AOA BRIEFINGS · EAST AFRICA EDITION · WEEK 26 · WEEK ENDING 27 JUNE 2026

Ten signals every East African asset owner should act on now

Sourced from market intelligence, CBK, BNR, BoT, BoU, NBE, ECMA, IMF, EAC, Bloomberg, Reuters, and TanzaniaInvest · Pension funds · SWFs · Insurers · Reserve managers · Family offices · Endowments

KENYA CBK RATE

8.75%

→ Unchanged since June 9 hold; next MPC in August

RWANDA POLICY RATE

8.25%

→ Held; May print mixed, June data still pending

TANZANIA CBR

5.75%

→ Held; inflation steady inside 3–5% band

UGANDA POLICY RATE

9.75%

→ Held 8th straight meeting; inflation benign

KENYA SHILLING (USD/KES)

129.50

→ Stable; new FY2026/27 Eurobond now in planning

ETHIOPIAN BIRR / NBE

Credit cap to end Dec ’26

→ Gradual easing continues; no acceleration confirmed

EACOP PIPELINE

≈78–80% complete

↑ Up from 75–79%; H2 2026 first oil target reaffirmed

TANZANIA LNG

$42bn

↓ End-June legal framework deadline has slipped to July

KENYA PUBLIC DEBT

≈70% of GDP

→ IMF instrument-classification review still pending

Pension funds

Sovereign wealth funds

Insurers

Reserve managers

Family offices

Endowments

PART ONE · REGIONAL MONETARY ANCHORS

01

A quiet week confirms it — East Africa’s monetary divergence is now structural, not a one-off

With no fresh MPC decisions this week, the split this brief flagged after June’s meetings has simply held in place: Kenya at 8.75%, Tanzania at 5.75%, and Uganda at 9.75% all unchanged, Rwanda still at 8.25% following its May hike, and DRC continuing to ease from a much higher base — five central banks, no sign of the divergence narrowing.

PENSION FUNDS · INSURERS · RESERVE MANAGERS · ENDOWMENTS

- A full quiet week without any of the five EAC-area central banks moving is itself informative — it means none of last month’s decisions were reversed or revisited on a fresh data print, and the four-camp split (Kenya/Tanzania/Uganda holding, Rwanda tightening, DRC easing) is durable enough to survive at least one more data cycle
- Kenya’s next live decision point is now the August MPC meeting, which gives allocators roughly five weeks of clear visibility on the policy rate before any reassessment is needed — useful, but it also means August inherits whatever

food, energy, and currency developments accumulate between now and then

- Tanzania and Uganda's holds continue to rest on the same foundations flagged previously — comfortable inflation bands and stable exchange rates — with nothing in the intervening week to suggest either is under fresh pressure
- For institutions running pan-East African fixed income or multi-currency liability books, this week is confirmation rather than new information: continue modelling Kenya, Tanzania, Uganda, Rwanda, and DRC as independent rate paths, not a single regional cycle

MODEL THIS

Maintain four-to-five independent regional rate paths through at least Kenya's August MPC meeting. Nothing this week changed the underlying divergence — treat the quiet period as confirmation, not as a reason to revert to a single EAC-wide assumption.

02 Rwanda's third-hike question remains open — the June print is now the variable to watch

The National Bank of Rwanda's 13.9% 2026 inflation forecast and May's mixed data — national CPI up to 12.3%, urban CPI marginally down to 12.9% — still has not been followed by a clear-cut June print, leaving the question this brief raised last week, whether a third hike is coming, unresolved heading into the BNR's next policy window.

PENSION FUNDS · INSURERS · SWFS

- The absence of a clean directional signal in the data available so far means the BNR is very likely managing this decision the same way allocators should be — waiting for at least one more confirming print rather than acting on a single month's mixed read
- Real GDP growth of 9.4% in 2025, with continued strength into 2026, keeps the underlying case for further tightening intact even without a fresh acceleration in the headline number — an economy running this hot gives the central bank less room to wait passively than a cooler one would
- The gap between the BNR's old 9.4% and new 13.9% inflation forecast remains the single largest forecast revision tracked anywhere in this week's regional coverage — a gap that wide does not fully resolve on the strength of one ambiguous monthly print
- For reserve managers and insurers holding Rwandan franc assets, the practical posture has not changed from last week: real-return assumptions on local-currency bonds remain unsettled until the data turns clearly in one direction

WATCH — NEXT PRINT

Continue treating Rwandan franc fixed income real-return assumptions as unsettled. The third-hike question stays open until at least one clean, unambiguous print arrives — May's data did not provide it.

03 Tanzania’s $42bn LNG deadline has passed unsigned — the framework now slips to July

The end-June target this brief flagged for concluding Tanzania’s long-delayed LNG legal framework — led by Equinor and Shell alongside ExxonMobil, Pavilion Energy, Medco Energi, and state-owned TPDC — has passed without a signed agreement, with officials now pointing to July, the latest in a slippage pattern stretching back to an original end-2025 target.

PENSION FUNDS SWFS RESERVE MANAGERS ENDOWMENTS

- This is now at least the third slip in the framework’s timeline — end-2025 to mid-2026 to, now, July — for a project with a decade-long history of false starts; each additional slip makes the eventual signing a smaller credibility event than it would have been on the original schedule, even if the underlying commercial terms remain unchanged
- Officials continue to describe the gap as legal review and quality assurance rather than reopened commercial terms, which is the same characterisation offered when the deadline first slipped from end-2025 — allocators should treat repeated assurances of an imminent signing with proportionally more caution each time the date moves
- The resource base — more than 47.13 trillion cubic feet of offshore gas feeding a planned Lindi facility with at least 10 million tonnes per year of capacity — has not changed, and remains the reason this project stays worth tracking despite the repeated delays
- A concluded legal framework remains the precursor to a final investment decision, not the FID itself; continued slippage into July pushes a realistic 2027–2028 FID conversation later still, and allocators should discount the timeline further with each additional month of delay

DISCOUNT FURTHER

Treat the missed end-June deadline as confirmation that Tanzania LNG continues to run behind its own stated schedule. Push FID-conversation timelines out accordingly, and require an actual signed framework — not a further verbal commitment — before re-rating the project's credibility.

04 Uganda’s oil pipeline edges past 78% — the H2 2026 first-oil target is holding

The 1,443km East African Crude Oil Pipeline has advanced to roughly 78–80% complete, up a few points from the 75–79% reported in mid-June, with Uganda and its partners continuing to target first oil exports from Tilenga and Kingfisher in the second half of 2026 — a timeline that has now held steady through an entire additional quarter of construction updates.

PENSION FUNDS SWFS INSURERS

- TotalEnergies (62%), Uganda’s UNOC (15%), Tanzania’s TPDC (15%), and CNOOC (8%) continue to jointly own the $5bn pipeline — a structure that keeps both states’ fiscal upside tied directly to the project’s completion, not just to hosting transit infrastructure
- A multi-point gain in construction progress in a matter of weeks is consistent with the project entering its final, most predictable sequencing phase, exactly as this brief noted when progress first crossed 75% — civil works at this stage are largely about finishing scheduled tasks rather than encountering new ones
- Designed capacity of 216,000 barrels per day, with a ramp-up path to 246,000 bpd, remains the scale of fiscal transformation Uganda is approaching — comparable to what this brief tracks in Mozambique’s LNG restart and Namibia’s offshore FID pipeline elsewhere on the continent
- Upstream readiness at Tilenga and Kingfisher remains the condition that actually determines whether H2 2026 first oil materialises — allocators should keep treating pipeline completion percentage as necessary but not sufficient, and watch for direct commissioning updates from TotalEnergies and CNOOC

POSITION

Continue treating Uganda and Tanzania sovereign and infrastructure exposure as a credible H2 2026 first-oil story. The pipeline's steady progress past 78% strengthens, rather than changes, last week's assessment.

05 Ethiopia's credit cap phase-out continues on schedule — no signs of acceleration or reversal

The National Bank of Ethiopia's gradual easing of the credit growth cap imposed on commercial banks, ahead of a full elimination targeted for December 2026, continues without any signal this week of either an acceleration or a pause — consistent with the IMF's data-dependent, gradualist approach under the ongoing Extended Credit Facility review.

PENSION FUNDS | SWFS | RESERVE MANAGERS

- The IMF's $3.4bn Extended Credit Facility programme continuing to run on schedule into its fifth review, without need for renegotiation, remains a notable point of continuity — one this brief has flagged as unusual given how many African IMF arrangements require mid-stream adjustment
- A market-determined exchange rate, interest rate-based monetary policy, and sustainable fiscal financing remain the three structural conditions underpinning the programme; the credit cap phase-out is the most visible near-term milestone of the second, and its pace continues to track inflation and private credit growth data rather than a fixed calendar
- No new data this week moves the calculus either toward an earlier full removal or a delay — the absence of news is itself the relevant signal, since either an acceleration or a stall would be flagged immediately by the IMF mission or the NBE directly
- The sequencing risk flagged previously — a credit expansion landing before inflation is fully anchored — remains the thing to watch for, not the December date itself; allocators should keep tracking NBE statements and monthly inflation prints together rather than treating either in isolation

TRACK

Continue monitoring NBE statements on credit cap easing alongside monthly inflation prints through year-end. This week's lack of new developments is consistent with the gradualist approach holding, not evidence it has stalled.

06 A month into trading, Ethio Telecom is bedding in as the ESX's benchmark name

Roughly a month after its May 26 listing, Ethio Telecom continues to anchor the Ethiopian Securities Exchange's Main Market, with the exchange's broader listing pipeline — more than 66 prospectuses under ECMA review, over 45 from financial services alone — continuing to build out behind it.

PENSION FUNDS | SWFS | FAMILY OFFICES | ENDOWMENTS

- A month of continued trading without disruption, on a market less than eighteen months old, is itself a meaningful early validation of the ESX's settlement and custody infrastructure — the kind of operational continuity that matters more to institutional due diligence than headline listing-day volumes
- Ethio Telecom remains the ESX's first genuinely liquid, broadly-held benchmark name, verified across 45,000 shareholders at listing — the reference point other state-linked enterprises in the pipeline will likely continue to be measured against
- The scale of the prospectus pipeline behind Ethio Telecom — more than 66 under review, with financial services the largest single category — continues to suggest this is a market building structural depth, not coasting on one flagship listing

- For frontier-market allocators who have not yet begun due diligence, a month of stable post-listing trading removes one of the more common early objections to a newly launched exchange — operational risk in the first weeks of trading a major listing

EVALUATE

Continue ESX market access and custody due diligence. A month of stable trading since Ethio Telecom's listing removes early-stage operational risk as an objection; the listing pipeline behind it continues to build.

07 Kenya's two-pot pension proposal keeps advancing alongside higher NSSF inflows

The Retirement Benefits Authority's proposed "two-pot" reform — allowing early access to a portion of retirement savings for housing, education, or medical needs — continues to move through Kenya's policy process, even as NSSF Phase 4 contributions, doubled to KSh 4,320 per month since February, keep building the asset base the reform would eventually apply to.

PENSION FUNDS INSURERS

- The RBA continuing to advance the proposal without having yet finalised it keeps Kenya in the same position this brief flagged last week — a system simultaneously raising contributions and contemplating easing access, two objectives still in tension with each other
- The RBA's strategic target of growing retirement savings from KSh 1.9 trillion to KSh 3.2 trillion over five years, while raising pension coverage from 26% to 34% of the workforce by 2029, depends on Phase 4's higher contributions landing without triggering pushback large enough to slow formalisation — nothing this week suggests that pushback has materialised
- South Africa's two-pot experience continues to offer Kenya the most directly relevant precedent available — recurring, calendar-driven withdrawal spikes at the start of each tax year, rather than a one-off adjustment that fades — for the scale of liquidity demand to plan for if Kenya's version proceeds
- Kenyan pension funds should continue treating both halves of this story as live and unresolved: higher inflows under Phase 4 are arriving now, while the structurally different withdrawal pattern a two-pot system would introduce remains a planning scenario, not yet a current liability

PLAN FOR

Continue modelling NSSF inflows under the Phase 4 schedule alongside a contingent two-pot withdrawal scenario. South Africa's post-2024 experience remains the best available reference case while Kenya's proposal continues through the RBA.

08 Kenya's next Eurobond is taking shape — the buyback-and-reissue pattern keeps repeating

The National Treasury's planned Ksh145.6bn (≈$1.12bn) Eurobond, earmarked in the FY2026/27 borrowing strategy to refinance a $1.5bn note maturing in 2031 at an expensive 9.75% coupon, continues moving through preparation — confirming this brief's earlier read that February's $2.25bn issuance and buyback was the start of a continuous pattern, not a one-off liability management exercise.

PENSION FUNDS SWFS RESERVE MANAGERS

- A second Eurobond move taking shape within the same fiscal year as February's buyback reinforces the Controller of Budget's assessment that this is proactive, continuous debt management — smoothing Kenya's repayment profile across multiple maturities — rather than an isolated transaction

- The IMF's concern over how revenue-backed financing instruments are classified remains unresolved; if reclassified as public debt, Kenya's already-elevated 70%-of-GDP figure could move higher on paper independent of any new cash borrowing actually taking place this year
- Talks on a successor IMF programme, opened in September 2025, continue in the background of this issuance planning — the pattern of Kenya demonstrating active debt management ahead of and during IMF engagement remains the more useful frame than treating each Eurobond move as opportunistic market access
- Pricing on this planned issuance, once it comes to market, will offer a fresh benchmark for Kenya's external borrowing cost against February's 8.700% (2039) and 7.875% (2034) notes — useful for repricing parastatal and bank Eurobonds that trade less frequently

REASSESS

Continue treating Kenya's Eurobond activity as a continuous, multi-year curve-management programme. Track the FY2026/27 issuance as it firms up, and watch the IMF's instrument-classification decision — it remains capable of moving headline debt-to-GDP without new cash changing hands.

PART THREE · THIS WEEK'S ADDITIONAL SIGNAL

09 The EAC single currency target stays at 2031 — and the case for planning around it hasn't changed

A year on from the single-currency timeline's most recent slip — from a reaffirmed four-year target in January 2023 to 2031 — nothing this week alters the basic picture this brief has tracked: a bloc still widening its membership to include DRC and Somalia while convergence among its original partners remains visibly distant.

PENSION FUNDS | SWFS | RESERVE MANAGERS | ENDOWMENTS

- This week's own lead signal — five EAC-area central banks moving through entirely different monetary cycles simultaneously — is itself the clearest evidence available that convergence criteria for a single currency remain far from met, independent of any formal EAC announcement on the timeline
- Membership expansion to include DRC (2022) and Somalia continues to add partners with materially different inflation, debt, and institutional starting points to an already-difficult convergence project, reinforcing rather than easing the case for treating 2031 as aspirational
- The EAC Common Market Protocol, in force since 2010, continues to provide free movement of capital, labour, goods, and services across partner states regardless of monetary union's progress — the practical economic integration that matters most for cross-border allocators remains already in place
- Nothing in this week's monetary policy divergence, energy project timelines, or capital market developments gives any reason to revise the five-year multi-currency planning horizon this brief has recommended for East African regional mandates

PLAN FOR

Continue building regional East African mandates on the assumption of multi-currency exposure through at least 2031. This week's monetary divergence across five central banks is itself a reason to keep that horizon, not shorten it.

CHIEF EXECUTIVE READ — THE WEEK IN ONE PARAGRAPH

East Africa's defining feature this week is continuity — both the reassuring kind and the frustrating kind. On rates, the divergence this brief flagged after June's decisions simply held: Kenya, Tanzania, and Uganda unchanged, Rwanda still digesting its May hike with the third-hike question unresolved pending a clearer print, and DRC continuing to ease from a much higher base. On the structural catalysts, progress kept compounding in some places and stalling in others. Uganda's EACOP pipeline edged past 78% complete with its H2 2026 first-oil target intact, Ethiopia's credit cap phase-out and Ethio Telecom's month-old ESX listing both continued on their established trajectories without disruption, and Kenya's NSSF inflows and two-pot proposal kept advancing in parallel. But Tanzania's $42bn LNG legal framework missed its end-June deadline — the third slip in a project with a decade-long history of false starts — a reminder that not every delayed African infrastructure story resolves on schedule simply because officials say it is close. Kenya's debt management pattern continued to repeat, with a fresh FY2026/27 Eurobond taking shape to refinance an expensive 2031 maturity, confirming that February's buyback was the start of an ongoing programme rather than a one-off. And the EAC's single-currency target remains exactly where this brief left it — 2031, with the week's own rate divergence the clearest evidence yet that convergence remains distant. The overriding message: East Africa's long-run structural stories — energy, capital markets, pensions — keep advancing largely independent of, and at a different pace than, the region's still-fragmenting monetary policy.

Regional rates — divergence held this week; model Kenya, Tanzania, Uganda, Rwanda, DRC independently

Tanzania LNG — end-June deadline missed; framework now slips to July, discount timeline further

Ethiopia reform — credit cap phase-out on schedule; December elimination target unchanged

Kenya pensions — two-pot proposal and Phase 4 inflows both advancing in parallel

Rwanda inflation — third-hike question still open; June print remains the variable to watch

Uganda EACOP — now ~78–80% built; H2 2026 first-oil target reaffirmed and holding

Ethio Telecom / ESX — a month of stable trading removes early operational-risk objections

Kenya debt — FY2026/27 Eurobond taking shape; confirms continuous, not one-off, curve management

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Prepared by Asset Owners Africa Ltd.

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