

Foreign Exchange Reserves

The usable foreign exchange reserves decreased by 0.69% to USD 13,149 million (5.60 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 appreciated against the Dollar, the Sterling Pound and the Euro to exchange at KES 129.47, KES 171.42 and KES 148.55 respectively. The observed depreciation against the Dollar is attributed to stable foreign exchange reserves.

Currency	YTD Change	W-o-W Change
Dollar	0.33%	-0.15%
Sterling Pound	-1.46%	-1.38%
Euro	-2.10%	-0.96%

Liquidity

Liquidity in the money markets decreased, with the Kenya Shilling Overnight Interbank Average (KESONIA) marginally increasing by 0.04 basis points to 8.750%, as tax remittances more than offset government payments. Remittance inflows totaled \$394.24 million in May 2026, a 0.89% decrease from \$397.78 million in April 2026 and a 10.42% decrease from \$440.08 million in May 2025. Open market operations remained active.

Liquidity	Week (Previous)	Week (Ending)
KESONIA	8.7496%	8.750%
Inter-bank volume (billion)	11.50	4.63
Commercial banks' excess reserves (billion)	17.90	28.00

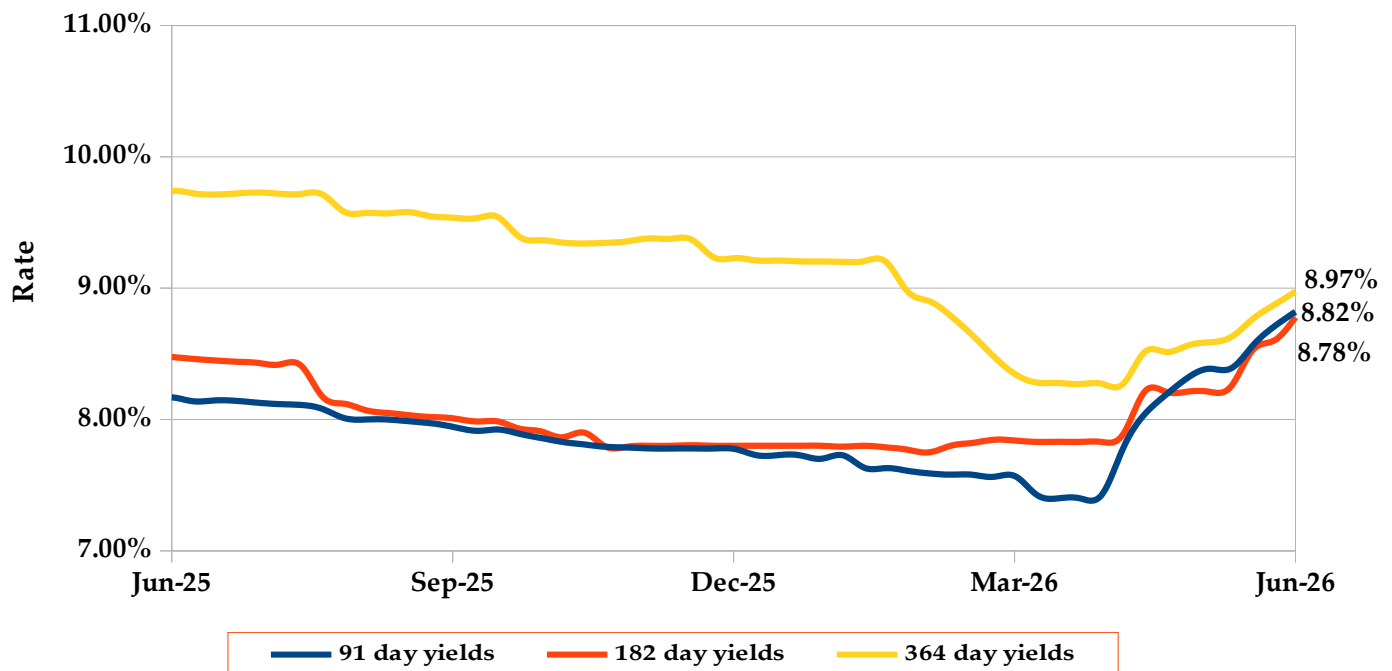
Fixed Income

T-Bills

T-Bills remained oversubscribed during the week, with the overall subscription rate decreasing to 204.10%, from 163.92% recorded in the previous week. The 91-day T-Bill received the highest subscription rate at 921.17%, while the 182-day T-Bill and 364-day T-Bill had subscription rates of 32.20% and 89.17% respectively. The acceptance rate decreased by 11.96% to close the week at 72.97%.



Treasury Bill Yields



T-Bonds

In the secondary bond market, there was a lower demand for the week's bond offers. Bond turnover decreased by 21.56% from KES 58.74 billion in the previous week to KES 46.08 billion. Total bond deals increased by 11.95% from 1,029 in the previous week to 1,152.

In the primary bond market, CBK released the results for the reopened bonds FXD1/2018/020 and FXD1/2021/025 treasury bonds with coupon rates of 13.20% and 13.92%. The issues received bids worth KES 77.63 billion against a target of KES 60 billion. Of these, KES 42.57 billion were accepted at weighted average rates of 13.99% and 14.86% respectively.

Eurobonds

In the international market, yields on Kenya's Eurobonds decreased by an average of 0.51% and 0.44% week-on-week and month-to-date respectively, but remained unchanged on a year-to-date basis. The yields on the 10-year Eurobonds for Ivory Coast decreased while those for Angola increased.

Bond	YTD Change	MTD Change	W-o-W Change
2018 10-Year Issue	0.55%	-0.48%	-0.48%
2018 30-Year Issue	-0.22%	-0.27%	-0.38%
2019 12-Year Issue	0.00%	-0.52%	-0.55%
2021 13-Year Issue	-0.04%	-0.43%	-0.54%
2024 6-Year Issue	-0.28%	-0.52%	-0.62%



Equities

NASI, NSE 20, NSE 25, NSE 10 and the Banking Sector Index settled 4.21%, 2.92%, 5.12%, 6.57% and 4.73% higher respectively, bringing the year-to-date performance to 16.13%, 16.11%, 18.17%, 17.95% and 21.95% respectively. Market capitalization also gained 4.21% from the previous week to close at KES 3.61 trillion, recording a year-to-date increase of 22.05%. The performance was driven by gains recorded by large cap stocks such as EABL, ABSA, Equity, KCB and Coop Bank of 9.30%, 9.04%, 5.96%, 5.78% and 5.05% respectively.

The Banking sector had shares worth KES 4.1B transacted which accounted for 64.59% of the week's traded value. Manufacturing & Allied sector had shares worth KES 199.2M transacted which represented 3.09% and Safaricom, with shares worth KES 1.7B transacted, represented 26.86% 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
Car & General	128.43%	24.27%	Liberty	-9.82%	-8.91%
I&M Holdings	44.28%	12.27%	Flame Tree	13.84%	-7.65%
EABL	2.34%	9.30%	Eaagads	51.48%	-7.38%
ABSA Bank Plc	23.74%	9.04%	Africa Mega Agricorp	47.52%	-6.31%
ABSA New Gold	0.37%	8.97%	KQ	56.42%	-5.08%

Alternative Investments

	Week (Previous)	Week (Ending)	% change
Derivatives Turnover (million)	27.33	78.62	187.61%
Derivatives Volume	5,596	15,114	170.09%
ETF Turnover (million)	13.63	3.30	-82.62%
ETF Deals	421	150	-41.86%

Global and Continental Markets

Global Markets	YTD Change	W-o-W
S&P 500	9.36%	0.93%
Dow Jones Industrial Average (DJI)	6.58%	0.71%
FTSE 100 (FTSE)	4.14%	-1.04%
STOXX Europe 600	6.62%	0.38%
Shanghai Composite (SSEC)	1.67%	1.46%
MSCI Emerging Markets Index	24.96%	4.09%
MSCI World Index	8.60%	0.82%



Continental Markets	YTD Change	W-o-W
JSE All Share	-10.19%	-0.42%
NSE All Share (NGSE)	50.77%	-3.59%

Global and Continental Markets

- The US stock market recorded gains during the week, buoyed by gains in pharmaceutical stocks. Optimism over the US-Iran deal offset concerns over a hawkish Federal Reserve.
- European stock markets recorded a mixed performance. Sentiment weakened after renewed geopolitical concerns in the Middle East, following the cancellation of scheduled US-Iran talks, weakening the hopes of reopening of the Strait of Hormuz.
- Asian stocks closed the week in the green as investors assessed the possibility of US and Iran reaching to an agreement soon.
- On the global commodities markets, Crude Oil WTI and ICE Brent Crude closed the week 9.86% and 8.34% lower at \$76.51 and \$80.05 respectively. Gold futures prices settled 1.55% lower at \$4,172.90.

Week's Highlights

- The National Treasury gazetted revenues and expenditure for May 2026. Total revenue collected amounted to KES 2,318.33 billion, representing 79.477% of the original KES 2.92 trillion target. This was 8.19% lower than the projected KES 2,525.15 billion for the period. Total expenditure reached KES 4,060.45 billion, accounting for 91.58% of the original estimate. The resulting fiscal deficit of KES 1,742.11 billion was financed through domestic borrowing and external borrowing of 67.59% and 32.41% respectively.
- Assets under management held by collective investment schemes in Kenya soared by 12.6% in Q1 2026 to KES 851.71 billion, marking the second largest quarterly gain on record, according to the report published by the Capital Markets Authority. Sanlam Allianz Unit Trust and Mansa X operator, Standard Investment Bank account for the largest asset base at 18.9% and 18% respectively, totaling KES 314.17 billion.
- Centum's Dollar-denominated I-REIT, TRIFIC Green, announced the results of the recently concluded unrestricted offer. The issue was oversubscribed at 103.3% at USD 30.815 million, reflecting strong investor confidence in the quality of the underlying assets. All applications of USD 1 million and below will be allotted at 100% while those greater than USD 1 million will be prorated based on the application size as a percentage of the remaining available shares rounded to the nearest USD 1,000. Allotment communication to clients was done on 18th June, while listing and on the NSE is expected to commence on 29th June 2026.



- Family Bank announced the plans of listing its 1,662,654,760 ordinary shares on the Main Investment Market Segment (MIMS) of the NSE through a Listing by introduction on 23rd June at a price of KES 18 per share. Absa Group Limited also intends to increase its shareholding by 896 million ordinary shares in the Kenyan subsidiary, Absa Bank Kenya Plc through tender offer to existing shareholders at a price of KES 34.50 per share.
- The UK GfK Consumer Confidence Index held steady at -23 in June 2026, slightly above market expectations of -24 but unchanged from May. Despite the stable headline reading, GfK Consumer Insights Director warned that confidence is weakening, as political uncertainty weighs on households. Sentiment among consumers aged 16 to 29 fell sharply by 11 points to -2, its weakest level in two years. Households also grew more pessimistic about their personal finances over the past year, with the gauge dropping three points to -10, while expectations for the year ahead remained subdued at -2. Meanwhile, intentions to make major purchases were unchanged at -20, matching the lowest level since January 2025, suggesting consumers remain cautious about discretionary spending.
- UK 10-year gilt yields climbed to 4.8%, extending their rebound from recent lows as markets weighed political uncertainty and global risk sentiment. Greater Manchester Mayor Andy Burnham's victory in the Makerfield by-election has bolstered his profile as a potential challenger to Prime Minister Keir Starmer, with markets increasingly focused on the possible fiscal implications of a future leadership bid. However, with limited policy detail so far, the impact on public finances and borrowing remains difficult to assess. Meanwhile, crude prices sought to recover from recent steep losses after planned US-Iran peace talks in Switzerland were abruptly canceled, reigniting concerns over the durability of the tentative agreement to end the Middle East conflict. On monetary policy, the Bank of England maintained a cautious stance amid uncertainty over energy-driven inflation risks, while the US Fed signaled that some policymakers still see scope for further tightening later this year.