Market Performance

17/07/2026

Foreign Exchange Reserves

The usable foreign exchange reserves increased by 0.30% to USD 14,169 million (6.00 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, the Sterling Pound and the Euro to exchange at KES 129.30, KES 174.68 and KES 148.14 respectively. The observed depreciation against the Dollar is attributed to increased demand for the currency.

Currency	YTD Change	W-o-W Change
Dollar	0.19%	0.09%
Sterling Pound	0.42%	0.72%
Euro	-2.37%	0.26%

Liquidity

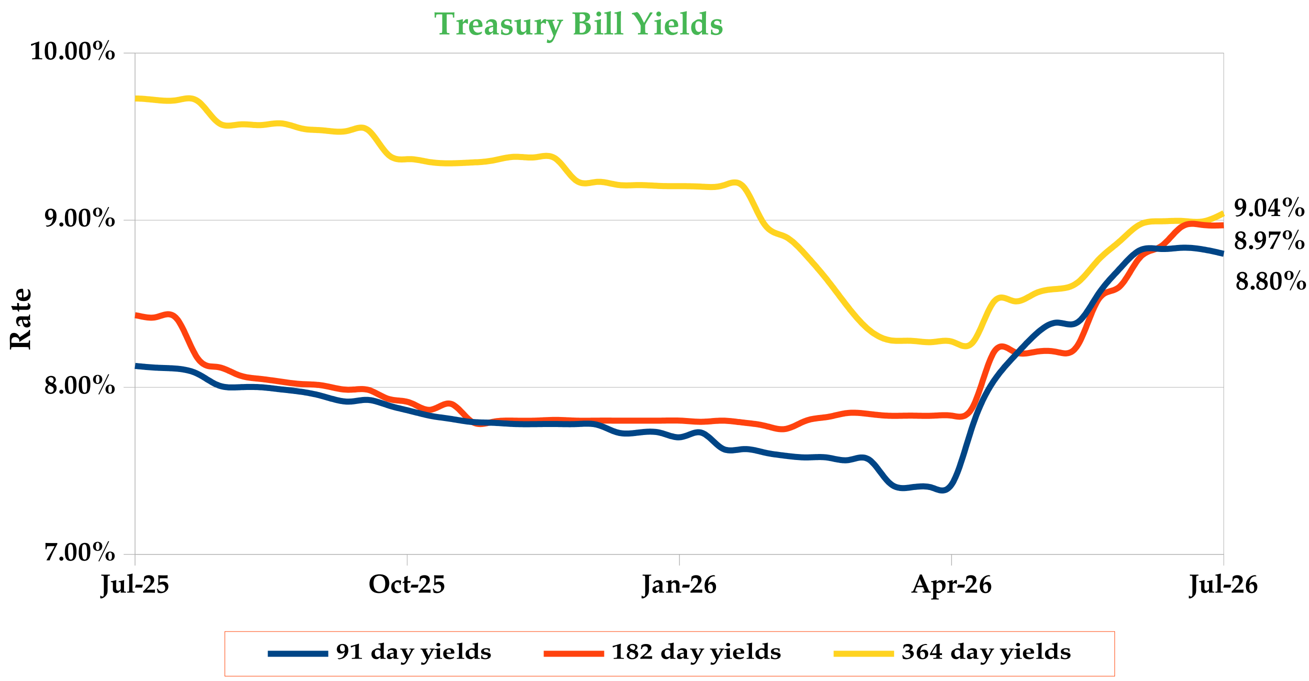
Liquidity in the money markets decreased, with the Kenya Shilling Overnight Interbank Average (KESONIA) marginally increasing from 8.750% to 8.751%, as tax remittances more than offset government payments. Remittance inflows totaled $375.60 million in June 2026, a 4.73% decrease from $394.24 million in May 2026 and an 11.17% decrease from $422.83 million in June 2025. Open market operations remained active.

Liquidity	Week (Previous)	Week (Ending)
KESONIA	8.750%	8.751%
Inter-bank volume (billion)	5.41	6.99
Commercial banks' excess reserves (billion)	30.40	24.00

Fixed Income

T-Bills

T-Bills remained oversubscribed during the week, with the overall subscription rate decreasing to 157.22%, from 177.57% recorded in the previous week. The 91-day T-Bill received the highest subscription rate at 304.44%, while the 182-day T-Bill and 364-day T-Bill had subscription rates of 151.53% and 45.12% respectively. The acceptance rate increased by 13.30% to close the week at 69.56%.



T-Bonds

In the secondary bond market, there was a higher demand for the week's bond offers. Bond turnover increased by 9.24% from KES 29.74 billion in the previous week to KES 32.49 billion. Total bond deals increased by 22.15% from 623 in the previous week to 761.

In the primary bond market, CBK released the results for the switch bond issue from FXD1/2021/005 to FXD1/2012/020. The issue received bids worth KES 8.16B at cost, against a target of KES 10B. Of these, KES 7.95B were accepted at a weighted average rate of 12.81%.

Additionally, CBK issued a prospectus for two reopened bonds FXD1/2019/020 and FXD1/2022/025 with coupon rates of 12.87% and 14.19% respectively, targeting to raise KES 40 billion for budgetary support. The sale runs from 14th July to 22nd July 2026.

Eurobonds

In the international market, yields on Kenya's Eurobonds increased by an average of 0.21%, 0.36% and 0.56% week-on-week, month-to-date and year-to-date respectively. The yields on the 10-year Eurobonds for Ivory Coast increased while those for Angola declined.

Bond	YTD Change	MTD Change	W-o-W Change
2018 10-Year Issue	0.94%	0.24%	0.24%
2018 30-Year Issue	0.08%	0.21%	0.14%
2019 12-Year Issue	0.73%	0.40%	0.19%
2021 13-Year Issue	0.52%	0.38%	0.21%
2024 6-Year Issue	0.52%	0.56%	0.26%

Equities

NASI, NSE 20, NSE 25, NSE 10 and the Banking Sector Index settled 1.10%, 2.98%, 0.92%, 0.45% and 1.04% higher respectively, bringing the year-to-date performance to 23.60%, 26.00%, 25.40% 25.47% and 29.26% respectively. Market capitalization also gained 1.10% from the previous week to close at KES 3.89 trillion, recording a year-to-date increase of 31.44%. The performance was driven by gains recorded by large cap stocks such as NCBA, Stanbic and Safaricom of 2.01%, 2.30%, 1.37% and 1.28% respectively. This was however weighed down by the loss recorded by EABL of 4.81%.

The Banking sector had shares worth KES 1.5B transacted which accounted for 63.50% of the week's traded value. Manufacturing & Allied sector had shares worth KES 116M transacted which represented 4.78% and Safaricom, with shares worth KES 361.1M transacted, represented 14.88% of the week's traded value.

Top Gainers and Losers in the Equities Markets

Top Gainers	YTD Change	W-o-W
Britam	102.54%	26.12%
EA Portland	40.55%	9.07%
KenGen	13.83%	7.51%
Kenya Re	18.00%	6.95%
Kenya Power	41.18%	6.08%

Top Losers	YTD Change	W-o-W
Uchumi	44.25%	-6.32%
Flame Tree	11.95%	-4.81%
EABL	-5.52%	-4.81%
Crown Paints	5.99%	-4.56%
ABSA New Gold	-10.47%	-4.22%

Alternative Investments

	Week (Previous)	Week (Ending)	% change
Derivatives Turnover (million)	20.59	2.85	-86.16%
Derivatives Volume	3,643	830	-77.22%
ETF Turnover (million)	17.38	20.54	18.20%
ETF Deals	327	376	14.98%

Global and Continental Markets

Global Markets	YTD Change	W-o-W
S&P 500	8.74%	-1.55%
Dow Jones Industrial Average (DJI)	7.78%	-0.93%
FTSE 100 (FTSE)	6.52%	0.98%
STOXX Europe 600	7.61%	0.07%
Shanghai Composite (SSEC)	-6.44%	-5.81%
MSCI Emerging Markets Index	13.37%	-4.14%
MSCI World Index	8.15%	-1.23%

Continental Markets	YTD Change	W-o-W
JSE All Share	-12.81%	-0.74%
NSE All Share (NGSE)	55.57%	-0.20%

Global and Continental Markets

- The US stock market posted losses during the week, as global selloff in semiconductor stocks gathered pace, driven by mounting concerns over heavy AI-related spending and stretched valuations. Investors also continued to assess the impact of the escalating conflict between the US and Iran, which pushed oil prices higher and kept inflationary pressures and interest rate concerns firmly in focus.

- European stock markets posted gains during the week, as investors assessed a slew of corporate releases and economic data, while monitoring the ongoing geopolitical tensions. Strong gains in industrials offset weakness in miners and tech stocks.

- Asian stocks closed the week in the red as liquidity concerns intensified following chip-maker CXMT's planned USD 8.6B IPO. This was further exacerbated by a sharp sell-off in chip shares that extended from the US to Asia-Pacific markets and weighed heavily on the tech sector.

- On the global commodities markets, Crude Oil WTI and ICE Brent Crude closed the week 15.52% and 15.91% higher at $82.49 and $88.10 respectively. Gold futures prices settled 2.31% lower at $4,018.80.

Week's Highlights

- The National Treasury gazetted revenues and expenditure for June 2026. Total revenue collected amounted to KES 2,600.83 billion, representing 89.16% of the original KES 2.92 trillion target. This was 5.59% lower than the projected KES 2,7754.71 billion for the period. Total expenditure reached KES 4,581.87 billion, accounting for 103.35% of the original estimate. The resulting fiscal deficit of KES 1,981.05 billion was financed through domestic borrowing and external borrowing of 66.50% and 33.50% respectively. The Exchequer balance as at the close of the financial year stood at KES 29.21 billion.

- The Energy and Petroleum Regulatory Authority (EPRA) released its latest monthly statement on the maximum retail prices of petroleum products, effective 15th July to 14th August 2026. Pump prices for super petrol, diesel and kerosene remained unchanged to retail at KES 214.03, KES 222.86 and KES 191.38 respectively.

- UK’s economy expanded by 0.1% month-on-month in May 2026, in line with market expectations and rebounding from a 0.1% contraction in April. Growth was driven solely by a 0.3% increase in services output. Administrative & support services and health activities also advanced. These offset a 0.5% decline in production and a 0.8% fall in construction. In the three months to May, GDP grew 0.7%, marking a sixth consecutive three-month expansion, led by services (0.7%), while construction increased 1.6% and production edged up 0.1%. Compared with a year earlier, the GDP expanded 1.3%, below forecasts of 1.4% but marking the steepest growth since July 2025.

- Eurozone annual inflation stood at 2.8% in June 2026, down from 3.2% in May and marking its lowest level since February, before the Iran war disrupted energy supplies and drove oil prices higher. Though inflation continued to ease, it remained above the European Central Bank's 2.0% target. Energy inflation decreased sharply to 8.5% from 10.8%, while price growth also moderated for services, non-energy industrial goods and food, alcohol & tobacco. Core inflation, which excludes energy and food, eased to 2.4% from 2.6%. Some of the largest economies where inflation slowed include Germany, France, Italy and the Netherlands, while Spain's remained unchanged at 3.6%.

- The University of Michigan's Consumer Sentiment Index rose to 54.4 in July 2026, beating expectations of 51.0 and marking a second straight monthly increase after May's record low, according to the preliminary estimate. Sentiment reached its highest level since February, supported by easing gasoline prices. All five index components improved, led by roughly 20% gains in buying conditions for durable goods and year-ahead business conditions. Despite the rebound, sentiment remains 12% below its level a year ago as elevated prices continue to weigh on households. Meanwhile, one-year inflation expectations eased to 4.2% from 4.6%, while long-run expectations held steady at 3.3%.