Weekly Market Recap

Market Performance

The **Africa Eurobond Index** rose by **+3.54% YTD**, driven by Gabon (+15.4%), Zambia (+9.6%) and Nigeria (+5.1%)

The **African Local Currency Bond Index** climbed **+2.44% YTD** in USD terms, with Zambia (+31.4%), Nigeria (+11.4%) and Kenya (+4.4%).

Weekly Commentary

During the week, Central Bank policy rate decisions across various regions remained a key focus for market participants. African fixed-income markets faced a challenging week as heightened tensions in the Middle East drove oil prices higher, while a stronger US dollar (+0.51%) weighed on market performance and local currencies.

Nigeria (1.91%) benefitted from gains in both bonds and the naira during the week. The Central Bank of Nigeria (CBN) kept its policy rate unchanged at 26.5%, maintaining a cautious stance despite easing inflation amid geopolitical risks. The Governor noted that monetary and FX reforms have strengthened macroeconomic stability, boosted foreign reserves and supported the naira. The MPC expects resilient growth in 2026, supported by higher oil production and continued reforms. The Dangote Refinery resumed selling petrol in naira after briefly adopting a dollar-pricing system, easing pressure in local fuel prices.

South Africa (-2.24%) posted a negative return as bonds and the Rand came under pressure. The South African Reserve Bank (SARB) unexpectedly kept its repo rate unchanged at 7.0%, citing a somewhat improved situation in the Middle East in June, which contributed to lower oil price assumptions. The Governor warned that renewed conflict in the Middle East could lead to further policy tightening if higher fuel costs spill over into food prices and broader inflation. Inflation accelerated to 5.0% in June from 4.5% in May, driven by higher fuel, transport and housing costs.

Ghana (-0.92%) posted negative returns on bonds and FX as well. The Bank of Ghana (BoG) kept its policy rate unchanged at 14.0%, as policymakers adopted a more cautious stance amid rising inflation risks. Annual inflation accelerated to 5.3% in June from 3.7% in May, driven largely by higher fuel and fertiliser costs.

Morocco (-0.44%) posted a negative return, mainly on FX, due to geopolitical tensions in the Middle East and their potential impact on oil prices. However, annual inflation continued to ease, slowing to 0.3% in June from 1.2% in May, driven by declining food, transport, housing and utilities and hotels, amongst others.

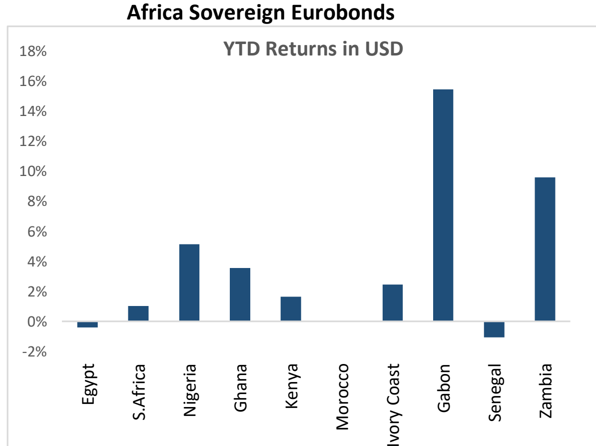
WEEKLY DATA CENTRE

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	24.9%	23.9%	21.8%	21.9%	0.0%	19.0%	4.2%	14.3%	-4.2%	-7.2%
S. Africa	7.2%	7.5%	8.9%	9.4%	0.2%	7.0%	1.9%	5.0%	-0.5%	-4.5%
Nigeria	20.6%	18.1%	18.3%	15.4%	0.0%	26.5%	4.1%	15.9%	5.1%	-3.9%
Ghana	10.5%	13.0%	15.6%	15.6%	0.1%	14.0%	4.8%	5.3%	4.4%	-2.4%
Kenya	10.0%	10.3%	13.6%	14.4%	0.0%	8.8%	4.5%	6.4%	-2.1%	-5.8%
Namibia	8.3%	8.5%	10.8%	11.8%	0.3%	6.8%	2.4%	4.4%	-15.3%	-6.6%
Botswana	10.8%	10.8%	12.4%	12.9%	0.1%	5.5%	4.8%	10.7%	-4.3%	-7.6%
Zambia	12.5%	14.3%	16.4%	17.5%	0.0%	13.3%	4.3%	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%	0.0%	2.3%	4.9%	0.3%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

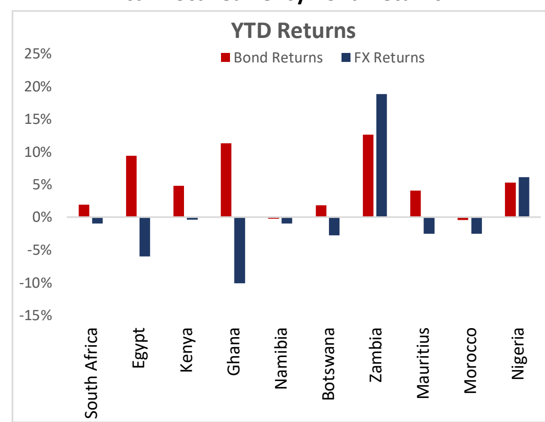


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-0.4%	1.0%	5.1%	3.5%	1.6%	0.0%	2.4%	15.4%	-1.1%	9.6%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 27 July 2026

African Local Currency Bond Returns

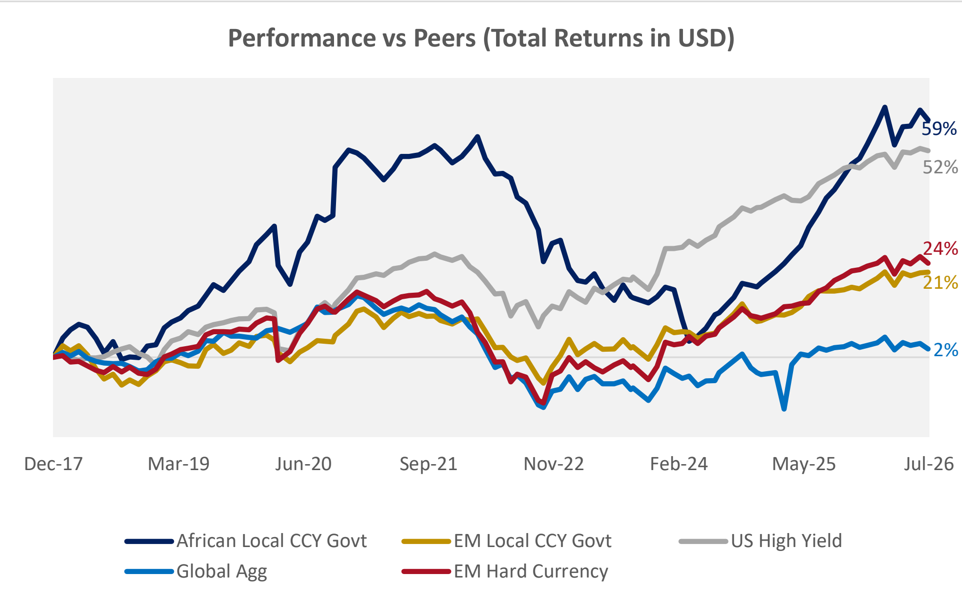


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	1.9%	9.3%	4.8%	11.3%	-0.2%	1.8%	12.6%	4.0%	-0.5%	5.3%
FX	-1.0%	-6.0%	-0.4%	-10.1%	-1.0%	-2.8%	18.8%	-2.5%	-2.6%	6.1%
Total	0.9%	3.3%	4.4%	1.2%	-1.2%	-1.0%	31.4%	1.5%	-3.0%	11.4%

Chart 2: African Local Currency bonds and FX YTD Performance

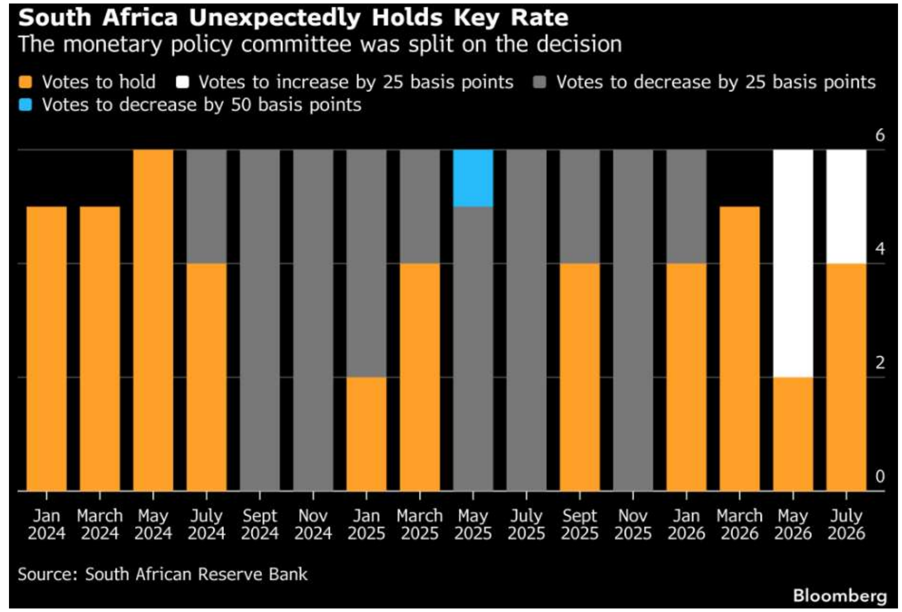
Source: Bloomberg, MCBIM as at 27 July 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 27 July 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