Nine signals every West African asset owner should act on now

Sourced from market intelligence, CBN, BoG, BCEAO, PenCom, NGX, IMF, ECOWAS, Bloomberg, Reuters, and Ecofin Agency · Pension funds · SWFs · Insurers · Reserve managers · Family offices · Endowments

NIGERIA CBN MPR	GHANA BOG POLICY RATE	BCEAO POLICY RATE
26.50%	14.00%	3.00% / 5.00%
→ Held; no June MPC — next meeting July 20–21	→ Held; cedi stabilising but still down sharply on the year	→ Held since June 10 Dakar MPC — UEMOA bloc

NAFEM RATE	GHANA CEDI (USD/GHS)	SENEGAL EUROBOND PRICE
₦1,380.93/$	+3.52% (1-month)	55–72¢
↓ Eased from ₦1,356 as the dollar firms broadly	↑ Recovering on BoG support; still −8.83% over 12 months	↑ Off the lows as IMF talks resume; still distressed

CÔTE D'IVOIRE EUROBOND YIELD	NIGERIA PENSION AUM	CFA FRANC PEG (XOF/EUR)
5.39%	₦29.4trn	655.957
→ Unchanged; debt steady near 59.3% of GDP	→ PFA count holds at 18; equity deployment still early	→ Fixed since 1999 — anchors 8-state UEMOA bloc

Pension funds · Sovereign wealth funds · Insurers · Reserve managers · Family offices · Endowments

PART ONE · REGIONAL MONETARY ANCHORS

01 Three monetary playbooks hold their course — and Nigeria's July 20–21 meeting is now the region's key date

With Nigeria's MPC still on hold at 26.50% since skipping its June meeting, Ghana's BoG unchanged at 14.00%, and the eight-state BCEAO bloc steady since its June 10 Dakar meeting, West Africa's three-tier rate structure this brief flagged last week remains exactly in place — with Nigeria's July 20–21 MPC now the nearest live decision point on the regional calendar.

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- Nigeria's 26.50% rate continues to sit roughly 1,250bp above Ghana's 14.00% and more than 20 points above the BCEAO bloc's near-single-digit benchmark — the gap has not narrowed, and with the naira easing back toward ₦1,380.93/$ on broad dollar strength, the case for an early Nigerian cut has, if anything, weakened further
- The naira's retreat from ₦1,356 is consistent with the same global dollar strength this brief is tracking elsewhere this week (DXY firming to multi-week highs) rather than a Nigeria-specific shock — useful context for the July 20–21 MPC, which will be weighing a global, not purely domestic, currency backdrop
- Ghana's cedi showing its first month of stabilisation since this brief began tracking the slide gives the BoG's 14.00% hold a slightly stronger justification than it had a month ago, even as the twelve-month picture remains decisively negative
- The BCEAO's euro-anchored rate structure remains unchanged in substance and rationale — the bloc continues to import the ECB's policy stance via the CFA franc peg, a structurally different regime from both Nigeria's and Ghana's independent, inflation-targeting frameworks

MODEL THIS
Continue running Nigeria, Ghana, and BCEAO/UEMOA fixed income exposure on three independent rate paths. Mark July 20–21 as the next live event risk for Nigerian naira and rate exposure specifically.

02 Ghana's cedi shows its first real month of stabilisation — but the 12-month damage hasn't been undone

Ghana's cedi has appreciated 3.52% against the dollar over the past month, a genuine reversal after the steep year-to-date slide this brief flagged previously, even as the currency remains down 8.83% over the trailing twelve months — a partial recovery, not yet evidence the post-IMF credibility question has been resolved.

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- A month of appreciation following the Bank of Ghana's escalated FX intermediation support is the kind of result that support was designed to produce — the open question is whether it reflects a durable shift in market sentiment or a temporary effect of sustained intervention that fades once support tapers
- The gap between the 1-month and 12-month figures — a 3.52% gain against an 8.83% trailing loss — shows the recovery has not come close to reversing the bulk of the year's depreciation; allocators should resist reading one good month as a resolved trend
- The BoG's 14.00% hold through both the slide and the recent stabilisation suggests the central bank continues to prioritise growth and credit conditions over using rates as the primary currency-defence tool, leaning instead on direct FX intermediation as the mechanism doing the work
- For allocators with cedi exposure, the practical task now is distinguishing a genuine inflection from a support-driven pause — at least two to three more months of stable or improving data would be needed before treating this as more than a welcome respite

WATCH
Track whether the cedi's 1-month gain extends through Q3 once BoG support normalises. A reversal back toward the trailing 12-month trend would confirm the credibility question this brief raised remains unresolved.

PART TWO · WEST AFRICAN SIGNALS

03 Senegal's political temperature cools slightly as IMF talks show signs of resuming

Weeks after President Faye's dismissal of Ousmane Sonko triggered the standoff this brief tracked closely, early signs point to a cooling of the confrontation between the presidency and a National Assembly now led by the ousted former prime minister, with preliminary contacts toward restarting engagement with the IMF reportedly underway — even as Senegal's Eurobonds, still trading in distressed territory, have edged up from their lows.

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- Any genuine de-escalation between the presidency and Speaker Sonko's parliament would materially change the execution-risk picture this brief flagged for Prime Minister Lo's government — a technocratic, IMF-friendly PM negotiating against an openly hostile legislature was always going to be harder to land than the same negotiation with a cooperative one
- Bond prices edging up from the 50–70 cent range toward the upper end of that band is a market signal worth taking seriously but not over-reading — distressed-range pricing with a modest improvement is still distressed-range pricing, and investors continue to price meaningful loss-given-default
- The underlying fiscal arithmetic has not changed: public debt above 130% of GDP and roughly $1.1bn in Eurobond repayments due between 2026 and 2028 remain the structural constraint regardless of how the political weather shifts week to week
- For African sovereign credit allocators, this remains a live restructuring case, not a watch-list item — a resumption of IMF engagement would be a necessary precondition for any orderly outcome, but is not itself evidence that one has been reached

REASSESS
Continue marking Senegal sovereign exposure to market, not par. Treat reports of resuming IMF talks as a potentially constructive signal worth confirming, not yet a resolution of the restructuring question.

04 Côte d'Ivoire's credit story stays decoupled from its currency-union neighbour

Côte d'Ivoire's Eurobond continues trading around the 5.39% yield it priced at, with debt steady near 59.3% of GDP and 2026 growth still forecast at 6.7% — a continuation of the stable, investor-friendly trajectory that stands in sharp contrast to fellow UEMOA member Senegal's distressed pricing and unresolved political standoff.

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- A sub-6% yield holding steady, rather than drifting wider in sympathy with regional headlines out of Senegal, reinforces the point this brief made last week — currency union does not imply credit convergence, and the market continues to price the two sovereigns on entirely separate curves
- Debt sustainability at 59.3% of GDP, against Senegal's figure above 130%, remains the core driver of the pricing gap, and nothing this week has narrowed that gap in either direction
- A steady 6.7% growth forecast continues to support the case that Côte d'Ivoire is one of the faster-growing economies in the region, with fundamentals reinforcing rather than merely coinciding with favourable market access
- For UEMOA relative-value positioning, the continued stability of this gap argues for maintaining, rather than revisiting, the two-tier framework this brief has applied to the currency union's sovereign credits

POSITION
Continue treating UEMOA sovereign credit as two-tier, not one bloc. Côte d'Ivoire's stability and Senegal's distress remain two separate stories inside the same currency union.

05 Nigeria's widened pension equity ceilings remain mostly unspent — deployment is the signal to track next

Several weeks on from PenCom raising RSA Fund I and II equity ceilings to 35% and 33% respectively, unlocking an estimated ₦1.6 trillion in fresh headroom, actual PFA deployment into listed equities continues to lag the announcement — consistent with this brief's expectation that allocation ceiling changes show up in flows over quarters, not weeks.

PENSION FUNDS · INSURERS · SWFS

- The lag between a ceiling increase and actual capital deployment is normal and expected — PFAs typically move methodically given fiduciary obligations and existing portfolio construction processes, so the absence of an immediate flow surge is not itself a signal that the ceiling change is being ignored
- ₦1.6 trillion in newly permissible headroom against a now-₦29.4 trillion pension pool remains large enough to be a structural flow story for the NGX whenever deployment does pick up — the scale of the opportunity has not diminished simply because it hasn't yet materialised
- The NGX's continued correction (see Signal 08) arguably makes this a more attractive entry window for PFAs beginning to deploy into the new headroom than the elevated levels seen in May — worth watching whether administrators read the pullback as opportunity or additional reason for caution
- The proposed Nigerian Pension Industry Investment Consortium for infrastructure, flagged alongside the equity ceiling change, continues to be designed in the background — allocators should track its structure and any development finance institution de-risking commitments as a second, related flow story

TRACK
Continue monitoring PFA equity allocation data over the coming quarters for evidence of deployment against the 35%/33% ceilings. The NGX correction may make this a more opportune entry window than the one available when the ceilings were first raised.

06 Nigeria's PFA count holds at 18 — consolidation pauses, but the structural direction hasn't reversed

The number of licensed Nigerian pension fund administrators has held steady at 18 this week, following the consolidation from 20 that preceded the extended June 2027 recapitalisation deadline — a pause, not a reversal, in the structural shift toward fewer, larger administrators this brief has tracked.

PENSION FUNDS · INSURERS

- A pause in the count after an initial wave of consolidation is a normal pattern — mergers tend to cluster around specific triggers rather than proceed at a constant pace, and the underlying incentives (scale advantages, technology costs, the new equity ceilings) that drove the 20-to-18 move remain fully in place
- Fewer, larger PFAs managing a ₦29.4 trillion and growing pool continues to concentrate both execution capability and counterparty risk — the structural picture allocators should be tracking has not changed simply because the headline number held steady for one more week
- With over a year remaining before the June 2027 recapitalisation deadline, a temporary pause in consolidation activity should not be read as evidence the process has run its course — further mergers remain a live possibility well before the deadline itself
- The combination of an 18-administrator market and newly widened equity mandates continues to point toward a smaller number of larger, more growth-oriented PFAs over the medium term — the direction of travel is unchanged even as this week brought no new movement

NOTE
Keep PFA counterparty lists current at 18 administrators, and continue watching for further consolidation well ahead of the 2027 recapitalisation deadline rather than assuming the process has paused permanently.

07 Nigeria's fixed income paradox persists as reserves hit a fresh record and inflation eases from its peak

Nigeria's external reserves climbed to a fresh record of $51.24bn even as May's inflation print eased to 15.93% — continued progress on two of the metrics this brief has tracked closely — while the underlying tension between strong external buffers and a domestic bond market still working through elevated yields has not fully resolved.

PENSION FUNDS · INSURERS · RESERVE MANAGERS

- A fresh reserve record above $51bn, building on the $50.81bn and $51.04bn levels this brief noted in recent weeks, confirms the upward trajectory is durable rather than a one-off spike — reserves have now posted gains in every recent reading
- May's inflation print easing to 15.93% is the clearest evidence yet that the disinflation process Nigeria has been pursuing is making genuine progress, even if the level remains high in absolute terms and well above the CBN's own medium-term objectives
- The IMF's previously flagged naira overvaluation concern remains a relevant caveat even as reserves and inflation both move in the right direction — strong headline metrics do not automatically resolve questions about the currency's underlying fundamental value
- For pension funds and insurers running domestic-currency bond books, the combination of record reserves and easing inflation is constructive, but the July 20–21 MPC meeting remains the next point where the CBN will have to reconcile this improving data with its still-elevated 26.50% policy rate

WATCH — JULY 20–21 MPC
Treat the combination of record reserves and easing inflation as the build-up of a genuine case for the CBN to begin signalling a rate path change at its next meeting, rather than evidence the current stance has already shifted.

08 NGX's correction deepens to 8% off its May all-time high

The NGX All-Share Index has now pulled back roughly 8% from the 252,508 all-time high it set on May 13, sitting near 232,049 as of June 26 — a meaningfully deeper correction than the 2.0% pullback this brief flagged when the pattern first emerged, as rising Treasury bill yields continue drawing liquidity away from equities.

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- A correction that has more than tripled in depth, from roughly 2% to roughly 8%, over the past several weeks indicates this is no longer a minor pullback but a sustained de-rating — the kind of move that warrants a fresh look at whether it reflects rotation, fundamentals, or some combination of both
- Persistently elevated Treasury bill and FGN bond yields remain the most direct competing explanation — when short-dated government paper continues offering double-digit returns with minimal duration risk, sustained equity outflows are the expected response, not an anomaly
- The correction's continuation despite PenCom's widened PFA equity allocation ceilings suggests pension capital has not yet stepped in to cushion the decline — reinforcing Signal 05's point that deployment against the new headroom remains an open, not yet realised, flow story
- Allocators should treat an 8% drawdown as a more decision-relevant data point than the initial 2% pullback — worth assessing directly against valuation and earnings fundamentals rather than assuming it remains a purely liquidity-driven, self-correcting move

REASSESS
Revisit NGX valuation and earnings fundamentals directly now that the correction has deepened to 8% off the May high. Continue tracking whether PFA equity deployment begins to offset the T-bill-driven outflows.

PART THREE · THIS WEEK'S ADDITIONAL SIGNAL

09 ECOWAS's Eco stays targeted for 2027 — nothing this week moves the timeline

ECOWAS's reaffirmed 2027 target for the single currency, the Eco, remains unchanged this week, with the same structural picture this brief has tracked still in place: genuine technical convergence progress across most member states, even as Nigeria and Ghana — the two largest prospective non-UEMOA members — continue to sit furthest from the stability the project requires.

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- Nigeria's still-elevated 26.50% policy rate and Ghana's only-just-stabilising currency remain precisely the kind of fiscal and monetary conditions convergence criteria are designed to screen against — nothing in this week's data moves either country meaningfully closer to readiness
- The possibility flagged previously — a first-phase Eco launch proceeding without the eight UEMOA states that already share the CFA franc — remains on the table as officials continue technical work, though no formal decision on sequencing has been confirmed this week
- WAMA's implementation activities continue to track toward their 2026/2027 completion windows; the technical groundwork keeps advancing even as the headline launch date itself has not moved
- For asset owners, the lesson this brief has drawn from both the EAC and ECOWAS single-currency timelines continues to hold: regional monetary union is a multi-decade structural project, and multi-currency exposure remains the appropriate planning assumption across West Africa for the foreseeable future

PLAN FOR
Continue building West African regional mandates around multi-currency exposure well past 2027. Treat this week's lack of movement on the Eco timeline as confirmation, not a reason to revise the planning horizon.

CHIEF EXECUTIVE READ — THE WEEK IN ONE PARAGRAPH

West Africa this week is defined by incremental improvement layered over unresolved structural questions. Nigeria's three-tier rate structure held in place — the MPR still at 26.50%, with the naira easing back to ₦1,380.93/$ on broad dollar strength rather than any domestic shock — while record reserves above $51bn and May's inflation print easing to 15.93% both moved in the right direction ahead of the CBN's July 20–21 meeting, now the region's most consequential near-term date. Ghana's cedi posted its first genuine month of stabilisation, up 3.52%, though the twelve-month picture remains decisively negative at −8.83%, leaving the post-IMF credibility question this brief raised still open. Senegal's political temperature showed early signs of cooling, with bonds edging up from distressed lows and preliminary contacts toward resuming IMF engagement reportedly underway — constructive, but not yet a resolution, given debt above 130% of GDP and a $1.1bn repayment wall through 2028. Côte d'Ivoire's credit story continued to hold steady and decoupled from its currency-union neighbour, underscoring that the CFA peg does not imply shared credit risk. Underneath the macro picture, Nigeria's pension system kept evolving in two directions at once: PenCom's widened equity ceilings remain largely undeployed even as the NGX's correction deepened to 8% off its May high, a pullback now significant enough to warrant fundamental, not just liquidity-driven, reassessment. And ECOWAS's Eco timeline sat exactly where this brief left it — 2027, with Nigeria and Ghana still the furthest from convergence readiness. The overriding message: West Africa's individual stories are each moving, but in different directions and at different speeds, and the region continues to reward three or four distinct frameworks over one.

Regional rates — Nigeria, Ghana, BCEAO/UEMOA unchanged; July 20–21 MPC is the next live date

Ghana cedi — +3.52% on the month but −8.83% over 12 months; stabilisation not yet confirmed as durable

Senegal — political temperature cooling, IMF talks reportedly resuming; still a live restructuring case

Côte d'Ivoire — steady at 5.39%; continues decoupled from Senegal inside the same currency union

Nigeria pensions — ₦1.6trn equity headroom still largely undeployed; deployment is the signal to track

PFA consolidation — holds at 18; structural direction toward fewer, larger administrators unchanged

Nigeria fixed income — reserves hit $51.24bn record, inflation eases to 15.93%; paradox narrowing but not resolved

NGX / ECOWAS Eco — NGX correction deepens to 8% off high; Eco timeline unchanged at 2027

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