

Weekly Market Recap

Weekly Commentary

Egypt: Egypt's annual inflation dropped for the fourth consecutive month, to 35.8% in October from a record high of 38.0% in September, which was lower than market expectations. On a monthly basis, consumer prices were up by 1.0%, slowing from a 2.0% rise in the prior month. This was mostly attributed to lower prices of food and non-food items as well as the postponement of education prices to February 2024. Inflation has been pressured by three devaluations of the Egyptian pound since the start of 2022. More currency depreciation is expected post-elections.

Zambia: The Ministry of Finance advised that the official creditors including China and International Monetary Fund rejected the deal Zambia struck with its Eurobond creditors. For context, Zambia defaulted three years ago and finally clinched an agreement in principle with a bondholder group in late October, less than two weeks after reaching a restructuring deal with official creditors. The deal with official creditors would see Zambia pay USD 150m over the first two years. Both deals have a contingency clause which increases payments if Zambia's debt-carrying capacity improves at any time. Zambia is expected to renegotiate terms with its Eurobond holders for an agreement in the coming weeks.

Nigeria: At the Saudi-Africa investment summit, the Nigerian government announced that Saudi Arabia plans to provide considerable financial support for Nigeria's foreign exchange reform process. The Saudi government will make available substantial deposit of foreign exchange to boost Nigeria's FX liquidity. Saudi Arabia also plans to invest in agriculture and renewable energy, and in renovation of Nigeria's oil refineries.

Ghana: Annual dropped to a 14-month low of 35.2% in October from 38.1% in September. On a monthly basis, price growth slowed to 0.6% from 2.5% over the same time period. The Bank of Ghana's MPC is likely to keep its policy rate unchanged in its next meeting. The Finance minister also presented the 2024 budget during the week - total debt has fallen from 73.1% of GDP as at end of 2022 to 66.4% of GDP as at September 2023.

South Africa: With moves in USD rates following the softer than expected US CPI, South Africa rates were volatile during the week. The stronger rand and the increased probability that the US will not increase its rates will put very little pressure on the South African Reserve Bank to raise repo rate any further this week.

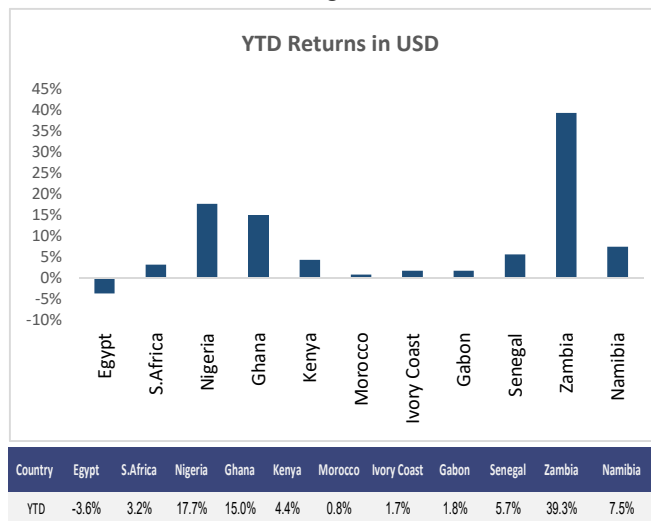
WEEKLY DATA CENTRE

STATISTICS

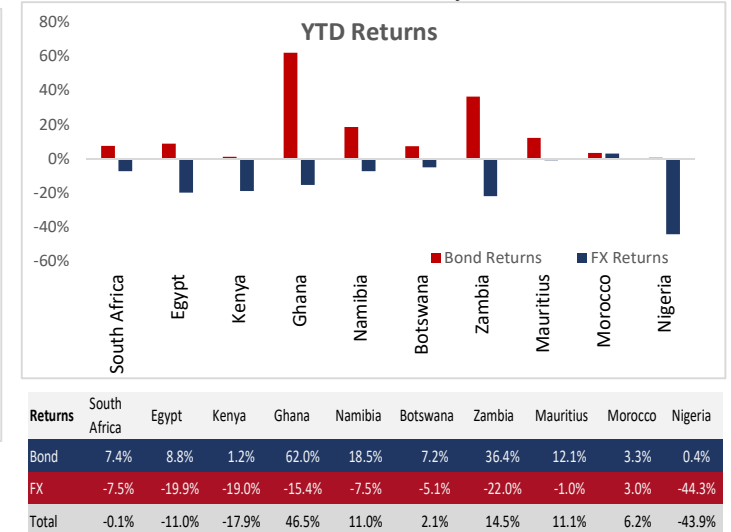
	Local Currency Yields					Economic Indicators				
	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	26.86%	26.33%	24.75%	24.75%	-0.03%	19.25%	3.90%	35.80%	-3.70%	-6.20%
S. Africa	8.36%	8.52%	11.63%	12.22%	-0.39%	8.25%	0.60%	5.40%	-0.50%	-4.20%
Nigeria	16.43%	15.03%	16.63%	17.16%	-0.38%	18.75%	2.51%	27.33%	-0.30%	-5.00%
Ghana	47.50%	47.28%	44.52%	45.27%	-0.35%	30.00%	4.20%	35.20%	-2.10%	-11.80%
Kenya	16.56%	17.16%	16.66%	16.15%	-0.13%	10.50%	5.30%	6.90%	-5.10%	-6.50%
Namibia	9.27%	8.87%	10.87%	12.14%	-0.22%	7.75%	5.00%	6.00%	-12.30%	-5.20%
Botswana	7.07%	6.77%	8.89%	8.94%	-0.10%	2.65%	5.40%	3.10%	2.20%	-3.20%
Zambia	16.27%	19.13%	25.22%	25.33%	-0.35%	10.00%	7.40%	12.60%	3.90%	-7.80%
Mauritius	3.90%	4.24%	4.68%	5.07%	0.09%	4.50%	5.50%	4.60%	-13.80%	-5.40%
Morocco	3.01%	3.30%	4.11%	4.84%	-0.03%	3.00%	3.50%	4.90%	-3.50%	-5.30%

RETURNS

Africa Sovereign Eurobonds

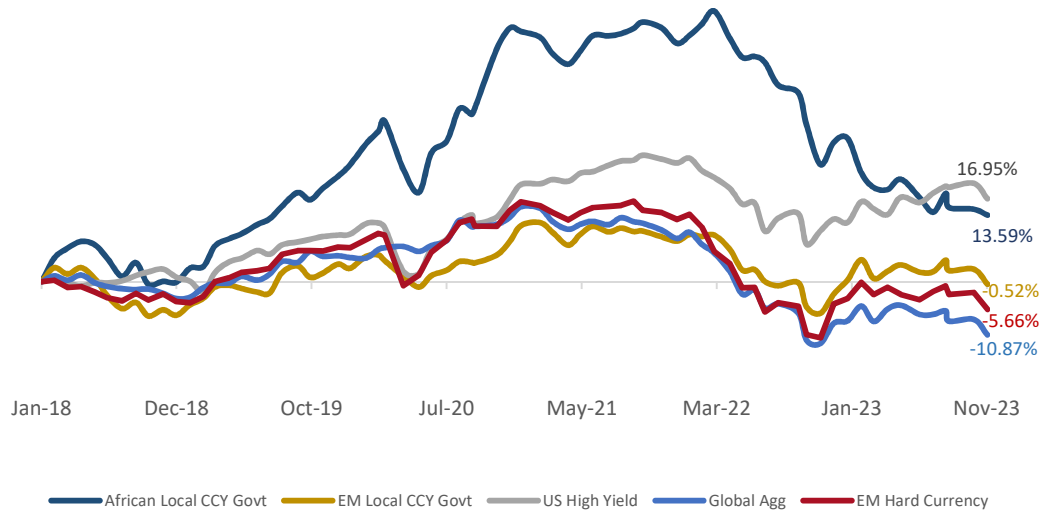


Local Bond and Currency Returns



Source: Bloomberg, MCBIM as at 20 November 2023

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 20 Nov 2023

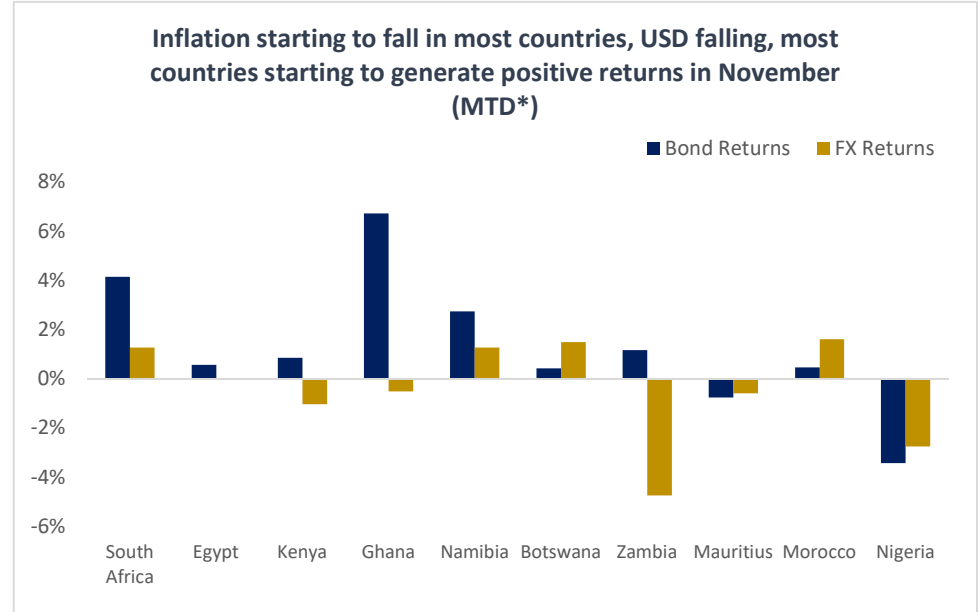
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Chart of the week



	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond Returns	4.14%	0.57%	0.86%	6.74%	2.75%	0.42%	1.17%	-0.74%	0.48%	-3.42%
FX Returns	1.27%	0.01%	-1.04%	-0.50%	1.27%	1.50%	-4.75%	-0.59%	1.61%	-2.74%
Total Returns	5.42%	0.58%	-0.18%	6.23%	4.02%	1.93%	-3.58%	-1.34%	2.09%	-6.15%

Source: Bloomberg, MCBIM as at 20 Nov 2023

YTD: Year to date
 MTD: Month to date
 LCY: Local Currency
 GDP: Gross Domestic Product
 CPI: Consumer Price Index