

Weekly Market Recap

Market Performance

The **best** performer YTD within the **African Sovereign Eurobonds** space is **Zambia** (24.9%), while the **worst** performing country is **Gabon** (-2.0%) (Refer to Chart 1).

In **African Local currency** bonds, **Ghana** was the **best** performing country (32.8%) while **Nigeria** (-45.7%) performed the **poorest** (Refer to Chart 2)

Weekly Commentary

Nigeria: In June, there was progress made in stabilising the naira by the Central Bank. The currency was volatile between mid- April and May due to demand and supply imbalances. In June, there was an improvement in dollar inflows.

The Central Bank of Nigeria regularised the monetary policy framework and adopted a more aggressive stance to control inflation and stabilise the naira. They increased interest rates by 750 basis points to 26.25% since February 2024, clearing the large foreign- exchange backlog, Cash Reserve Ratio was raised from 32.5% to 45%, and negotiated multilateral dollar inflows to help improve the currency.

Ghana: Annual inflation stood at 22.8% in June, the slowest since March 2022, from 23.1% in May. Following the harvest season, food staples is expected to come to the market, and with the recent stabilization of the Ghana cedi, inflation is expected to remain on the downward trend. The next interest rate decision will be announced on 29th July by the bank of Ghana, where there is high probability of another rate cut.

Namibia: Headline inflation in Namibia decreased from 4.9% y/y in May 2024 to 4.6% in June mainly driven by lower prices in alcoholic beverages and tobacco, as well as food component which make up 20% of the CPI basket.

WEEKLY DATA CENTRE

STATISTICS

	Local Currency Yields					Δ 10yr yield	Economic Indicators				
	1-Yr	2-Yr	10-Yr	20-Yr			Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	25.51%	25.19%	26.03%	26.01%	-0.03%	27.25%	9.80%	28.10%	-1.20%	-7.10%	
S. Africa	8.57%	8.60%	11.04%	11.76%	-0.25%	8.25%	-0.10%	5.20%	-1.60%	-4.90%	
Nigeria	19.23%	18.24%	20.78%	17.51%	0.08%	26.25%	-16.10%	33.95%	-0.30%	-6.10%	
Ghana	26.29%	27.00%	28.31%	28.29%	0.02%	29.00%	1.20%	22.80%	-7.10%	3.10%	
Kenya	16.39%	17.09%	16.08%	15.71%	0.03%	13.00%	1.50%	4.60%	-4.00%	-5.30%	
Namibia	8.77%	8.65%	10.72%	12.43%	-0.37%	7.75%	4.60%	19.60%	-15.00%	-3.20%	
Botswana	5.55%	5.45%	8.01%	8.66%	0.03%	2.15%	-1.80%	3.00%	0.90%	-3.20%	
Zambia	17.71%	20.38%	26.46%	27.29%	0.42%	13.50%	7.40%	15.20%	3.90%	-5.70%	
Mauritius	3.68%	3.98%	5.02%	5.55%	0.00%	4.50%	0.80%	2.20%	-5.60%	-4.00%	
Morocco	2.74%	2.87%	3.53%	4.03%	-0.06%	2.75%	2.50%	0.40%	-2.80%	-4.70%	

RETURNS

Africa Sovereign Eurobonds

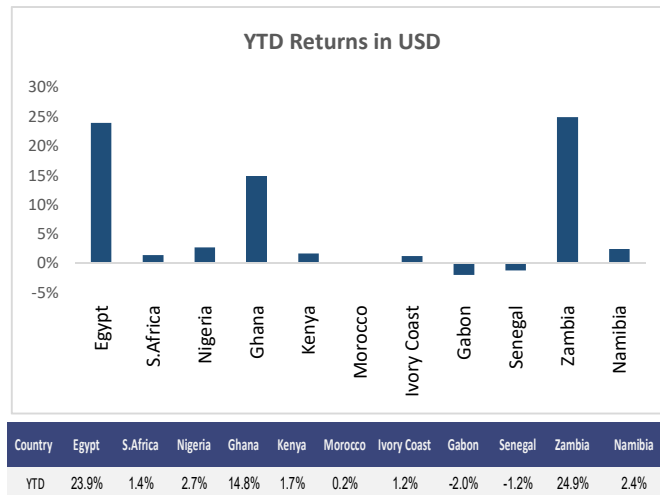


Chart 1: African Eurobonds YTD Performance
Source: Bloomberg, MCBIM as at 10 July 2024

Local Bond and Currency Returns

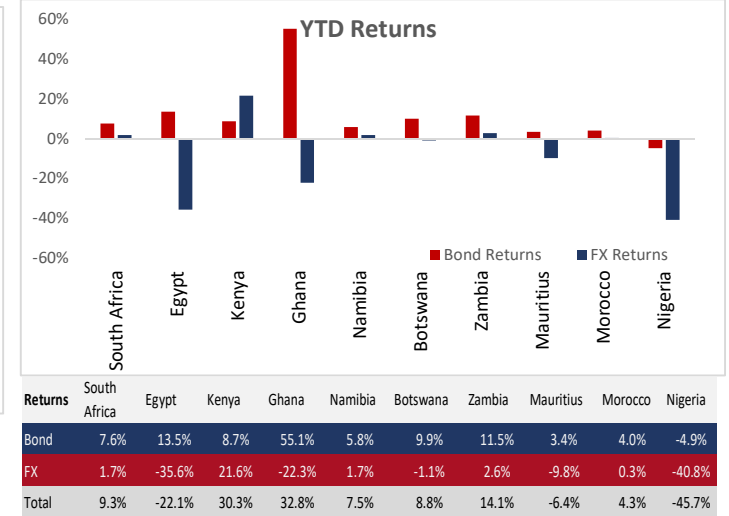
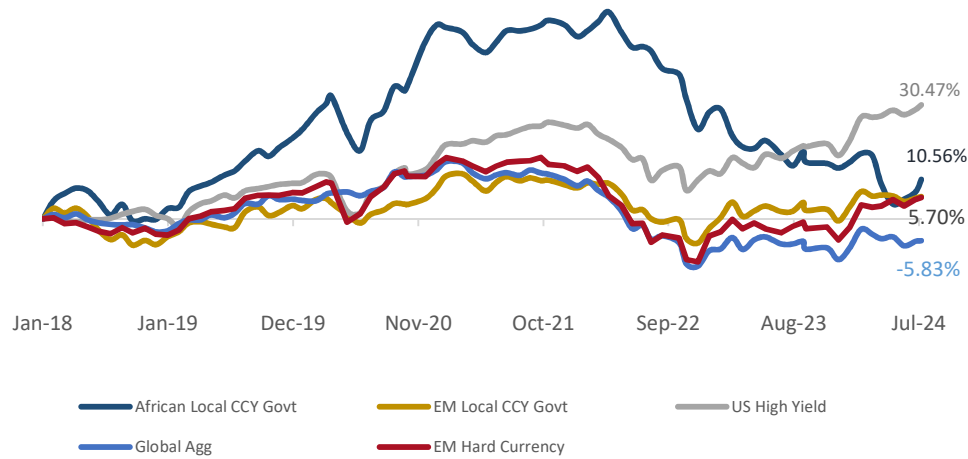


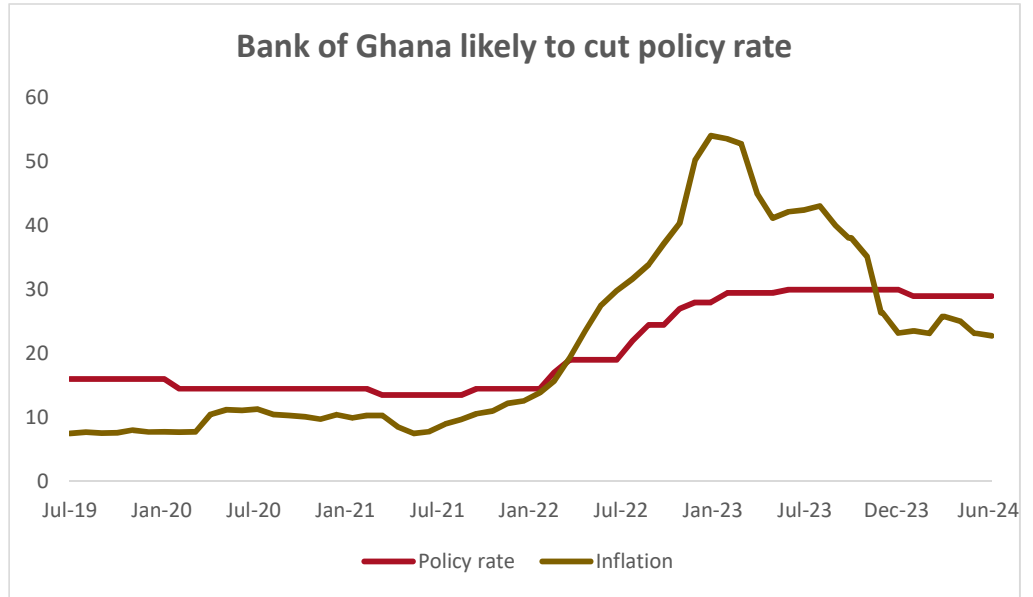
Chart 2: African Local Currency bonds and FX YTD Performance
Source: Bloomberg, MCBIM as at 10 July 2024

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 10 July 2024

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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