MCB Capital Markets

20 July 2026

Weekly Market Recap

Market Performance

The Africa Eurobond Index rose by **+4.20% YTD**, driven by Gabon (+16.6%), Zambia (+9.7%) and Nigeria (+5.4%)

The African Local Currency Bond Index climbed **+3.48% YTD** in USD terms, with Zambia (+33.5%), Nigeria (+9.0%) and Kenya (+4.4%).

Weekly Commentary

African local markets delivered mixed to negative performances during the week. Renewed conflict in the Middle East pushed oil prices higher. Despite a weaker U.S. Dollar (-0.46%), most local currencies depreciated. Bond markets remained resilient, while local currency weakness weighed on overall market performance.

Kenya (+0.67%) delivered positive returns, supported mainly by gains in bonds, while the Kenyan shilling weakened slightly. GDP expanded to 5.3% Year-on-Year in Q1 2026 from 4.0%, supported by a recovery in agriculture and growth across manufacturing, financial services, real estate, and education. Government measures helped keep fuel prices unchanged despite higher global oil prices, limiting inflationary pressures.

Nigeria (+0.22%) also ended the week on a positive note. Inflation eased to 15.9% in June from 16.0% in May, supported by lower price pressures in clothing, healthcare, education, and hospitality. Business confidence remained positive, supported by the strong performance of the oil sector. Oil production rose to its highest level in six years, supporting export earnings and government revenues. However, Dangote Refinery shifted petrol pricing from Naira-based to US Dollar-linked due to higher crude import costs, resulting in higher domestic fuel prices and pressure on the Naira. As fuel costs rise, inflation is expected to reach 17.8% by year-end.

Botswana (-0.97%) declined despite positive bond performance, as currency weakness weighed on returns. Inflation remained elevated at 10.7% in June, above the central bank's 3%-6% target range. Higher transport, food, and service costs continued to drive price pressures. Inflation is expected to rise further in Q3 2026 before easing later during the year.

South Africa (-1.80%) ended the week lower, driven by declines in both bond and FX returns. The Rand weakened amid higher oil prices amid re-escalation of tensions in the Middle East. Economic activity remains mixed, with retail sales and vehicle demand suggesting resilient consumer spending, while mining output contracted 5.4% Year-on-Year. Inflation is expected to rise to 4.7% in June from 4.5%, driven by higher fuel costs.

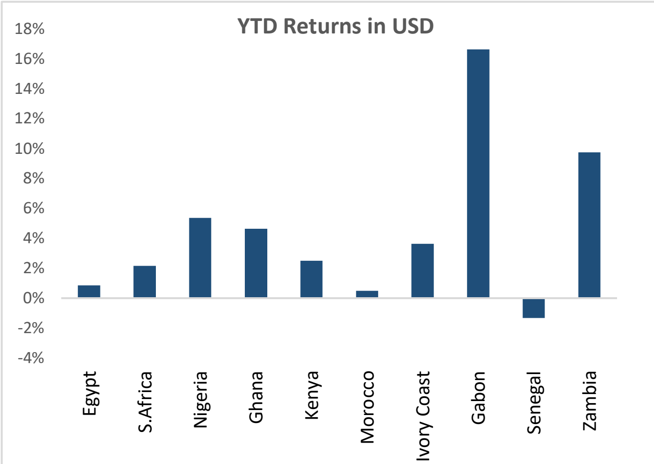
WEEKLY DATA CENTRE

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	25.2%	24.0%	21.8%	21.9%	0.3%	19.0%	5.0%	14.3%	-4.2%	-7.2%
S. Africa	7.3%	7.5%	8.7%	9.2%	0.2%	7.0%	1.9%	4.5%	-0.5%	-4.5%
Nigeria	20.7%	17.6%	18.4%	15.2%	0.1%	26.5%	3.9%	15.9%	5.1%	-3.9%
Ghana	11.3%	13.0%	15.2%	15.0%	-0.1%	14.0%	6.4%	5.3%	4.4%	-2.4%
Kenya	9.4%	10.4%	13.6%	14.5%	-0.1%	8.8%	5.3%	6.4%	-2.1%	-5.8%
Namibia	8.0%	8.3%	10.5%	11.4%	0.1%	6.8%	2.0%	4.4%	-15.3%	-6.6%
Botswana	10.7%	10.9%	12.2%	12.7%	0.0%	5.5%	3.5%	10.7%	-7.3%	-9.0%
Zambia	12.9%	14.3%	16.4%	17.4%	0.0%	13.3%	3.8%	6.5%	-5.1%	-3.8%
Mauritius	4.4%	4.7%	5.6%	5.9%	0.0%	4.8%	2.0%	3.7%	-6.4%	-9.3%
Morocco	2.2%	2.4%	3.2%	3.7%	0.1%	2.3%	4.6%	1.2%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

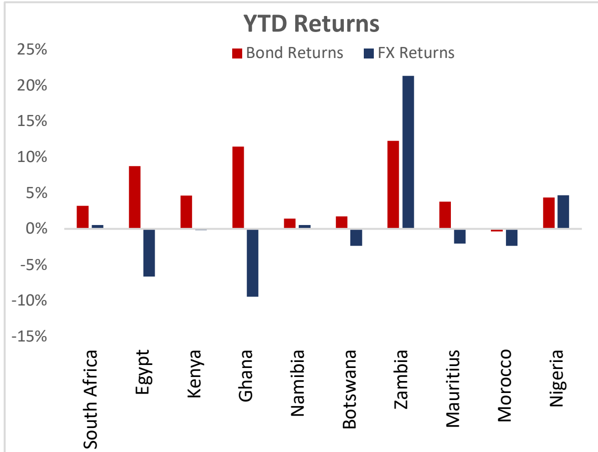


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	0.9%	2.2%	5.4%	4.6%	2.5%	0.5%	3.6%	16.6%	-1.3%	9.7%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 20 July 2026

African Local Currency Bond Returns



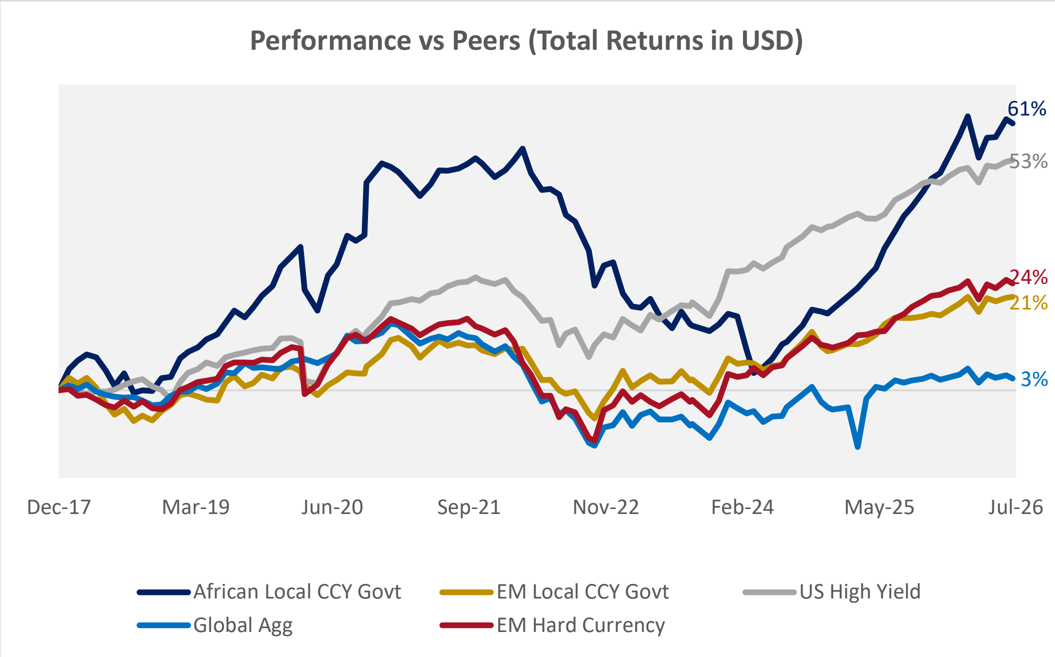
Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	3.2%	8.7%	4.6%	11.5%	1.4%	1.7%	12.2%	3.8%	-0.4%	4.3%
FX	0.5%	-6.7%	-0.2%	-9.5%	0.5%	-2.4%	21.3%	-2.1%	-2.4%	4.7%
Total	3.7%	2.1%	4.4%	2.0%	1.9%	-0.7%	33.5%	1.7%	-2.7%	9.0%

Chart 2: African Local Currency bonds and FX YTD Performance

Source: Bloomberg, MCBIM as at 20 July 2026

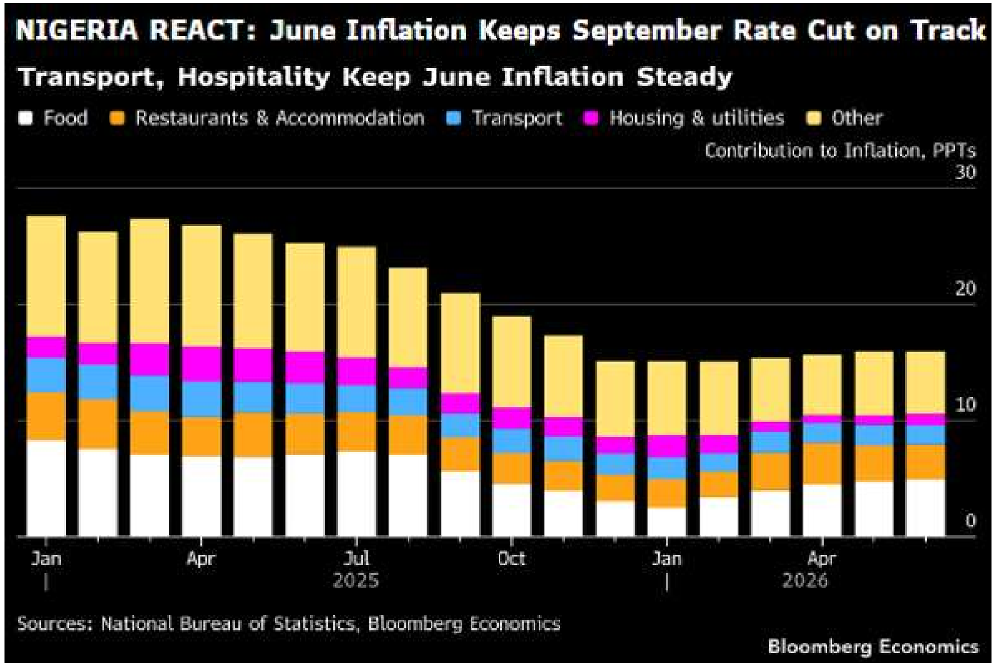
MCB Capital Markets

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 20 July 2026

Chart of the week



For insights or access to MCBIM's African fixed income strategies, contact:

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YTD: Year to date
MTD: Month to date
LCY: Local Currency
GDP: Gross Domestic Product
CPI: Consumer Price Index