

Weekly Market Recap

Market Performance

The **Africa Eurobond Index** rose by **+1.96% YTD**, driven by Gabon (+14.3%), Senegal (+4.5%) and Nigeria (+4.3%).

The **African Local Currency Bond Index** climbed **+0.72% YTD** in USD terms, with Zambia (+23.3%), Nigeria (+11.4%) and Kenya (+6.6%).

Weekly Commentary

African local markets had a weaker week, with the stronger US dollar driven by a “higher-for-longer” narrative, supported by hawkish policy signals, and rising inflation expectations, putting pressure on most currencies. FX was the main driver of returns, with most markets posting negative performance. Botswana (+1.13%) and Morocco (0.48%) stood out as positive performer, supported by bond gains.

South Africa (-1.30%) declined as both bonds and FX came under pressure. Despite higher oil prices, the rand showed relative resilience, with some signs of “conflict fatigue” limiting its sensitivity to geopolitical headlines. However, interest rate markets have turned more hawkish, with Forward Rate Agreements (FRAs) now pricing in around 100bp of rate hikes by year-end, reflecting concerns that elevated oil prices could feed into inflation.

Kenya (+0.02%) was broadly flat, as FX gains offset slight bond weakness. Inflation accelerated sharply to 5.6% y/y in April from 4.4% in March, driven by higher fuel, transport and food prices, with core inflation also picking up. At the same time, growth slowed, with GDP expanding by 4.0% y/y in 4Q25, bringing full-year growth to 4.6% in 2025, reflecting softer momentum across key sectors.

Namibia (-1.46%) also weakened, with both bonds and FX declining. The Central Bank kept rates unchanged at 6.50%, maintaining its stance to support the currency peg. However, inflation is expected to rise in the coming months, with risks tilted to the upside due to higher oil prices and currency volatility.

Botswana (+1.13%) was the standout performer, driven by strong bond gains (+1.27%), but the underlying story was tighter policy. The Central Bank delivered a surprise 200bp rate hike to 5.5%, the highest level since 2017. The move was aimed at strengthening policy transmission and responding to rising inflation pressures, with inflation expected to breach the upper end of the target range in the near term.

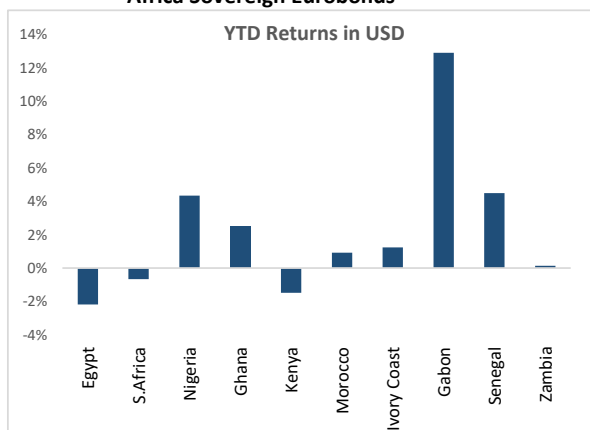
WEEKLY DATA CENTRE

STATISTICS

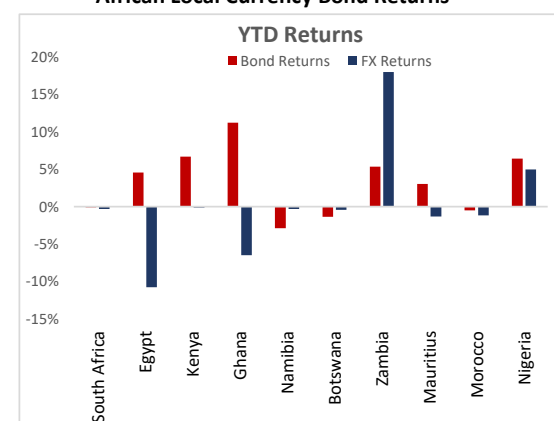
	Local Currency Yields					Economic Indicators				
	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	24.6%	23.5%	21.2%	21.2%	0.8%	19.0%	9.8%	15.2%	-4.2%	-7.1%
S. Africa	7.5%	7.7%	8.9%	9.4%	0.2%	6.8%	0.4%	3.1%	-0.5%	-4.5%
Nigeria	18.6%	16.9%	15.3%	14.1%	0.3%	26.5%	13.2%	15.4%	6.9%	-3.9%
Ghana	9.8%	12.2%	14.2%	14.4%	0.1%	14.0%	1.5%	3.2%	4.4%	-4.8%
Kenya	7.7%	9.4%	12.2%	13.0%	0.1%	8.8%	1.1%	5.6%	-3.6%	-4.9%
Namibia	8.1%	8.6%	10.8%	11.8%	0.2%	6.5%	6.4%	2.1%	-15.3%	-6.6%
Botswana	11.4%	11.4%	12.4%	12.7%	0.2%	5.5%	-11.4%	4.2%	-7.3%	-9.0%
Zambia	14.5%	15.7%	17.3%	18.2%	0.5%	13.5%	0.0%	6.8%	-1.0%	-3.5%
Mauritius	4.3%	4.6%	5.5%	5.9%	0.0%	4.5%	2.1%	2.7%	-6.4%	-5.7%
Morocco	1.8%	2.1%	3.1%	3.7%	0.0%	2.3%	1.1%	0.9%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds



African Local Currency Bond Returns



Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-2.2%	-0.7%	4.3%	2.5%	-1.5%	0.9%	1.2%	12.9%	4.5%	0.1%

Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	-0.1%	4.6%	6.7%	11.2%	-2.9%	-1.4%	5.3%	3.0%	-0.5%	6.4%
FX	-0.3%	-10.8%	-0.1%	-6.5%	-0.3%	-0.4%	18.0%	-1.3%	-1.2%	5.0%
Total	-0.4%	-6.2%	6.6%	4.7%	-3.2%	-1.8%	23.3%	1.7%	-1.7%	11.4%

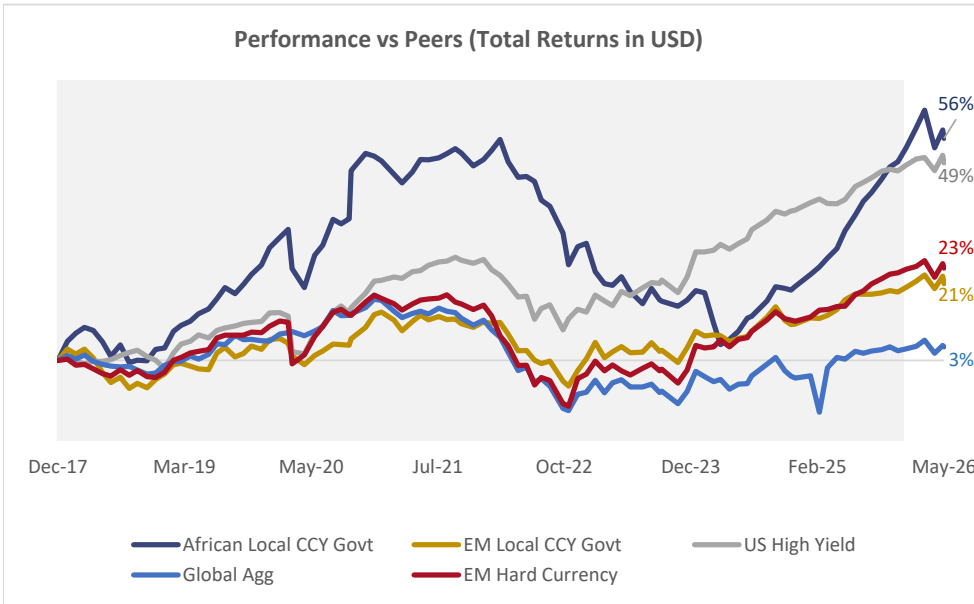
Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBM as at 04 May 2026

Chart 2: African Local Currency bonds and FX YTD Performance

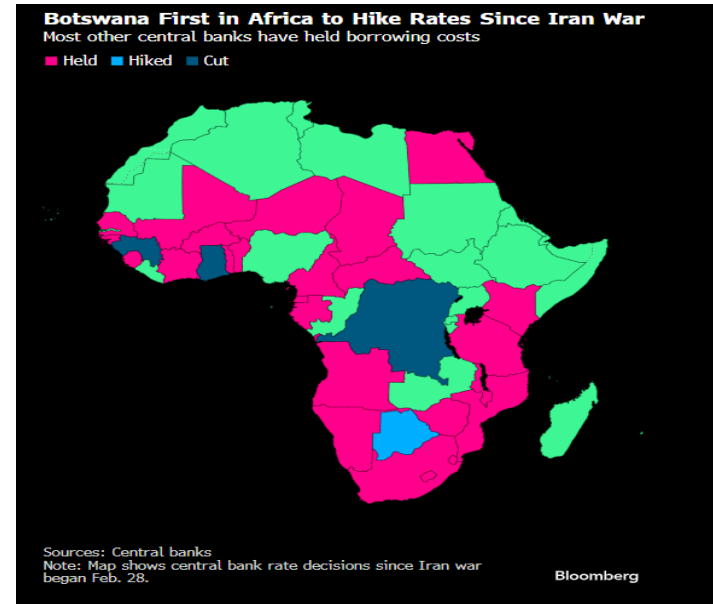
Source: Bloomberg, MCBM as at 04 May 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 04 May 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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