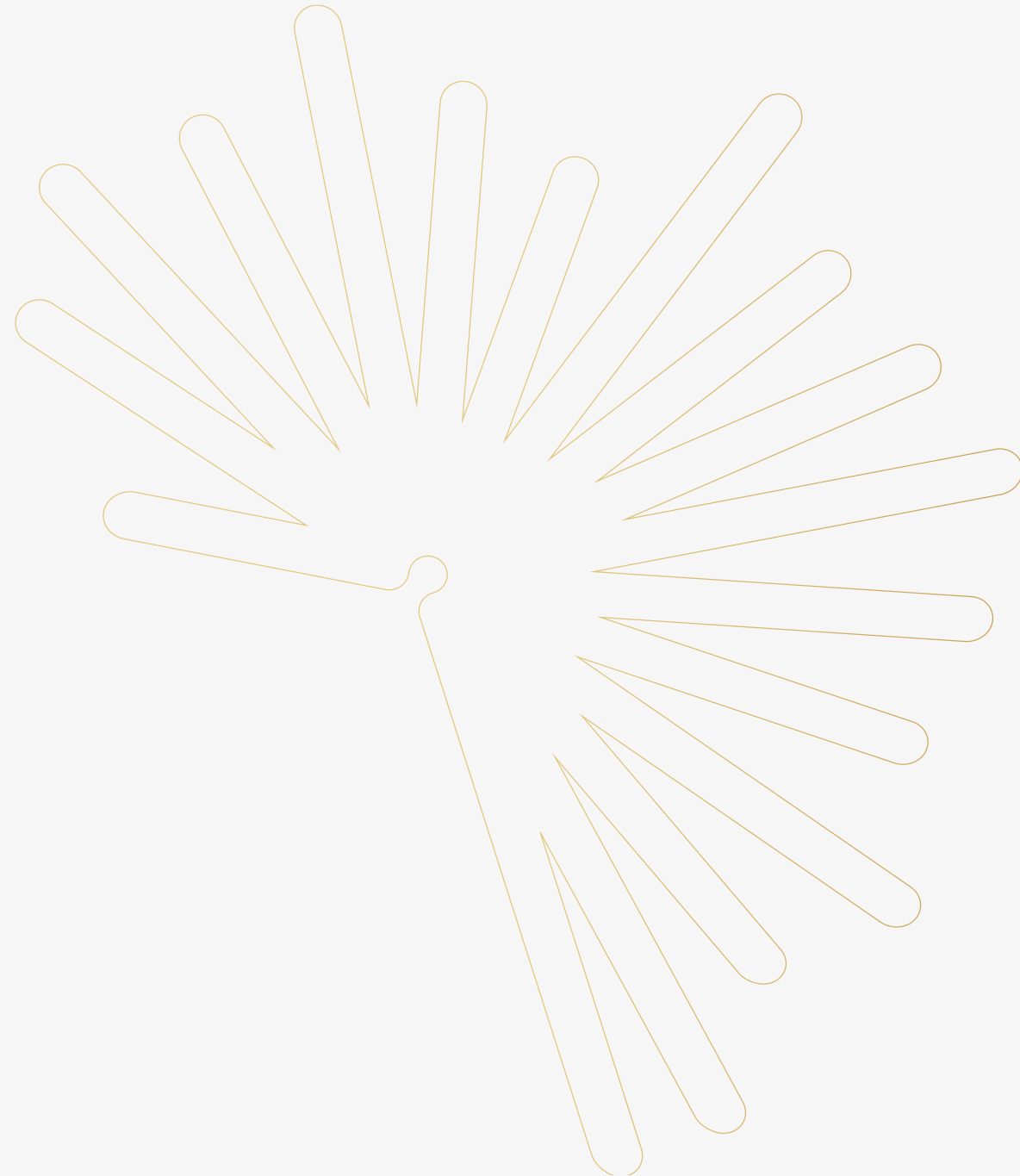


Stock Market Opportunities In Africa

A Novice Investor's Guide

December 2025





LEAF Africa

Lekki, Lagos, Nigeria

E-mail: hello@leafafrica.org

www.leafafrica.org
Copyright © 2025 by LEAF.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, or otherwise without the prior permission of LEAF Africa.

ISBN: 978-978-691-157-1

The report and an interactive data platform are available at <https://leafafrica.org/#/publications/>

The background of the page is a dark green grid with various financial data points and lines. A prominent red line starts from the bottom left and trends upwards towards the top right. There are several candlestick charts scattered across the grid, with some bars in red and others in green. Numerical values are displayed in red and green, such as 26.417, 31.012, and 48.991. The overall aesthetic is that of a professional financial report.

Foreword

Africa's stock markets reflect the energy of a continent undergoing rapid transformation. From Johannesburg to Nairobi, Lagos to Casablanca, stock market exchanges across the region are gaining momentum, driven by fast urbanisation, a growing middle class, and rising entrepreneurial activity. Even amid global financial volatility, African markets remain resilient, supported by regulatory reforms, technological innovation, and a growing commitment to transparency and investor inclusion.

At LEAF Africa, we believe it is time to shift the narrative from viewing Africa as “high risk” to recognising its “high potential.” Strong performances from markets such as Malawi's MSE, Morocco's BVC, and Kenya's NSE demonstrate that African exchanges can deliver competitive and, in some cases, market-beating returns.

This report provides a clear, data-driven overview of opportunities across the continent. It highlights why global interest is rising and offers practical, beginner-friendly strategies for investors seeking to participate sustainably in Africa's evolving capital markets.

Key Definitions



Terms	Definitions
Foreign Direct Investment (FDI)	Long-term investment made by foreign entities into businesses, infrastructure, or capital markets of another country, contributing to economic growth and job creation.
Hypothetical	An assumed, imagined, or theoretical situation used to explain concepts, analyze possibilities, or illustrate potential outcomes.
Initial Public Offering (IPO)	The first time a private company offers its shares to the public on the stock market, allowing investors to buy ownership in the company.
Liquidity	The ease with which an asset can be bought or sold in the market without affecting its price. Highly liquid markets allow investors to enter and exit positions quickly.
Market Capitalisation	The total value of a company's shares on the stock market, calculated by multiplying the share price by the number of outstanding shares. It is used to classify companies as small-cap, mid-cap, or large-cap.
Portfolio	A collection of financial assets, such as stocks, bonds, cash, or ETFs, held by an investor or managed by an institution.
Price-to-Earnings (P/E) Ratio	A valuation metric comparing a company's share price to its earnings per share. It helps investors assess whether a stock is undervalued or overvalued.
Remittances	Funds sent home by Africans living abroad. Increasingly, a portion of remittances is being directed into savings, investments, and stock market products.
Return on Investment (ROI)	A measure of how much profit or loss an investment generates relative to its cost. ROI helps investors compare the performance of different assets.
Risk Premium	The additional return investors require for taking on higher risk. African markets often provide higher risk premiums due to currency, liquidity, and political factors.
Stock-brokers	Professionals licensed to buy and sell stocks and other securities on behalf of clients, providing market execution, advice, and investment support.
Stock Market Index	A statistical indicator that tracks the performance of a group of selected stocks. Examples include NGX All-Share Index, JSE Top 40, and NSE 20 Share Index.
Volatility	The degree of variation in a stock or market price over time. High volatility indicates larger price swings, which can signal risk or opportunity depending on strategy.

Contents

Foreward	3		
Executive Summary	5		
Section 1: Why Consider Africa?	6		
• Robust Economic Growth			
• Demographics and Consumer Boom			
• Technology Leapfrogging			
• Capital Market Development			
Section 2: High-potential Sectors In Africa's Financial Markets	12		
• Fintech and Digital Innovation			
• Energy and Natural Resources			
• Agriculture and Agribusiness			
• Infrastructure and Urban Development			
• Consumer Goods and Retail			
• Healthcare and Pharmaceuticals			
Section 3: Short-term Vs. Long-term Opportunities	19		
• Short-Term Opportunities			
• Long-Term Opportunities			
• Recommendations for Novice Investors			
Section 4: Key African Markets And Stock Exchanges To Watch	23		
• South Africa – Johannesburg Stock Exchange (JSE)			
• Nigeria – Nigerian Exchange (NGX)			
• Kenya – Nairobi Securities Exchange (NSE)			
• Egypt – Egyptian Exchange (EGX)			
• Morocco – Casablanca Stock Exchange (BVC)			
• Frontier Markets – Rwanda, Ghana, Côte d'Ivoire			
• Other Frontier Markets – East Africa (Uganda, Tanzania)			
Section 5: Key Investment Strategies For Novice Investors	31		
• Dollar-Cost Averaging (DCA)			
• Diversification Across Sectors and Regions			
• Diversification through ETFs			
• Impact Investing			
Section 6: Tax Considerations For Investors In African Markets	36		
• Capital Gains Tax			
• Double Taxation Agreements (DTAs)			
Section 7: How To Get Started With Investing In Africa	39		
Conclusion	41		
Key Definitions	43		
References	45		

Executive Summary

\$1.5 Trillion African Stock Market Value

Africa's stock markets represent an estimated combined value of over \$1.5 trillion in 2024, growing from \$113 billion in 1992. South Africa, Morocco, Egypt, Nigeria, and Kenya lead Africa's stock exchanges.

African exchanges, though representing less than 2% of global market capitalisation, show resilience and long-term growth driven by demographic expansion, increased financial inclusion, and corporate activity. Modernisation is underway through digital trading platforms, better regulations, and enhanced investor participation.

Africa's Growth Potential

African markets are among the most undervalued globally, presenting strong opportunities for long-term investors. From 2019 to 2024, local currency returns in Malawi, Côte d'Ivoire, Rwanda, and Morocco outperformed global indices. With a median age of 19.3 years, rapid urbanisation, and a projected middle class of 500 million by 2030, the continent is set for significant growth in consumption and corporate profits.

Additionally, remittances reached \$96.4 billion in 2024, increasingly channelled into investment products rather than household spending.

Investment Opportunities in Africa

Africa offers diverse investment opportunities across sectors such as finance, consumer goods, telecom, agriculture, and energy. Established markets like Kenya, Egypt, and South Africa offer liquidity, while frontier markets such as Malawi and Rwanda present high-return opportunities. Advances in ETFs, fintech apps, and projects like the African Exchanges Linkage Project are making investing easier and more accessible.

Risks and Market Constraints

Despite strong potential, Africa's markets face constraints including currency volatility, inflation pressures, limited liquidity, and political risk in select countries. Fragmented regulations, low analyst coverage, and inconsistent disclosure practices also hinder investor confidence.

However, ongoing reforms, from Nigeria's FX market liberalisation to Kenya's regulatory modernisation, signal improving transparency and a more investor-friendly landscape across the continent.

Way Forward

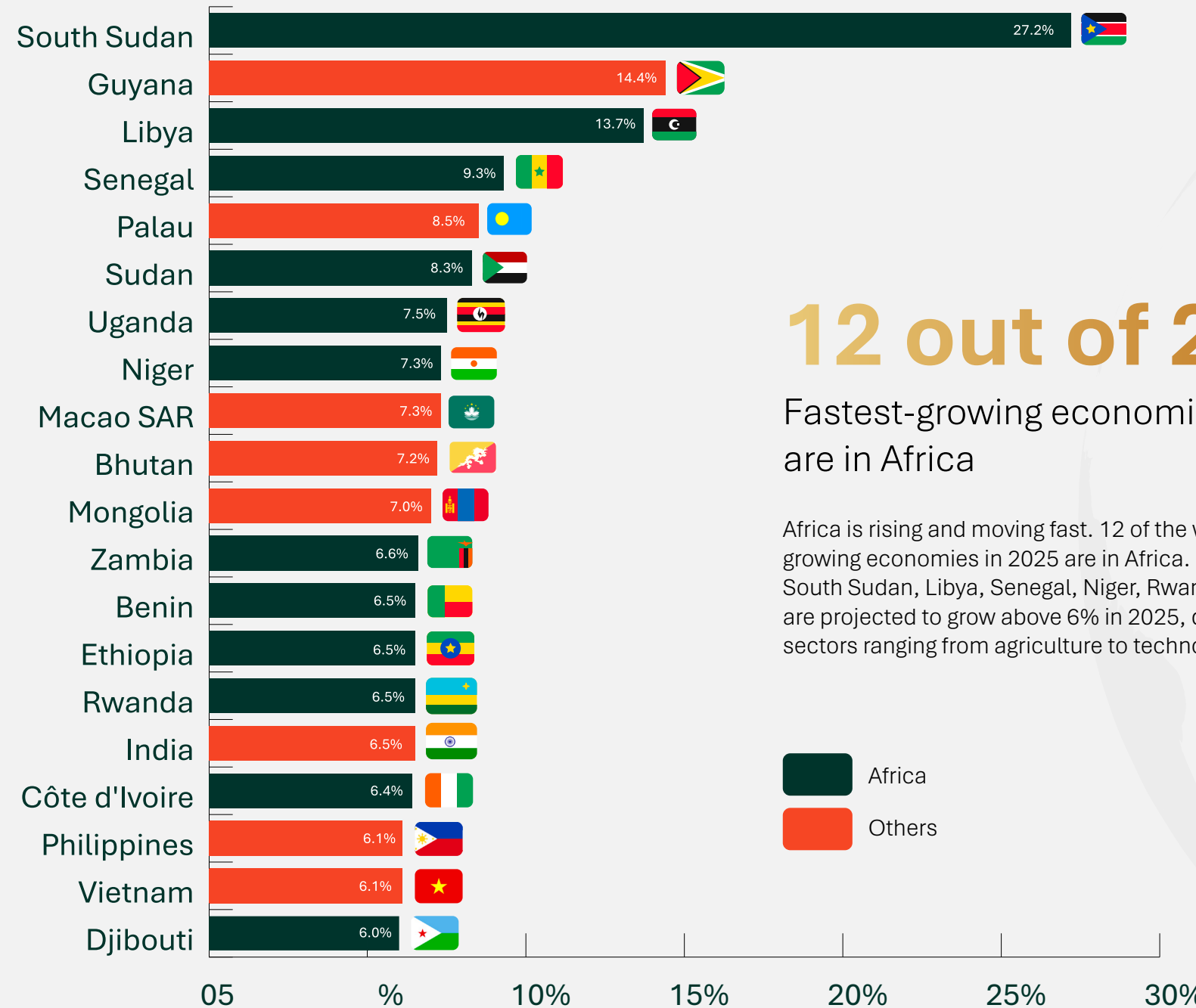
This report provides strategies for unlocking the potential of Africa's capital markets, especially for novice investors. Key recommendations include adopting long-term strategies such as diversification, dollar-cost averaging, and investing in ETFs, as well as using digital platforms to facilitate easier cross-border access.

The future of African investing is marked by opportunities and informed participation, with this report serving as a guide to achieving accessible, sustainable, and rewarding investments.

Section 1:

Why Consider Africa ?





12 out of 20

Fastest-growing economies in 2025 are in Africa

Africa is rising and moving fast. 12 of the world's 20 fastest-growing economies in 2025 are in Africa. Countries like South Sudan, Libya, Senegal, Niger, Rwanda, and Ethiopia are projected to grow above 6% in 2025, driven by diverse sectors ranging from agriculture to technology.

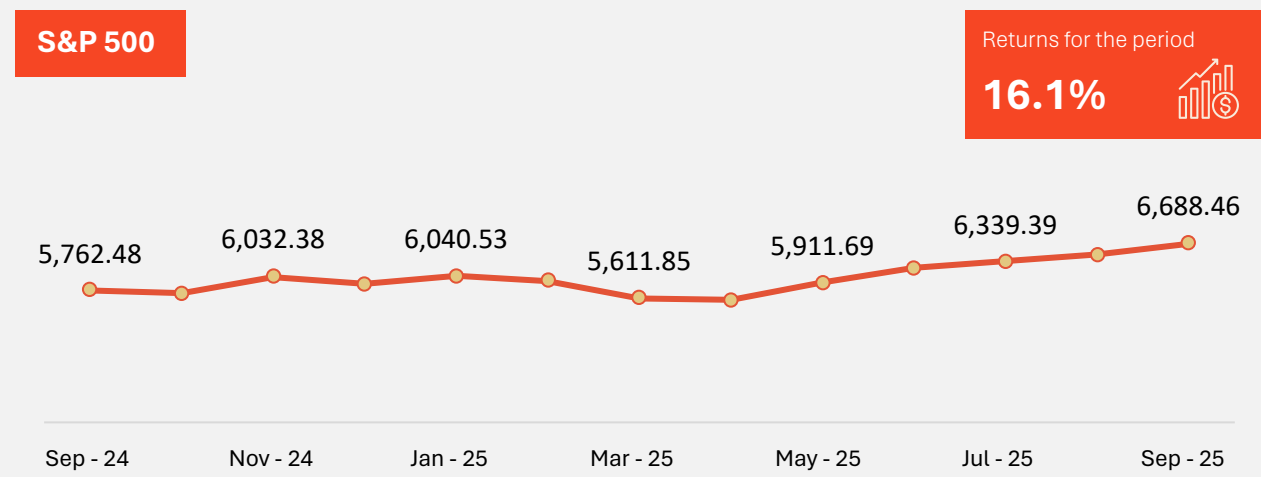
Africa
 Others

Data Source: Our world in data (2024), Statista (2024)

Why Consider Africa?

Robust Economic Growth

Kenya's Nairobi Stock Exchange (NSE) vs S&P 500 All Share Index
(Sep. 2024 – Sep. 2025)



Data Source: Investing.com and African Financials (2025)

The Nairobi Stock Exchange (NSE) in Kenya, for instance, has significantly outperformed the S&P 500 over the past year. Between September 2024 and September 2025, a \$1 investment in the NSE grew to about \$1.64, representing a 64% return. In contrast, the same \$1 invested in the S&P 500 increased to \$1.16, yielding a 16% return.



Source: LEAF Analysis based on investing.com and African Financials (2025)

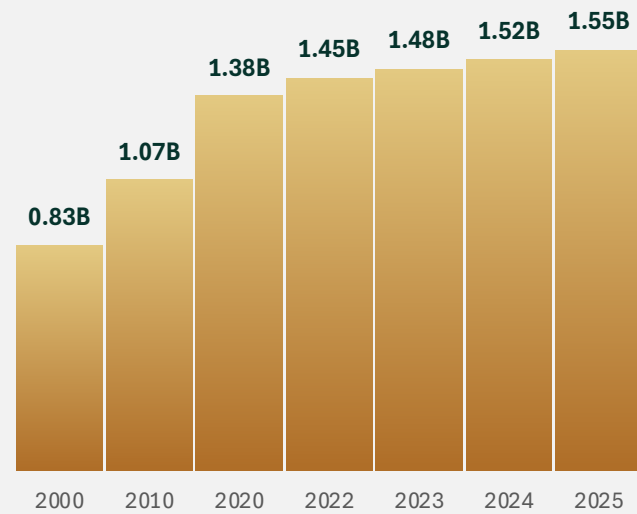
Why Consider Africa?

Demographics and Consumer Boom

The continent's population (over 1.5 billion and mostly young) is rapidly urbanising and entering the middle class. This is creating massive demand for consumer goods, services, energy, and housing. Total household consumption is forecast to reach \$2.5 trillion by 2030.

Africa's Population in 2025

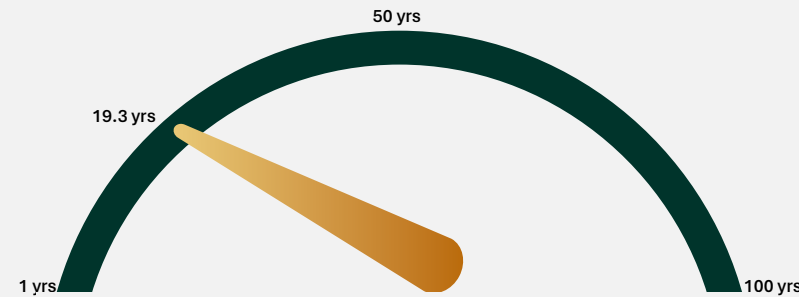
1.55 Billion



Source: Worldometer (2025)

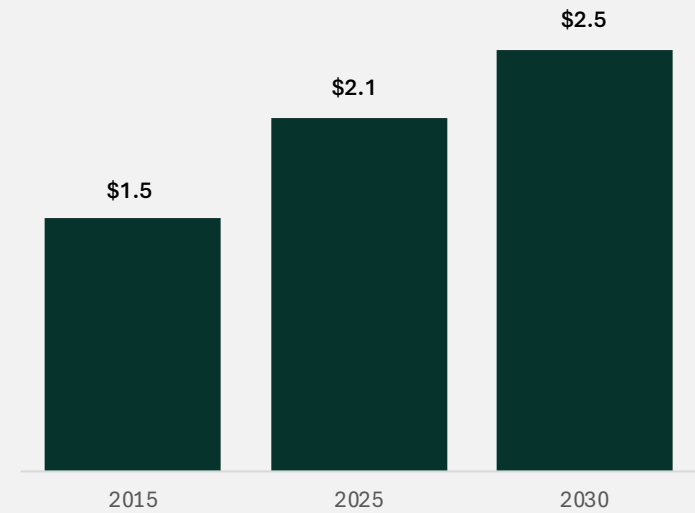
Africa's Median Age in 2025

19.3 Years



Source: Worldometer (2025)

Africa's Household Consumption by 2030 (Forecast)

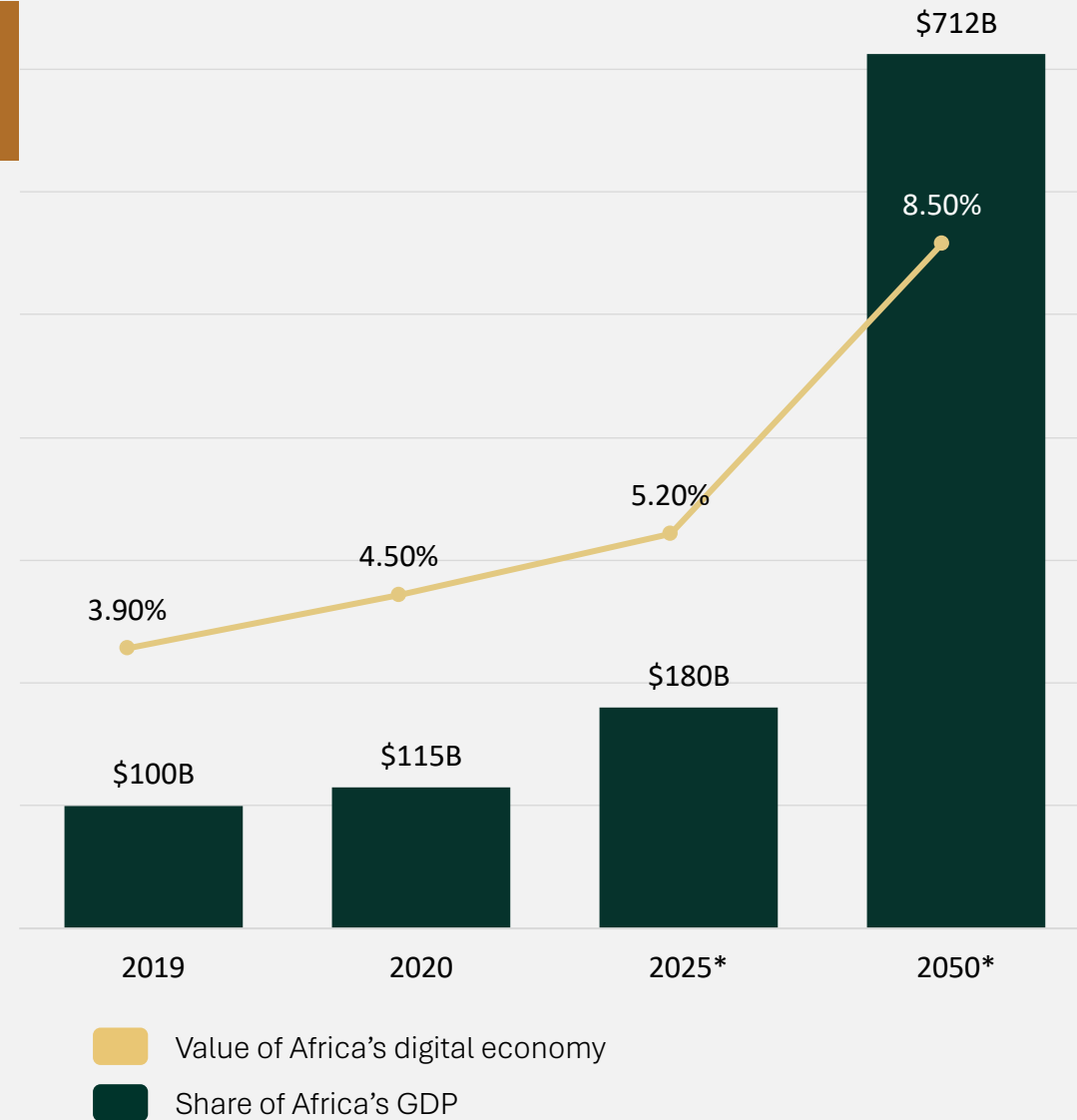


Source: Brookings Institution (2020)

Why Consider Africa?

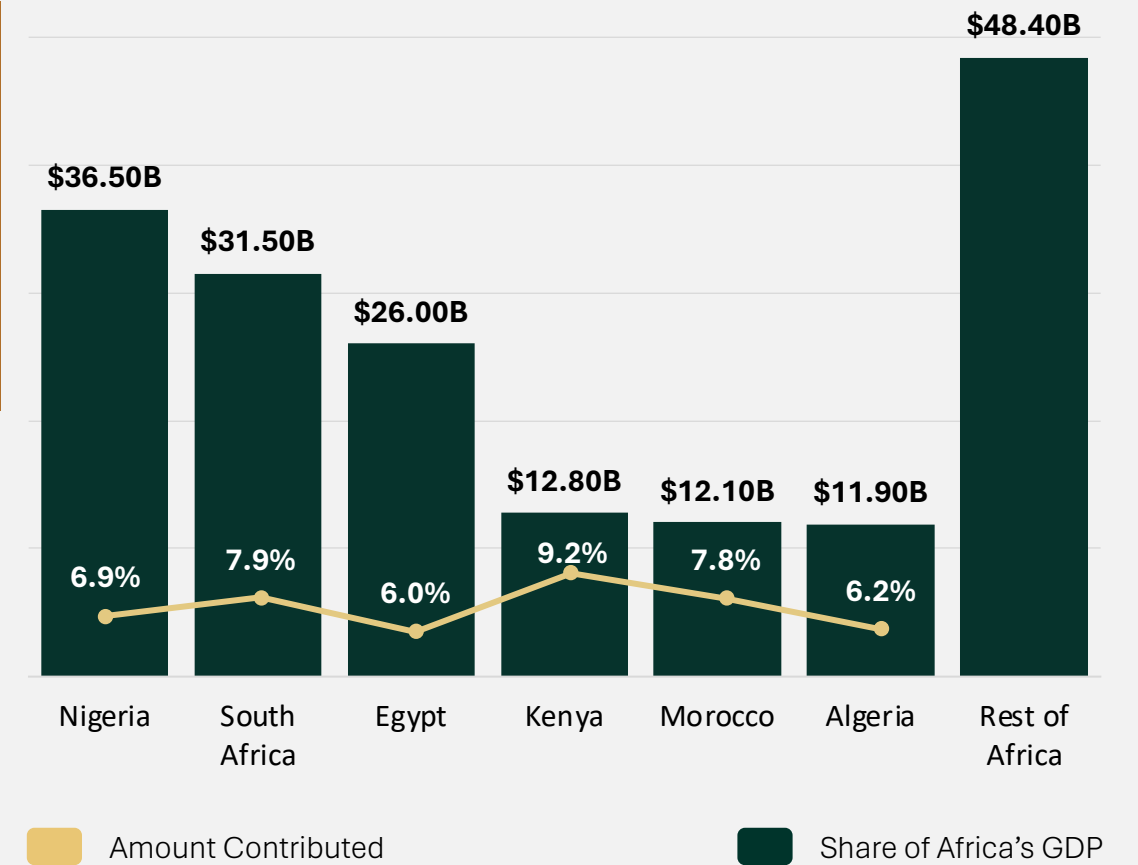
Technology Leapfrogging

Value of Africa's Digital Economy



Data Source: Diplo based on Google and the International Finance Corporation [IFC]. (2020).

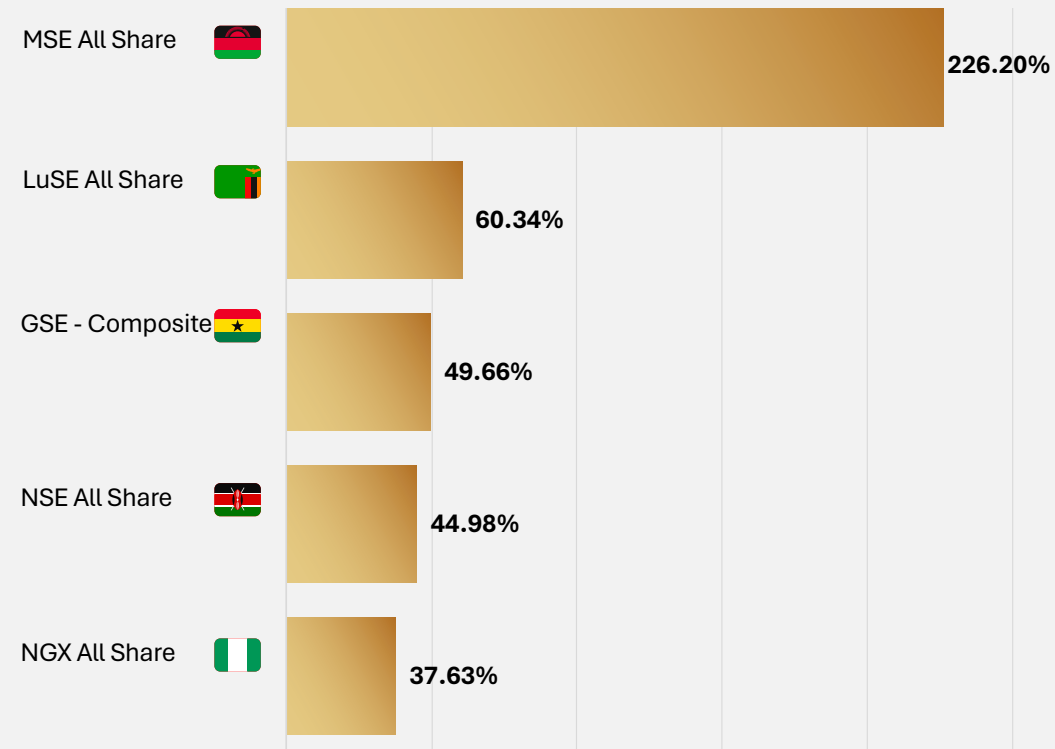
Contribution of the Digital economy to African countries GDP in some selected countries (2025)



Africa's rapid adoption of mobile and digital technology allows it to leapfrog traditional development stages. The digital economy is set to grow from \$180 billion in 2025 to a remarkable \$712 billion by 2050, fueled by fintech, e-commerce, agritech, healthtech, and edtech startups led by firms like Flutterwave, Opay, Helium Health, uLesson etc.

Source: Diplo based on Google and the International Finance Corporation [IFC]. (2020).

Top Performing African Stock Exchanges in 2025 (YTD – September 2025)



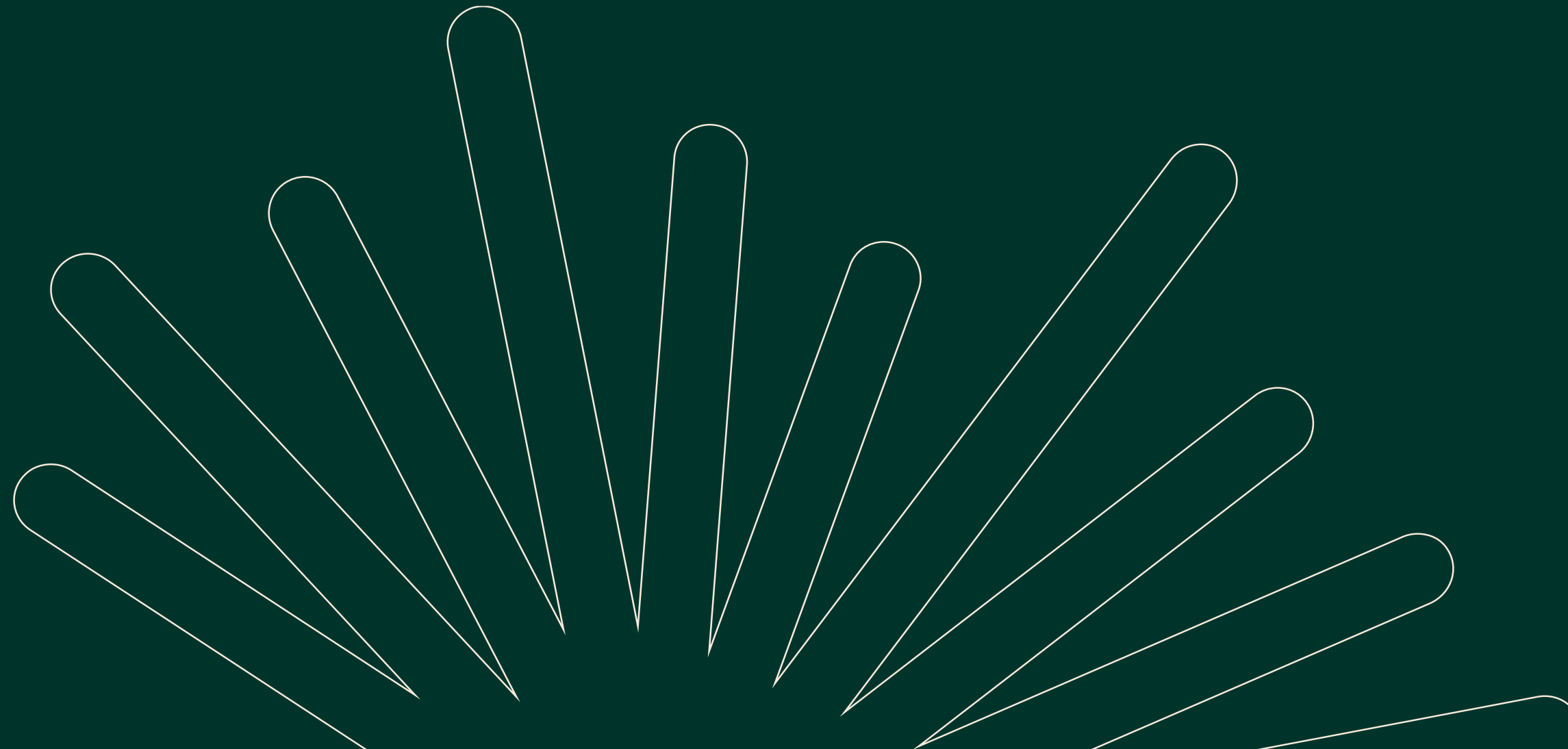
Data Source: African-Markets (2025)

African stock markets are maturing. Major exchanges, such as Malawi's MSE, Zambia's LuSE, and Nigeria's NGX, are experiencing increased activity and attracting more investor inflows.

In 2025, many African indices outperformed global markets, with Malawi's All Share Index rising 226%, significantly surpassing the S&P 500's 9.5% return during the same period. Frontier investors are beginning to realise that Africa's public markets can offer competitive returns, particularly as initial public offerings (IPOs) increase and more companies list on the continent.

Section 2:

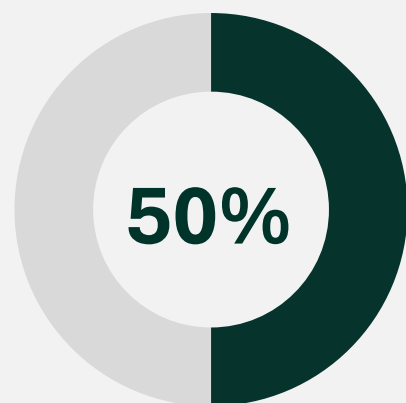
High-Potential Sectors In Africa's Financial Markets



Fintech and Digital Innovation

500M+

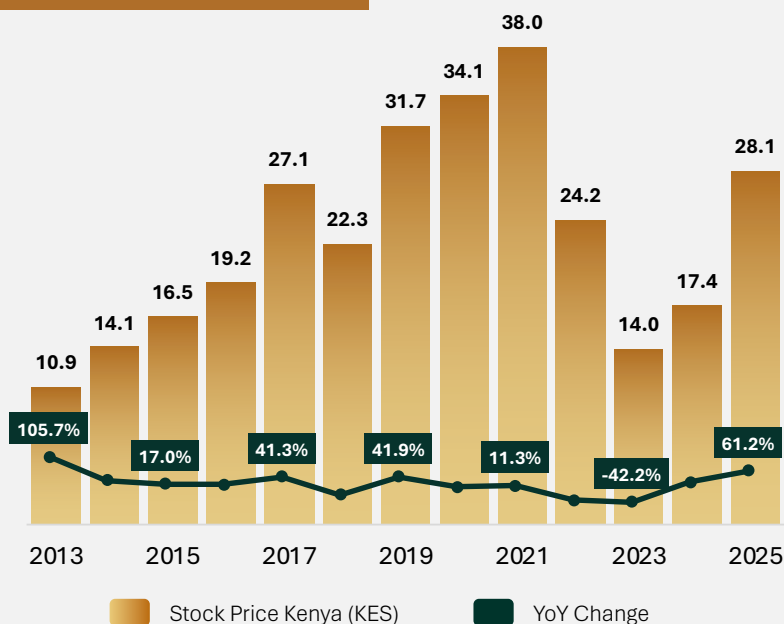
mobile subscribers in Africa



M-Pesa processes payments equivalent to 50% of Kenya's GDP

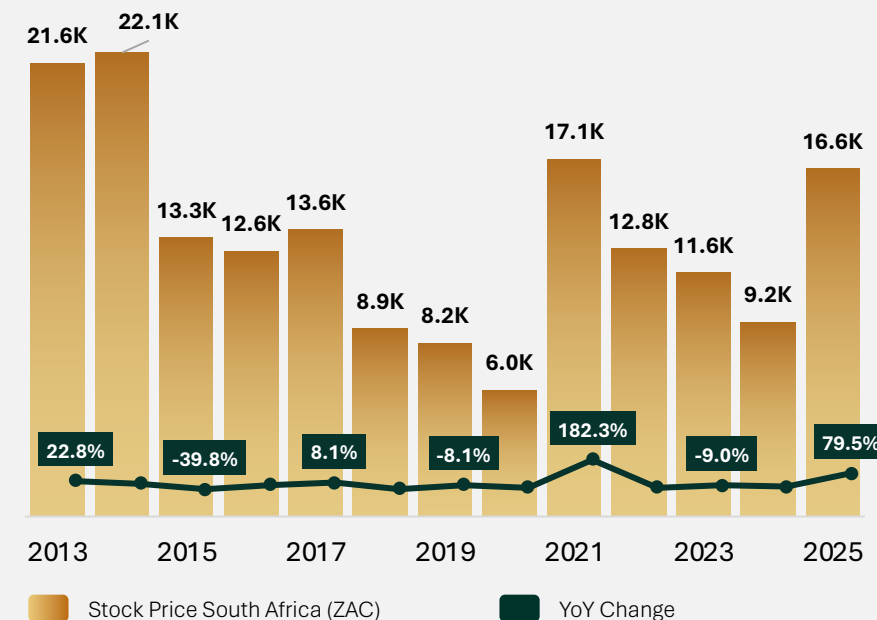
Source: Warwick Business School (2023)

Safaricom PLC Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

MTN Group Limited Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Key Companies

Safaricom (Kenya)

Dominates mobile payments with M-Pesa.

MTN (South Africa)

Stock Market Exposure

Safaricom (Kenya)

As East Africa's most valuable listed company, its stock has grown ~119% over 5 years, driven by M-Pesa's fintech dominance.

MTN (South Africa)

Africa's largest mobile operator, expanding mobile money services across various countries

Why Its Attractive

- Over 500 million mobile subscribers are driving rapid user adoption of fintech products like mobile wallets, payment apps, and microloans.
- M-Pesa in Kenya processes payments equivalent to 50% of the country's GDP.

Long-term Outlook

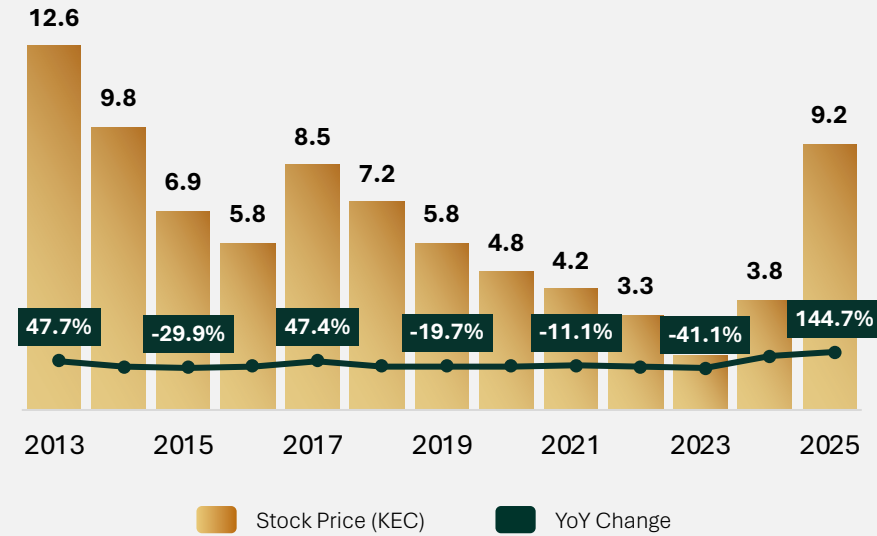
- Rapid smartphone penetration and increasing government support make fintech one of Africa's most exciting growth stories.

Energy and Natural Resources



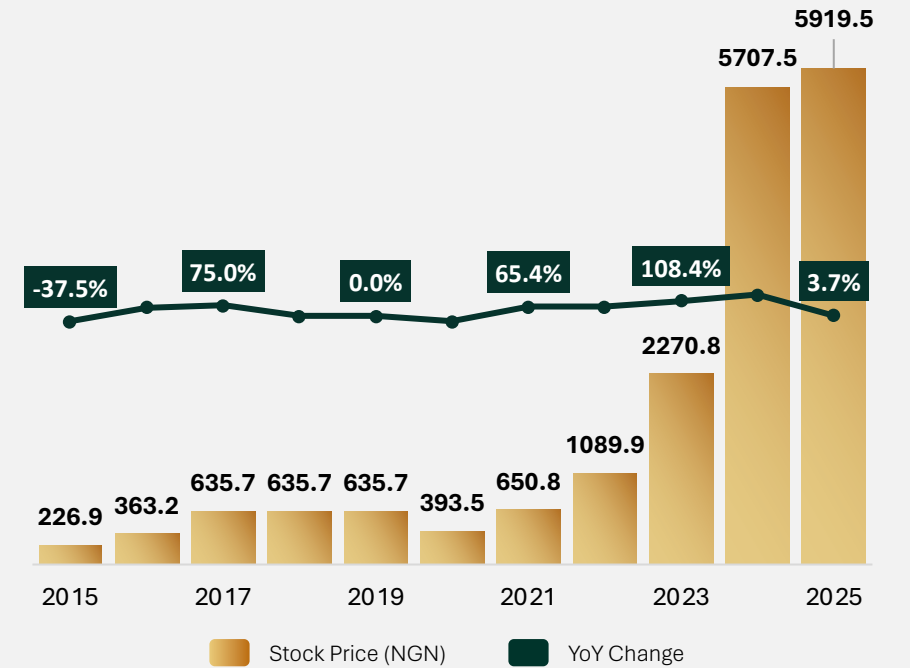
Over 50% of Africans still lack reliable electricity (UN Sustainable Development Group)

Kenya Electricity Generating Company PLC Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Seplat Energy Stock Market Performance (2015 – 2025)



Source: Trading View (2025)

Key Companies



KenGen (Kenya)

The state holds a majority stake in the company, making it a state-controlled utility with strong exposure to geothermal and hydropower.



Seplat Energy (Nigeria)

Supplies natural gas to power plants, benefiting from energy infrastructure projects.

Stock Market Exposure

Anglo American, BHP Billiton, and Glencore (JSE)

Exposure to base metals and other mining assets.

Why Its Attractive

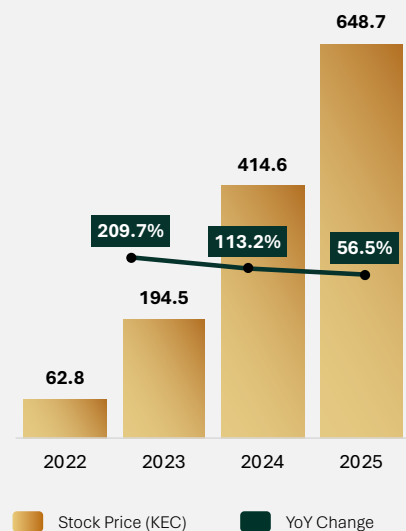
Over 50% of Africans still lack reliable electricity. Industrialisation, population growth, and urbanisation are driving demand for fuels and power.

Long-term Outlook

- Short-term opportunities are driven by commodity cycles, but long-term trends favour solar, wind, and geothermal in Africa.

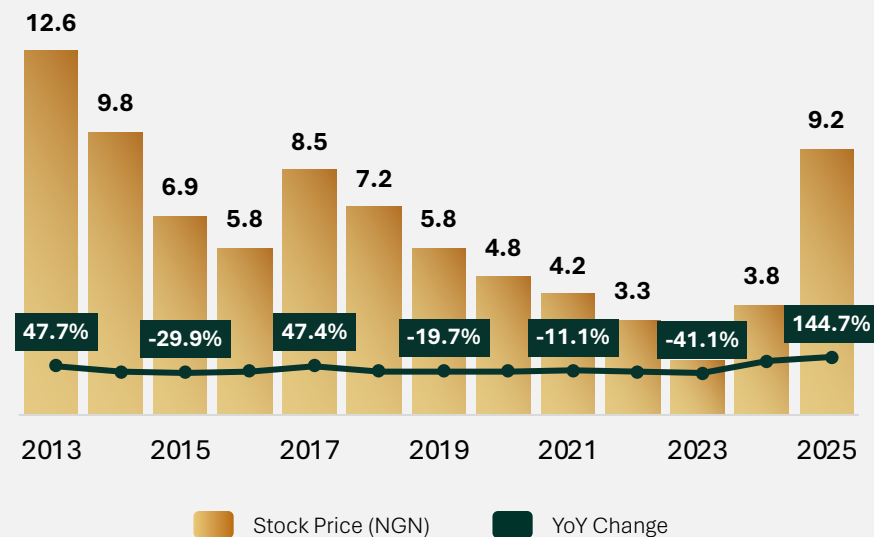
Agriculture and Agribusiness

BUA Foods PLC Stock Market Performance (2022 – 2025)



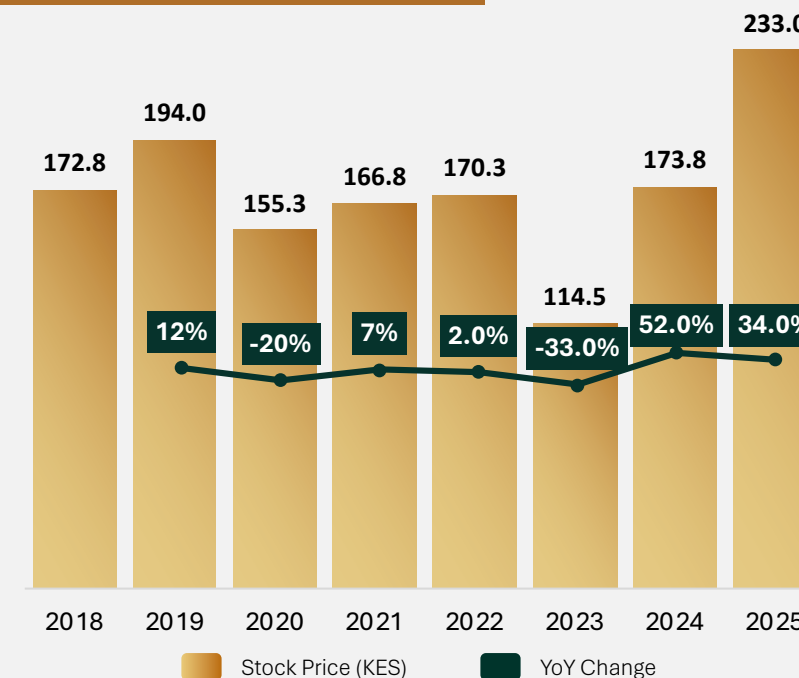
Source: Trading View (2025)

Dangote Sugar Refinery Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

East African Breweries Stock Market Performance (2018 – 2025)



Source: Trading View (2025)

Key Companies



(Nigeria)

Strong player in packaged food and distribution



(Nigeria)

Major producer benefiting from increased food demand.



East African Breweries

A brewery that supports agriculture by sourcing local crops for its products.

Why Its Attractive

- Strong revenue growth among listed food companies signals resilient demand.
- Current yields in agriculture are still low, leaving room for productivity gains
- Governments and investors are prioritising sustainable farming, irrigation, and agro-processing.

Stock Market Exposure

- Food processing and packaging show consistent double-digit revenue growth (as seen in Dangote and BUA).
- Regional agricultural exports (e.g., cocoa in Ghana, specialty crops in Madagascar) are gaining investor interest.

Long-term Outlook

- Agricultural investments offer steady returns but may be influenced by weather patterns, commodity price fluctuations, and policy changes.

Infrastructure and Urban Development

Key Companies

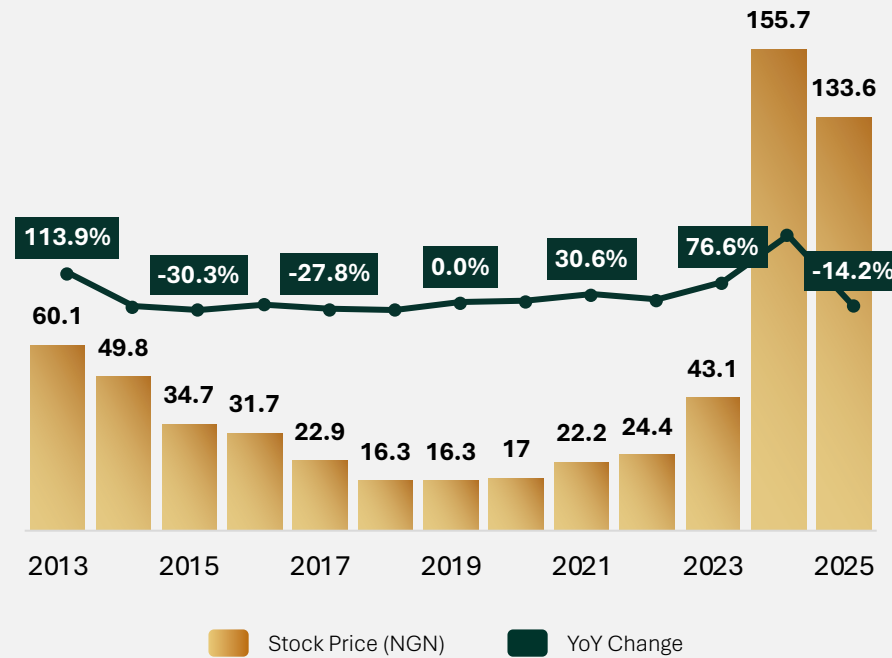
B JULIUS BERGER (Nigeria)

A top-tier construction company benefiting from continued public and private infrastructure spending

D DANGOTE (Nigeria)

One of the most valuable companies in Nigeria, benefiting from the construction boom.

Julius Berger Nigeria PLC Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Stock Market Exposure

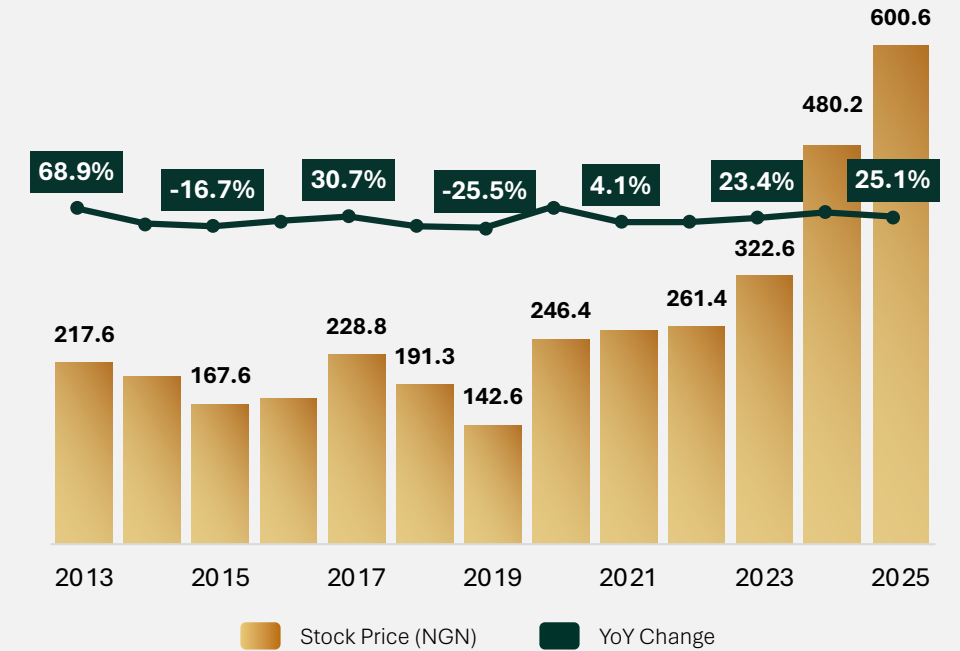
D DANGOTE (Nigeria)

One of the largest cement producers, benefiting from construction demand.

B JULIUS BERGER (Nigeria)

Major contractor involved in infrastructure projects.

Dangote Cement PLC Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Why Its Attractive

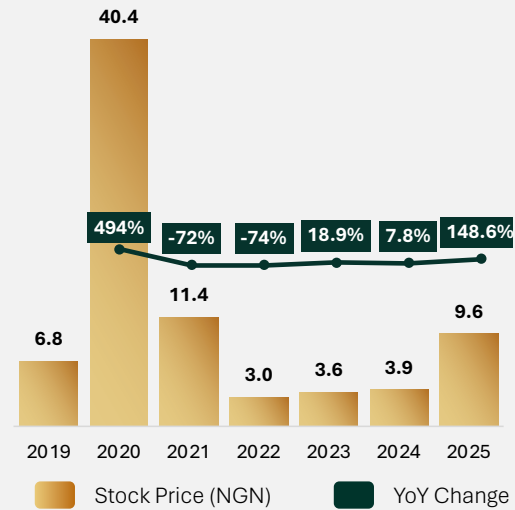
- Urbanisation and mega-projects are booming, including projects like the LAPSET Corridor (Kenya) and Morocco's World Cup infrastructure.

Long-term Outlook

- Infrastructure investments offer stable returns but require long-term patience as projects mature.

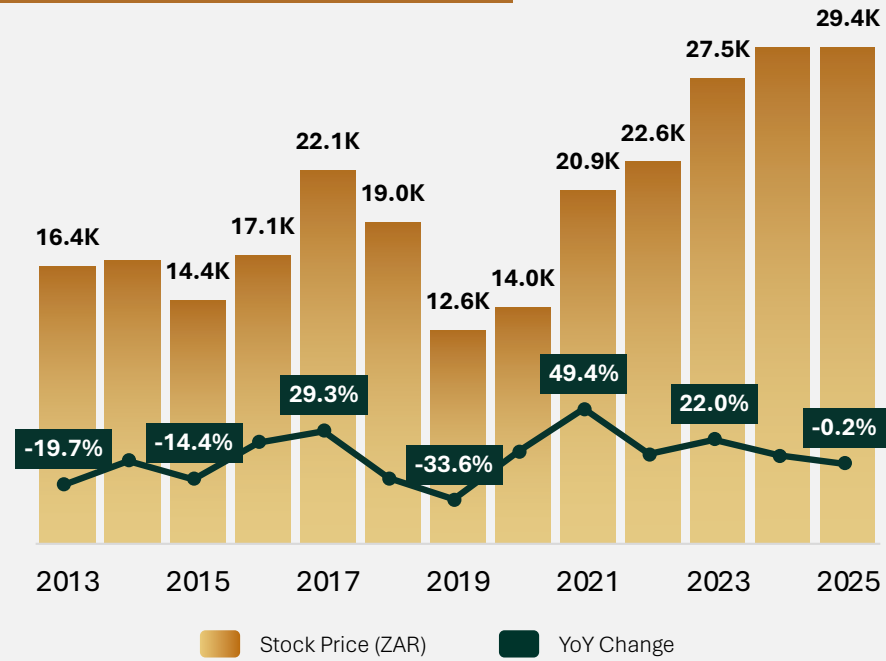
Consumer Goods and Retail

Jumia Stock Market Performance (2019 – 2025)



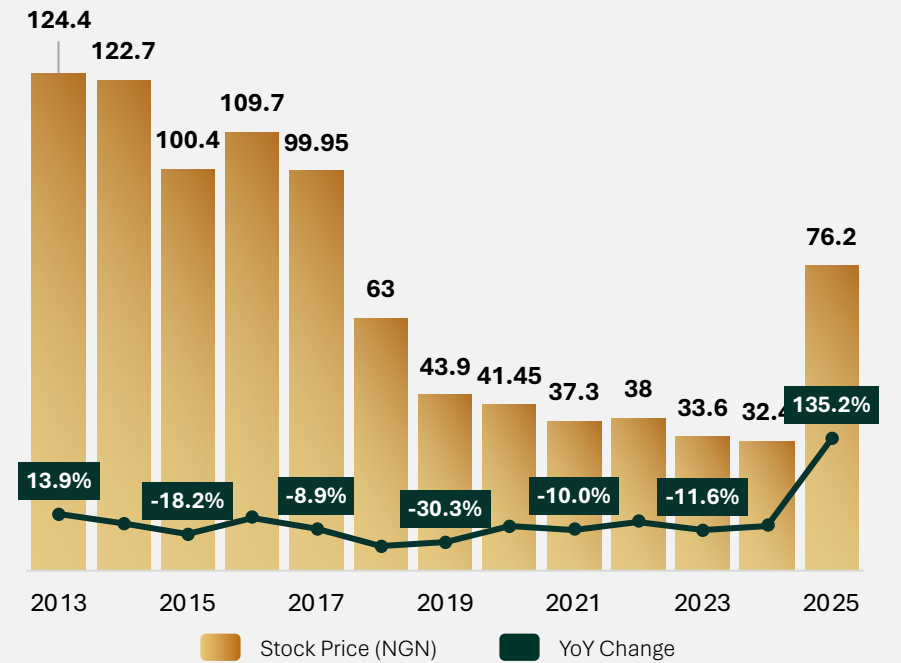
Source: Trading View (2025)

Shoprite Holdings Limited Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Nigerian Breweries PLC Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Key Companies

JUMIA (Nigeria)

Listed on the NYSE, providing exposure to Africa's digital retail boom.

SHOPRITE (South Africa)

The continent's largest supermarket chain, capitalising on the shift to formal supermarkets.

Nigerian Breweries (Nigeria)

A leading beverage company benefiting from sustained consumer demand and a wide distribution network.

Stock Market Exposure

JUMIA (Nigeria)

A digital retailer with global backing.

SHOPRITE (South Africa)

Africa's largest retailer.

Nigerian Breweries And East African Breweries

Breweries benefiting from rising consumer spending.

Why Its Attractive

- A growing, young population is driving demand for consumer goods like food, beverages, electronics, and fashion.

Long-term Outlook

- Consumer goods tend to offer steady growth with relatively low volatility.
- Short-term catalysts may include seasonal sales and marketing campaigns.

Healthcare and Pharmaceuticals

Key Companies



(South Africa)

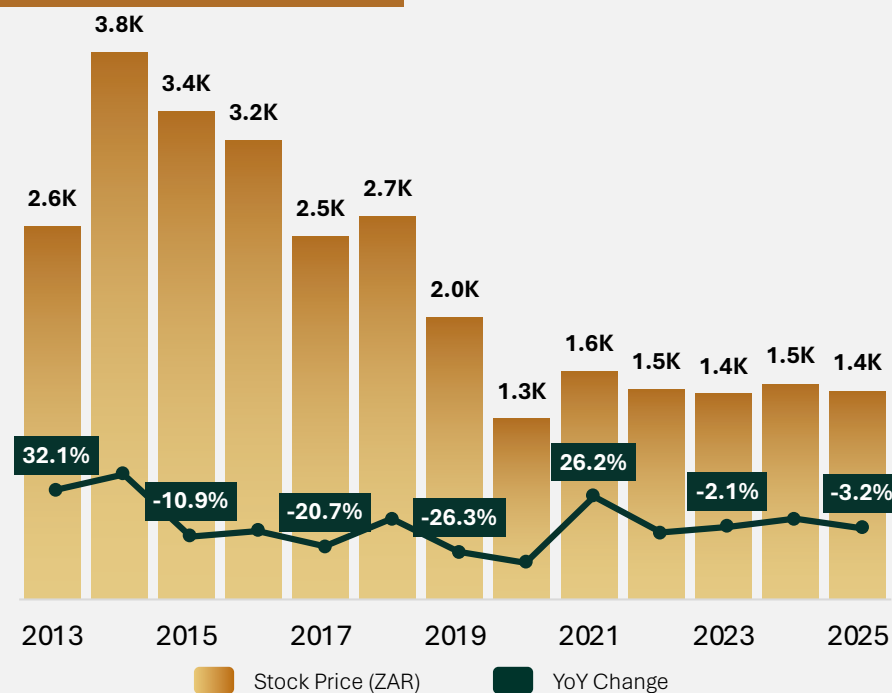
A private healthcare provider with hospitals and clinics across South Africa



(South Africa)

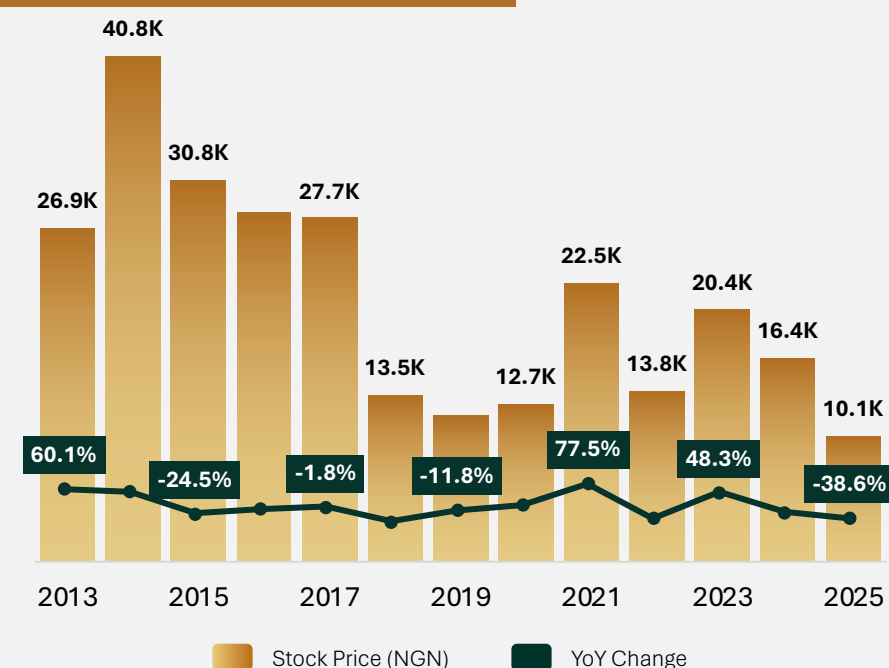
Africa's largest pharmaceutical company, producing generic medicines and vaccines.

Netcare Limited Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Aspen Pharmacare Holdings Stock Market Performance (2013 – 2025)



Source: Trading View (2025)

Stock Market Exposure



Leading player in pharmaceuticals.



(JSE)

Widely recognized for its commitment to patient-centred care in South Africa

Why Its Attractive

- Rising demand for healthcare driven by population growth and a shift toward private healthcare.
- Government investments in hospitals, clinics, and local pharma production are accelerating growth.

Long-term Outlook

- Healthcare offers a long-term opportunity with low correlation to economic cycles.
- Government policies, including health insurance and subsidies, will shape the market.

Section 3:

Short-Term and Long-Term Opportunities



Taking Advantage of Short-Term Opportunities

Overview

- Short-term opportunities typically arise from market inefficiencies, policy changes, or cyclical trends.
- These opportunities could materialise in a few months to a couple of years.

Drivers and Examples of Short – Term Opportunities:

1. Policy Changes

Nigeria's current administration, which came into office in May 2023, implemented two major reforms: floating the currency and removing fuel subsidies. These measures contributed to a rally of more than 36% in the Nigerian stock market by January 2024.



Floated the currency and cut fuel subsidies

+36%

Rally in the Nigerian stock market by January 2024

Source: African Business

2. Commodity Price Swings

Fluctuations in oil, gold, or cocoa prices can quickly boost the stock prices of exporting countries. For instance, a rise in cocoa prices could significantly benefit countries like the Ivory Coast or Ghana, where cocoa is a major export.

3. One - Off Events

Major events like Morocco winning the rights to host the 2030 FIFA World Cup caused a 43% jump in market capitalisation on the Casablanca Stock Exchange.



43%

Jump in market capitalisation on the Casablanca Stock Exchange

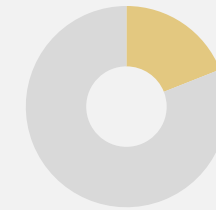
Source: African Business

4. Seasonal Effects

For example, the tourism season in countries like Mauritius or Kenya may temporarily boost stock prices in hospitality and airlines.

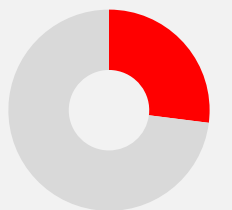
2. Currency Risk

Short-term investments in Africa can be highly volatile, driven by political instability, currency fluctuations, or global market movements.



19%

Stock Market Gain, locally, (2024)



27%

Devaluation loss (2024)

Source: Afridigest (2024)

Risks for Novice Investors

1. Market Volatility

Short-term investments in Africa can be highly volatile, driven by political instability, currency fluctuations, or global market movements.



Key Takeaways

Short-term opportunities can offer quick profits, but they require timing and carry a higher risk, particularly with currency fluctuations and political events.

Taking Advantage of Long-Term Opportunities

Overview:

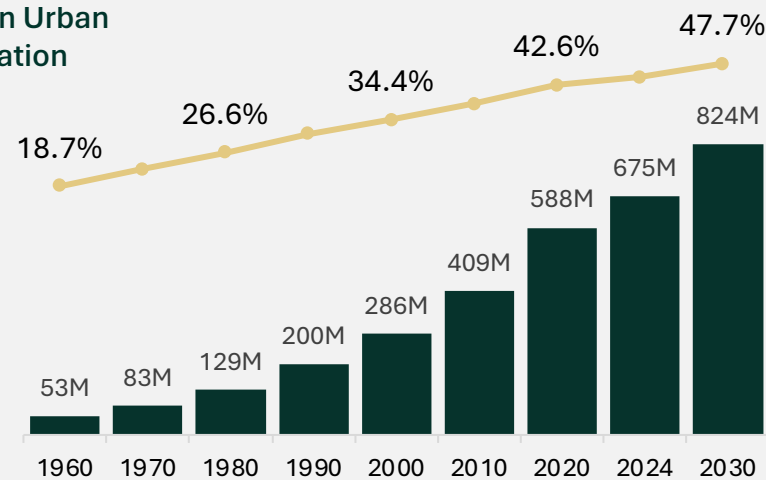
Long-term opportunities are driven by structural trends in Africa, such as demographic shifts, urbanisation, and economic diversification. These are typically positioned to grow over 5–10 years.

Drivers and Examples of Long-Term Opportunities:

1. Growing Population and Urbanisation

Africa's young, urbanising population (with 720 million Africans projected to live in cities by 2026) presents a large and expanding market for consumer goods, services, and infrastructure.

African Urban Population



Source: Worldometer (2025)

2. Banking and Telecom Growth

Companies like Equity Group (Kenya) and GTBank (Nigeria) are well-positioned to capture the growing banking penetration as African countries develop financially.

For example: Equity Bank grew significantly over the last decade. Its profit after tax increased by 284% (2014-2024), while total assets grew by 424%.

3. Pan-African Investment

Investing in indices such as the S&P Africa 40 or MSCI Africa provides exposure to multiple African markets. These indices capture Africa's broader economic growth, but they are inherently volatile.

4. Infrastructure and Development

Countries like Kenya and Nigeria are heavily investing in infrastructure (roads, railways, ports), which will boost economic growth and increase demand for resources and construction services.

Stock Market Exposure

1. Telecom

Safaricom (Kenya) and MTN Group (Nigeria) provide exposure to Africa's expanding mobile finance and telecom market.

2. Banking

Long-term investors can look at banks like GTBank (Nigeria) or Barclays Africa, which benefit from a growing, underbanked population.

Risks for Novice Investors:

1. Short-Term Volatility

While long-term trends are upward, economic cycles and political events can cause short-term setbacks.

2. Country-Specific Risks

Some regions may face risks related to regulation, currency instability, or political unrest.



Key Takeaways

Long-term opportunities in Africa align with growth trends such as urbanisation, banking expansion, and resource development. These opportunities can provide steady returns and tend to be less volatile than short-term plays.

Recommendations for Novice Investors?

	Short Term Investment	Long - Term Investment
Risk Level	High. Short-term opportunities in Africa are attractive but require timing and come with significant risks such as currency fluctuations and political instability	Moderate Long-term investments are more stable and driven by structural trends
Potential Returns	Potential for quick gains, but also quick losses.	Potential for compounding returns over 5-10 years, but with occasional short-term volatility

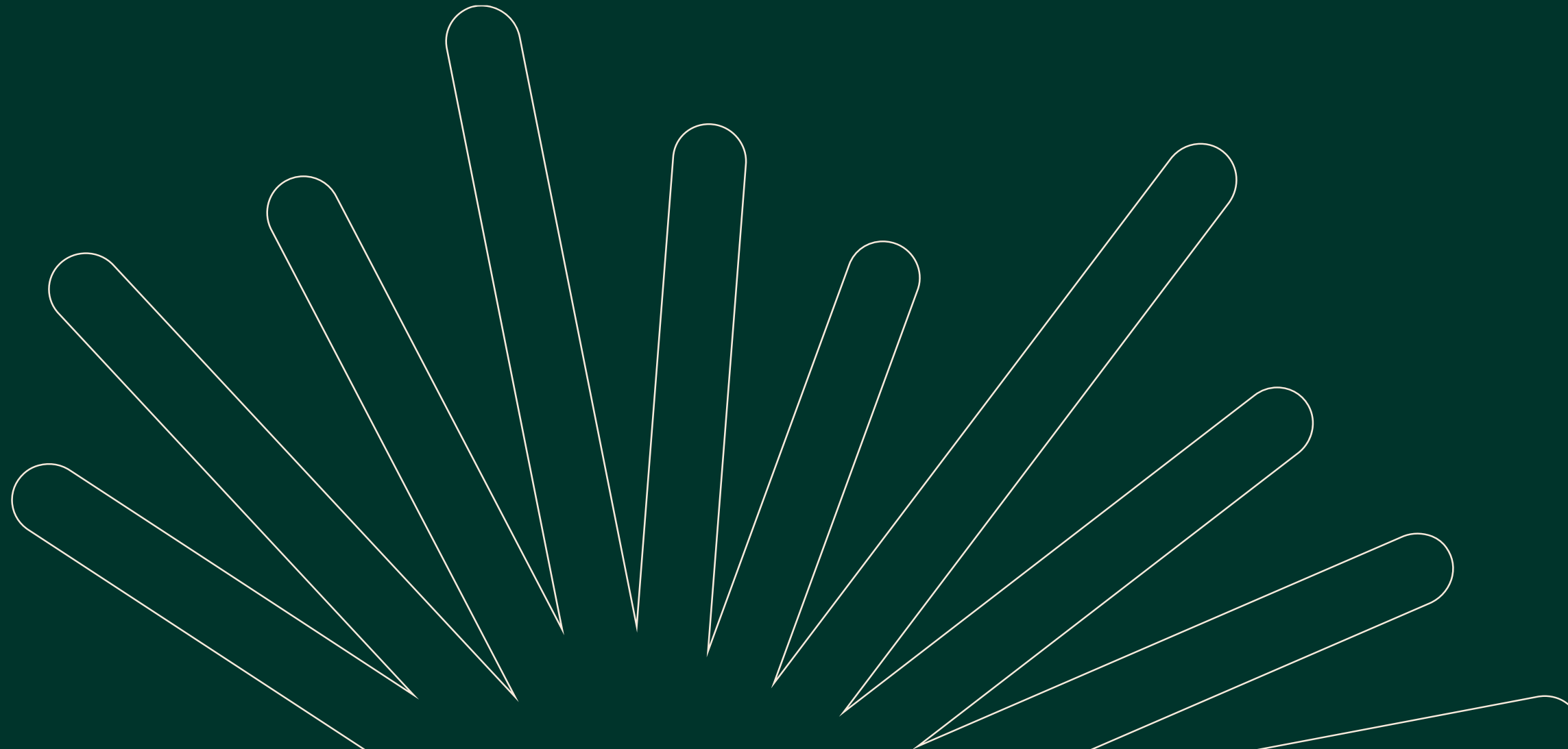
Recommended Strategy for Novices

- Focus on long-term investments, especially in diversified sectors (e.g., telecom, consumer goods, infrastructure), as they align with Africa's growth trajectory.
- Short-term trades can be used tactically, but they require both experience and active monitoring of local news and market conditions.



Section 4:

Key African Markets And Stock Exchanges To Watch



South Africa – Johannesburg Stock Exchange (JSE)

Listed Companies

400+

Listed Companies



Notable Companies

Tech Investor



Mining



Energy/Chemicals



Banking



Telecom



Source: African Xchanges (2025)

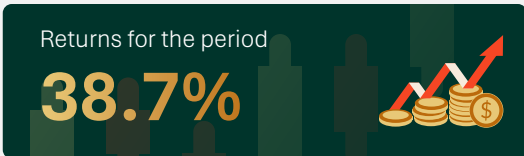
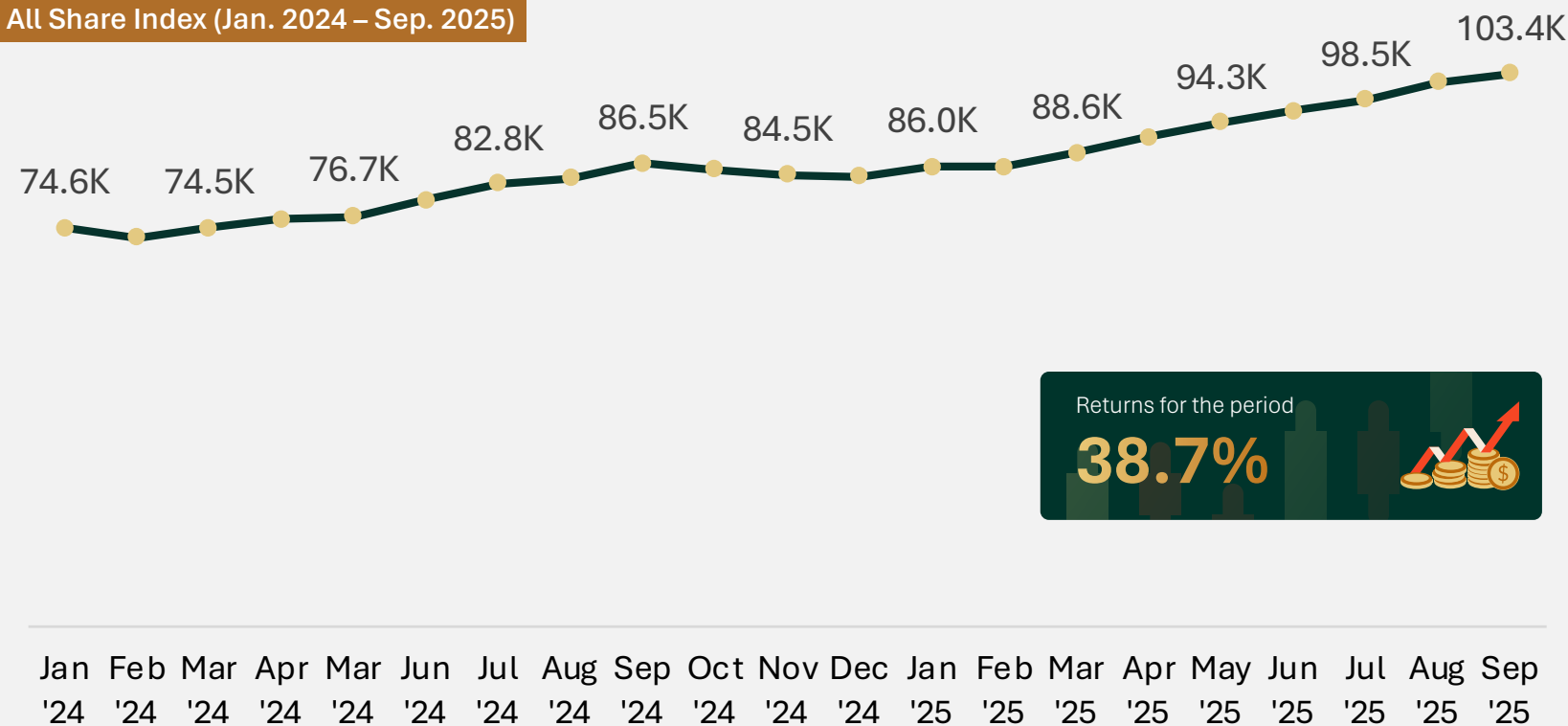
Overview

- The most developed and liquid stock market in Africa, with over 400 companies listed.
- Sector mix: Mining, resources, financial services, consumer stocks.

Why Watch

- Stable institutions and transparent financial markets.
- Pro-market policies emerging post-2024 elections.

JSE All Share Index (Jan. 2024 – Sep. 2025)



Source: Investing.com (2025)

Nigeria – Nigerian Exchange (NGX)

Listed Companies

147+

Listed Companies



Notable Companies

Manufacturing



Oil & Gas



Banking



Telecom



Source: CEIC Data (2025)

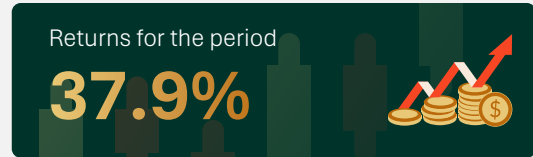
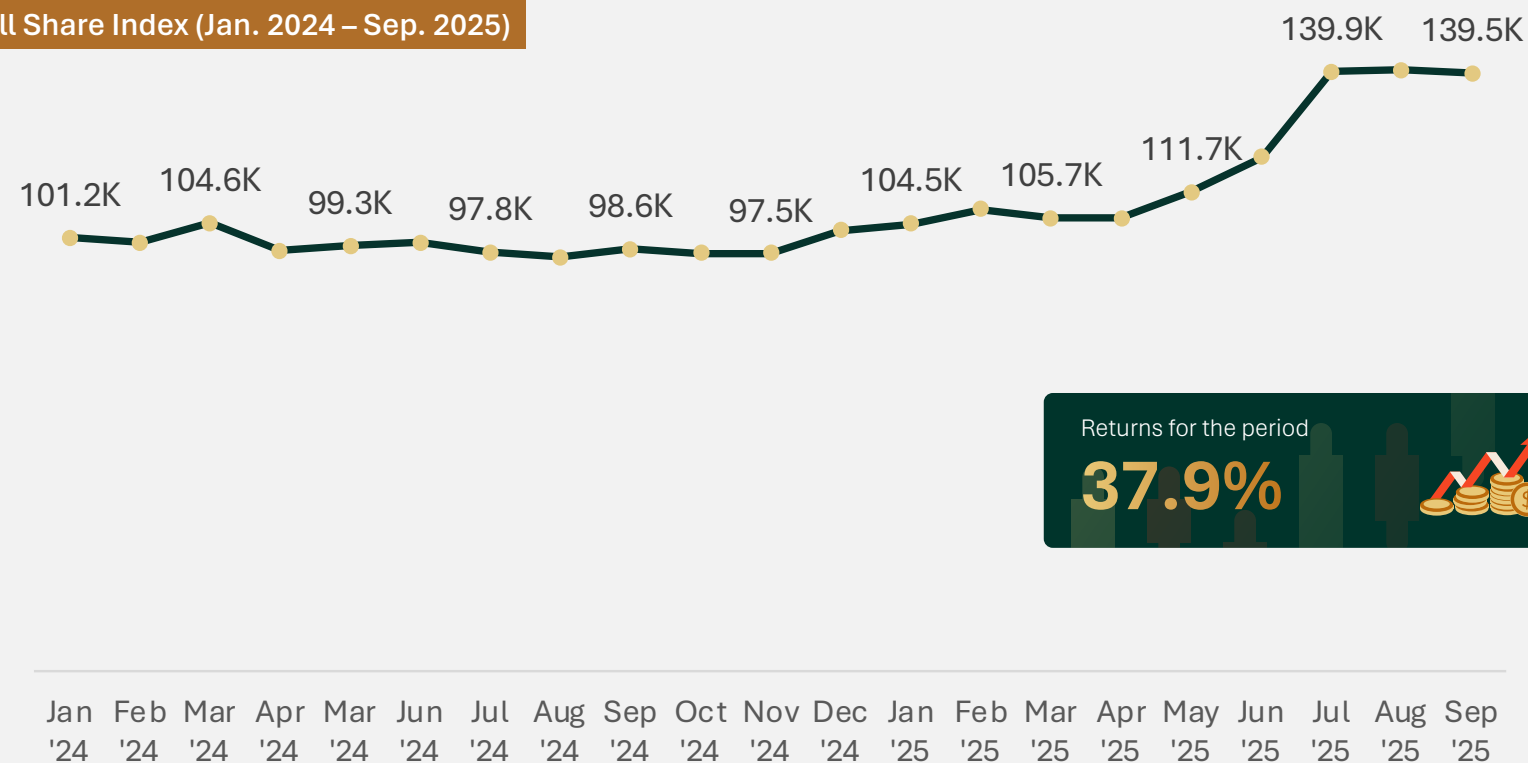
Overview

- Africa's largest economy and most populous nation.
- Best-performing stock market globally in 2023-2024 (Afridigest), with a doubling of the All-Share Index in local currency terms

Why Watch

- Huge growth potential due to a population of 200 million.
- Key sectors: Banking, Telecom, Consumer Goods, and Oil & Gas.

NGX All Share Index (Jan. 2024 – Sep. 2025)



Source: Investing.com (2025)

Kenya – Nairobi Securities Exchange (NSE)

Listed Companies

60+

Listed Companies



Notable Companies

Mobile Money



Banking



Consumer Staples



Renewable Energy



Source: CEIC Data (2025)

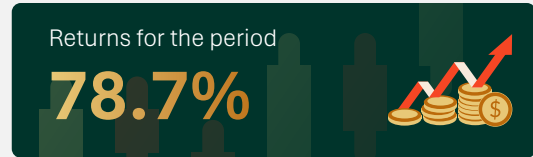
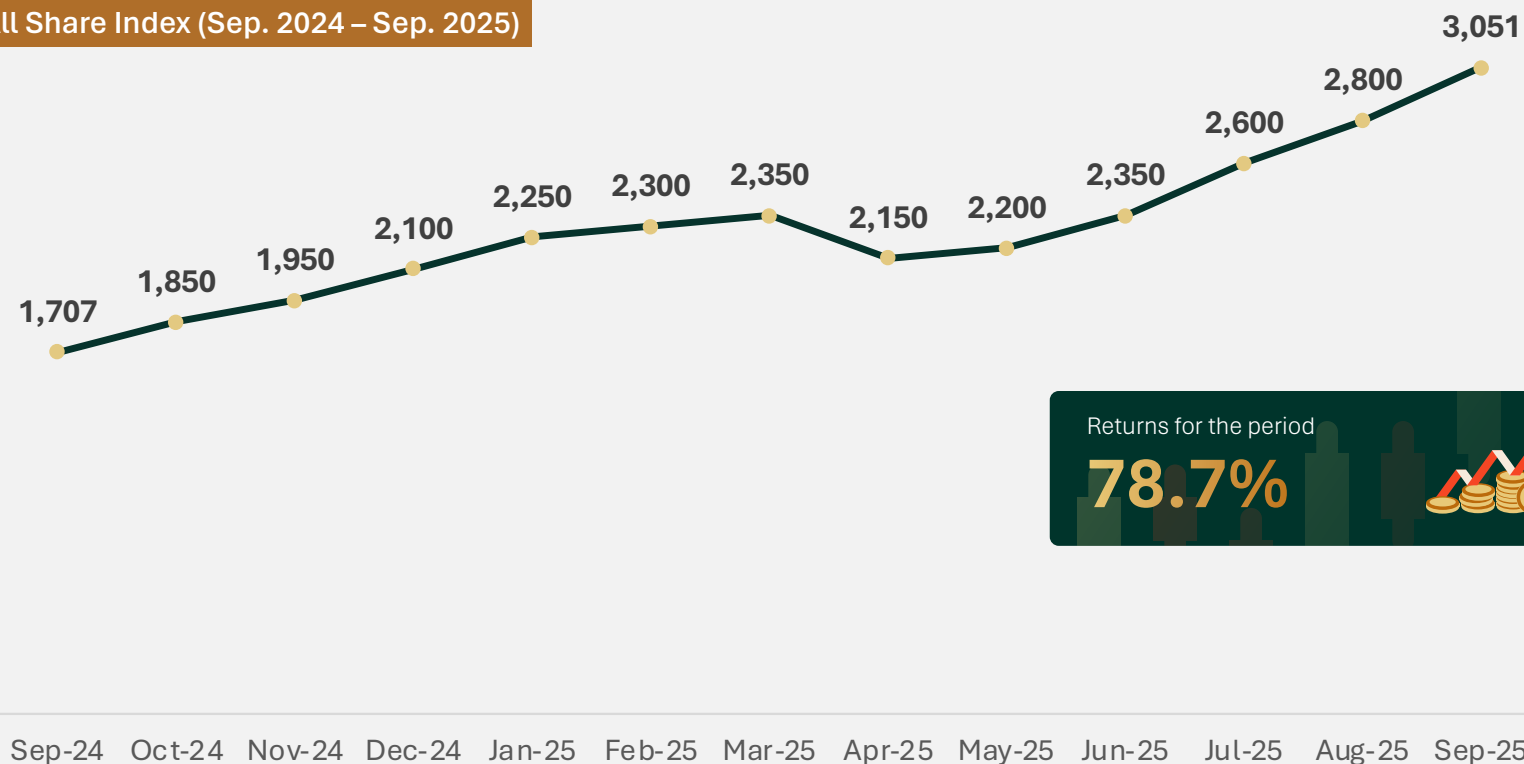
Overview

- East Africa's economic hub with around 60 companies listed.
- Safaricom dominates the market, making up about 50% of the NSE's market cap.

Why Watch

- Leader in fintech, particularly with M-Pesa.
- Solid economic management and investor confidence.

NSE All Share Index (Sep. 2024 – Sep. 2025)



Source: Investing.com (2025)

Egypt – Egyptian Exchange (EGX)

Listed Companies

200+

Listed Companies



Notable Companies

Telecom



Banking



Investment Banking



Infrastructure



Source: CEIC Data (2025)

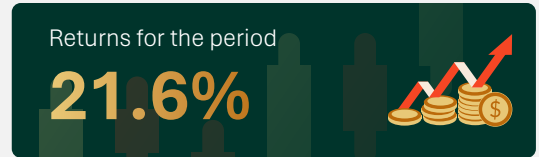
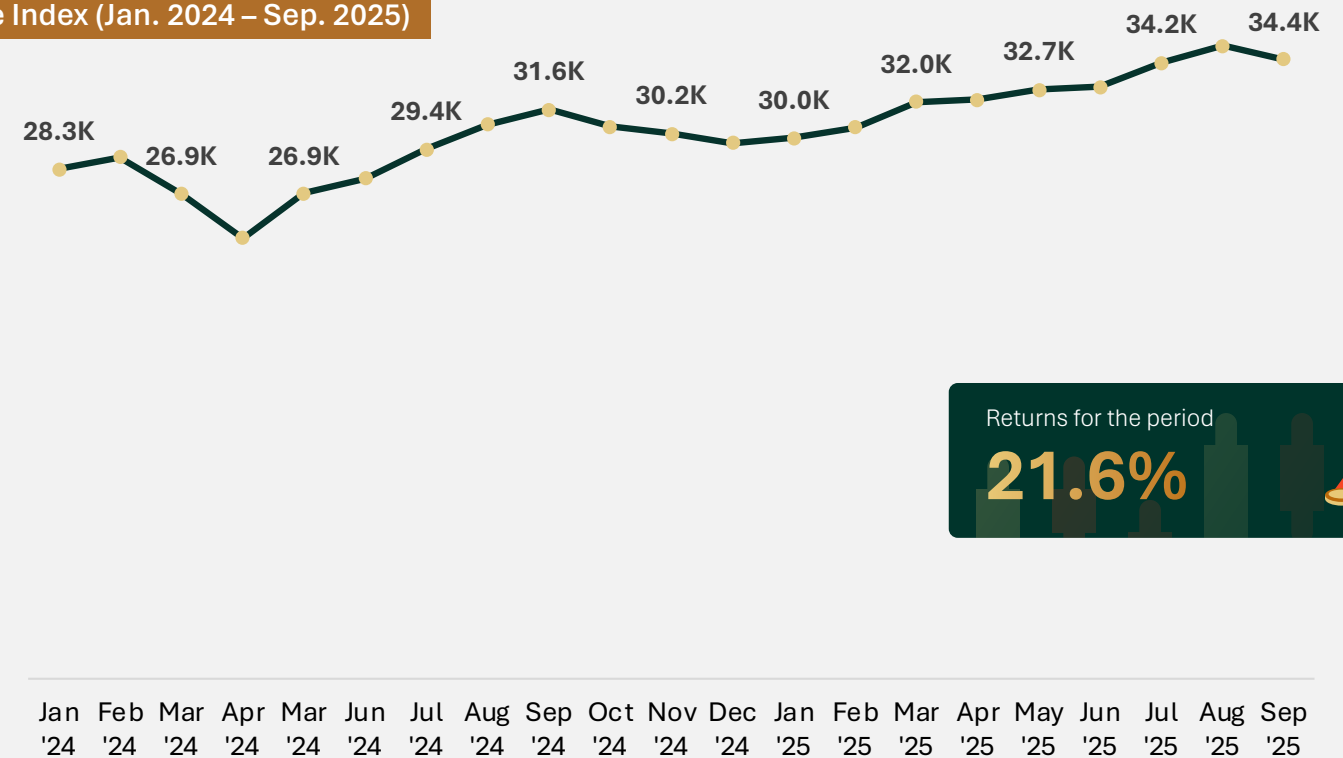
Overview

- One of Africa's oldest stock exchanges, with around 200 listed companies.
- Major sectors: Banking, Telecom, Real Estate, Consumer Goods.

Why Watch

- Diversified economy with a large consumer base.
- Strong foreign direct investment (\$10 billion in 2023).
- Potential upside with economic reforms and currency stabilisation.

EGX All Share Index (Jan. 2024 – Sep. 2025)



Source: Investing.com (2025)

Morocco – Casablanca Stock Exchange (BVC)

Listed Companies

75+

Listed Companies



Notable Companies

Telecom



Banking



Fertilizer/Mining



Supermarkets



Source: Ceicdata (2025)

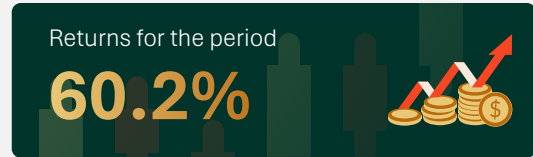
Overview

- Well-regulated, stable market with 75 companies listed.
- Focus on banks, telecom, phosphates/mining, and consumer goods.

Why Watch

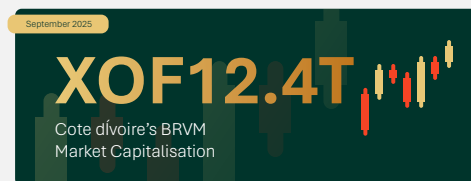
- Strategic location linking Europe and Africa.
- Stable currency and growing sectors, such as renewable energy and agri-tech.
- Strong economic reforms and high IPO activity (e.g., CMGP in 2024).

BVC All Share Index (Jan. 2024 – Sep. 2025)



Source: Investing.com (2025)

Frontier Markets – Rwanda, Ghana, Côte d'Ivoire



Ghana

- 25%+ returns in 2024, with financial and mining stocks leading.
- Currency risk and liquidity concerns.

Source: CeiAfridigest

Côte d'Ivoire (BRVM)

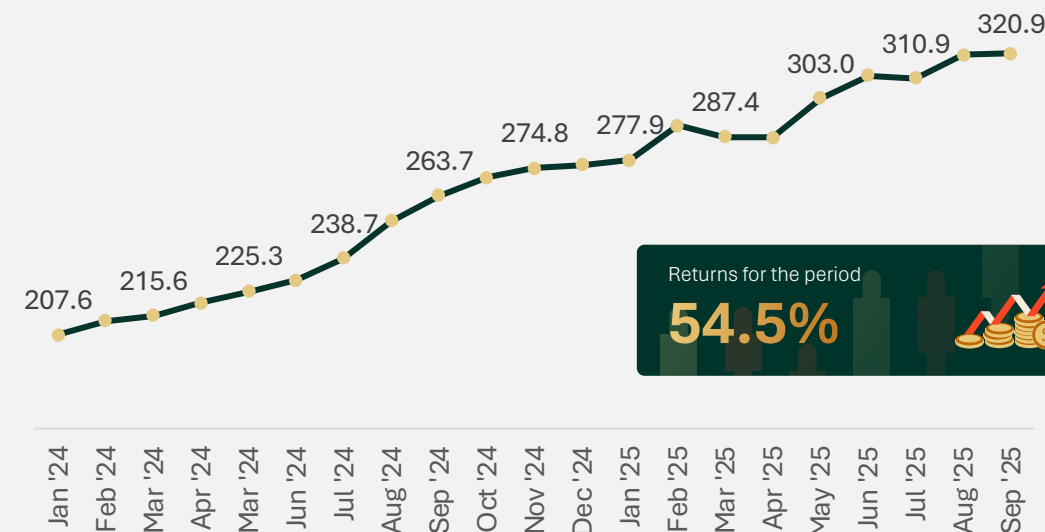
- Regional exchange serving 8 Francophone West African countries.
- Solid institutional inflows and steady growth in sectors like telecom, banks, and consumer goods.

Source: DabaFinance

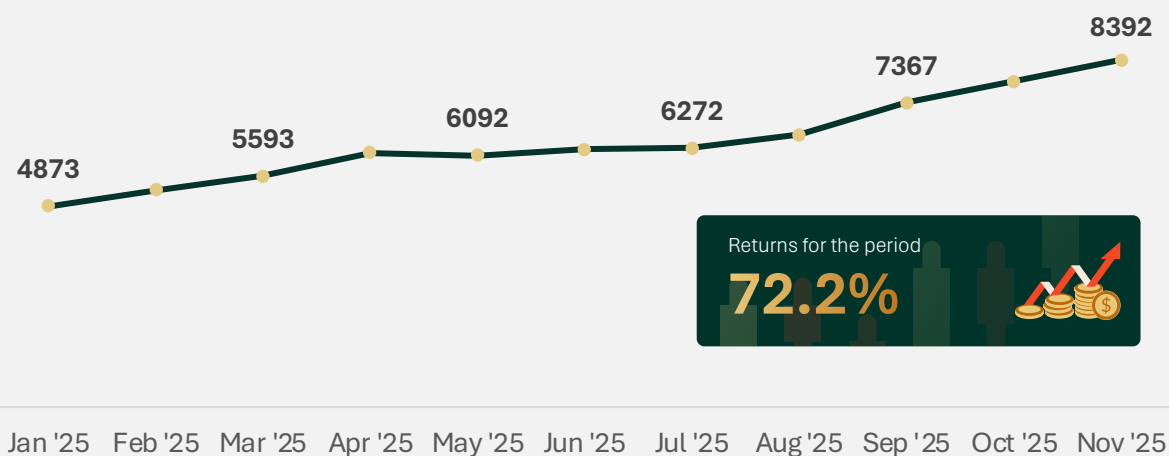
Rwanda

- Small but growing market with a business-friendly reputation.
- 7%+ GDP growth, potential for cross-listings.
- Limited liquidity, but growth prospects are solid.

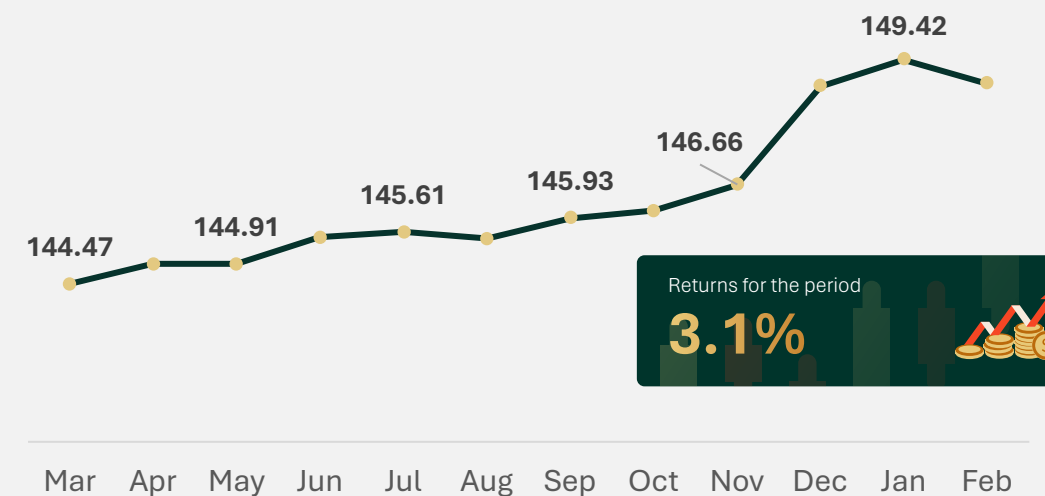
Côte d'Ivoire Stock Market (BRVM) All Share Index (Jan. 2024 – Sep. 2025)



Ghana's Stock Exchange (GSE) All Share Index (Jan. 2024 – Sep. 2025)



Rwanda Stock Exchange (RSE) All Share Index (Jan. 2024 – Sep. 2025)



Other Frontier Markets – East Africa (Uganda, Tanzania)



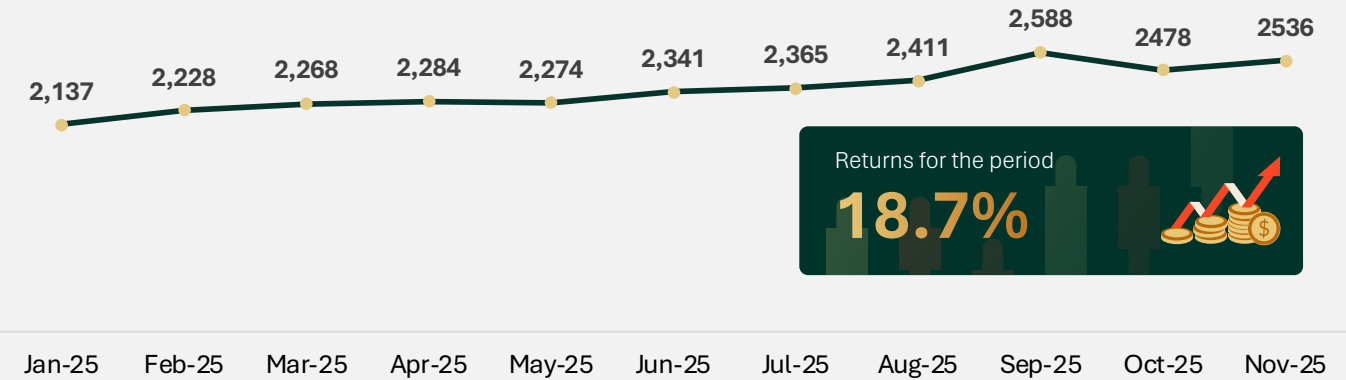
Source: AFX (2025)

Tanzania DSE and Uganda USE saw strong USD returns in 2024 (+26% and +40%, respectively).

Growing local investor base and cross-listings from Kenyan companies.

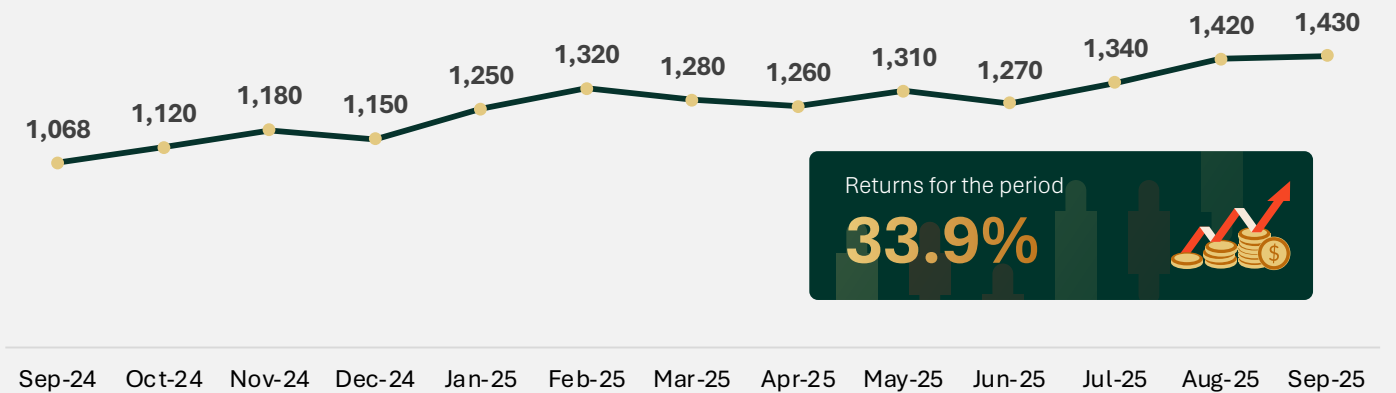
These markets are still frontiers but may emerge as strong performers over time.

Tanzania Stock Exchange (DSE) All Share Index (Jan. 2025 – Nov. 2025)



Source: Trading Economics (2025)

Uganda Stock Exchange (USE) All Share Index (Sep. 2024 – Sep. 2025)

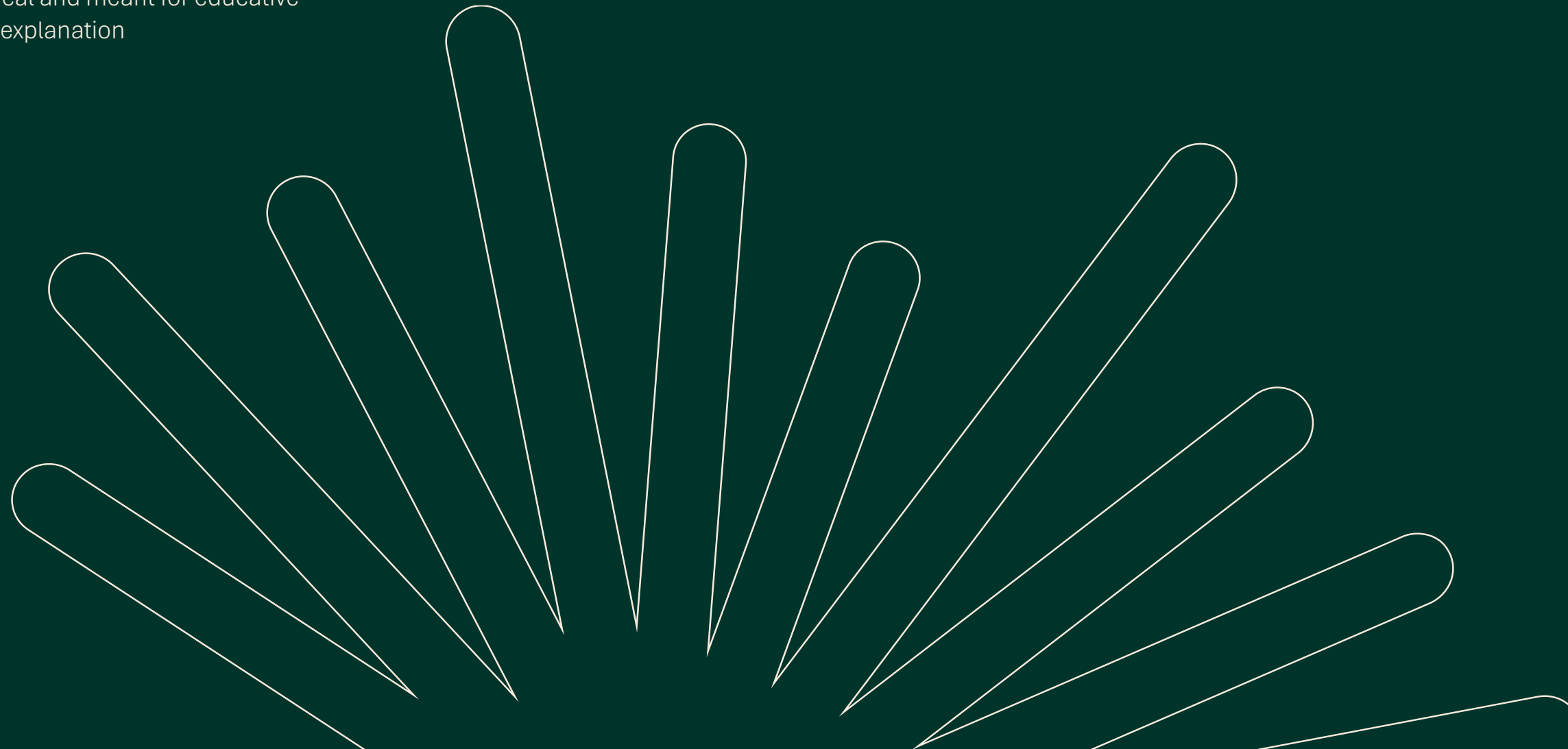


Source: Trading Economics (2025)

Section 5:

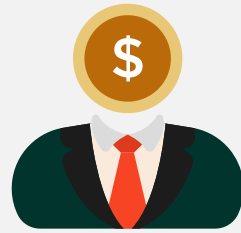
Key Investment Strategies For Novice Investors

Data and figures in this section are hypothetical and meant for educative purposes only in order to aid illustration and explanation



Dollar-Cost Averaging (DCA)

Scenario 1



Investor

Monthly Investment

\$100

Time/Duration

12 Months

Assumptions

- Stock price moves up and down across the year
- Investment is in a single stock

Month	Price per Share (\$)	Investment (\$)	Shares Bought	Total Shares Accumulated	Total Invested (\$)	Average Cost per Share (\$)
Jan	10.00	100	10.00	10.00	100	10.00
Feb	8.00	100	12.50	22.50	200	8.89
Mar	6.00	100	16.67	39.17	300	7.65
Apr	7.00	100	14.29	53.46	400	7.48
May	9.00	100	11.11	64.57	500	7.74
Jun	11.00	100	9.09	73.66	600	8.15
Jul	13.00	100	7.69	81.35	700	8.60
Aug	12.00	100	8.33	89.68	800	8.93
Sep	10.00	100	10.00	99.68	900	9.03
Oct	8.00	100	12.50	112.18	1000	8.92
Nov	9.00	100	11.11	123.29	1100	8.92
Dec	11.00	100	9.09	132.38	1200	9.07

Source: LEAF Analysis



What is DCA?

A strategy where you invest a fixed amount of money at regular intervals (e.g., monthly or quarterly), regardless of the asset's price.

Why It Works:

- It helps reduce the impact of market volatility by averaging out the purchase price over time, especially in volatile markets like Africa.
- Ideal for long-term investments in stocks or ETFs.

Example:

A novice investor could invest a fixed amount into African ETFs like the MSCI Africa Index each month.

Outcome

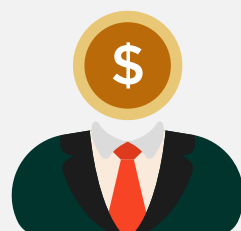
Total Invested.....	\$1,200
Total Shares Accumulated.....	132.38
Average Cost per Share.....	\$9.07
Market Price at Year End (Dec).....	\$11.00
Portfolio Value.....	132.38 × \$11 = \$1,456.18
Gain.....	\$256.18 (21.35% return)

If investor tried to “time the market” (say, buying only when it was at \$13 in July), they would have fewer shares and lower returns.

DCA advantage: It buys more when price is low (March at \$6 → 16.67 shares) and fewer when price is high (July at \$13 → 7.69 shares).

Despite volatility, steady investing grows wealth with reduced emotional stress.

Scenario 2



Investor

Yearly Investment

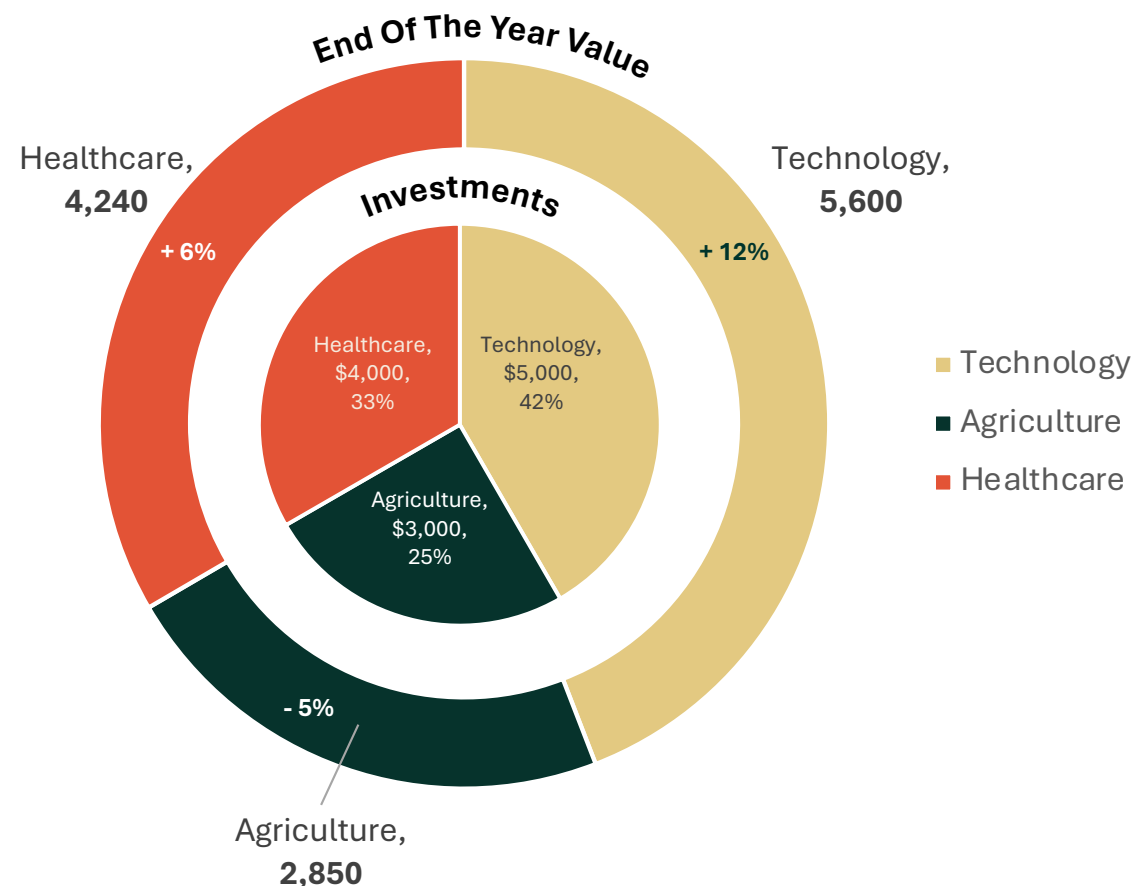
\$12,000

Strategy 1

Put all \$12,000 in one sector/region.

Strategy 2

Diversify equally across 3 sectors and 3 regions.



Source: LEAF Analysis

Why Diversify?

Investing in multiple sectors (e.g., fintech, agriculture, renewable energy) and across different African regions (e.g., East, West,) can help spread risk and capture growth in various economies.

Example:

An investor could allocate funds across South Africa's JSE, Kenya's NSE, and Nigeria's NGX to gain exposure to different sectors and economic environments.

Outcome

- Undiversified Investor (All investment in Agriculture, -5%): \$12,000 → \$11,400 (loss)
- Diversified Investor (3 sectors): \$12,000 → \$12,690 (profit)
- Even though Agriculture lost value, gains in Tech & Healthcare gave a net profit.

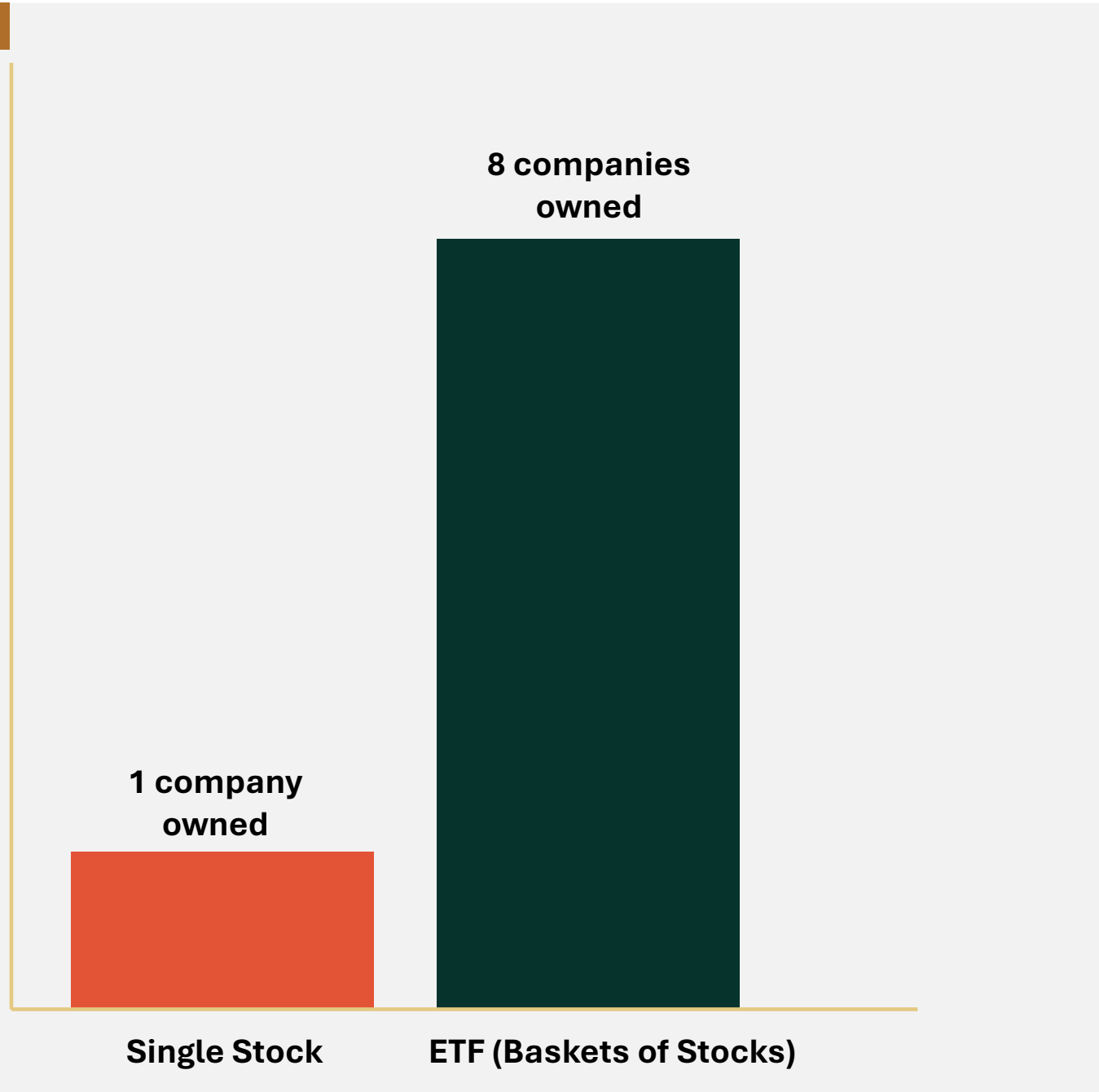
This demonstrates how spreading investments lowers downside risk.

Note

The chart illustrates how a diversified investment portfolio performed across three sectors over one year. At the start, funds were allocated 42% to Technology (\$5,000), 33% to Healthcare (\$4,000), and 25% to Agriculture (\$3,000). By year-end, Technology delivered the strongest growth, rising 12% to \$5,600, while Healthcare increased 6% to \$4,240. Agriculture, however, declined 5% to \$2,850.

Overall, the visual demonstrates how sector allocation and varying market performance influence total portfolio value over time, reinforcing diversification benefits and risk exposure across industries.

Scenario 3



Why Diversify?

Exchange-Traded Funds (ETFs) are ideal for novice investors as they offer broad exposure to African markets without the need to pick individual stocks.

Example

S&P Africa 40 or MSCI Africa ETF.

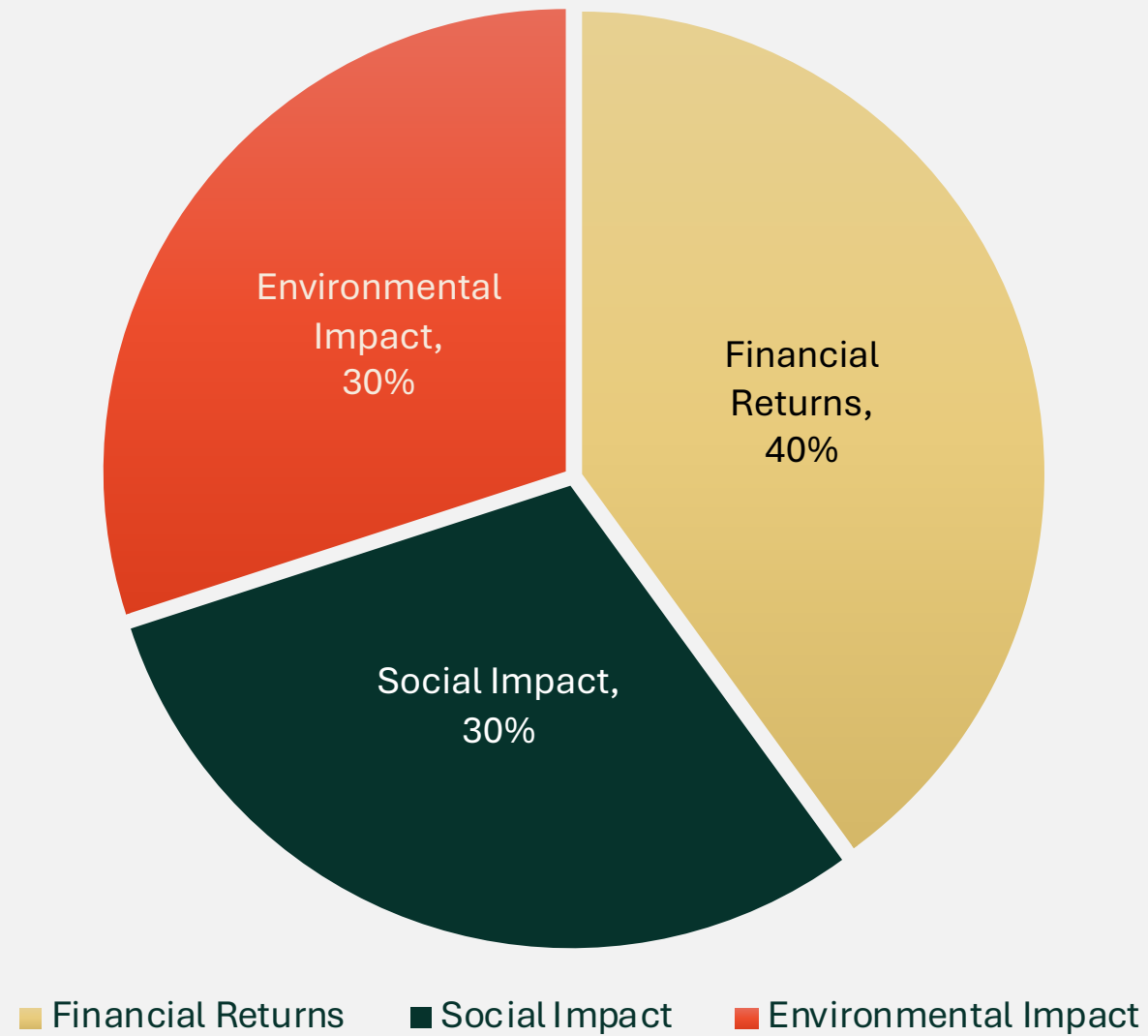
Benefit

They provide low-cost, diversified exposure to top companies across the continent, ideal for investors without deep stock-picking expertise.

Scenario Comparison

Aspect	Investing in ETFs	Picking Individual Stocks
Risk	Lower, diversified across multiple companies	Higher, depends on performance of selected stocks
Cost	Lower, fewer transaction fees	Higher, more fees if trading frequently
Expertise Required	Minimal, suitable for beginners	Higher, requires research and market knowledge
Potential Upside	Moderate, tracks overall performance	Potentially higher, but more volatile
Monitoring Effort	Low, mostly periodic review	High, continuous tracking of each stock

Scenario 4



Why Diversify?

Investing in companies or funds that focus on generating positive social or environmental impact in addition to financial returns.

Example

Africa is home to numerous impact-driven initiatives, from clean energy projects to financial inclusion programs, providing opportunities for novice investors who want to make a difference while earning returns.

Example: Investing in renewable energy firms in Africa, like KenGen (Kenya) or Solar Africa.

Section 6:

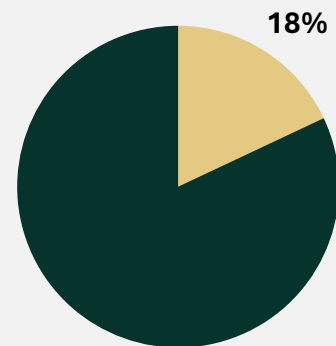
Tax Considerations For Investors In African Markets



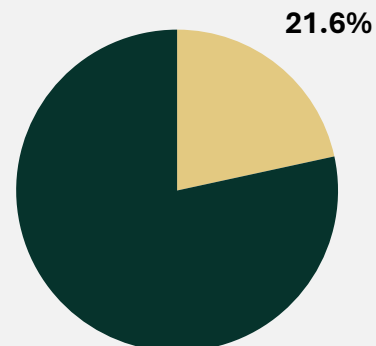
Capital Gains and Dividend Tax

Capital Gains Tax in South Africa (2025)

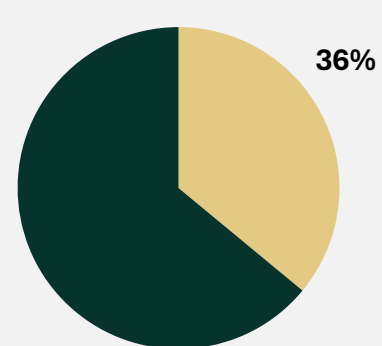
Individuals and Special Trusts



Company and Special Trusts



Other Trusts



Definition

Tax on the profits made from the sale of assets, such as stocks or real estate.

Example:

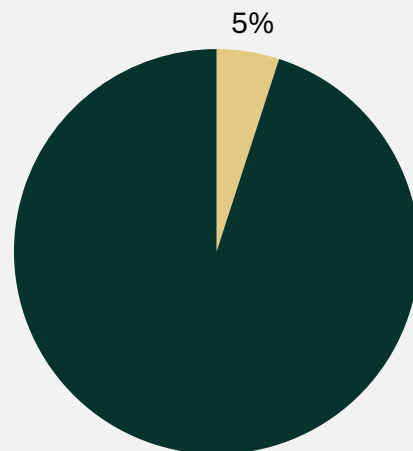
In South Africa, the effective capital gains tax (CGT) rate for individuals is 18% in 2025, while for companies, it is 21.6%. In Nigeria, the CGT rate is 10% on gains from the disposal of chargeable assets.

Kenya's CGT rate was increased from 5% to 15% as of January 1, 2023. In Ghana, capital gains are taxed as part of regular income, with a maximum rate of 35% for resident individuals.

Source: South Africa Revenue Service (2025)

Dividend Tax

Dividend Tax (Kenya)



Definition

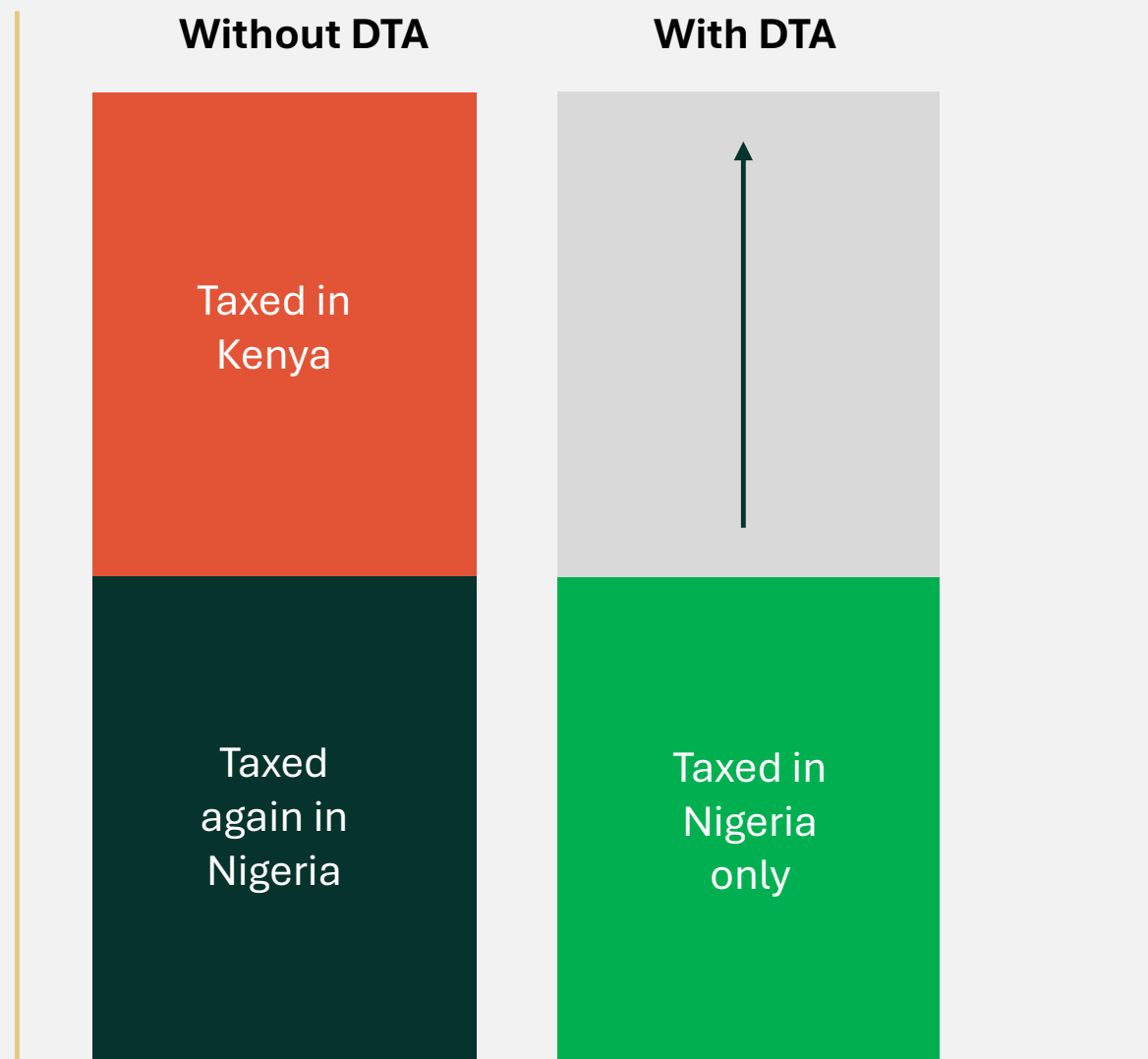
A tax on the income generated from dividends.

Example:

In Kenya, withholding tax on dividends is typically 5% for local investors but can be higher for foreign investors depending on the treaty agreements. South Africa's dividend withholding tax (WHT) is 20%, while Ghana's is 8% for residents and non-residents alike, and Nigeria has a 10% WHT for both.

Source: Kenya Revenue Authority

Double Taxation Agreements (DTAs)



An investor who earns income in Nigeria but lives in Kenya might be taxed twice if the two countries have no Double Taxation Agreement (DTA).

But in a situation where the countries have a Double Taxation Agreement (DTA), such individual will be taxed just once (either the resident country or the income-generating country)

What Is It?

Africa has several Double Taxation Agreements with countries like the U.S., UK, and France to avoid taxing the same income in two different jurisdictions.

Example:

A U.S. investor in South Africa might benefit from a DTA that lowers tax rates on dividends and capital gains.



Tax-Efficient Investment Vehicles

What to Look For

Consider using tax-efficient investment vehicles like Exchange-Traded Funds (ETFs), which can often minimise tax liabilities for investors.

Section 7:

How To Get Started With Investing In Africa





Research and Knowledge Building

First Step:

Start by researching markets and sectors of interest. Make sure to read up on economic reports, government policies, and market forecasts to understand where growth opportunities are emerging.



Opening an Account with African Stock-Brokers

Local vs International Brokers:

Local Brokers: Many African countries have their own stockbrokers, but you can also trade via international platforms like Bamboo or Trove that offer access to African stocks.

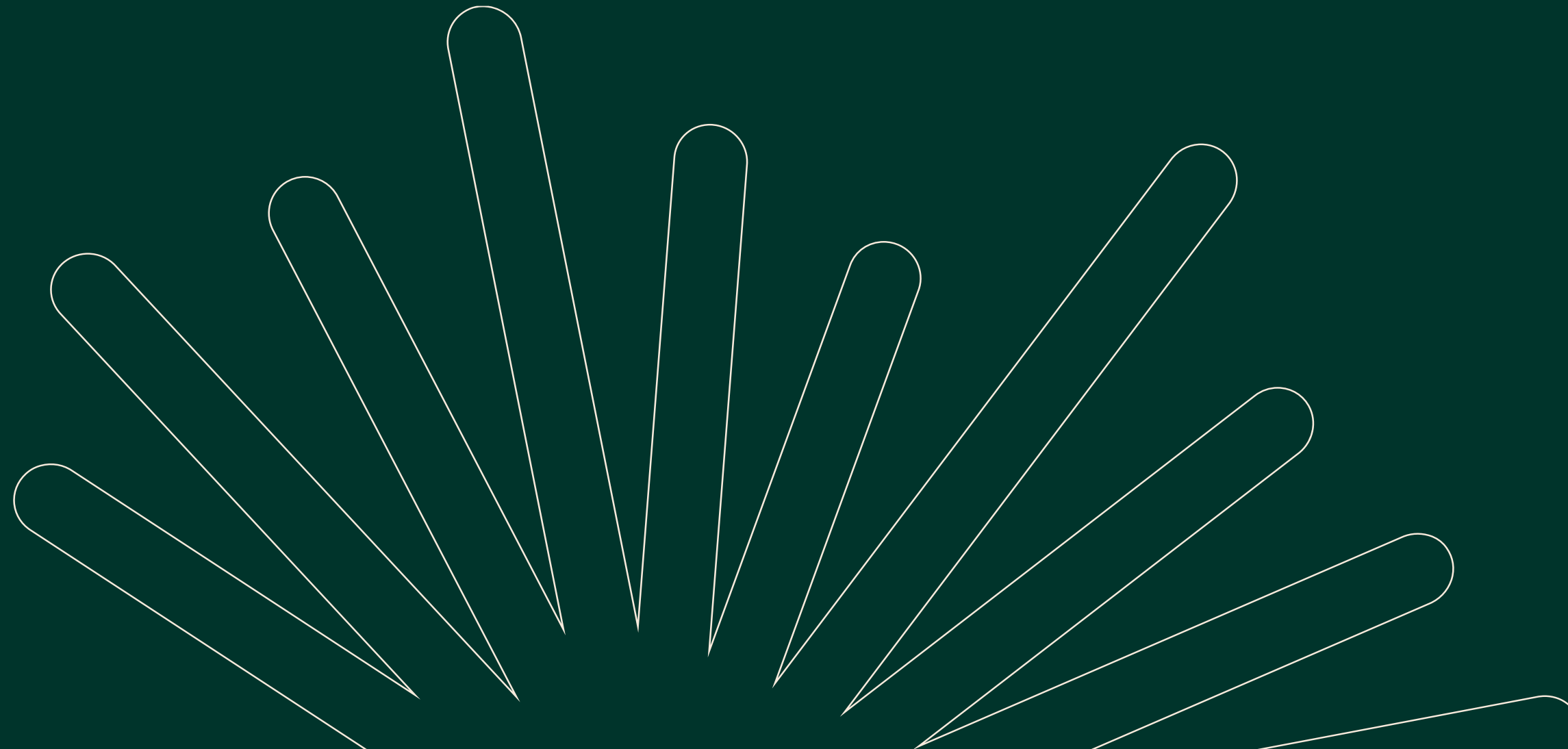


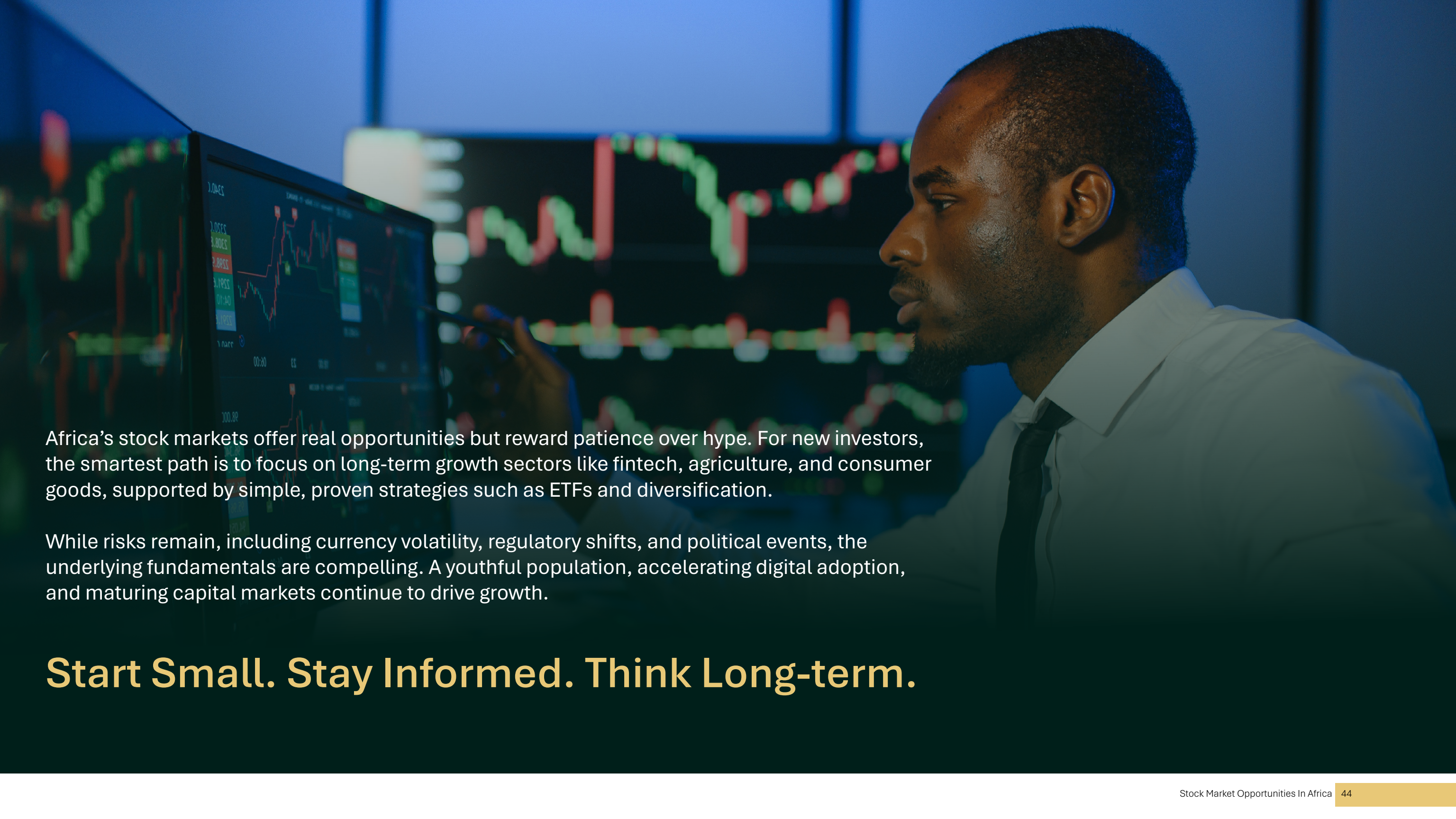
Exchange-Traded Funds (ETFs)

Diversified Investment:

If you're a novice investor, consider ETFs like MSCI Africa or S&P Africa 40, which offer diversified exposure across the continent's best-performing markets.

Conclusion





Africa's stock markets offer real opportunities but reward patience over hype. For new investors, the smartest path is to focus on long-term growth sectors like fintech, agriculture, and consumer goods, supported by simple, proven strategies such as ETFs and diversification.

While risks remain, including currency volatility, regulatory shifts, and political events, the underlying fundamentals are compelling. A youthful population, accelerating digital adoption, and maturing capital markets continue to drive growth.

Start Small. Stay Informed. Think Long-term.

References

1. African Markets. n.d. African Stock Markets Performance. African Markets. Accessed September 28, 2025. <https://www.african-markets.com/en/tools/performance>
2. Afridigest. 2025. African Stock Markets Outperformed Global Indices in 2024. Afridigest. January 2, 2025. <https://afridigest.com/african-stock-markets-outperformed-global-indices-2024/>
3. CEIC. 2025. Morocco Exchange Rate against USD. CEIC. Accessed October 9, 2025. <https://www.ceicdata.com/en/indicator/morocco/exchange-rate-against-usd>
4. Center for Africa's Development and Investment. 2025. Top Investment Themes Africa Investors Should Watch in 2025. Center for Africa's Development and Investment (blog). July 18, 2025. www.tcadi.com/2025/07/18/top-investment-themes-africa-investors-should-watch/
5. Diplo. 2023. State of the African digital economy 2023. Diplo. January 18, 2023. <https://www.diplomacy.edu/resource/report-stronger-digital-voices-from-africa/state-of-african-digital-economy/>
6. Olurounbi, Ruth. 2023. Tinubu begins reforms in Nigeria with naira devaluation. African Business. June 16, 2023. <https://african.business/2023/06/politics/tinubu-begins-reforms-in-nigeria-with-naira-devaluation>
7. Patro, Dilip, John Wald, and Yangru Wu. 2014. Currency Devaluation and Stock Market Response: An Empirical Analysis. *Journal of International Money and Finance* 40 (February): 79–94. <https://doi.org/10.1016/j.jimonfin.2013.09.005>
8. Slickcharts. 2025. S&P 500 Total Returns by Year since 1926. www.slickcharts.com. 2025. Accessed September 7, 2025. <https://www.slickcharts.com/sp500/returns>
9. Umoro, David, and Oseni Hussein Omomoh. 2023. Devaluation and Stock Prices. *The Central European Review of Economics and Management* 7 (4). <https://doi.org/10.29015/cerem.972> |
10. United Nations. 2024. World Urbanisation Prospects: The 2024 Revision. United Nations Department of Economic and Social Affairs. Accessed September 18, 2025. <https://population.un.org/dataportal/home?df=a6d566ac-6b0d-40f3-9f07-b9813f0e5ad3>



