KCBIB Weekly Markets Report – Week 19 2026

Weekly Market Summary

- Global and regional markets recorded broad-based gains during the week despite persistent geopolitical uncertainties, with investor sentiment supported by resilient corporate earnings and easing concerns around global growth.

- At the NSE, equities posted a mixed performance, with NASI and NSE 25 advancing by 2.1% and 0.6% w/w, respectively, while NSE 20 declined by 0.4%. Market activity improved significantly, with equity turnover surging 90.7% w/w to KES 4.4Bn, largely driven by increased trading in large-cap counters such as Safaricom, Equity Group Holdings, and KCB Group. Foreign investors remained net sellers, recording net outflows of KES 751.2Mn.

- On the corporate front, earnings releases continued to provide market support. Safaricom delivered a strong FY26 performance, with PAT rising 61.0% y/y to KES 73.7Bn, supported by resilient service revenue growth, improved operational efficiency, and narrowing losses from Ethiopia operations. The group also announced a total FY26 DPS of KES 2.00, up 66.7% y/y.

- The banking sector Q1'26 reporting season also commenced, with Stanbic Bank posting a resilient set of results. PAT grew 5.5% y/y to KES 3.5Bn, supported by an 11.7% increase in Net Interest Income and lower loan loss provisions, although earnings growth remained moderated by weaker non-funded income.

- In fixed income, Treasury bill demand strengthened, with overall subscription coming in at 122.6%. Yields recorded mixed movements, signaling a potential stabilization in rates following the recent monetary easing cycle pause.

- The May bond auction recorded strong investor appetite, with total bids amounting to KES 106.0Bn against an offer of KES 80.0Bn, translating to an oversubscription rate of 132.5%. Demand remained concentrated in medium-to-long tenor papers as investors sought to lock in relatively attractive yields. Meanwhile, secondary bond market activity softened, with turnover declining by 32.2% w/w.

- Liquidity conditions remained relatively stable during the week, with KESONIA holding at 8.75%, while average interbank volumes increased, reflecting stronger demand for short-term funding. The Kenyan shilling remained stable at KES 129.19/USD, supported by steady inflows, CBK intervention, and improved forex reserve levels, which rose to USD 13.41Bn equivalent to 5.7 months of import cover.

Bottom Line:

- While domestic fundamentals remain stable, markets are transitioning into a selective phase, with investor focus shifting toward earnings quality, dividend yield, and balance sheet strength amid persistent global uncertainties and rising inflation risks.

A. Equities

WEEK ON WEEK PERFORMANCE – WEEK ENDING 8th May 2026

Equity market activity improved during the week, with the NASI closing higher on a w/w basis. NASI and NSE 25 gained 2.1% and 0.6%, respectively, while NSE 20 declined by 0.4%. Trading activity remained heavily concentrated in large-cap counters, with Safaricom, Equity Group Holdings, and KCB Group dominating market turnover and accounting for 27.4%, 23.5%, and 14.6% of total traded value, respectively.

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Actively traded: Equities' turnover was up by 90.7% w/w to KES 4.4Bn. Foreign investors remained active and constituted 40.9% and they recorded a net outflow of KES 751.2Mn compared to outflows of KES 311.0Mn the previous week.

Market movers: The bourse saw Safaricom record a turnover of KES 1.2Bn, representing 27.4% of week's total turnover. Other actively traded shares include Equity (23.5%) and KCB at 14.6% of turnover, underscoring continued concentration in large-cap counters.

Top gainers: SKL emerged as the week's top gainer, rising 16.44% to KES 10.2 while other notable gainers included Crown,Car & General, Sasini & Safaricom.

Top losers: FTGH was the worst performer, declining by 12.15% w/w to KES 1.88. Other laggards included Absa, KQ, Coop & NMG.

Key Weekly Indicators

Indicator	30-Apr-2026	8-May-2026	% Δ
NASI	205.34	209.65	2.1%
NSE-20	3547.53	3532.68	(0.4%)
NSE-25	5667.98	5700.71	0.6%
Mkt cap, KES Bn	3,405.29	3,476.91	2.1%
Shares traded	58,978,565.00	113,014,237.00	91.6%
Equities TO, KES	2,291,877,636.00	4,371,354,812.00	90.7%
Foreign buy, KES	472,154,977.00	1,409,743,068.00	198.6%
Foreign sell, KES	783,110,830.00	2,160,930,251.00	175.9%
Net flows, KES	(310,955,853.00)	(751,187,183.00)	141.6%

Source: NSE, KCB IB

TOP GAINERS

Security	30-Apr-2026	8-May-2026	% Δ
SKL	8.76	10.2	16.44%
CRWN	56.5	63.25	11.95%
CGEN	73	80.25	9.93%
SASN	26	28.5	9.62%
SCOM	29.7	32.2	8.42%

Source: NSE, KCB IB

TOP LOOSERS

Security	30-Apr-2026	8-May-2026	% Δ
FTGH	2.14	1.88	(12.15%)
ABSA	30.5	28.1	(7.87%)
KQ	6.5	6.1	(6.15%)

COOP	31.3	29.4	(6.07%)
NMG	13.95	13.15	(5.73%)

Source: NSE, KCB IB

Regional Market Performance

Country	Index	W/W % Δ	YTD % Δ
Kenya	NASI	2.1%	11.9%
Uganda	USE ALSI	0.0%	19.5%
Tanzania	DARSDSEI	(2.7%)	36.9%
Nigeria	NGXINDX	1.0%	56.4%
Ghana	GGSECI	(3.4%)	66.1%
South Africa	JALSH	2.4%	1.5%
Egypt	EGX100 EWI	4.9%	18.5%

Source: Bloomberg, KCB IB

Global Market Performance

Global Index	Index	W/W % Δ	YTD % Δ
S&P 500	SPX Index	2.3%	7.9%
MSCI World	MXWO Index	1.8%	7.0%
Dow Jones Global	W1DOW Index	2.4%	8.7%
MSCI Emerging Mkts	MXEF Index	6.9%	19.7%
MSCI Emerging Frontier	MXFEM Index	2.7%	9.9%
MSCI Europe Index	MXEU Index	0.1%	2.5%

Source: Bloomberg, KCB IB

Corporate Actions Highlights

Safaricom Group FY26 Results Snippet

Safaricom Group delivered a strong FY26 performance, with PAT surging 61.0% y/y to KES 73.7Bn, supported by resilient service revenue growth, stable cost pressures, and improving contribution from Ethiopia operations.

- **Service revenue-** Up 11.5% y/y to KES 414.1Bn, driving total revenue 10.0% higher to KES 427.6Bn, underpinned by continued momentum in M-PESA, mobile data, and Ethiopia.
- **Cost management-** Remained impressive, with direct costs rising at a slower 3.3% y/y while other operating expenses declined 5.2% y/y, supporting notable margin expansion.
- **EBITDA & EBIT-**EBITDA went up 28.0% y/y to KES 220.3Bn, while EBIT rose 40.6% y/y to KES 146.3Bn, reflecting improved operational leverage across the business.
- PBT grew 36.1% y/y to KES 126.8Bn, aided by lower finance costs and narrowing Ethiopia losses. EPS came in at KES 2.39, up 37.4% y/y.

Dividend update:

- Final DPS: KES 1.15
- Interim DPS: KES 0.85
- Total FY26 DPS: KES 2.00 (Up 66.7% y/y)

The results reinforce Safaricom's strong market position, improving earnings quality, and growing operational resilience. We maintain our positive view on the counter and continue to see value in accumulation , supported by strong cash generation, attractive shareholder returns, and improving Ethiopia prospects.

Please await our comprehensive FY26 earnings update for a deeper dive into segment performance, outlook, valuation, and key investment themes.

Stanbic Kenya Q1'2026 Earnings Snippet

While Stanbic bank continues to maintain resilient performance, current valuations remain relatively full, limiting near-term upside potential. Consequently, we maintain a **Hold** view on the counter, although the stock continues to appeal to income-focused investors supported by its strong dividend track record and consistent shareholder returns.

The lender reported a 5.5% y/y increase in PAT to KES 3.5Bn, primarily supported by an 11.7% growth in Net Interest Income to KES 7.6Bn, aided by lower interest expenses despite softer interest income from loans and advances amid slow credit growth.

However, overall earnings momentum remained moderated following a 13.7% decline in Non-Funded Income, largely driven by weaker forex trading income and reduced fees from loans and advances.

Balance Sheet & Income Trends

- **Loans and advances**: Up 5.8% y/y to KES 258.2Bn, reflecting recovering private sector credit uptake.
- **Customer deposits**: Grew strongly by 21.7% y/y to KES 411.0Bn, highlighting continued customer confidence and strong liquidity levels.
- **Government securities holdings**: Increased significantly, reflecting continued balance sheet optimization amid subdued lending demand.
- **Non-funded income:** Down 13.7% y/y, largely due to a sharp drop in forex trading income, which weighed on overall revenue growth momentum.

Asset Quality

- NPL ratio remained relatively stable at 8.4% and continued to compare favorably against the broader banking sector average.
- Loan loss provisions declined 59.1% y/y, supporting earnings resilience during the quarter.

Overall, Stanbic's Q1'26 performance reflected resilient fundamentals despite moderate growth.

Corporate Actions

Key corporate actions to watch this week are the books closure dates for Stanbic Holdings and BK Group, both scheduled for 15th May.

Counter	Corporate Action	Amount Declared	Date Announced	Books Closure	Payment Date
BAT	Final Div	KES 60.00	2/27/2026	5/8/2026	6/12/2026
Stanchart	Final Div	KES 23	3/18/2026	4/30/2026	5/21/2026
Absa Bank	Final Div	KES 1.85	3/4/2026	4/30/2026	5/19/2026

Stanbic	Final Div	KES 18.55	3/11/2026	5/15/2026	6/4/2026
Liberty	Final Div	KES 0.5	3/11/2026	6/15/2026	8/30/2026
KCB	Final Div	KES 3.0	3/11/2026	4/2/2026	5/22/2026
Equity	Final Div	KES 5.75	3/18/2026	5/22/2026	6/30/2026
DTB	Final Div	KES 9.00	3/24/2026	5/22/2026	6/26/2026
Kakuzi	Final Div	KES 16.00	3/25/2026	5/29/2026	6/15/2026
NCBA	Final Div	KES 4.60	3/26/2026	4/30/2026	5/26/2026
Kenya Re	Final Div	KES 0.15	3/27/2026	6/19/2026	7/31/2026
NSE	Final Div	KES 1,00	3/27/2026	5/21/2026	7/31/2026
I&M	Final Div	KES 2.25	3/25/2026	4/16/2026	5/21/2026
Cooperative	Final Div	KES 1.50	3/19/2026	4/30/2026	6/5/2026
BK Group	Final Div	RWF 53.04	3/30/2026	5/15/2026	6/19/2026
Jubilee	Final Div	KES 13.00	4/9/2026	6/11/2026	7/24/2026
BOC	Final Div	KES 10.35	4/16/2026	5/31/2026	7/21/2026
CIC	Final Div	KES 0.13	3/31/2026	4/23/2026	6/9/2026
TPS Eastern Africa	Final Div	KES 0.35	4/30/2026	6/26/2026	7/30/2026
Total	Final Div	KES 3.45	4/30/2026	6/24/2026	7/31/2026
Car & General	Final Div	KES 3.12	4/30/2026	6/24/2026	6/30/2026
Safaricom	Final Div	KES 1.15	5/7/2026	8/4/2026	9/4/2026

Source: NSE, KCB IB

B. FIXED INCOME & MACRO-ECONOMIC REVIEW

Primary Market

Tenor	Amount Offered (KES Bn)	Subscription Rate (%)	Treasury Bills Amount Accepted (Bn)	Acceptance Rate (%)	Average Yield (%)	Yield change(bps)
91	4	243.54%	9.73	99.93%	8.19%	14.97
182	10	145.18%	14.52	100.00%	8.21%	(0.15)
364	10	51.60%	5.16	100.00%	8.51%	0.12
Overall	**24**	**122.58%**	**29.41**	**99.98%**		

Source: CBK, KCB IB

During the week, Treasury bills recorded increased investor demand compared to the previous week, with an overall subscription rate of 122.58%. All tenors were oversubscribed except for the 364-day paper.

The CBK accepted all the bids. Yields across tenors recorded mixed performance, suggesting a potential bottoming out, in line with the pause in the monetary easing cycle amid rising geopolitical risks, particularly from the Middle East.

Looking ahead, yields are expected to remain relatively stable around current levels. However, persistent inflationary pressures, global uncertainties and domestic borrowing needs could exert upward pressure on rates, reinforcing the cautious policy stance.

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May 2026 Auction Results: Re-opened Bonds FXD1/2012/20, FXD1/2019/20 & FXD1/2021/25

May Auction Results

Issue	Re-opened FXD1/2012/020	Re-opened FXD1/2019/020	Re-opened FXD1/2021/025
Amount Offered (KES Bn)	80.00		
Bids Received (Bn)	47.95	17.57	40.50
Amount Accepted (Bn)	47.53	14.54	31.97
Subscription Rate (%)	132.52%		
Acceptance Rate (%)	88.71%		
Mkt Weighted Average Rate (%)	12.47%	13.31%	13.77%
Accepted Weighted Rate (%)	12.46%	13.21%	13.69%
Coupon (%)	12.00%	12.87%	13.92%
Price Per KES 100	98.00	99.13	101.81

Source: CBK, KCB IB

The May bond auction recorded strong investor demand, with total bids amounting to KES 106.02Bn against an offer of KES 80.0Bn, translating to an oversubscription rate of 132.5%. Investor appetite remained concentrated in medium-to-long tenor papers, reflecting continued preference for locking in relatively attractive yields amid lower rates at the short end of the curve.

The government accepted KES 94.04Bn, implying an acceptance rate of 88.7%, as it remained selective by rejecting higher-priced bids.

Bonds Turnover

Indicator	30-Apr-2026	8-May-2026	% Δ
Bonds FV TO, KES Mn	32,878,050,000.00	22,285,150,000.00	(32.2%)

Source: NSE, KCB IB

Bonds secondary market: Activity in the secondary bond market was down, with turnover declining by 32.2% w/w to KES 22.3Bn from KES 32.9Bn last week, reflecting eased trading momentum.

Liquidity & Currency

Market liquidity remained relatively stable during the week, the average KESONIA rate remaining unchanged at 8.75%. The average weekly interbank volumes increased by 16.09% to KES 10.1Bn from KES 8.7Bn, signaling increased 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)	10.10	8.70	16.09%

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 129.19 same as the previous week.

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	Current	YTD (%)	Weekly Perf (%)	W/W Commentary
USD/KES	129.19	(0.11%)	0.00%	Appreciated
GBP/KES	175.97	(1.16%)	(1.06%)	Depreciated
EUR/KES	152.04	(0.20%)	(0.70%)	Depreciated

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 a bit of an upward pressure emanating from the impact of geopolitics.

Forex Reserves Update:

Kenya's forex reserves increased by 1.42% to USD 13.41Bn, equivalent to 5.7 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
13.41	13.23	1.42%

Source: CBK, KCB IB

Treasury Yields:

Key rates	2-Jan-26	30-Apr-26	8-May-26	% Δ W/W	% Δ YTD
3Y	10.70%	10.85%	10.89%	0.0%	0.2%
5Y	10.70%	11.71%	11.68%	0.0%	1.0%
7Y	12.95%	12.34%	12.26%	(0.1%)	(0.7%)
10Y	12.60%	12.39%	12.24%	(0.1%)	(0.4%)
15Y	12.87%	12.79%	12.73%	(0.1%)	(0.1%)
20Y	13.50%	12.84%	12.86%	0.0%	(0.6%)

Source: NSE, KCB IB

Eurobond Yields:

	Coupon Rate(%)	Current Rate(%)	Previous Rate(%)	Δ W/W(bps)
Kenint 28	7.25%	7.24%	7.54%	(30.00)
Kenint 31	9.75%	7.52%	8.17%	(65.00)
Kenint 32	8.00%	7.85%	8.53%	(68.00)
Kenint 34	6.30%	8.26%	8.87%	(61.00)
Kenint 48	8.25%	8.94%	9.36%	(42.00)

Source: CBK, KCB IB

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Contact:

Research Manager- Christopher A. Aura

Caaura@kcbgroup.com

Research Email- KCBIBresearch@kcbgroup.com