

The **Africa Eurobond Index** rose by **+2.72% YTD**, driven by Gabon (+16.9%), Zambia (+9.3%) and Nigeria (+4.1%)

The **African Local Currency Bond Index** climbed **+4.38% YTD** in USD terms, with Zambia (+35.0%), Nigeria (+21.2%) and Botswana (+10.1%)

Weekly Commentary

African local currency bond markets delivered mixed performance this week, with bond yields largely unchanged across most markets, except in South Africa, Namibia, Egypt and Nigeria. Returns were driven primarily by currency moves and shifting expectations around inflation and monetary policy. South Africa and Namibia outperformed, while Egypt and Nigeria lagged due to FX weakness and rising yields.

South Africa (+1.39%) was among the strongest performers, supported by gains in both bonds and the rand. The currency continued to benefit from a more constructive global backdrop as US dollar strength paused, while investors remained comfortable with the domestic fiscal outlook.

Nigeria (-1.03%) was the weakest-performing market as yields rose by almost 30 bps despite inflation easing for a fourth consecutive month to 14.6% y/y, its lowest level since October 2020. Softer food and core inflation were encouraging, but concerns around higher fuel and energy costs pushed yields higher and weighed on market performance.

In Botswana (+0.34%), inflation slowed more than expected to 7.8% y/y from 9.3%, reinforcing expectations that the central bank will keep rates unchanged in the near term. However, higher oil prices remain a potential upside risk to inflation.

Kenya (+0.11%) saw limited market moves, with attention remaining on discussions around a successor IMF programme. Authorities continue to favour a funded arrangement that could help lower borrowing costs and support fiscal financing needs.

Egypt (-1.33%) underperformed as a weaker pound more than offset positive bond returns. Investors remained focused on the upcoming IMF programme review, while the Fund reiterated the importance of maintaining a flexible exchange rate and a sufficiently tight monetary policy stance.

At the regional level, the IMF upgraded its Sub-Saharan Africa growth forecast to 4.5% for both 2026 and 2027. While the growth outlook remains supportive, rising oil prices and geopolitical tensions continue to pose upside risks to inflation and could slow the pace of monetary easing across the region.

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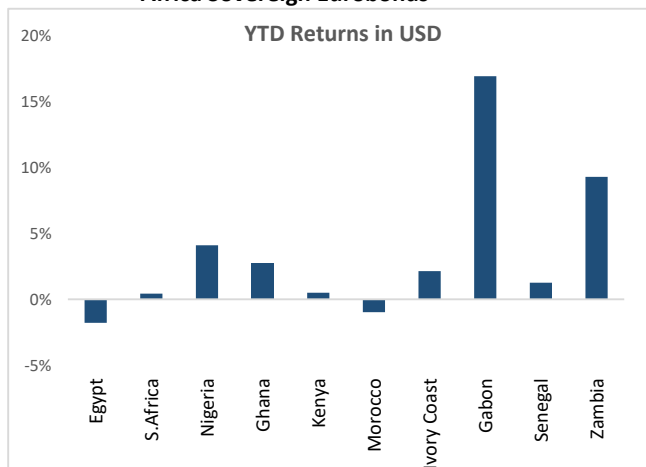
WEEKLY DATA CENTRE

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%	23.7%	21.7%	21.7%	0.1%	19.0%	4.7%	13.9%	-4.2%	-7.2%
S. Africa	7.3%	7.5%	8.9%	9.4%	-0.1%	7.25%	-0.2%	4.4%	-0.5%	-4.2%
Nigeria	18.7%	16.4%	17.1%	15.3%	0.3%	23.0%	3.0%	14.6%	5.1%	-3.9%
Ghana	11.0%	13.3%	15.3%	15.3%	0.0%	14.0%	1.4%	5.2%	8.2%	-2.4%
Kenya	9.5%	10.4%	13.1%	13.7%	0.0%	8.75%	1.2%	6.8%	-2.1%	-5.8%
Namibia	8.0%	8.5%	10.5%	11.7%	-0.2%	6.75%	0.3%	5.4%	-15.3%	-6.6%
Botswana	8.3%	8.8%	11.4%	12.5%	0.0%	5.5%	1.3%	7.8%	-4.3%	-7.6%
Zambia	10.9%	12.1%	14.8%	15.7%	0.0%	10.75%	7.2%	6.1%	-5.1%	-3.8%
Mauritius	4.6%	4.7%	5.5%	5.8%	0.0%	4.75%	1.9%	5.7%	-7.1%	-9.3%
Morocco	1.8%	2.2%	3.6%	4.1%	0.1%	2.25%	4.0%	-0.3%	-2.4%	-3.6%

RETURNS

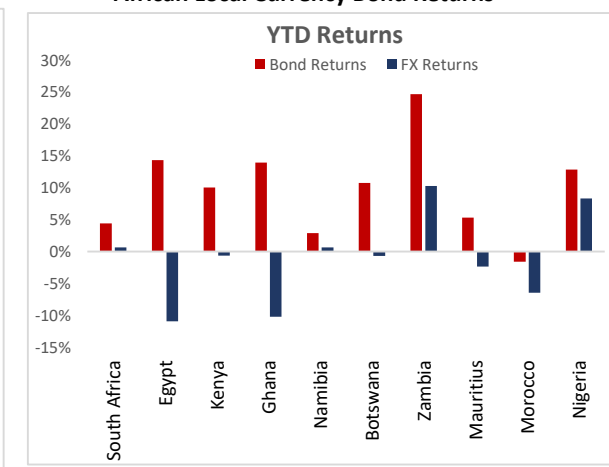
Africa Sovereign Eurobonds



Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-1.8%	0.4%	4.1%	2.7%	0.5%	-1.0%	2.1%	16.9%	1.3%	9.3%

Chart 1: African Eurobonds YTD Performance
Source: Bloomberg, MCBIM as at 19 October 2026

African Local Currency Bond Returns



Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	4.4%	14.3%	10.0%	14.0%	2.9%	10.8%	24.7%	5.3%	-1.6%	12.9%
FX	0.6%	-10.9%	-0.6%	-10.2%	0.6%	-0.7%	10.3%	-2.3%	-6.4%	8.3%
Total	5.0%	3.4%	9.4%	3.7%	3.5%	10.1%	35.0%	3.0%	-8.0%	21.2%

Chart 2: African Local Currency bonds and FX YTD Performance
Source: Bloomberg, MCBIM as at 19 October 2026

Performance vs Peers (Total Returns in USD)

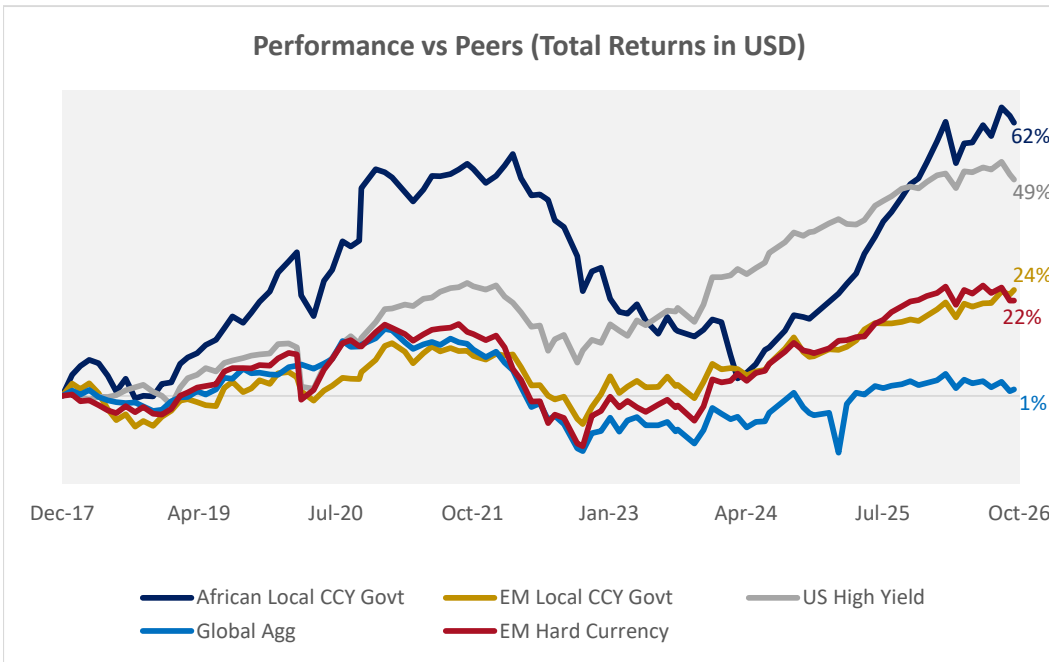
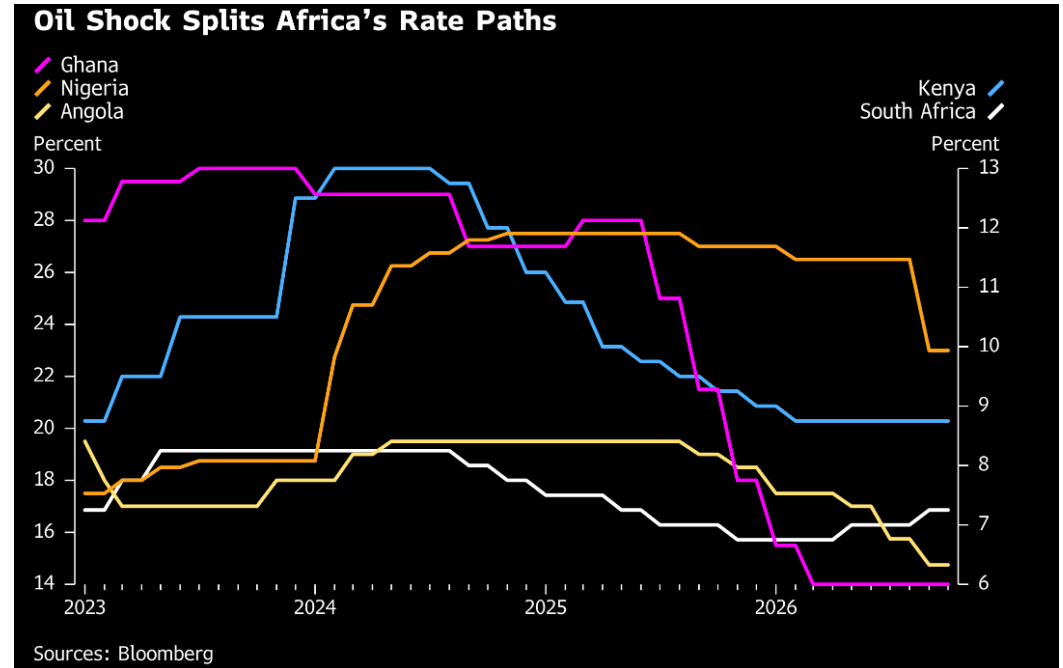


Chart of the week



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YTD: Year to date
 MTD: Month to date
 LCY: Local Currency

GDP: Gross Domestic Product
 CPI: Consumer Price Index

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