Weekly Market Recap

Market Performance

The **Africa Eurobond Index** rose by **+4.60% YTD**, driven by Gabon (+18.0%), Zambia (+9.8%) and Nigeria (+4.7%)

The **African Local Currency Bond Index** climbed **+3.71% YTD** in USD terms, with Zambia (+33.7%), Nigeria (+10.9%) and Ghana (+5.0%).

Weekly Commentary

African local markets delivered mixed returns during the week as a stronger US dollar (+1.42%) weighed on sentiment across the region. Investors remained cautious despite the implementation of the US-Iran memorandum of agreement, as ongoing tensions in the Middle East raised doubts about its durability.

Egypt (+1.63%) outperformed the region during the week with both bonds and FX gains. The EGP appreciation extends the upward momentum observed since April 2026, supported by ongoing economic reform efforts, resilient capital inflows, and a gradual easing of external pressures.
Egypt and China extended their bilateral currency swap agreement for a further three years and increased its size to CNY30bn (USD4.4bn), providing an additional liquidity buffer and supporting efforts to diversify funding sources. The agreement also highlights the growing economic relationship between the two countries.

South Africa (+0.03%) ended the week broadly flat as bond gains (+1.28%) offset weakness in the rand (-1.25%). Headline inflation rose to 4.5% y/y in May from 4.0% in April, driven largely by higher fuel prices. However, the print came in below both market expectations and consensus forecasts, reflecting continued moderation in food inflation. While fuel prices are expected to remain the key source of inflationary pressure in the near term, lower oil price expectations should help contain inflation risks going forward.

Botswana (-0.10%) was almost flat during the week. The Bank of Botswana kept its policy rate unchanged at 5.50% following April's surprise 200bp increase, while maintaining a cautious stance as inflation remains elevated. Headline inflation rose further to 10.7% y/y in May from 10.3% in April, driven mainly by higher fuel.

Kenya (+0.32%) posted modest gains during the week. The IMF recommended reducing the frequency of monetary policy meetings to four per year, arguing that this would improve policy calibration by better aligning decisions with the release of quarterly economic data and strengthening the central bank's forecasting framework.

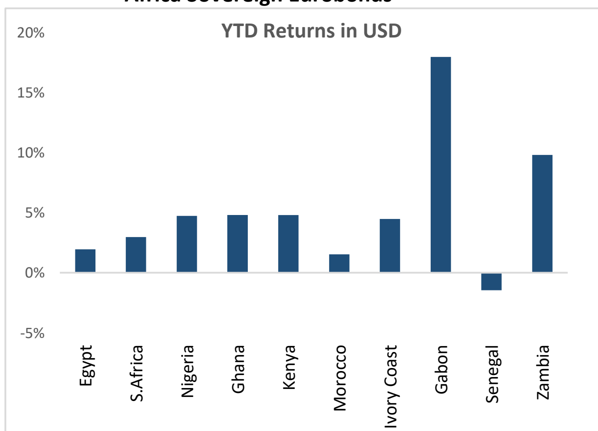
WEEKLY DATA CENTRE

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%	21.4%	21.4%	0.3%	19.0%	5.3%	14.6%	-4.2%	-7.2%
S. Africa	7.3%	7.5%	8.5%	9.0%	-0.2%	7.0%	0.5%	4.0%	-0.5%	-4.5%
Nigeria	20.4%	17.6%	17.0%	14.7%	0.3%	26.5%	-19.9%	15.7%	5.1%	-3.9%
Ghana	10.2%	11.8%	14.5%		-0.2%	14.0%	1.6%	3.7%	4.4%	-2.4%
Kenya	6.7%	10.1%	13.1%	14.2%	-0.1%	8.8%	1.1%	6.7%	-2.1%	-5.8%
Namibia	7.8%	8.3%	10.4%	11.4%	-0.1%	6.5%	6.4%	4.1%	-15.3%	-6.6%
Botswana	10.6%	10.8%	12.0%	12.9%	0.0%	5.5%	-11.4%	10.3%	-7.3%	-9.0%
Zambia	12.9%	14.3%	16.7%	17.3%	0.1%	13.3%	0.0%	6.6%	-1.0%	-3.8%
Mauritius	4.5%	4.7%	5.6%	5.9%	0.0%	4.8%	2.1%	4.3%	-6.4%	-9.3%
Morocco	2.2%	2.5%	3.2%	3.7%	0.0%	2.3%	4.1%	1.7%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

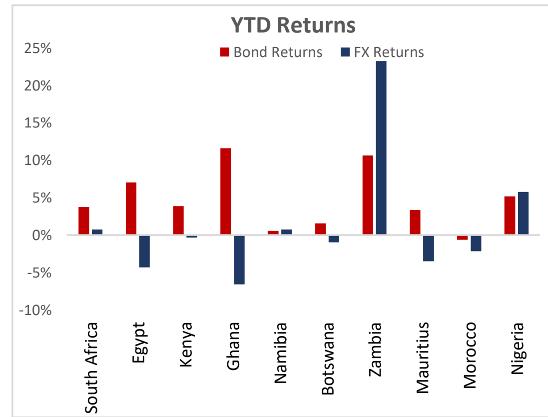


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	1.9%	3.0%	4.7%	4.8%	4.8%	1.5%	4.5%	18.0%	-1.5%	9.8%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 22 June 2026

African Local Currency Bond Returns

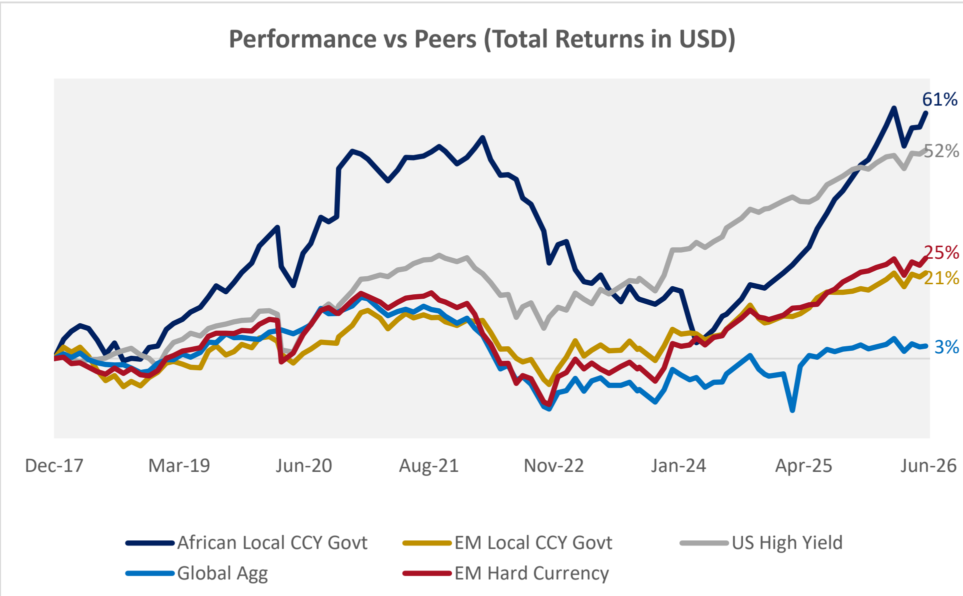


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	3.8%	7.0%	3.9%	11.6%	0.6%	1.5%	10.6%	3.3%	-0.6%	5.2%
FX	0.8%	-4.3%	-0.3%	-6.6%	0.8%	-1.0%	23.3%	-3.5%	-2.2%	5.8%
Total	4.5%	2.7%	3.6%	5.0%	1.3%	0.6%	33.9%	-0.2%	-2.8%	10.9%

Chart 2: African Local Currency bonds and FX YTD Performance

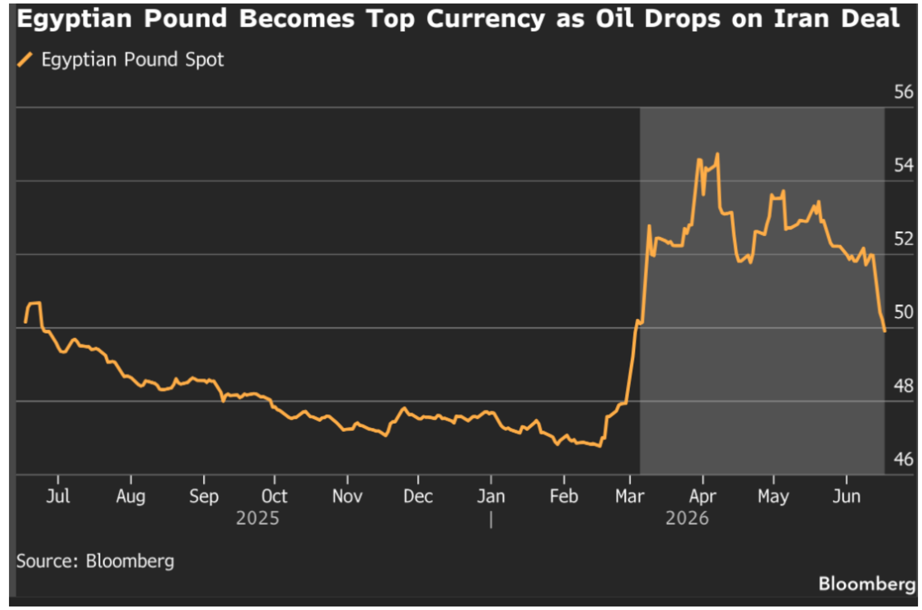
Source: Bloomberg, MCBIM as at 22 June 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 22 June 2026

Chart of the week



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

Disclaimer:The information is not intended to be published or made available to any person in any jurisdiction where doing so would contravene any applicable laws or regulations. This document does not constitute an offer or solicitation to invest in securities. It is provided for informational purposes only and does not constitute investment, legal, tax or other advice or any recommendation on behalf of MCB Investment Management Co. Ltd to buy or sell securities. MCB Investment Management Co. Ltd holds a CIS Manager Licence and an investment adviser (unrestricted) licence from the Financial Services Commission.