

The **Africa Eurobond Index** declined to **+0.98% YTD**, driven by Egypt (-2.7%), Morocco (-2.5%) and South Africa (-2.5%)

The **African Local Currency Bond Index** fell to **+3.87% YTD** in USD terms, following subdued performances of Morocco (-9.4%), Namibia (+0.3%) and South Africa (+2.4%)

Weekly Commentary

African fixed income markets delivered mixed returns during the week as investors balanced a stronger U.S. dollar environment, rising global bond yields and domestic macroeconomic developments. The U.S. Dollar Index (DXY) rose by 0.73%, while oil prices declined towards the end of the week as markets balanced signs of recovering Middle East supply against ongoing geopolitical tensions.

Zambia (+2.29%) was the best performer during the week, driven by strong bond returns despite currency weakness. Market sentiment was driven by the Bank of Zambia's decision to cut its policy rate by 250 basis points to 10.75%. The central bank cited an improved inflation outlook supported by stable food prices, currency strength and fiscal consolidation. The decision followed a decline in inflation to 6.1% in September from 6.2% in August.

Kenya (+0.14%) posted gains, supported by positive bond returns while the currency remained stable. Headline inflation increased to 6.8% in September from 6.6% in August. Higher food prices continued to drive inflationary pressures, while transport costs remained elevated.

South Africa (-2.07%) posted losses, driven by rand depreciation and negative bond returns. The rand weakened as higher U.S. Treasury yields and a stronger dollar reduced investor appetite for emerging market assets. Economic data were broadly positive, with the Absa Manufacturing PMI rising to 50.7 in September from 45.8 in August, supported by stronger sales orders and improved business activity. Producer price inflation eased to 5.0% from 5.7%, driven by lower increases in fuel and food prices, while trade surplus widened in August, as imports declined faster than exports.

Morocco (-3.27%) was the weakest-performing market during the week, with losses driven by currency weakness while bond returns were almost unchanged. The decline came despite a year-on-year GDP growth of 4.0% in Q2 2026, supported by strong agricultural activity, household consumption and investment spending. However, manufacturing activities and extractive industries contracted during the quarter.

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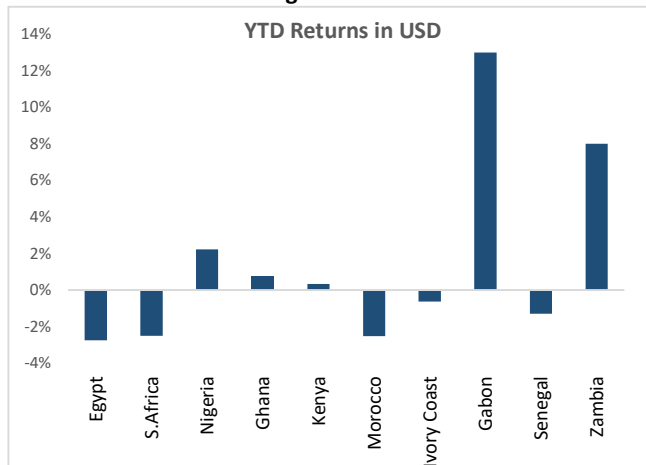
WEEKLY DATA CENTRE

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	25.1%	23.7%	21.6%	21.6%	0.1%	19.0%	4.7%	14.5%	-4.2%	-7.2%
S. Africa	7.3%	7.5%	9.1%	9.5%	0.0%	7.3%	0.9%	4.4%	-0.5%	-4.5%
Nigeria	18.3%	15.9%	16.3%	14.7%	0.2%	23.0%	4.4%	15.4%	5.1%	-3.9%
Ghana	11.3%	13.4%	15.4%	15.4%	0.0%	14.0%	6.0%	5.0%	8.2%	-2.4%
Kenya	9.5%	10.2%	13.3%	13.8%	0.0%	8.8%	5.3%	6.8%	-2.1%	-5.8%
Namibia	8.2%	8.6%	10.8%	11.9%	0.0%	6.8%	4.8%	5.0%	-15.3%	-6.6%
Botswana	8.2%	8.7%	11.4%	12.5%	-0.1%	5.5%	8.7%	9.3%	-4.3%	-7.6%
Zambia	10.5%	11.9%	14.6%	15.5%	-0.2%	10.8%	7.2%	6.1%	-5.1%	-3.8%
Mauritius	4.2%	4.5%	5.5%	5.9%	0.0%	4.8%	3.0%	4.9%	-7.1%	-9.3%
Morocco	2.1%	2.3%	3.4%	4.0%	-0.4%	2.3%	4.0%	-0.3%	-2.4%	-3.6%

RETURNS

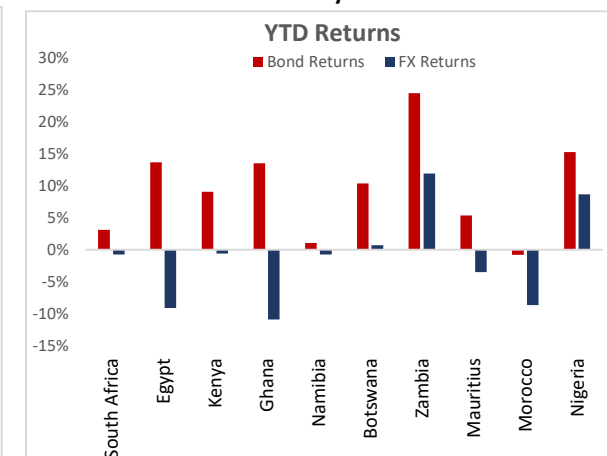
Africa Sovereign Eurobonds



Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	-2.7%	-2.5%	2.2%	0.8%	0.3%	-2.5%	-0.6%	13.0%	-1.3%	8.0%

Chart 1: African Eurobonds YTD Performance
Source: Bloomberg, MCBIM as at 05 October 2026

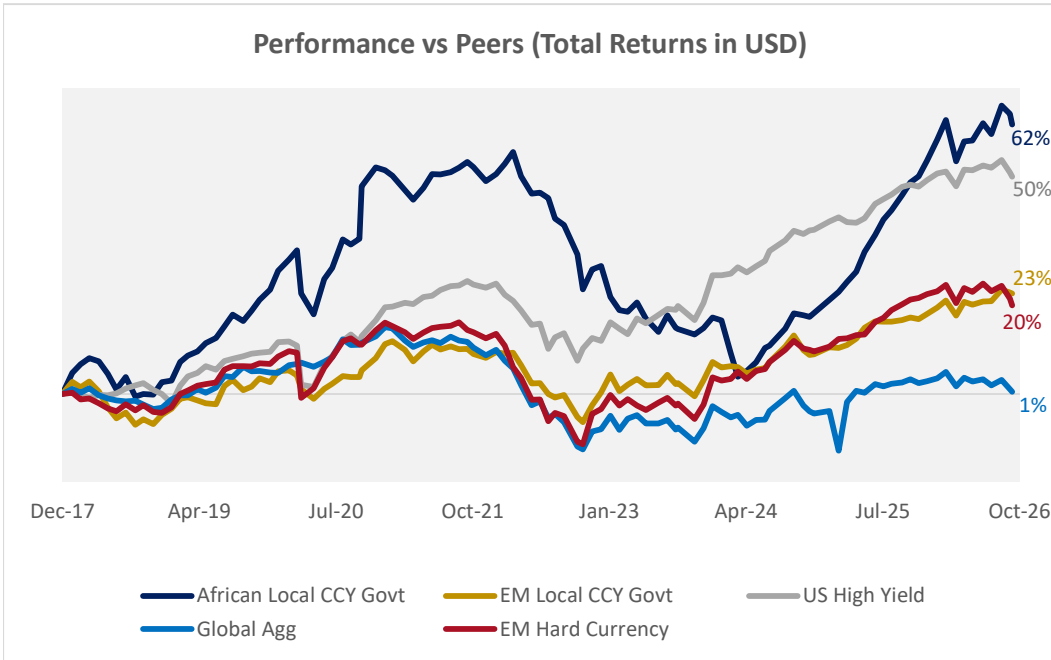
African Local Currency Bond Returns



Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	3.1%	13.7%	9.1%	13.6%	1.1%	10.4%	24.5%	5.4%	-0.8%	15.3%
FX	-0.7%	-9.1%	-0.6%	-10.9%	-0.7%	0.7%	12.0%	-3.5%	-8.7%	8.6%
Total	2.4%	4.6%	8.5%	2.7%	0.3%	11.1%	36.5%	1.9%	-9.4%	23.9%

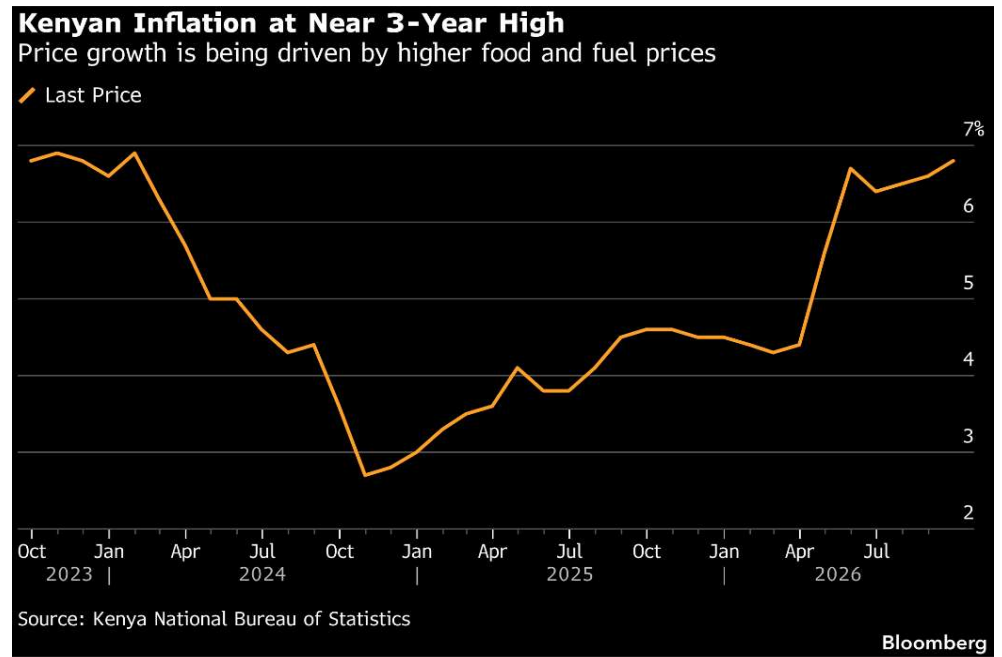
Chart 2: African Local Currency bonds and FX YTD Performance
Source: Bloomberg, MCBIM as at 05 October 2026

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 05 October 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

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