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# IC FIXED INCOME & CURRENCY GUIDE

02 MAY 2025

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## REPORT SUMMARY

COUNTRY	FIXED INCOME	CURRENCY
Ghana	<ul style="list-style-type: none"> <li>Investor demand for Ghanaian T-bills weakened for the second month in April 2025 as interbank funds reversed into the high-yielding OMO Bills while yields on T-bills approach stability. Our inflation forecast suggests the 91-day yield translates into a negative ex-ante real yield, underpinning the weaker demand</li> <li>In the secondary bond market, the IC Government Bond Index (IC-GBI) gained 4.2% m/m to close April 2025 at 86.8pts, pushing the year-to-date gain to 21.0% with a weighted yield-to-maturity of 21.6%. The General Category bonds were the most active securities with the 2027 – 2031 papers being the most traded segment of the curve at an average yield of 22.1%.</li> </ul>	<ul style="list-style-type: none"> <li>The Ghanaian Cedi rallied strongly in April 2025, appreciating by 9.5% m/m against the US Dollar on the back of intensified FX sale by the Central Bank and a globally weaker US Dollar. The Bank of Ghana sold USD 495.5mn (+89.0% m/m) in April 2025, pre-empting and overwhelming potential forex demand for dividend repatriation following the dividend payout by MTNGH.</li> <li>The near-term outlook is firmly anchored by the BOG FX sale while the FX gains improve the attraction to T-bills despite the nominal yield decline.</li> </ul>
Kenya	<ul style="list-style-type: none"> <li>Investor demand for Kenyan Treasury bills strengthened in April 2025, underpinned by heightened demand for the 364-day tenor as market sentiment tilted towards locking in relatively higher returns amid CBK's continued dovish monetary policy stance.</li> <li>We believe the Central Bank of Kenya's continued dovishness, with the recent 75bps policy rate cut in April supported the downward momentum in yields and would contribute to further declines in yields in the short-term</li> </ul>	<ul style="list-style-type: none"> <li>The Kenyan shilling sustained its general stability in April 2025, underpinned by robust FX reserves. Gross FX reserves stood at USD 9.81bn (4.4 months of import cover) as of 25 April, sufficiently above the CBK's statutory minimum requirement of 4.0 months of import cover, providing enough buffer against external shocks.</li> <li>We expect the healthy reserves position to sustain the shilling's resilience in the near term. The authorities drew down USD 500.0mn out of the privately placed UAE bond (priced at 8.25%). We view this inflow as an immediate support for the FX reserves.</li> </ul>
Nigeria	<ul style="list-style-type: none"> <li>Investor appetite significantly weakened for the 364-day tenor, culminating in a sharp month-on-month contraction in overall demand, albeit still above the Treasury's gross target, with yields remaining flat across the curve.</li> <li>Given the 100bps uptick in headline inflation for March 2025, we anticipate that the CBN will retain its policy rate at the current 27.5% during its next MPC meeting, slated for 19<sup>th</sup> – 20<sup>th</sup> May 2025. This potential rate hold, combined with the uncertain inflation environment will sustain stability in yields in the near-term by offsetting any downside risk from the demand side.</li> </ul>	<ul style="list-style-type: none"> <li>The depreciation of the Nigerian Naira continued for the second straight month in April 2025, as the downward pressure on global oil prices continued to erode the country's FX earnings, intensifying the pressure on an already fragile Naira stability.</li> <li>In the near-term, we expect the Naira to remain under pressure due to subdued FX inflows from lower oil revenues and the contraction in carry trade, which has further weakened the appeal of NGN assets. However, we believe that the CBN's continued intervention will help reduce the pace of depreciation of the Naira.</li> </ul>

# Ghana Market Commentary

## Fixed Income

Investor demand for Ghanaian Treasury bills weakened for the second month in April 2025 as interbank funds reversed into the high-yielding OMO Bills while yields on T-bills approach stability. Notwithstanding the softer demand, the Treasury continued to reject bids with yield quote beyond its tolerance level, suggesting that its borrowing requirement is firmly under control.

Total bids submitted were worth GHS 24.6bn (-48.2% m/m), exceeding the Treasury's gross target by 3.4% and sufficient to cover the maturing T-bills of GHS 22.4bn. The Treasury however allotted GHS 19.8bn to achieve an 83.0% coverage of its gross target. When measured against the estimated maturities for the month, we believe investors redeemed GHS 2.6bn which was flipped into the Bank of Ghana OMO Bill at a more attractive yield of 28.0%. Our estimates show total outstanding OMO Bills at GHS 45.96bn at the end of April 2025, representing a 24.1% m/m increase (or +GHS 8.9bn)

Yields declined at a more measured pace in April 2025 with an average drop of 52bps (vs -863bps in March) as our inflation forecast suggests the 91-day yield translates into a negative ex-ante real yield. The 91-day yield shaved off 39bps to 15.32%, the 182-day yield declined by 70bps to 16.04% while the 364-day yield closed lower by 47bps to 18.37%. We expect yields to move within the 14.5% - 18.0% range in 2Q2025, reflecting a general stability as investors await a faster decline in headline inflation.

In the secondary bond market, the IC Government Bond Index (IC-GBI) gained 4.2% m/m to close April 2025 at 86.76pts, pushing the year-to-date gain to 21.04% with a weighted yield-to-maturity of 21.58%. The General Category bonds were the most active securities with the 2027 - 2031 papers being the most traded portions of the yield curve at an average yield of 22.1%.

## Currency Market

The Ghanaian Cedi rallied strongly in April 2025, appreciating by 9.5% m/m against the US Dollar on the back of intensified FX sale by the Central Bank and a globally weaker US Dollar. The Bank of Ghana sold USD 495.5mn (+89.0% m/m) in April 2025, pre-empting and overwhelming potential FX demand for dividend repatriation following dividend payouts by MTNGH.

The near-term outlook is firmly anchored by the BOG support while the FX gains improve the attraction to T-bills despite the nominal yield decline.

Local Currency "General Category" Bonds (GHS)				Ghana Restructured Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Feb-27	8.35%	81.46	21.21%	DISCO BOND		
Feb-28	8.50%	74.93	20.70%	Jul-29	5.00%	9.65%
Feb-29	8.65%	65.28	22.73%	Jul-35	5.00%	11.04%
Feb-30	8.80%	58.29	23.80%	PAR BOND		
Feb-31	8.95%	58.21	22.00%	Jan-37	1.50%	10.45%
Feb-32	9.10%	53.47	22.89%	DOWN PAYMENT BOND		
Feb-33	9.25%	53.31	22.02%	Jul-26	Zero-coupon	4.83%
Feb-34	9.40%	48.87	23.26%	PAST DUE INTEREST (PDI) BOND		
Feb-35	9.55%	49.66	22.42%	Jan-30	Zero-coupon	6.08%
Feb-36	9.70%	51.55	21.32%			
Feb-37	9.85%	47.44	22.85%			
Feb-38	10.00%	51.34	21.11%			

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	15.32%	-39	-1,404
182-day	16.04%	-70	-1,591
364-day	18.37%	-47	-1,412

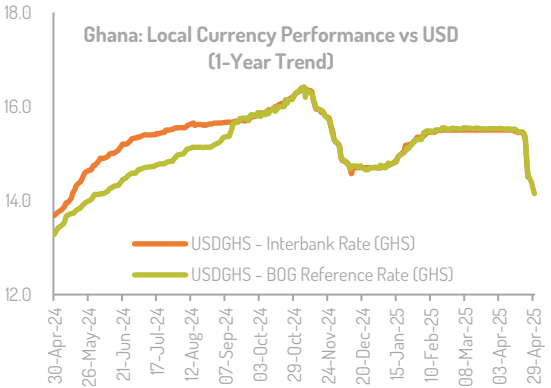
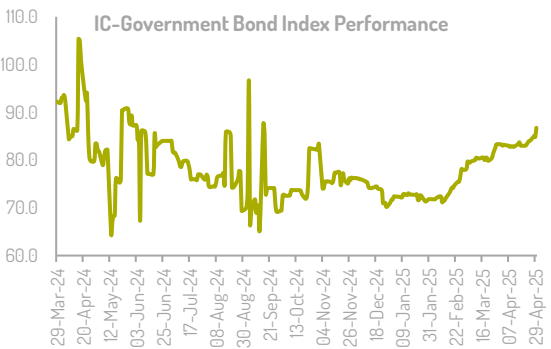
	Upcoming Maturities* (May-2025)	Upcoming Target* (This week)	M/M Change in Maturities
91-day	18,561.18	5,980.0	-3.2%
182-day	2,607.45		1.2%
364-day	739.16		13.2%

\*GHS Million

Spot Exchange Rate (GHS)			
	Current Mid-Rate	Last Month	M/M Change*
USDGHS	14.15	15.50	9.54%
GBPGHS	18.83	20.02	6.30%
EURGHS	16.01	16.77	4.72%

\*Negative change means Depreciation while Positive change means Appreciation

Performance of the IC Government Bond Index (IC-GBI)			
Month-End	Index Level	YTD Return	Yield-to-Maturity
Jan-25	71.81	27.21%	0.18%
Feb-25	77.97	24.65%	8.77%
Mar-25	83.29	22.76%	16.20%
Apr-25	86.76	21.58%	21.04%



## Kenya Market Commentary

### Fixed Income

Investor demand for Kenyan Treasury bills strengthened in April 2025, underpinned by heightened demand for the 364-day tenor as market sentiment tilted towards locking in relatively higher returns amid CBK's continued dovish monetary policy stance.

Investors submitted total bids worth KES 175.7bn (USD 1.4bn) across the T-bill curve, representing a 4.2% m/m increase and 83.0% above the Treasury's target. Total allotment across the three maturities (KES 163.2bn) exceeded the gross target by 70.0% and the prior month's uptake by 12.7%, with the 364-day receiving 54.0% of accepted bids.

The robust demand for T-bills sustained the downward pressure on yields in April 2025, at a pronounced pace than the prior month. The 91-day yield shed 35bps m/m to 8.4%, the 182-day declined 44bps m/m to 8.6%, while the 364-day yield tumbled 39bps m/m to 10.0%.

We believe the Central Bank of Kenya's continued dovishness, with the recent 75bps policy rate cut in April supported the downward momentum in yields and would contribute to further declines in yields in the short-term.

### Currency Market

The Kenyan shilling sustained its strength and stability throughout April 2025, underpinned by robust FX reserves. Although we observed a slight decline in reserves by 1.5% m/m to USD 9.81bn (4.4 months of import cover) as of 25 April, the level remained sufficiently above the CBK's statutory minimum requirement of 4.0 months of import cover, providing enough buffer against external shocks.

We expect the healthy reserves position to sustain the shilling's resilience in the near term. The authorities drew down USD 500.0mn out of the privately placed UAE bond (priced at 8.25%). We view this inflow as an immediate support for the FX reserves. Additionally, we believe easing global oil prices and cost of domestic agricultural produce will help alleviate inflationary pressures in the months ahead, further supporting the shilling's stability. The CBK has indicated ongoing plans to start domestic gold purchase as part of FX reserves. We expect this strategic tilt in reserve accumulation to provide medium-term support for the FX reserve and KES stability.

Local Currency Bonds (KES)				Kenya Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Mar-25	10.25%	103.67	11.03%	May-27	7.00%	7.49%
May-25	11.67%	99.39	11.50%	Feb-28	7.25%	9.87%
Nov-26	11.28%	103.18	11.48%	Feb-31	9.75%	10.89%
Jul-27	12.97%	101.63	11.92%	May-32	8.00%	10.67%
Feb-28	11.25%	102.29	11.66%	Jan-34	6.30%	10.57%
Aug-28	12.69%	89.60	12.51%	Mar-36	9.50%	11.52%
Dec-28	12.50%	96.37	12.76%	Feb-48	8.25%	11.36%
Feb-29	12.44%	99.67	12.71%			
May-31	10.00%	99.24	13.00%			
Nov-32	12.00%	114.03	13.26%			
Jan-34	12.86%	96.08	13.08%			
Jul-34	12.34%	89.91	13.07%			

Source: Central Bank of Kenya, Bloomberg, IC Insights

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	8.44%	-35	-744
182-day	8.62%	-44	-735
364-day	10.02%	-39	-588

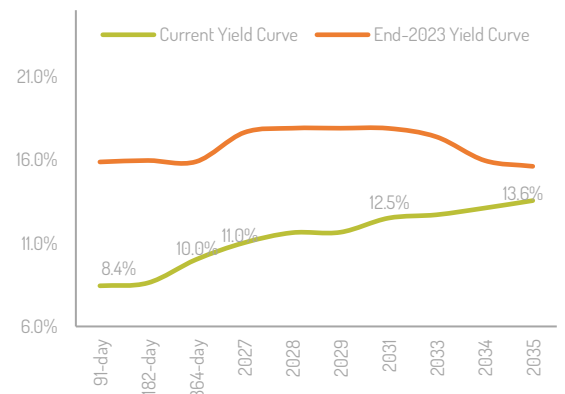
	Upcoming Maturities* (May-2025)	Upcoming Target* (This Week)	M/M Change in Maturities
91-day	19,407.46		-47.4%
182-day	55,304.41	24,000.00	36.5%
364-day	44,537.08		-19.2%

\*KES Million

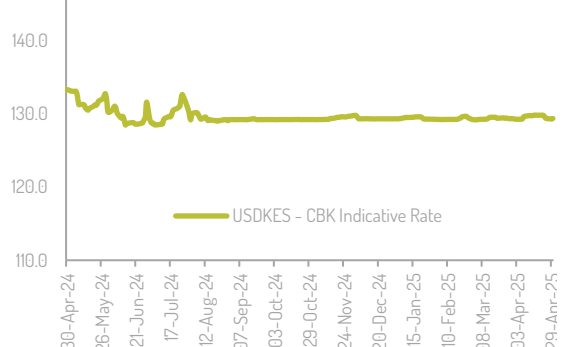
Spot Exchange Rate (KES)			
	Current Mid-Rate	Last Month	M/M Change*
USDKES	129.41	129.38	-0.03%
GBPKES	172.04	167.12	-2.86%
EURKES	146.26	139.98	-4.29%

\*Negative change means Depreciation while Positive change means Appreciation

Kenya: Indicative Treasury Yield Curve (KES)



Kenya: Local Currency Performance vs USD (1-Year Trend)



# Nigeria Market Commentary

## Fixed Income

Activity in the T-bill primary market was muted in April 2025, with the Treasury conducting just two auctions spanning the 91-day to 364-day maturities. Investor appetite significantly weakened for the 364-day tenor, culminating in a sharp month-on-month contraction in overall demand, albeit still above the Treasury's gross target, with yields remaining flat across the curve.

Total bids tendered across the three maturities were valued at NGN 2.7trn (USD 1.7bn), falling below the prior month's bids by 51.7% but 122.4% above the Treasury's target. The Treasury allotted a total of NGN 1.1trn (USD 709.0mn) across the T-bill curve, falling short of its target by 4.6% and the previous month's uptake by 59.4%.

The yield curve held steady, with only a marginal easing at the long end, notwithstanding the subdued investor demand and the upturn in inflation for March 2025. Yields on the 91-day and 182-day maturities remained unchanged at 18.0% and 18.5%, respectively, while 364-day yield dipped by 3bps.

Given the 100bps uptick in headline inflation for March 2025, we anticipate that the CBN will retain its policy rate at the current 27.5% during its next meeting, slated for 19<sup>th</sup> – 20<sup>th</sup> May 2025. This potential rate hold, combined with the uncertain inflation environment will sustain stability in yields in the near-term by offsetting any downside risk from the demand side.

## Currency Market

The depreciation of the Nigerian Naira continued for the second straight month in April 2025, as the downward pressure on global oil prices continued to erode the country's FX earnings, intensifying the pressure on an already fragile Naira stability. Additionally, we believe the expiration of the Naira-for-Crude deal and Dangote Refinery's suspension of petroleum sale in Naira contributed to heightened demand for FX, further weakening the currency despite the CBN's continued intervention in the market with FX inflows.

In the near-term, we expect the Naira to remain under pressure due to subdued FX inflows from lower oil revenues and the contraction in carry trade, which has further weakened the appeal of NGN assets. However, we believe that the CBN's continued intervention will help reduce the pace of depreciation of the Naira.

Local Currency Bonds (NGN)				Nigeria Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Apr-29	14.55%	86.82	19.45%	Nov-25	7.63%	7.94%
Feb-31	18.50%	94.07	20.25%	Nov-27	6.50%	9.21%
Apr-32	12.50%	75.19	19.07%	Sep-28	6.13%	9.77%
Feb-34	19.00%	98.46	19.35%	Mar-29	8.38%	10.30%
Jul-34	12.15%	72.20	18.54%	Feb-30	7.14%	10.72%
Mar-35	12.50%	71.25	19.05%	Jan-31	8.75%	11.00%
Mar-36	12.40%	70.66	18.82%	Feb-32	7.88%	10.91%
Apr-37	16.25%	88.83	18.60%	Sep-33	7.38%	10.92%
Jun-38	15.45%	85.60	18.37%	Feb-38	7.70%	11.20%
Jan-42	13.00%	75.12	17.66%	Nov-47	7.63%	11.17%
Apr-49	14.80%	86.08	17.25%	Jan-49	9.25%	11.33%
Mar-50	12.98%	77.49	16.83%	Mar-51	8.25%	11.51%
Jun-53	15.70%	91.55	17.15%			

Source: FMDQ, Bloomberg, Central Bank of Nigeria, National Bureau of Statistics, IC Insights

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	18.00%	NO CHNG	11.00%
182-day	18.50%	NO CHNG	8.50%
364-day	19.60%	-34	7.36%

### Selected Macroeconomic Indicators

	Latest Available	Same Period Last Year	YoY Change (bps)
Inflation*	24.23%	33.20%	-8.97%
GDP growth**	3.84%	3.46%	0.38%
MPR	27.50%	18.75%	8.75%

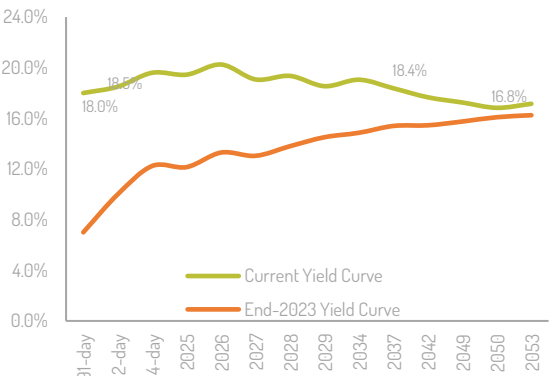
\*March 2025 | \*\*4Q2024

### Official Spot Exchange Rate (NGN)

	Current Mid-Rate	Last Month	M/M Change
USDNGN	1604.69	1534.14	-4.40%
GBPNGN	2134.28	1982.03	-7.13%
EURNGN	1814.02	1659.78	-8.50%

\*Negative change means Depreciation while Positive change means Appreciation

### Nigeria: Indicative Treasury Yield Curve (NGN)

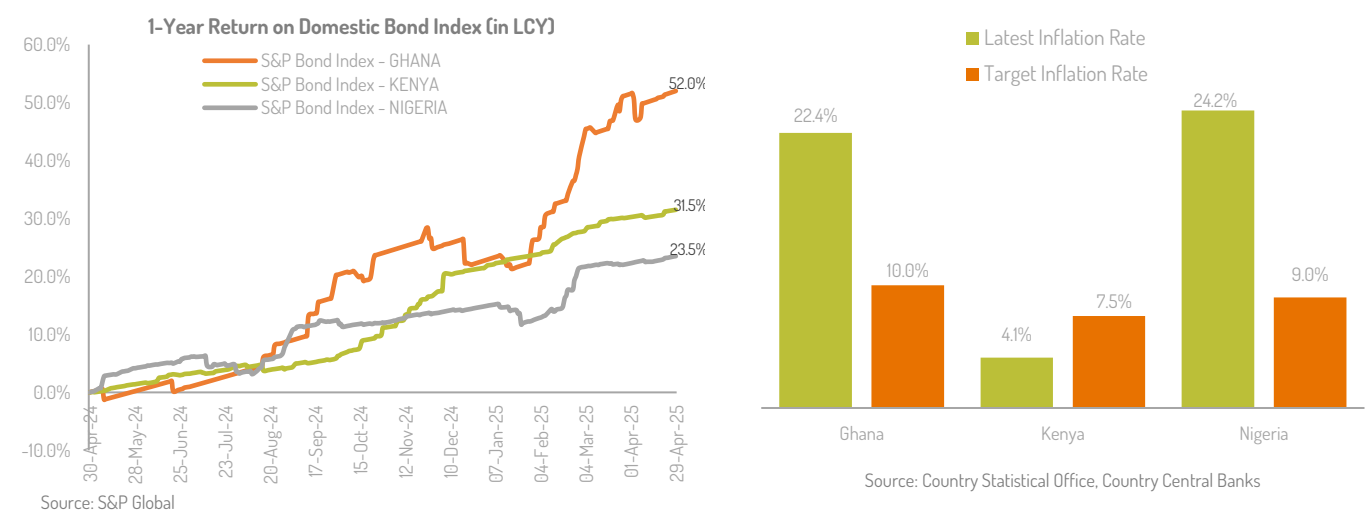


### Nigeria: Local Currency Performance vs USD (1-Year Trend)

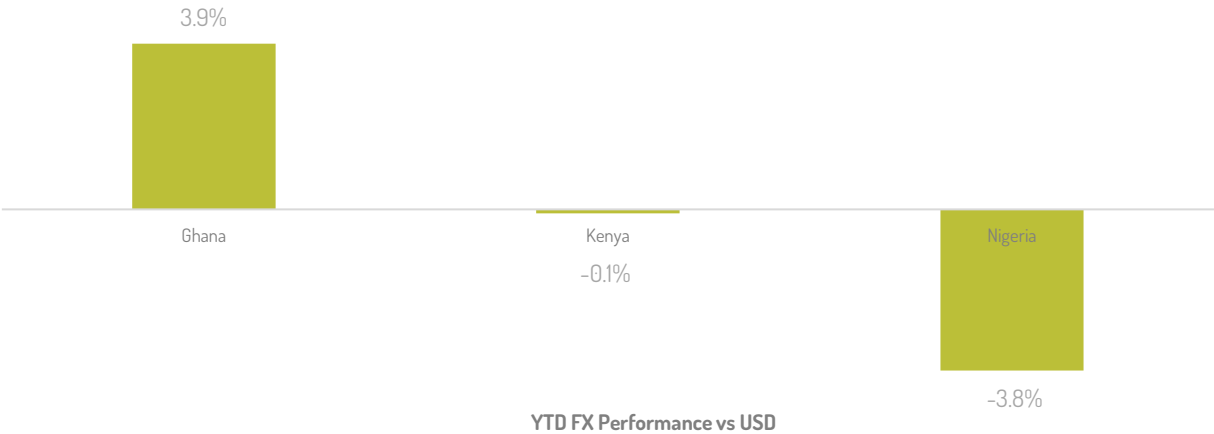


Comparative Yields for Domestic Treasury Bonds in LCY and USD-adjusted Rates						
Ghana		Kenya		Nigeria		
	GHS Yield	USD-adjusted Yield	KES Yield	USD-adjusted Yield	NGN Yield	USD-adjusted Yield
2027	21.21%	9.56%	11.03%	3.89%	19.07%	-1.76%
2028	20.70%	9.10%	11.63%	4.45%	19.35%	-1.53%
2029	22.73%	10.93%	11.66%	4.48%	18.54%	-2.20%
2030	23.80%	11.90%	12.09%	4.88%	19.65%	-1.28%
2031	22.00%	10.27%	12.51%	5.27%	19.20%	-1.66%
2032	22.89%	11.08%	12.76%	5.51%	18.68%	-2.09%
2033	22.02%	10.29%	12.71%	5.46%	18.46%	-2.27%

Source: Bloomberg, IC Insights



	Comparative Currency Performance Dashboard								
	USD	m/m Change	YTD Change	GBP	m/m Change	YTD Change	EUR	m/m Change	YTD Change
Ghana	14.15	9.5%	3.9%	18.83	6.3%	-2.3%	16.01	4.7%	-4.9%
Kenya	129.41	0.0%	-0.1%	172.04	-2.9%	-5.9%	146.26	-4.3%	-8.5%
Nigeria	1604.69	-4.4%	-3.8%	2134.28	-7.1%	-9.5%	1814.02	-8.5%	-11.9%



Source: Bloomberg, IC Insights



## DEFINITION OF KEY CONCEPTS

Amortized cost (book value)	Valuation of bonds using the face value (par value) plus the interest spread over the bond's life
Appreciation	A gain in the value of a currency against another currency
Basis Points (bps)	Used to describe percentage change in the value of financial instruments. 0.01% equals 1bps
Bid	The demand or buy-side in a transaction
Bid-to-Cover Ratio	The amount of demand for a security against the amount accepted. It indicates demand condition
BOG	Bank of Ghana
CBK	Central Bank of Kenya
CBN	Central Bank of Nigeria
Coupon Rate	Interest rate paid on the face value of the bond purchased
Depreciation	A loss in the value of a currency against another currency
Exit bonds	New Treasury bonds created or restructured from the old bonds under the DDEP
Face Value (Par Value)	The amount repaid by the issuer of a bond when the bond matures
Fixed income security	A debt instrument that pays a fixed amount (interest) on a fixed (pre-determined) schedule until maturity
Liquidity	Volume of money supply or volume of trade executed in a particular bond. Use within a context
Mark-to-Market	Valuation of bonds using the current or prevailing market prices for the bonds
Maturity	When a security (bills/bonds) is due for repayment by the issuer to investors
Month-on-Month (m/m)	A change measured over a one-month period
Net-bid position	When the volume of securities demanded (bid) is greater than the volume offered for sale. Excess demand
Net-offered position	When the volume of securities offered for sale is greater than the volume demanded. Excess supply
Offer	The sell-side in a transaction
Old bonds	All pre-existing Treasury bonds not restructured under the domestic debt exchange programme (DDEP)
Subscription/Subscribe	The size of investor bids or demand at an auction
Tenor	The period from issuing a security (bills/bonds) to the repayment date (maturity)
Term-to-Maturity	The remaining life of a bond security until it matures. Can be measured in Days, Months, or Years
Treasury bills (T-bills)	Debt securities issued by the Government ("the Treasury") with maturity of 1-year or less
Treasury bonds & Notes	Debt securities issued by the Government with maturity of 2-year or longer
Uptake/Allotment	The amount of bid accepted in a bond or T-bills auction
Week-on-Week (w/w)	A change measured over a one-week period
Year-on-Year (y/y)	A change measured over a one-year (or 12-months) period
Year-to-Date (YTD)	The period from the last trading day of the previous year to the date of the report
Yield Curve	A graph which shows the interest rates for T-bills and bonds plotted against their respective maturities
Yield-to-Maturity (YTM)	The total return earned on a fixed income security (bills/bonds) if the security is held to maturity



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