

Weekly Market Recap

Market Performance

Most african bonds recorded gains (in USD terms) across both hard and local currency segments.

The **Africa Eurobond Index** rose **+16.3% YTD**, led by Ghana (+25.0%), Egypt (+21.6%) and Nigeria (+20.1%), while Senegal lagged (-13.1%) amid fiscal concerns.

The **African Local Currency Bond Index** climbed **+26.3% YTD** in USD terms, with Ghana (+89.3%), Zambia (+56.5%) and Nigeria (+41.9%) leading on strong FX and bond performance.

Weekly Commentary

African local bonds delivered mixed performance this week, with bond markets generally steady but FX weakness weighing on overall returns. Most African currencies slipped against a strong US dollar, which is still trading near a six-month high, supported by shifting US rate expectations. Kenya was the only major market to see a small FX gain, helping it post the strongest total return of the week (+0.38%).

In Egypt, bonds gained 0.38%, although the pound weakened again. The Central Bank kept rates unchanged, as expected, after inflation picked up for the first time in five months. The jump came mainly from a sharp increase in housing rents following a change in rent-control rules. Monthly inflation also stayed elevated, and upcoming fuel-price adjustments are likely to add pressure. Overall, policymakers remain cautious given the mix of local and global risks.

Kenya continued to show resilience, supported by steady diaspora inflows, which rose 4.6% month-on-month in October. This has helped stabilise FX reserves and contributed to Kenya being one of the few markets with both positive bond and FX performance this week.

South Africa saw little movement in bonds, with total returns weighed down by currency weakness. The SARB cut the policy rate by 25bps to 6.75%, as expected. The National Treasury adopted a lower 3% inflation target with a 1ppt tolerance, replacing the long-standing 3–6% range. The SARB adjusted its inflation forecasts slightly, with CPI expected to average 3.3% in 2025, peak at 3.9% in Q4, then ease to 3.0% by 2028. Overall, the inflation outlook remains well-contained, supporting a gradual easing path.

Zambia had a challenging week, with total returns down 2.0% as the kwacha weakened sharply. However, sentiment improved after S&P lifted Zambia out of default and assigned a CCC+ rating with a stable outlook. The agency highlighted progress on debt restructuring but noted that political and economic risks ahead of next year's elections remain important to monitor.

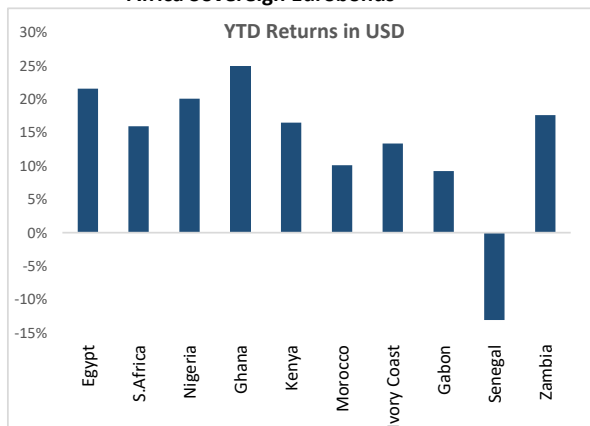
WEEKLY DATA CENTRE

STATISTICS

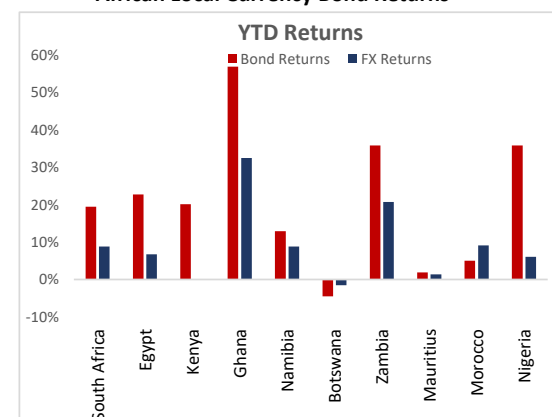
Local Currency Yields						Economic Indicators				
	1-Yr	2-Yr	10-Yr	20-Yr	Δ 10yr yield	Policy Rate	GDP Growth Rate	CPI	C/A (% of GDP)	Fiscal Deficit
Egypt	24.50%	22.78%	20.02%	20.02%	-0.28%	21.00%	9.80%	12.50%	-5.30%	-7.10%
S. Africa	6.46%	7.29%	8.63%	9.62%	0.03%	6.75%	0.80%	3.60%	-0.60%	-5.00%
Nigeria	18.19%	15.62%	15.75%	15.10%	0.63%	27.00%	10.00%	16.05%	-0.50%	-6.10%
Ghana	14.80%	15.09%	15.85%	15.94%	-0.22%	21.50%	1.40%	8.00%	4.40%	-4.80%
Kenya	8.80%	9.96%	12.93%	13.56%	-0.04%	9.25%	1.20%	4.60%	-3.60%	-4.90%
Namibia	7.58%	7.74%	10.09%	11.34%	-0.03%	6.50%	-1.52%	3.60%	-15.30%	-3.90%
Botswana	8.96%	9.23%	11.55%	11.63%	0.01%	3.50%	-3.60%	3.90%	-7.30%	-9.00%
Zambia	13.87%	14.99%	17.65%	18.74%	0.05%	14.25%	0.00%	11.90%	-1.00%	-3.50%
Mauritius	4.89%	5.04%	5.54%	5.97%	0.01%	4.50%	0.40%	4.10%	-4.20%	-5.70%
Morocco	2.28%	2.38%	2.96%	3.42%	0.12%	2.25%	1.10%	0.10%	-1.60%	-3.90%

RETURNS

Africa Sovereign Eurobonds



African Local Currency Bond Returns



Country	Egypt	S. Africa	Nigeria	Ghana	Kenya	Morocco	Ivory Coast	Gabon	Senegal	Zambia
YTD	21.6%	15.9%	20.1%	25.0%	16.5%	10.1%	13.3%	9.2%	-13.1%	17.6%

Chart 1: African Eurobonds YTD Performance

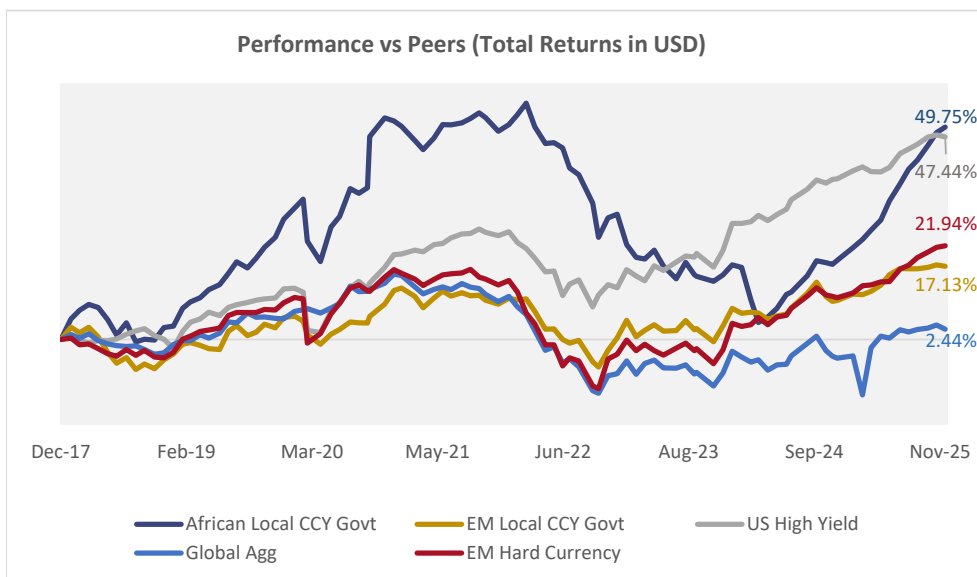
Source: Bloomberg, MCBIM as at 24 November 2025

Returns	South Africa	Egypt	Kenya	Ghana	Namibia	Botswana	Zambia	Mauritius	Morocco	Nigeria
Bond	19.5%	22.8%	20.1%	56.8%	12.9%	-4.5%	35.8%	1.9%	5.0%	35.8%
FX	8.8%	6.7%	-0.1%	32.4%	8.8%	-1.5%	20.7%	1.4%	9.1%	6.0%
Total	28.2%	29.5%	20.1%	89.3%	21.6%	-6.1%	56.5%	3.3%	14.1%	41.9%

Chart 2: African Local Currency bonds and FX YTD Performance

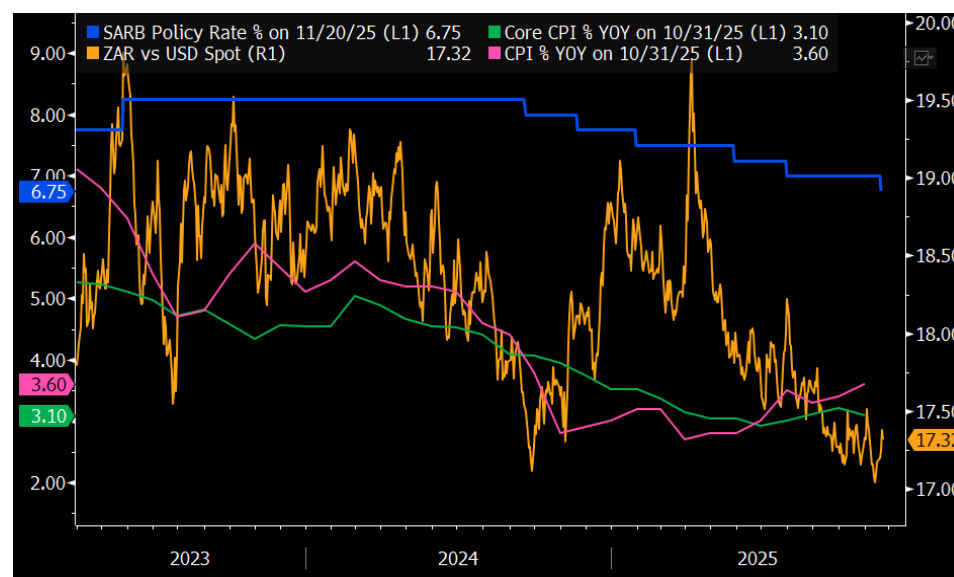
Source: Bloomberg, MCBIM as at 24 November 2025

Performance vs Peers (Total Returns in USD)



Source: Bloomberg, MCBIM as at 24 November 2025

Chart of the week



The formal adoption of 3% inflation target should strengthen investor confidence in South Africa's disinflation path and allow the Reserve bank to cut rates, overlooking recent pick-up in inflation.

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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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