Weekly Market Recap

Market Performance

The **Africa Eurobond Index** rose by **+4.99% YTD**, driven by Gabon (+18.9%), Zambia (+10.2%) and Nigeria (+5.6%)

The **African Local Currency Bond Index** climbed **+6.12% YTD** in USD terms, with Zambia (+33.5%), Nigeria (+17.0%) and South Africa (+6.6%).

Weekly Commentary

Africa fixed income markets delivered mostly positive returns during the week. The U.S. dollar remained under pressure, with the DXY declining -0.84% amid concerns over rising debt levels and higher Treasury yields. Oil prices remained elevated due to tensions in the Middle East. Inflation data and central bank decisions were the main drivers of performance across markets.

Nigeria (+1.49%) was the best performer, supported by strong bond returns and a small gain in the naira. July inflation eased to 15.4% from 15.9% in June, below market expectations, mainly due to lower non-food inflation, while food inflation accelerated. Despite lower inflation, markets continue to expect the Central Bank of Nigeria to keep the policy rate unchanged at 26.5%, citing elevated food inflation, Middle East risks and uncertainty around the inflation outlook.

Morocco (+0.58%) recorded positive returns during the week, driven mainly by currency gains, while bond returns remained flat. Year-on-year consumer prices moved into negative territory at -0.6% in July, compared to a 0.3% increase in June, driven by a decline in food prices, non-food costs, communication and transport among others.

South Africa (+0.50%) gained as a stronger Rand offset weaker bond performance. The currency was supported by U.S. dollar weakness. Headline inflation slowed to 4.3% in July from 5.0%, below market expectations of 4.5%, as fuel and food price pressures eased. Meanwhile, retail sales growth slowed as well as wholesale trade sales volumes fell, increasing concerns about Q2 2026 growth. The softer inflation reading supports expectations that the South African Reserve Bank will leave rates unchanged in the near term.

Egypt (-0.83%) posted negative returns, as FX losses outweighed positive bond returns. The Central Bank of Egypt left its policy rate unchanged at 19%, citing moderating economic activity. Policymakers also noted that the conflict in the Middle East continues to pressure the Egyptian pound and raise fuel import costs.

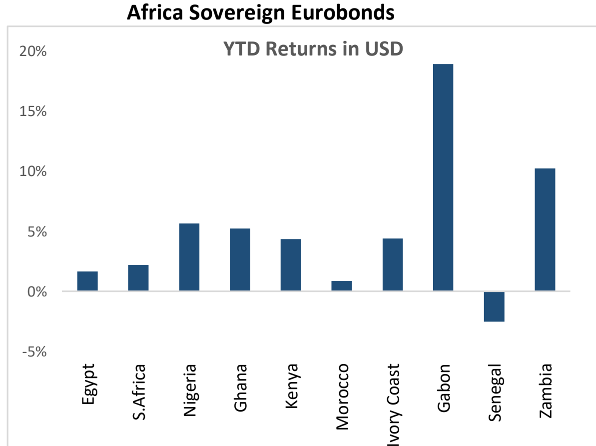
WEEKLY DATA CENTRE

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%	23.5%	21.4%	21.5%	0.0%	19.0%	5.0%	14.9%	-4.2%	-7.2%
S. Africa	7.1%	7.4%	8.7%	9.4%	0.1%	7.0%	1.9%	4.3%	-0.5%	-4.5%
Nigeria	20.5%	17.0%	17.1%	15.4%	-0.2%	26.5%	2.8%	15.4%	5.1%	-3.9%
Ghana	11.0%	13.4%	15.2%	15.2%	-0.2%	14.0%	6.4%	4.6%	4.4%	-2.4%
Kenya	10.3%	10.6%	13.4%	14.2%	0.0%	8.8%	5.3%	6.5%	-2.1%	-5.8%
Namibia	8.1%	8.3%	10.5%	11.6%	0.1%	6.8%	2.0%	4.4%	-15.3%	-6.6%
Botswana	10.6%	10.8%	12.2%	12.6%	0.0%	5.5%	3.5%	9.4%	-4.3%	-7.6%
Zambia	12.8%	14.0%	15.6%	16.8%	-0.2%	13.3%	7.7%	6.5%	-5.1%	-3.8%
Mauritius	4.4%	4.7%	5.5%	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%	4.6%	-0.6%	-2.3%	-3.6%

RETURNS

Africa Sovereign Eurobonds

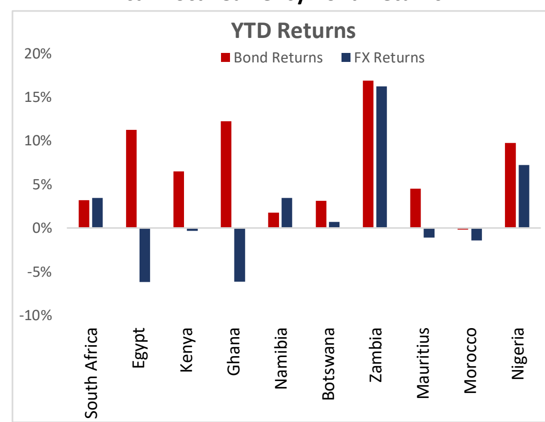


Country	Egypt	S.Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	1.7%	2.2%	5.6%	5.2%	4.3%	0.9%	4.4%	18.9%	-2.5%	10.2%

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 24 August 2026

African Local Currency Bond Returns

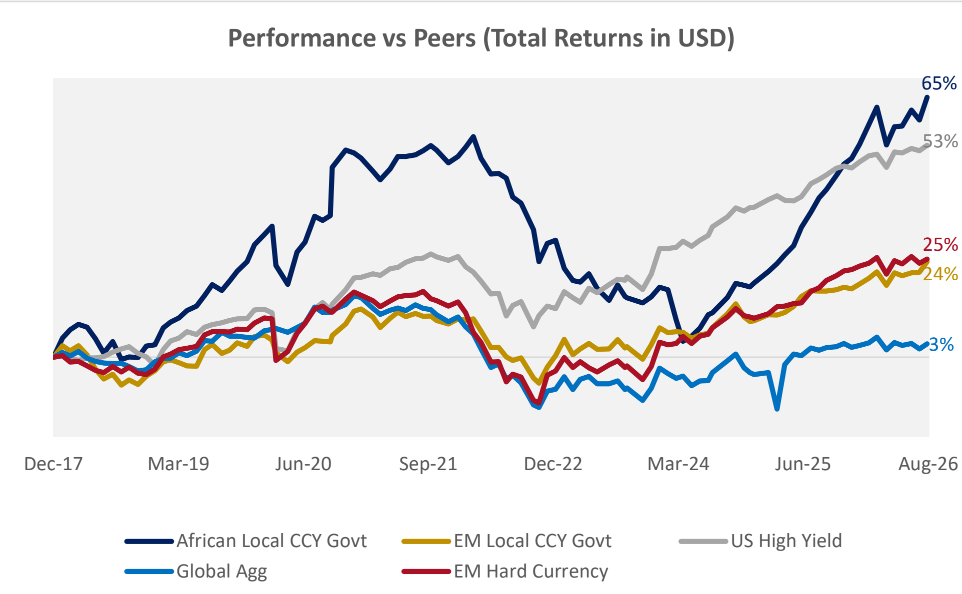


Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	3.2%	11.3%	6.5%	12.2%	1.8%	3.1%	16.9%	4.5%	-0.2%	9.8%
FX	3.5%	-6.2%	-0.3%	-6.1%	3.5%	0.7%	16.2%	-1.1%	-1.4%	7.2%
Total	6.6%	5.1%	6.1%	6.1%	5.2%	3.8%	33.2%	3.4%	-1.6%	17.0%

Chart 2: African Local Currency bonds and FX YTD Performance

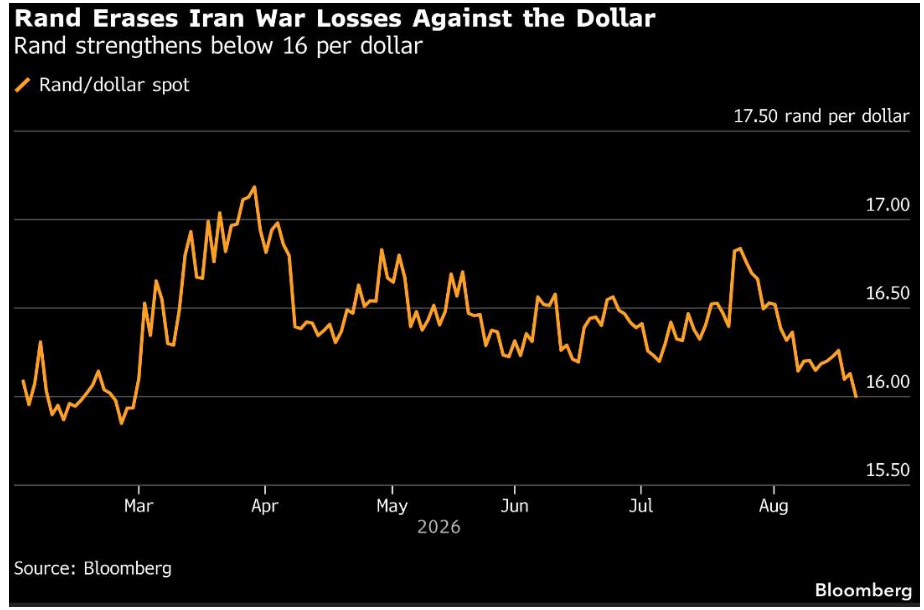
Source: Bloomberg, MCBIM as at 24 August 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 24 August 2026

Chart of the week



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

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