+8.5%)** and **Ghana (+8.7%).**

Weekly Commentary

African local markets had a difficult week as escalating geopolitical tensions in the Middle East triggered a global risk-off move. Investors moved toward US-dollar assets, pushing the US Dollar higher. African currencies weakened across the board and yields rose in several markets, weighing on returns.

Egypt (-4.54%) recorded one of the largest declines, driven mainly by a sharp depreciation of the Egyptian pound of 5% as higher oil prices and potential disruptions to Suez Canal traffic raised concerns about the country's external position. Despite this, Egypt retains strong buffers. Foreign reserves cover more than six months of imports, while continued support from multilaterals, including World Bank financing and recent IMF disbursements, should help stabilise the currency. Domestic debt also remains attractive to investors, with T-bill yields around 24%.

Nigeria (-2.42%) declined as the stronger US dollar weighed on the Naira despite improving domestic fundamentals. Higher oil prices should support export revenues and strengthen the external position. Offshore investors have slowed new bond investments but largely maintained existing holdings. The recent increase in treasury bill yields has been driven mainly by local investors reacting to the smaller-than-expected 50bp policy rate cut at the February MPC meeting. FX pressure during the week was linked to offshore investors converting maturities into dollars amid delays in FX supply from the central bank.

Kenya (+0.95%) was one of the few markets to post positive returns, supported by gains in local bonds despite mild FX weakness. Although rising oil prices pose risks for the country as a net importer, Kenya maintains relatively strong external buffers, with reserves covering more than five months of imports.

Ghana (-1.43%) also saw negative returns as yields moved higher. The government plans to increase infrastructure spending and reopen domestic bond issuance with around GHS20.2bn expected this year, which could push yields upward. Although inflation has fallen sharply to 3.3% y/y, base effects may drive it higher later in the year, potentially limiting further rate cuts and putting pressure on both bond yields and the

WEEKLY DATA CENTRE

STATISTICS

Local Currency Yields

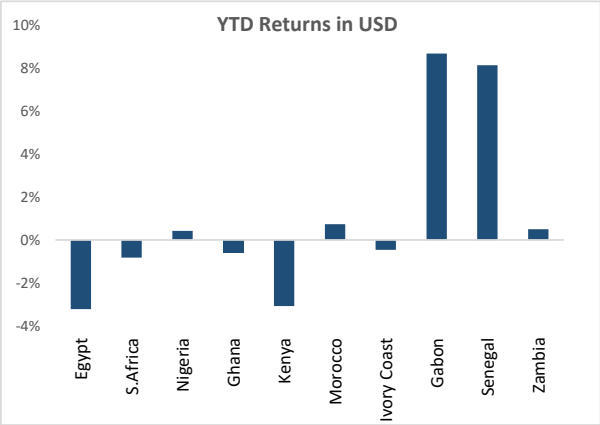
	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield
Egypt	23.4%	22.2%	19.9%	19.9%	0.0%
S. Africa	6.3%	7.0%	8.6%	9.1%	0.4%
Nigeria	19.3%	16.3%	15.8%	14.4%	-0.4%
Ghana	9.4%	10.3%	14.1%	14.4%	0.2%
Kenya	8.0%	9.3%	11.6%	12.9%	-0.7%
Namibia	7.6%	7.8%	10.0%	10.8%	0.0%
Botswana	10.7%	10.9%	12.0%	12.4%	0.0%
Zambia	14.0%	14.6%	16.4%	17.5%	-0.2%
Mauritius	4.4%	4.5%	5.5%	5.9%	0.0%
Morocco	2.3%	2.4%	3.0%	3.6%	0.1%

Economic Indicators

	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	19.0%	9.8%	11.9%	-5.3%	-7.1%
S. Africa	6.8%	0.5%	3.5%	-0.6%	-4.5%
Nigeria	26.5%	13.2%	15.1%	9.2%	-3.9%
Ghana	15.5%	1.3%	3.3%	4.4%	-4.8%
Kenya	8.8%	1.2%	4.3%	-3.6%	-4.9%
Namibia	6.5%	-2.5%	2.9%	-15.3%	-6.6%
Botswana	3.5%	10.9%	4.1%	-7.3%	-9.0%
Zambia	13.5%	0.0%	7.5%	-1.0%	-3.5%
Mauritius	4.5%	1.0%	3.5%	-6.4%	-5.7%
Morocco	2.3%	1.1%	-0.8%	-1.6%	-3.9%

RETURNS

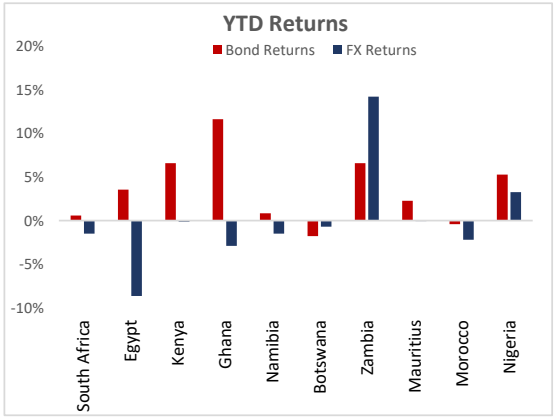
Africa Sovereign Eurobonds



Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-3.2%	-0.8%	0.4%	-0.6%	-3.1%	0.7%	-0.5%	8.7%	8.1%	0.5%

Chart 1: African Eurobonds YTD Performance
Source: Bloomberg, MCBIM as at 09 March 2026

African Local Currency Bond Returns



Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	0.6%	3.5%	6.6%	11.6%	0.8%	-1.8%	6.6%	2.3%	-0.4%	5.3%
FX	-1.5%	-8.6%	-0.1%	-2.9%	-1.5%	-0.7%	14.2%	-0.1%	-2.2%	3.3%
Total	-0.9%	-5.1%	6.5%	8.7%	-0.6%	-2.5%	20.8%	2.2%	-2.6%	8.5%

Chart 2: African Local Currency bonds and FX YTD Performance
Source: Bloomberg, MCBIM as at 09 March 2026

Performance vs Peers (Total Returns in USD)

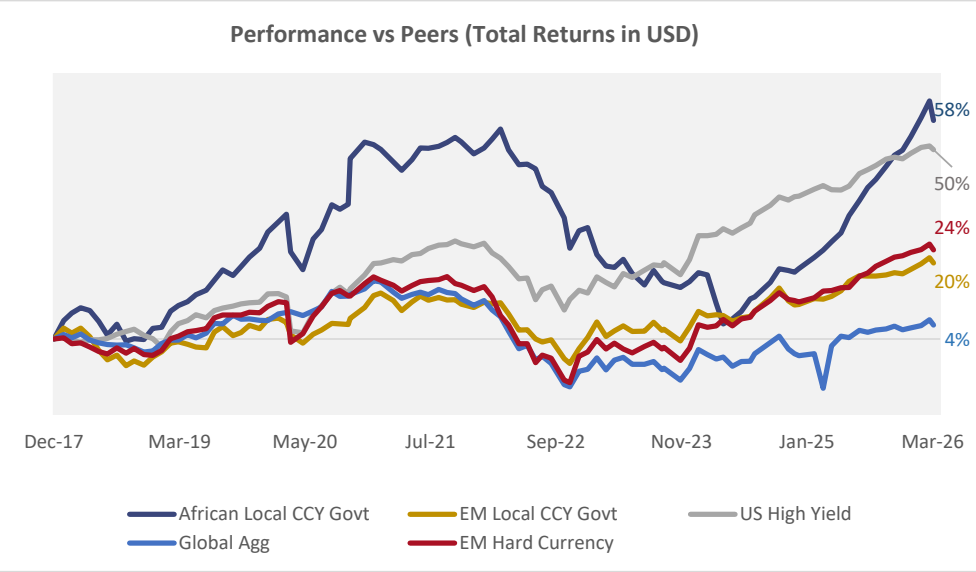
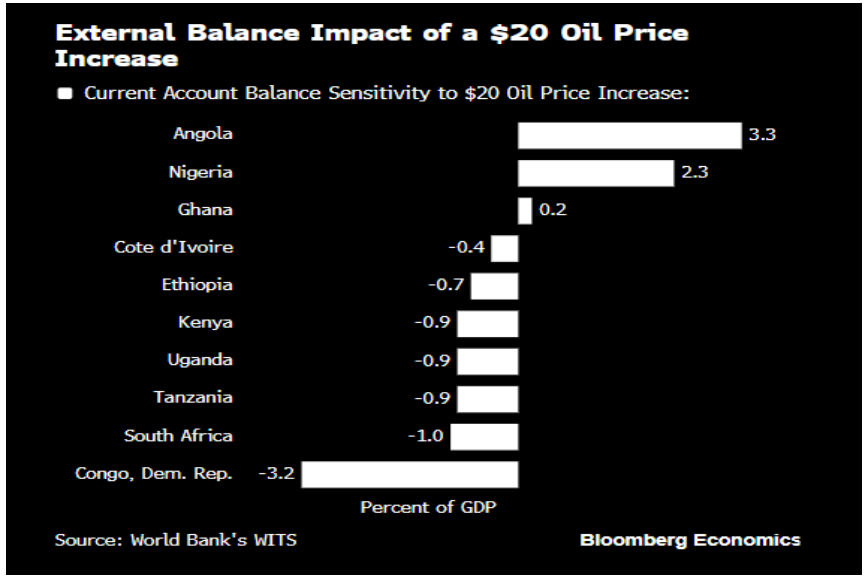


Chart of the week



Source: Bloomberg, MCBIM as at 09 March 2026

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

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