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KCBIB Weekly Markets Report – Week 24 2026

Weekly Market Summary

- **Global & Regional Markets:** Global markets traded higher during the week, supported by easing geopolitical tensions, lower oil prices, and continued optimism surrounding the AI investment cycle. Investor sentiment was further boosted by the SpaceX IPO, which reinforced demand for technology and innovation-driven assets. Regional African markets remained among the best-performing globally on a YTD basis, led by Ghana and Nigeria, while East African markets experienced mild profit-taking.

- **Local Equities Market:** Locally, the NSE closed lower, with the NASI declining 0.8% W/W as losses in select large-cap counters weighed on performance. Trading activity remained concentrated in Safaricom, EABL, and Equity, while foreign investor sentiment improved significantly, with net inflows of KES 457.4Mn compared to net outflows recorded the previous week.

- **Fixed Income Market:** In the fixed-income market, investor preference remained skewed towards shorter-dated government securities, with the 91-day Treasury bill recording an exceptional subscription rate of 820.7%. Treasury bill yields continued to edge higher across all tenors, reflecting sustained demand for higher returns amid evolving global and domestic macroeconomic risks. Secondary bond market activity surged, with turnover rising 277.6% W/W to KES 88.7Bn.

- **Liquidity & Currency:** Liquidity conditions remained stable during the week, with KESONIA unchanged at 8.75%. However, average interbank volumes increased by 2.8% W/W to KES 11.0Bn, suggesting increased demand for short-term funding among commercial banks. The Kenyan shilling remained resilient, depreciating marginally to KES 129.66/USD from KES 129.32/USD. The performance was supported by steady remittance inflows, adequate foreign exchange reserves, and continued Central Bank market support. Forex reserves remained healthy at USD 13.24Bn, equivalent to 5.6 months of import cover.

- **June 2026 MPC:** The MPC maintained the Central Bank Rate at 8.75%, citing resilient economic activity, a stable banking sector, and adequate foreign exchange reserves, while remaining cautious of inflationary pressures stemming from geopolitical developments and higher energy costs.

- **EPRA**: Meanwhile, EPRA announced a reduction in petrol and diesel prices, providing some relief to consumers and businesses through lower transport and production costs.

Bottom Line:

- While Kenya's macroeconomic fundamentals remain broadly stable, emerging inflationary pressures, high fuel costs, increased domestic borrowing requirements, and persistent geopolitical uncertainties are beginning to influence market expectations. The rise in Treasury bill yields and weaker PMI readings suggest growing caution among investors. Consequently, we expect investors to remain selective, favouring fundamentally strong companies with resilient earnings, solid balance sheets, and sustainable dividend prospects, while maintaining a cautious stance on duration risk within fixed-income markets.

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A. Equities

WEEK ON WEEK PERFORMANCE – WEEK ENDING 12th June 2026

Equity market activity was on a downward trajectory during the week, with NASI declining on a w/w basis by 0.8% to 208.79. NSE 25 and NSE-20 also declined by 0.6% and 0.4%, respectively. Trading activity remained heavily concentrated in large-cap counters, with Safaricom, EABL, and Equity dominating market turnover.

Trading Activities: Equities' turnover was up by 1.3% w/w to KES 3.45Bn from KES 3.40Bn while market capitalization declined by 0.8% to KES 3.46Bn. Foreign investors remained active and constituted 41.31% and they recorded a net inflow of KES 457.35Mn compared to outflows of KES 251Mn the previous week.

Key Weekly Indicators

Indicator	5-Jun-2026	12-Jun-2026	% Δ
NASI	210.37	208.79	(0.8%)
NSE-20	3557.72	3543.42	(0.4%)
NSE-25	5789.22	5755.01	(0.6%)
Mkt cap, KES Bn	3,488.88	3,462.66	(0.8%)
Shares traded	109,887,038.00	94,075,927.00	(14.4%)
Equities TO, KES	3,402,650,507.00	3,446,690,109.00	1.3%
Foreign buy, KES	978,199,211.00	1,646,726,487.00	68.3%
Foreign sell, KES	1,229,442,249.00	1,189,374,765.00	(3.3%)
Net flows, KES	(251,243,038.00)	457,351,722.00	(282.0%)

Source: NSE, KCB IB

TOP GAINERS

Security	5-Jun-2026	12-Jun-2026	% Δ
UCHM	1.45	1.65	13.79%
CGEN	84.75	93.75	10.62%
PORT	73	78.25	7.19%
HAFR	1.25	1.32	5.60%
NBV	1.23	1.29	4.88%

Source: NSE, KCB IB

TOP LOOSERS

Security	5-Jun-2026	12-Jun-2026	% Δ
OCH	7.18	6.52	(9.19%)
JUB	394	368	(6.60%)
SLAM	8.52	8.02	(5.87%)
GLD	5315	5015	(5.64%)
XPRS	6.9	6.58	(4.64%)

Source: NSE, KCB IB

Global & Regional Markets Performance

Global and regional equities remained resilient, supported by easing geopolitical tensions, moderating oil prices, and sustained enthusiasm around the AI-driven investment cycle. African markets continued to outperform, led by Ghana and Nigeria, while East African bourses maintained positive YTD gains despite softening during the week.

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Globally, developed and emerging market indices advanced as investors rotated into international equities. Sentiment was further boosted by the highly anticipated SpaceX IPO, which reinforced optimism around innovation-led growth sectors and fueled broader appetite for technology and growth-oriented stocks. Together with ongoing AI-related investments in data centers and semiconductors, this helped support gains across major global benchmarks.

Regional Market Performance

Country	Index	W/W % Δ	YTD % Δ
Kenya	NASI	(0.8%)	11.4%
Uganda	USE ALSI	(0.6%)	21.0%
Tanzania	DARSDSEI	(1.2%)	39.6%
Nigeria	NGXINDX	0.6%	56.4%
Ghana	GGSECI	1.5%	65.4%
South Africa	JALSH	1.3%	(2.9%)
Egypt	EGX100 EWI	(0.2%)	22.1%

Source: Bloomberg, KCB IB

Global Market Performance

Global Index	Index	W/W % Δ	YTD % Δ
S&P 500	SPX Index	0.6%	8.4%
MSCI World	MXWO Index	0.7%	7.7%
Dow Jones Global	W1DOW Index	0.6%	9.2%
MSCI Emerging Mkts	MXEF Index	(0.1%)	20.0%
MSCI Emerging Frontier	MXFEM Index	1.5%	8.3%
MSCI Europe Index	MXEU Index	1.7%	6.4%

Source: Bloomberg, KCB IB

Corporate Actions

Key corporate actions to watch this week are payment date for BK Group on 19th June and books closure date for Kenya on the same date.

Counter	Corporate Action	Amount Declared	Date Announced	Books Closure	Payment Date
Liberty	Final Div	KES 0.5	11-Mar-26	15-Jun-26	30-Aug-26
Equity	Final Div	KES 5.75	18-Mar-26	22-May-26	30-Jun-26
DTB	Final Div	KES 9.00	24-Mar-26	22-May-26	26-Jun-26
NCBA	Final Div	KES 4.60	26-Mar-26	30-Apr-26	26-May-26
Kenya Re	Final Div	KES 0.15	27-Mar-26	19-Jun-26	31-Jul-26
NSE	Final Div	KES 1,00	27-Mar-26	21-May-26	31-Jul-26
BK Group	Final Div	RWF 53.04	30-Mar-26	15-May-26	19-Jun-26
Jubilee	Final Div	KES 13.00	9-Apr-26	11-Jun-26	24-Jul-26
BOC	Final Div	KES 10.35	16-Apr-26	31-May-26	21-Jul-26
TPS Eastern Africa	Final Div	KES 0.35	30-Apr-26	26-Jun-26	30-Jul-26
Total	Final Div	KES 3.45	30-Apr-26	24-Jun-26	31-Jul-26
Car & General	Final Div	KES 3.12	30-Apr-26	24-Jun-26	30-Jun-26

Safaricom	Final Div	KES 1.15	7-May-26	4-Aug-26	4-Sep-26
Crown Paints	Final Div	KES 3.00	25-May-26	26-Jun-26	31-Aug-26

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	820.67%	26.86	81.83%	8.71%	14.79
182	10	43.77%	3.90	89.02%	8.60%	7.54
364	10	21.37%	1.85	86.66%	8.87%	10.86
Overall	**24**	**163.92%**	**32.61**	**82.89%**		

Source: CBK, KCB IB

Treasury bill demand remained strong during the week, with the overall subscription rate reaching **163.9%**, reflecting sustained investor appetite for government securities. Demand was heavily concentrated in the **91-day Treasury bill**, which recorded an exceptional subscription rate of **820.7%**, significantly outperforming the longer-dated tenors. In comparison, the **182-day** and **364-day** papers recorded subscription rates of **43.8%** and **21.4%**, respectively, indicating a clear preference for shorter-duration instruments.

The Central Bank accepted **KES 32.61Bn** of the bids received, translating to an overall acceptance rate of **82.9%.** The relatively high acceptance levels suggest continued efforts by the government to meet its short-term borrowing requirements while maintaining orderly market conditions.

Yields continued their upward trajectory across all tenors, with the **91-day**, **182-day**, and **364-day** Treasury bills rising by **14.8bps**, **7.5bps**, and **10.9bps**, respectively, to **8.71%**, **8.60%**, and **8.87%**. The increase in yields reflects investors' demand for higher returns amid a shifting global macroeconomic environment and rising uncertainty in international markets.

Looking ahead, we expect Treasury bill yields to maintain a gradual upward bias. While domestic fundamentals remain supportive, with inflation still within the Central Bank's target range and the Kenya Shilling remaining relatively stable, emerging risks could exert upward pressure on interest rates. Key factors to monitor include elevated global oil prices, persistent geopolitical tensions in the Middle East, and the government's financing needs, all of which could influence inflation expectations and investor sentiment.

Additionally, market participants will continue to monitor the Central Bank's monetary policy stance and broader liquidity conditions in the banking sector. Any signs of renewed inflationary pressure or increased government borrowing activity could support further upward adjustments in Treasury bill yields over the medium term.

Bonds Turnover

Indicator	5-Jun-2026	12-Jun-2026	% Δ
Bonds FV TO, KES Mn	23,505,111,121.00	88,743,800,000.00	277.6%

Source: NSE, KCB IB

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Bonds secondary market: Activity in the secondary bond market was up, with turnover increasing by 277.6% w/w to KES 88.7Bn from KES 23.5Bn last week, reflecting an increase in 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 2.8% to KES 11.0Bn from KES 10.7Bn, 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)	11.00	10.70	2.80%

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 129.66 compared to 129.32 the previous week.

	Current	YTD (%)	Weekly Perf (%)	W/W Commentary
USD/KES	129.66	(0.47%)	(0.26%)	Depreciated
GBP/KES	174.38	(0.24%)	(0.41%)	Depreciated
EUR/KES	149.99	1.15%	0.15%	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 improved by 0.30% to USD 13.24Bn, equivalent to 5.6 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
13.24	13.20	0.30%

Source: CBK, KCB IB

Eurobond Yields:

	Coupon Rate(%)	Current Rate(%)	Previous Rate(%)	Δ W/W(bps)
Kenint 28	7.25%	7.08%	7.01%	7.00
Kenint 31	9.75%	7.44%	7.33%	11.00
Kenint 32	8.00%	7.72%	7.69%	3.00
Kenint 34	6.30%	8.31%	8.25%	6.00
Kenint 48	8.25%	9.00%	8.96%	4.00

Source: CBK, KCB IB

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June 2026 MPC Meeting

The Monetary Policy Committee (MPC) maintained the Central Bank Rate (CBR) at 8.75% during its meeting held on 9 June 2026, signaling confidence in the current monetary policy stance while remaining vigilant to emerging inflationary risks.

- The MPC noted that the ongoing conflict in the Middle East has disrupted global supply chains, resulting in higher energy and transportation costs and increasing inflationary pressures globally. Consequently, Kenya's headline inflation rose to 6.7% in May 2026, up from 5.6% in April, largely driven by higher fuel prices and increased transport costs. However, inflation remains within the CBK's target range and is expected to remain broadly contained in the near term, supported by stable food prices, government interventions, and a relatively stable exchange rate.
- Globally, central banks have largely maintained a cautious policy stance as they assess the impact of elevated energy prices and geopolitical uncertainty on economic growth and inflation. Global inflation is expected to increase to 4.4% in 2026, reflecting the effects of higher oil prices and supply chain disruptions.
- On the domestic front, economic activity remains resilient despite a moderation in growth. Kenya's economy is projected to expand by 4.9% in 2026, supported by continued growth in construction, infrastructure development, private sector activity, and favorable weather conditions. Encouragingly, private sector credit growth improved to 9.3% in May 2026, while average commercial bank lending rates declined further to 14.5%, supporting business activity and consumer demand.
- The external sector remains stable, supported by strong foreign exchange reserves of USD 13.2Bn, equivalent to 5.6 months of import cover, providing an adequate buffer against external shocks. Meanwhile, the banking sector continues to demonstrate resilience, with strong liquidity and capital adequacy levels. The ratio of gross non-performing loans (NPLs) improved to 15.3% in May 2026, reflecting gradual improvement in asset quality.
- Looking ahead, the MPC emphasized the need to closely monitor developments in global oil markets and any potential second-round effects on inflation. While the decision to maintain the CBR supports economic growth and financial stability, persistent geopolitical tensions, elevated energy prices, and global trade uncertainties remain key risks that could influence the inflation outlook and future monetary policy decisions.
- Overall, the MPC's decision reflects a balanced approach aimed at anchoring inflation expectations, preserving exchange rate stability, and supporting sustainable economic growth amid an increasingly uncertain global environment.

EPRA Fuel Price Update (15 June – 14 July 2026)

- The Energy and Petroleum Regulatory Authority (EPRA) announced marginal reductions in fuel prices for the review period ending 14 July 2026.
- Super Petrol prices declined by KES 0.22 per litre, while Diesel prices fell significantly by KES 10.00 per litre. Kerosene prices remained unchanged.
- The government will continue cushioning consumers through the Petroleum Development Levy (PDL) Fund, utilizing approximately KES 10.0Bn to subsidize Diesel and Kerosene prices.
- On the import side, the average landed cost of Super Petrol decreased by 0.56% to USD 901.16/m^3, while Diesel increased marginally by 0.21% to USD 1,294.71/m^3. Kerosene landed costs declined by 0.33% to USD 1,328.36/m^3.

Market Implication:
The reduction in diesel & petrol prices is expected to ease transport and production costs, offering mild relief to businesses and consumers. Continued government subsidies remain a key factor in stabilizing domestic fuel prices despite mixed movements in global landed costs.

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Government Obligations in June 2026

The Government of Kenya is expected to meet domestic debt obligations totaling approximately KES 190.16Bn in June 2026 compared to KES 152.9Bn in May. The obligations comprise KES 141.4Bn in Treasury bill maturities and KES 48.8Bn in bond maturities. The largest coupon payments will be made on FXD1/2018/025 and IFB1/2023/007.

June 2026 Bond Coupon Payments					
Issue No.	Next Coupon Payment Date	Maturity date	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD1/2008/020	8-Jun-26	5-Jun-28	58,844.60	13.75%	4,045.57
FXD2/2018/010	8-Jun-26	4-Dec-28	63,820.20	12.50%	3,989.40
FXD1/2010/025	8-Jun-26	28-May-35	20,192.50	11.25%	1,135.83
FXD1/2018/025	15-Jun-26	25-May-43	228,346.53	13.40%	15,299.22
IFB1/2022/018	8-Jun-26	21-May-40	79,827.50	13.74%	5,484.95
IFB1/2022/006	1-Jun-26	27-Nov-28	29,501.25	13.22%	1,949.30
IFB1/2023/007	15-Jun-26	10-Jun-30	213,251.60	15.84%	16,886.33
		Total			**48,790.58**

Treasury Bills	
Payment Date	Amount KES 'Mn
1-Jun-26	28,473.87
8-Jun-26	55,070.05
15-Jun-26	10,190.48
22-Jun-26	32,558.66
29-Jun-26	15,084.59
Total	**141,378**

Total Payments	
May-26	190,168.23

Source: CBK, KCB IB

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