

## Weekly Market Recap

### Market Performance

The **Africa Eurobond Index** rose by **+3.64% YTD**, driven by Gabon (+18.6%), Zambia (+9.3%) and Nigeria (+4.9%)

The **African Local Currency Bond Index** climbed **+2.42% YTD** in USD terms, with Zambia (+34.9%), Nigeria (+12.7%) and Kenya (+3.9%).

### Weekly Commentary

African local markets delivered a mixed week as a stronger US dollar (DXY +0.88%) weighed on sentiment. Markets remained focused on geopolitical developments, with investors closely monitoring whether tensions between the US and Iran would escalate into a broader conflict.

**Zambia (+4.95%)** was the standout performer during the week, driven primarily by a sharp appreciation in the kwacha (**+4.41%**). Although business activity softened in May, with the PMI falling into contraction territory, investor sentiment remained supported by expectations of continued monetary easing and ongoing progress following the country's debt restructuring. Despite near-term economic challenges, optimism around macroeconomic stability and an improving inflation outlook continued to support the market.

**Egypt (+1.07%)** benefited from continued confidence in the country's reform programme and improving external financing outlook. While business conditions remained weak, with the PMI contracting for a fifth consecutive month in May, the IMF highlighted continued progress in strengthening central bank independence and governance. Egypt is also expected to remain a net recipient of IMF funding over the remainder of the programme, provided upcoming reform reviews are successfully completed. These developments helped support investor sentiment despite ongoing economic headwinds and softer growth expectations.

**Ghana (-0.86%)** remained under pressure as inflation continued to trend higher. Headline inflation rose to 3.7% y/y in May from 3.4% in April, driven primarily by higher food and transport costs. The recent increase in fuel prices is also expected to add further inflationary pressure in the coming months.

**Nigeria (+0.67%)** posted positive returns despite modest bond weakness, supported by currency gains. Investor sentiment was boosted by exceptionally strong capital inflows, which reached USD10.4bn in 1Q26, the highest quarterly inflow in more than a decade. Foreign portfolio investment accounted for the vast majority of inflows, reflecting continued investor demand for Nigerian fixed-income assets despite global uncertainty.

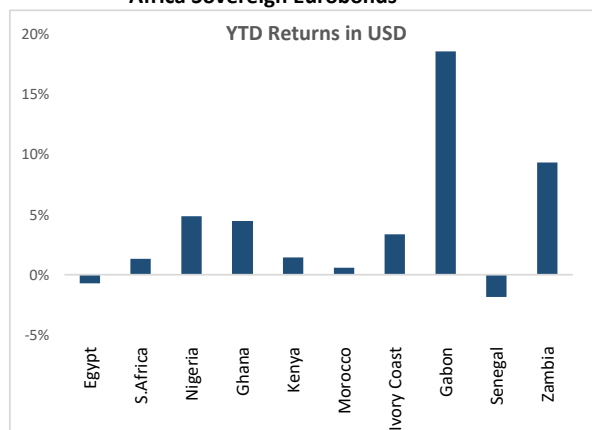
## WEEKLY DATA CENTRE

### STATISTICS

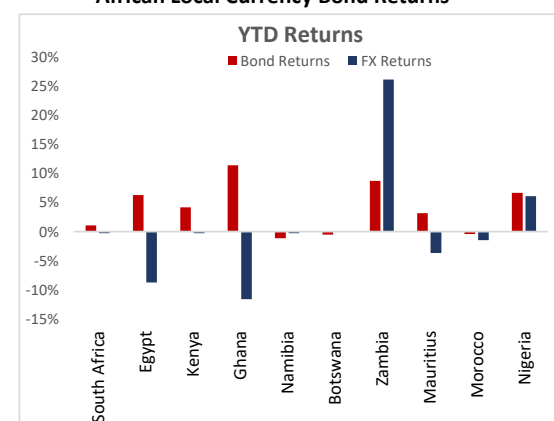
Local Currency Yields						Economic Indicators				
	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	25.0%	24.0%	21.2%	21.2%	0.0%	19.0%	9.8%	14.9%	-4.2%	-7.2%
S. Africa	7.4%	7.6%	8.9%	9.4%	0.2%	7.0%	0.4%	4.0%	-0.5%	-4.5%
Nigeria	19.4%	17.2%	16.0%	14.7%	0.2%	26.5%	-19.9%	15.7%	5.1%	-3.9%
Ghana	10.8%	12.4%	14.7%	14.7%	0.4%	14.0%	1.5%	3.7%	4.4%	-2.4%
Kenya	9.3%	10.4%	13.2%	14.0%	0.1%	8.8%	1.1%	6.7%	-2.1%	-5.8%
Namibia	8.2%	8.6%	10.7%	11.6%	0.1%	6.5%	6.4%	3.1%	-15.3%	-6.6%
Botswana	11.2%	11.4%	12.4%	12.9%	0.0%	5.5%	-11.4%	10.3%	-7.3%	-9.0%
Zambia	13.0%	14.4%	17.0%	17.9%	0.0%	13.3%	0.0%	6.6%	-1.0%	-3.8%
Mauritius	4.6%	4.7%	5.6%	5.9%	0.0%	4.8%	2.1%	4.3%	-6.4%	-9.3%
Morocco	2.0%	2.2%	3.2%	3.7%	0.1%	2.3%	1.1%	1.7%	-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	-0.7%	1.3%	4.9%	4.5%	1.4%	0.6%	3.4%	18.6%	-1.9%	9.3%

Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	1.0%	6.3%	4.2%	11.4%	-1.1%	-0.5%	8.7%	3.1%	-0.4%	6.6%
FX	-0.3%	-8.7%	-0.3%	-11.6%	-0.3%	0.0%	26.1%	-3.7%	-1.5%	6.1%
Total	0.8%	-2.4%	3.9%	-0.2%	-1.4%	-0.5%	34.9%	-0.5%	-1.9%	12.7%

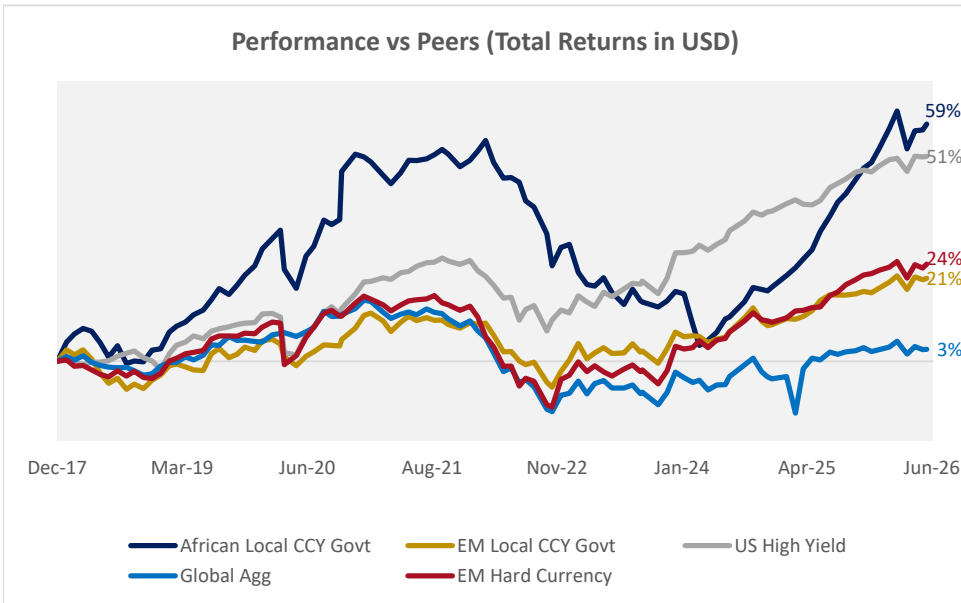
Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBM as at 08 June 2026

Chart 2: African Local Currency bonds and FX YTD Performance

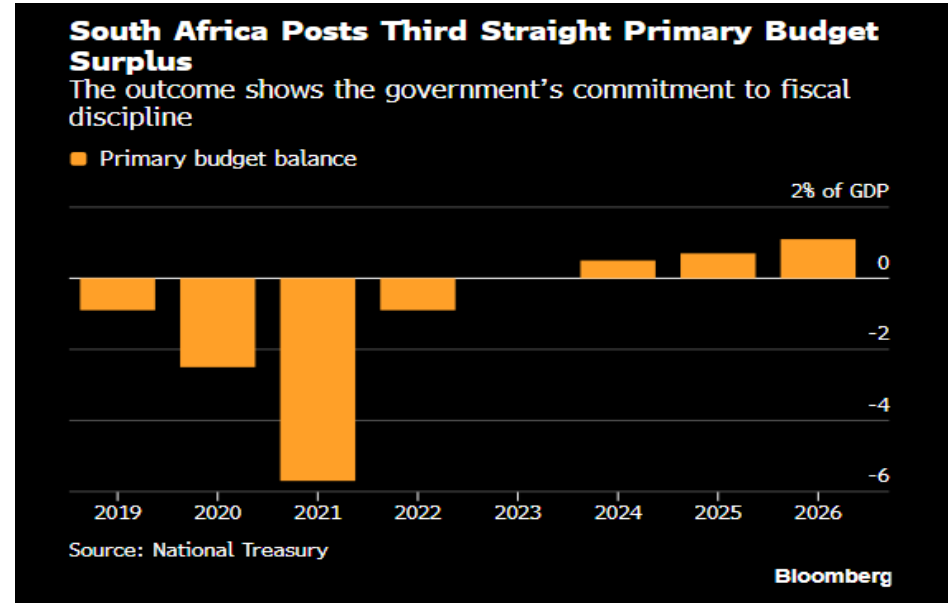
Source: Bloomberg, MCBM as at 08 June 2026

**Performance vs Peers (Total Returns in USD)**



Source: Bloomberg, MCBIM as at 08 June 2026

**Chart of the week**



Source: National Treasury

Bloomberg

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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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