

Foreign Exchange Reserves

The usable foreign exchange reserves decreased by 0.93% to USD 14,461 million (6.20 months of import cover). This remains above the CBK's statutory requirement to endeavor to maintain at least 4.0-months of import cover and above the EAC region's convergence criteria of 4.5-months of import cover.

Currency

The Kenya Shilling depreciated against the Dollar and the Sterling Pound, but appreciated against the Euro to exchange at KES 129.30, KES 173.00 and KES 149.16 respectively. The observed depreciation against the Dollar is attributed to decreased foreign exchange reserves.

Currency	YTD Change	W-o-W Change
Dollar	0.19%	0.09%
Sterling Pound	-0.55%	0.35%
Euro	-1.69%	-0.43%

Liquidity

Liquidity in the money markets increased, with the Kenya Shilling Overnight Interbank Average (KESONIA) decreasing from 8.72% to 8.67%, as government payments more than offset tax remittances. Remittance inflows totaled \$412.70 million in February 2026, a 0.33% increase from \$411.33 million in January 2026 and a 7.97% increase from \$382.25 million in February 2025. Open market operations remained active.

Liquidity	Week (Previous)	Week (Ending)
KESONIA	8.72%	8.67%
Inter-bank volume (billion)	10.08	11.79
Commercial banks' excess reserves (billion)	57.90	37.80

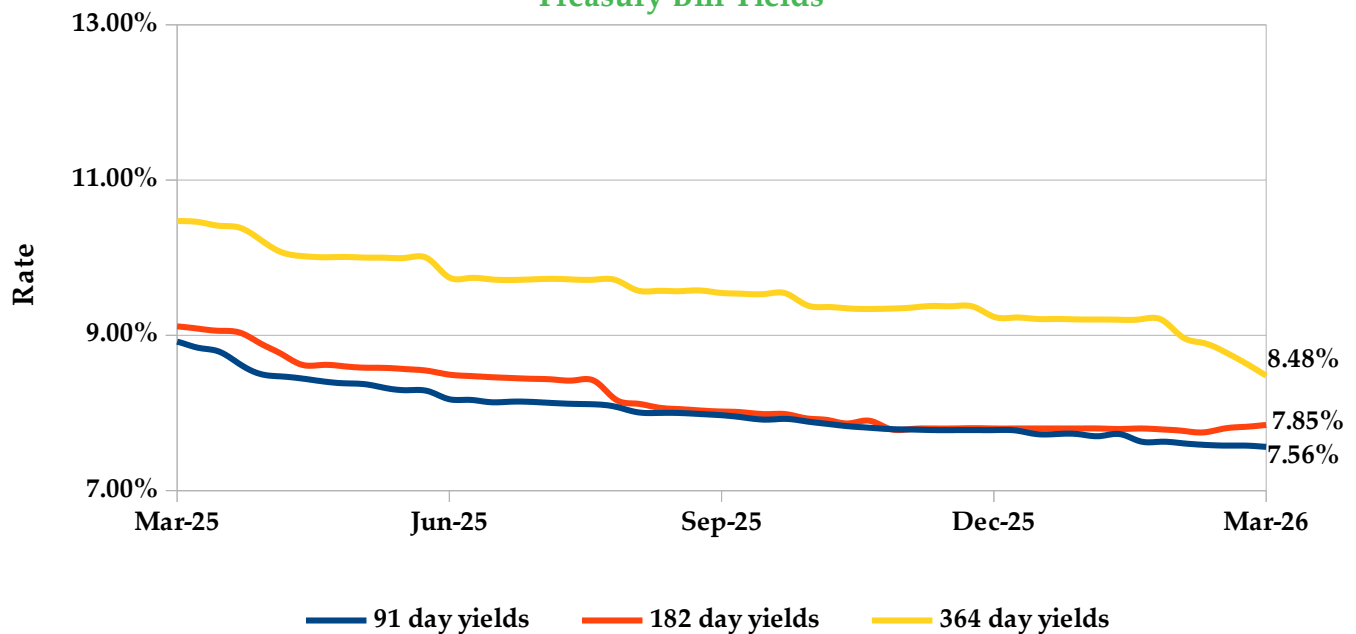
Fixed Income

T-Bills

T-Bills remained over-subscribed during the week, with the overall subscription rate decreasing to 182.28%, from 418.43% recorded in the previous week. The 364-day T-Bill received the highest subscription rate at 308.73%, while the 91-day T-Bill and 182-day T-Bill had subscription rates of 124.49% and 78.95% respectively. The acceptance rate increased by 78.86% to close the week at 73.77%.



Treasury Bill Yields



T-Bonds

In the secondary bond market, there was a higher demand for the week's bond offers. Bond turnover increased by 13.22% from KES 71.49 billion in the previous week to KES 80.95 billion. Total bond deals decreased by 10.36% from 1,014 in the previous week to 909.

In the primary bond market, CBK released the results for the reopened bonds FXD1/2019/020 and FXD1/2021/025, with coupon rates of 12.87% and 13.92% respectively. The issue received bids worth KES 117.43 billion against a target of KES 60 billion. Of these, KES 60.99 billion were accepted at weighted average rates of 12.75% and 12.95% respectively.

Eurobonds

In the international market, yields on Kenya's Eurobonds increased by an average of 0.33%, 0.66% and 0.82% week-on-week, month-to-date and year-to-date respectively. The yields on the 10-year Eurobonds for Ivory Coast also increased while those for Angola declined.

Bond	YTD Change	MTD Change	W-o-W Change
2018 10-Year Issue	0.57%	0.52%	0.26%
2018 30-Year Issue	0.74%	0.51%	0.27%
2019 12-Year Issue	0.83%	0.77%	0.33%
2021 13-Year Issue	1.10%	0.64%	0.31%
2024 6-Year Issue	0.86%	0.84%	0.50%



Equities

NASI, NSE 20, NSE 25, NSE 10 and the Banking Sector Index settled 1.39%, 2.40%, 2.06%, 2.29% and 1.63% higher, bringing the year-to-date performance to 12.79%, 17.52%, 14.87%, 13.86% and 18.50% respectively. Market capitalization also gained by 6.55% from the previous week to close at KES 3.50 trillion, recording a year-to-date increase of 18.52%. The performance was driven by gains recorded by large cap stocks such as EABL, Equity, ABSA, KCB and Stanbic of 5.18%, 3.36%, 2.99%, 2.26% and 2.25% respectively.

The Banking sector had shares worth KES 3.5B transacted which accounted for 55.92% of the week's traded value. Manufacturing & Allied sector had shares worth KES 480.2M transacted which represented 7.60% and Safaricom, with shares worth KES 1.6B transacted, represented 26.45% of the week's traded value.

Top Gainers and Losers in the Equities Markets

Top Gainers	YTD Change	W-o-W	Top Losers	YTD Change	W-o-W
Nation Media	33.86%	22.30%	Kakuzi	2.61%	-3.85%
Home Afrika	25.00%	16.44%	Shri Krishana	19.41%	-3.76%
Uchumi	80.53%	13.33%	BOC Kenya	-3.97%	-3.39%
Britam	44.04%	12.50%	Sanlam	15.60%	-2.87%
KQ	53.07%	11.61%	BK Group	13.44%	-2.85%

Alternative Investments

	Week (Previous)	Week (Ending)	% change
Derivatives Turnover (million)	37.25	18.99	-49.03%
Derivatives Volume	6,649	4,547	-31.61%
ETF Turnover (million)	403.15	78.15	-80.61%
ETF Deals	298	132	-55.70%

Global and Continental Markets

Global Markets	YTD Change	W-o-W
S&P 500	-3.30%	-1.60%
Dow Jones Industrial Average (DJI)	-3.77%	-1.99%
FTSE 100 (FTSE)	3.12%	-0.23%
STOXX Europe 600	-0.05%	-0.47%
Shanghai Composite (SSEC)	1.79%	-0.70%
MSCI Emerging Markets Index	2.80%	-2.02%
MSCI World Index	-2.60%	-1.76%



Continental Markets	YTD Change	W-o-W
JSE All Share	-0.87%	-1.21%
NSE All Share (NGSE)	26.78%	0.73%

Global and Continental Markets

- The US stock market posted losses during the week, as the war in the Middle East escalated fears that energy prices will stay elevated for longer. Weak US GDP data also lowered investor sentiment.
- European stock markets edged lower during the week, as investors continued to assess the impact of the ongoing war in the Middle East on the Bank of England's policy decision. Weak UK GDP data also dampened investor sentiment.
- Asian stock markets closed the week in the red, as investors weighed fresh US trade probes targeting several economies including China. The US administration seeks to examine whether trade policies of these economies are unreasonable and thus harming US commerce.
- On the global commodities markets, Crude Oil WTI and ICE Brent Crude closed the week 8.59% and 11.27% higher at \$98.71 and \$103.14 respectively. Gold futures prices settled 1.88% lower at \$5,061.70.

Week's Highlights

- The National Treasury gazetted revenues and expenditure for February 2026. Total revenue collected amounted to KES 1,606.66 billion, representing 55.08% of the original KES 2.75 trillion target. This was 12.51% lower than the projected KES 1,836.47 billion for the period. Total expenditure reached KES 2,747.47 billion, accounting for 61.97% of the original estimate. The resulting fiscal deficit of KES 1,140.81 billion was financed through domestic and external borrowing of 77.86% and 22.14% respectively.
- The Energy and Petroleum Regulatory Authority (EPRA) released its latest monthly statement on the maximum retail prices of petroleum products, effective 15th March to 14th April 2026. Pump prices for super petrol, diesel and kerosene remained unchanged at KES 178.28, KES 166.54 and KES 152.78 per litre respectively.
- The Kenya Mortgage Refinance Corporation (KMRC) has announced plans to float a green bond in April 2026. The proceeds of the bond will be used to refinance affordable and environmental friendly housing projects.



- The US PCE price index increased by 0.3% in February from the previous month, aligned with market expectations and slowing slightly from the 0.4% increase from the previous month. Costs of durable goods rose by 0.4% from December's 0.5% jump, offsetting the 0.1% drop in nondurable goods. Excluding energy and food prices, the core PCE price index rose by a sharper 0.4%. From the previous year, the PCE price index rose by 2.8%, easing from the 2.9% increase in the previous month but remaining sharply above the Federal Reserve's 2% target.
- The US economy expanded an annualized rate of 0.7% in Q4 2025, the weakest performance since Q1 2025 and below the 1.4% estimate. Consumer spending slowed more than anticipated (2% vs 2.4%), as purchases of both goods (0.4%) and services (2.7%) eased. Fixed investment also increased at a slower rate (1.6% vs 2.6%), largely due to a sharper drop in structures (-7.1%) while investment in equipment (3.9%) and intellectual property products (5.7%) remained robust. Exports declined at a faster pace of 3.3%, marking the largest contraction since Q2 2023. Imports also fell (-1.1% vs. -1.3%). Meanwhile, government spending and investment contracted sharply (-5.8% vs -5.1%), due to the government shutdown. For 2025, the US economy expanded by 2.1%, slightly below the initial estimate of 2.2% and down from 2.8% in 2024.
- UK's GDP stalled in January 2026, from a 0.1% rise in December, and compared to forecasts of a 0.2% gain. Services showed no growth, with the largest negative contribution coming from administrative & support service activities that fell 2.3%, driven by a 5.7% slump in employment activities, and a 3.9% drop in rental and leasing. Conversely, the largest positive contribution came from wholesale and retail trade and repair of motor vehicles (up 1%). Production dropped 0.1%, extending a 0.9% drop in December, led by falls in mining & quarrying (-3.2%) and electricity, gas, steam and air conditioning supply (-0.3%). This was partially offset by growths of 1.9% in water supply; sewerage, waste management and remediation activities. The construction sector also grew 0.2%. Year-on-year, the economy expanded 0.8%.
- Eurozone industrial production fell 1.5% month-on-month in January 2026, following a revised 0.6% decline in December and was below market estimates of a 0.6% increase. This marked the sharpest monthly drop since April 2025, driven by declines across key sectors: non-durable consumer goods fell 6.0%, capital goods dropped 2.3%, durable consumer goods slipped 1.9% and intermediate goods fell 1.9%. Energy output, however, rebounded 4.7% after two consecutive months of contraction. Among the Eurozone's largest economies, output decreased in Germany (-1.3%), Italy (-0.6%) and Spain (-0.5%), but rose in France (0.5%) and was unchanged in the Netherlands (0.0%). On an annual basis, industrial production fell 1.2%, marking the first yearly decline in a year and was below analysts' expectations for 1.4% growth.