

Weekly Market Recap

Market Performance

The **Africa Eurobond Index** rose by **+1.46% YTD**, driven by Gabon (+14.3%), Nigeria (+2.8%) and Ghana (+2.5%).

The **African Local Currency Bond Index** climbed **+1.35% YTD** in USD terms, with Zambia (+21.3%), Nigeria (+13.9%) and Kenya (+6.7%).

Weekly Commentary

African local markets had a weaker week overall, with FX driving the downside across markets. While bond performance was mostly positive, currencies came under pressure across the board, with only Zambia posting FX gains. As a result, Zambia and Ghana were the only markets to deliver positive total returns.

South Africa (-3.20%) declined, with both bonds (-2.30%) and FX (-0.90%) under pressure. The SARB held rates at 6.75%, as expected, but struck a more hawkish tone, revising inflation forecasts higher and signalling that rates are likely to stay elevated for longer given supply shocks from the Middle East conflict. Markets are now increasingly pricing in the risk of rate hikes later in the year, particularly if higher oil prices feed into second-round inflation effects.

Nigeria declined, with FX pressure weighing on returns. The naira remained relatively resilient, even as external reserves continue to decline, pointing to underlying FX demand pressures. Public debt rose to NGN159.28tn (36.9% of GDP) in 2025, driven by increased domestic and external borrowing to finance infrastructure and fiscal needs.

Botswana saw bond gains offset by FX weakness. Inflation rose to 4.2% y/y in March, with food and transport costs continuing to drive price pressures. Recent sharp fuel price increases, following higher global oil prices, are expected to push inflation further above the target range in the coming months, raising the risk of a policy response.

Zambia stood out with positive bond (1.94%) and FX performance(0.56%) for the week. The kwacha remains relatively stable and significantly stronger on a year-on-year basis, but volatility has picked up amid global uncertainty. Rising Middle East tensions are increasing fuel import costs, putting pressure on the current account and fiscal position. The government’s decision to suspend fuel taxes to cushion consumers, at an estimated USD100m revenue loss, further tightens fiscal space. As a result, while the currency remains resilient for now, external pressures and risk-off sentiment are likely to act as a constraint on further gains in the near term.

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	24.6%	23.5%	20.3%	20.4%	-0.2%	19.0%	9.8%	15.2%	-4.2%	-7.1%
S. Africa	7.1%	7.6%	8.8%	9.2%	0.3%	6.8%	0.4%	3.1%	-0.5%	-4.5%
Nigeria	19.1%	15.9%	15.0%	14.3%	-0.4%	26.5%	13.2%	15.4%	9.2%	-3.9%
Ghana	10.6%	12.0%	14.1%	13.9%	-0.1%	14.0%	1.5%	3.2%	4.4%	-4.8%
Kenya	7.8%	9.2%	12.1%	13.0%	0.0%	8.8%	1.2%	4.4%	-3.6%	-4.9%
Namibia	8.1%	8.5%	10.6%	11.5%	0.2%	6.5%	6.4%	2.1%	-15.3%	-6.6%
Botswana	11.3%	11.5%	12.6%	12.9%	0.4%	3.5%	-11.4%	4.2%	-7.3%	-9.0%
Zambia	13.6%	14.9%	16.9%	18.1%	-0.4%	13.5%	0.0%	7.1%	-1.0%	-3.5%
Mauritius	4.4%	4.6%	5.5%	5.8%	0.0%	4.5%	2.1%	2.7%	-6.4%	-5.7%
Morocco	1.7%	2.0%	3.1%	3.7%	0.0%	2.3%	1.1%	0.9%	-2.3%	-3.6%

RETURNS

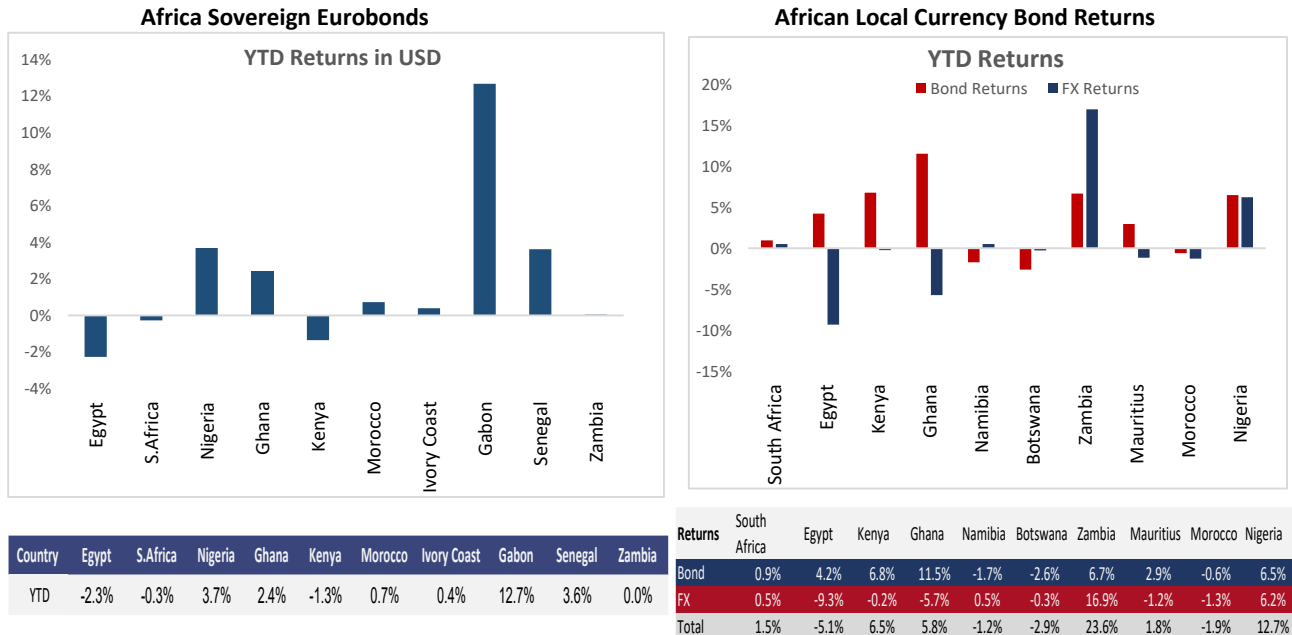
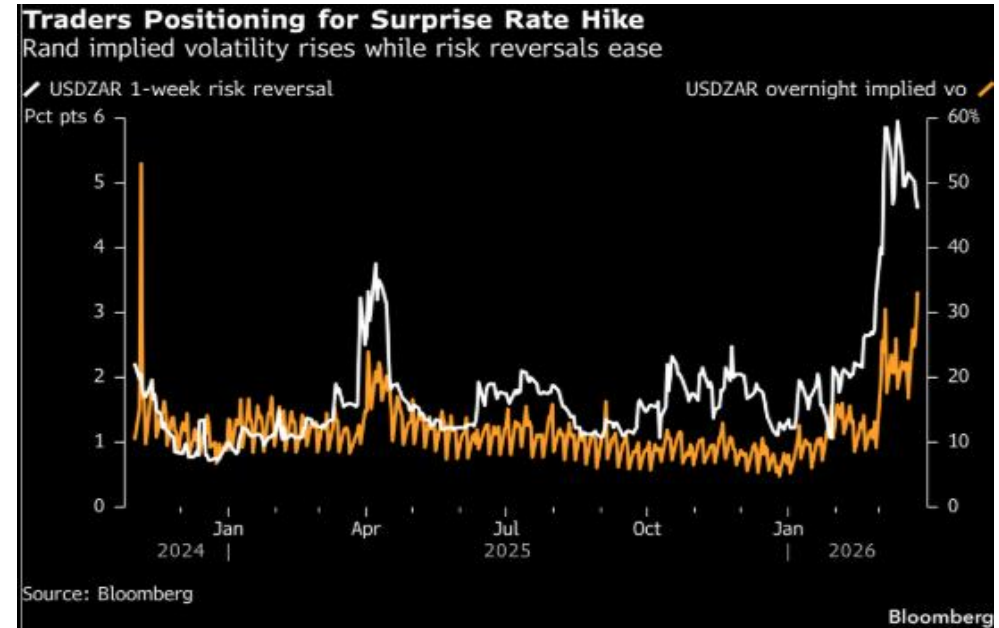
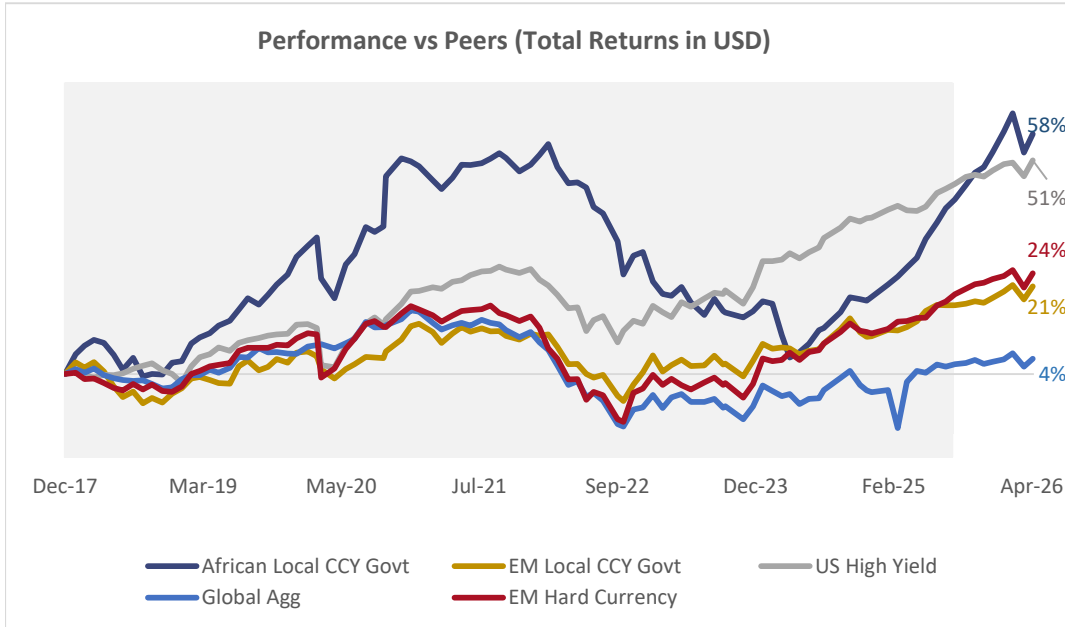


Chart 1: African Eurobonds YTD Performance
Source: Bloomberg, MCBIM as at 27 April 2026

Chart 2: African Local Currency bonds and FX YTD Performance
Source: Bloomberg, MCBIM as a 27 April 2026

Chart of the week



Source: Bloomberg, MCBIM as at 27 April 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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