

The Week in Review | Week 41

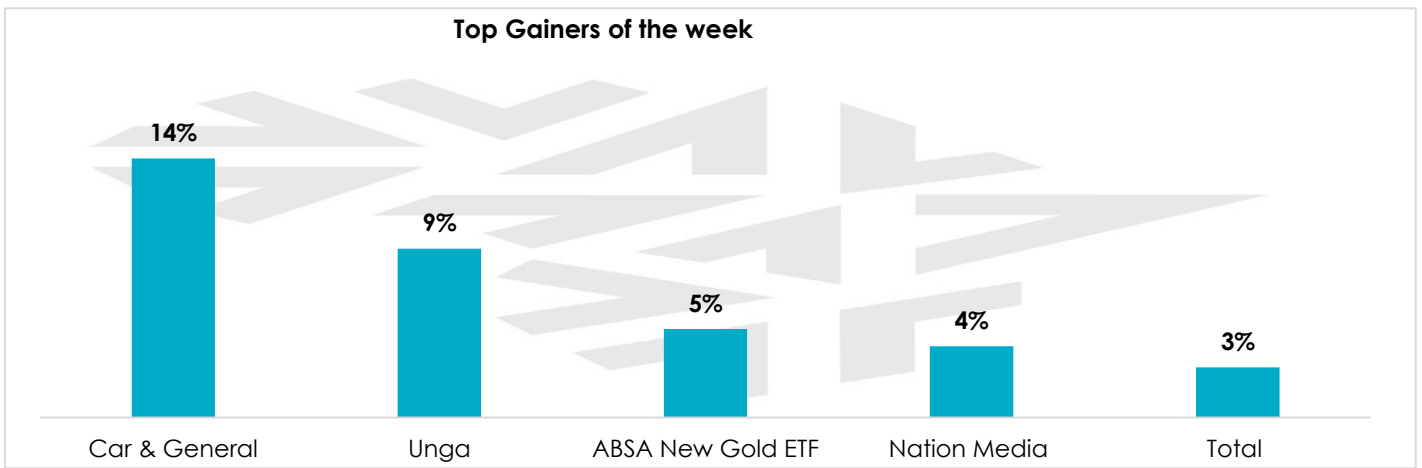
EQUITIES.

Local Market Performance

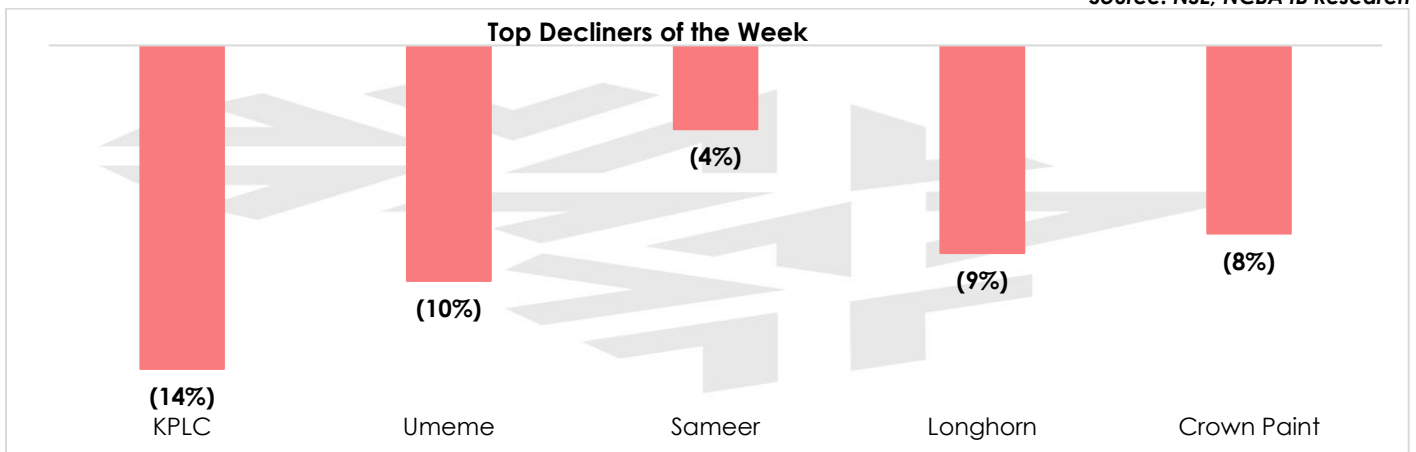
WEEKLY MARKET DATA			
VARIABLES	Week 41	Week 40	W/W%
NASI	172.58	178.50	(3.32%)
NSE-10	1,758.04	1,790.15	(1.79%)
NSE-20	2,942.00	3,030.95	(2.93%)
NSE-25	4,585.44	4,668.95	(1.79%)
Banking Index	164.60	165.87	(0.77%)
Weekly Shares Traded (Mn)	84.64	171.38	(50.61%)
Weekly Equity Turnover (KES Mn)	1,741.76	5,657.38	(69.21%)

Source: NSE, NCBA IB Research

NSE Counter Performance



Source: NSE, NCBA IB Research



Source: NSE, NCBA IB Research

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Regional Markets Performance

Regional Indices		
VARIABLES	w/w %	YTD %
South Africa	3.1%	30.3%
Nigeria	2.4%	42.5%
Tanzania	2.2%	18.8%
Uganda	0.4%	28.2%
Egypt	1.3%	31.9%
Ghana	0.9%	73.6%
Kenya	(3.3%)	37.7%

Source: Bloomberg, NSE, NCBA IB Research

Global Benchmark Indices performance

Global benchmark indices		
VARIABLES	w/w %	YTD %
MSCI Emerging markets	3.0%	27.5%
MSCI Asia	(0.6%)	22.7%
MSCI Europe	(1.1%)	11.2%
Dow Jones Global Index	(2.2%)	14.0%
MSCI World	(2.3%)	14.4%
S&P 500	(2.4%)	11.7%

Source: Bloomberg, NSE, NCBA IB Research

Upcoming Dividend payments

Corporate Actions	Dividend	Book Closure	Payment
BOC	KES 2.50	20-Sep-25	14-Oct-25
KCB Group PLC	KES 4.00	3-Sep-25	11-Nov-25
ABSA PLC	KES 0.20	19-Sep-25	15-Oct-25
Kapchorua Tea	Bonus issue of 1:1	TBA	TBA
Williamson Tea	Bonus issue of 1:1	TBA	TBA

Source: NSE, NCBA IB Research

FIXED INCOME

Primary Market

Treasury bill results

Treasury bills recorded an oversubscription of **107%** this week compared to the undersubscription of 63% recorded in the previous week. Investor interest was primarily concentrated on the 364-day paper. The government accepted **KES 26Bn**, representing a 99% acceptance rate.

Subscription	Amount offered KES Bn	Bids received week 41	Bids received week 40
91 day	4.00	3.60	1.61
182 day	10.00	2.85	6.13
364 day	10.00	19.20	7.38
Total	24.00	25.64	15.13

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Prevailing rates	Week 41	Week 40	W/W change (bps)
91 Day	7.89%	7.92%	(3.28)
182 Day	7.93%	7.98%	(5.48)
364 Day	9.39%	9.54%	(15.02)

Source: CBK, NCBA IB Research

Secondary Market

In the secondary bonds market, total turnover was down by 27% to **KES 30Bn** from KES 42Bn traded in the previous week.

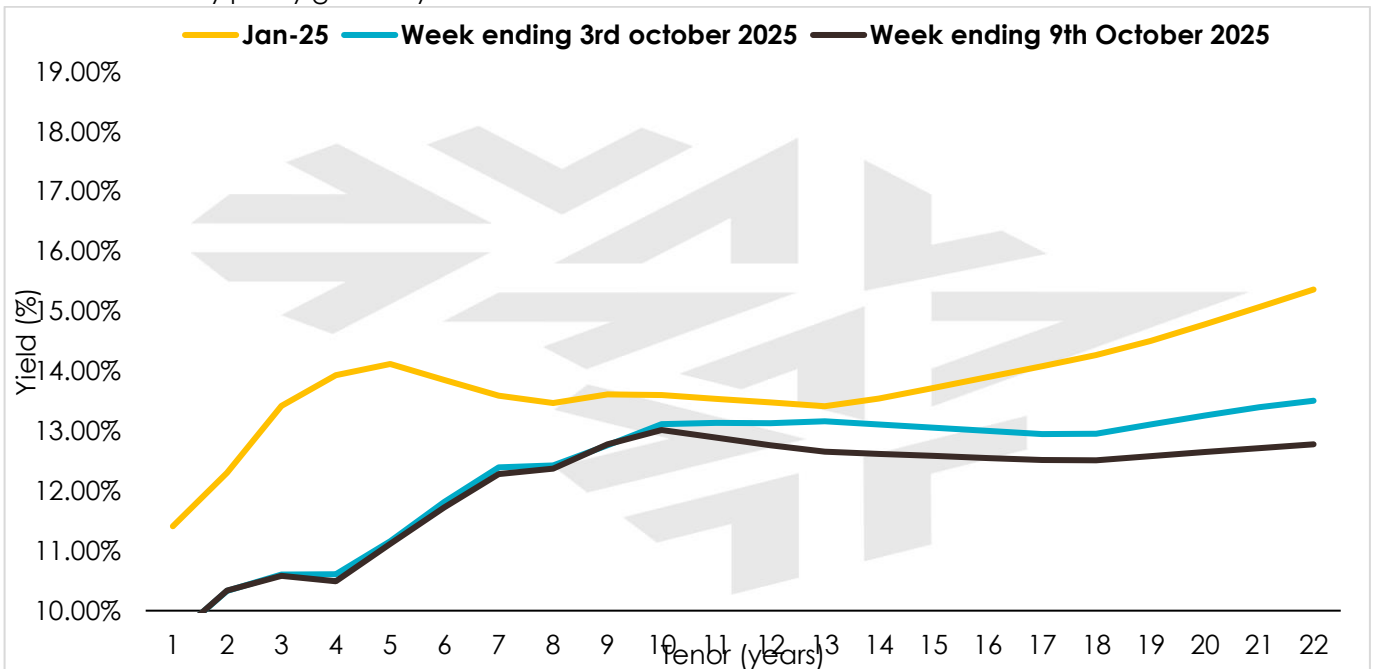
Most traded bonds:

Bond Identifier	Years to Maturity	Coupon	Average Yield	Total Value (KES Mn)
IFB1/2018/15Yr	7.27	12.50%	12.15%	9,128.40
IFB1/2022/19Yr	15.35	12.97%	12.78%	7,744.85
FXD1/2022/025	22.02	14.19%	13.30%	4,857.55
FXD1/2018/20Yr (Re-opened)	12.42	13.20%	13.18%	1,682.00
FXD1/2018/25Yr	17.67	13.40%	13.51%	1,202.15

Source: NSE, NCBA IB Research

Government Securities Yield Curve

Yields on government securities have been steadily declining. This trend is expected to persist, albeit at a slower pace as monetary policy gradually becomes more accommodative.



Source: NSE, NCBA IB Research

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Kenya International Debt Yield Curves:

The yields on Kenyan Eurobonds were on an upward trajectory during the week.

Eurobond	Tenor (Years)	Amount (USD Mn)	Coupon Rate (%)	Current Yield (%)	Previous Yield (%)	Change (Bps)
KENINT 28	3	1,000	7.25%	5.87%	5.83%	4.50
KENINT 31	6	1,500	9.75%	8.07%	7.91%	16.00
KENINT 32	7	1,200	8.00%	8.25%	8.14%	11.50
KENINT 34	9	1,000	6.30%	8.61%	8.43%	17.40
KENINT 48	23	1,000	8.25%	9.44%	9.28%	16.10

Source: CBK, NCBA IB Research

September Inflation

Headline inflation inched up to 4.6% in September 2025, from 4.5% in August, on the back of elevated non-core price pressures. Non-core inflation rose to 9.6% from 9.2%, reflecting higher prices of select vegetables, while core inflation moderated marginally to 2.9% from 3.0%. The divergence between core and non-core underscores the persistence of food-related price volatility, even as underlying demand-driven pressures remain contained.

Statistic	Current	Previous	Change (bps)
Inflation	4.60%	4.50%	10.0

Source: KNBS, NCBA IB Research

Interest Rates

The Monetary Policy Committee (MPC), in its meeting on **October , 2025**, lowered the **Central Bank Rate (CBR)** by **25bps to 9.25%** from 9.50%. The decision was underpinned by expectations that overall inflation will remain below the midpoint of the **5±2.5% target range** in the near term, alongside gradual improvement in private sector credit growth supported by easing lending rates.

Globally, central banks in major economies continue to lower interest rates, though at a more cautious and uneven pace depending on their inflation and growth outlooks.

The MPC noted that scope exists for further policy easing to reinforce earlier measures aimed at stimulating private sector lending and supporting economic activity, while maintaining stable inflation expectations and exchange rate conditions.

Statistic	Current	Previous	Change (bps)
CBR	9.25%	9.50%	(25.0)

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Source: KNBS, NCBA IB Research

Liquidity conditions

Liquidity conditions in the interbank space **eased** marginally. Indicatively, the overnight average interbank rate increased to close at **9.29%**

The demand for funds increased by 5%, with daily traded volumes averaging **KES 15.90Bn** from KES 15.10Bn observed in the previous week.

Statistic	Current	Previous	Change
Average KESONIA	9.29%	9.51%	(0.22%)
Average Interbank volume KES Bn	15.90	15.10	5.30%

Source: CBK, NCBA IB Research

Currency

On the FX front, the shilling appreciated, closing at **129.24** during the week

Foreign exchange reserves increased by **5%** week on week to close at **US 11.23Bn**, the reserves represent **4.9months worth** of import cover, which meets the CBK's statutory requirement of at least 4 months of import cover.

The US Dollar Index (**DXI**) increased to close at **98.97** from 97.94 recorded last week.

DXI indicates the general international value of the USD. DXI does this by averaging the exchange rates between the US Dollar and major world currencies.

Currency	Week 41	Week 40	W/W change (%)
US Dollar	129.24	129.24	(0.00%)
STG Pound	173.52	173.62	(0.06%)
Euro	150.35	151.44	(0.72%)
Forex reserves	11,228.00	10,717.00	4.77%

Source: CBK, NCBA IB Research

Kenya Government Debt Maturities Schedule – October 2025:

Total domestic debt maturities in October are KES **146Bn** compared to **KES 167Bn** in September. We expect robust government activity in the local market to ease refinancing.

Treasury Bills	
Payment Date	Amount KES 'Mn
October 6, 2025	16,696.70
October 13, 2025	29,686.00
October 20, 2025	24,843.68
October 27, 2025	42,829.09
Total	114,055.47

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Oct 25 Coupon payments					
Issue No.	Next Coupon Payment Date	Maturity date	Outstanding Amount KES 'Mn	Fixed Coupon Rate	Coupon payment KES 'Mn
FXD2/2013/015	13-Oct-25	10-Apr-28	70,859.75	12.00%	4,251.59
FXD2/2018/015	13-Oct-25	3-Oct-33	33,411.70	12.75%	2,130.00
IFB1/2014/012	13-Oct-25	12-Oct-26	16,631.48	11.00%	914.73
IFB1/2016/015	13-Oct-25	6-Oct-31	30,004.70	12.00%	1,800.28
FXD1/2022/015	20-Oct-25	6-Apr-37	129,190.48	13.94%	9,005.87
FXD1/2022/025	20-Oct-25	23-Sep-47	141,075.93	14.19%	10,007.93
IFB1/2019/016	20-Oct-25	8-Oct-35	71,028.55	11.75%	4,172.93
Total					32,283.32

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