Weekly Market Recap

Market Performance

The **Africa Eurobond Index** rose by **+4.95% YTD**, driven by Gabon (+19.1%), Zambia (+9.7%) and Nigeria (+5.8%)

The **African Local Currency Bond Index** climbed **+5.90% YTD** in USD terms, with Zambia (+32.3%), Nigeria (+14.7%) and South Africa (+7.1%).

Weekly Commentary

Africa fixed income markets posted mostly positive returns during the week, supported by a weaker U.S. dollar and lower oil prices. The DXY fell by -0.5%, while oil prices declined over the week despite a late rebound, as investors remained focused on developments in the Middle East.

South Africa (+4.02%) outperformed, supported by gains in bonds and the Rand as global risk sentiment improved on renewed US-Iran negotiations. The S&P Global PMI eased to 50.3 from 50.5, while the Absa Manufacturing PMI declined to 46.8 from 47.3. Easing input cost pressures and stronger investor appetite for South African assets helped returns despite continued weakness in manufacturing activity.

Zambia (+1.49%) delivered positive returns after the Bank of Zambia reduced the statutory reserve ratio from 26% to 21%, injecting additional liquidity into the financial system and supporting demand for government securities. Inflation rose to 6.5% in July from 6.4% in June, mainly due to higher transport costs, while food inflation declined following a strong harvest.

Nigeria (+1.21%) also posted positive returns. The Stanbic IBTC PMI remained strong at 52.5, marking a sixth consecutive month of expansion in private sector activity. New orders, output and employment continued to grow, while inflationary pressures eased. Foreign exchange inflows and increased FX market participation by the central bank, helped maintain confidence in the Naira.

Egypt (+1.10%) posted positive returns on bonds and FX as well as investor sentiment improved. The S&P Global Egypt PMI improved to 46.8 from 46.0, indicating a slower pace of contraction. Annual inflation rose to 14.9% in July from 14.3% in June, mainly driven by food, beverage and transport prices due to March fuel price rise.

Kenya (+0.28%) recorded a modest gain during the week mainly on bonds. Inflation rose slightly to 6.5% in July from 6.4% in June. Higher food and transport costs continued to drive inflation, while core inflation remained stable. Meanwhile, the Stanbic Kenya PMI improved to 51.3 in July from 50.0 in June, signalling a recovery in business activity supported by stronger new orders and improving business confidence.

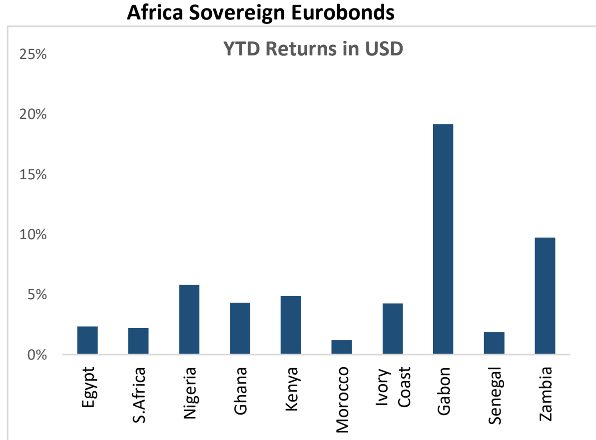
WEEKLY DATA CENTRE

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	25.1%	23.8%	21.4%	21.5%	0.0%	19.0%	4.4%	14.9%	-4.2%	-7.2%
S. Africa	6.7%	7.4%	8.4%	9.1%	-0.2%	7.0%	1.9%	5.0%	-0.5%	-4.5%
Nigeria	20.1%	17.0%	17.2%	15.5%	-0.2%	26.5%	3.9%	15.9%	5.1%	-3.9%
Ghana	10.9%	13.0%	15.3%	15.2%	-0.1%	14.0%	6.0%	4.6%	4.4%	-2.4%
Kenya	9.0%	10.8%	13.4%	14.3%	-0.1%	8.8%	4.6%	6.5%	-2.1%	-5.8%
Namibia	8.1%	8.2%	10.4%	11.4%	-0.1%	6.8%	1.7%	4.4%	-15.3%	-6.6%
Botswana	10.6%	10.6%	12.3%	12.9%	-0.1%	5.5%	3.5%	10.7%	-4.3%	-7.6%
Zambia	12.9%	14.3%	16.2%	17.3%	-0.2%	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%	4.4%	-6.4%	-9.3%
Morocco	2.2%	2.4%	3.3%	3.7%	0.0%	2.3%	4.6%	0.3%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

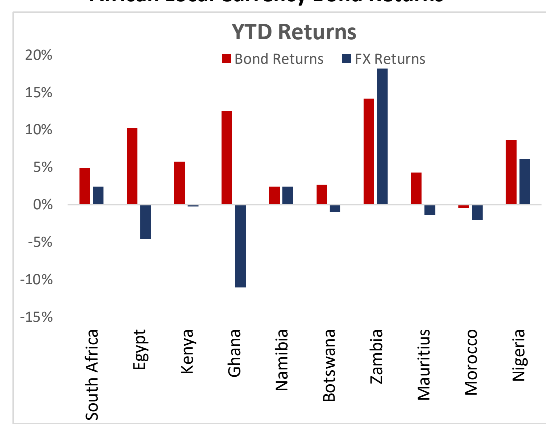


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	2.3%	2.2%	5.8%	4.3%	4.8%	1.2%	4.2%	19.1%	1.9%	9.7%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 10 August 2026

African Local Currency Bond Returns

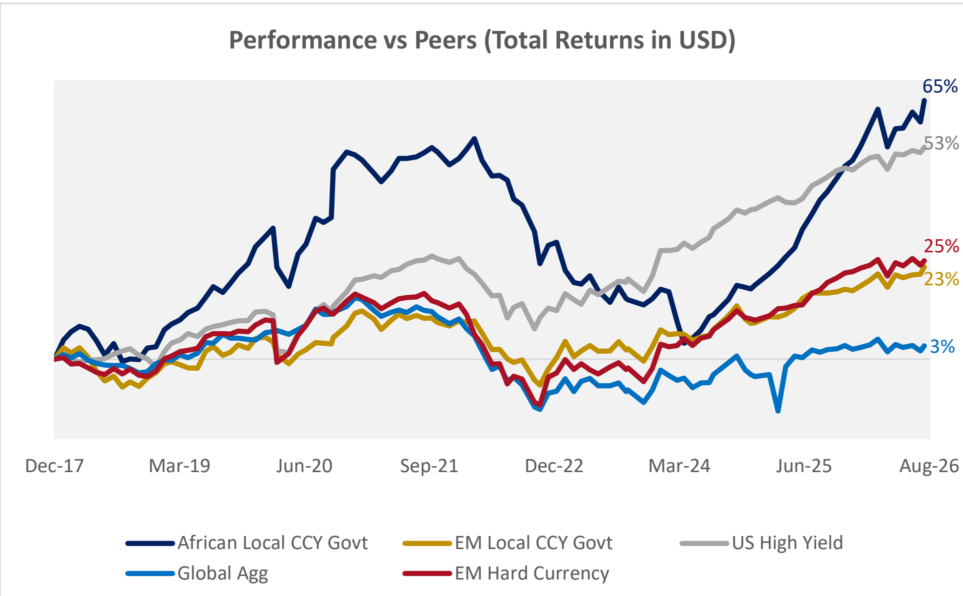


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	4.9%	10.3%	5.8%	12.5%	2.4%	2.6%	14.1%	4.2%	-0.4%	8.7%
FX	2.4%	-4.6%	-0.3%	-11.1%	2.4%	-1.0%	18.2%	-1.4%	-2.1%	6.1%
Total	7.3%	5.6%	5.5%	1.5%	4.8%	1.7%	32.3%	2.8%	-2.5%	14.7%

Chart 2: African Local Currency bonds and FX YTD Performance

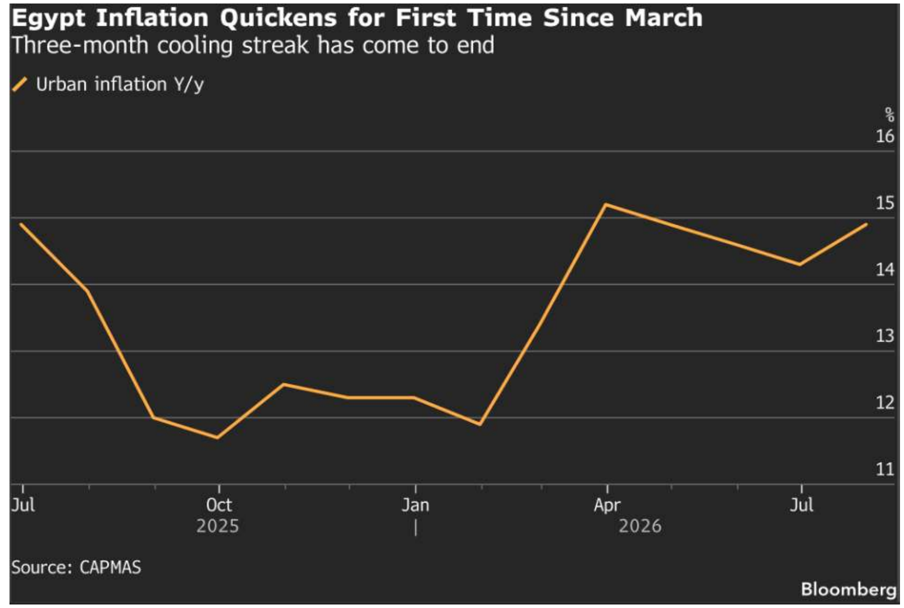
Source: Bloomberg, MCBIM as at 10 August 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 10 August 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