Market Insights | Pan-Africa | News & Analysis

IC FIXED INCOME & CURRENCY GUIDE

03 AUGUST 2026

REPORT SUMMARY

COUNTRY	FIXED INCOME	CURRENCY
Ghana	• **Treasury builds cash buffer on strong liquidity.** Improved money market liquidity enabled the Ghanaian Treasury to exceed its July 2026 issuance target, building a GHS6.1 billion cash buffer ahead of August 2026 coupon payments. Investor demand shifted towards 364-day bills for higher yields. We believe Treasury bill yields have reached a near-term peak and should ease as liquidity returns from coupon payment while we forecast inflation for July 2026 to moderate.	• **Cedi retreats as rising FX demand tests external buffers.** The Ghanaian Cedi surrendered most of June gains, weakening 3.1% against the US Dollar in July as import-related FX demand rebounded to outweigh the BOG's USD 1.0bn FX intermediation. Given the decline in FX reserves in June, we foresee constrained intervention capacity but expect regular market intermediation to continue, leaving the Cedi exposed to modest downside risks in August 2026
Kenya	• **Yield curve steepens as investors stay cautious on inflation.** Kenya's Treasury bill market softened in July, but liquidity was sufficient for the Treasury to exceed refinancing needs and issuance targets. The yield curve steepened as investors priced in lingering inflation risks, although ample market liquidity should cap further yield increases despite heavier refinancing obligations in August.	• **Strong buffers support KES stability, but risks linger.** The Kenyan shilling remained stable around KES129/USD, supported by stronger FX reserves (partly helped by partial sale of GOK stake in Safaricom), ample import cover and attractive carry trade returns. However, we believe the prolonged exchange rate stability only defers, rather than eliminate, the risk of depreciation pressures that could emerge over the next 12-18 months.
Nigeria	• **Investors chase higher carry at the long end of the T-bill curve.** Nigeria's Treasury bill market attracted ample demand in July 2026, driven by strong investor preference for 364-day bills with yields above 20%. Despite oversubscription and abundant liquidity, the Treasury kept yields broadly unchanged, signalling confidence in current pricing and sustained demand for higher-carry securities.	• **Higher oil receipts and yields support NGN stability.** The Nigerian naira strengthened 0.6% against the US dollar in July 2026, supported by higher FX reserves, stronger oil receipts and the MPC's decision to keep the policy rate at 26.5%. Elevated domestic yields remain an attraction to portfolio inflows, reinforcing our expectation of near-term exchange rate stability.

Ghana Market Commentary

Fixed Income

Liquidity conditions improved on the Ghanaian Treasury bill primary market in July 2026, helping the Treasury to exceed its issuance target for the month and building a cash buffer for near-term liability management. Yields also reached a near-term peak in the month under review after investors fully priced in the June 2026 inflation surge while moderated energy prices eased the inflation jitters for the month ahead. We continue to observe rotation of the front-end portfolio into the 364-day tenor for yield maximisation as our estimates show that the allocation of bids to the 91-day bill declined to 46.6% in 1H2026 (vs 60.1% in 1H2025). At the same time, the 364-day yield attracted 31.7% of total bids (vs 19.7% in 1H2025). The allocation shift was more evident in July 2026 as the 364-day tenor attracted 60.9% of total bids (vs 30.6% in June 2026). This underscores the shift in tenor preference along the T-bill curve motivated by yield pick-up strategies.

Total bids submitted were worth GHS 39.3bn (+26.6% m/m), exceeding the target by 51.7% with the Treasury accepting GHS 32.1bn and building a cash buffer of GHS 6.1bn in July 2026. This offers strong support for the Treasury's upcoming GHS 10.8bn DDEP coupon payment on 18 August 2026.

Yields increased by a more modest 20bps cumulatively (vs +392bps in June 2026), suggesting peak levels reached in July 2026 as the final two auctions churned out slight declines.

For August 2026, we estimate a 2.7% m/m increase in T-bill maturities (GHS 28.2bn). However, we expect the upcoming coupon payment to amplify the liquidity event and exert downward pressure on yields, especially if the July 2026 inflation print shows a decline.

Currency Market

The Ghanaian Cedi continued to exhibit the highest-beta performance among our African currency coverage, reversing most of its June 2026 gain to a 3.1% loss against the USD in July (YTD: -10.4%) despite BOG's USD 1.0bn FX auction. FX demand rebounded in July after June's retreat, partly due to energy and other imports. With Eurobond payment (USD 700mn) and June's USD 811mn FX intervention trimming gross FX reserves by USD 1.2bn to USD 12.9bn, we expect the BOG to continue its regular intermediation albeit with constrained intervention capacity, leaving the Cedi to a slight downside risk in August 2026.

Local Currency "General Category" Bonds (GHS)				Ghana Restructured Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Feb-27	8.35%	98.70	10.83%		DISCO BOND	
Feb-28	8.50%	93.88	12.99%	Jul-29	5.00%	6.06%
Feb-29	8.65%	88.99	13.94%	Jul-35	5.00%	6.77%
Feb-30	8.80%	83.62	14.92%		PAR BOND	
Feb-31	8.95%	80.49	15.04%	Jan-37	1.50%	6.98%
Feb-32	9.10%	77.92	15.13%		PAST DUE INTEREST (PDI) BOND	
Feb-33	9.25%	75.64	15.28%	Jan-30	Zero-coupon	3.83%
Mar-33	12.50%	90.77	14.71%			
Feb-34	9.40%	73.43	15.50%			
Feb-35	9.55%	72.32	15.51%			
Feb-36	9.70%	70.91	15.68%			
Feb-37	9.85%	70.12	15.76%			
Feb-38	10.00%	70.25	15.66%			

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	5.79%	6	-530
182-day	7.69%	NO CHNG	-484
364-day	12.97%	15	3

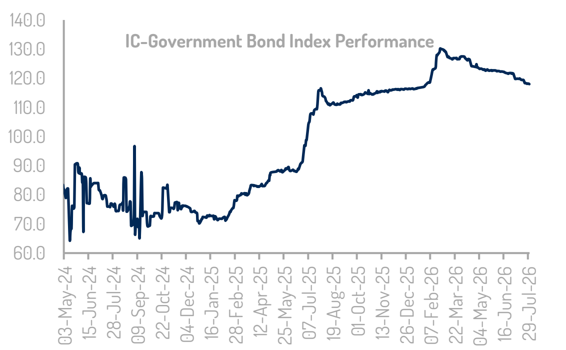
	Upcoming Maturities* (Aug-2026)	Upcoming Avg weekly Target*	M/M Change in Maturities
91-day	15,790.86	6,217	35.2%
182-day	10,909.96		20.4%
364-day	1,556.16		-77.1%

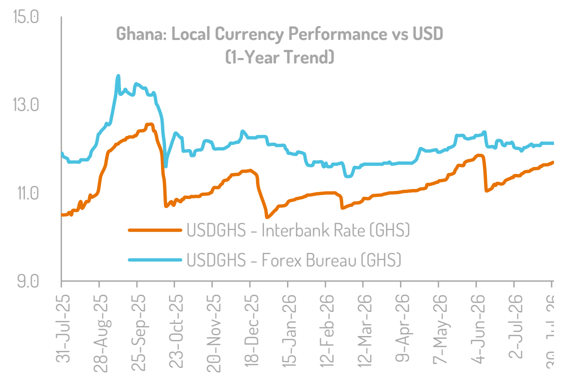
*GHS Million

Spot Exchange Rate (GHS)			
	Current Mid-Rate	Last Month	M/M Change*
USDGHS	11.69	11.33	-3.08%
GBPGHS	15.75	15.02	-4.63%
EURGHS	13.47	12.94	-3.95%

*Negative change means Depreciation while Positive change means Appreciation

Performance of the IC Government Bond Index (IC-GBI)			
Month-End	Index Level (pts)	Yield-to-Maturity	YTD Return on Index
Apr-26	123.8	12.6%	6.3%
May-26	122.7	12.8%	5.4%
Jun-26	121.6	13.4%	4.4%
Jul-26	118.0	14.1%	1.3%





Kenya Market Commentary

Fixed Income

Demand conditions softened on the Kenyan Treasury bill primary market in July 2026 compared to the prior month resulting in a steepening of the domestic T-bill curve as investors balanced the refinancing and inflation risks.

A total of KES 167.4bn was submitted across the 91-day to the 364-day tenors during the weekly Treasury bill auctions in July 2026. This represents a 10.8% month-on-month decline in total bids with concentration remaining in favour of the 91-day tenor despite a rebalancing towards the mid-segment of the T-bill curve. We observed a 10.6pp decline in the share of 91-day tenor within the total bids to 63.8% in July 2026 while the share for the 182-day tenor increased by 13.4pp to 22.7%. The Treasury allotted KES 115.1bn, exceeding the Treasury bill maturities for the month by 28.5% and the fixed monthly target by 19.9%. Notwithstanding the reduced demand, the bids and uptake were substantially higher than target and the T-bill maturities with KES 52.3bn rejected. We view this as a reflection of continued buoyant money market liquidity which will cap the upside for yields in the months ahead.

Yield dynamics point to nearing the peak level although lingering uncertainty in the global energy market continues to keep the market cautious on the inflation outlook. The 91-day yield experienced a first drop in four months after headline inflation printed lower for June 2026. The 182-day and the 364-day yields however climbed as markets priced in the risk of further inflation shock, ultimately steepening the T-bill curve.

We estimate a 39.6% month-on-month surge in refinancing obligation for T-bills to KES 125.1bn in August 2026. This will likely limit the downward shift in the yield curve with near-term bias towards stability with an upside risk.

Currency Market

The Kenyan Shilling remained noticeably flat in July 2026, trading around the 129/USD level since August 2024 (nearly 24-months of flat USDKES curve). The KES remains supported by strong FX reserves which increased 10.8% m/m to USD 15.4bn, covering 6.4 months of imports partly due to FX proceeds from partial sale of the GOK stake in Safaricom as well as attractive carry trade. Nevertheless, we believe the prolonged stability of the KES may be masking underlying depreciation, which may crystalise over the next 12 – 18 months.

Local Currency Bonds (KES)				Kenya Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Jul-27	12.97%	103.63	8.92%	May-27	7.00%	6.03%
Feb-28	11.25%	102.56	9.40%	Feb-28	7.25%	6.78%
Aug-28	12.69%	104.00	10.45%	Feb-31	9.75%	8.02%
Dec-28	12.50%	103.96	10.53%	Apr-32	8.25%	7.82%
Feb-29	12.44%	104.15	10.52%	May-32	8.00%	7.92%
May-31	10.00%	92.00	12.25%	Oct-33	7.88%	8.28%
Nov-32	12.00%	97.80	12.51%	Jan-34	6.30%	8.32%
May-33	12.65%	99.66	12.72%	Feb-34	7.88%	8.47%
Jan-34	12.86%	100.19	12.81%	Mar-36	9.50%	8.96%
Mar-34	16.00%	114.20	13.00%	Feb-48	8.25%	8.98%
Jul-34	12.34%	97.14	12.92%			
May-35	11.25%	91.59	12.86%			

Source: Central Bank of Kenya, Bloomberg, IC Insights

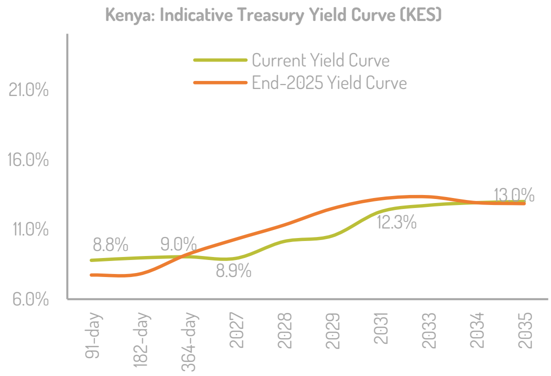
	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	8.78%	-5	105
182-day	8.95%	11	115
364-day	9.04%	4	-17

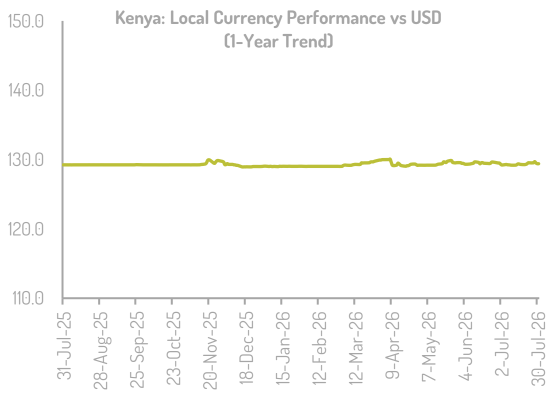
	Upcoming Maturities* (Aug-2026)	Upcoming Target* (This Week)	M/M Change in Maturities
91-day	51,084.63	24,000.00	143.6%
182-day	21,748.53		-28.2%
364-day	52,232.71		36.2%

*KES Million

Spot Exchange Rate (KES)			
	Current Mid-Rate	Last Month	M/M Change*
USDKES	129.48	129.45	-0.02%
GBPKES	171.73	173.78	1.19%
EURKES	147.87	150.80	1.98%

*Negative change means Depreciation while Positive change means Appreciation





Nigeria Market Commentary

Fixed Income

The Nigerian Treasury maintained the same total T-bill offer size in July as targeted in June 2026 and attracted over two-fold increase in total bids for the month with investor appetite intensifying for the 364-day tenor. We attribute the sustained demand at the long end of the T-bill curve to the attractive tenor premium as investors continue to lock in yields above 20.0% amid the inflation uncertainty. Despite the strong demand for T-bills, the Nigerian domestic yield curve barely shifted, exhibiting net increase of one basis point across the curve.

Investors submitted total bids worth NGN 8.7 trillion across the three tenors in July 2026, representing a nearly 116% month-on-month surge in total bids. The 364-day tenor remained the preferred maturity with 93.3% of total bids placed for this tenor as investors strategically position their cash balances to extract better carry on their money market portfolios. Our estimate revealed that rolling up the curve from the 91-day to 182-day tenor paid 99bps for the extra 3-months while the further move to 364-day paid 150bps for each three months. This underpins the strategic concentration of bids in the 364-day tenor for better carry. The Treasury allotted NGN 3.5 trillion, rejecting 59.7% of bids and signalling strong liquidity to persist on the money market.

The domestic yield curve barely moved in July with both ends of the T-bill curve inching up by a basis point each to 16.99% and 20.99% respectively for the 91-day and 364-day tenors. The 182-day yield however trimmed a basis point to close at 17.98%.

Currency Market

The Nigerian Naira overturned its slight loss in June with a 0.6% month-on-month appreciation against the US Dollar in July 2026 to close the month at 1,368/USD and a 7M2026 gain of 5.6%. Gross forex reserves strengthened mildly in July (+0.9% m/m) as the balance of payments continues to benefit from higher energy prices occasioned by the Middle East war. The MPC also held its policy rate unchanged at 26.5%, preserving the elevated interest rates in the domestic market and anchoring portfolio demand for Naira securities.

We foresee continued stability in the USDNGN curve as the strong FX reserves continue to reassure markets amid the higher oil revenue flows while domestic yields continue to add lustre to NGN-denominated positioning.

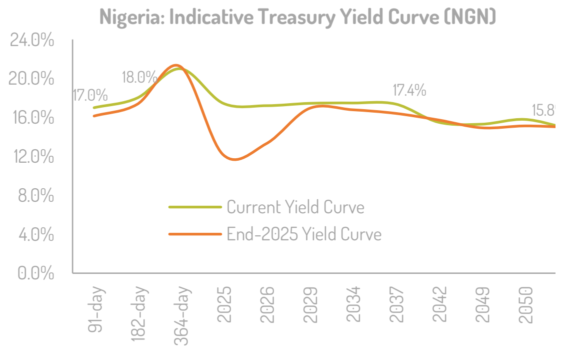
	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	16.99%	1	86
182-day	17.98%	-1	64
364-day	20.99%	1	-23

Selected Macroeconomic Indicators			
	Latest Available	Same Period Last Year	Y/y Change (bps)
Inflation*	15.91%	25.30%	-9.39%
GDP growth**	3.89%	3.13%	0.76%
MPR	26.50%	27.50%	-1.00%

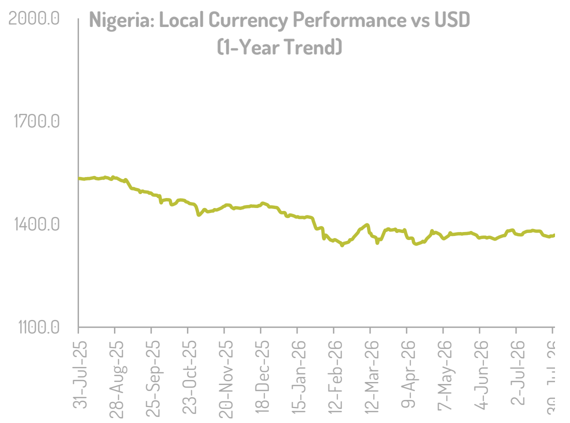
*June 2026 | **1Q2026

Official Spot Exchange Rate (NGN)			
	Current Mid-Rate	Last Month	M/M Change
USDNGN	1368.24	1377.02	0.64%
GBPNGN	1844.86	1826.69	-0.99%
EURNGN	1577.58	1573.38	-0.27%

*Negative change means Depreciation while Positive change means Appreciation



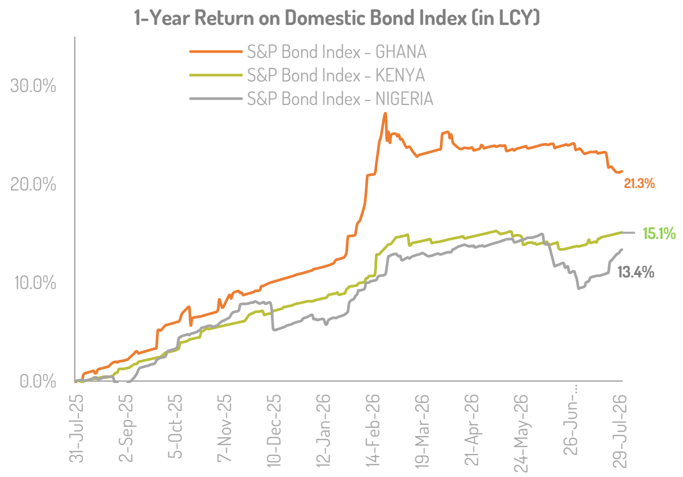
Local Currency Bonds (NGN)				Nigeria Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Apr-29	14.55%	93.83	17.44%	Nov-27	6.50%	5.86%
Feb-31	18.50%	103.96	17.20%	Sep-28	6.13%	6.04%
Apr-32	12.50%	82.60	17.39%	Mar-29	8.38%	6.10%
Feb-34	19.00%	105.78	17.58%	Feb-30	7.14%	6.41%
Jul-34	12.15%	77.89	17.37%	Jan-31	8.75%	6.71%
Mar-35	12.50%	78.48	17.39%	Feb-32	7.88%	6.75%
Mar-36	12.40%	77.01	17.39%	Sep-33	7.38%	6.94%
Apr-37	16.25%	94.56	17.37%	Feb-38	7.70%	7.42%
Jun-38	15.45%	89.75	17.52%	Nov-47	7.63%	7.86%
Jan-42	13.00%	85.46	15.50%	Jan-49	9.25%	8.05%
Apr-49	14.80%	96.78	15.30%	Sep-51	8.25%	8.09%
Mar-50	12.98%	82.64	15.79%			
Jun-53	15.70%	105.51	14.86%			



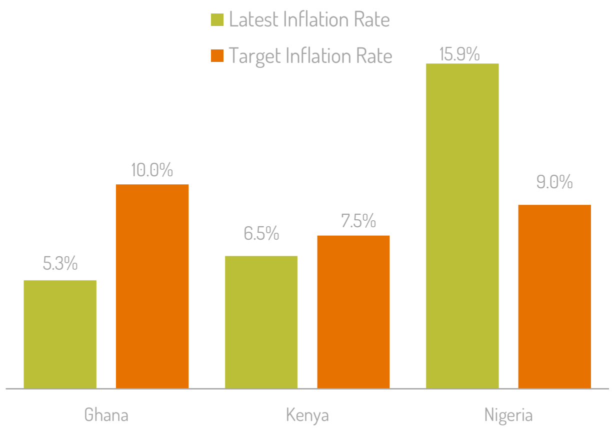
Source: FMDQ, Bloomberg, Central Bank of Nigeria, National Bureau of Statistics, IC Insights

	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	10.83%	7.03%	8.92%	3.11%	17.39%	4.81%
2028	12.99%	9.12%	10.13%	4.25%	17.58%	4.98%
2029	13.94%	10.03%	10.52%	4.62%	17.37%	4.79%
2030	14.92%	10.98%	11.39%	5.44%	17.30%	4.72%
2031	15.04%	11.09%	12.25%	6.26%	17.49%	4.89%
2032	15.13%	11.18%	12.51%	6.51%	17.38%	4.80%
2033	15.28%	11.32%	12.72%	6.71%	17.45%	4.86%

Source: Bloomberg, IC Insights

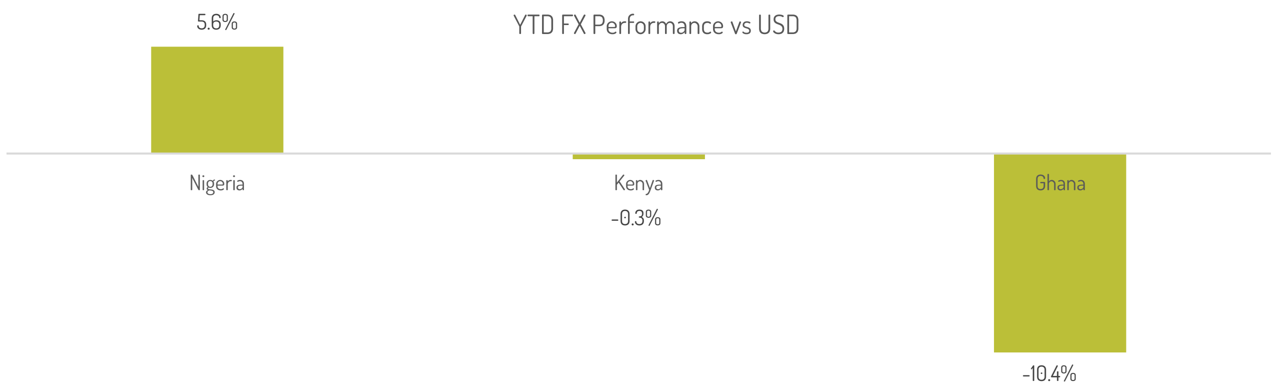


Source: S&P Global



Source: Country Statistical Office, Country Central Banks

	Comparative Currency Performance Dashboard								
	USD	m/m Change	YTD Change	GBP	m/m Change	YTD Change	EUR	m/m Change	YTD Change
Ghana	11.69	-3.1%	-10.4%	15.02	5.1%	-6.1%	13.47	-3.9%	-8.7%
Kenya	129.38	0.1%	-0.3%	171.73	1.2%	1.1%	149.14	-0.9%	1.5%
Nigeria	1368.24	0.6%	5.6%	1826.69	1.2%	6.4%	1577.58	-0.3%	7.5%



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)	A unit used to express changes in interest rates or other financial percentages. One basis point (bp) equals 0.01 percentage point.
Percentage Point (pp)	The difference (or change) between two percentage figures
Bid	The demand or buy-side in a transaction
Bid-to-Cover Ratio	The ratio of total bids submitted to the amount accepted at an auction. It indicates the level of investor demand.
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 typically pays interest according to a predetermined schedule and returns principal at maturity.
Liquidity	The availability of funds for investment or trading. In the context of a securities market, it may also refer to the ease with which an asset can be bought or sold without materially affecting its price.
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 one year or less
Treasury bonds & Notes	Debt securities issued by the Government with maturities of two years 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 month) 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 showing interest rates/yields for securities 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
GHS	Ghanaian Cedi
KES	Kenyan Shilling
NGN	Nigerian Naira

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