Weekly Market Recap

Market Performance

The Africa Eurobond Index rose by **+5.42% YTD**, driven by Gabon (+18.3%), Zambia (+10.7%) and Nigeria (+6.0%)

The African Local Currency Bond Index climbed **+6.76% YTD** in USD terms, with Zambia (+33.2%), Nigeria (+20.9%) and South Africa (+7.8%).

Weekly Commentary

African fixed income markets were mostly positive during the week. Oil prices rose as tensions in the Middle East escalated. The U.S. dollar fell, with the DXY declining -0.25% as markets reassessed the outlook for Federal Reserve policy. Inflation releases and business activity indicators drove market performance across the region.

Nigeria (+2.35%) was the best-performing market during the week, supported by strong bond returns and a gain in the Naira. Year-on-year GDP growth accelerated to 4.43% in Q2 2026 from 3.89% in Q1, driven by stronger oil and non-oil sector activity. Oil sector growth rose to 7.31% from 2.57% in the previous quarter. Business activity also strengthened, with the Stanbic PMI rising to 54.3 in August from 52.5 in July, reflecting stronger new orders and output. The naira remained resilient, supported by market intervention, high FX reserves and a hawkish monetary policy stance that helped attract foreign portfolio inflows into naira-denominated fixed income assets.

South Africa (+1.16%) gained on strong Rand and bond returns. The rand was supported by a softer U.S. dollar and higher precious metal prices. Economic data were mixed during the week. The S&P Global PMI rose to 50.5 in August from 50.3, supported growth in new orders, while the Absa Manufacturing PMI declined to 45.8 from 46.8, indicating weakness in manufacturing activity. Trade surplus increased to ZAR 20.1 billion in July, as exports rose 0.8% month-on-month and imports fell 0.8%.

Kenya (+0.42%) recorded positive returns as well, driven primarily by bond performance, while the currency was unchanged. Annual inflation rose to 6.6% in August 2026 from 6.5% in July 2026, as transport inflation increased while food inflation remained elevated. Meanwhile, private sector activity weakened, with the Stanbic PMI declining to 49.7 in August 2026 from 51.3 in July 2026, as supply shortfalls and cost-saving measures led to firms to reduce their output and purchases.

Ghana (-0.71%) recorded negative returns as FX losses offset positive bond returns. Annual inflation increased to 5.0% in August from 4.6% in July, reflecting higher non-food inflation, mainly from transport and housing costs, while food inflation eased. Private sector activity improved, with the S&P Global PMI rising to 50.8 in August from 49.2 in July, driven by increases in output, new orders and employment.

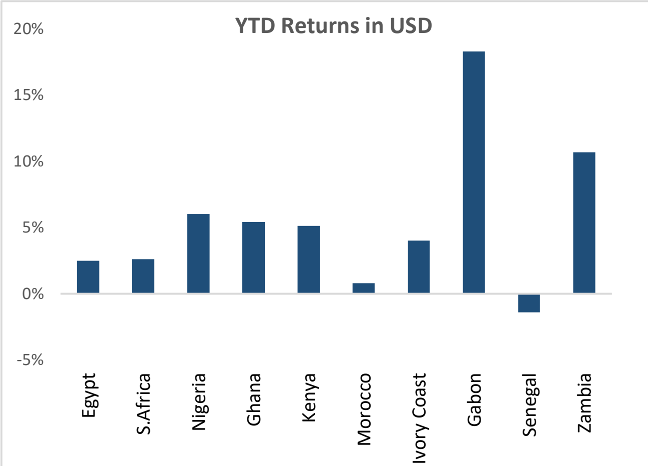
WEEKLY DATA CENTRE

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%	23.7%	21.5%	21.5%	0.1%	19.0%	5.0%	14.9%	-4.2%	-7.2%
S. Africa	7.0%	7.4%	8.7%	9.3%	0.0%	7.0%	1.9%	4.3%	-0.5%	-4.5%
Nigeria	20.0%	16.9%	17.1%	15.1%	0.0%	26.5%	4.4%	15.4%	5.1%	-3.9%
Ghana	11.2%	13.3%	15.4%	15.8%	0.2%	14.0%	6.4%	5.0%	4.4%	-2.4%
Kenya	9.8%	10.5%	13.3%	13.8%	-0.1%	8.8%	5.3%	6.6%	-2.1%	-5.8%
Namibia	8.1%	8.3%	10.5%	11.6%	0.0%	6.8%	2.0%	4.4%	-15.3%	-6.6%
Botswana	9.0%	9.4%	11.8%	12.7%	-0.2%	5.5%	3.5%	9.4%	-4.3%	-7.6%
Zambia	13.7%	14.1%	15.5%	16.6%	0.0%	13.3%	7.7%	6.2%	-5.1%	-3.8%
Mauritius	4.3%	4.6%	5.5%	5.9%	0.0%	4.8%	2.0%	4.9%	-6.4%	-9.3%
Morocco	2.2%	2.4%	3.3%	3.7%	0.0%	2.3%	4.6%	-0.6%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

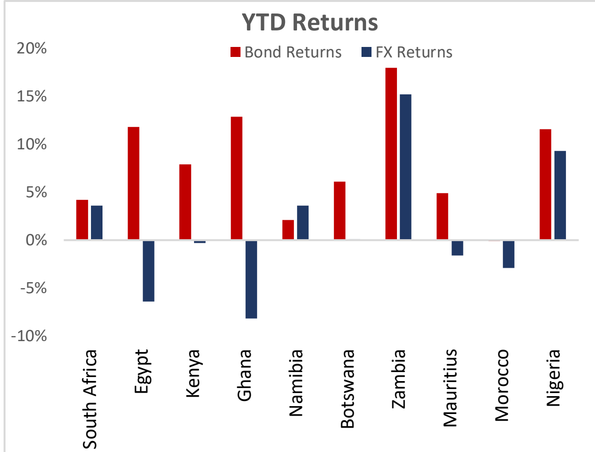


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	2.5%	2.6%	6.0%	5.4%	5.1%	0.8%	4.0%	18.3%	-1.4%	10.7%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 07 September 2026

African Local Currency Bond Returns

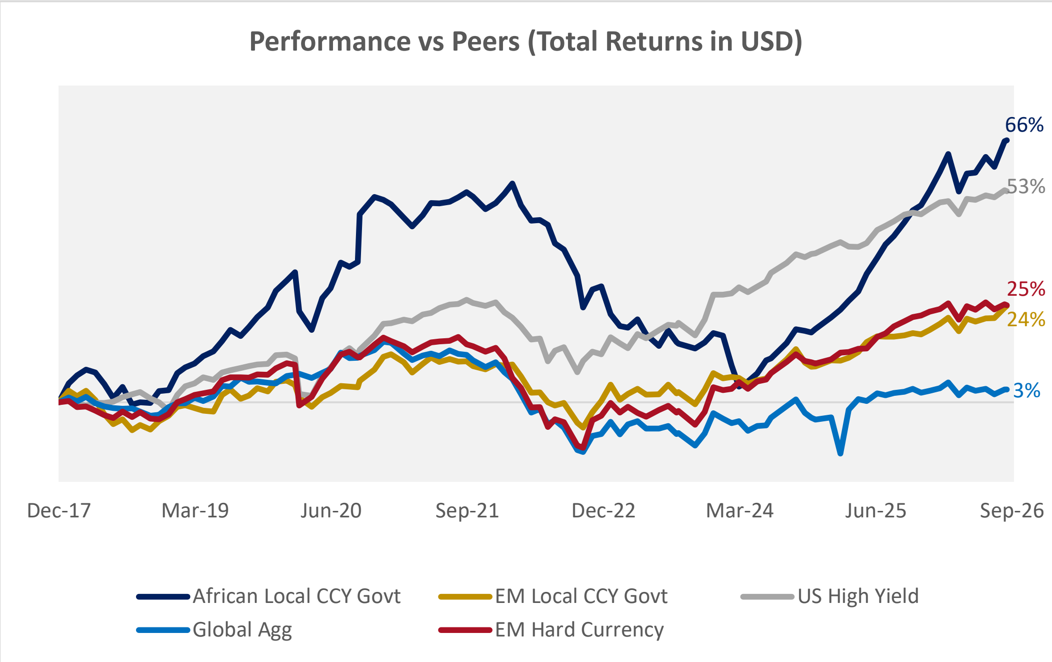


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	4.2%	11.8%	7.9%	12.9%	2.1%	6.1%	18.0%	4.9%	-0.1%	11.6%
FX	3.6%	-6.4%	-0.3%	-8.2%	3.6%	0.1%	15.2%	-1.6%	-2.9%	9.3%
Total	7.8%	5.4%	7.6%	4.7%	5.7%	6.3%	33.2%	3.2%	-3.0%	20.9%

Chart 2: African Local Currency bonds and FX YTD Performance

Source: Bloomberg, MCBIM as at 07 September 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 07 September 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
C/A: Current Account