# KCBIB Weekly Markets Report – Week 39 2026

**Weekly Market Summary**

- **Global & Regional Markets:** Global and African equities delivered a mixed but broadly resilient performance during the week, with a late-week recovery in risk appetite supporting major developed and emerging-market indices. The S&P 500, MSCI World and MSCI Emerging Markets gained 1.2%, 0.9% and 1.3% w/w, respectively. African markets remained divergent, with East African markets outperforming while Egypt and South Africa weakened amid geopolitical tensions, elevated oil prices and higher global bond yields.

- **Local Equities Market:** The Kenyan equities market rebounded strongly, with NASI, NSE-20 and NSE-25 gaining by 4.1%, 4.8% and 5.1% w/w to 248.51, 4,363.67 and 7,062.15, respectively. Market capitalization increased by 4.1% to KES 4.2Tr. However, turnover declined by 50.4% to KES 4.7Bn, while shares traded fell by 40.2% to 112.4Mn. Foreign investors recorded a net inflow of KES 73.9Mn, reversing the KES 2.46Bn outflow recorded the previous week.

- **Fixed Income Market:** Treasury bill demand remained robust, although overall subscription eased slightly to 149.02% from 152.6% previously. Demand remained strongest at the short end, with the 91-day bill recording 221.75% subscription, compared with 127.56% for the 182-day and 112.28% for the 364-day bills. CBK accepted KES 33.35Bn, representing an overall acceptance rate of 79.93%. Yields continued to decline during the week, with average yields at 8.78%, 8.89% and 9.04% for the 91-day, 182-day and 364-day bills, respectively.

- **Bond Market:** Secondary-market activity strengthened significantly, with bond turnover rising 126.5% w/w to KES 77.3Bn from KES 34.1Bn. CBK has also issued a KES 10.0Bn bond switch offer, allowing holders of FXD1/2024/03 and FXD2/2013/15 to switch into FXD1/2018/15, which has 6.6 years to maturity and a 12.65% coupon. Separately, CBK is seeking to raise KES 50.0Bn through the reopening of FXD3/2019/15 and FXD1/2019/20. The preference for medium- to longer-dated instruments underscores efforts to lengthen the domestic debt profile and manage near-term refinancing pressures.

- **Liquidity & Currency:** Money-market conditions remained stable, with average KESONIA unchanged at 8.75%, while average weekly interbank volumes increased 10.7% to KES 14.50Bn. The Kenyan shilling remained broadly stable at KES 129.62/USD, compared with KES 129.61 previously. Forex reserves declined marginally by 0.3% to USD 15.04Bn, equivalent to 6.1 months of import cover, remaining within CBK requirements and providing support to the currency.

**Bottom Line:**

The Kenyan equities market staged a strong rebound following the previous week's correction, supported by broad-based gains across the major indices and a return to net foreign investor inflows.

Fixed-income markets also remain supported by healthy demand, stable yields and money-market liquidity, while the sharp increase in secondary bond turnover points to increased activity in government securities. However, government borrowing requirements remain an important consideration, with approximately KES 239.2Bn in domestic debt obligations due in September, comprising KES 187.9Bn in T-bill maturities and KES 51.3Bn in coupon payments.

Going forward, geopolitical tensions, elevated oil prices, global bond yields and monetary-policy expectations remain key risks to both equity valuations and domestic funding conditions. At the same time, strong YTD market performance, resilient corporate earnings and stable domestic liquidity continue to provide support to the local market. We therefore remain focused on quality equities with strong earnings growth, attractive valuations, sustainable dividends and resilient balance sheets.

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## A. Equities

### WEEK ON WEEK PERFORMANCE – WEEK ENDING 25 SEPTEMBER 2026

Equity market activity was on a upward trajectory during the week, with NASI, NSE 20 & NSE 25 increasing on a w/w basis by 4.1%, 4.8% and 5.1% to 248.51, 4,363.67 and 7,062.15, respectively. Trading activity remained heavily concentrated in large cap counters, with Equity, Safaricom, and KCB dominating market turnover.

**Trading Activities:** Equities' turnover was down by 50.4% w/w to KES 4.65Bn from KES 9.37Bn with market capitalization improving by 4.1% to KES 4.2Tr. Foreign investors recorded market activity constituting 21.68% and they recorded a net inflow of KES 73.9Mn compared to outflows of KES 2.5Bn the previous week.

**Key Weekly Indicators**

| Indicator | 18-Sep-2026 | 25-Sep-2026 | % Δ |
|---|---|---|---|
| NASI | 238.61 | 248.51 | 4.1% |
| NSE-20 | 4,165.11 | 4,363.67 | 4.8% |
| NSE-25 | 6,719.36 | 7,062.15 | 5.1% |
| Mkt cap, KES Bn | 4,004.40 | 4,170.52 | 4.1% |
| Shares traded | 188,109,752.00 | 112,403,602.00 | (40.2%) |
| Market TO, KES | 9,374,725,186.00 | 4,649,090,375.00 | (50.4%) |
| Foreign buy, KES | 986,537,713.00 | 1,041,564,700.00 | 5.6% |
| Foreign sell, KES | 3,446,225,666.00 | 967,648,663.00 | (71.9%) |
| Net flows, KES | (2,459,687,943.00) | 73,916,036.00 | |

*Source: NSE, KCB IB*

**TOP GAINERS**

| Security | 18-Sep-2026 | 25-Sep-2026 | % Δ |
|---|---|---|---|
| UCHM | 1.2 | 1.6 | 37.0% |
| AMAC | 281.8 | 355.8 | 26.3% |
| OCH | 7.0 | 8.1 | 14.8% |
| CARB | 38.6 | 43.6 | 13.0% |
| CGEN | 258.8 | 291.5 | 12.7% |

*Source: NSE, KCB IB*

**TOP LOOSERS**

| Security | 18-Sep-2026 | 25-Sep-2026 | % Δ |
|---|---|---|---|
| LIMT | 535.0 | 510.0 | (4.7%) |
| NMG | 14.9 | 14.3 | (4.0%) |
| CRWN | 59.5 | 57.3 | (3.8%) |
| GLD | 5390.0 | 5195.0 | (3.6%) |
| PORT | 117.8 | 114.8 | (2.5%) |

*Source: NSE, KCB IB*

**ACTIVELY TRADED**

| Security | 18-Sep-2026 | 25-Sep-2026 | % Turnover |
|---|---|---|---|
| ECQTY | 872,726,007.0 | 1,077,051,284.0 | 23.2% |

| | | | |
|---|---|---|---|
| SCOM | 2,243,278,674.0 | 828,682,842.0 | 17.9% |
| KCB | 1,526,549,679.0 | 787,641,124.0 | 17.0% |
| IMH | 369,378,858.0 | 436,643,847.0 | 9.4% |
| NSE | 43,546,940.0 | 250,582,050.0 | 5.4% |

*Source: NSE, KCB IB*

**Global & Regional Markets Performance**

Global equities and African markets delivered a mixed but broadly resilient performance over the week, as a late-week recovery in risk appetite helped offset pressure from elevated oil prices, rising bond yields and persistent geopolitical tensions. While higher-for-longer monetary policy expectations continued to weigh on valuations, strong technology earnings and AI-driven investment provided support to developed-market equities. African markets remained divergent, with East African bourses outperforming while other regional markets weakened.

- **Global Equities:** Major developed-market benchmarks rebounded during the week, with the S&P 500 leading gains, followed by MSCI World and Dow Jones Global. The recovery came despite elevated Treasury yields and persistent inflation concerns, with technology and AI-related momentum providing an important offset to macroeconomic pressures.

- **Emerging Markets:** Emerging-market equities outperformed developed markets, with the MSCI Emerging Markets Index gaining 1.3% w/w. Strong technology momentum and selective risk-taking supported the recovery, although elevated oil prices, tighter financial conditions and geopolitical uncertainty remain key near-term risks.

- **African Equities:** African markets displayed significant divergence, reflecting varying exposure to energy prices, geopolitical risks and domestic fundamentals. While several markets maintained strong momentum, heightened Middle East tensions triggered sharp corrections in more vulnerable markets. The divergence highlights the increasing importance of country-specific fundamentals and external vulnerability in determining performance.

- **East African Markets:** East Africa was among the strongest-performing regions, with Kenya’s NASI and Uganda’s USE ALSI posting robust gains. The region continued to benefit from attractive valuations, improving investor sentiment and strong domestic participation, reinforcing its relative resilience despite the challenging global backdrop.

- **West & North African Markets:** Performance was considerably weaker across North Africa, with Egypt’s EGX100 declining reflecting heightened sensitivity to Middle Eastern geopolitical developments, higher energy costs and currency pressures.

- **South Africa:** The JALSH declined 1.9% w/w, underperforming both global and regional peers. The market remained sensitive to higher global bond yields and risk-off pressures, while domestic growth constraints and structural bottlenecks continued to weigh on sentiment.

Overall, global markets ended the week on a firmer footing despite a challenging macro backdrop. The combination of elevated oil prices, rising bond yields and geopolitical uncertainty remains a key risk to valuations, although strong AI-led technology momentum provided an important counterweight. Within Africa, the sharp divergence between East African resilience and North & South African weakness reinforces the case for selectivity, with domestic fundamentals, valuations and exposure to external shocks likely to remain key drivers of performance.

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### Regional Market Performance

| Country | Index | W/W % Δ | YTD % Δ |
|---|---|---|---|
| Kenya | NASI | 4.1% | 32.6% |
| Uganda | USE ALSI | 4.0% | 54.1% |
| Tanzania | DARSDSEI | 1.7% | 68.1% |
| Nigeria | NGXINDX | 0.9% | 61.1% |
| Ghana | GGSECI | (2.9%) | 58.3% |
| South Africa | JALSH | (1.9%) | (4.5%) |
| Egypt | EGX100 EWI | (8.4%) | 46.0% |

*Source: Bloomberg, KCB IB*

### Global Market Performance

| Global Index | Index | W/W % Δ | YTD % Δ |
|---|---|---|---|
| S&P 500 | SPX Index | 1.2% | 12.9% |
| MSCI World | MXWO Index | 0.9% | 11.5% |
| Dow Jones Global | W1DOW Index | 0.8% | 12.4% |
| MSCI Emerging Mkts | MXEF Index | 1.3% | 21.2% |
| MSCI Emerging Frontier | MXFEM Index | (0.6%) | 11.4% |
| MSCI Europe Index | MXEU Index | 0.6% | 7.4% |

*Source: Bloomberg, KCB IB*

### Cooperate Actions

| Counter | Corporate Action | Amount Declared | Date Announced | Books Closure | Payment Date |
|---|---|---|---|---|---|
| Jubilee Holdings | Interim DIv | KES 2.00 | 28-Aug-26 | 7-Sep-26 | 8-Oct-26 |
| BAT Kenya | Interim DIv | KES 10.00 | 23-Jul-26 | 28-Aug-26 | 25-Sep-26 |
| EA Portland | Final Div | KES 1.25 | 22-Jun-26 | TBA | TBA |
| Centum | Fin & Spec Div | KES 0.78 | 31-Jul-26 | TBA | TBA |
| EABL | Final Div | KES 8.70 | 6-Aug-26 | 19-Oct-26 | 31-Oct-26 |
| KCB | Interim Div | KES 3.00 | 13-Aug-26 | 2-Sep-26 | 10-Nov-26 |
| Absa Bank | Interim Div | KES 0.50 | 18-Aug-26 | 18-Sep-26 | 15-Oct-26 |
| Stanbic | Interim Div | KES 1.64 | 6-Aug-26 | 1-Sep-26 | 5-Oct-26 |
| Stanchart | Interim Div | KES 8.50 | 19-Aug-26 | 1-Sep-26 | 24-Sep-26 |
| BOC | Interim Div | KES 4.00 | 21-Aug-26 | 21-Sep-26 | 19-Oct-26 |
| Kengen | Ful Year Div | KES 0.75 | 7-Sep-26 | 29-Oct-26 | 21-Jan-27 |
| KPLC | Ful Year Div | KES 1.20 | 7-Sep-26 | 27-Nov-26 | 31-Dec-26 |

*Source: NSE, KCB IB*

## B. FIXED INCOME & MACRO-ECONOMIC REVIEW

### Primary Market

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| Tenor | Amount Offered (KES Bn) | Subscription Rate (%) | Treasury Bills Amount Accepted (Bn) | Acceptance Rate (%) | Average Yield (%) | Yield change(bps) |
|---|---|---|---|---|---|---|
| 91 | 8 | 221.75% | 16.55 | 93.27% | 8.78% | (0.63) |
| 182 | 10 | 127.56% | 10.26 | 80.43% | 8.89% | (1.50) |
| 364 | 10 | 112.28% | 6.54 | 58.28% | 9.04% | (1.71) |
| **Overall** | **28** | **149.02%** | **33.35** | **79.93%** | | |

*Source: CBK, KCB IB*

Investor appetite for T-bills remained robust during the week, with the overall subscription rate being at 149.02% compared to 152.6% previously. Demand was strongest for the 91-day bill, which recorded a 221.75% subscription rate, reflecting continued investor preference for shorter-duration instruments. The 182-day and 364-day papers recorded subscription rates of 127.56% and 112.28%, respectively.

CBK accepted KES 33.35Bn of KES 41.72 bids received, translating to an overall acceptance rate of 79.93%. The 91-day paper recorded the highest acceptance at 93.3%, followed by the 182-day and 364-day papers.

Yields were on a downward trajectory during the week.

**Outlook:** We expect Treasury bill yields to remain relatively stable in the near term, supported by robust investor demand & adequate liquidity. However, yields could gradually trend upwards over the medium term, driven by the government's domestic borrowing requirements and potential inflationary pressures from global commodity prices. Geopolitical risks and the trajectory of monetary policy will also remain key determinants of yields.

**Bonds Turnover**

| Indicator | 18-Sep-2026 | 25-Sep-2026 | % Δ |
|---|---|---|---|
| Bonds FV TO, KES Bn | 34,123,450,000.00 | 77,298,750,000.00 | 126.5% |

*Source: NSE, KCB IB*

**Bonds secondary market**: Activity in the secondary bond market was up, with turnover increasing by 126.5% w/w to KES 77.3Bn from KES 34.1Bn last week, reflecting an increase in trading momentum.

**October Bond Switch Offer**

| October 2026 Bond Switch Prospectus | | | |
|---|---|---|---|
| | Source Bond | | Destination Bond |
| Issue | FXD1/2024/003 | FXD2/2013/015 | FXD1/2018/015 |
| Time to Maturity (Yrs) | 0.3 | 1.50 | 6.60 |
| Amount Offered (KES Bn) | 10.0Bn | | |
| Period of Sale | 24/09/2026 to 5/10/2026 | | |
| Auction Date | 5-Oct-26 | | |
| Settlement Date | 7-Oct-26 | | |
| Coupon (%) | 18.385% | 12.000% | 12.650% |
| Yield (%) | 8.791% | 9.604% | Yield Quoted |
| Dirty Price (KES) | 106.743 | 109.134 | Based on Yield Quoted |

| | |
|---|---|
| WHT (%) | 10.00% |

*Source: CBK, KCB IB*

CBK has issued a KES 10.0Bn bond switch offer, allowing holders of FXD1/2024/03 & FXD2/2013/15 to switch into the FXD1/2018/15, with 6.6 years to maturity and a 12.65% coupon. The offer runs from 24 September to 5 October 2026, with the auction scheduled for 5 October and settlement on 7 October 2026.

**October 2026 Bond Offer**

| Issue | October 2026 Bond Offer<br>Re-opened FXD3/2019/015 | Re-opened FXD1/2019/020 |
|---|---|---|
| Time to Maturity (Yrs) | 7.80 | 12.50 |
| Amount Offered (KES Bn) | 50.00 | |
| Period of Sale | 24/09/2026 to 30/09/2026 | |
| Auction Date | 30-Sep-26 | |
| Settlement Date | 5-Oct-26 | |
| Coupon (%) | 12.34% | 12.87% |
| WHT (%) | 10.00% | |
| Non-Competitive Bid Amount | KES 50,000 minimum | |

*Source: CBK, KCB IB*

CBK is seeking to raise KES 50.0Bn through the re-opening of FXD3/2019/15 & FXD1/2019/20. The preference for medium to longer-dated instruments underscore a deliberate strategy to lengthen the domestic debt profile, ease near-term refinancing pressures, and enhance debt sustainability.

**Liquidity & Currency**

Market liquidity remained relatively stable during the week, with the average KESONIA rate remaining unchanged at 8.75%. The average weekly interbank volumes increased by 10.69% to KES 14.50Bn from KES 13.10Bn, signaling an increase in demand for short-term funding among banks during the week.

| Statistic | Current | Previous | % Change |
|---|---|---|---|
| Average Weekly KESONIA | 8.75% | 8.75% | 0.00% |
| Average Weekly Interbank Vol (KES Bn) | 14.50 | 13.10 | 10.69% |

*Source: NSE, KCB IB*

**Currency**

The Kenyan shilling remained stable against major world currencies during the week, supported by remittances and CBK activities. The USD/KES pair closed at 129.62 compared to 129.61 the previous week.

| | Current | YTD (%) | Weekly Perf (%) | Commentary |
|---|---|---|---|---|
| USD/KES | 129.62 | (0.44%) | (0.01%) | Depreciated |
| GBP/KES | 171.44 | 1.45% | 1.07% | Appreciated |
| EUR/KES | 147.47 | 2.81% | 0.96% | Appreciated |

*Source: CBK, KCB IB*

Overall, the shilling is expected to remain range-bound, guided by liquidity levels, corporate demand for dollars, and FX inflow patterns but might face an upward pressure emanating from the impact of geopolitics leading to surge in fuel prices consequently higher inflation.

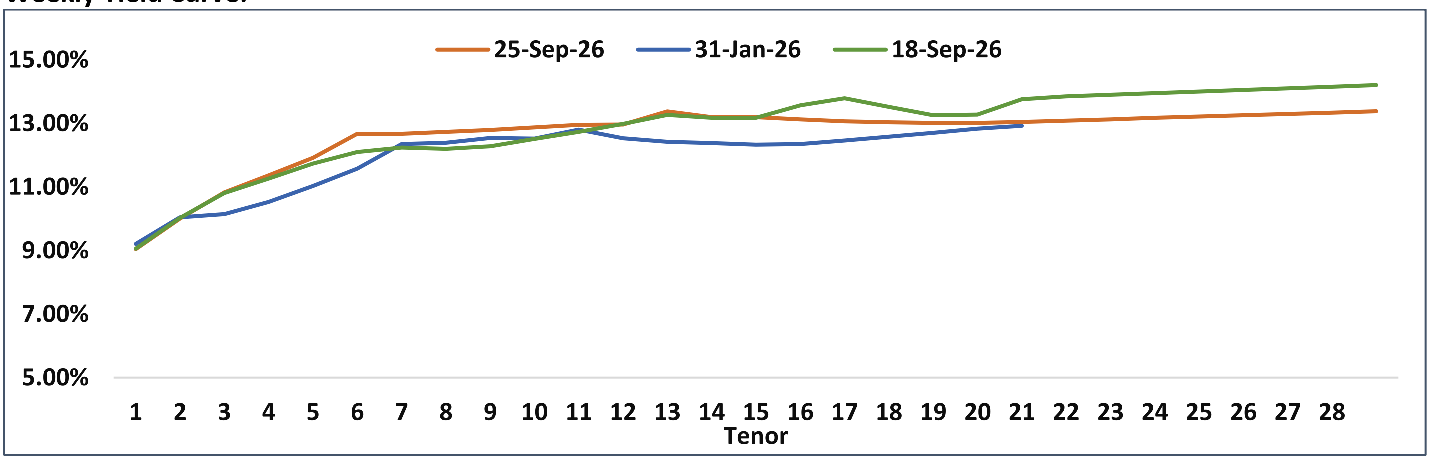
**Forex Reserves Update:**

Kenya's forex reserves declined by 0.3% to USD 15.04Bn, equivalent to 6.1 months of import cover. The current levels remain in line with CBK requirements & the EAC convergence threshold, providing healthy support to the shilling.

| Forex reserves | | |
|---|---|---|
| This week | Last week | % w/w Change |
| 15.04 | 15.09 | (0.30%) |

*Source: CBK, KCB IB*

**Weekly Yield Curve:**




*Source: NSE, KCB IB*

**Eurobond Yields:**

| | Coupon Rate(%) | Current Rate(%) | Previous Rate(%) | Δ W/W(bps) |
|---|---|---|---|---|
| Kenint 28 | 7.25% | 6.87% | 6.81% | 6.50 |
| Kenint 31 | 9.75% | 7.78% | 7.60% | 17.40 |
| Kenint 32 | 8.00% | 8.01% | 7.81% | 20.70 |
| Kenint 34 | 6.30% | 8.50% | 8.31% | 19.10 |
| Kenint 36 | 9.50% | 9.09% | 9.00% | 8.60 |
| Kenint 38 | 8.80% | 9.41% | 9.29% | 12.20 |
| Kenint 39 | 8.70% | 9.47% | 9.36% | 10.90 |
| Kenint 48 | 8.25% | 9.36% | 9.23% | 12.70 |

*Source: CBK, KCB IB*

**Government Obligations in September 2026**

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The Government of Kenya is expected to meet domestic debt obligations totaling approximately KES 239.2Bn in September 2026 compared to KES 298.96Bn in August. The obligations comprise KES 187.9Bn in Treasury bill maturities and KES 51.3Bn in coupon payments.

**September 2026 Bond Coupon Payments**

| Issue No. | Next Coupon Payment Date | Maturity date | Outstanding Amount KES 'Mn | Fixed Coupon Rate | Coupon payment KES 'Mn |
|---|---|---|---|---|---|
| FXD1/2012/015 | 7-Sep-26 | 6-Sep-27 | 90,939.90 | 11.00% | 5,001.69 |
| FXD1/2024/010 | 21-Sep-26 | 13-Mar-34 | 124,539.40 | 16.00% | 9,963.15 |
| FXD1/2016/020 | 14-Sep-26 | 1-Sep-36 | 21,972.90 | 14.00% | 1,538.10 |
| FXD1/2018/020 | 14-Sep-26 | 1-Mar-38 | 196,860.43 | 13.20% | 12,992.79 |
| IFB1/2015/012 | 14-Sep-26 | 15-Mar-27 | 12,180.65 | 11.00% | 669.94 |
| IFB1/2019/025 | 14-Sep-26 | 22-Feb-44 | 16,828.65 | 12.20% | 1,026.55 |
| IFB1/2021/021 | 7-Sep-26 | 18-Aug-42 | 106,742.20 | 12.74% | 6,797.88 |
| IFB1/2023/017 | 7-Sep-26 | 20-Feb-40 | 185,235.40 | 14.40% | 13,336.02 |

**Treasury Bills**

| Payment Date | Amount KES 'Mn |
|---|---|
| 7-Sep-26 | 67,067.00 |
| 14-Sep-26 | 45,813.12 |
| 21-Sep-26 | 46,485.31 |
| 28-Sep-26 | 28,528.53 |
| **Total** | **187,894** |

| Total Payments | |
|---|---|
| September-26 | 239,220.08 |

*Source: CBK, KCB IB*

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