Weekly Market Recap

Market Performance

The **Africa Eurobond Index** rose by **+1.96% YTD**, driven by Gabon (+14.1%), Nigeria (+3.9%) and Zambia (+3.0%).

The **African Local Currency Bond Index** climbed **+1.49% YTD** in USD terms, with Zambia (+25.8%), Nigeria (+12.4%) and Kenya (+3.3%).

Weekly Commentary

African local markets recorded a mixed week as volatility around the fragile US–Iran ceasefire continued to drive sentiment across global markets. The DXY rose by 0.5% during the week, with shifting geopolitical headlines triggering alternating risk-on and risk-off moves. The week was also marked by several Central Bank meetings across the region, with policymakers in Egypt, Nigeria and Ghana maintaining a cautious stance amid elevated oil prices, inflation risks and continued external uncertainty. Most markets ended the week positive, led by South Africa, Egypt and Namibia.

South Africa (+2.35%) delivered the strongest performance during the week, supported by gains in both bonds and FX as sentiment improved toward the end of the week following signs of easing geopolitical tensions. However, volatility remained elevated, with USD/ZAR briefly moving toward 16.80 during the week amid renewed concerns around the stability of the ceasefire and broader risk sentiment.

Egypt (+2.20%) also performed strongly, driven mainly by **FX gains (+1.92%).** At its May MPC meeting, the Central Bank of Egypt kept rates unchanged, maintaining the overnight deposit rate at 19.0%, as policymakers balanced moderating inflation against external risks and volatile commodity prices. While inflation eased slightly in April, the central bank expects inflationary pressures to rise again through 3Q26 due to base effects, exchange-rate pass-through, fiscal measures and spillovers from the regional conflict. The CBE reiterated its commitment to maintaining a tight monetary stance and exchange-rate flexibility.

Zambia (+1.23%) was one of the better-performing markets during the week, supported by gains in both bonds and FX. Sentiment was helped by expectations of another strong maize harvest, with production projected to exceed 4.1m tonnes this year. A second consecutive bumper crop could help contain food inflation and offset some of the pressures from higher fuel costs, although fiscal risks remain ahead of next year's elections.

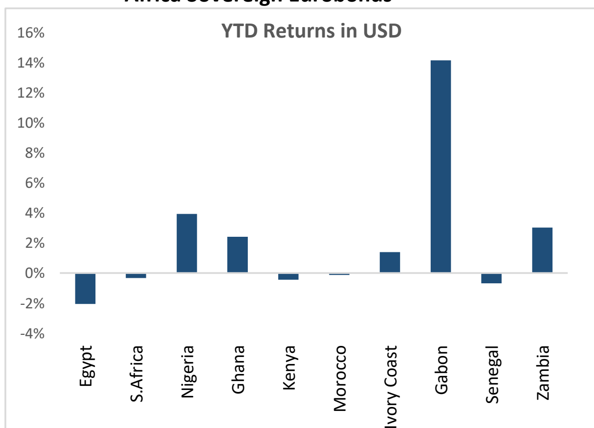
WEEKLY DATA CENTRE

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	25.0%	23.9%	21.2%	21.2%	0.0%	19.0%	9.8%	14.9%	-4.2%	-7.2%
S. Africa	6.8%	7.6%	8.8%	9.4%	-0.2%	6.8%	0.4%	4.0%	-0.5%	-4.5%
Nigeria	19.1%	16.5%	15.0%	14.4%	-0.7%	26.5%	13.2%	15.7%	5.1%	-3.9%
Ghana	10.8%	12.4%	14.6%	14.9%	0.3%	14.0%	1.5%	3.4%	4.4%	-4.8%
Kenya	8.0%	10.1%	13.0%	13.9%	0.1%	8.8%	1.1%	5.6%	-2.1%	-5.8%
Namibia	8.2%	8.6%	10.8%	11.7%	0.0%	6.5%	6.4%	3.1%	-15.3%	-6.6%
Botswana	11.4%	11.6%	12.4%	12.9%	0.0%	5.5%	-11.4%	10.3%	-7.3%	-9.0%
Zambia	13.0%	14.3%	17.0%	18.0%	0.0%	13.3%	0.0%	6.8%	-1.0%	-3.8%
Mauritius	4.5%	4.7%	5.6%	5.9%	0.0%	4.8%	2.1%	3.6%	-6.4%	-9.3%
Morocco	1.5%	1.9%	3.1%	3.7%	0.0%	2.3%	1.1%	1.7%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

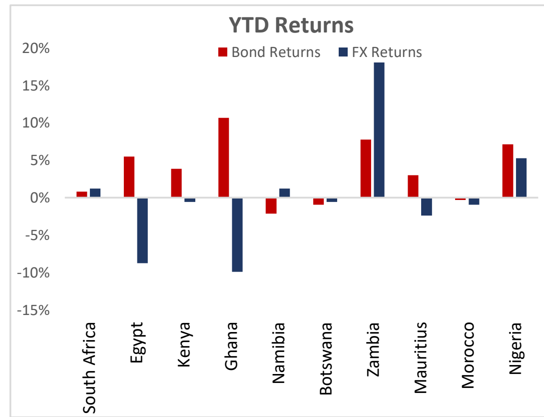


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-2.0%	-0.3%	3.9%	2.4%	-0.4%	-0.1%	1.4%	14.1%	-0.7%	3.0%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 25 May 2026

African Local Currency Bond Returns

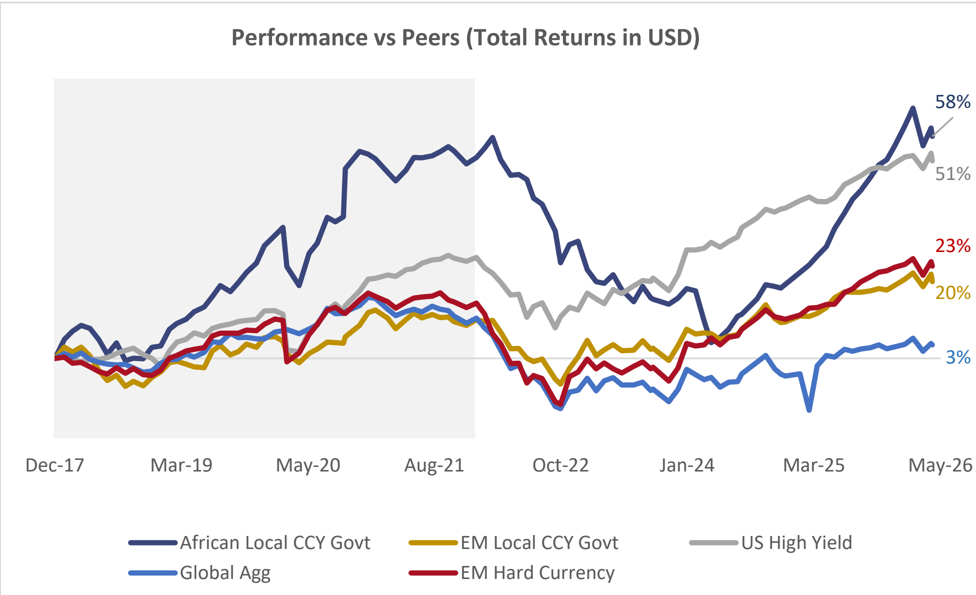


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	0.8%	5.5%	3.8%	10.7%	-2.1%	-0.9%	7.8%	3.0%	-0.3%	7.1%
FX	1.2%	-8.7%	-0.6%	-9.9%	1.2%	-0.6%	18.1%	-2.4%	-1.0%	5.3%
Total	2.0%	-3.2%	3.3%	0.7%	-0.9%	-1.5%	25.8%	0.6%	-1.3%	12.4%

Chart 2: African Local Currency bonds and FX YTD Performance

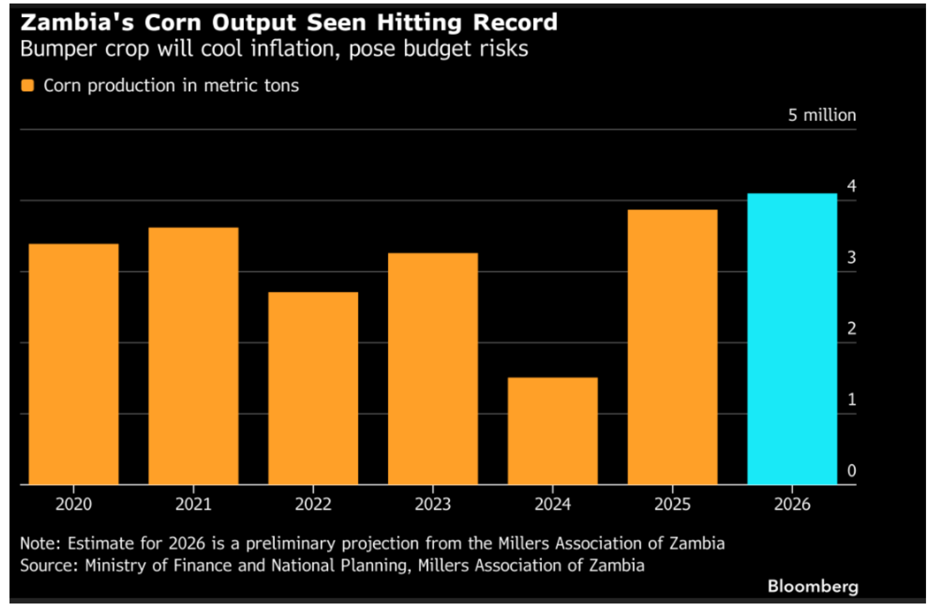
Source: Bloomberg, MCBIM as at 25 May 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 25 May 2026

Chart of the week



For insights or access to MCBIM's African fixed income strategies, 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