The Hughes Report

The Hughes Report

Curated Content, Premium Analysis, and Opinions on Geo-Political Events and Trends Shaping Technologies, Business, Finance, Economics and Politics in Ghana, Africa, United States, China and The Rest of World.

MONDAY 5 OCTOBER 2026

NEW YORK HONG KONG ACCRA LAGOS JOHANNESBURG

Africa’s EV shift is taking shape on the road

Electric motorcycles, buses and commercial fleets are finding customers across the continent. Their prospects depend on the cost of a working day, reliable service and finance that operators can afford.



Electric motorcycles on the streets of Kigali. Photo: Ampersand.

The business case for an electric vehicle becomes much easier to understand when the vehicle earns its living. A motorcycle carrying paying passengers uses energy throughout the day. A city bus returns to known routes and depots. A delivery fleet can compare fuel bills with charging costs. Those uses give electric transport a practical opening in Africa, even where a new electric car remains beyond the reach of most households.

The transition is already measurable. The International Energy Agency estimates that Africa sold around 70,000 electric two-wheelers in 2025, up from fewer than 1,000 in 2020. Uganda accounted for more than 30,000 and Kenya for more than 25,000. Electric models represented roughly 15% of Kenya’s new two-wheeler registrations. These are annual sales and registration measures, not the number of vehicles operating today. (IEA)

Passenger cars tell a different story. The IEA estimates about 25,000 new electric-car sales across Africa in 2025, compared with roughly 4,000 in 2023. Egypt, Morocco and South Africa supplied nearly 70% of that market. Its definition includes battery-only cars and plug-in hybrids; ordinary hybrids are excluded. The figures establish growth from a small base, with a marked concentration in a few countries. (IEA)

A delivery reported in Cairo this weekend shows why the distinction between ambition and use matters. The city’s official portal carried a 3 October account of 20 MCV electric buses delivered for integration into the Ring Road bus rapid transit system. That is evidence of vehicles arriving, attributed by the portal to Akhbar El Youm. It does not yet establish that all 20 are carrying passengers on a regular timetable. (Cairo Portal)

For investors, the useful question is how a vehicle moves from that delivery announcement into dependable revenue. Someone must pay for the depot connection, maintain the battery and keep a replacement vehicle available when repairs take longer than expected. The quality of those arrangements will determine whether the present expansion produces durable transport businesses.

Electric vehicle adoption in 2025

Measure	Africa	Selected markets
New electric cars	About 25,000	Egypt 7,900; Morocco 5,500; South Africa 3,800
Electric two-wheelers	About 70,000	Uganda >30,000; Kenya >25,000

IEA estimates for 2025. Car figures include BEVs and PHEVs, excluding conventional hybrids. The two panels describe separate vehicle categories; they are not a total African EV fleet. (IEA) (IEA)

Motorcycles make the operating case

The World Bank’s June analysis of African transport argues that the fuel-price shock creates an opportunity to expand cleaner mobility. High-use vehicles are a particularly promising segment because frequent operation allows energy savings to accumulate. Its separate work on electric mobility in developing countries also emphasises that the result depends on local conditions and policy design. A cheap kilowatt-hour alone is insufficient evidence of an attractive investment. (World Bank) (World Bank)

Kenya provides an unusually useful check on the physical activity behind adoption claims. Kenya Power reports that electricity consumed under its e-mobility tariff rose from 2.92 million kilowatt-hours in 2024 to 8.43 million in 2025. It reported 205 tariff customers. The series covers that billing category, so it cannot be treated as a census of all vehicle charging, but it does show a growing commercial load. (Kenya Power)

The transport ministry’s cumulative registration series reached 39,324 electric vehicles in 2025, against 1,378 in 2022. That broader series includes different vehicle classes and should be read alongside, rather than added to, the IEA’s motorcycle sales estimate. Kenya launched its national electric-mobility policy in February 2026. The policy provides a direction for investment; individual tax concessions still depend on the applicable law and commencement date. (Kenya Ministry of Transport)

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FRIDAY 2 OCTOBER CLOSE

S&P 500	7,722.72	+0.73%
Dow	51,176.96	+0.49%
Nasdaq	27,190.86	+1.19%
FTSE 100	10,461.95	+0.32%
NGX	250,808.27	−0.16%
Brent Dec.	$102.25	−0.06%

Session dates and observation bases: page 8.

INVESTOR LENS • PAGE 10

The common question across this edition is whether an attractive operating story can support its financing obligations.

AFRICA EVs CONTINUED • PAGES 2–3

OBSERVATION CUTOFF

Markets through Friday 2 October. News verified through 4 October 2026 at 06:54 UTC. Brazil’s vote and later Sunday developments fall after this early-Sunday observation cutoff.

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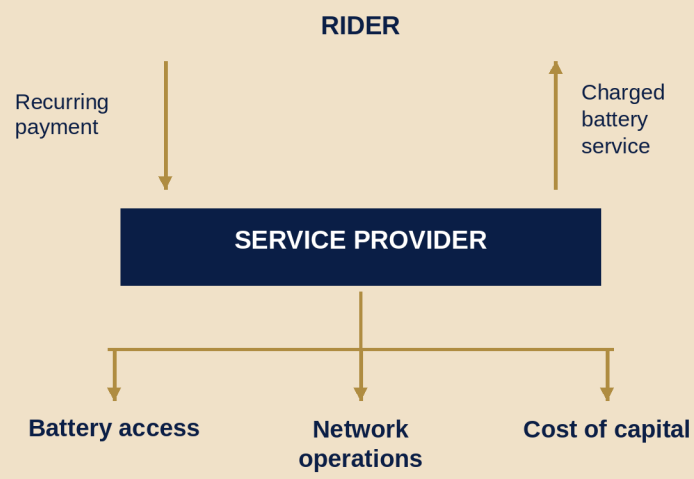
AFRICA'S EV SHIFT

CONTINUED FROM PAGE 1



Electric bus services depend on depot capacity and operating schedules. Photo: BasiGo.

What the swapping payment supports



The payment covers more than electricity.

Qualitative model • arrows do not represent cost shares. Source: report analysis.

Battery swapping changes how the rider pays. Instead of buying the whole energy-storage system with the motorcycle, a customer can pay repeatedly for access to charged batteries. The provider then needs enough batteries, working stations and financing to meet demand at busy times. A rider's swap payment therefore covers much more than electricity. It may also cover the battery asset, network operations and the provider's cost of capital.

Spiro's July sustainability announcement said its deployed motorcycle fleet exceeded 100,000 and its network exceeded 2,500 swapping stations. These remain company-reported figures, rather than an independently audited count of vehicles in daily use. A February lender announcement described a $50 million facility involving Afreximbank, the Africa Go Green Fund and Nithio, and named operations in Kenya, Uganda, Rwanda, Nigeria, Benin and Togo. The two disclosures have different dates and purposes; the financing cannot simply be translated into extra motorcycles on the road. (Spiro) (Cygnum Capital)

The network model can become more useful as coverage increases. Its commercial weakness is dependence on a service that a customer may struggle to replace. A serious financing assessment should examine how tariffs can change, who owns the battery, what happens when a station is unavailable and whether the customer can leave the agreement without losing access to the vehicle. Those are contract questions, not allegations about a particular operator.

Buses bring electricity into public transport

Senegal offers a different route to adoption: a transport service organised around a corridor and a long concession. CETUD records the delivery of 121 articulated electric buses for Dakar's BRT project in November 2023. Its description of the Dakar Mobilité concession covers vehicles, operations and maintenance over 15 years. That structure makes service obligations and long-term asset care central to the investment. (CETUD) (CETUD)

Passenger affordability also belongs in the assessment. CETUD opened applications in September for a programme offering eligible registered households a 50% reduction in BRT fares. That is a specific social-pricing measure. It should not be confused with proof that electrification itself has halved the underlying cost of transport. Fare subsidies, operating efficiency and the cost of a vehicle are separate parts of the accounts. (CETUD)

A bus operator has a more predictable charging problem than a private motorist travelling between unfamiliar towns, but predictable does not mean inexpensive. Depot capacity must accommodate the timetable. Charging several buses at once can require a larger connection than charging them sequentially overnight. A cheaper tariff can be outweighed by missed departures if vehicles are not ready when demand peaks.

BasiGo's published commercial model illustrates how providers can divide these responsibilities. It describes a vehicle-purchase option with a battery service and a whole-bus lease, using payment per kilometre. Such arrangements can reduce the capital an operator must provide at the outset. They also make the service agreement part of the vehicle's economics for years afterwards. The buyer needs to compare the complete payment schedule and service obligations, not only the purchase price. (BasiGo)

Rwanda's experience makes the grid issue concrete. World Bank modelling published in September 2025 found that Kigali's peak electricity demand could grow by 64% by 2030 even without electric vehicles. The study examined additional network stress from EV charging and the relief available from managing when vehicles draw power. These are modelled risks and solutions, not a report of actual EV-caused blackouts. (World Bank)

That distinction has an investment consequence. A national surplus of generation does not establish that a particular depot has a strong enough feeder, transformer or connection. Utilities and fleet operators need to plan at the location where demand will arrive. Public money spent on an unusable charging site can do less for adoption than an ordinary distribution upgrade at a busy depot.

Policy moves faster than the fleet statistics

Ethiopia has chosen a strongly policy-led route. UNECA documented the launch of the country's national electric-mobility strategy for 2025–2030 in May. The strategy makes electrification a national transport and industrial objective. However, published fleet claims and narrower registration or retail series do not share a sufficiently clear definition or observation period to support a single current total. (UNECA)

This is consequential for market assessment. A count of imported vehicles may include stock awaiting registration. A count of new passenger cars excludes used imports and motorcycles. A national target says little about the number of functioning public chargers. The scale of Ethiopia's ambition is clear; precision about the operating fleet requires a reconciled registry.

Ghana's policy also needs to be read on its own timetable. The transport ministry describes an enabling phase in 2024–2026, promotion in 2027–2035 and a later phase extending to 2045. Its long-term objective concerning new internal-combustion vehicles should not be written as a ban already in force. The ministry's November 2024 electric-bus commissioning supplies historical evidence of deployment, but it is not a current operating-fleet census. (Ghana Ministry of Transport) (Ghana Ministry of Transport)

Finance connects these policy ambitions to individual customers. In May, Verdant Capital announced that it had advised MAX on an $8 million debt transaction with Triple Jump, describing fleet expansion, battery swapping and pay-as-you-go finance in a business operating across Nigeria, Ghana and Cameroon. The adviser's account verifies the announced transaction. It does not establish loan performance or prove that every financed vehicle has reached a customer. (Verdant Capital)

For a fleet earning local-currency fares, foreign-currency debt can absorb the expected fuel saving if the exchange rate moves sharply. Local-currency finance reduces that mismatch, though its interest cost may be higher. An investor needs to know which party carries the currency exposure and whether the payment charged to the rider can adjust. A project can be operationally useful and still have an unsuitable capital structure.

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Analysis & Reporting: Evron R. Hughes

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AFRICA'S EV SHIFT

CONTINUED FROM PAGE 2

North Africa links use with manufacturing

Egypt's buses sit within a wider set of commercial experiments. EBRD project 55464 approved a €10.6 million loan for Go Bus, with provision for up to 30 intercity buses, up to six electric microbuses and three electric vehicles for intracity services. The intercity buses were not all described as electric. Approval is also distinct from disbursement or delivery. Keeping those boundaries intact gives a more useful picture of the project than a large, inflated EV headline. (EBRD project 55464)

An EBRD skills case describes London Cab adding 100 range-extended electric vehicles in March 2026 and bringing its overall fleet to 350. It does not say that all 350 are electric. The range-extender distinction matters because an onboard engine can still consume fuel. The case also points to a less conspicuous investment requirement: mechanics and service teams must learn to maintain unfamiliar systems. (EBRD)

Morocco combines an emerging buyer market with manufacturing for other markets. Stellantis identifies FIAT Tris as an electric three-wheeler developed and produced in the country for professional use. Its earlier Kenitra expansion announcement cited annual electric-micromobility capacity of 65,000 units. That is capacity, rather than verified annual output, and it is not a measure of domestic sales. (Stellantis Morocco) (Stellantis)



FIAT Tris: electric three-wheelers for professional use. Product image: Stellantis.

Local production can make service, skills and spare parts easier to obtain, but the connection is not automatic. An export-oriented factory may make products that local operators cannot afford. Imported battery cells can leave an assembler exposed to foreign exchange and shipping costs. The strongest industrial case will connect production with a service network and a customer segment that can sustain repeat orders.

South Africa illustrates how vehicle definitions can obscure that customer segment. The IEA estimates electric cars at less than 1% of new-car sales in 2025, with plug-in hybrids accounting for more than 70% of the electric-car category. Broad reports of new-energy-vehicle growth can also include conventional hybrids, which do not plug in. A successful hybrid market therefore cannot be used as proof that battery-only adoption has reached the same scale. (IEA)

The cost that matters is the cost of completing the journey

A useful comparison begins with equivalent work: the same passenger capacity or payload, route, productive kilometres and service standard. The electric vehicle's acquisition and finance cost must be combined with charging losses, battery fees, insurance, maintenance and downtime. The petrol or diesel alternative needs the same treatment. Comparing a subsidised lease with an unsubsidised cash purchase would answer the wrong question.

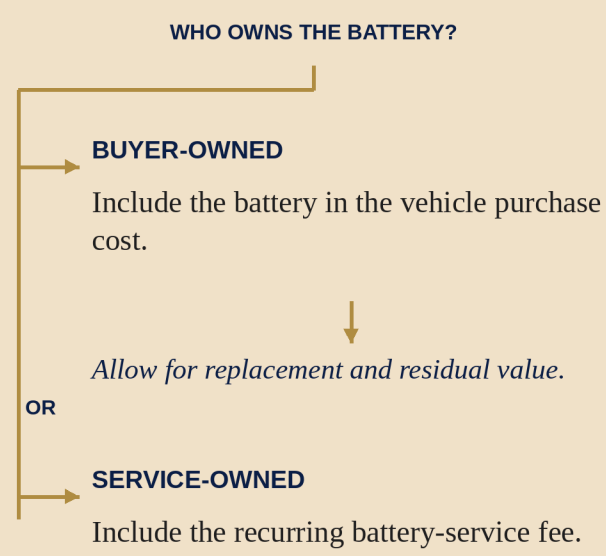
Battery costs require particular care. If a battery is included in the vehicle purchase, the calculation needs a credible allowance for replacement and residual value. If a provider owns it and charges a service fee, adding the full purchase cost again would double-count it. The allocation of risk can matter as much as the projected average saving.

The day with the lowest utilisation is often more revealing than the best day. A rider still owes the loan instalment when demand falls. A bus still occupies a depot when a part is unavailable. Stress tests should therefore include lower mileage, a higher charging or swap tariff, a weaker currency and a longer repair interval. Without verified local prices and contract terms, a continent-wide savings percentage would offer false precision.

The environmental case also depends on the electricity supply and the life of the vehicle and battery. Electric operation removes tailpipe emissions at the point of use, but the wider impact includes generation, manufacturing and end-of-life treatment. Procurement should specify battery handling and disposal responsibilities from the beginning. Leaving them unresolved merely transfers a future cost to somebody else.

The Africa Electric Mobility Forum in Stellenbosch, held from 28 to 30 September, called for investment, industrial development and more coordinated policy. UNECA's account places financing and regional cooperation among the priorities. The practical value of cooperation will be visible in compatible equipment, workable standards and services that continue across borders. A declaration alone cannot deliver those outcomes. (UNECA)

Count the battery once



Two alternative accounting routes. Source: report analysis.

Africa's electric-transport businesses now have enough activity to be assessed on ordinary commercial evidence. The next useful disclosures are productive kilometres, vehicle availability, collections, repair times and battery performance. Operators that can provide those records will make a stronger case for capital than operators relying on an expanding map of announced markets.

END

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Shares recover while the borrowing squeeze remains

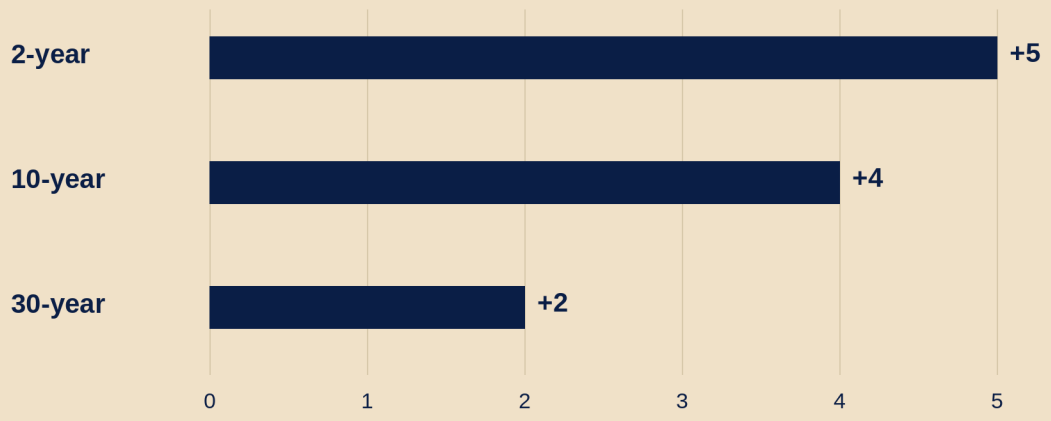
Friday's equity gains followed a soft US jobs report. Rising longer-term Treasury yields still leave companies and governments facing expensive finance.



US Treasury. Photo: Carol M. Highsmith / Library of Congress.

Treasury yields rose across maturities

Change, 1–2 October 2026 • basis points



Source: US Treasury indicative daily par yields. Changes are not bond-price returns.

Friday's market recovery did not bring broad relief in borrowing costs. US equities finished higher after the September jobs report, while Treasury yields rose on the day. The difference matters for anyone financing a business: a stronger share price and a cheaper loan need not arrive together.

The Bureau of Labor Statistics reported 29,000 additional nonfarm payroll jobs in September and unemployment of 4.2%, up from 4.1%. August's payroll increase was revised to 133,000. The weaker employment reading gave investors a reason to reconsider the prospect of further monetary tightening, although one release cannot settle the outlook for inflation or the Federal Reserve's next decision. (BLS)

The S&P 500 ended at 7,722.72, the Nasdaq Composite at 27,190.86 and the Dow Jones Industrial Average at 51,176.96. The session gains were 0.73%, 1.19% and 0.49%, respectively. The rally left the week mixed: Reuters reported weekly declines for the S&P and Dow, while the Nasdaq advanced. (Reuters)

Treasury's daily par curve shows the two-year yield at 4.83%, the ten-year at 5.28% and the thirty-year at 5.63%. Compared with 1 October, those rates rose by five, four and two basis points. The longer maturities were also above the previous Friday's observations. These are Treasury's indicative par yields, derived from quotations, rather than the closing transaction price of a particular bond. (US Treasury)

Longer yields reflect several risks, including future inflation, the supply of government debt and the compensation investors require for holding duration. A weaker employment report can reduce expectations of an imminent rate increase while leaving those risks intact. Treating the equity rally as proof that the financing cycle has turned would be premature.

Energy remains part of that problem. In their 2 October statement, G7 leaders committed to a coordinated release through the IEA of 100 million barrels of diesel and other reserves over four months, taking account of commitments already fulfilled. They called for a substantial early diesel release. The announcement is a supply intervention whose effect depends on implementation, refinery availability and transport; it is not evidence that fuel prices have already returned to normal. (G7 statement)

For African borrowers, the transmission runs through more than the dollar exchange rate. A higher US benchmark can lift the starting cost of external finance. Expensive imported fuel raises operating expenses in importing economies, while commodity exporters receive a different terms-of-trade impulse. The same global shock can therefore improve one country's receipts and weaken another's cash flow.

The funding test for the coming week is straightforward: do credit costs ease alongside share prices, and can borrowers refinance without shortening maturities or accepting materially tighter terms? Until those changes appear, Friday's rally is best understood as a recovery in quoted equity values within a still-demanding financing environment.

END

France must fund the budget as well as defend it

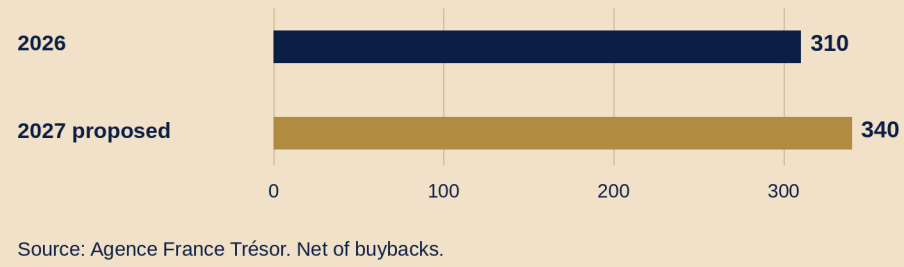
The proposed 2027 financing programme makes the cost of political uncertainty tangible.



Palais Bourbon. Photo: © Assemblée nationale.

France's proposed issuance increases

Net medium- and long-term issuance • €bn



Source: Agence France Trésor. Net of buybacks.

France's budget debate has an immediate counterpart in the bond market. Agence France Trésor's proposed 2027 programme puts the state financing requirement at €339.7 billion and medium- and long-term issuance, net of buybacks, at €340 billion. The latter compares with €310 billion in the 2026 programme. The proposal still depends on the budget process; it is not an enacted fiscal outcome. (Agence France Trésor)

The agency projects a 2027 debt charge of €72.9 billion, against €62.6 billion for 2026. That increase reduces the space available for other expenditure or tax relief. It also helps explain why investors are interested in the credibility of the budget's implementation, rather than only its announced deficit objective. (Agence France Trésor)

A government refinances old obligations as well as borrowing to cover a new deficit. Consequently, a large issuance programme can persist even when a deficit is scheduled to narrow. The timing of maturities and cash requirements matters. Reading the issuance figure as if it were simply another statement of the annual deficit would exaggerate some risks and conceal others.

The policy tension is difficult to escape. Measures that persuade creditors of a lasting improvement can be politically costly, while concessions that make a budget easier to pass can weaken its projected savings. There is no mechanical point at which a market demands an extra premium: expectations about growth, institutions and the durability of the parliamentary settlement all matter.

For businesses, the practical risk lies in how sovereign financing conditions reach bank lending, procurement and investment decisions. A company serving public projects needs to assess payment timing and budget authority. A bank or insurer needs to distinguish the effect of higher yields on new income from the valuation effect on existing holdings.

France's test is therefore sustained execution. Investors will need to see which measures survive the legislative process, how the cash figures develop and whether borrowing can be placed without a persistent increase in financing costs. A budget announcement starts that assessment; it cannot complete it.

END

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Factory activity improves without a uniform recovery

September surveys show expansion in China and the euro area. They do not establish that AI spending has lifted every manufacturer.



Bosch's Nanjing site. Picture: Bosch.

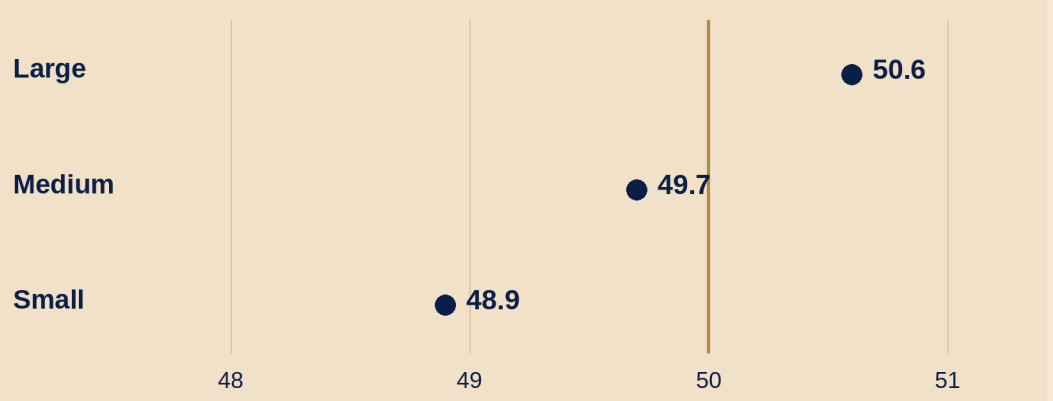
September's manufacturing surveys offer evidence of improvement, with substantial differences beneath the headline. China's official manufacturing purchasing managers' index rose to 50.1 from 49.8, according to the National Bureau of Statistics. A reading above 50 indicates expansion relative to the previous month, not the percentage rate of output growth. (NBS)

Large Chinese enterprises recorded 50.6, while medium and small firms remained below the dividing line at 49.7 and 48.9. Production stood at 51.7 and new orders at 50.5, but employment remained in contraction at 48.4. The combination is consistent with factories producing more without a broad improvement in hiring or in conditions for smaller businesses. (NBS)

In the euro area, S&P Global's final manufacturing PMI rose to 52.9 from 52.7 in August, its strongest reading since May 2022, according to Reuters' report of the release. Reuters' global factory survey described demand for AI-related goods as one support for the expansion. That reporting is evidence of a sectoral contribution; the aggregate PMI does not isolate how much growth AI caused. (Reuters / S&P Global) (Reuters)

Large firms expand while smaller firms remain below 50

China manufacturing PMI • September 2026



50 separates expansion from contraction. Source: NBS. PMI is not an output-growth percentage.

The distinction matters for suppliers deciding whether to add capacity. Orders for computing equipment can benefit specialised manufacturers while leaving other producers exposed to weak household demand or higher energy costs. Even within a successful supply chain, an order book does not reveal the margin earned after components, power, financing and warranty costs.

A more convincing broad recovery would bring sustained new orders, healthier employment readings and participation by smaller firms. The Chinese survey does not yet show all of those conditions. Investors should also distinguish production intended for final customers from inventory accumulation: both can raise factory activity for a time, but they have different implications for future orders.

For African industrial policy, these surveys reinforce the value of specificity. A local supplier needs a defined buyer, product specification and route to market. An appeal to a global AI boom is too general to underwrite a factory. The strongest investment proposals will demonstrate how demand reaches their own revenue and what happens if the largest customer delays an order.

END

Brazil votes with the fiscal choices still ahead

The election will shape the next government's authority. Investors also need to assess the legislature and the financing implications of its programme.

Brazil's first-round election is scheduled for Sunday, 4 October, with a possible second round on 25 October, according to the Superior Electoral Court. At this manuscript's early-Sunday cutoff, voting and official results were still ahead. There is no declared winner in this account. (TSE) AP identifies President Luiz Inácio Lula da Silva and Senator Flávio Bolsonaro as the principal presidential contenders. (AP)

The fiscal question extends beyond the presidency. A government's ability to implement tax, expenditure and investment measures depends on legislative support and the terms of political negotiation. A clear presidential mandate can coexist with a difficult Congress, while a fragmented result can make the composition of a coalition especially important.

Markets will need to distinguish commitments that alter the medium-term budget from announcements designed to address an immediate constituency. The relevant test is the consistency of revenue assumptions, recurring expenditure and debt service. Public investment that improves capacity has a different economic effect from permanent commitments with no durable financing, although both appear as spending in the near term.

The international setting makes that judgment harder. Higher global yields raise the return investors can earn elsewhere, and volatile energy prices affect households, industry and export receipts differently. A move in Brazil's currency or bonds after the vote will not by itself identify which part of the election result investors are responding to.

The next decisive evidence will come from official returns and the resulting political arithmetic. The TSE's production results service is the authority for vote totals; test and simulation feeds are not election results. Until the count is available, the responsible analysis concerns the policy choices and institutional constraints that the election will hand to the next administration. (TSE)

END



National Congress, Brasília. Cayambe / CC BY-SA 3.0; cropped. creativecommons.org/licenses/by-sa/3.0/

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Washington’s AI safeguards leave accountability to be tested

Voluntary commitments and a reported new task force raise questions about access, disclosure and enforcement.



The White House. Photo: Teddy Yoshida (public domain).

Washington’s latest AI initiative needs to be judged by what firms must disclose and what happens when they fail to deliver. Reuters reported on 3 October that the administration was relying on voluntary safeguards involving Nvidia, SpaceX, OpenAI, Anthropic, Meta and Google. The report described growing public concern and an arrangement without an enforcement mechanism. Those are the reported terms of the voluntary initiative, not a description of every law that may apply to the companies. (Reuters)

The White House’s 29 September fact sheet separately describes an order adopting the terminology of super intelligence across the federal government. A change in official terminology does not itself establish a technical threshold, a model’s capabilities or a complete safety regime. The voluntary arrangement and the executive order should be evaluated as distinct measures. (White House)

A further development emerged over the weekend. Reuters, citing the Wall Street Journal, reported that Jay Clayton would lead a new AI task force expected to deliver a report in 120 days. That is a reported appointment and timetable; this account does not infer additional legal powers or binding obligations from the report. (Reuters / WSJ)

The investor questions are practical. Can external assessors examine meaningful evidence, or only company-selected summaries? Are incidents disclosed promptly enough for customers to respond? Do published evaluations allow comparisons over time? An undertaking can be commercially relevant even when voluntary, but its value depends on whether customers and counterparties can observe compliance.

There is also a distinction between evaluating a model and evaluating the system in which it is used. Access permissions, human supervision and the ability to reverse an action can materially change the consequences of an error. A procurement decision therefore needs evidence about the intended deployment, rather than a general statement that a model has been tested.

For African governments and enterprises buying these services, accountability travels through contracts as well as foreign policy announcements. Data access, service continuity, incident notification and responsibility for losses belong in the purchasing decision. A supplier’s participation in a Washington initiative is relevant context, but it cannot substitute for enforceable obligations to the customer.

END

Renault puts affordability at the centre of its French investment plans

A conditional commitment of more than €10 billion connects the next phase of EV production with the price customers can pay.



Renault 5 E-Tech in Nancy, France. Alexandre Prevot / CC BY-SA 2.0; cropped. creativecommons.org/licenses/by-sa/2.0/

Renault chief executive François Provost said the group planned to invest more than €10 billion in France over the next five years in electric vehicles and more affordable cars, Reuters reported on 3 October, citing his France Inter interview. He made the commitment conditional on the social and political context. It is a forward investment plan, not money already spent. (Reuters / France Inter)

Affordability is a demanding industrial objective. A lower advertised price may require savings in components, factory utilisation and product complexity, but it can also depend on financing terms and the allocation of battery costs. Investors need to distinguish an improvement in the underlying cost of making the car from a temporary reduction in the amount the customer pays.

The conditional language also matters. A five-year programme has to survive changes in demand, policy and the financing environment. Announced investment will become more informative as the company identifies projects, commits capital and demonstrates the resulting output. The headline alone is insufficient to assess return on investment.

The connection with Africa’s EV market is the importance of the customer’s budget. Products designed for one market’s incomes, road use and financing conditions may not transfer easily to another. Renault’s statement makes affordable production a clear strategic objective; the commercial proof will be sustained demand at prices that also support the manufacturer’s economics.

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Ghana’s rate hold shifts attention to the price of credit

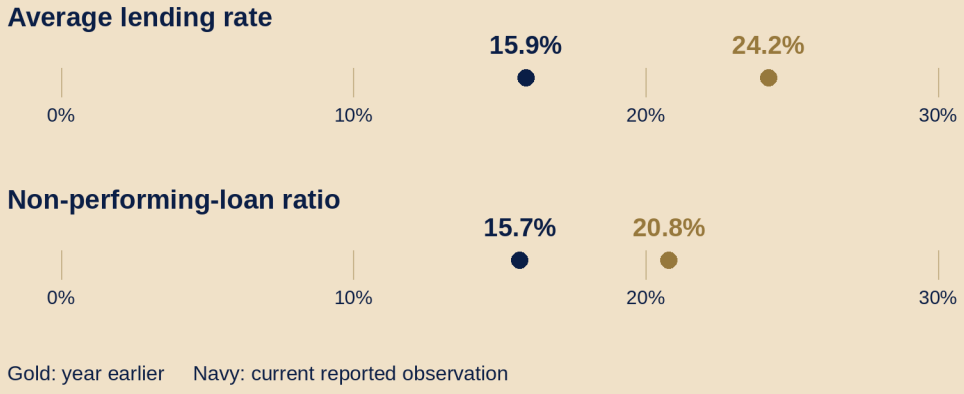
Lower lending rates and stronger credit growth are encouraging, but impaired loans still constrain transmission.



Bank Square, Accra (2024). Peoplelikeme2000 / CC BY-SA 4.0; cropped. creativecommons.org/licenses/by-sa/4.0/

Lending costs and impaired loans decline

Reported in September 2026 • Source: Bank of Ghana



The Bank of Ghana held its policy rate at 14% on 24 September. Its statement put August inflation at 5%, compared with 4.6% in July, and reported average bank lending rates of 15.9%, down from 24.2% a year earlier. Private-sector credit grew 35.5% in nominal terms and 29% after inflation. (Bank of Ghana)

Those figures suggest that the improvement in financing conditions is reaching beyond the central bank’s own rate. They do not establish that every borrower can obtain a loan at the average. Collateral, sector exposure and the lender’s assessment of repayment risk still determine the terms offered to an individual business.

The same statement reported a non-performing-loan ratio of 15.7%, against 20.8% a year earlier. The decline is encouraging, but the remaining stock of impaired credit is material. Faster new lending needs to be assessed alongside recoveries and provisioning, rather than assumed to demonstrate that the earlier problems have disappeared. (Bank of Ghana)

The IMF’s July review retained a 4.8% growth projection for 2026 and stressed the importance of fiscal discipline and reforms. That annual forecast serves a different purpose from the Bank of Ghana’s reported 6% second-quarter GDP growth. Mixing a quarterly outturn with a full-year projection would overstate the precision of the outlook. (IMF) (Bank of Ghana)

For transport, manufacturing and other productive businesses, a more affordable loan matters only if its currency and repayment schedule fit the asset’s receipts. Ghana’s improving credit figures strengthen the case for examining new investment. They also make underwriting quality more important: a renewed expansion should produce viable assets, rather than another accumulation of loans that borrowers cannot service.

END

South Africa raises rates into fragile growth

The reserve bank’s response to inflation increases the pressure on investments with thin operating margins.



Pretoria skyline with the SARB tower (2008). R4vi / CC BY-SA 2.0. creativecommons.org/licenses/by-sa/2.0/

Higher rates and a lower growth forecast

Source: SARB • September 2026

POLICY RATE • EFFECTIVE 25 SEPTEMBER

+25 bp **to 7.25%**

2026 GDP GROWTH FORECAST

1.4% → 1.2%

The South African Reserve Bank raised the policy rate by 25 basis points to 7.25%, effective 25 September. Its statement reported August inflation of 4.4% and cut its 2026 growth forecast to 1.2% from 1.4%, after a 0.2% contraction in the second quarter. The combination leaves policymakers confronting inflation pressure alongside weak activity. (SARB)

Higher rates cannot directly produce more fuel or repair a disrupted supply route. They can restrain demand and influence expectations, but they also increase the financing burden on households and companies. The case for tightening therefore rests on the risk that the initial price shock spreads and persists, rather than on an assumption that domestic demand caused every increase.

The bank expects inflation to return to its 3% target only in late 2027. That horizon matters to capital budgeting. A company considering a vehicle fleet or factory upgrade needs a funding plan that remains workable if rates stay restrictive for longer than hoped. A forecast of cheaper credit is not a substitute for liquidity. (SARB)

The IMF’s February assessment identified infrastructure and business-environment reforms as important to stronger growth. Its analysis also recognised South Africa’s financial-system strengths while warning about policy uncertainty and reform fatigue. Those structural considerations remain distinct from the immediate interest-rate decision. (IMF)

For investors, the implication is to examine the return on each project after financing and delays. Deep capital markets can make money available without making a weak investment attractive. Projects that improve logistics or productive reliability may still merit funding, but their schedules and cash flows need to withstand a subdued economy.

END



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Global and African Markets

Latest completed sessions available at the Friday 2 October 2026 market cutoff. Returns are local-currency price changes, excluding dividends and currency translation.

Global equities

Index	Currency	Session	Level	Session %	YTD %
S&P 500	USD	2 Oct	7,722.72	+0.73	+12.81
Nasdaq Composite	USD	2 Oct	27,190.86	+1.19	+16.99
Dow Jones Industrial	USD	2 Oct	51,176.96	+0.49	+6.48
STOXX Europe 600	EUR	2 Oct	631.35	+0.75	+6.61
FTSE 100	GBP	2 Oct	10,461.95	+0.32	+5.34
CAC 40	EUR	2 Oct	7,897.19	+0.79	-3.10
Nikkei 225	JPY	2 Oct	68,309.46	-0.94	+35.70
Hang Seng	HKD	2 Oct	23,972.29	-2.60	-6.47
CSI 300	CNY	30 Sep	4,357.62	+0.29	-5.88

YTD compares with each index's final 2025 session; Nikkei uses 30 December and the other indices 31 December. CSI 300 carries 30 September because mainland markets were closed for National Day; its session change is for that date. Egypt carries Thursday 1 October because Friday was not a trading session. Hong Kong and Nigeria compare Friday with 30 September after 1 October holidays. These carried observations are not zero Friday returns.

African equities

Index	Currency	Session	Level	Session %	YTD %
JSE Top 40	ZAR	2 Oct	100,779.56	+0.61	-6.67
NGX All Share	NGN	2 Oct	250,808.27	-0.16	+61.17
EGX 30	EGP	1 Oct	53,055.03	+2.24	+26.84
MASI	MAD	2 Oct	17,303.69	-1.57	-8.19
NSE All Share	KES	2 Oct	247.32	+0.20	+32.55
GSE Composite	GHS	2 Oct	14,071.44	+0.14	+60.45
BRVM Composite	XOF	2 Oct	546.78	-0.41	+58.14

Closing observations draw on Reuters, Nikkei, GSE and BRVM releases, Investing.com histories, GTI and myStocks; year-end levels use dated exchange and historical vendor records. Ghana uses the exchange's own level. (Reuters) (Nikkei) (Ghana Stock Exchange) (BRVM) (Investing.com) (GTI Research) (myStocks)

Rates and cross asset observations

Instrument	2 October observation	Basis
US Treasury 2 year	4.83%; +5 bp	Daily par curve; change from 1 Oct
US Treasury 10 year	5.28%; +4 bp	Daily par curve; change from 1 Oct
US Treasury 30 year	5.63%; +2 bp	Daily par curve; change from 1 Oct
Brent December future	$102.25 per barrel; −0.06%	Reported settlement
WTI November future	$91.11 per barrel; −1.90%	2 October reported settlement
Spot gold	$4,140.06 per troy ounce	Reuters afternoon quote; not a daily fixing
EUR/USD	1.1225 dollars per euro	ECB reference rate
EUR/GBP	0.85033 pounds per euro	ECB reference rate
EUR/ZAR	18.7839 rand per euro	ECB reference rate
USD/KES	129.76 shillings per dollar	CBK daily indicative rate

Treasury figures are indicative par yields. Oil values are reported settlements, not the later quotes shown on some market pages; Brent's contract roll prevents a simple comparison with the previous Friday's expiring contract. Spot gold is the Reuters 2 October afternoon observation, not a closing auction or LBMA fixing. FX observations come from separate central-bank reference procedures and are not synchronised trading prices. (US Treasury) (EnergyNow) (Reuters) (MT Newswires) (Reuters) (ECB) (CBK)

The session recovery in US and European shares coexisted with losses in Tokyo and Hong Kong. African markets were also divided. The YTD columns show how little one session can say about the longer investment experience: currency changes and dividends can further alter the return actually received by an international investor.

END

Markets through Friday 2 October. News verified through 4 October 2026 at 06:54 UTC. Brazil's vote and later Sunday developments fall after this early-Sunday observation cutoff.

The Hughes Report

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Hughes Africa Investment Conditions Index

October 2026 • Update No 03 • Methodology v1.0. Morocco leads the seven-country panel; most scores remain in their previous bands. The rise in Morocco's published score corrects a methodological inconsistency rather than identifying a sudden economic improvement.

OCTOBER SCORECARD

Score bars: common 0–100 scale

Economy	Oct	Sep	Change	Band
Morocco	82	80	+2	Supportive
South Africa	79	79	+0	Constructive
Ghana	72	72	+0	Constructive
Egypt	69	69	+0	Selective
Nigeria	67	67	+0	Selective
Rwanda	67	67	+0	Selective
Algeria *	57	57	+0	Challenging

FIVE PILLARS • SCORES OUT OF 100

Darker shading = higher score

Economy	G 20%	PM 20%	ER 20%	CF 25%	EX 15%
Morocco	80	90	80	80	80
South Africa	40	90	80	100	80
Ghana	80	80	80	60	60
Egypt	80	40	80	80	60
Nigeria	80	30	80	80	60
Rwanda	100	60	40	60	80
Algeria	60	80	40	60	40

G: Growth Momentum. PM: Price and Monetary Stability. ER: External Resilience. CF: Capital Formation and Investable Pipeline. EX: Execution and Market Access. Scores describe national investment conditions, not expected asset returns or credit ratings. The three qualitative pillars are The Hughes Report's analytical judgments.

Cutoff: 4 October 2026 at 06:54 UTC. Growth uses full-year 2026 projections, including Egypt's FY2025/26 convention. Inflation observations are August 2026 except Algeria's May reading. * Algeria is provisional because inflation is materially older and comparable current inputs remain less timely. No new scoring rule or sovereign-spread/FDI component has been introduced.

Morocco's 82 restores the pilot's stated treatment of mild deflation: inflation between −2% and below 2% receives 80. With the policy-rate subscore at 100, PM is 90. September's released score of 80 excluded PM on the mistaken premise that the pilot had no deflation rule. The two-point published change is a correction in treatment, not a two-point improvement in fundamentals. The September comparator is retained as published. (HCP) (Hespress / MAP)

South Africa remains at 79. The latest growth forecast and rate increase leave its quantitative inputs within the same scoring bands. Its financial depth and infrastructure opportunities support the qualitative assessment, while weak growth and execution constraints prevent the total from reaching the supportive band. (SARB) (IMF)

Ghana remains at 72. Its September score is the comparator; the August pilot actually scored 70. September's description of August as 72 was a historical comparison error. The current inflation and policy-rate inputs keep PM at 80. Improved credit and reserve conditions coexist with material bank asset-quality and reform risks. (Bank of Ghana) (IMF)

Egypt's 69 combines external buffers and a substantial investment pipeline with expensive finance and a large state presence. Nigeria's 67 reflects growth and external support alongside high inflation and financing costs. Its September policy-rate cut remains within the lowest rate subscore, so that cut alone does not change PM. The score bands deliberately avoid responding to every small movement. (IMF) (IMF) (CBN) (Channels / NBS) (IMF)

Rwanda stays at 67: strong projected growth is offset by inflation and external-financing pressure. Its CPI increase does not cross the 18% threshold that would lower the inflation subscore. Algeria's provisional 57 continues to reflect limited external and execution scores alongside a public-investment pipeline. The IMF's September assessment describes depleted fiscal buffers and persistent external vulnerabilities; the oil-price benefit cannot be read as their resolution. (NISR) (IMF) (KT Press) (IMF)

END

Analysis & Reporting: Evron R. Hughes

The Hughes Report

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Nike’s margin recovery still needs stronger demand

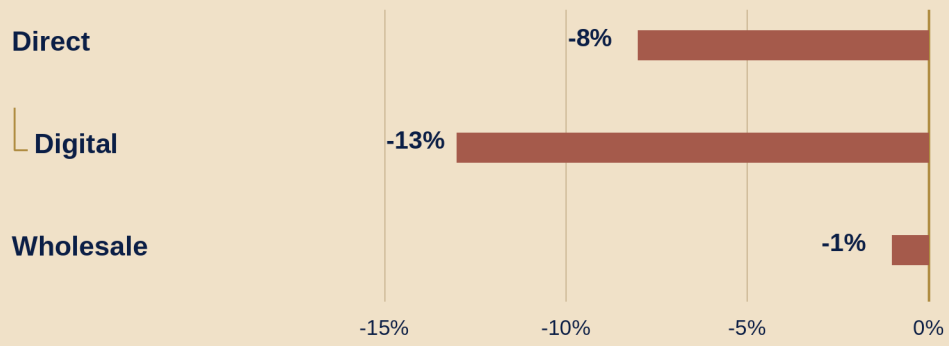
The first-quarter results show progress in profitability measures while revenue and direct sales remain under pressure.



Nike Factory Store, The Outlets (2023). PaulGorduiz106 / CC BY-SA 4.0; cropped. creativecommons.org/licenses/by-sa/4.0/

Nike’s sales channels remain under pressure

Fiscal Q1 ended 31 August 2026 • Source: Nike



Digital is part of Direct; categories are not additive.

Nike’s fiscal 2027 first quarter ended on 31 August, rather than at the calendar-quarter boundary. In results released on 1 October, the company reported revenue of $11.2 billion, down 4% on a reported basis and 5% excluding currency movements. Gross margin improved by 60 basis points to 42.8%. (Nike)

Direct revenue fell 8% to $4.1 billion, with digital revenue down 13%. Wholesale revenue was $6.8 billion, down 1%. Inventory declined 3% to $7.8 billion. These measures show a business making progress in some operating areas while continuing to lose sales. None independently establishes that consumer demand has turned. (Nike)

A margin improvement can come from several changes, including the sales mix, pricing, input costs or reduced discounting. Its quality becomes clearer when considered with revenue and inventory. An improvement supported by a healthier flow of full-price sales would have a different significance from one achieved while volumes continue to contract.

The direct and wholesale figures also caution against a simple channel verdict. A company needs both consumer demand and a distribution structure that serves it economically. The relevant question is whether changes improve sales and cash generation across the business, rather than whether one channel can be presented as the permanent answer.

Nike’s results are useful evidence about its own turnaround, but they are too narrow to serve as a complete reading of the global consumer. Brand relevance, product cycles and distribution choices can diverge from household spending overall. The next persuasive sign will be demand that improves while the company retains its margin and inventory discipline.

END

Investor Lens

The common question across this edition is whether an attractive operating story can support its financing obligations.

Africa’s electric-transport expansion offers a concrete example. A cheaper energy source can improve unit economics, but an investment earns its return only after capital costs, service failures and collections are accounted for. Fleet utilisation and the customer’s payment record deserve more weight than a count of announced markets.

The same discipline applies to governments. France’s issuance programme and the fiscal choices following Brazil’s election will matter through their implementation and financing costs. Announced consolidation has to appear in cash outcomes. A market rally offers information about current valuations; it does not discharge future obligations.

Policy announcements also need to be translated into terms that a counterparty can use. An AI commitment becomes more valuable when customers can test compliance and obtain remedies. A transport policy becomes investable when permits, connections and financing are available on a workable schedule. Renault’s plan will be assessed through committed projects and customer demand.

HAICI provides a structured view of national investment conditions, but it cannot replace that project work. A supportive country score does not guarantee a fleet operator’s collections or a manufacturer’s margins. Conversely, a difficult national environment can contain useful businesses whose contracts and balance sheets protect them from specific risks.

The evidence to watch next is therefore close to the accounts: borrowing terms, completed infrastructure, reliable service and cash received from customers. Those observations will show which of the opportunities described in this edition can sustain further investment.

END



Bus maintenance in Austin, Texas (2010). i-Ride Capital Metro / CC BY 2.0; cropped. creativecommons.org/licenses/by/2.0/

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MANAGING COMPLEXITY AT SCALE:

About Evron R. Hughes

Our Managing Partner has over 20 years' experience advising on public and economic development policy at the highest level, personal and family office investments, corporate finance, and digital transformation. Over the years Evron has been involved in developing and managing complex projects at scale. He has served on numerous corporate boards, including a listed bank and at regulated advisory and fund management firms during which he served as a Chief Investment Officer and CEO. Evron now applies his expertise in engineering sophisticated cross-border deals in Africa for a variety of clients.

TO GO WHERE THE SMART MONEY IS GOING

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