

Foreign Exchange Reserves

The usable foreign exchange reserves decreased by 1.15% to USD 14,294 million (6.10 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, appreciated against the Sterling Pound and remained relatively stable against the Euro to exchange at KES 129.52, KES 172.49 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	0.36%	0.17%
Sterling Pound	-0.84%	-0.29%
Euro	-1.69%	0.00%

Liquidity

Liquidity in the money markets decreased, with the Kenya Shilling Overnight Interbank Average (KESONIA) increasing from 8.67% to 8.68%, as tax remittances more than offset government payments. Open market operations remained active.

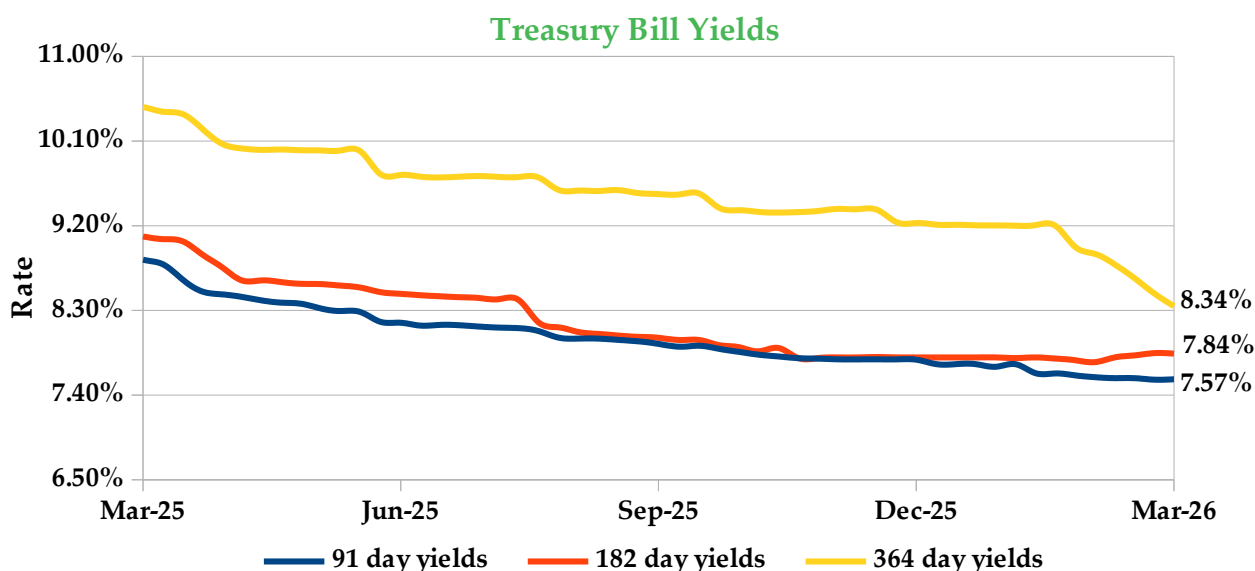
Liquidity	Week (Previous)	Week (Ending)
KESONIA	8.67%	8.68%
Inter-bank volume (billion)	11.79	13.13
Commercial banks' excess reserves (billion)	37.80	8.50

Fixed Income

T-Bills

T-Bills remained over-subscribed during the week, with the overall subscription rate decreasing to 146.92%, from 182.28% recorded in the previous week. The 91-day T-Bill received the highest subscription rate at 361.31%, while the 182-day T-Bill and 364-day T-Bill had subscription rates of 102.96% and 105.12% respectively. The acceptance rate increased by 11.78% to close the week at 82.45%.





T-Bonds

In the secondary bond market, there was a higher demand for the week's bond offers. Bond turnover increased by 2.68% from KES 80.95 billion in the previous week to KES 83.12 billion. Total bond deals increased by 8.03% from 909 in the previous week to 982.

Eurobonds

In the international market, yields on Kenya's Eurobonds increased by an average of 0.10%, 0.75% and 0.91% 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	0.64%	0.59%	0.07%
2018 30-Year Issue	0.70%	0.47%	-0.04%
2019 12-Year Issue	1.01%	0.95%	0.18%
2021 13-Year Issue	1.16%	0.70%	0.06%
2024 6-Year Issue	1.07%	1.05%	0.21%



Equities

NASI, NSE 20, NSE 25, NSE 10 and the Banking Sector Index settled 0.89%, 0.81%, 0.59%, 0.95% and 0.37% lower, bringing the year-to-date performance to 11.78%, 16.56%, 14.20%, 12.78% and 18.06% respectively. Market capitalization also lost by 0.89% from the previous week to close at KES 3.47 trillion, recording a year-to-date increase of 17.46%. The performance was driven by losses recorded by large cap stocks such as KCB, EABL, StanChart and Safaricom of 4.10%, 1.67%, 1.49% and 1.47% respectively. This was however mitigated by the gain recorded by NCBA and ABSA of 3.69% and 2.42%.

The Banking sector had shares worth KES 1.2B transacted which accounted for 62.24% of the week's traded value. Energy & Petroleum sector had shares worth KES 142.5M transacted which represented 3.50% and Safaricom, with shares worth KES 344.1M transacted, represented 16.71% 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
Uchumi	92.92%	6.86%	Nation Media	25.59%	-6.18%
Flame Tree	66.67%	4.74%	Liberty Kenya	-0.80%	-4.81%
NCBA	7.35%	3.69%	Britam	37.97%	-4.21%
BOC Kenya	-1.19%	2.89%	Kenya Re	21.67%	-4.20%
Kakuzi	5.35%	2.67%	KCB	15.59%	-4.10%

Alternative Investments

	Week (Previous)	Week (Ending)	% change
Derivatives Turnover (million)	18.99	27.44	44.53%
Derivatives Volume	4,547	4,648	2.22%
ETF Turnover (million)	78.15	5.66	-92.76%
ETF Deals	132	141	6.82%

Global and Continental Markets

Global Markets	YTD Change	W-o-W
S&P 500	-5.13%	-1.90%
Dow Jones Industrial Average (DJI)	-5.80%	-2.11%
FTSE 100 (FTSE)	-0.33%	-3.34%
STOXX Europe 600	-3.83%	-3.79%
Shanghai Composite (SSEC)	-1.65%	-3.38%
MSCI Emerging Markets Index	2.37%	-0.42%
MSCI World Index	-4.52%	-1.97%



Continental Markets	YTD Change	W-o-W
JSE All Share	-5.65%	-4.82%
NSE All Share (NGSE)	28.54%	1.39%

Global and Continental Markets

- The US stock market posted losses during the week, as the US–Israeli war against Iran entered its fourth week, heightening concerns over inflation and the prospect of higher interest rates.
- European stock markets edged lower during the week, as investors assessed elevated oil prices amid an intensifying conflict in the Middle East and the Bank of England’s decision to keep borrowing costs on hold while warning of inflation risks stemming from the conflict.
- Asian stock markets closed the week in the red, as investors navigated heightened oil price volatility driven by escalating tensions in the Middle East, while China held its benchmark lending rates steady.
- On the global commodities markets, Crude Oil WTI and ICE Brent Crude closed the week 0.40% lower and 8.77% higher at \$98.32 and \$112.19 respectively. Gold futures prices settled 9.62% lower at \$4,574.90.

Week's Highlights

- StanChart Kenya reported a 38.0% decline in net profit to KES 12.44 billion for FY2025, weighed down by lower interest rates and a strengthening Shilling that compressed revenues, alongside a KES 2.6 billion one-off pension charge arising from a long running legal dispute. Despite the decline, profitability remained resilient, marking the third highest earnings on record, while the board proposed a final dividend of KES 23 per share, bringing total payouts for the year to KES 31, lower than KES 45 per share in FY2024.
- Equity Group’s profitability surged, driven by strong revenue growth, improved efficiency and higher contributions from regional subsidiaries, with after-tax profit rising 54.7% to KES 75.5 billion in 2025. Co-operative Bank also posted record earnings, with net profit of KES 29.75 billion, up 16.9%, continuing its unbroken profit streak since 2003.
- M-Pesa is expanding its presence in Ethiopia’s public-sector payments system through a new agreement with the Amhara Regional State Revenue Bureau, allowing taxpayers in the region to pay taxes directly via the M-Pesa platform.
- The National Treasury, together with the Central Bank and Capital Markets Authority, has issued draft Virtual Asset Service Providers Regulations 2026 to operationalise the 2025 Act. The regulations establish a legal and licensing framework for virtual asset service providers and are open for public participation, with stakeholders invited to submit comments by 10th April 2026.



- The European Central Bank (ECB) held interest rates steady in March 2026, keeping the main refinancing rate at 2.15%, the deposit facility at 2.0% and the marginal lending rate at 2.4%, as it aims to stabilize inflation around its 2% target over the medium-term. Policymakers cited heightened uncertainty from the Middle East war, which has driven energy prices higher and raised inflation risks while weighing on growth. The ECB raised headline inflation forecasts to 2.6% in 2026, 2.0% in 2027 and 2.1% in 2028, while projecting GDP growth at 0.9% in 2026, 1.3% in 2027 and 1.4% in 2028.
- The Bank of England kept interest rates unchanged at 3.75% in March 2026, as rising global energy and commodity prices from the Middle East conflict pushed up household and business costs. While domestic inflation remained low at 0.1% in February, the committee is monitoring potential second-round effects on wages and prices. CPI is expected to rise to 3%–3.5% in the coming quarters, though slowing economic activity may limit further pressures.
- The People's Bank of China held key lending rates at record lows for a tenth consecutive month in March 2026, keeping the one-year loan prime rate (LPR) at 3.0% and the five-year LPR at 3.5%, signaling a preference for stability over aggressive stimulus. The cautious stance reflects rising oil prices, Middle East tensions and Beijing's lower 2026 growth target of 4.5%–5%, its weakest since 1991. Early-year data showed resilience in industrial output, retail sales and fixed-asset investment, but external pressures from weak demand, trade frictions and a strong Dollar, alongside domestic property sector strains and cautious hiring, continue to weigh on consumption.