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# IC FIXED INCOME & CURRENCY GUIDE

01 AUGUST 2025

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REPORT SUMMARY

COUNTRY	FIXED INCOME	CURRENCY
Ghana	<ul style="list-style-type: none"> <li>The Bank of Ghana’s mid-July 2025 liquidity measures sparked a sharp rise in market liquidity, reviving T-bill demand and driving investor bids beyond the July auction target. This liquidity surge pushed yields lower across T-bills and bonds, fueling an 18.8% rally in the IC Government Bond Index to 115.2pts at a weighted yield of 15.4% (-477bps m/m) and supporting the Treasury’s anticipated return to the bond market through bond re-openings.</li> </ul>	<ul style="list-style-type: none"> <li>The Ghanaian Cedi weakened in July 2025 (-1.4% m/m) as the Bank of Ghana cut its daily FX sales by 49.1% m/m tightening supply and reducing YTD gains to 40.0%. The widening gap between the interbank (10.45/10.55) and forex bureau rates (11.70/12.1) signals a growing FX premium and parallel market pressure, likely prompting upward adjustment in the interbank rate.</li> </ul>
Kenya	<ul style="list-style-type: none"> <li>Investor appetite for Kenyan Treasury bills softened at both ends of the T-bill curve in July 2025, effectively reversing the upsurge in demand for the same tenors in the prior month while yields remained largely stable with a downside bias.</li> </ul>	<ul style="list-style-type: none"> <li>The Kenyan Shilling held steady against the US Dollar in July 2025, with improved FX market activity and a notable spike in daily turnover mid-month. The KES stability is anchored by strong reserves of USD 10.7bn (4.7 months of import cover), though investors are eyeing the upcoming 12th August MPC update for potential risks.</li> </ul>
Nigeria	<ul style="list-style-type: none"> <li>Nigeria’s T-bill market witnessed two T-bill auctions in July 2025, as in the previous month, with yields dropping sharply across the curve despite weaker investor demand and a hawkish stance from the Central Bank. The CBN retained its policy rate at 27.5% in the July MPC meeting, reaffirming its tight stance to combat inflation — a move we expect to ease downward pressure on yields in the near term.</li> </ul>	<ul style="list-style-type: none"> <li>The Nigerian Naira remained broadly stable in July 2025 as recent gains erased earlier losses. Stability was supported by improved oil-driven FX inflows and stronger reserves (USD 40.1bn), while ongoing reforms, orthodox monetary policy, and convergence of official and retail FX rates reinforced investor confidence.</li> </ul>

# Ghana Market Commentary

## Fixed Income

The Bank of Ghana's strategic liquidity management operations engineered an upsurge in money market liquidity in the final 2-weeks of July 2025, boosting demand for T-bills as investors sought placement options for their excess cash.

The BOG's rejection of rollover bids at the weekly OMO bill auctions released nearly GHS 20.0bn into the money market by 21 July 2025 while a suspension of overnight placement with the BOG added further boost to liquidity. Additionally, the low uptakes at the OMO auction cleared at significantly lower yields, creating a combined effect of stronger demand amidst lower yield expectations. Consequently, investors pushed through total bids of GHS 58.2bn (+150% m/m), outpacing the gross target for the month by 142% with the final 2-weeks as the turning point from 7-consecutive weeks of under-subscription. The Treasury accepted GHS 33.3bn, exceeding the gross target and T-bill maturities by 38.7% and 50.2% respectively.

Yields fell across the curve by an average of 241bps m/m as the late-month liquidity boost significantly helped to reverse a rare uptick in mid-month. The 91-day (10.8%) and the 182-day yields (13.2%) witnessed the sharpest declines of 97bps and 93bps, respectively, while the 364-day yield shed 135bps m/m.

The domestic bond market rallied strongly on the back of the liquidity boost in July 2025, powering the IC Government Bond Index to 115.2pts (+18.8% m/m) at a weighted average yield of 15.4%. As the market awaits the Treasury's return to domestic bond issuance this year, we expect the 2027 – 2035 maturities to dominate trading with bond yields likely anchored around the mid-teens.

## Currency Market

The Ghanaian Cedi softened against the US Dollar in July 2025 (-1.4%) m/m | +40.0% YTD) as concerns over tightening FX liquidity emerged amidst a scale back of Central Bank FX sale in July (USD 904.0mn | -49.1% m/m). The Cedi closed with a bid/offer quote of 10.45/10.55 on the interbank market while the forex bureau rates stood at 11.70/12.1.

The prevailing quotes across the interbank and retail markets show an FX premium of GHS 1.4/USD, which appears too wide for sustained stability. Our review of the IMF's concerns on Multiple Currency Practices (MCPs) by the BOG suggests a likely steady uptick in the interbank USDGHS rate toward convergence. We thus reiterate our end-2025 interbank USDGHS forecast of GHS 10.95 ± 0.5

Local Currency "General Category" Bonds (GHS)				Ghana Restructured Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Feb-27	8.35%	90.44	15.53%	DISCO BOND		
Feb-28	8.50%	86.90	14.86%	Jul-29	5.00%	6.62%
Feb-29	8.65%	83.36	14.86%	Jul-35	5.00%	8.57%
Feb-30	8.80%	79.12	15.35%	PAR BOND		
Feb-31	8.95%	76.71	15.34%	Jan-37	1.50%	9.01%
Feb-32	9.10%	75.23	15.21%	DOWN PAYMENT BOND		
Feb-33	9.25%	71.57	15.85%	Jul-26	Zero-coupon	4.51%
Feb-34	9.40%	71.70	15.49%	PAST DUE INTEREST (PDI) BOND		
Feb-35	9.55%	70.84	15.51%	Jan-30	Zero-coupon	4.12%
Feb-36	9.70%	70.35	15.50%			
Feb-37	9.85%	65.25	16.75%			
Feb-38	10.00%	69.51	15.62%			

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	10.84%	-386	-1,852
182-day	13.23%	-202	-1,872
364-day	14.31%	-135	-1,819

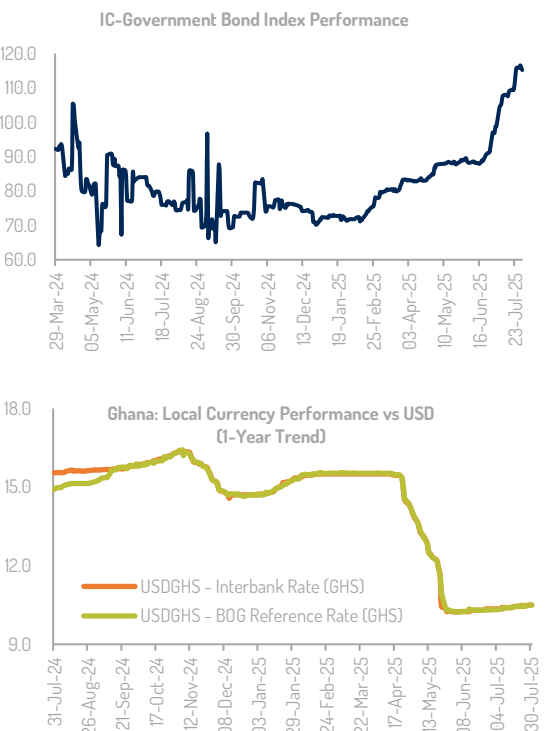
	Upcoming Maturities* (August-2025)	Upcoming Target* (This week)	M/M Change in Maturities
91-day	13,518.62		-15.6%
182-day	7,194.49	3,862.00	41.5%
364-day	1,011.84		-6.9%

\*GHS Million

Spot Exchange Rate (GHS)			
	Current Mid-Rate	Last Month	M/M Change*
USDGHS	10.50	10.35	-1.43%
GBPGHS	13.86	14.20	2.44%
EURGHS	11.99	12.19	1.68%

\*Negative change means Depreciation while Positive change means Appreciation

Performance of the IC Government Bond Index (IC-GBI)			
Month-End	Index Level	Yield-to-Maturity	YTD Return on Index
Apr-25	86.76	21.58%	21.04%
May-25	88.86	21.12%	23.97%
Jun-25	96.97	20.14%	35.29%
Jul-25	115.18	15.37%	60.69%



## Kenya Market Commentary

### Fixed Income

Investor appetite for Kenyan Treasury bills softened at both ends of the T-bill curve in July 2025, ostensibly reversing the upsurge in demand for the same tenors in the prior month while yields remained largely stable.

Total bids tendered across the 91-day to 364-day tenors were worth KES 112.4bn (-47.8% m/m) with bids for the 91-day plummeting by 46.6% m/m while that for the 364-day tenor fell by 60.2% m/m. Notwithstanding the drop in demand, the Treasury rejected 16.3% of the bids to allot KES 94.1bn, exceeding our estimated maturing T-bill obligation of KES 80.0bn but less than the Treasury's gross target of KES 96.0bn for the month. We continue to observe stronger demand for the 364-day tenor (compared to the shorter-dated tenors) as the tenor premium remains slightly more attractive while investors also seek to lock-in the higher nominal yields.

The yield curve steepened slightly in July 2025 as the early maturities posted a decline in yields with stability at the back-end. The 91-day yield shed 2bps to 8.1%, the 182-day yield declined by 4bps to 8.4% while the 364-day closed unchanged at 9.7%, despite modest intra-month swings.

We expect yield movement to be influenced by the Central Bank's monetary policy signalling, expected on 12 August 2025, although we foresee greater tendency toward stable yields in the month ahead.

### Currency Market

The Kenyan Shilling remained static against the US Dollar both on a YTD and m/m basis in July 2025, quoted at a bid/offer rate of 129.0/129.4. Volume traded improved to USD 84.3mn (+84.0% m/m) with a one-off spike in daily turnover to USD 17.4mn on 16 July (vs adjusted daily average of USD 3.0mn).

We believe the strong reserves position (USD 10.7bn | 4.7 months of import cover) remains a strong anchor for continued KES stability. However, investors will scan the 12 August 2025 MPC update for potential risk.

Local Currency Bonds (KES)				Kenya Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Mar-25	10.25%	104.37	10.44%	May-27	7.00%	6.42%
May-25	11.67%	101.76	10.43%	Feb-28	7.25%	7.61%
Nov-26	11.28%	104.77	10.80%	Feb-31	9.75%	8.97%
Jul-27	12.97%	104.30	10.92%	May-32	8.00%	8.89%
Feb-28	11.25%	104.59	10.84%	Jan-34	6.30%	9.32%
Aug-28	12.69%	93.13	11.66%	Mar-36	9.50%	10.07%
Dec-28	12.50%	95.90	12.87%	Feb-48	8.25%	10.10%
Feb-29	12.44%	97.99	13.06%			
May-31	10.00%	97.99	13.43%			
Nov-32	12.00%	112.99	13.41%			
Jan-34	12.86%	94.71	13.37%			
Jul-34	12.34%	89.34	13.21%			

Source: Central Bank of Kenya, Bloomberg, IC Insights

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	8.12%	-2	-777
182-day	8.42%	-4	-755
364-day	9.72%	NO CHNG	-618

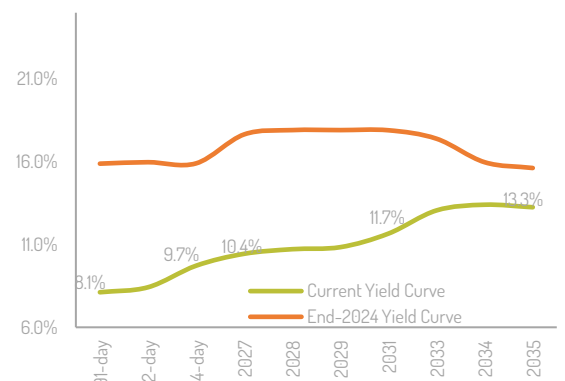
	Upcoming Maturities* (August-2025)	Upcoming Target* (This Week)	M/M Change in Maturities
91-day	25,049.42		-31.7%
182-day	40,883.89	24,000.00	63.4%
364-day	17,489.21		-4.3%

\*KES Million

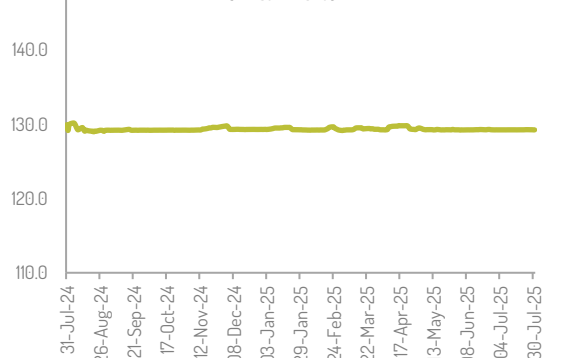
Spot Exchange Rate (KES)			
	Current Mid-Rate	Last Month	M/M Change*
USDKES	129.20	129.17	-0.03%
GBPKES	170.60	177.14	3.84%
EURKES	147.55	151.83	2.90%

\*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

The Nigerian T-bill primary market witnessed two auctions in July 2025, similar to the prior month. Yields fell sharply across the curve, despite weakened investor demand and hawkish posture from the Central Bank of Nigeria.

Investors submitted total bids worth NGN 2.0trn (USD 1.3bn), falling short of the prior month's bids by 21.1%, but remained strongly above the Treasury's gross target by 271.4%. However, the Treasury accepted NGN 491.8bn (USD 321.3m), representing 19.6% below the previous month's uptake and 8.9% short of its borrowing target.

Treasury yields recorded the steepest declines since early 2024. The 91-day yield dropped 296bps m/m to 15.0%, the 182-day yield shed 285bps m/m to 15.50%, while the 364-day yield tumbled by 280bps m/m to 15.88%. This steep downshift in the yield curve surprisingly came against the backdrop of reduced investor participation and CBN's tight monetary policy stance. We believe these sharp declines reflect the fall in June 2025 headline inflation, as well as the DMO attempt to reduce the government's borrowing cost.

The Central Bank of Nigeria (CBN) left its monetary policy rate unchanged at 27.5% during its latest MPC meeting in July, pledging to maintain the tight stance until inflation recedes sufficiently. We expect this move by the apex bank to reduce the downward pressure on yields in the immediate term.

## Currency Market

The Nigerian Naira was largely stable against the US Dollar in July 2025 (YTD: +0.7%) after recent streak of gains which erased the early-year losses. The NGN stability is anchored by improved oil production which supports FX inflows with gross reserves rising to USD 40.1bn (9.5-months of import cover) as of 18 July 2025. Amidst the global restraint in the US Dollar, investor confidence appears firmly anchored by ongoing reforms and commitment to orthodox monetary policy.

The MPC's decision to maintain a tight policy stance will sustain market confidence amid the robust external buffer. The convergence of FX rates across official and retail markets is positive for continued Naira stability.

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	15.00%	-280	800
182-day	15.50%	-285	550
364-day	15.88%	-296	364

### Selected Macroeconomic Indicators

	Latest Available	Same Period Last Year	YoY Change (bps)
Inflation*	22.22%	34.19%	-11.97%
GDP growth**	3.13%	2.27%	0.86%
MPR	27.50%	18.75%	8.75%

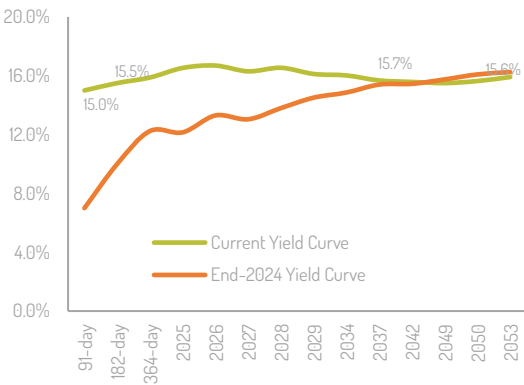
\*June 2025 | \*\*Q2025

### Official Spot Exchange Rate (NGN)

	Current Mid-Rate	Last Month	M/M Change
USDNGN	1530.80	1532.75	0.13%
GBPNGN	2021.57	2103.62	4.06%
EURNGN	1747.64	1806.35	3.36%

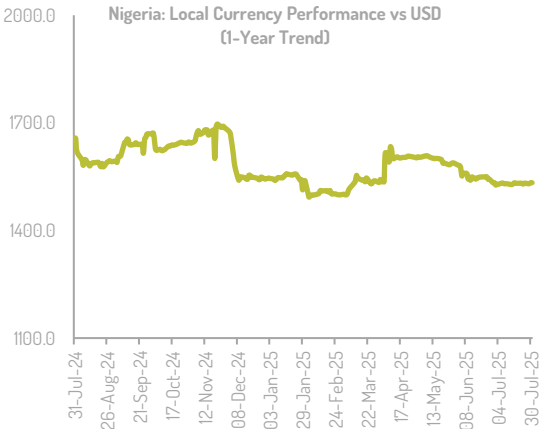
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### Nigeria: Indicative Treasury Yield Curve (NGN)



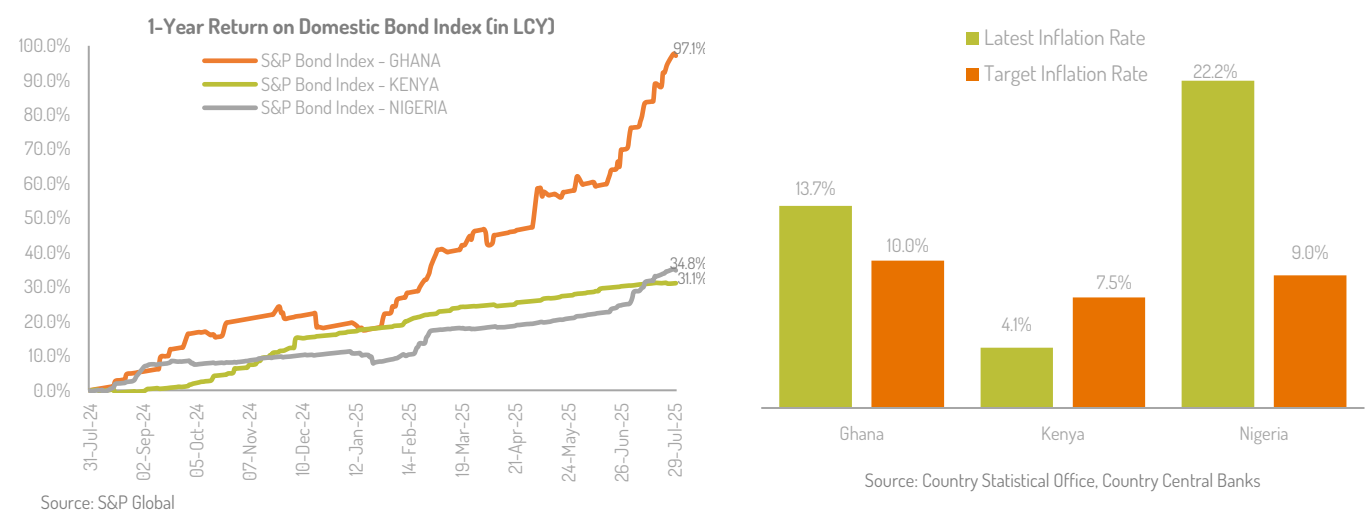
Local Currency Bonds (NGN)				Nigeria Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Apr-29	14.55%	94.57	16.53%	Nov-25	7.63%	5.89%
Feb-31	18.50%	106.35	16.69%	Nov-27	6.50%	6.62%
Apr-32	12.50%	84.75	16.30%	Sep-28	6.13%	7.02%
Feb-34	19.00%	111.03	16.54%	Mar-29	8.38%	7.45%
Jul-34	12.15%	81.51	16.12%	Feb-30	7.14%	7.74%
Mar-35	12.50%	82.95	16.02%	Jan-31	8.75%	8.06%
Mar-36	12.40%	82.37	15.88%	Feb-32	7.88%	8.32%
Apr-37	16.25%	102.72	15.72%	Sep-33	7.38%	8.66%
Jun-38	15.45%	98.70	15.68%	Feb-38	7.70%	9.14%
Jan-42	13.00%	84.83	15.58%	Nov-47	7.63%	9.61%
Apr-49	14.80%	95.55	15.50%	Jan-49	9.25%	9.69%
Mar-50	12.98%	83.35	15.64%	Mar-51	8.25%	9.75%
Jun-53	15.70%	98.66	15.91%			

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

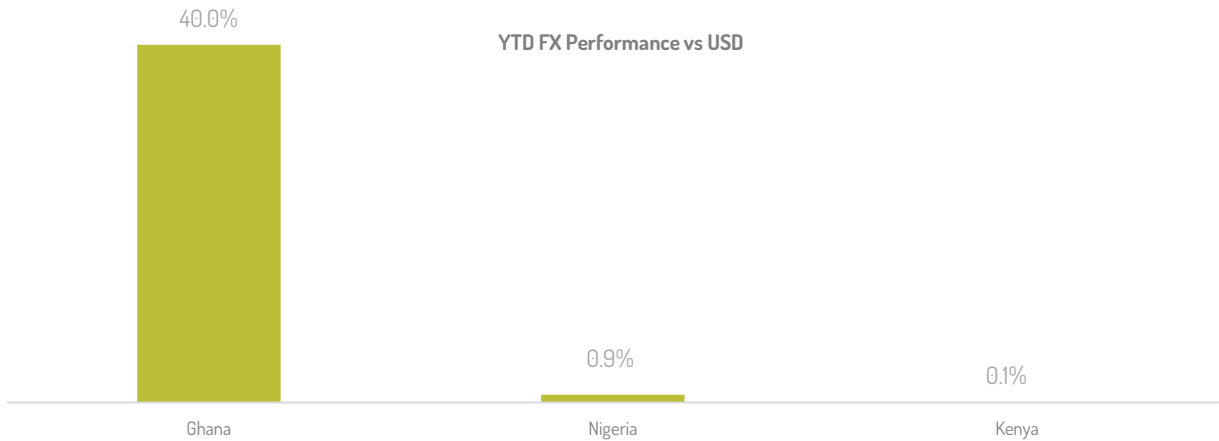


Comparative Yields for Domestic Treasury Bonds in LCY and USD-adjusted Rates						
Ghana		Kenya		Nigeria		
	GHS Yield	USD-adjusted Yield	KES Yield	USD-adjusted Yield	NGN Yield	USD-adjusted Yield
2027	15.53%	0.19%	10.44%	3.77%	16.30%	-1.41%
2028	14.86%	-0.38%	10.72%	4.03%	16.54%	-1.20%
2029	14.86%	-0.38%	10.84%	4.15%	16.12%	-1.56%
2030	15.35%	0.05%	11.25%	4.53%	16.36%	-1.36%
2031	15.34%	0.04%	11.66%	4.92%	16.28%	-1.43%
2032	15.21%	-0.08%	12.87%	6.06%	16.00%	-1.66%
2033	15.85%	0.47%	13.06%	6.24%	15.90%	-1.75%

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	10.50	-1.4%	40.0%	13.86	2.4%	32.7%	11.99	1.7%	27.0%
Kenya	129.20	0.0%	0.1%	170.60	3.8%	-5.2%	147.55	2.9%	-9.3%
Nigeria	1530.80	0.1%	0.9%	2021.57	4.1%	-4.4%	1747.64	3.4%	-8.6%



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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