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# IC FIXED INCOME & CURRENCY GUIDE

01 OCTOBER 2025

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## REPORT SUMMARY

COUNTRY	FIXED INCOME	CURRENCY
Ghana	<ul style="list-style-type: none"> <li>Demand for Ghanaian T-bills softened for a second month in September as unattractive yields triggered partial redemptions and yield-seeking shifts. Notwithstanding a 21.9% m/m decline in upcoming maturities, we note that average weekly demand is lower than required bid size to cover the upcoming maturities, posing upside risk to yields. However, we expect single-digit inflation and expectation of lower policy rate to cap the upside</li> </ul>	<ul style="list-style-type: none"> <li>The Cedi depreciated by 5.8% in September but at a slower pace from mid-month as the BOG boosted FX sales to USD 1.0bn (+40.4%), albeit irregularly. The BOG also tightened banks' NOP limits to 0% and -10%, squeezing interbank liquidity with a potential to limit banks' FX trading capacity. We expect the USDGHS to trade range-bound with an upside bias as demand pressure remain elevated.</li> </ul>
Kenya	<ul style="list-style-type: none"> <li>Kenyan T-bills auction attracted strong demand at the front and back-ends but softer appetite in the mid-tenor, with bids comfortably overshooting the monthly target and maturities, leaving net issuance positive. Given unallotted demand still in the market and the MPC likely to stay dovish at the October meeting, we believe yield pressures remain skewed to the downside.</li> </ul>	<ul style="list-style-type: none"> <li>The Kenyan Shilling held steady at 129.2/USD in September 2025, extending its year-long detachment from market forces, as interbank turnover fell 24.7% m/m and reserves stayed flat at USD 10.9bn. We expect this managed stability to persist in the near term, offering offshore portfolios a cushion against FX volatility.</li> </ul>
Nigeria	<ul style="list-style-type: none"> <li>Investor demand for Nigerian T-bills surged in September (+241% m/m) as both local and offshore players positioned for rate cuts amid continued disinflation. The MPC cut the policy rate by 50bps to 27.0%, citing easing inflation, stable FX, and healthy reserves but introduced a 75% CRR on non-TSA deposits from the public sector.</li> </ul>	<ul style="list-style-type: none"> <li>The Naira rallied in September, gaining 6.7% m/m to 1,441/USD, as stronger oil earnings and portfolio inflows into high-yield debt drove demand ahead of an expected MPC cut. With crude output rising to 1.71mbpd and real policy rates still positive, we expect the Naira to hold firm, supported by healthy FX reserves.</li> </ul>

## Ghana Market Commentary

### Fixed Income

Demand for Ghanaian Treasury bills came in softer for the second consecutive month in September 2025 as the relatively unattractive yields on the money market contributed to partial redemptions with investors deploying yield pick-up strategies.

Total bids tendered across the T-bills in September were worth GHS 21.3bn, representing a 5.2% m/m decline in demand for the money market securities. The total demand also came in below the gross target by 22.1%, sustaining the general trend of under-subscription and effectively constraining the Treasury's capacity to implement further yield compression. Despite the auction shortfalls, the Treasury rejected 2.3% of the total bids, allotting GHS 20.8bn, and covering 81.0% of the maturing T-bill obligation for the month.

We believe T-bill rates bottomed-out in late August 2025 with the 91-day and the 182-day yields being directionless since hitting the 10.0% and 12.0% area, respectively. Yields were effectively flat across the curve in September with a 9bps and 1bp respective upticks in the 91-day and 182-day yields offset by a 10bps downshift in rate for the 364-day tenor.

We estimate the Total T-bill maturities in October 2025 at GHS 20.1bn, showing a 21.9% m/m decline in the refinancing obligation but requiring an average weekly demand of GHS 5.0bn. The required demand to cover the maturing T-bills for October exceeds the average weekly demand at recent auctions and poses an upside risk to yields. However, we expect single digit inflation in the next print to cap the upside and sustain yield oscillation within a tight band.

### Currency Market

The Ghanaian Cedi continued its corrective depreciation in September 2025 (-5.8%) but appeared to reach a steady state by mid-month as the Bank of Ghana continued its strategic FX market support with higher volumes (sold: USD 1.0bn l +40.4 m/m), although with infrequent sales. The BOG also announced changes to limit on banks' Net Open Position, reducing the range to between zero to negative ten percent of net owned funds (vs ±5% prior). This effectively prevents banks from holding excess FX for perceived speculative trading purposes and will likely tighten interbank FX liquidity.

We expect the USDGHS to continue the steady upticks within a tight band as seasonal and regular demand remains elevated

Local Currency "General Category" Bonds (GHS)				Ghana Restructured Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Feb-27	8.35%	90.86	15.99%	DISCO BOND		
Feb-28	8.50%	85.86	15.86%	Jul-29	5.00%	6.03%
Feb-29	8.65%	81.66	15.88%	Jul-35	5.00%	7.96%
Feb-30	8.80%	78.58	15.76%	PAR BOND		
Feb-31	8.95%	75.69	15.83%	Jan-37	1.50%	8.54%
Feb-32	9.10%	73.40	15.89%	DOWN PAYMENT BOND		
Feb-33	9.25%	72.02	15.81%	Jul-26	Zero-coupon	4.30%
Feb-34	9.40%	70.50	15.89%	PAST DUE INTEREST (PDI) BOND		
Feb-35	9.55%	69.73	15.86%	Jan-30	Zero-coupon	3.66%
Feb-36	9.70%	69.02	15.89%			
Feb-37	9.85%	68.68	15.88%			
Feb-38	10.00%	68.48	15.90%			

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	10.50%	9	-1,885
182-day	12.39%	1	-1,955
364-day	12.90%	-10	-1,959

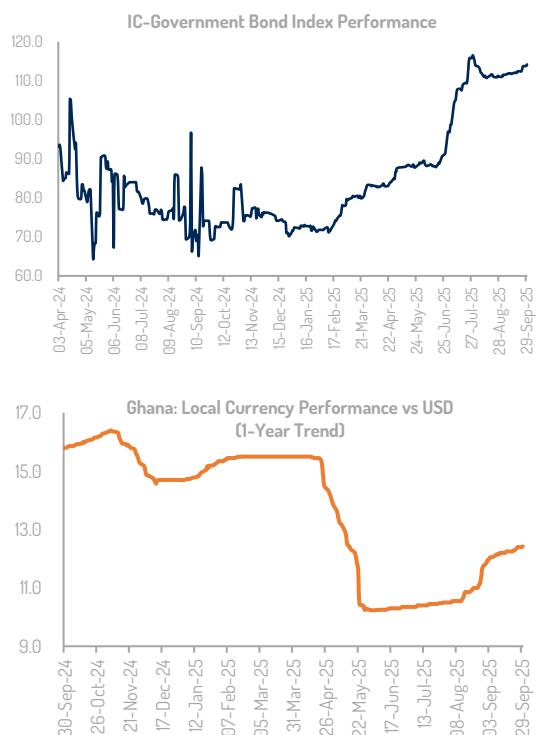
	Upcoming Maturities* (Oct-2025)	Upcoming Avg weekly Target*	M/M Change in Maturities
91-day	16,391.09	3,710	-0.4%
182-day	2,911.27		-59.1%
364-day	820.21		-62.1%

\*GHS Million

Spot Exchange Rate (GHS)			
	Current Mid-Rate	Last Month	M/M Change*
USDGHS	12.42	11.70	-5.82%
GBPGHS	16.81	15.79	-6.07%
EURGHS	14.69	13.67	-6.97%

\*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
Jun-25	97.0	20.1%	35.3%
Jul-25	115.2	15.4%	60.7%
Aug-25	111.1	16.5%	55.0%
Sep-25	114.2	15.9%	59.3%



## Kenya Market Commentary

### Fixed Income

Investor appetite strengthened at both ends of Kenyan Treasury bill maturities but weakened at the belly, while yields fell marginally across the T-bill curve. The total demand was more than enough for the fixed gross monthly target and the corresponding T-bill maturities for the month, resulting in a net borrowing on T-bills in September 2025.

Total bids tendered across the T-bills were worth KES 142.7bn (USD 1.1bn), exceeding the previous month's demand by 58.7% and exceeding the maturing T-bills by 39.8%. This suggests elevated money market liquidity in the just-ended month, underpinning placement in short-term securities ostensibly for liquidity management rather than purely for investment purposes. The amount allotted was estimated at KES 128.1bn (USD 991.0mn), lower than the total bids by 10.3% but 25.4% higher than corresponding T-bill maturities for the month.

Yields fell marginally across the curve by an average of 7bps m/m (vs 20bps fall in the prior month) as prevailing low inflation expectation, dovish Central Bank, and upsurge in bids sustained the downshift. The 91-day and 182-day yields trimmed 9bps each to 7.91% and 7.99% while the 364-day yield edged down by 4bps to 9.53%.

In the month ahead, we estimate upcoming T-bill maturities at KES 114.6bn (USD 886.7mn) which requires a stronger demand than the Treasury's fixed gross monthly T-bill target of KES 96.0bn. We expect the unallotted bids from the prior auctions and a potential doubling down on dovishness by the Central Bank at this month's MPC meeting to sustain demand and downside risk to yields.

### Currency Market

The Kenyan Shilling remained stable against the US Dollar in September 2025, continuing the same narrative of being unresponsive to market forces since August 2024, quoted at 129.2/USD on the interbank market. Turnover declined on the interbank market by 24.7% m/m to USD 65.0mn while net international reserves remained unchanged at USD 10.9bn (4.8 months of import cover).

We expect the KES to maintain its non-responsive posture against the USD in the month ahead, providing near-term cushion to offshore portfolios.

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	7.91%	-9	-797
182-day	7.99%	-9	-799
364-day	9.53%	-4	-637

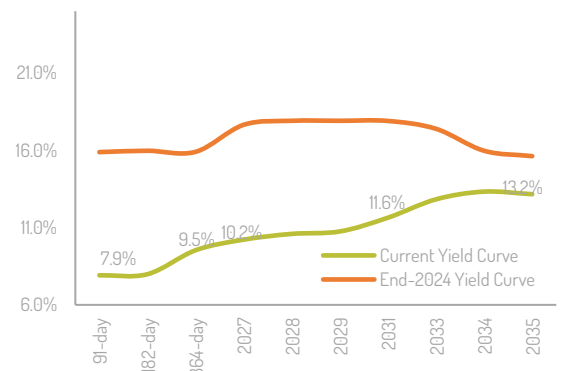
	Upcoming Maturities* (Oct-2025)	Upcoming Target* (This Week)	M/M Change in Maturities
91-day	24,968.22	24,000.00	-43.0%
182-day	38,386.14		19.8%
364-day	51,241.11		95.0%

\*KES Million

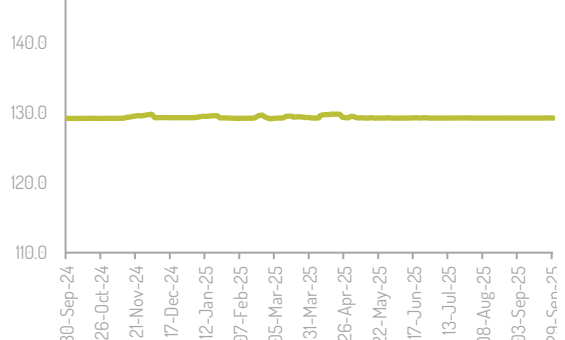
Spot Exchange Rate (KES)			
	Current Mid-Rate	Last Month	M/M Change*
USDKES	129.20	129.20	0.00%
GBPKES	173.89	174.49	0.35%
EURKES	151.87	151.11	-0.50%

\*Negative change means Depreciation while Positive change means Appreciation

Kenya: Indicative Treasury Yield Curve (KES)



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



Local Currency Bonds (KES)				Kenya Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Mar-25	10.25%	104.37	10.22%	May-27	7.00%	5.61%
May-25	11.67%	101.78	10.37%	Feb-28	7.25%	6.02%
Nov-26	11.28%	104.82	10.68%	Feb-31	9.75%	8.14%
Jul-27	12.97%	104.64	10.73%	May-32	8.00%	8.07%
Feb-28	11.25%	104.66	10.75%	Jan-34	6.30%	8.29%
Aug-28	12.69%	93.34	11.64%	Mar-36	9.50%	9.10%
Dec-28	12.50%	96.97	12.65%	Feb-48	8.25%	9.23%
Feb-29	12.44%	99.09	12.83%			
May-31	10.00%	98.01	13.25%			
Nov-32	12.00%	113.06	13.38%			
Jan-34	12.86%	94.80	13.35%			
Jul-34	12.34%	89.87	13.12%			

Source: Central Bank of Kenya, Bloomberg, IC Insights

# Nigeria Market Commentary

## Fixed Income

Investor demand for Nigerian T-bills surged in September, reflecting strategic positioning in the domestic money market by both resident and non-resident investors as continued disinflation raised the prospect of interest rate cuts.

Total bids tendered across the two auctions in September were worth NGN 2.6 trillion (USD 1.7bn), representing a 241% m/m surge in money market demand and covering the auction target by 3.4x. The Treasury allotted just over a third of the bids, accepting NGN 930.3bn (USD 620.0mn) but exceeded the auction target by 20.8% as the strong demand provided favourable financing condition. Demand was heavily skewed in favour of the 364-day tenor, which accounted for 92.9% of total bids submitted as investors sought to lock-in higher yields ahead of the disinflation-induced decline in domestic yields.

Yields expectedly fell across the curve by an average of 64bps m/m on the True Yield with the 364-day yield posting the sharpest decline of 133bps to 20.16%. The 91-day (15.59%) and the 182-day (16.57%) yields also declined by 35bps and 23bps, respectively.

The Monetary Policy Committee reduced the policy rate by 50bps in line with market expectation to 27.0%, citing improved disinflation, stable FX, and robust reserve. However, the Committee appeared cautious of rising Naira liquidity from fiscal releases likely related to the improved oil revenue. This prompted the introduction of a 75% CRR on non-Treasury Single Account public sector deposits.

## Currency Market

The Naira rallied in September 2025 on the back of stronger earnings from crude oil and foreign portfolio flows to high-yield local currency debt securities as investors took positions ahead of projected MPC rate cut in late-month. The improved earnings from hydrocarbon exports were mainly supported by rising crude oil production, which stood at 1.71mbpd (+1.6% YTD) in July 2025. With real policy rate firmly positive at 7.4%, the Naira appreciated to 1,441/US (+6.7% m/m), dropping below the 1,500 level for the first time since February 2025.

We expect the Naira to sustain its stability in the month ahead, anchored by improving external balances, appropriate monetary stance, and restrained US dollar strength.

Local Currency Bonds (NGN)				Nigeria Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Apr-29	14.55%	95.20	16.36%	Nov-27	6.50%	6.27%
Feb-31	18.50%	106.86	16.51%	Sep-28	6.13%	6.73%
Apr-32	12.50%	84.80	16.35%	Mar-29	8.38%	7.16%
Feb-34	19.00%	112.72	16.16%	Feb-30	7.14%	7.40%
Jul-34	12.15%	81.47	16.15%	Jan-31	8.75%	7.81%
Mar-35	12.50%	82.61	16.14%	Feb-32	7.88%	8.00%
Mar-36	12.40%	81.47	16.12%	Sep-33	7.38%	8.24%
Apr-37	16.25%	100.77	16.10%	Feb-38	7.70%	8.66%
Jun-38	15.45%	96.61	16.07%	Nov-47	7.63%	9.08%
Jan-42	13.00%	82.75	15.99%	Jan-49	9.25%	9.16%
Apr-49	14.80%	93.60	15.84%	Sep-51	8.25%	9.26%
Mar-50	12.98%	82.50	15.82%			
Jun-53	15.70%	99.64	15.75%			

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

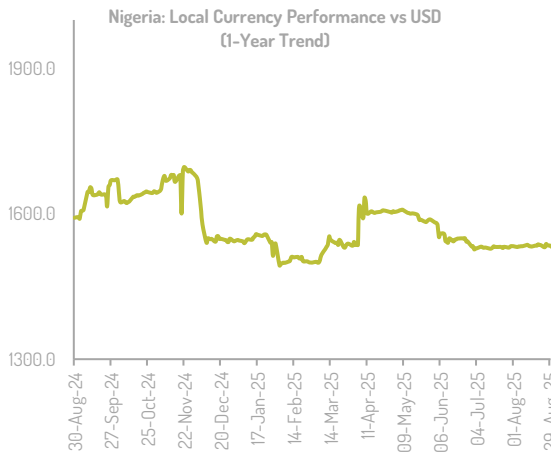
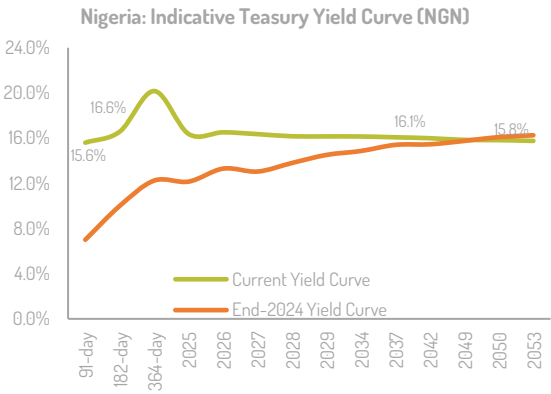
	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	15.59%	-38	859
182-day	16.57%	-23	657
364-day	20.16%	-96	792

Selected Macroeconomic Indicators			
	Latest Available	Same Period Last Year	YoY Change (bps)
Inflation*	20.12%	32.15%	-12.03%
GDP growth**	4.23%	3.48%	0.75%
MPR	27.00%	27.25%	-0.25%

\*August 2025 | \*\*2Q2025

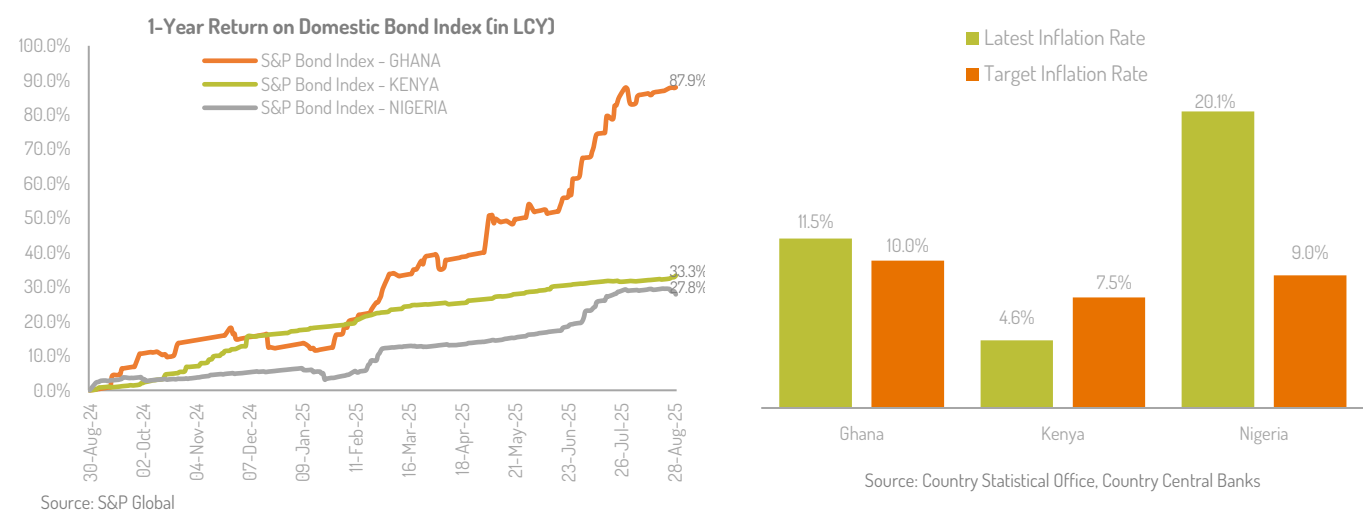
Official Spot Exchange Rate (NGN)			
	Current Mid-Rate	Last Month	M/M Change
USDNGN	1440.50	1536.38	6.66%
GBPNGN	1992.54	2074.80	4.13%
EURNGN	1740.81	1795.41	3.14%

\*Negative change means Depreciation while Positive change means Appreciation

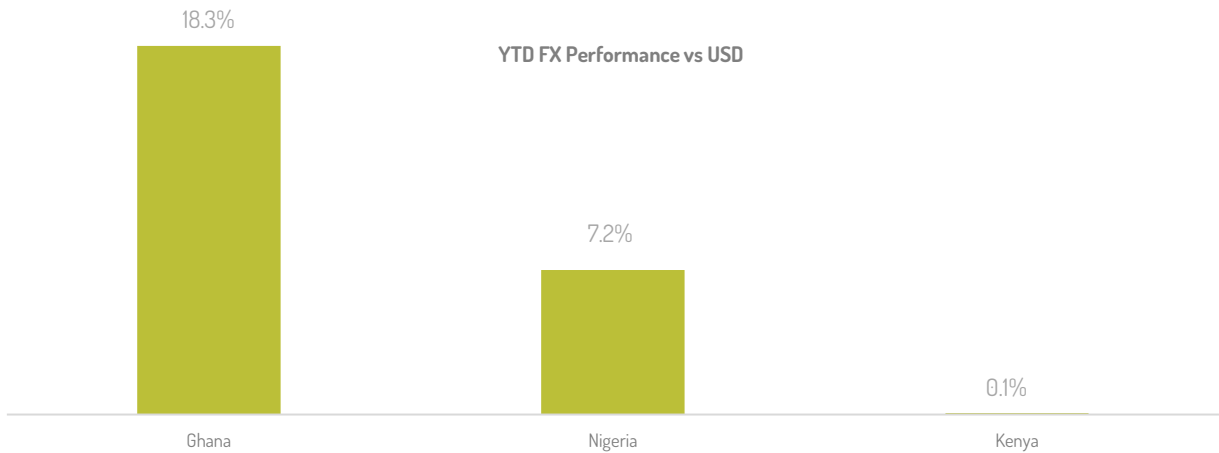


Comparative Yields for Domestic Treasury Bonds in LCY and USD-adjusted Rates						
	Ghana		Kenya		Nigeria	
	GHS Yield	USD-adjusted Yield	KES Yield	USD-adjusted Yield	NGN Yield	USD-adjusted Yield
2027	15.99%	6.63%	10.22%	4.54%	16.35%	1.85%
2028	15.86%	6.51%	10.59%	4.89%	16.16%	1.68%
2029	15.88%	6.53%	10.75%	5.04%	16.15%	1.68%
2030	15.76%	6.42%	11.20%	5.46%	16.33%	1.83%
2031	15.83%	6.49%	11.64%	5.89%	16.15%	1.68%
2032	15.89%	6.54%	12.65%	6.84%	16.14%	1.66%
2033	15.81%	6.47%	12.83%	7.02%	16.11%	1.64%

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	12.42	-5.8%	18.3%	16.81	-6.1%	9.4%	14.69	-7.0%	3.6%
	Kenya	129.20	0.0%	0.1%	173.89	0.3%	-6.9%	151.87	-0.5%	-11.8%
	Nigeria	1440.50	6.7%	7.2%	1992.54	4.1%	-3.0%	1740.81	3.1%	-8.2%



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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