Market Insights | Pan-Africa | News & Analysis

IC FIXED INCOME & CURRENCY GUIDE

01 SEPTEMBER 2026

REPORT SUMMARY

COUNTRY	FIXED INCOME	CURRENCY
Ghana	• **Liquidity boost drives bull steepening: Investors favour longer T-bills.** The GHS10.8bn DDEP coupon payment strengthened an already buoyant Cedi liquidity in August, driving strong T-bill demand to exceed the auction target and dragging yields lower. The resultant bull steepening of the yield curve coincided with investors favouring higher-yielding T-bills over BOG OMO securities, while the 364-day tenor was the preferred segment. We foresee relatively stable yields in September 2026 mainly due to the softer rollovers and likely softening of demand for the T-bills. **For credits**, we estimate 44bps decline in the September 2026 Ghana Reference Rate (GRR) to 10.18%.	• **Cedi rebounded in August, but appreciation masks persistent FX demand.** The Ghanaian Cedi appreciated 3.9% in August, narrowing its YTD depreciation to 6.9%, supported by BOG's USD 911.5mn FX intermediation, GOLDBOD's USD 668.2mn FX sale, and brief portfolio inflows. However, renewed excess FX demand averaging over USD280mn signals lingering depreciation pressure. That said, we expect the pressure to remain contained as GOLDBOD targets USD 700mn while BOG targets USD 500mn FX sales (Total: USD 1.2bn) in September 2026.
Kenya	• **Investor appetite recovers as longer tenors gain traction.** Investor demand improved in August, allowing the Treasury to exceed both its auction target and T-bill maturities. Bid allocation shifted from 91-day bills towards 182- and 364-day tenors, with stable yields suggesting markets view recent inflation upticks (6.6% in August 2026) as transitory. However, we believe the favourable front-end pricing will limit further rotation into 364-day bills.	• **Kenyan Shilling stays flat while strong reserves mask longer-term depreciation risk.** The Kenyan shilling remained broadly unchanged at KES 129/USD in August 2026, extending its prolonged stability. The strong FX reserves of USD 15.2bn, equivalent to 6.3 months of import cover, anchors the near-term outlook, while the attractive real yields will sustain investor patience. However, we retain a cautious medium-term view and flag depreciation risks further ahead.
Nigeria	• **OMO competition dampens T-bill demand, but yields remain resilient.** Nigerian T-bill demand fell sharply in August as expanded access to CBN OMO auctions redirected investor funds towards higher-yielding OMO securities, alongside a lower T-bill target. Despite the weaker demand, the bids sufficiently covered the target, keeping front- and mid-curve yields broadly stable while 364-day yields declined.	• **Naira tops our African FX chart: Strong carry trade anchors portfolio flows.** The Naira strengthened 2.4% in August, extending its YTD gain to 8.1%, supported by deeper FX market activity following CBN reforms. With a 26.5% policy rate and attractive OMO and T-bill yields, we believe Nigeria remains the standout African carry trade, supporting portfolio inflows and Naira stability ahead.

Ghana Market Commentary

Fixed Income

As expected, the T-bill market was well funded in August 2026 with the GHS 10.8bn of DDEP coupon payment strengthening the already strong Cedi liquidity on the domestic fixed income market. Our investigations revealed that the bulk of this coupon inflow was already earmarked ahead of the actual cash receipt from the Treasury. Nevertheless, we still observed sizable volume of bids across the T-bill to the belly of the Treasury yield curve. This expectedly dragged yields lower, especially at the T-bill segment of the curve, resulting in a bull steepening of the yield curve in August 2026. Although bids increased across the T-bill curve, the 364-day tenor remained the preferred segment due to its attractive nominal and inflation-adjusted yield. Despite the liquidity boost, we observed that commercial banks preferred the higher-yielding T-bill to OMO securities in August 2026 as the outstanding balance on the BOG OMO securities reduced by GHS 1.3bn to GHS 50.6bn at end-August 2026.

Investors submitted total bids worth GHS 60.0bn (+52.9% m/m and +70.5% vs target) at T-bill auctions in August. The 364-day tenor attracted 59.7% of the bids (vs 60.9% in July) as investors sought to lock in the double digits nominal yields amid lower rates expectations. The Treasury accepted GHS 35.3bn, above the T-bill maturities by 25.0% but virtually matching the gross target.

Yields expectedly fell cumulatively by 386bps with the 364-day witnessing the sharpest decline (-216bps m/m) as the Treasury capitalised on the strong bids to compress its refinancing cost below maturing 364-day bills.

We foresee stable yields in September 2026 mainly due to the softer rollover pressure offset by likely decline of demand for the 364-day tenor. We estimate September maturity at GHS 17.8bn (-37.0% m/m). **For credits**, we estimate 44bps decline in the September 2026 Ghana Reference Rate (GRR) to 10.18%.

Currency Market

The Cedi posted a surprise appreciation of 3.9% in August 2026, cutting its YTD loss against the US Dollar to 6.9%, with heavy lifting done in the third week of the month. We did not observe any traces of FX intervention but gains due to BOG intermediation, GOLDBOD direct FX sales and brief portfolio flow into local fixed income securities. Forex demand rebounded after the intra-month appreciation with excess demand averaging over USD 280mn. In our view, this signals lingering depreciation risk but will remain capped below 12.0/USD.

Local Currency "General Category" Bonds (GHS)			
Maturity	Coupon	Price	Yield
Feb-27	8.35%	98.91	10.80%
Feb-28	8.50%	94.30	12.91%
Feb-29	8.65%	89.46	13.86%
Feb-30	8.80%	85.57	14.24%
Feb-31	8.95%	82.25	14.50%
Feb-32	9.10%	79.80	14.60%
Feb-33	9.25%	77.08	14.90%
Mar-33	12.50%	90.79	14.73%
Feb-34	9.40%	75.28	15.03%
Feb-35	9.55%	74.16	15.06%
Feb-36	9.70%	72.78	15.23%
Feb-37	9.85%	72.20	15.25%
Feb-38	10.00%	71.73	15.31%

Ghana Restructured Eurobonds (USD)		
Maturity	Coupon	Yield
DISCO BOND		
Jul-29	5.00%	5.71%
Jul-35	5.00%	6.76%
PAR BOND		
Jan-37	1.50%	7.19%
PAST DUE INTEREST (PDI) BOND		
Jan-30	Zero-coupon	3.45%

	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	4.95%	-84	-615
182-day	6.86%	-83	-567
364-day	10.78%	-219	-216

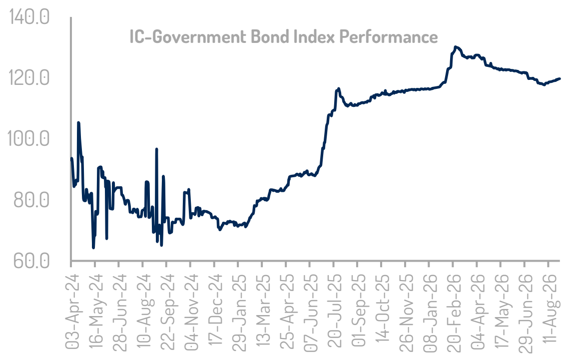
	Upcoming Maturities* (Sep-2026)	Upcoming Target* This week	M/M Change in Maturities
91-day	13,144.61	6,554	-16.8%
182-day	3,903.20		-64.2%
364-day	756.26		-51.4%

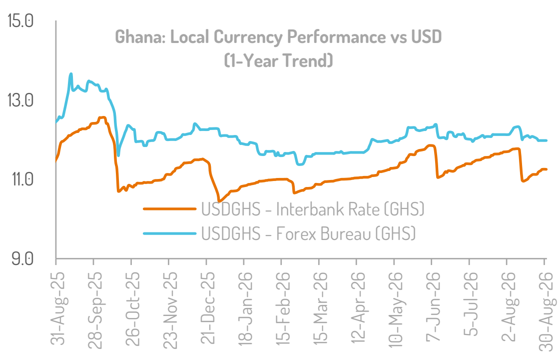
*GHS Million

Spot Exchange Rate (GHS)			
	Current Mid-Rate	Last Month	M/M Change*
USDGHS	11.25	11.69	3.87%
GBPGHS	15.26	15.75	3.26%
EURGHS	13.08	13.47	2.99%

*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
May-26	122.7	12.8%	5.4%
Jun-26	121.6	13.4%	4.4%
Jul-26	118.0	14.1%	1.3%
Aug-26	119.7	13.8%	2.8%





Kenya Market Commentary

Fixed Income

Investor demand recovered moderately in August 2026, enabling the Treasury to exceed its auction target and T-bill maturities for the month with the yield curve exhibiting a relatively stable-to-downward bias as expected. We noted a surprise redistribution of bids away from the 91-day into the 182- and 364-day tenors with the longer-end of the T-bill curve gaining the most rise in bids. In our view, the shift in bids concentration suggests the market pricing the recent inflationary pressure as transitory despite lingering energy price uncertainty. We however do not expect the redistribution to intensify in favour of the 364-day tenor as pricing remains largely in favour of the front-end securities.

Total bids submitted at the T-bill auctions in August were worth KES 226.5bn, exceeding the July level by 35.3% and more than enough to cover both Treasury's auction target and maturity refinancing in August 2026. The 364-day tenor attracted 20.4% of total bids (vs 13.5% share in July 2026) but faced limited downside on yield due to its low tenor premium. The Treasury accepted KES 194.7bn, higher than its refinancing obligation by 55.7% with the rejected bids to support market liquidity in September.

The yield curve was largely stable with the 91- and the 182-day yields declining by a basis point each while the 364-day yield remained unchanged. In our view, the shape of the current yield curve (elevated front-end with a compressed mid segment relative to end-2025) captures the recent inflation spike which investors do not expect to persist into the medium-term.

We foresee a slight upside risk to yields in September 2026 due to a 50.2% rise in T-bill maturities for the month to KES 187.9bn. However, we believe the MPC's decision to keep its policy rate unchanged at 8.75% and the sufficient liquidity will likely offset the upside.

Currency Market

As is the case for over 24-months, the Kenyan Shilling offered little price action to report for August 2026 (-0.3% YTD) as the USDKES curve remained flat at the KES 129. Forex Reserves stayed strong at USD 15.2bn (6.3 months import cover), preserving the near-term outlook for the USDKES pair. While real yields continue to reward near-term patience, we view the medium-term conviction as shaky and continue to flag depreciation risk further out the horizon.

Local Currency Bonds (KES)				Kenya Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Jul-27	12.97%	103.45	8.77%	May-27	7.00%	5.58%
Feb-28	11.25%	102.08	9.66%	Feb-28	7.25%	6.16%
Aug-28	12.69%	104.42	10.13%	Feb-31	9.75%	7.68%
Dec-28	12.50%	104.37	10.27%	Apr-32	8.25%	7.65%
Feb-29	12.44%	104.15	10.52%	May-32	8.00%	7.45%
May-31	10.00%	92.55	12.12%	Oct-33	7.88%	7.77%
Nov-32	12.00%	98.22	12.41%	Jan-34	6.30%	7.85%
May-33	12.65%	100.74	12.47%	Feb-34	7.88%	7.98%
Jan-34	12.86%	101.06	12.62%	Mar-36	9.50%	8.64%
Mar-34	16.00%	115.35	12.77%	Feb-48	8.25%	8.90%
Jul-34	12.34%	98.54	12.63%			
May-35	11.25%	91.80	12.83%			

Source: Central Bank of Kenya, Bloomberg, IC Insights

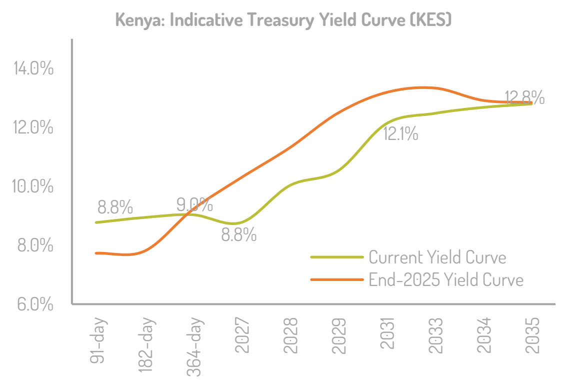
	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	8.77%	-1	104
182-day	8.94%	-1	114
364-day	9.03%	NO CHNG	-18

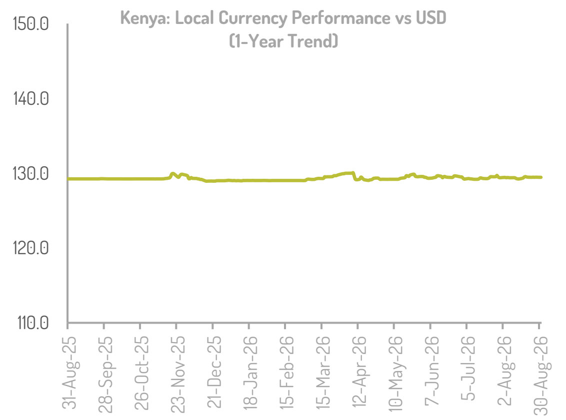
	Upcoming Maturities* (Sep-2026)	Upcoming Target* (This Week)	M/M Change in Maturities
91-day	97,494.17	24,000.00	90.8%
182-day	35,723.27		64.3%
364-day	54,676.52		4.7%

*KES Million

Spot Exchange Rate (KES)			
	Current Mid-Rate	Last Month	M/M Change*
USDKES	129.43	129.38	-0.04%
GBPKES	175.31	174.37	-0.54%
EURKES	150.29	149.14	-0.77%

*Negative change means Depreciation while Positive change means Appreciation





Nigeria Market Commentary

Fixed Income

Investor demand for Nigerian Treasury bills contracted sharply in August 2026, ostensibly due to the Central Bank's expanded access to the Open Market Operations (OMO) window and partly due to the lower T-bill target for the month. On 12 August 2026, the CBN revised its access window to OMO auctions, allowing all eligible investors including individuals, corporates, and non-bank financial institutions (previously only Deposit Money Banks (DMBs) and foreign investors) to participate through DMBs. We believe this attracted investible funds away from the T-bill auctions into the higher-yielding OMO securities. Nevertheless, the T-bill auction attracted more than enough bids to cover the target but keep yields stable at the front the mid-segment while 364-day fell.

Investors tendered total bids worth NGN 4.6 trillion, declining by 47.3% m/m in August but providing enough for the Treasury to allot more than the auction target. Total allotment was valued at NGN 2.2 trillion, covering the auction target by 3.3x but lower than the July 2026 uptake by 36.6%. The bids and allotment remained concentrated in the 364-day tenor as investors continue to favour the over 20.0% yield.

The domestic yield curve was steady at the front-to-mid segment of the T-bill curve but inched down at the back end with the 364-day yield declining by 29bps to 20.7%. The market awaits the September 2026 MPC decision on the policy rate which we expect to remain on hold at 26.5%, given the sticky inflation above 15.0% since December 2025.

Currency Market

The Nigerian Naira remained the best performing currency within our selected African FX universe, returning a 2.4% m/m appreciation (+8.1% YTD) against the US Dollar in August 2026. The CBN's decision to remove the restriction on banks accessing the Discount Window after participating in the Nigerian Foreign Exchange Market (NFEM) has boosted the number of FX deal and turnover, supporting the Naira's appreciation in August.

In our view, Nigeria remains the standout carry trade with an 8.1% YTD FX gain paired with a 26.5% policy rate and attractively priced OMO and T-bill rates. This will continue to anchor portfolio flows in the near-term and reinforce Naira stability in the month ahead.

Local Currency Bonds (NGN)				Nigeria Eurobonds (USD)		
Maturity	Coupon	Price	Yield	Maturity	Coupon	Yield
Apr-29	14.55%	95.27	16.80%	Nov-27	6.50%	5.70%
Feb-31	18.50%	104.13	17.14%	Sep-28	6.13%	5.99%
Apr-32	12.50%	83.38	17.19%	Mar-29	8.38%	5.94%
Feb-34	19.00%	107.92	17.08%	Feb-30	7.14%	6.23%
Jul-34	12.15%	78.95	17.10%	Jan-31	8.75%	6.53%
Mar-35	12.50%	79.61	17.11%	Feb-32	7.88%	6.70%
Mar-36	12.40%	78.15	17.12%	Sep-33	7.38%	6.96%
Apr-37	16.25%	95.45	17.18%	Feb-38	7.70%	7.46%
Jun-38	15.45%	90.44	17.36%	Nov-47	7.63%	7.89%
Jan-42	13.00%	85.45	15.50%	Jan-49	9.25%	8.09%
Apr-49	14.80%	96.79	15.30%	Sep-51	8.25%	8.17%
Mar-50	12.98%	85.06	15.34%			
Jun-53	15.70%	105.19	14.90%			

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

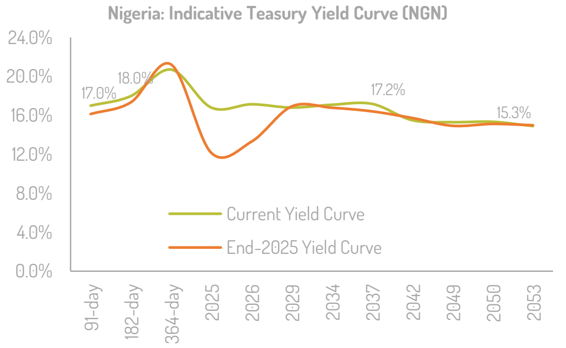
	Nominal Yield	M/M Change (bps)	YTD Change (bps)
91-day	16.99%	NO CHNG	86
182-day	17.98%	NO CHNG	64
364-day	20.70%	-29	-53

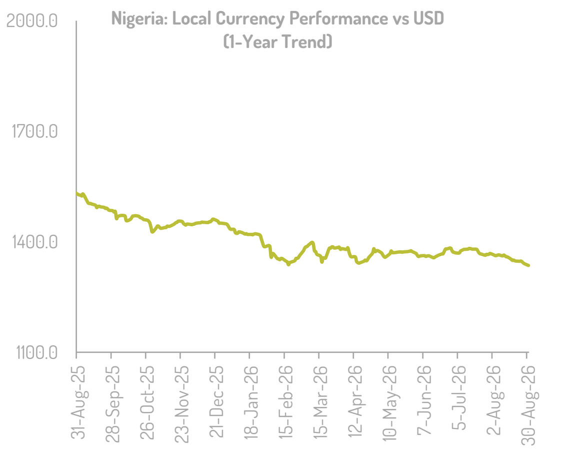
Selected Macroeconomic Indicators			
	Latest Available	Same Period Last Year	Y/y Change (bps)
Inflation*	15.43%	24.90%	-9.47%
GDP growth**	4.43%	4.23%	0.20%
MPR	26.50%	27.50%	-1.00%

*July 2026 I **2Q2026

Official Spot Exchange Rate (NGN)			
	Current Mid-Rate	Last Month	M/M Change
USDNGN	1335.51	1368.24	2.45%
GBPNGN	1808.88	1844.86	1.99%
EURNGN	1551.06	1577.58	1.71%

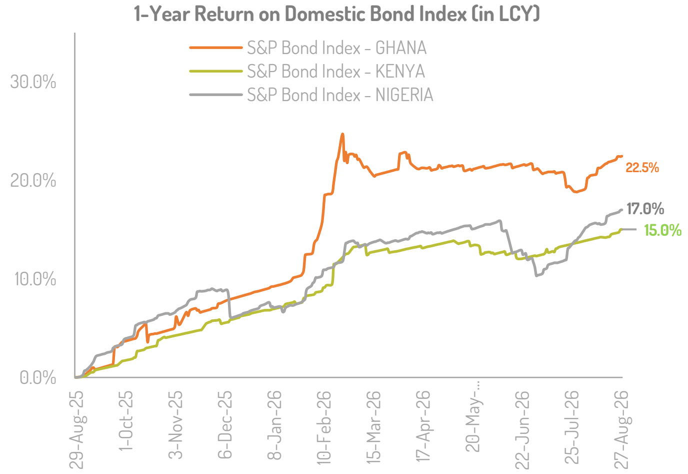
*Negative change means Depreciation while Positive change means Appreciation



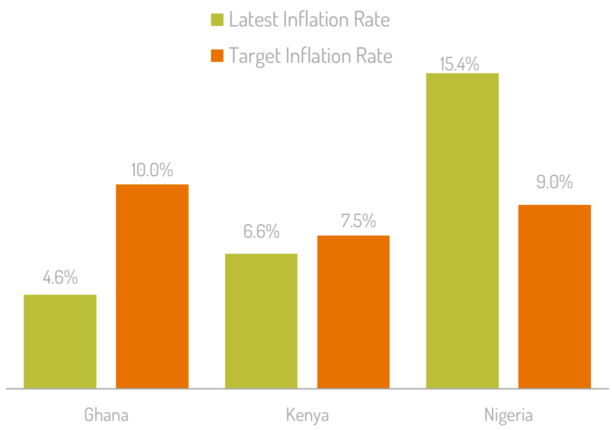


	Comparative Yields for Domestic Treasury Bonds in LCY and USD-adjusted Rates					
	Ghana		Kenya		Nigeria	
	GHS Yield	USD-adjusted Yield	KES Yield	USD-adjusted Yield	NGN Yield	USD-adjusted Yield
2027	10.80%	5.82%	8.77%	4.31%	17.19%	4.68%
2028	12.91%	7.84%	10.02%	5.51%	17.08%	4.58%
2029	13.86%	8.74%	10.52%	5.99%	17.10%	4.60%
2030	14.24%	9.10%	11.32%	6.75%	17.13%	4.62%
2031	14.50%	9.35%	12.12%	7.52%	17.10%	4.59%
2032	14.60%	9.45%	12.41%	7.80%	17.11%	4.61%
2033	14.90%	9.74%	12.47%	7.86%	17.23%	4.71%

Source: Bloomberg, IC Insights

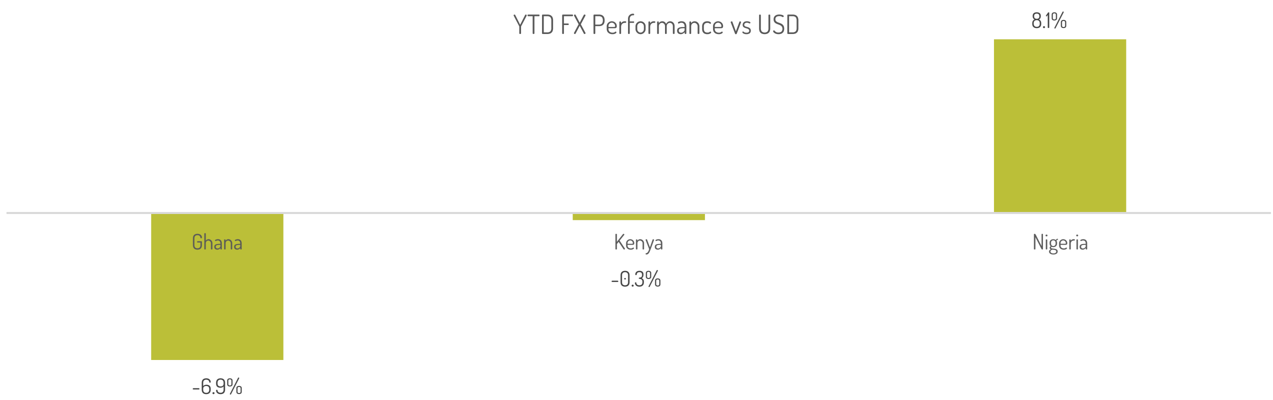


Source: S&P Global



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	11.25	3.9%	-6.9%	15.26	3.3%	-7.5%	13.08	3.0%	-5.9%
Kenya	129.43	0.0%	-0.3%	175.31	-0.5%	-1.0%	150.29	-0.8%	0.7%
Nigeria	1335.51	2.5%	8.1%	1808.88	2.0%	7.5%	1551.06	1.7%	9.4%



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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