

### Market Performance

African bonds recorded mixed performances (in USD terms) across hard and local currency segments.

The **Africa Eurobond Index** rose **+0.19% YTD**, led by Gabon (+9.9%), Senegal (+1.9%) and Kenya (+1.5%), while Egypt fell by (-1.3%) among others.

The **African Local Currency Bond Index** climbed **+2.97% YTD** in USD terms, with Zambia (+14.4%), South Africa (+5.7%) and Nigeria (+4.9%) leading on strong FX.

### Weekly Commentary

African local markets delivered mixed returns this week. Bond performance was broadly positive, but FX movements drove overall results, with the US dollar largely flat. Nigeria stood out during the week on strong bond and naira gains, while South Africa and Namibia saw bond gains offset by currency weakness.

In Kenya, fiscal pressures remain in focus. The Treasury now expects the FY25/26 deficit to widen to 5.9% of GDP, up from an earlier 4.7%, reflecting weaker-than-expected revenue collection and heavy debt-service costs. A supplementary budget is planned for February to address these pressures. Inflation, however, remains well contained at 4.4% y/y in January, with no signs of persistent price pressures. This keeps the door open for further rate cuts by the CBK in the coming months.

Ghana posted a positive week (+0.6%), supported by bond gains after the Bank of Ghana cut the policy rate by 250bps to 15.5%, a larger move than markets had expected. The decision reflects sustained disinflation and improving macro conditions, though the MPC flagged upside risks from higher utility tariffs and commodity price volatility. Overall, the easing cycle is supportive for bonds, even as policymakers remain cautious about inflation later in the year.

Zambia continued its positive performance, helped by firm bond performance and a stabilising currency. Headline inflation fell sharply to 9.4% y/y in January, dropping below 10% for the first time in nearly three years. The slowdown was driven by easing food and transport inflation, supported by a stronger kwacha and higher copper prices.

Nigeria was the top performer this week (+4.84%), driven by a strong 2.5% appreciation in the naira alongside solid bond gains. Domestic demand at the latest government bond auction remained robust, with stop rates comfortably within the 17–18% range, highlighting investors' willingness to lock in yields at current levels. Secondary market activity remained firm, particularly in mid- to long-dated maturities. Strong local participation continues to underpin the domestic bond market.

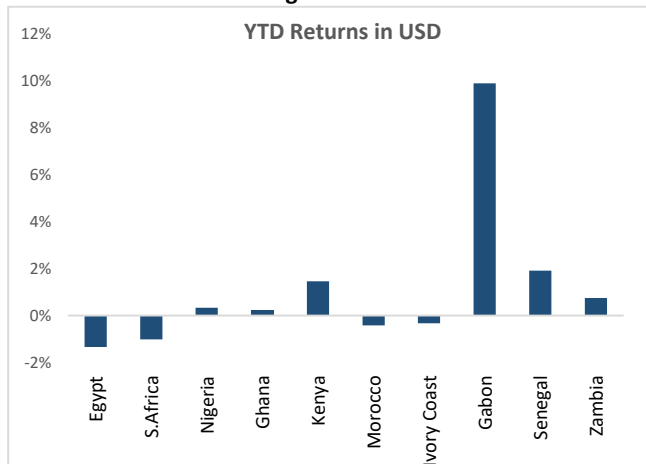
### WEEKLY DATA CENTRE

#### 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	23.6%	22.3%	19.8%	19.8%	0.0%	20.0%	9.8%	12.3%	-5.3%	-7.1%
S. Africa	6.2%	6.9%	8.0%	8.9%	-0.1%	6.8%	0.5%	3.6%	-0.6%	-5.0%
Nigeria	19.4%	16.6%	16.7%	15.5%	-1.0%	27.0%	13.2%	15.2%	9.2%	-5.3%
Ghana	13.6%	14.6%	16.2%	15.9%	-0.2%	15.5%	1.3%	5.4%	4.4%	-4.8%
Kenya	8.6%	10.1%	12.7%	13.3%	-0.3%	9.0%	1.2%	4.4%	-3.6%	-4.9%
Namibia	7.5%	7.6%	9.8%	10.7%	0.0%	6.5%	-2.5%	3.2%	-15.3%	-3.9%
Botswana	10.2%	10.2%	11.3%	11.5%	0.0%	3.5%	10.9%	3.9%	-7.3%	-9.0%
Zambia	14.1%	15.0%	17.4%	18.7%	-0.2%	14.3%	0.0%	9.4%	-1.0%	-3.5%
Mauritius	4.7%	4.8%	5.5%	5.9%	0.0%	4.5%	1.0%	4.5%	-6.4%	-5.7%
Morocco	2.4%	2.6%	3.1%	3.6%	0.0%	2.3%	1.1%	-0.3%	-1.6%	-3.9%

#### RETURNS

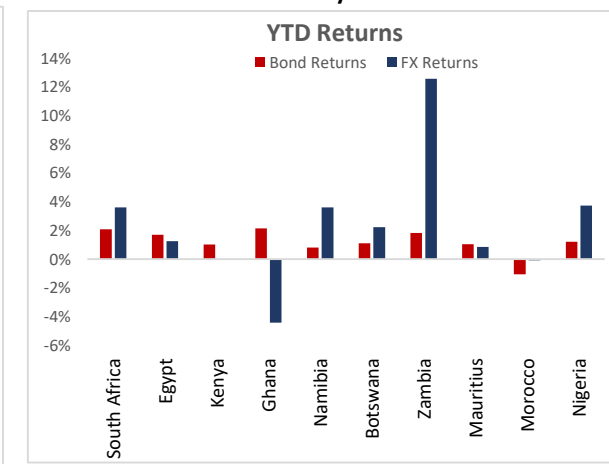
##### Africa Sovereign Eurobonds



Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-1.3%	-1.0%	0.3%	0.2%	1.5%	-0.4%	-0.3%	9.9%	1.9%	0.7%

Chart 1: African Eurobonds YTD Performance  
Source: Bloomberg, MCBIM as at 02 February 2026

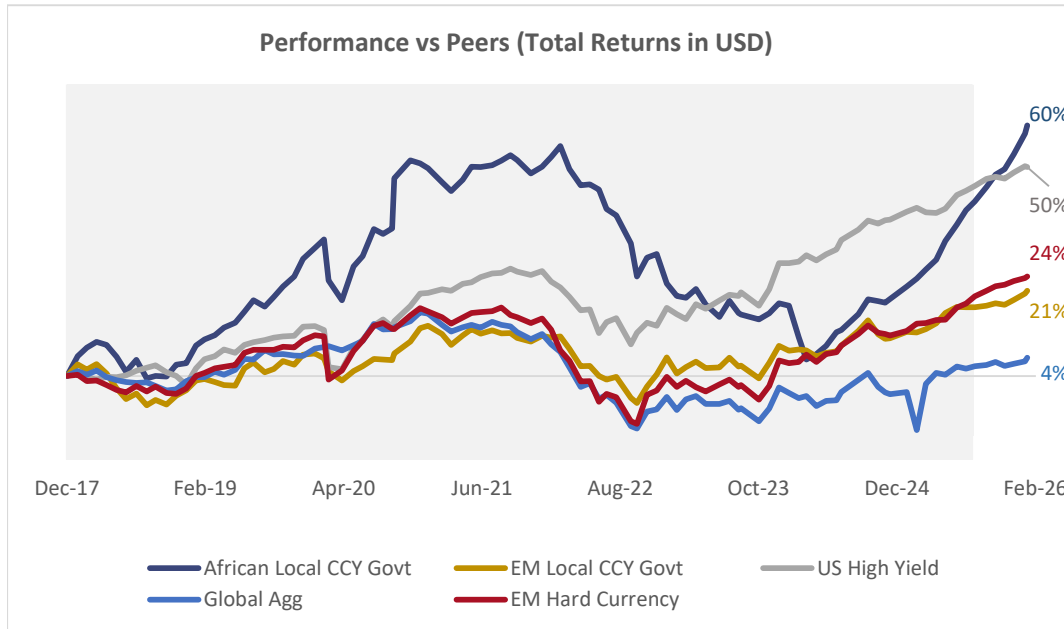
##### African Local Currency Bond Returns



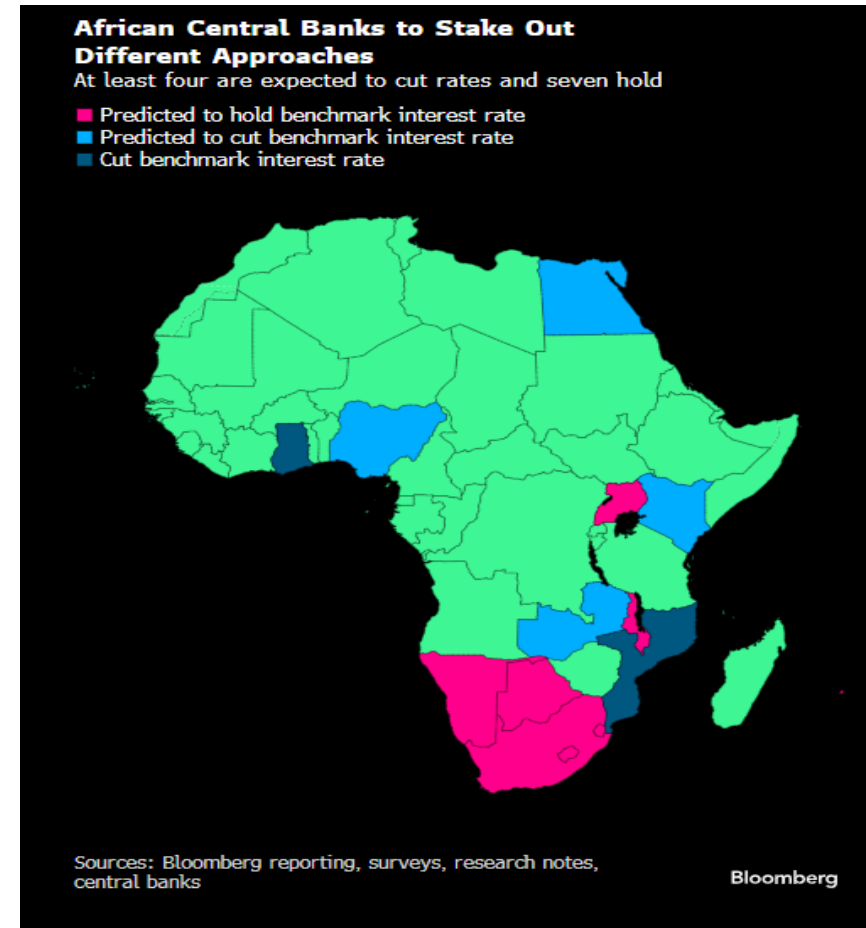
Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	2.1%	1.7%	1.0%	2.1%	0.8%	1.1%	1.8%	1.0%	-1.1%	1.2%
FX	3.6%	1.2%	0.0%	-4.4%	3.6%	2.2%	12.6%	0.9%	-0.1%	3.7%
Total	5.7%	2.9%	1.0%	-2.3%	4.4%	3.3%	14.4%	1.9%	-1.1%	4.9%

Chart 2: African Local Currency bonds and FX YTD Performance  
Source: Bloomberg, MCBIM as at 02 February 2026

Chart of the week



Source: Bloomberg, MCBIM as at 02 February 2026



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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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