MCB Capital Markets

# Weekly Market Recap

## Market Performance

The **Africa Eurobond Index** was up by **+1.02% YTD**, driven by Gabon (+14.9%), Zambia (+9.7%) and Nigeria (+2.5%)

The **African Local Currency Bond Index** showed a return of **+2.00% YTD** in USD terms, with Zambia (+27.5%), Nigeria (+19.7%) and Botswana (+14.4%)

## Weekly Commentary

African local markets delivered mostly negative performance during the week, with foreign exchange movements remaining the main driver of returns. Expectations of further Fed tightening supported demand for the US dollar, with the DXY rising by 0.25% over the week. Investors also assessed monetary policy decisions across the region, including rate decisions in South Africa and Ghana, while ongoing geopolitical tensions and inflation concerns continued to influence market sentiment.

**Ghana (+0.26%)** delivered positive returns driven by gains in the bond market. The Bank of Ghana unexpectedly cut its policy rate by 300 basis points to 11% from 14%, describing the move as a realignment rather than policy easing. The cedi came under pressure as persistent corporate demand for US dollars exceeded market supply. Inflation rose to 5.5% in October from 5.2% in September, mainly driven by higher transport and utility costs, while food inflation eased.

**Zambia (-1.75%)** recorded negative returns during the week, with bond and FX losses weighing on performance. The kwacha remained under pressure as demand for foreign currency exceeded supply. However, the S&P Global Ratings upgraded Zambia's sovereign rating to B-/B from CCC+/C, reflecting improving external dynamics and continued progress on debt restructuring.

**Nigeria (-3.62%)** underperformed during the week as losses in both the bond market and the naira weighed on returns. The naira came under pressure from elevated importer demand for foreign currency, foreign investor outflows and US dollar strength. Headline inflation eased to 14.1% in October from 14.6% in September, supported by lower food price pressures. The Central Bank of Nigeria is expected to keep its policy rate unchanged at 23.0% at this week's MPC meeting as policymakers assess the impact of September's 350 basis points rate cut.

**South Africa (-3.66%)** was one of the weakest performers, as losses in both bonds and the rand weighed on returns. The South African Reserve Bank left the repo rate unchanged at 7.25%, as policymakers considered current interest rates sufficiently restrictive following 50 basis points of cumulative tightening since May. The rand recorded its largest weekly decline after the decision, as investors had partly anticipated a rate hike and expectations of further Fed tightening impacted the currency. Meanwhile, headline inflation rose to 5.2% in October from 4.5% in September, driven mainly by higher fuel prices.

## WEEKLY DATA CENTRE

### STATISTICS

#### Local Currency Yields

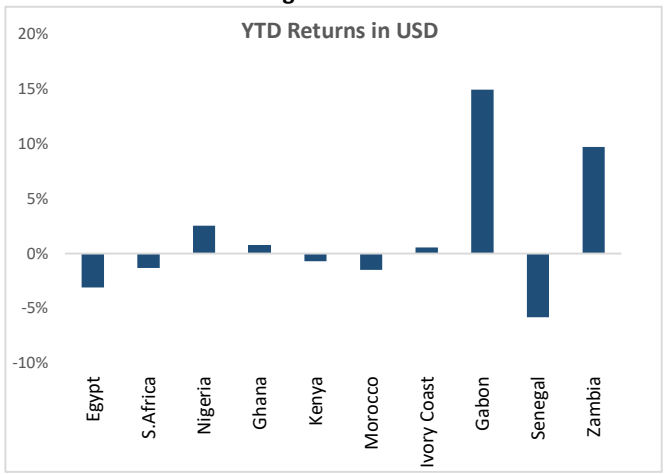
| | 1-Yr | 2-Yr | 10-Yr | 20-Yr | Δ 10yr yield |
|---|---|---|---|---|---|
| Egypt | 25.7% | 24.3% | 21.5% | 21.6% | 0.0% |
| S. Africa | 8.2% | 8.2% | 8.9% | 9.4% | 0.2% |
| Nigeria | 18.9% | 16.9% | 16.7% | 15.1% | 0.1% |
| Ghana | 11.2% | 13.7% | 15.3% | 15.3% | -0.2% |
| Kenya | 9.5% | 10.5% | 13.2% | 13.7% | 0.0% |
| Namibia | 8.0% | 8.4% | 10.6% | 11.9% | 0.2% |
| Botswana | 6.5% | 7.1% | 10.2% | 11.9% | -0.7% |
| Zambia | 11.3% | 12.8% | 16.4% | 17.6% | 0.6% |
| Mauritius | 5.0% | 5.1% | 5.6% | 5.9% | 0.0% |
| Morocco | 2.0% | 2.3% | 3.6% | 4.3% | 0.0% |

#### Economic Indicators

| | Policy Rate | GDP Growth Rate | CPI | C/A (% of GDP) | Fiscal Deficit |
|---|---|---|---|---|---|
| Egypt | 20.0% | 4.9% | 12.7% | -4.2% | -7.2% |
| S. Africa | 7.3% | 1.0% | 5.2% | -0.5% | -4.5% |
| Nigeria | 23.0% | 4.4% | 14.1% | 5.1% | -3.9% |
| Ghana | 11.0% | 6.0% | 5.5% | 8.2% | -2.4% |
| Kenya | 8.8% | 5.1% | 7.3% | -2.1% | -5.8% |
| Namibia | 7.0% | 4.8% | 5.6% | -15.3% | -6.6% |
| Botswana | 5.5% | 8.7% | 7.6% | -4.3% | -7.6% |
| Zambia | 10.8% | 7.2% | 6.3% | -5.1% | -3.8% |
| Mauritius | 5.0% | 3.0% | 6.4% | -7.1% | -9.3% |
| Morocco | 2.3% | 4.0% | 1.9% | -2.4% | -3.6% |

### RETURNS

#### Africa Sovereign Eurobonds

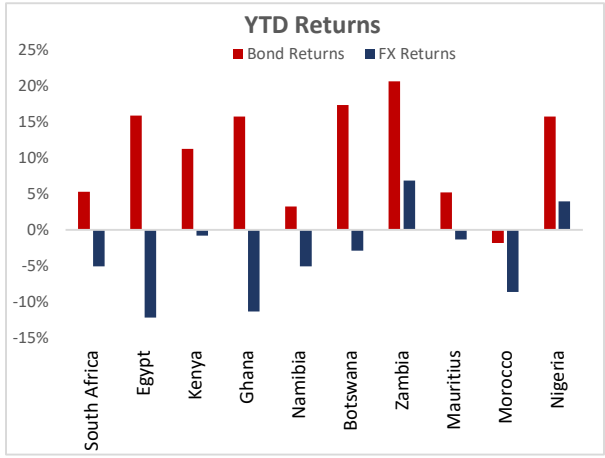



| Country | Egypt | S.Africa | Nigeria | Ghana | Kenya | Morocco | Ivory Coast | Gabon | Senegal | Zambia |
|---|---|---|---|---|---|---|---|---|---|---|
| YTD | -3.1% | -1.3% | 2.5% | 0.7% | -0.7% | -1.5% | 0.6% | 14.9% | -5.8% | 9.7% |

Chart 1: African Eurobonds YTD Performance

Source: Bloomberg, MCBIM as at 23 November 2026

#### African Local Currency Bond Returns

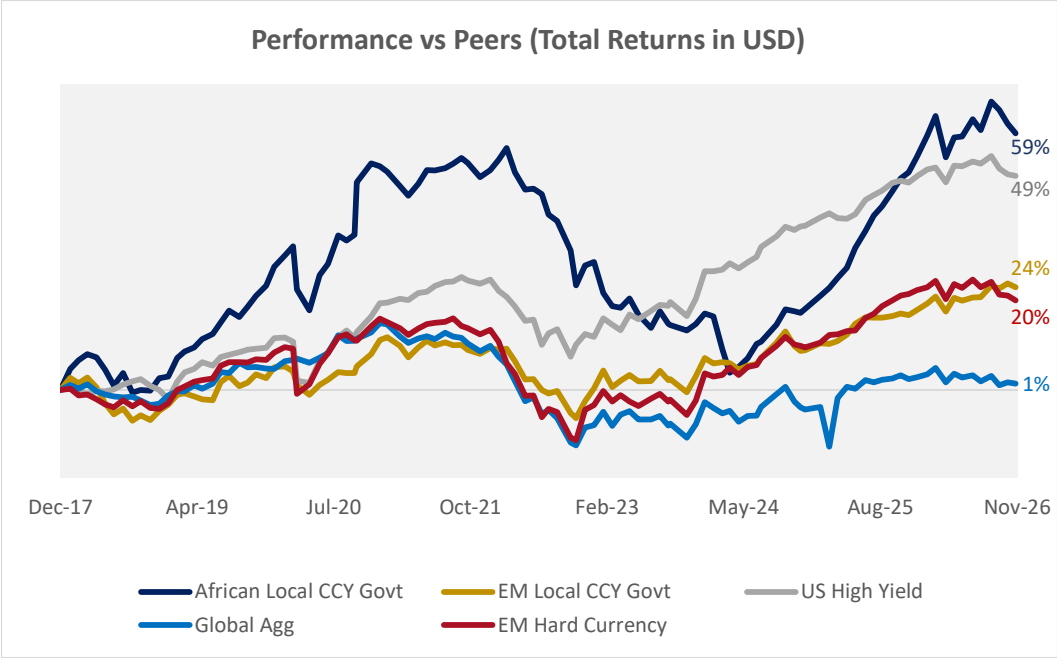



| Returns | South Africa | Egypt | Kenya | Ghana | Namibia | Botswana | Zambia | Mauritius | Morocco | Nigeria |
|---|---|---|---|---|---|---|---|---|---|---|
| Bond | 5.3% | 15.9% | 11.3% | 15.8% | 3.2% | 17.4% | 20.7% | 5.2% | -1.9% | 15.8% |
| FX | -5.1% | -12.2% | -0.8% | -11.4% | -5.1% | -2.9% | 6.8% | -1.4% | -8.7% | 3.9% |
| Total | 0.2% | 3.7% | 10.4% | 4.4% | -1.9% | 14.4% | 27.5% | 3.8% | -10.5% | 19.7% |

Chart 2: African Local Currency bonds and FX YTD Performance

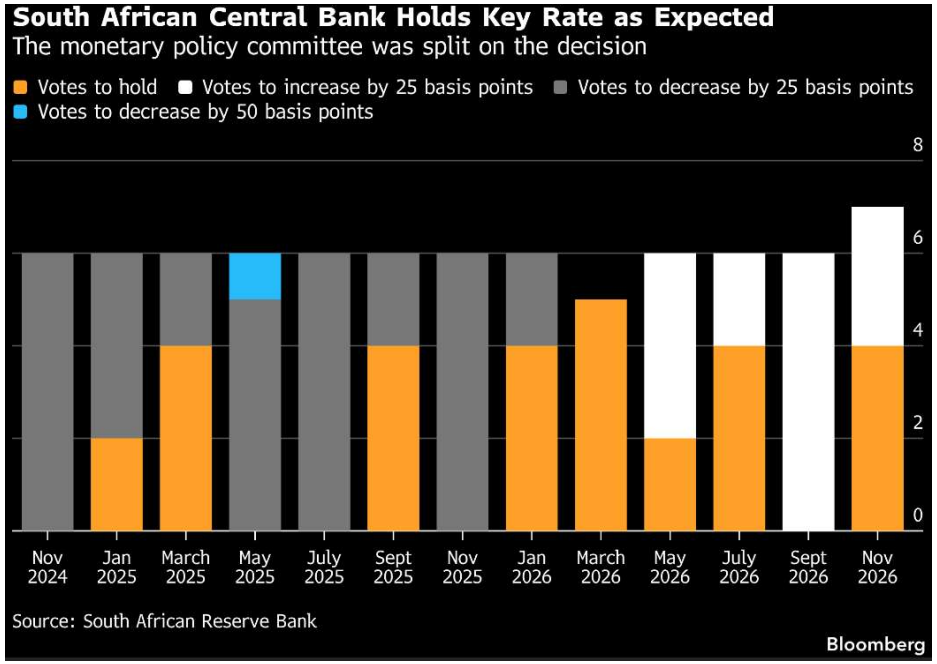
Source: Bloomberg, MCBIM as at 23 November 2026

**Performance vs Peers (Total Returns in USD)**




*Source: Bloomberg, MCBIM as at 23 November 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

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