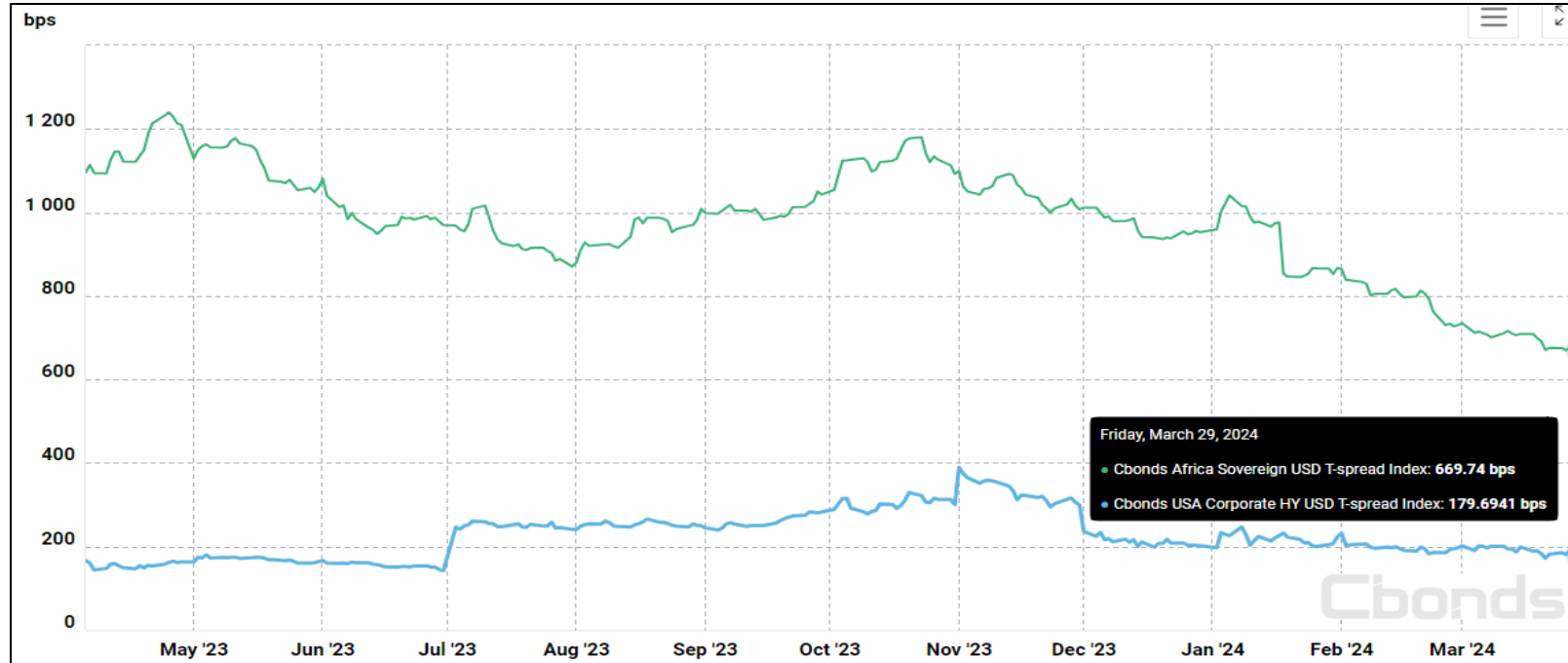




SUB-SAHARAN AFRICA

RETURN OF THE YIELD HUNT



Tighter than summer 2023 narrows – 620bps end July 23 vs 490bps end March 24
Cycle wides at 1,070bps April 23

RETURN OF THE YIELD HUNT



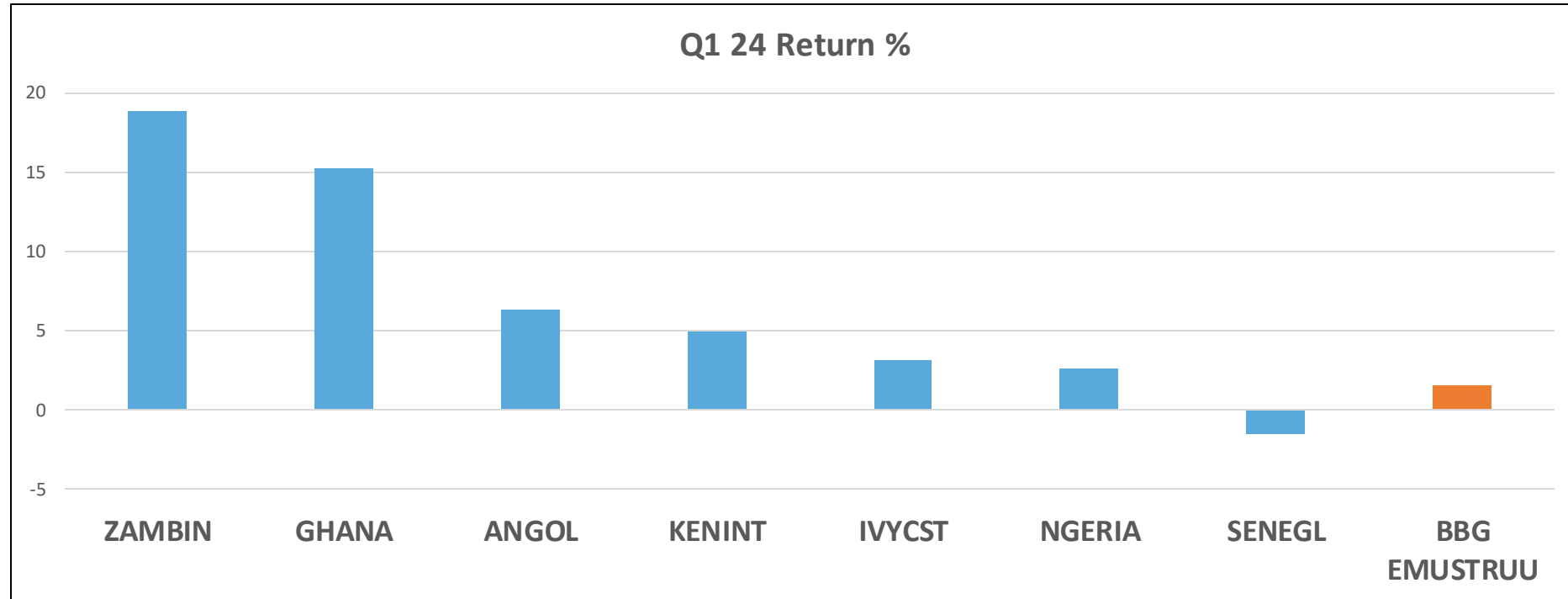
EUROBOND DEBT

Issuance picked up as financial conditions loosened – BFCIUS 1.189 in March vs 1.224 June 21

Total market size equiv USD70bn

Debt primarily in USD, c.83%

RETURN OF THE YIELD HUNT

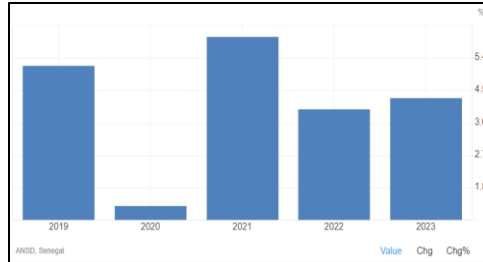


Distressed outperformance
Comparatively subdued performance by better credits

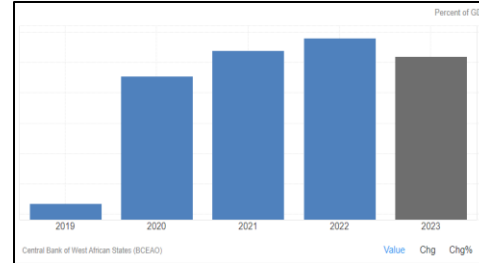


SENEGAL

GDP Growth

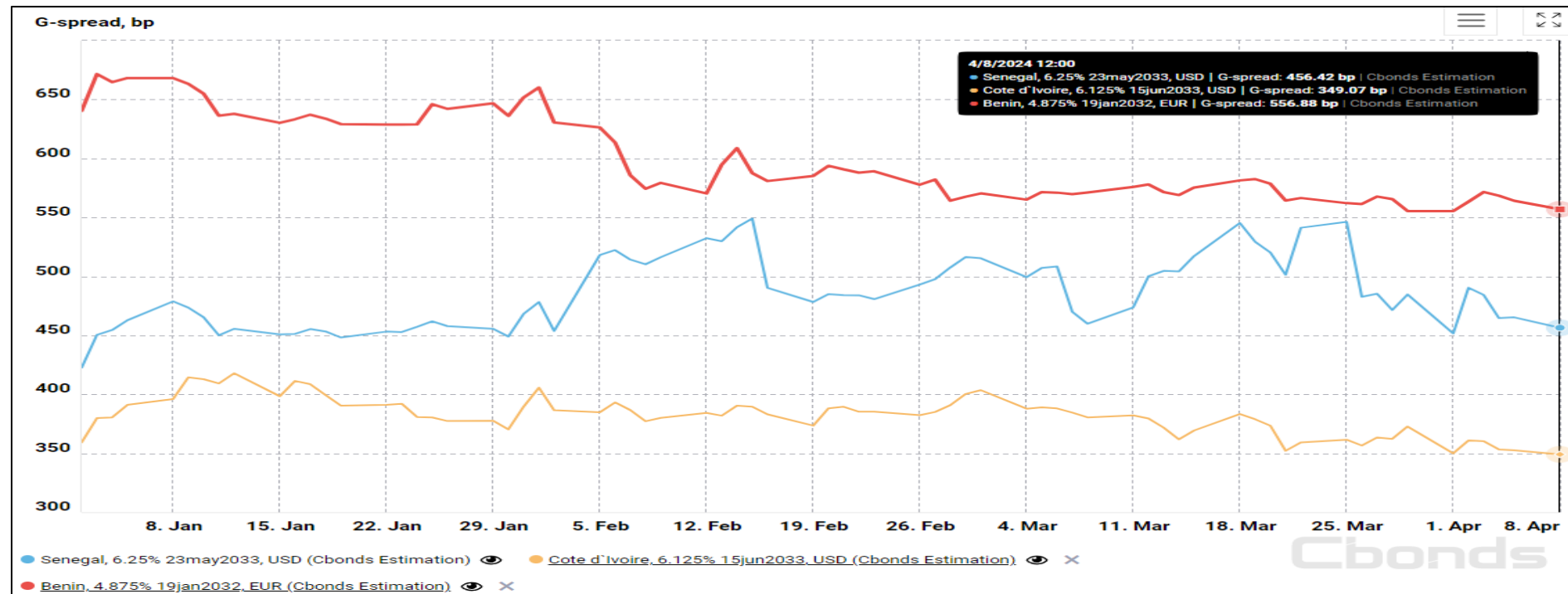


Debt-to-GDP



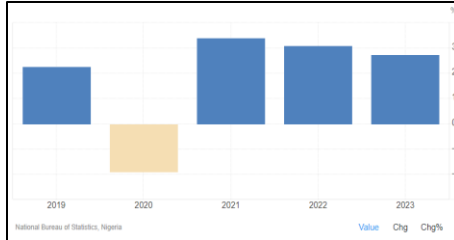
One of few to grow in 2020, 5Y pre-COVID growth 6.3%
Debt-to-GDP picked up during COVID, at IMF's threshold

Political noise during election build up weighed
GDP to pick up as oil production starts

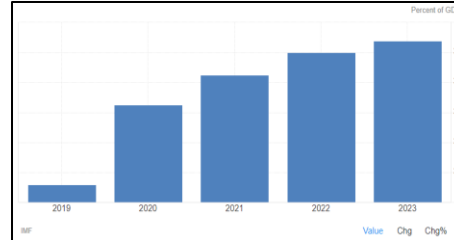


NIGERIA

GDP Growth

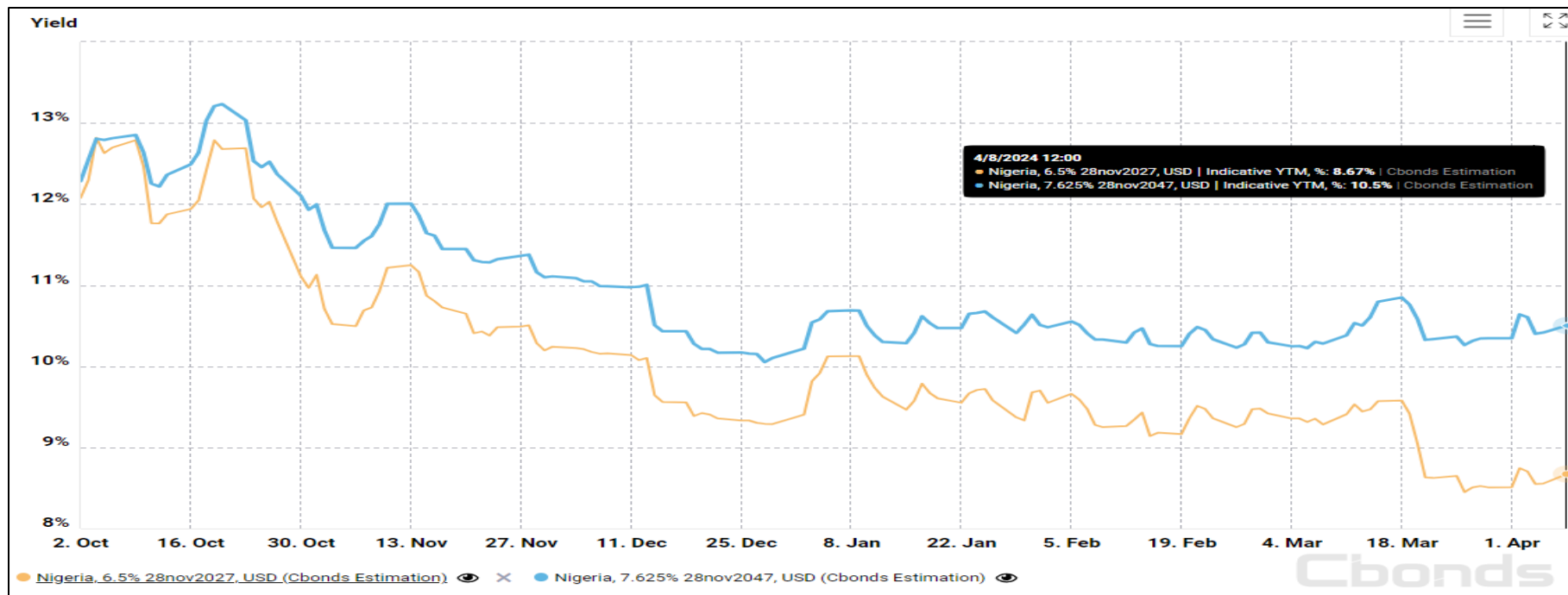


Debt-to-GDP



Reform momentum carried on into 2024
FX backlog cleared, and FX market liberalised even further

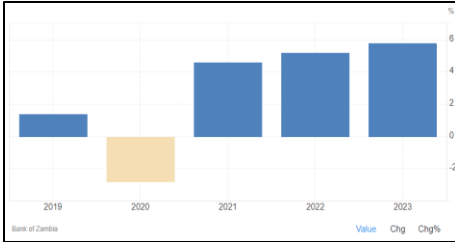
Revenue generation still an issue despite high oil prices



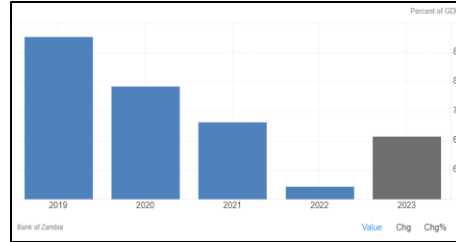


ZAMBIA

GDP Growth



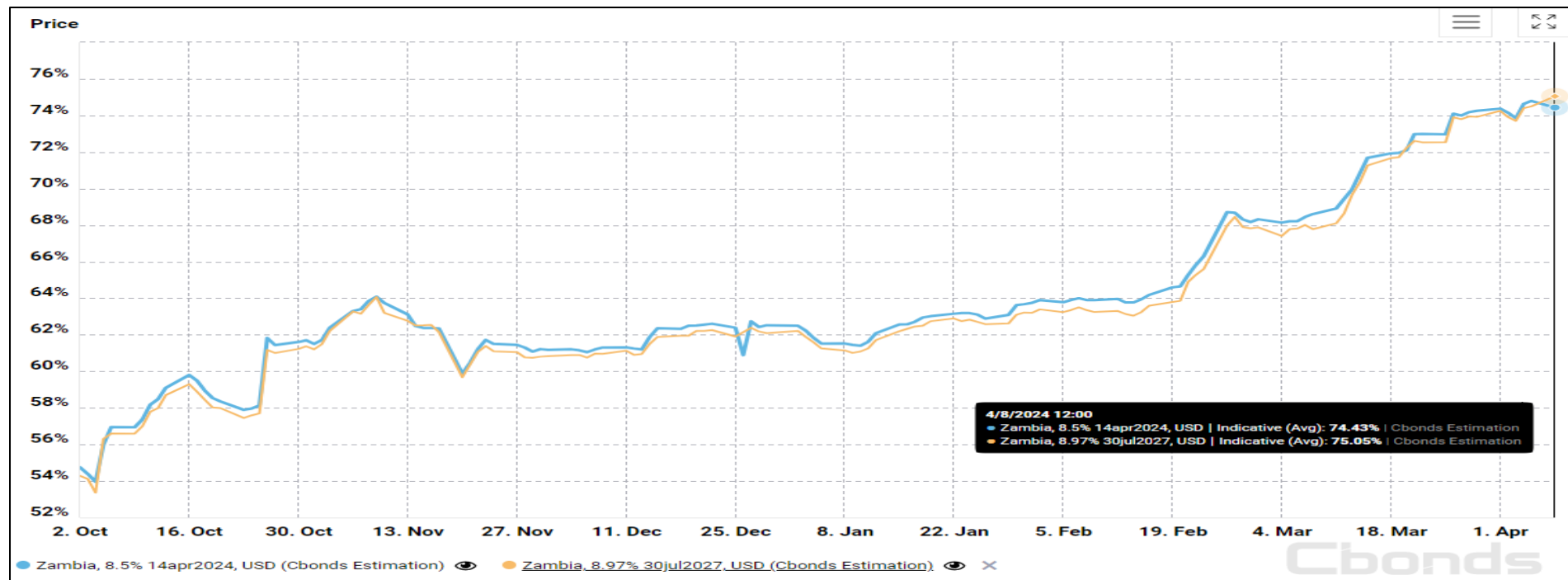
Debt-to-GDP



Growth rebounded since 2020 contraction
IMF programme till 2025 at 100% of quota
First to successfully restructure under G20's Common Framework

Upside case sees maturity on Eurobond and OCC debt brought forward
Trigger activated:

- 3Y rolling average of USD exports and USD-equiv fiscal revenues exceed IMF forecast, OR
- IMF Composite Indicator exceeds 2.69 threshold – medium debt carrying capacity





Composite Index (IMF): Restructuring

Components	Coefficients (A)	10-year average values (B)	CI Score components (A*B) = (C)	Contribution of components
CPIA				
	0.385	3.157	1.22	47%
Real growth rate (in percent)	2.719	3.404	0.09	4%
Import coverage of reserves (in percent)	4.052	28.751	1.17	45%
Import coverage of reserves^2 (in percent)	-3.990	8.266	-0.33	-13%
Remittances (in percent)	2.022	1.676	0.03	1%
World economic growth (in percent)	13.520	2.889	0.39	15%
CI Score			2.57	100%
CI rating			Weak	

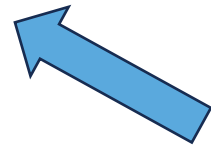
World economic growth key metric

Upside case sees Eurobond debt service grow to at least \$700m pa from 2032

OCC debt service grows to over \$920m pa from 2033

BIRD'S EYE VIEW

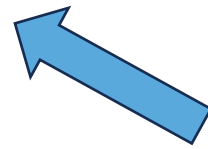
Reduced political risk
Inflation still sticky



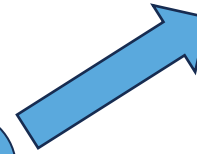
Overall
themes

BIRD'S EYE VIEW

Reduced political risk
Inflation still sticky

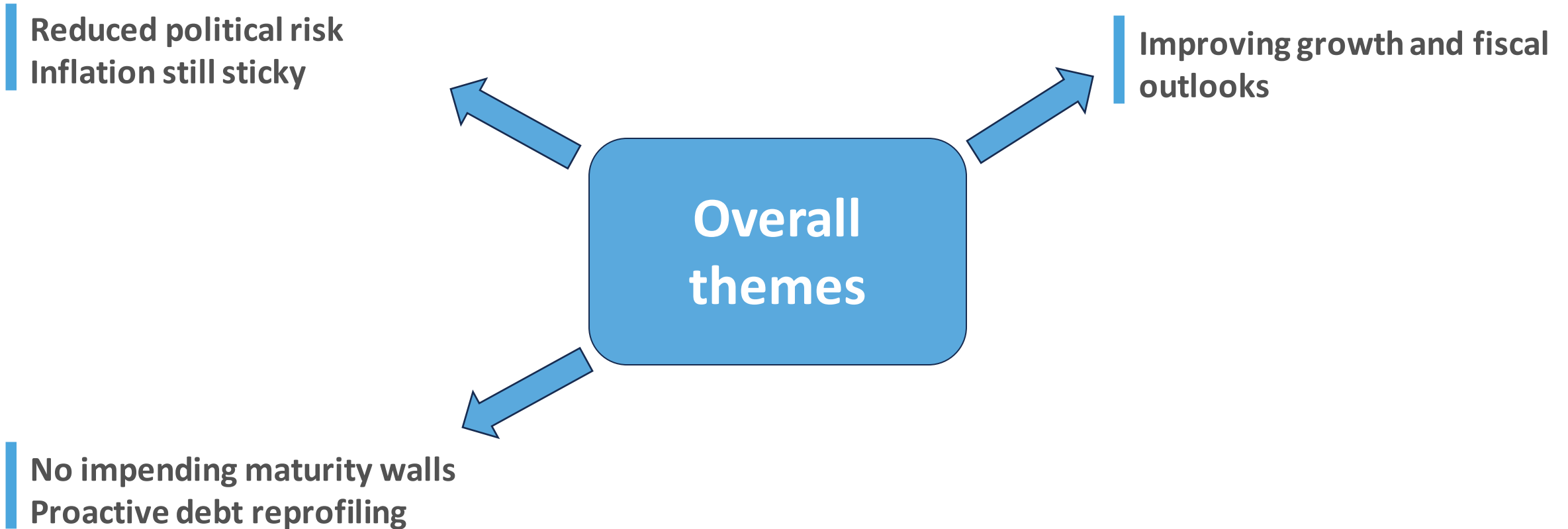


Overall
themes



Improving growth and fiscal
outlooks

BIRD'S EYE VIEW



BIRD'S EYE VIEW

