Weekly Market Recap

Market Performance

The Africa Eurobond Index rose by **+5.25% YTD**, driven by Gabon (+19.2%), Zambia (+9.7%) and Nigeria (+6.0%)

The African Local Currency Bond Index climbed **+5.79% YTD** in USD terms, with Zambia (+33.0%), Nigeria (+15.1%) and South Africa (+6.3%).

Weekly Commentary

Africa fixed income markets delivered mixed performance during the week. The U.S. dollar weakened, with the DXY falling by -0.14%, while oil prices remained elevated amid ongoing tensions in the Middle East. The week was also marked by central bank policy decisions, inflation developments and political events across the region.

Ghana (+6.15%) was the best-performing market over the week. Returns were driven by a stronger cedi, which offset weaker bond performance. The currency benefited from Bank of Ghana support in the foreign exchange market, stronger foreign exchange inflows and offshore demand for local bonds.

Zambia (+1.36%) delivered strong returns, as bond gains supported returns despite a decline in the kwacha. Investor sentiment was boosted by expectations that the planned GDP rebasing exercise could increase nominal GDP by 20%-30% and reduce the public debt ratio from approximately 80% to 64% of GDP. Political uncertainty also eased as preliminary results showed President Hichilema extending his lead.

Kenya (+0.41%) recorded a gain, driven mainly by bonds. The Central Bank of Kenya kept its policy rate unchanged at 8.75%, citing stable inflation and exchange rate conditions. Policymakers expect inflation to remain close to the central bank's 5.0% target in the near term, despite risks from higher energy prices and ongoing geopolitical tensions.

Botswana (+0.08%) gained on bonds as well. Annual inflation eased to 9.4% in July from 10.7% in June, driven by lower transport costs and clothing & footwear. Softer inflation outlook supported local markets, although inflation remains above the central bank's 3%-6% target range.

South Africa (-0.57%) underperformed as weaker bond returns outweighed gains in the Rand. Annual manufacturing production contracted by 1.7% in June, improving from a 4.4% decline in May. The improvement reflected a slower contraction in food and beverages and wood and paper products. Labour market conditions weakened, with unemployment rising to 33.6% in Q2 2026 from 32.7% in Q1, as the number of unemployed increased 4.2% while employment declined 0.1%.

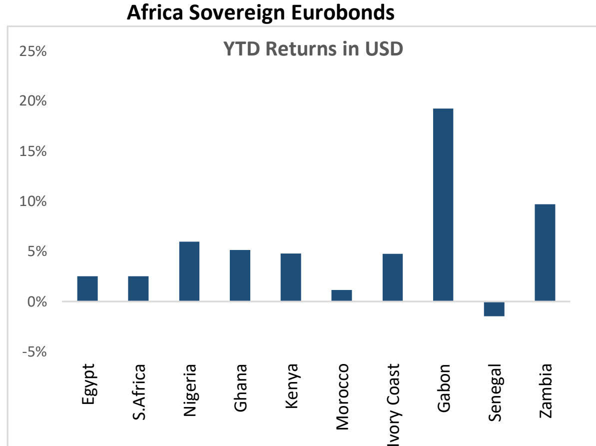
WEEKLY DATA CENTRE

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	25.2%	23.7%	21.4%	21.5%	0.0%	19.0%	5.0%	14.9%	-4.2%	-7.2%
S. Africa	6.9%	7.4%	8.6%	9.2%	0.1%	7.0%	1.9%	5.0%	-0.5%	-4.5%
Nigeria	20.5%	17.0%	17.3%	15.4%	0.1%	26.5%	3.9%	15.9%	5.1%	-3.9%
Ghana	11.5%	13.7%	15.5%	16.2%	0.1%	14.0%	6.4%	4.6%	4.4%	-2.4%
Kenya	8.8%	10.5%	13.4%	14.2%	0.2%	8.8%	5.3%	6.5%	-2.1%	-5.8%
Namibia	8.1%	8.2%	10.4%	11.6%	0.1%	6.8%	2.0%	4.4%	-15.3%	-6.6%
Botswana	10.6%	10.6%	12.3%	12.9%	0.0%	5.5%	3.5%	9.4%	-4.3%	-7.6%
Zambia	12.7%	13.9%	15.8%	17.1%	-0.3%	13.3%	7.7%	6.5%	-5.1%	-3.8%
Mauritius	4.4%	4.7%	5.6%	5.9%	0.0%	4.8%	2.0%	4.4%	-6.4%	-9.3%
Morocco	2.2%	2.4%	3.3%	3.7%	0.0%	2.3%	4.9%	0.3%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

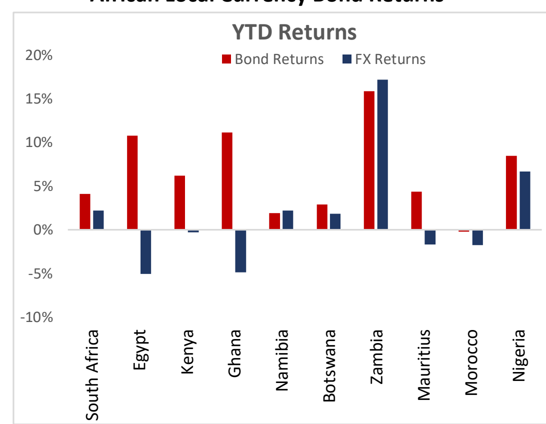


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	2.5%	2.5%	6.0%	5.1%	4.8%	1.1%	4.7%	19.2%	-1.5%	9.7%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 17 August 2026

African Local Currency Bond Returns

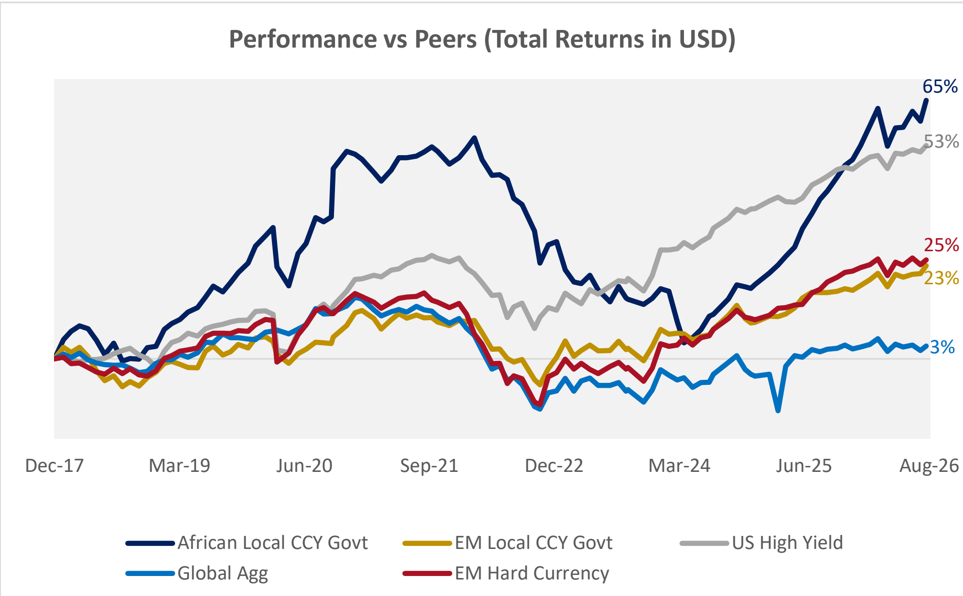


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	4.1%	10.8%	6.2%	11.1%	1.9%	2.9%	15.8%	4.3%	-0.2%	8.5%
FX	2.2%	-5.1%	-0.3%	-4.9%	2.2%	1.8%	17.2%	-1.7%	-1.7%	6.7%
Total	6.3%	5.7%	5.9%	6.2%	4.1%	4.7%	33.0%	2.6%	-2.0%	15.1%

Chart 2: African Local Currency bonds and FX YTD Performance

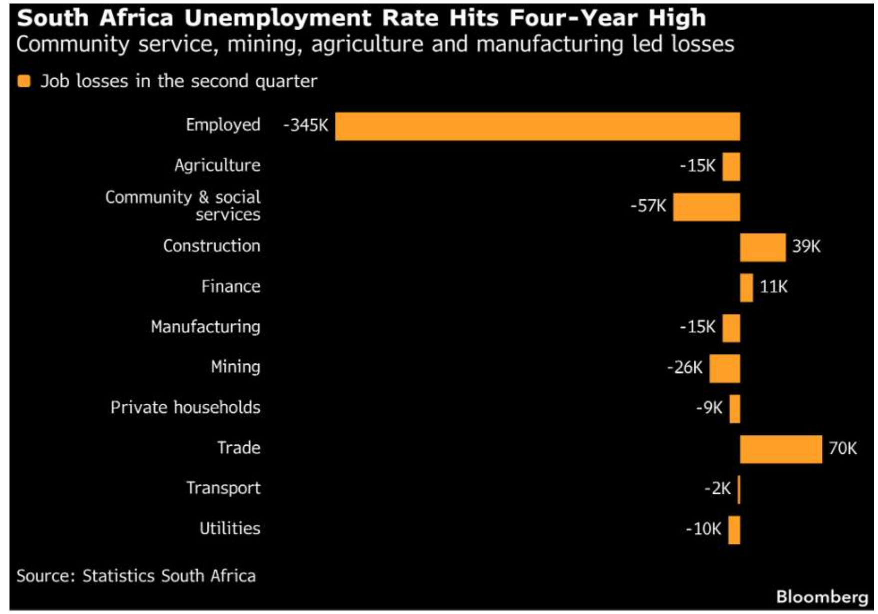
Source: Bloomberg, MCBIM as at 17 August 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 17 August 2026

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