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# IC FIXED INCOME & CURRENCY GUIDE

01 SEPTEMBER 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 softened in August as the BOG lifted OMO yields to the policy rate level, tightening liquidity and eroding T-bill appeal given their 13.1pp discount to OMO yield. T-bill yields fell by an average of 85bps while bonds rose 113bps, steepening the curve. The IC-GBI dropped 4.1pts to 111.1pts, trimming YTD gains to 55.0%, with exchanges concentrated in 2027 – 2035 tenors at a 16.5% weighted YTM.</li> </ul>	<ul style="list-style-type: none"> <li>The Cedi weakened sharply in August, sliding to 11.7/USD on the interbank (-10.3% m/m, +25.6% YTD) as FX liquidity tightened, while late-month retail losses to 12.4/USD reflected uncertainty ignited by the <a href="#">BOG's curb</a> on large unsupported FX cash withdrawals from banks. We see the interbank rate trending higher, with potential to approach our estimated fair value of 12.2/USD <math>\pm 0.5</math> as correction persists.</li> </ul>
Kenya	<ul style="list-style-type: none"> <li>Kenyan T-bill demand eased for a second month in August 2025 amid lower yields and muted inflation expectations. In contrast, investor appetite tilted toward duration, with the re-opened 2033 and 2041 bonds oversubscribed (3.6x), suggesting a partial rotation from maturing T-bills into longer tenors for yield pickup. The Treasury also capitalised on this shift to extend its domestic debt maturity profile.</li> </ul>	<ul style="list-style-type: none"> <li>The Kenyan Shilling held steady in August 2025, supported by low but rising inflation, resilient remittances, and stronger reserves at USD 10.9bn (4.8 months cover). We expect sustained KES stability, with the CBK projecting inflows on the financial accounts to fund the modestly wider current account deficit of 1.5% of GDP in 2025.</li> </ul>
Nigeria	<ul style="list-style-type: none"> <li>Appetite for Nigerian T-bills eased in August 2025, with short-end under-subscription and a disjointed bear steepening of the T-bill curve as investors rotated to bonds on expectations of lower rates following the 4<sup>th</sup> consecutive drop in inflation to 21.88% in July.</li> </ul>	<ul style="list-style-type: none"> <li>The Naira was stable in August (-0.4% m/m), supported by FX reforms, clearance of legacy FX backlog, and tighter liquidity. We believe NGN will likely remain anchored at current levels under the CBN's hawkish stance.</li> </ul>

# Ghana Market Commentary

## Fixed Income

Investor demand for Ghanaian Treasury bills expectedly weakened in August 2025 after the Bank of Ghana normalised its liquidity management operations by restoring the overnight placement window and reverting to pricing the OMO securities around the policy rate of 25.0%.

The re-pricing of OMO securities (post-July MPC) inevitably attracted interbank liquidity as banks' holding in OMO bills surged by 41.3% to GHS 86.0bn in August, undermining demand for the Treasury bills which were priced 13.1pp below the OMO yield. Total bids submitted for the T-bills in August 2025 were worth GHS 22.5bn (-61.3% m/m), falling short of the gross target by 2.6% despite the inflow of GHS 9.7bn in coupon payment for the DDEP bonds on 19 August. Nonetheless, the Treasury rejected GHS 1.8bn to allot GHS 20.7bn across tenors, ensuring m/m decline in yields despite uptick in the final auction for August.

The domestic yield curve steepened in August as the T-bill segment tilted down by an average of 85bps m/m while the bonds segment rotated upwards by 113bps. The 91-day yield shed 42bps to 10.4%, the 182-day shaved off 84bps to 12.4% while the 364-day yield closed 130bps lower to 13.0%.

The bullish run on the bond secondary market halted in August as selling pressure mounted across the curve in response to the BOG's nudge in OMO yield to the 25.0% area. The IC-Government Bond Index (IC-GBI) fell by 4.1pts m/m to 111.1pts, cutting the YTD gain to 55.0% (-571bps) and a weighted YTM of 16.5% while the 2027, 2029, 2032, and 2035 papers dominated the exchanges.

## Currency Market

The Ghanaian Cedi depreciated sharply on the interbank and lost its stability on the retail markets in August 2025. We view the sharp losses on the interbank market to 11.70/USD (-10.3% m/m | +25.6% YTD) as reflecting the authorities' quest to tighten the FX premium across the markets. However, the late-month losses on the retail market to a mid-rate of 12.4/USD (-4.0% m/m) partly reflects market's apprehensive reaction to the [BOG's directive](#) for banks to stop cash payment of foreign currency to large corporations who did not have an equivalent foreign currency cash deposit in the banks. Forex liquidity remains tight on the interbank market amid persistent demand as the BOG continues to scale back its FX supply, selling USD 737.2mn in August (-22.6% m/m).

We expect the interbank market to continue the steady uptick with a potential to overshoot our end-2025 upper band of 11.45/USD and towards our estimated fair value of 12.2/USD ±0.5 as market correction continues.

Local Currency "General Category" Bonds (GHS)				Ghana Restructured Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Feb-27	8.35%	91.37	15.10%	DISCO BOND		
Feb-28	8.50%	85.47	15.82%	Jul-29	5.00%	6.4%
Feb-29	8.65%	80.71	16.12%	Jul-35	5.00%	8.3%
Feb-30	8.80%	76.92	16.26%	PAR BOND		
Feb-31	8.95%	73.96	16.32%	Jan-37	1.50%	8.9%
Feb-32	9.10%	71.91	16.26%	DOWN PAYMENT BOND		
Feb-33	9.25%	69.66	16.45%	Jul-26	Zero-coupon	4.8%
Feb-34	9.40%	66.93	16.87%	PAST DUE INTEREST (PDI) BOND		
Feb-35	9.55%	68.39	16.18%	Jan-30	Zero-coupon	4.0%
Feb-36	9.70%	65.60	16.78%			
Feb-37	9.85%	67.18	16.25%			
Feb-38	10.00%	66.69	16.33%			

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	10.42%	-42	-1,894
182-day	12.39%	-84	-1,956
364-day	13.00%	-130	-1,949

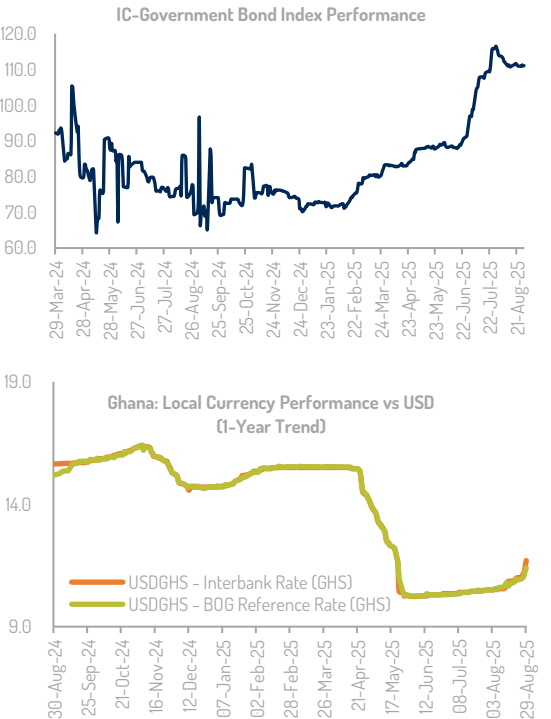
	Upcoming Maturities* (Sep-2025)	Upcoming Avg weekly Target*	M/M Change in Maturities
91-day	16,463.72		21.8%
182-day	7,123.95	5,150	-1.0%
364-day	2,161.55		113.6%

\*GHS Million

Spot Exchange Rate (GHS)			
	Current Mid-Rate	Last Month	M/M Change*
USDGHS	11.70	10.50	-10.26%
GBPGHS	15.79	13.86	-12.21%
EURGHS	13.67	11.99	-12.28%

\*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
May-25	88.9	21.1%	24.0%
Jun-25	97.0	20.1%	35.3%
Jul-25	115.2	15.4%	60.7%
Aug-25	111.1	16.5%	55.0%



## Kenya Market Commentary

### Fixed Income

Demand for Kenyan Treasury bills weakened for the second straight month in August 2025 with appetite softening across the three tenors without reversing the downtrend in yields due to the low inflation expectations. Conversely, we observed a shift in appetite in favour of more attractive IFBs as demand overwhelmed the re-opening of the 2033 and 2041 tenors with a 3.6x coverage.

Total bids submitted across the T-bill auctions in August 2025 were worth KES 89.9bn, falling below the prior month's bids by 20.0%. However, total bids exceeded the refinancing obligation on the T-bills for the month by 7.8%. The Treasury allotted 96.4% of all bids submitted to raise KES 86.7bn as yields continued the steady downtick with easing monetary policy stance as a tailwind.

Yields fell across the T-bill curve as investors priced-in the 25bps cut in the Central Bank rate (9.5%) at the August MPC meeting. The 182-day yields fell the sharpest by 30bps to 8.1% while the extremes of the T-bill curve each declined by 10bps m/m.

The bond secondary market witnessed sizable volumes as investors pushed through KES 530.8bn against the gross target of KES 140.0bn at the re-opening and Tap sale of the 2033 (coupon: 12.50%) and 2041 (coupon: 12.965%). However, the Treasury accepted KES 274.8bn (51.8.4% of total bids) with most of the accepted bids deployed for maturity refinancing. We believe investors are flipping some of their maturing T-bills into longer durations to take advantage of yield pickup while the Treasury exploited the opportunity to lengthen the maturity of its domestic debt stocks.

### Currency Market

The Kenyan Shilling stayed flat and unresponsive to global shifts in value of the US Dollar in August 2025, anchored on low inflation (within target) and rising remittance inflows with strong gross reserves to USD 10.9bn (4.8 months of import cover)

The Central Bank expects current account deficit to close 2025 at 1.5% of GDP (vs 1.3% in 2024) to be financed from financial accounts inflows. We maintain our expectation for continued KES stability amid the strong buffer

Local Currency Bonds (KES)				Kenya Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Mar-25	10.25%	104.45	10.29%	May-27	7.00%	6.10%
May-25	11.67%	101.85	10.36%	Feb-28	7.25%	6.69%
Nov-26	11.28%	104.75	10.76%	Feb-31	9.75%	8.45%
Jul-27	12.97%	104.51	10.82%	May-32	8.00%	8.50%
Feb-28	11.25%	104.47	10.85%	Jan-34	6.30%	8.98%
Aug-28	12.69%	92.47	11.85%	Mar-36	9.50%	9.65%
Dec-28	12.50%	96.25	12.80%	Feb-48	8.25%	9.75%
Feb-29	12.44%	98.13	13.03%			
May-31	10.00%	97.33	13.39%			
Nov-32	12.00%	112.93	13.41%			
Jan-34	12.86%	94.78	13.50%			
Jul-34	12.34%	89.88	13.11%			

Source: Central Bank of Kenya, Bloomberg, IC Insights

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	8.00%	-12	-788
182-day	8.07%	-35	-790
364-day	9.57%	-15	-633

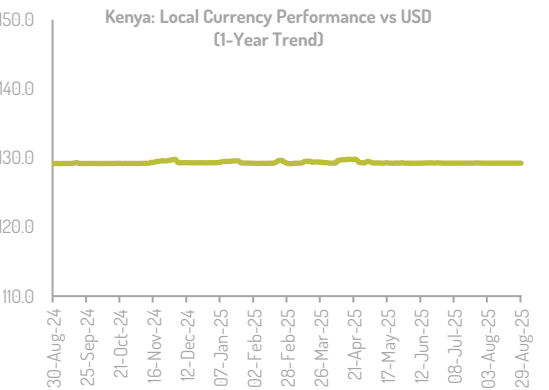
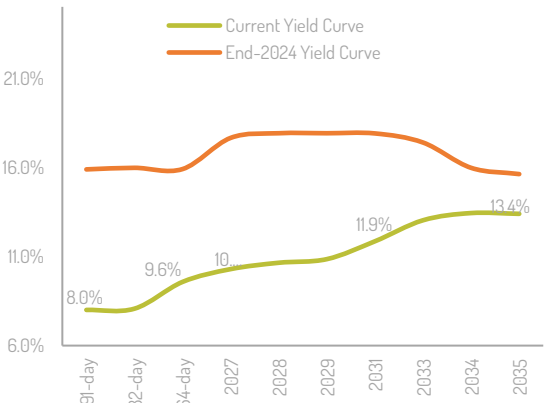
	Upcoming Maturities* (Sep-2025)	Upcoming Target* (This Week)	M/M Change in Maturities
91-day	43,791.73	24,000.00	74.8%
182-day	32,049.35		-21.6%
364-day	26,278.85		50.3%

\*KES Million

Spot Exchange Rate (KES)			
	Current Mid-Rate	Last Month	M/M Change*
USDKES	129.20	129.20	0.00%
GBPKES	174.49	170.60	-2.23%
EURKES	151.11	147.55	-2.36%

\*Negative change means Depreciation while Positive change means Appreciation

Kenya: Indicative Treasury Yield Curve (KES)



# Nigeria Market Commentary

## Fixed Income

Demand for Nigerian Treasury Bills (NTBs) weakened markedly across the NTB curve in August 2025, resulting in under-subscription on the 91-day tenor albeit sufficient bids on the 364-day tenor supported the target coverage to 1.7x and bid-to-coverage ratio to 1.6x.

Investors submitted total bids worth NGN 763.0bn, representing a 62.0% m/m decline in demand across the curve but exceeding the gross target by 69.6%. Notwithstanding the sufficient coverage of the gross target by 1.7x, we note a sharp decline from the 3.7x for the target coverage and 4.1x for bid-to-coverage ratio in July 2025. We think this underscores a softening in investor appetite for the NTBs with a likely rotation into the bond market to lock in attractive yields as the latest inflation drop to 21.88% in July – 4<sup>th</sup> straight decline – stoked lower interest rate expectations.

The T-bill curve witnessed a disjointed bear steepening in August 2025 as the 91-day yield nudged up by 38bps to 15.97% and the 364-day spiked 226bps to 21.12% while the 182-day yield was flat (+1bp) at 16.81%.

With the real policy rate widening by an additional 34bps since the July MPC meeting to 5.62% in August 2025, we expect investors to remain edgy in earnest anticipation of the 23 September 2025 MPC decision. While we remain inclined towards a rate “hold”, we maintain options open for a token cut with a likely FED cut likely preserving interest rate spreads in favour of NGN securities.

## Currency Market

The Naira was generally stable despite a slight softening in August 2025 (-0.4% m/m vs the USD), sustaining its stability after the May – June rebound. We note that the Naira currently enjoys its longest streak of stability after dropping below the 1,600/USD mark since mid-May 2025 and converging with the black-market rate to trade within the tight range of 1,530 – 1550/USD. Anchored by the ongoing reforms, the Naira was also helped by the clearing of legacy FX backlogs which eased market concerns and aided rebuild of external buffers.

We expect the Naira to remain firmly anchored by the Central Bank’s commitment to FX reforms amid hawkish posture which has contributed to a three consecutive monthly decline in Naira liquidity as of June 2025.

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	15.97%	38	897
182-day	16.81%	1	681
364-day	21.12%	226	888

Selected Macroeconomic Indicators			
	Latest Available	Same Period Last Year	YoY Change (bps)
Inflation*	21.88%	34.40%	-12.52%
GDP growth**	3.13%	2.27%	0.86%
MPR	27.50%	18.75%	8.75%

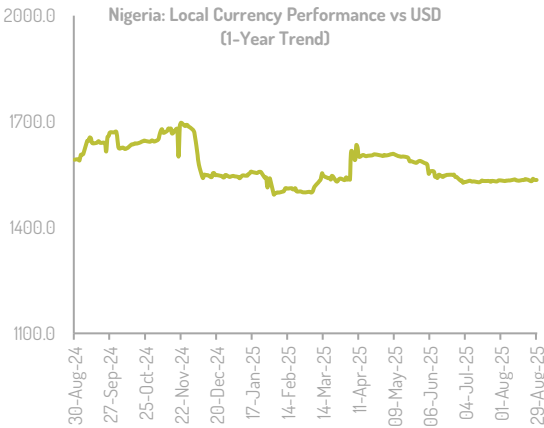
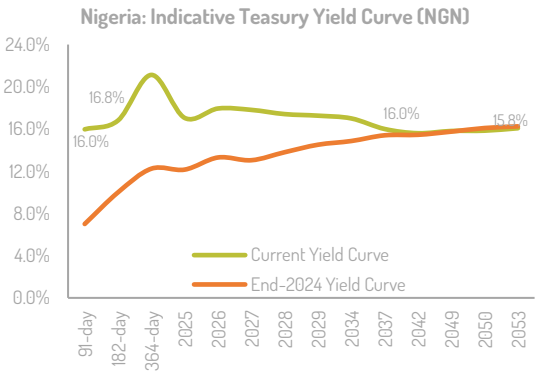
\*June 2025 | \*\*1Q2025

Official Spot Exchange Rate (NGN)			
	Current Mid-Rate	Last Month	M/M Change
USDNGN	1536.38	1530.80	-0.36%
GBPNGN	2074.80	2021.57	-2.57%
EURNGN	1795.41	1747.64	-2.66%

\*Negative change means Depreciation while Positive change means Appreciation

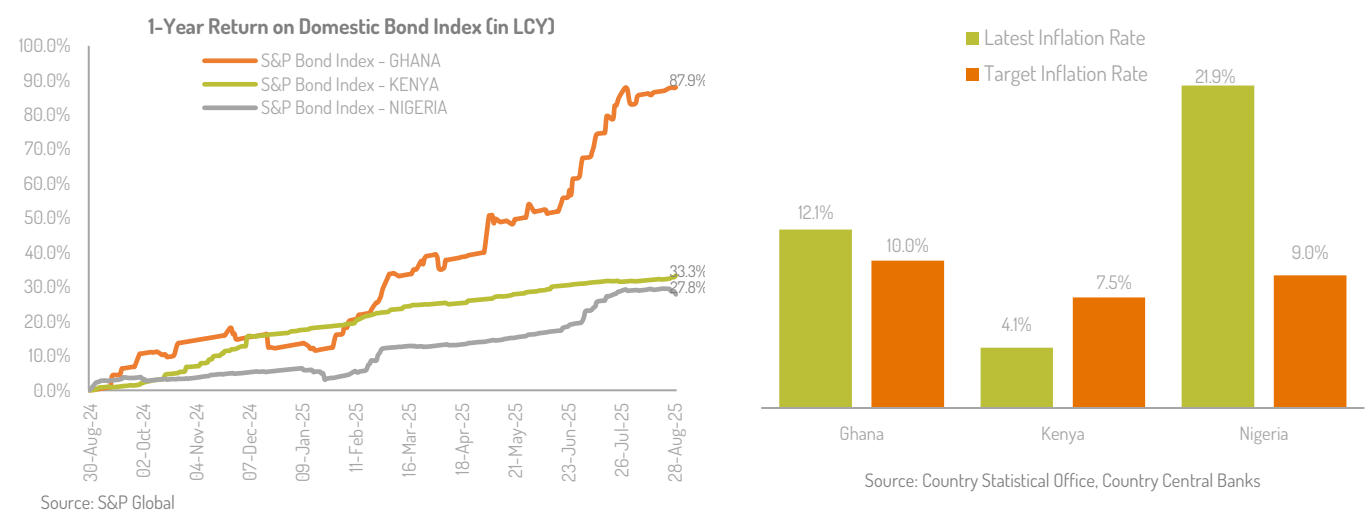
Local Currency Bonds (NGN)				Nigeria Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Apr-29	14.55%	93.32	17.05%	Nov-27	6.50%	6.30%
Feb-31	18.50%	101.89	17.94%	Sep-28	6.13%	6.70%
Apr-32	12.50%	79.68	17.81%	Mar-29	8.38%	7.03%
Feb-34	19.00%	106.90	17.41%	Feb-30	7.14%	7.33%
Jul-34	12.15%	77.15	17.26%	Jan-31	8.75%	7.90%
Mar-35	12.50%	79.04	17.00%	Feb-32	7.88%	8.07%
Mar-36	12.40%	79.23	16.64%	Sep-33	7.38%	8.34%
Apr-37	16.25%	101.40	15.97%	Feb-38	7.70%	8.87%
Jun-38	15.45%	96.99	16.00%	Nov-47	7.63%	9.34%
Jan-42	13.00%	84.70	15.60%	Jan-49	9.25%	7.03%
Apr-49	14.80%	93.73	15.81%	Sep-51	8.25%	9.45%
Mar-50	12.98%	82.35	15.84%			
Jun-53	15.70%	97.65	16.07%			

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

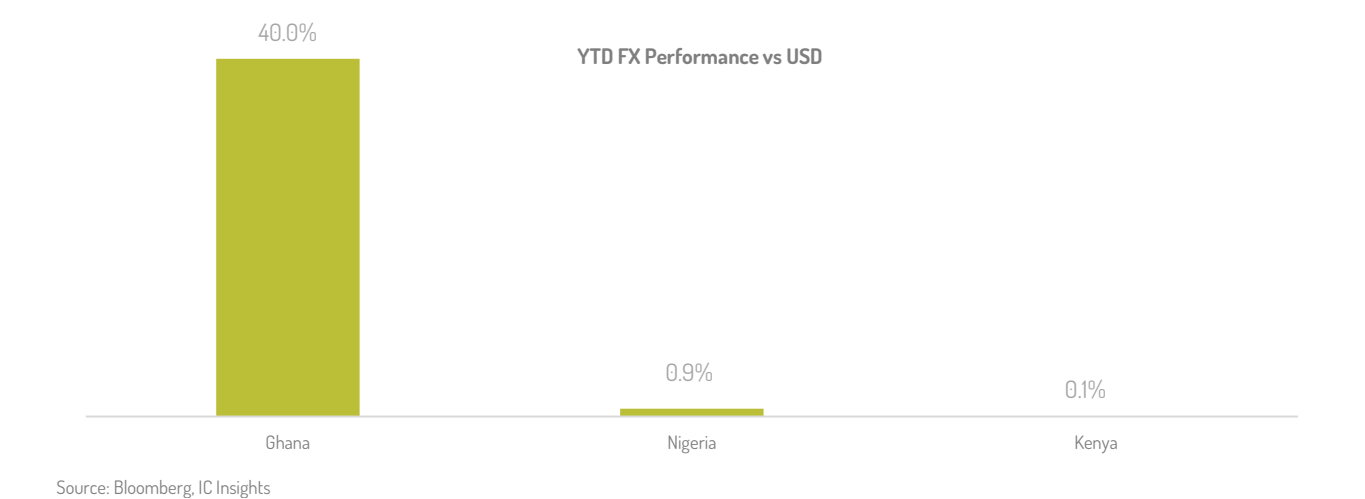


Comparative Yields for Domestic Treasury Bonds in LCY and USD-adjusted Rates						
	Ghana		Kenya		Nigeria	
	GHS Yield	USD-adjusted Yield	KES Yield	USD-adjusted Yield	NGN Yield	USD-adjusted Yield
2027	15.10%	5.62%	10.29%	4.14%	17.81%	1.47%
2028	15.82%	6.28%	10.65%	4.48%	17.41%	1.13%
2029	16.12%	6.56%	10.85%	4.67%	17.26%	1.00%
2030	16.26%	6.69%	11.35%	5.14%	17.47%	1.18%
2031	16.32%	6.74%	11.85%	5.62%	17.21%	0.95%
2032	16.26%	6.69%	12.80%	6.51%	16.95%	0.73%
2033	16.45%	6.86%	13.03%	6.73%	16.63%	0.46%

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	11.70	-10.3%	25.6%	15.79	-12.2%	16.5%	13.67	-12.3%	11.4%
	Kenya	129.20	0.0%	0.1%	174.49	-2.2%	-7.3%	151.11	-2.4%	-11.4%
	Nigeria	1536.38	-0.4%	0.5%	2074.80	-2.6%	-6.9%	1795.41	-2.7%	-11.0%





## 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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