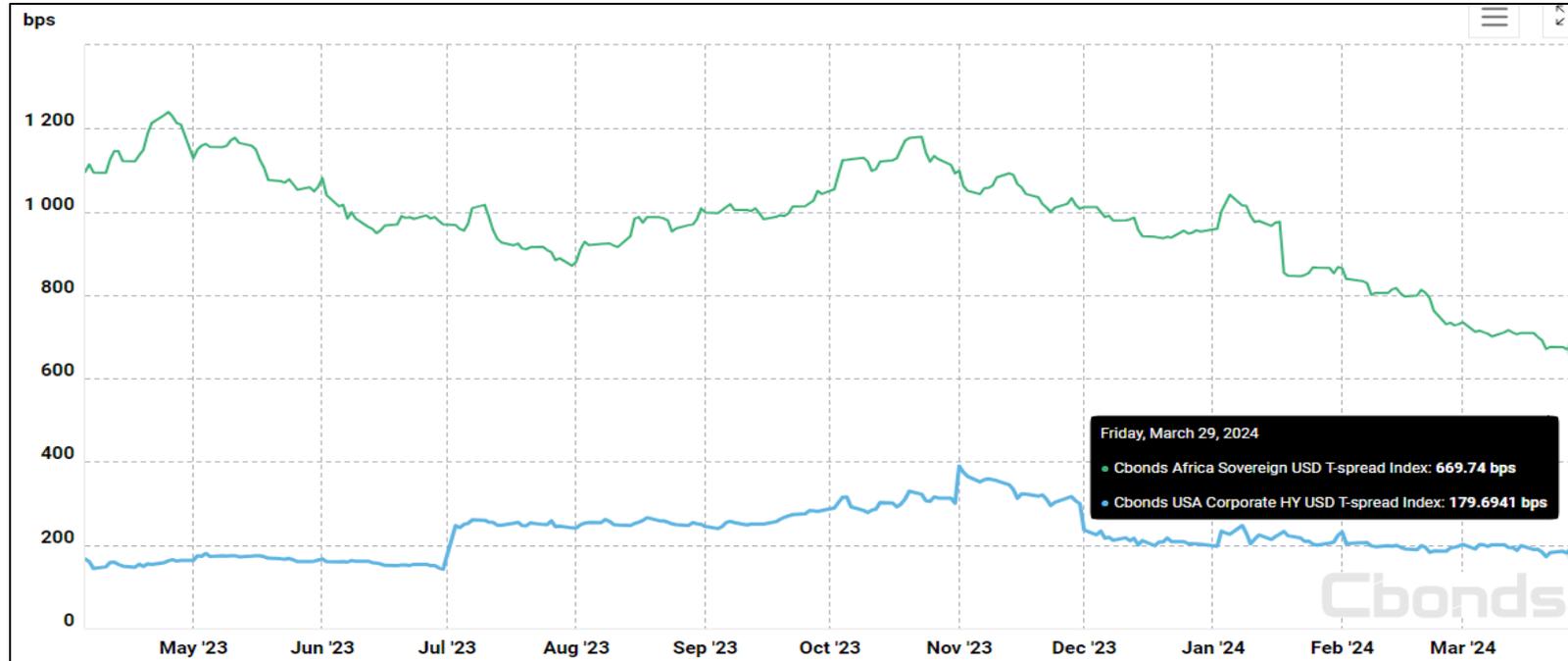




SUB-SAHARAN AFRICA

RETURN OF THE YIELD HUNT



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

RETURN OF THE YIELD HUNT



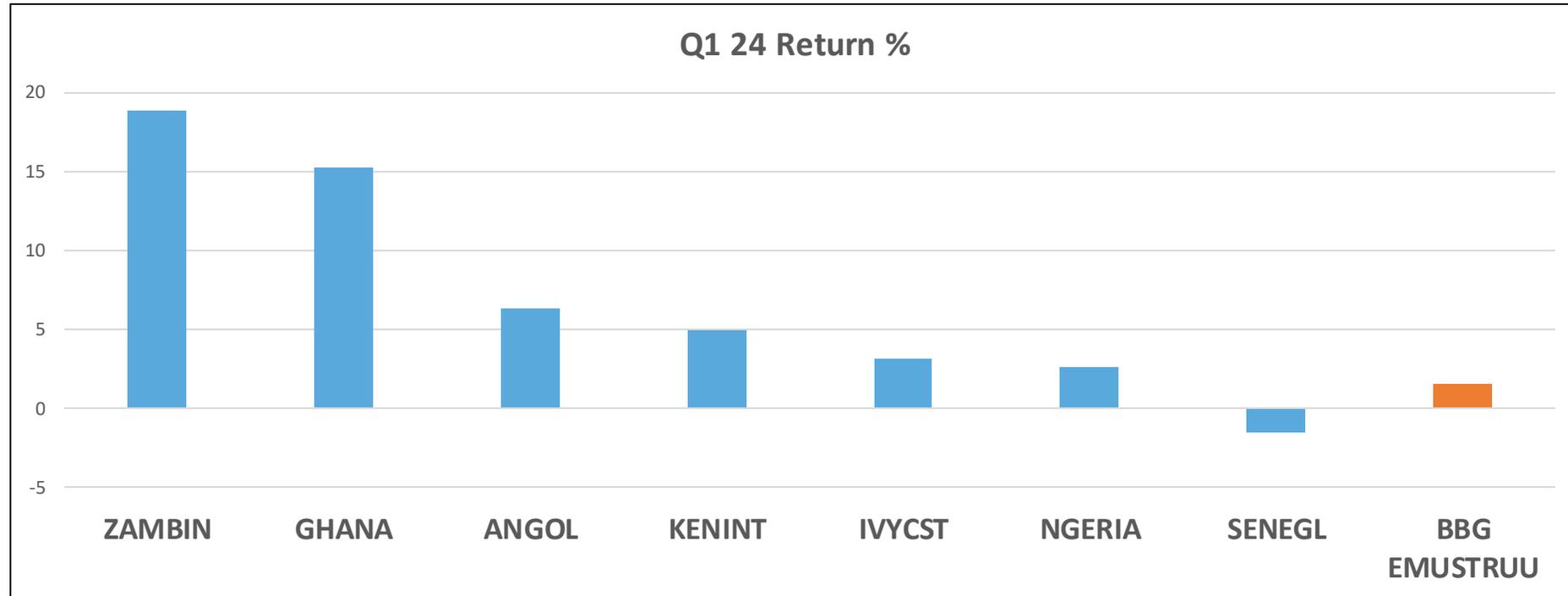
EUROBOND DEBT

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

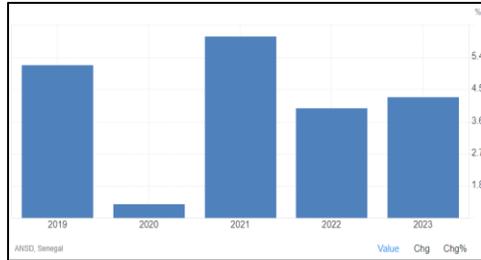


Distressed outperformance
Comparatively subdued performance by better credits

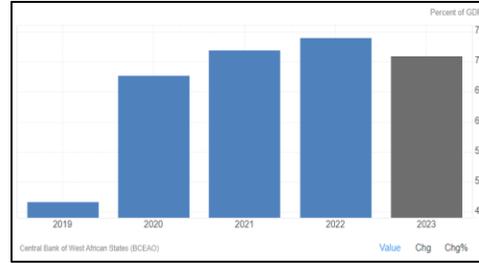


SENEGAL

GDP Growth

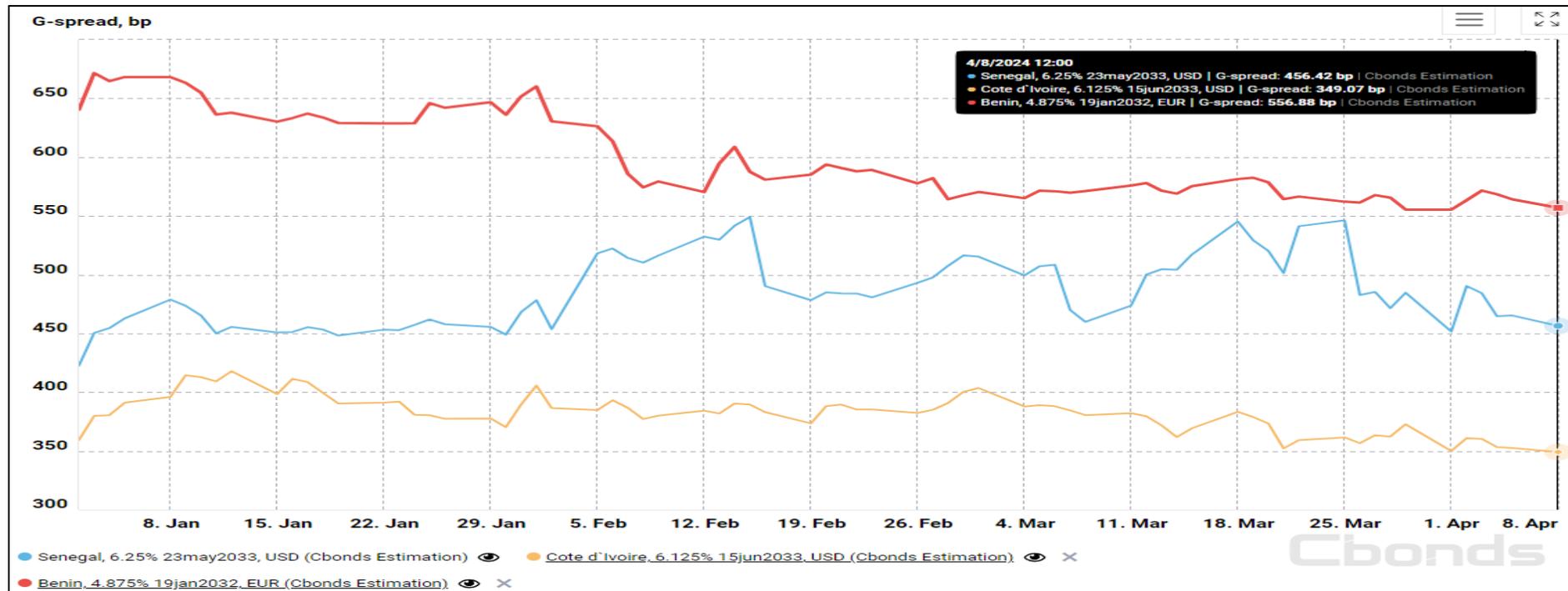


Debt-to-GDP



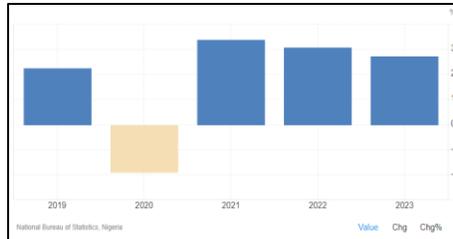
One of few to grow in 2020, 5Y pre-COVID growth 6.3%
Debt-to-GDP picked up during COVID, at IMF's threshold

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

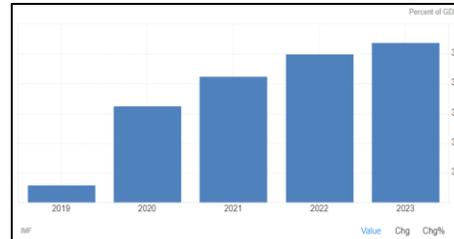


NIGERIA

GDP Growth

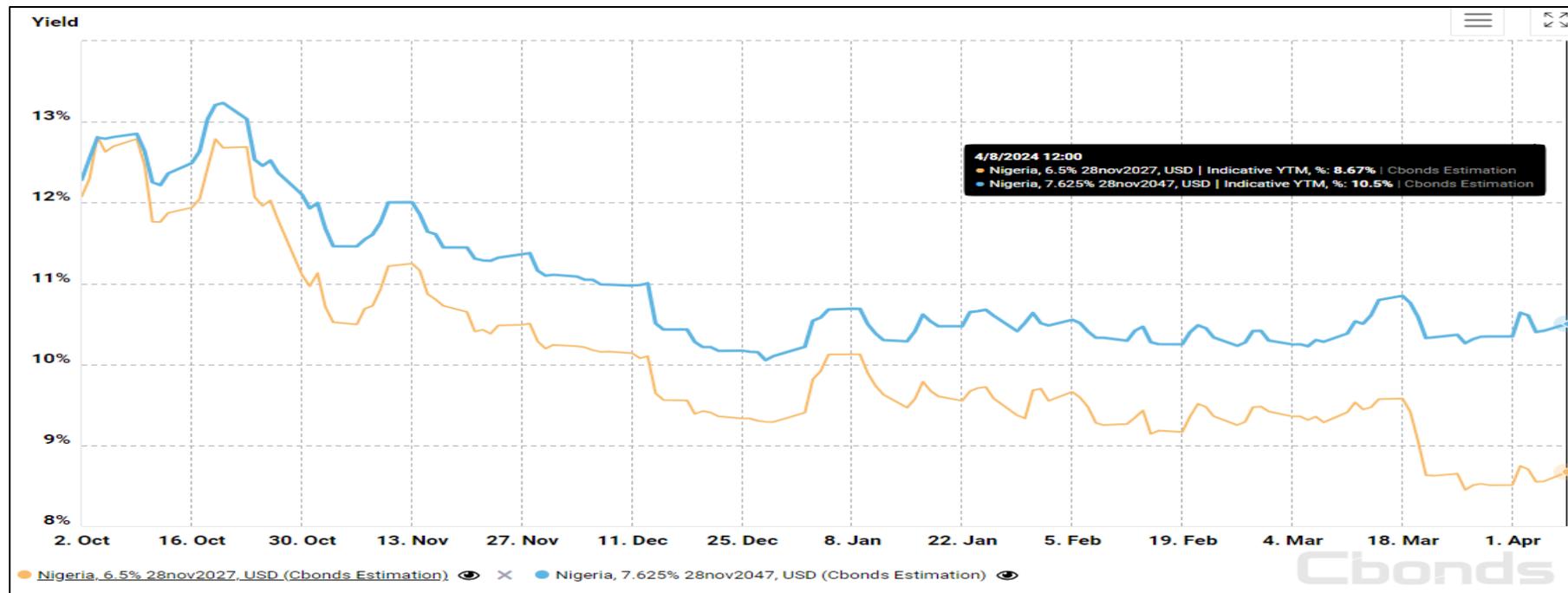


Debt-to-GDP

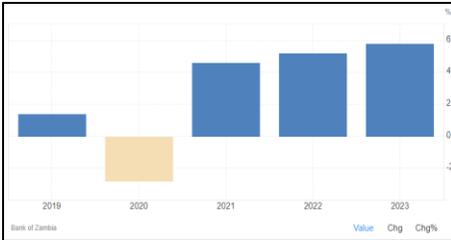


Reform momentum carried on into 2024
FX backlog cleared, and FX market liberalised even further

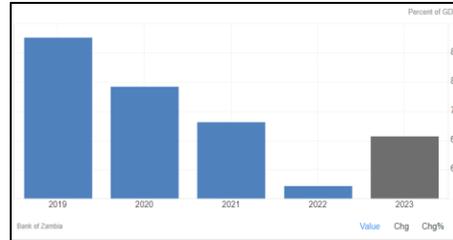
Revenue generation still an issue despite high oil prices



GDP Growth

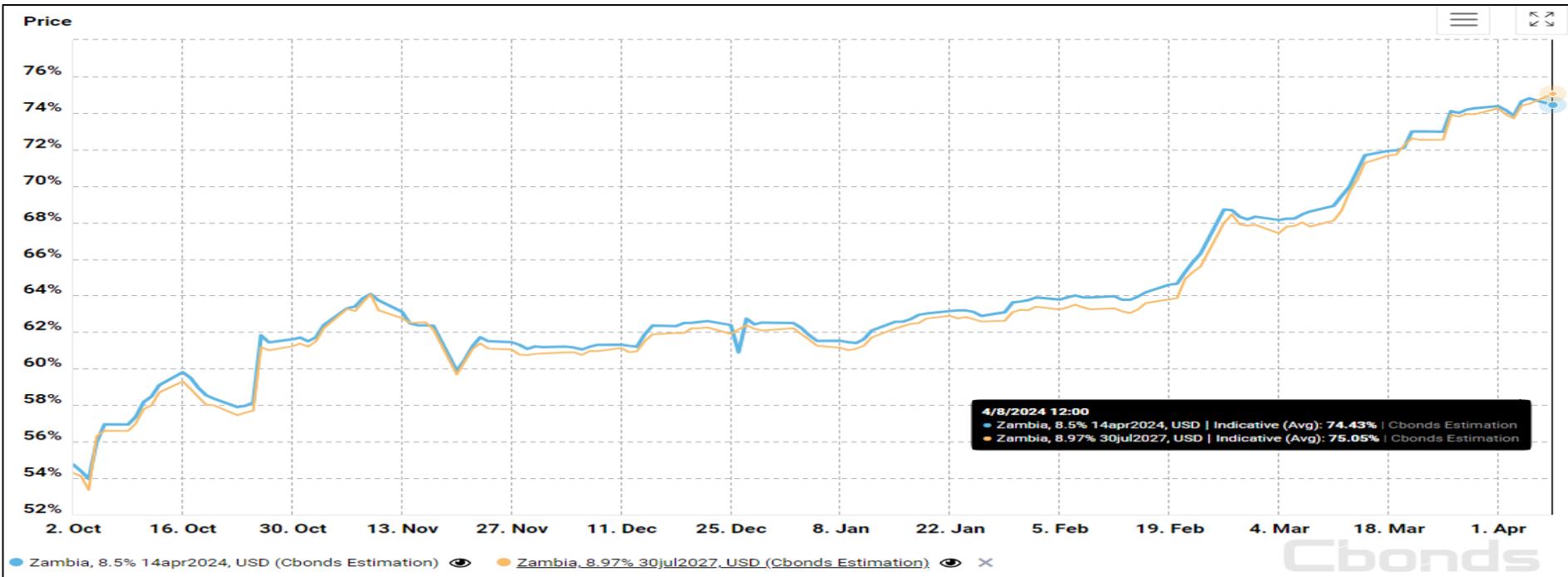


Debt-to-GDP



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	

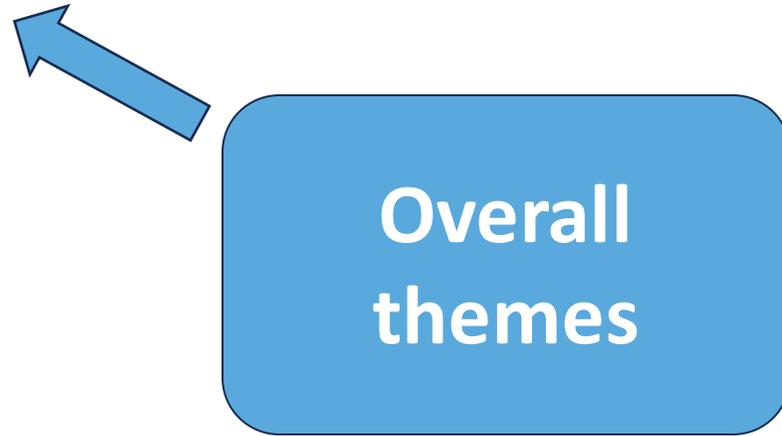
World economic growth key metric

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

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

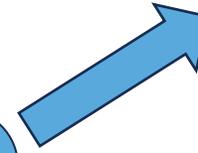
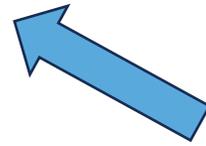
BIRD'S EYE VIEW

Reduced political risk
Inflation still sticky



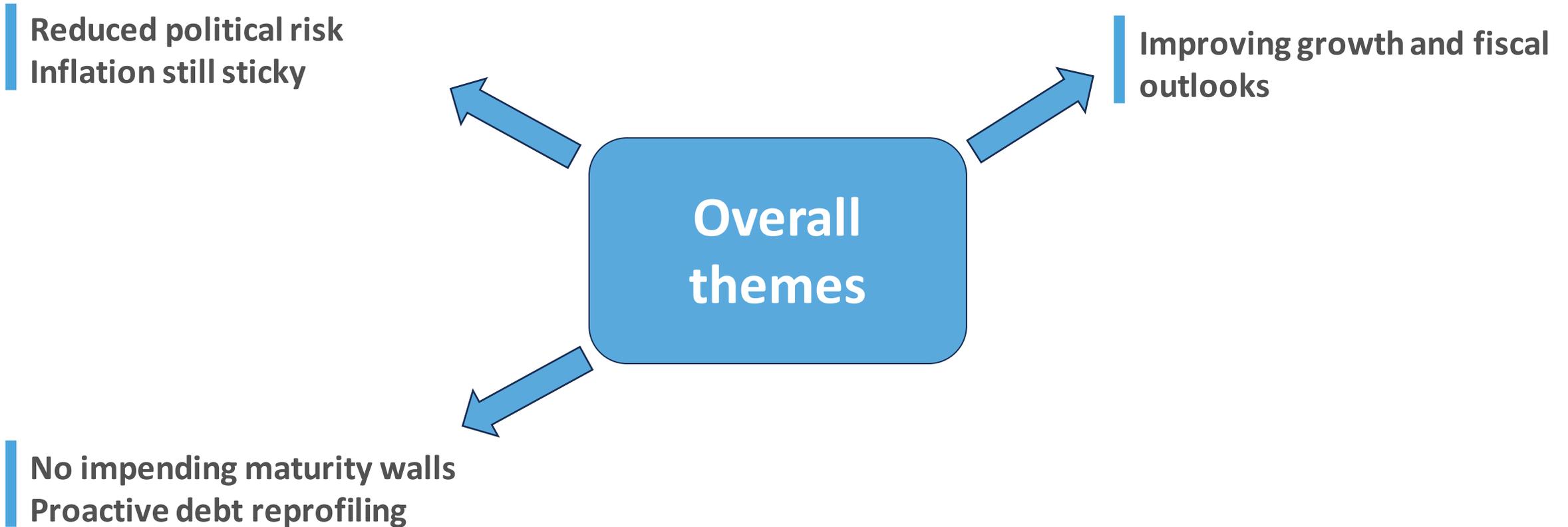
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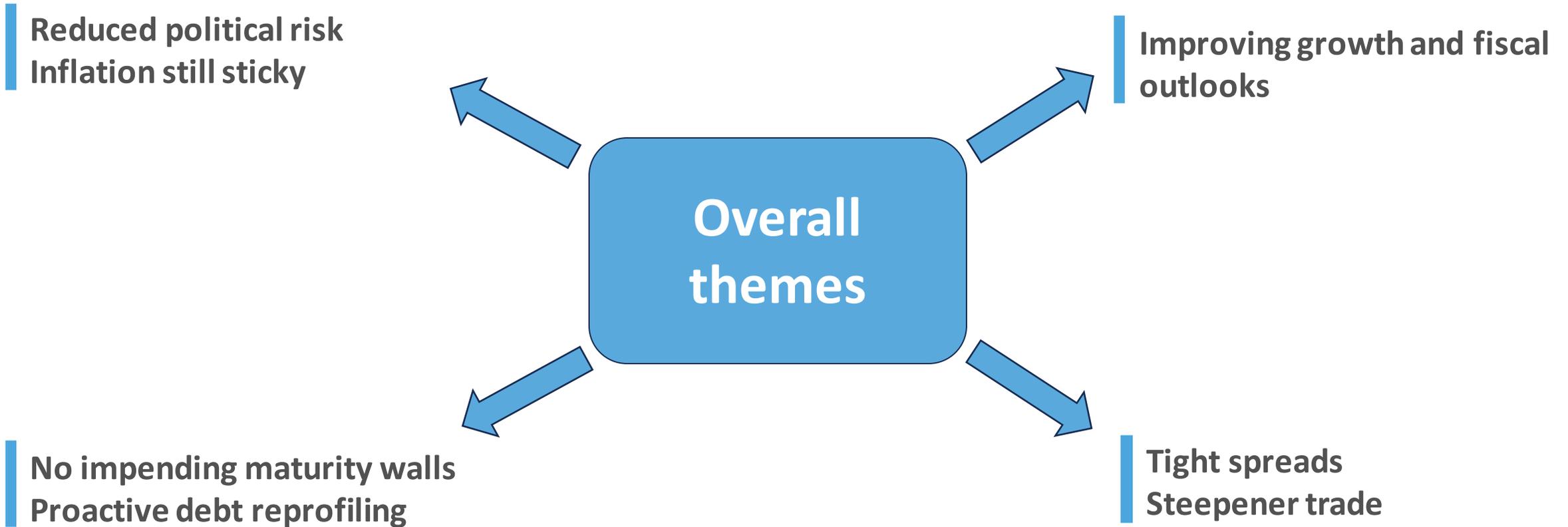


Improving growth and fiscal
outlooks

BIRD'S EYE VIEW



BIRD'S EYE VIEW



 **MeritKapital**