

Foreign Exchange Reserves

The usable foreign exchange reserves decreased by 1.90% to USD 14,022 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 129.75, KES 173.16 and KES 149.80 respectively. The observed depreciation against the Dollar is attributed to decreased foreign exchange reserves.

Currency	YTD Change	W-o-W Change
Dollar	0.54%	0.18%
Sterling Pound	-0.46%	0.39%
Euro	-1.27%	0.43%

Liquidity

Liquidity in the money markets decreased, with the Kenya Shilling Overnight Interbank Average (KESONIA) increasing from 8.68% to 8.72%, as tax remittances more than offset government payments. Open market operations remained active.

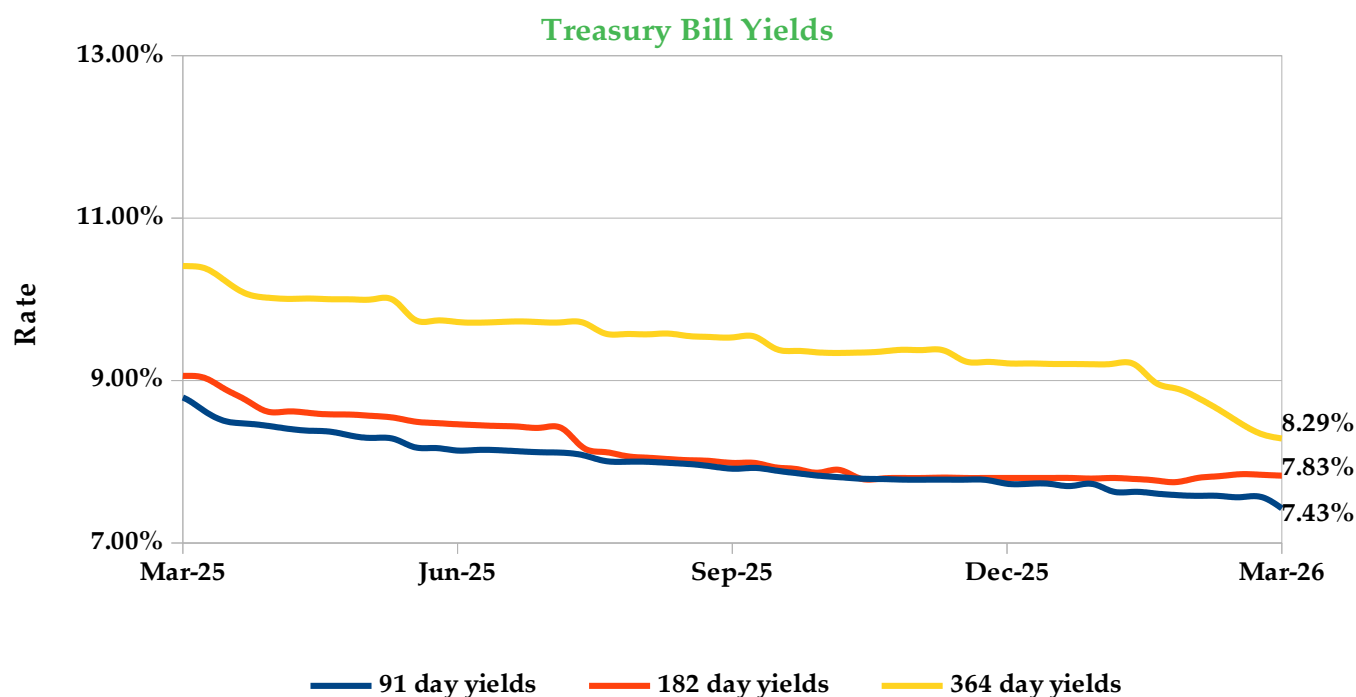
Liquidity	Week (Previous)	Week (Ending)
KESONIA	8.68%	8.72%
Inter-bank volume (billion)	13.13	14.68
Commercial banks' excess reserves (billion)	8.50	9.60

Fixed Income

T-Bills

T-Bills were under-subscribed during the week, with the overall subscription rate decreasing to 45.49%, from 146.92% recorded in the previous week. The 91-day T-Bill received the highest subscription rate at 64.89%, while the 182-day T-Bill and 364-day T-Bill had subscription rates of 28.31% and 54.90% respectively. The acceptance rate increased by 20.61% to close the week at 99.45%.





T-Bonds

In the secondary bond market, there was a lower demand for the week's bond offers. Bond turnover decreased by 22.56% from KES 83.12 billion in the previous week to KES 64.37 billion. Total bond deals increased by 13.24% from 982 in the previous week to 1,112.

In the primary bond market, CBK reopened two bonds FXD1/2020/015 and FXD1/2018/025, with coupon rates of 12.76% and 13.40% respectively, targeting to raise KES 40 billion. The sale runs from 23rd March to 1st April 2026. The CBK also announced a KES 20B switch auction from FXD/2018/015 to FXD1/2016/010. The sale runs from 23rd March 2026 to 13th April 2026.

Eurobonds

In the international market, yields on Kenya's Eurobonds increased by an average of 0.15%, 0.90% and 1.06% week-on-week, month-to-date and year-to-date respectively. The yields on the 10-year Eurobonds for both Ivory Coast and Angola also increased.

Bond	YTD Change	MTD Change	W-o-W Change
2018 10-Year Issue	1.27%	1.22%	0.63%
2018 30-Year Issue	0.53%	0.30%	-0.17%
2019 12-Year Issue	1.28%	1.22%	0.27%
2021 13-Year Issue	1.14%	0.68%	-0.02%
2024 6-Year Issue	1.11%	1.09%	0.04%



Equities

NASI, NSE 20, NSE 25, NSE 10 and the Banking Sector Index settled 6.66%, 6.62%, 7.49%, 9.02% and 8.03% lower, bringing the year-to-date performance to 4.34%, 8.84%, 5.64%, 2.61% and 8.59% respectively. Market capitalization also lost by 6.66% from the previous week to close at KES 3.24 trillion, recording a year-to-date increase of 9.65%. The performance was driven by losses recorded by large cap stocks such as Absa, KCB, COOP, Equity and Safaricom of 14.47%, 10.53%, 9.85%, 9.80% and 7.27% respectively.

The Banking sector had shares worth KES 3.0B transacted which accounted for 62.63% of the week's traded value. Energy & Petroleum sector had shares worth KES 360.1M transacted which represented 7.50% and Safaricom, with shares worth KES 1.0B transacted, represented 21.46% 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
Limuru Tea	11.74%	2.80%	Uchumi	62.83%	-15.60%
Liberty	0.70%	1.52%	Flame Tree	42.14%	-14.72%
Shri Krishana	22.11%	1.22%	Absa	9.46%	-14.47%
Kakuzi	6.22%	0.83%	Home Afrika	8.09%	-12.50%
Eaagads	51.23%	0.66%	HF Group	-8.00%	-12.38%

Alternative Investments

	Week (Previous)	Week (Ending)	% change
Derivatives Turnover (million)	27.44	40.32	46.91%
Derivatives Volume	4,648	6,499	39.82%
ETF Turnover (million)	5.66	25.34	347.76%
ETF Deals	141	461	226.95%

Global and Continental Markets

Global Markets	YTD Change	W-o-W
S&P 500	-7.14%	-2.12%
Dow Jones Industrial Average (DJI)	-6.65%	-0.90%
FTSE 100 (FTSE)	0.16%	0.49%
STOXX Europe 600	-3.50%	0.35%
Shanghai Composite (SSEC)	-2.73%	-1.10%
MSCI Emerging Markets Index	0.54%	-1.78%
MSCI World Index	-5.95%	-1.49%



Continental Markets	YTD Change	W-o-W
JSE All Share	-3.97%	1.78%
NSE All Share (NGSE)	28.39%	-0.12%

Global and Continental Markets

- The US stock market posted losses during the week, weighed down by the escalating war in the Middle East and surging fuel prices which heightened stagflation risks.
- European stock markets edged higher during the week, as investors assessed the latest developments in US – Iran talks. US president had paused attacks on Iran energy facilities to allow more time for negotiations.
- Asian stock markets closed the week in the red, as tensions in the Middle East continued to weigh on market sentiment. Investors are closely monitoring the progress of the talks between the US and Iran.
- On the global commodities markets, Crude Oil WTI and ICE Brent Crude closed the week 1.34% higher and 6.12% lower at \$99.64 and \$105.32 respectively. Gold futures prices settled 1.45% lower at \$4,508.60.

Week's Highlights

- The recently concluded Kenya International Investment Conference announced investment deals worth over USD 2.9B, an indicator of robust investor sentiment in the Kenyan economy from both local and global investors. Key sectors such as agriculture, mining, manufacturing and real estate account for a significant share valued at over USD 2B. Other sectors to be invested in include energy, healthcare and ICT.
- An index developed by DHL Sub-Saharan Africa in partnership with the European House – Ambrosetti has ranked Nairobi 56th out of 80 cities globally in the Global Attractiveness Index (GAI) for emerging and fast growing cities. The index, ranking across various sectors – economy, environment, social conditions and urban infrastructure using comparable global indicators, has also ranked Nairobi 11th in Africa and 6th in Sub-Saharan Africa in terms of growing economic and environmental strengths. However, constraints such as low purchasing power, income pressures and housing affordability continue to pose a threat to its future positioning.
- I&M Group released the financial statements for the FY2025, reporting a 27.6% increase in net profit, buoyed by strong balance sheet growth, improved funding efficiency and strong non-interest income. Total capital rose to KES 118.6B while net non-performing loans declined significantly to KES 8.9B. The group declared a dividend of KES 3.75 per share from KES 3.00 per share declared in FY2024.



- NCBA Group posted the strongest earnings since inception, with 7% increase of profit after tax to KES 23.39B for FY2025. Net interest income soared 27.77% to KES 44.08B while gross non-performing loans fell 3.6% to KES 35.83B. Earnings per share rose to KES 14.20 from KES 13.27. A final dividend of KES 4.60 per share was declared, bringing the total FY2025 payout to KES 7.10.
- China's current account surplus surged to \$243.8 billion in Q4 2025, up from \$173.1 billion a year earlier and above the preliminary estimate of \$242.1 billion. The goods surplus reached a historic \$310.3 billion, driven by a 6.5% rise in exports to \$1.03 trillion, defying US tariffs, while imports grew just 1.9% to \$718.2 billion. The secondary income surplus also increased to \$6.9 billion from \$4.9 billion in Q4 2024. Meanwhile, the services deficit narrowed to \$48.5 billion (from \$56.1 billion) and the primary income deficit shrank to \$24.9 billion (from \$36.6 billion). For the full year, the surplus soared to a record \$735.0 billion, up from \$462.3 billion in 2024.
- The S&P Global Eurozone Composite PMI declined to 50.5 in March 2026, down from 51.9 in February and below market expectations of 51.0, according to preliminary data, signaling marginal growth in the bloc's private sector. New orders contracted for the first time in eight months and employment continued to fall amid rising uncertainty tied to the Middle East conflict. Input cost inflation surged to its fastest pace since February 2023, while output prices rose at the sharpest rate since February 2024. Supply chains also faced severe disruptions, with suppliers' delivery times lengthening the most in over three-and-a-half years. Business confidence slowed to its lowest in nearly a year.
- The S&P Global UK Composite PMI fell to 51.0 in March 2026, down from 53.7 in February and below expectations of 52.9, according to preliminary data. This marks the slowest output growth since September 2025, as both services and manufacturing activity weakened. New business inflows declined for the first time in four months amid the Middle East conflict, rising inflation and expectations of higher borrowing costs. Employment declined at a faster pace and business confidence plunged to a nine-month low. On the price front, input cost inflation hit its highest since February 2023, with manufacturers reporting the steepest cost increases since October 2022 and the sharpest month-on-month acceleration since October 1992.