

Weekly Market Recap

Market Performance

The **best** performer YTD within the African Sovereign Eurobonds space is **Zambia (16.8%)**, while the **worst** performing country is **Senegal (-8.9%)** (Refer to Chart 1).

Meanwhile, most African local currency bond markets have delivered **positive returns** in USD terms. **Ghana** was the **best** performing country (**82.8%**) while **Botswana** (**-1.7%**) performed the poorest (Refer to Chart 2).

Weekly Commentary

African local currency markets had mixed results last week, influenced by changes in monetary policy expectations and currency movements across the region.

Ghana posted **strong gains**, with bond returns of **1.70%**, following a surprise move by the central bank to bring forward its monetary policy meeting. The decision came after inflation dropped sharply to 13.7%, the lowest in over two years, fueling expectations of a substantial rate cut. The 10-year yield fell 55bps on the week, while the cedi weakened slightly by 0.43%.

Nigeria continued its **solid performance**, with a total return of **1.34%** for the week, as disinflation momentum continued and bond yields moved lower. Inflation eased to 22.2%, and investors are increasingly positioning ahead of a potential policy rate cut by the Central Bank. The 10-year yield declined by 41bps, supported by strong secondary market demand and limited new issuance. A modest depreciation of the naira (-0.22%) offset some of the bond gains.

Botswana underperformed, with total returns of **-0.90%**, as the government introduced several changes to the foreign exchange framework to stem the decline in reserves and support export competitiveness. The annual rate of depreciation (crawl) was raised from 1.51% to 2.76%, and the FX trading band was significantly widened. These adjustments led to a sharp 1.13% depreciation in the pula during the week, outweighing modest bond gains of 0.23% and reflecting escalating stress on Botswana's external accounts.

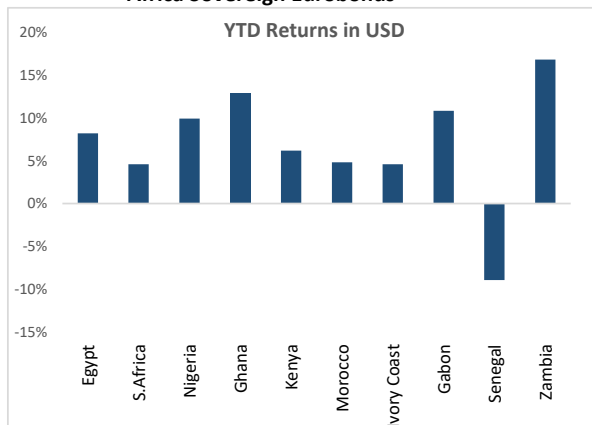
WEEKLY DATA CENTRE

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	25.79%	23.89%	22.75%	22.74%	0.02%	24.00%	9.80%	14.90%	-5.30%	-7.10%
S. Africa	6.98%	7.77%	9.93%	11.26%	0.05%	7.25%	0.10%	2.80%	-0.60%	-5.00%
Nigeria	17.30%	16.82%	16.58%	15.71%	-0.41%	27.50%	10.00%	22.22%	-0.50%	-6.10%
Ghana	16.86%	17.03%	17.37%	17.34%	-0.55%	28.00%	1.40%	13.70%	4.40%	-4.80%
Kenya	9.02%	10.41%	13.21%	13.49%	0.01%	9.75%	0.80%	3.80%	-3.60%	-4.90%
Namibia	8.00%	8.16%	10.92%	12.01%	0.08%	6.75%	-3.19%	3.70%	-15.30%	-3.90%
Botswana	6.70%	6.93%	9.30%	10.94%	0.00%	1.90%	-0.10%	2.00%	-7.30%	-9.00%
Zambia	14.10%	15.79%	19.67%	20.53%	0.21%	14.50%	0.00%	14.10%	-1.00%	-3.50%
Mauritius	4.94%	5.11%	5.57%	6.06%	-0.04%	4.50%	0.90%	5.40%	-4.20%	-5.70%
Morocco	2.17%	2.20%	2.73%	3.35%	0.00%	2.25%	1.10%	0.40%	-2.80%	-3.90%

RETURNS

Africa Sovereign Eurobonds

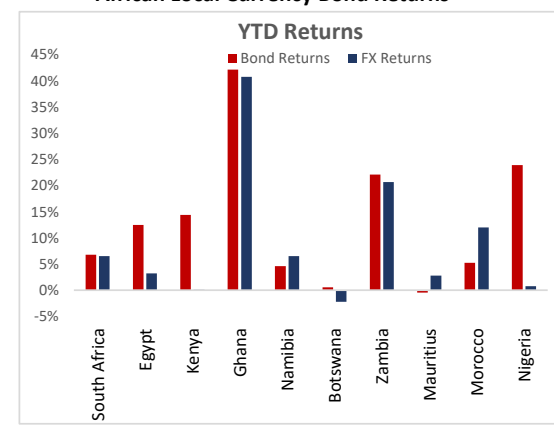


Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	8.2%	4.6%	9.9%	12.9%	6.2%	4.8%	4.6%	10.8%	-8.9%	16.8%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 21 July 2025

African Local Currency Bond Returns

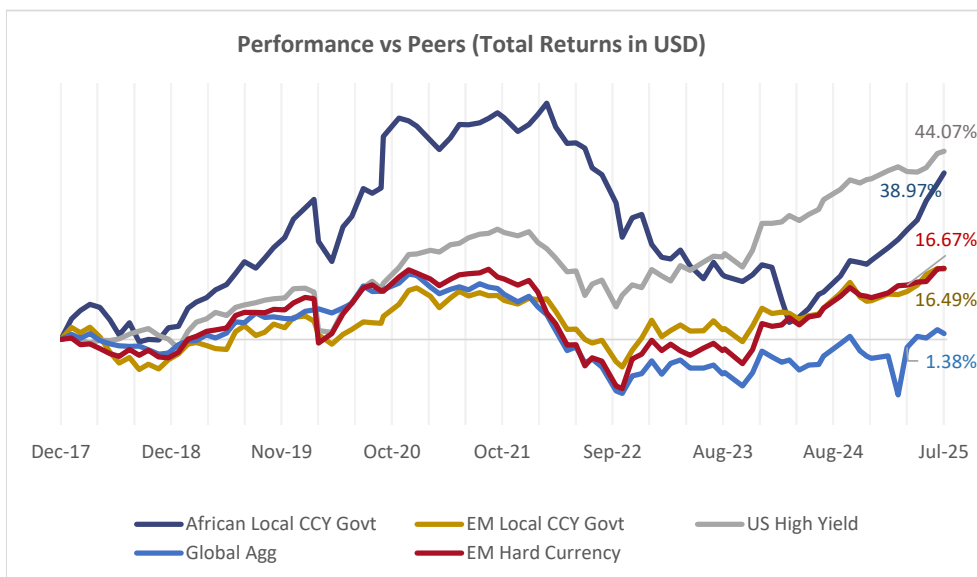


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	6.8%	12.5%	14.4%	42.1%	4.6%	0.5%	22.1%	-0.5%	5.2%	23.9%
FX	6.5%	3.2%	0.1%	40.7%	6.5%	-2.2%	20.6%	2.8%	12.0%	0.8%
Total	13.3%	15.7%	14.4%	82.8%	11.0%	-1.7%	42.7%	2.3%	17.2%	24.6%

Chart 2: African Local Currency bonds and FX YTD Performance

Source: Bloomberg, MCBIM as at 21 July 2025

Performance vs Peers (Total Returns in USD)



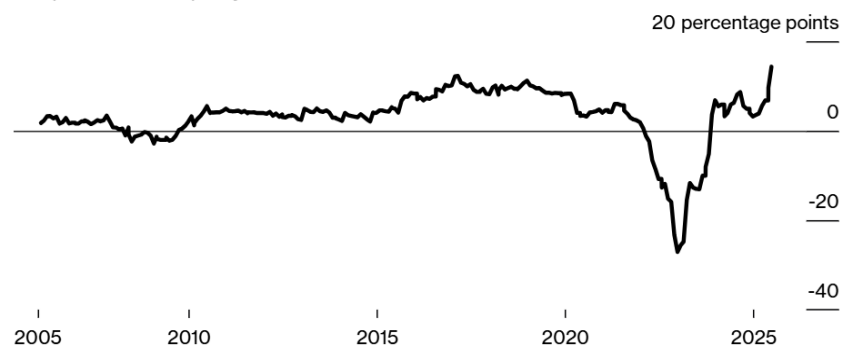
Source: Bloomberg, MCBIM as at 21 July 2025

Chart of the week

Ghana's Real Rate Is the Highest in 20 Years

Widening gap increases likelihood of interest-rate cut

✓ Spread between policy rate and inflation



Sources: Bank of Ghana, Ghana Statistical Service

Source: Bloomberg

For enquiries, please contact

Abhimanyu Yadav- Head of Fixed Income
abhimanyu.yadav@mcbcm.mu

Akshita Pokhun- Fund Manager
akshita.pokhun@mcbcm.mu

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

GDP: Gross Domestic Product
 CPI: Consumer Price Index

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