

1. Capital Markets

Top Gainers

Top Losers

Company	Price	% Change	Company	Price	% Change
UCHUMI	1.13	43.04%	SCANGROUP	2.50	-3.85%
STANDARD GROUP	6.58	18.77%	BK GROUP	40.55	-3.45%
HOMES AFRICA	1.36	14.29%	KAKUZI	402.00	-3.07%
EXPRESS	7.50	11.61%	CIC INSURANCE	4.54	-2.78%
ABSA	24.85	8.04%	BOC KENYA	126.00	-2.33%

Source: Nairobi Securities Exchange (NSE)

For the week ended **2nd January 2026**, activity at the Nairobi Securities Exchange (NSE) remained relatively subdued as the bourse transitioned into the new year, with a total equity turnover of **KES 1.0 billion**. This represented a decrease from the previous week's KES 1.43 billion. Traded volumes, however, saw a slight uptick to **47.7 million shares**, compared to the 43.5 million shares recorded during the festive week prior. Market capitalization stood at **KES 2.96 trillion**, a recovery from the previous week's levels.

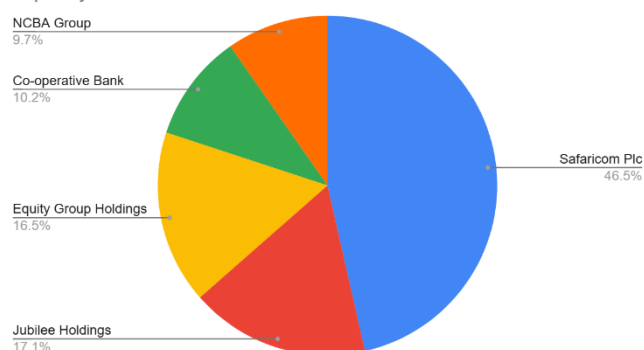
The Nairobi Securities Exchange (NSE) recorded a bullish start to the year across key indices during the trading week. Total market capitalization rose to **KES 2.96 trillion** from KES 2.89 trillion in the previous week, representing a week-on-week gain of **2.42%**. The upward momentum was largely supported by broad-based gains in the banking and telecommunication sectors.

The All-Share Index (NASI) advanced **3.37 points** to settle at **187.35**, reflecting a 1.83% increase in broad market valuation. Gains in heavyweights such as **Equity Group** (+1.90%), **NCBA** (+2.41%), and **Safaricom** (+1.97%) anchored the market's positive trajectory as investors repositioned for the new financial year.

Performance across the major equity indices was consistently positive. The **NSE 20 Share Index** rallied 41.10 points to close at **3,140.93**, and the **NSE 10 Share Index** added 44.14 points to settle at **1,975.50**. Similarly, the **NSE 25 Share Index** surged 103.83 points to settle at **5,119.32**. The **NSE Banking Index** remained a significant driver of

growth, rising by 5.09 points to settle at **204.38**. In the Telecommunication sector, **Safaricom** closed the week higher at **KES 28.50**, contributing significantly to the weekly turnover.

Top 5 by Market Turnover in Millions



Performance by Equity Turnover

Equity turnover remained low as the bourse opened the year 2026. Total equity turnover stood at **KES 1.0 billion** against KES 1.43 billion recorded in the previous week, while traded volumes settled at **47.7 million shares**. The year opened with a single-day turnover of KES 109 million on 2nd January, as participants gradually returned to the market.

Trading activity remained concentrated within blue-chip counters and specific sector leaders. The **Banking Sector** dominated market liquidity, accounting for **KES 387.5 million** (36.19% of the total weekly turnover). Within this sector, **Equity Group Holdings Plc** led with KES 128.7 million in value traded, followed by **Co-operative Bank** at KES 79.8 million. The **Telecommunications sector**, driven by **Safaricom Plc**, contributed **KES 362 million** (33.89% of total turnover), while the **Insurance** and **Energy & Petroleum** sectors contributed KES 179 million and KES 69 million respectively.

Corporate Announcements.

- Safaricom PLC (Accelerated Divestiture):** Safaricom entered the new year under intense legislative focus as Members of Parliament (MPs) reportedly cut their Christmas recess short on January 3, 2026, to expedite the approval of the government's sale of a 15% stake to Vodacom Group. The deal, valued at Sh244.5 billion (\$1.6 billion), is expected to be completed by the end of the year.

Issue Date - Monday 5, January

billion), is targeted for completion by the end of Q1 2026. Public hearings are scheduled to begin on January 18, 2026, with a deadline for public memoranda set for January 8.

- **Equity Bank (Ethiopian Expansion):**

On January 1, 2026, Equity Bank officially announced a strategic plan to expand its banking operations into Ethiopia. This move signals a major push into the Horn of Africa market for the 2026 financial year, as the lender seeks to diversify its regional revenue streams beyond its core Kenyan and Congolese markets.

- **WPP Scangroup (Restructuring Costs):**

Following its December 26 profit warning, further details emerged this week regarding the company's financial health. WPP Scangroup is currently grappling with one-off restructuring costs exceeding KSh 160 million. These costs, combined with the loss of the major Airtel Africa account, underpin the company's projection that 2025 earnings will be at least 25% lower than the previous year.

- **Financial Sector Regulatory Updates (Digital Fundraising)**

As of January 4, 2026, the National Treasury has drafted new regulations that will allow Kenyan firms to issue digital coins (stablecoins) for fundraising purposes. This move establishes a formal legal framework for virtual assets to be traded on approved exchanges, marking a significant shift in the local capital markets landscape for the new year.

Dividend announcements

Company	Announcement
BK Group Plc	An interim dividend of Rwf 11.20 per share will be paid on January 12, 2026 , to shareholders on the register as of the book closure date of December 8, 2025 .

I&M Group Plc	An interim dividend of KES 1.50 per share will be paid on January 14, 2026 , to shareholders on the register by the book closure date of December 15, 2025 .
KenGen Plc	The first and final dividend of KES 0.90 per share will be paid on February 12, 2026 , to shareholders on the register by the book closure date of December 4, 2025

Bonds

Bond	Value Traded (Kshs. Mn)	WoW (%) Change
Total Mkt Value	23B	-40.18%

Source: Nairobi Securities Exchange (NSE)

Activity in the secondary bond market continued to moderate during the New Year-shortened week ended January 2, 2026, with a turnover of 23 billion, reflecting a **week-on-week decline of 44.58%** from the prior week's KES 41.5 billion. This further slowdown was largely attributable to the New Year's holiday period, reduced trading days (with December 31 and January 1 observed as holidays), and ongoing year-end portfolio adjustments by institutional investors.

(Kshs. Mn)	Auction Results	Auction Results
	SDB1/2011/030	FXD1/2021/025
Bond	SDB1/2011/030	FXD1/2021/025
Tenor	15 Years	20 Years
(Remaining)		
Due Date	21/01/2041	9/4/2046
Total Amt. Offered	40 billion	
Total Amt. Bids	4,590.00	48,540.00
Amount Accepted	3,900.00	43,210.00
Market WaR	-	13.62%
Accepted Bids WaR	-	13.62%
Coupon Rate (%)	12	13.924

Withholding Tax	10.00%	10.00%
-----------------	--------	--------

Source: Central Bank of Kenya (CBK)

For the week ending January 2, 2026, the Kenyan debt market maintained a cautious tone as activity slowed during the holiday period, following the Central Bank of Kenya's (CBK) recent adjustment of the Central Bank Rate to 9.00%. With December headline inflation remaining steady at approximately 4.5%—below the 5% midpoint for the 18th consecutive month—the ongoing easing cycle continued to support expectations of a stable and benign interest rate outlook heading into 2026. As a result, liquidity flows into the secondary market tapered further, with investors largely prioritizing liquidity preservation amid festive-season disruptions.

Market activity was subdued, dominated by secondary trades in legacy infrastructure and fixed-rate bonds, including **reopenings of the SDB1/2011/030** (30-year) issue. Extended-duration papers continued to attract attention, supported by their relatively attractive coupons in a softening yield environment, although overall trading volumes remained limited due to the shortened trading week.

By the close of the week, the Kenya Shilling remained firm, trading at approximately KSh 129.20 per U.S. dollar, underpinned by strong foreign exchange reserves of USD 12,250 million, equivalent to about 5.4 months of import cover. Interbank rates (KESONIA) averaged 8.98%, closely aligned with the CBR, as the yield curve reflected marginal softening despite reduced market turnover. Looking ahead, activity is expected to gradually recover post-holiday, with investor attention shifting toward the CBK's January auction calendar and potential fiscal guidance from the upcoming budget framework.

Key Benchmark Rates

Benchmark Rate	Current	Previous	Variance
Central Bank Rate (CBR)	9.00%	9.00%	0.00%
Month on Month Inflation	4.46%	4.58%	-0.12%
Inter Bank Rate (KESONIA)	9.01%	8.98%	0.03%
91 Day Treasury Bill Rate	7.728%	7.775%	-0.05%
182 Day Treasury Bill Rate	7.80%	7.80%	0.00%

364 Day Treasury Bill Rate	9.211%	9.229%	-0.02%
----------------------------	--------	--------	--------

Source: Central Bank of Kenya (CBK)

For the week ended January 2, 2026, key benchmark rates exhibited minor softening amid the holiday-shortened period, as the market absorbed the ongoing effects of the Central Bank of Kenya's monetary easing. The Central Bank Rate (CBR) remained unchanged at 9.00%, underscoring the sustained accommodative policy to bolster economic recovery and credit expansion. **Inflation ticked up slightly to 4.50% month-on-month**, still comfortably within the target band and reflective of stable price dynamics entering the new year 2026.

Interbank liquidity conditions remained supportive, with KESONIA averaging 8.99%, a marginal dip from 9.01% the prior week, influenced by festive liquidity drains and reduced transaction volumes. This was mirrored in the Treasury Bill auctions, where yields edged lower across the curve due to steady demand for short-dated paper. **The 91-day rate fell to 7.70%, the 182-day to 7.75%, and the 364-day to 9.18%**, signaling continued investor confidence in the low-rate environment.

In summary, **the macro-financial landscape in the first week of 2026 remained resilient**, with minimal movements across key benchmarks signaling a steady and orderly transition from 2025. The gradual easing in yields also points to a more favorable near-term borrowing environment.

2. Money Market Funds (MMF) – Top 10 as of 19th December 2025

Rank	Fund Manager	Daily Yield	Effective Annual Rate (p.a.)
1	Cytonn	11.30%	11.96%
2	Etica	10.84%	11.45%
3	Lofty_Corban	10.52%	11.06%
4	Jubilee	10.06%	10.54%
5	Kuza	9.97%	10.48%
6	Orient Kasha	9.52%	9.99%
7	Madison	9.41%	9.87%
8	Britam	9.26%	9.70%
9	SanlamAllianz	9.03%	9.45%

Issue Date - Monday 5, January

10 Genghis 8.34% 8.69%

Source: Business Daily 31.12.2025

3. Exchange Rates

Currency	02/01/2026	26/12/2025	% Change
US Dollar (USD)	129.05	128.95	0.08%
Sterling Pound (GBP)	173.95	171.50	1.43%
Euro (EUR)	151.73	150.80	0.62%
Japanese Yen (JPY)	82.29	83.20	-1.10%
Uganda Shilling (UGX)	28.05	27.68	1.34%
Tanzania Shilling (TZS)	19.18	19.15	0.15%
Rwandese Franc (RWF)	11.29	11.31	-0.21%
Burundi Franc (BIF)*	22.94	22.95	-0.04%

Source: Central Bank of Kenya

For the week ending January 2, 2026, **the Kenya Shilling (KES) registered mild depreciation against most major and regional currencies** amid subdued trading activity in the holiday-shortened week and positioning ahead of anticipated fiscal updates.

The currency slipped marginally against the **U.S. Dollar to approximately 129.05 (-0.08%)**, while registering a more pronounced depreciation of **1.43% against the Pound Sterling to 173.95 and 0.62% against the Euro to 151.73**. These movements were largely driven by year-end rebalancing flows and a firmer GBP supported by positive UK economic indicators. In contrast, **the KES strengthened by 1.10% against the Japanese Yen to 82.29**, benefiting from broader yen softness.

Regionally, the shilling **weakened by 1.34% against the Uganda Shilling to 28.05 and by 0.15% against the Tanzania Shilling to 19.18**. However, it appreciated slightly against the Rwandese Franc by 0.21% to 11.29 and the Burundi Franc by 0.04% to 22.94, supported by a gradual recovery in regional trade flows post-holiday.

Despite the mixed currency performance, market conditions remained orderly, supported by stronger external buffers. Foreign exchange reserves increased to USD 12,250 million, equivalent to 5.4 months of import cover—up from USD 12,168 million the previous week—providing a robust platform for currency stability as markets progress into early 2026.

Upcoming: Economic Releases in the Coming Week

- [CBK Treasury Bills Auction \(Jan 8, 2026\)](#)
The CBK will auction **KSh 24B** across 91-day (KSh 4B), 182-day (KSh 10B), and 364-day (KSh 10B) bills on January 8, with bids due by 2:00 p.m. EAT. The **January 2 auction** raised KSh 25.9B against a KSh 24B target, reflecting strong demand. Mild **yield softening** is expected, with the **January borrowing plan totaling KSh 60B** to cover redemptions.
- [US Nonfarm Payrolls \(Jan 10, 2026\)](#)
The December 2025 report is expected to show **140,000 jobs added**, unemployment at **4.2%**, and wages up **3.7% YoY**. Weaker data may boost **Fed easing bets** and ease USD pressure on EM currencies like the KES, while stronger data could push yields higher and strengthen the dollar.
- [Eurozone Final HCOB PMIs \(Jan 6, 2026\)](#)
Final December Eurozone Services and Composite PMIs will be released on January 6. Preliminary services reading was **52.1**, signaling mild expansion. Downward revisions may support **dovish ECB expectations** and carry trades into EMs, while stronger readings could stabilize the euro.
- [Kenya Fiscal & Data Watch \(Jan 7-10, 2026\)](#)
The CBK Treasury Bonds auction closes on January 7, targeting **KSh 60B** via 20- and 25-year reopenings, with results on January 8. Markets will also track **KNBS Leading Indicators** and the **CBK Weekly Bulletin** for liquidity, credit trends, and macro conditions as Kenya prepares for **5.2% GDP growth in 2026**.

4. Commodities & Precious Metals

Commodity	Previous Week (Dec 26)	Current (Jan 2)	Weekly Change (%)
Gold (Spot)	\$4,310	\$4,360	+1.16%
Silver (Spot)	\$72	\$74	+2.78%
Brent Crude	\$60.64	\$60.75	+0.18%
WTI Crude	\$56.60	\$57.32	+1.28%

Source:

<https://tradingeconomics.com/commodity/gold?referrer=grok.com> & [Investing.com](https://www.investing.com)

Precious metals maintained their upward trajectory during the week, supported by FOMC minutes that indicated greater openness to rate cuts if inflation continues to moderate. Gains were further underpinned by persistent geopolitical risks, including renewed Russia-Ukraine strikes on energy infrastructure and U.S. enforcement actions against Venezuela's oil exports. **Silver** surged **2.78% to \$74 per ounce**, building on its record annual performance driven by strong industrial demand in solar and electronics, supply constraints, and inflows into ETFs. **Gold** advanced **1.16% to \$4,360 per ounce**, extending its **65% yearly gain**, fueled by safe-haven flows and central bank purchases.

Crude oil prices demonstrated modest resilience amid holiday-thinned trading, edging higher despite ongoing discussions within OPEC+ regarding production pauses. **Brent** rose **0.18% to \$60.75 per barrel**, supported by temporary supply concerns that outweighed the projected global surplus. Similarly, **WTI** increased **1.28% to \$57.32 per barrel**, reflecting comparable supply dynamics and anticipation of the cartel's **January 4 virtual meeting** to reaffirm Q1 output restraint.

5. Crypto Currencies

Cryptocurrency	Volume (USD Bn)	Current (USD)	Previous Week Close (USD)	% Change (Weekly)
Bitcoin (BTC)	27.8	91,219	87,522	+4.21%
Ethereum (ETH)	13.7	3,141	2,936	+6.93%

Tether (USDT)	67.9	1.00	1.00	+0.01%
XRP (XRP)	3.2	2.08	1.85	+12.21%
Binance Coin (BNB)	1.9	893	858	+4.10%
Solana (SOL)	3.0	134	124	+8.32%
USD Coin (USDC)	6.3	1.00	1.00	0.00%
Dogecoin (DOGE)	2.3	0.15	0.12	+20.92%
Tron (TRX)	0.5	0.29	0.28	+3.09%
Cardano (ADA)	0.6	0.40	0.36	+9.79%

Source: finance.yahoo.com, coinmarketcap.com

The cryptocurrency market demonstrated a robust rebound, with total market capitalization rising to approximately **USD 3.12 trillion**, reflecting approximately **3% gain** from recent troughs amid holiday-thinned trading. The uptick points to early signs of renewed investor confidence, potentially laying the groundwork for broader momentum as liquidity normalizes post-New Year.

Bitcoin stabilized above **USD 91,000** after rebounding from sub-USD 88,000 levels, supported by **institutional ETF inflows** and expectations of favorable U.S. regulatory clarity. **Ethereum** surpassed **USD 3,100**, buoyed by optimism around layer-2 scaling solutions and improved staking yields. Select altcoins, including **XRP** and **Dogecoin**, posted notable gains driven by speculative flows and ecosystem developments, although overall volumes remained subdued due to festive disruptions, with exchange activity at near **15-month lows** for December.

Investor sentiment edged toward cautious optimism, as reflected in the **Fear & Greed Index rising to 25** (Extreme Fear territory), up from sub-20 readings last month. Elevated **stablecoin holdings** (USDT and USDC exceeding **USD 70 billion combined**) suggest sidelined capital awaiting catalysts such as the upcoming U.S. nonfarm payrolls. Key support zones are identified at **USD 87,000 for**

Bitcoin and **USD 2,900** for **Ethereum**, representing potential entry points for long-term accumulation.

6. Derivatives

Activity in the derivatives market remained subdued during the first week of the year, ended January 2, 2026, **with total turnover reaching KSh 4.75 million across 2,254 contracts**, up modestly from KSh 4.62 million in the prior week, **driven primarily by single stock futures (SSF) trading in EQTY and SCOM contracts** amid holiday liquidity constraints.

Open interest stood at 5,936 contracts (down from 5,221), reflecting position rollovers and limited new initiations as institutional participants awaited post-festive normalization. Mark-to-market (MTM) prices across index futures trended higher in line with underlying NSE 20 and 25-share indices, while single stock futures (SSF) exhibited mixed performance, with banking names like EQTY, KCBG, ABSA, NCBA, COOP, and SCBK, and telecom name SCOM showing resilience despite broader equity softening.

7. General News.

- **Kenya Economic Outlook for 2026:** The Central Bank of Kenya (CBK) and analysts forecast accelerated GDP growth of 5.5% in 2026, up from 4.8% in 2025, as inflation stabilizes at 4.5% amid easing food prices and monetary policy support, bolstering investor confidence in the post-holiday recovery.
- **IMF-World Bank Pressure on Reforms:** The International Monetary Fund (IMF) and World Bank have intensified scrutiny on Kenya's fiscal reforms, withholding Sh96.7 billion (\$750 million) in disbursements until progress on tax compliance and public debt restructuring is demonstrated, amid warnings of potential rating downgrades if targets are missed.

- **Diaspora Remittances Surge Amid US Policy Shifts:** Kenyan diaspora remittances hit a record Sh1.2 trillion in 2025, up 22.6% year-on-year, providing a vital forex buffer despite looming US tax hikes on outflows; economists predict sustained inflows into 2026 as Kenyan expats hedge against global uncertainties.
- **Banking Sector Thrives on Rate Cuts:** Kenyan banks, led by KCB Group, reported robust Q4 2025 profits from lower funding costs following CBK's CBR reduction to 9%, with deposit rates falling to 7-8% while loan approvals rose 15%, signaling a borrower-friendly environment as savers adjust to compressed yields.

DISCLAIMER

This report was prepared by ABC Capital Ltd, a company authorized to engage in securities trading activities in Kenya. Data used in this report was gathered from reliable sources, but the analyst(s) and the publishers of this report do not hold themselves responsible for the accuracy or completeness of the data used. The report provides the opinions, analyses and conclusions of the firm only and is provided without any warranties of any kind. This report does not constitute an offer, or the solicitation of an offer, for the sale or purchase of any security. The reader should independently evaluate the investment risks and is solely responsible for their investment decisions. Whilst every care has been taken in preparing this report, no representation, warranty or undertaking (express or implied) is given and no responsibility or liability is accepted by ABC Capital Ltd or any employee of ABC Capital Ltd as to the accuracy, timeliness, completeness merchantability or fitness for any particular purpose of any such recommendation or information contained and opinions expressed herein. ABC Capital Ltd does not accept any liability for any direct or remote loss or damage arising out of the use of all or any part of the information contained in this report. This report is published for information purposes only and is not an offer to solicit, buy or sell any security of any kind. This report does not provide customized investment advice. It has been prepared without regard to the individual financial circumstances and risk and return objectives of individuals who receive it. The appropriateness of a particular investment will depend on an investor's individual circumstances, risk tolerance and return objectives. The investment securities referred to in this document may not be suitable for all or certain categories of investors. Further disclosure regarding ABC Capital Ltd.'s policy on potential conflicts of interest in the context of investment research and ABC Capital Ltd.'s policy on disclosure and conflicts in general are available on request. The opinions presented in this note may be changed without prior notice or cannot be depended upon if used in the place of the investor's independent judgment. The historical performance of a security is not representative of the security's future returns. Investment in securities can be highly risky as security prices may go down in value as well as up and you may not get back the full amount invested. Where an investment is denominated in a currency other than the local currency of the recipient of the research report, changes in the exchange rates may adversely affect the value, price or income of that investment. In the case of illiquid investments for which there is no organized market, it may be difficult for investors to exit investment positions or to obtain reliable information about its value or the extent of the risk to which it is exposed. The information contained in this report is confidential and is solely for use to those persons to whom it is addressed and may not be reproduced, further distributed to any other person or published, in whole or in part, for any purpose.

Contact Us

ABC Bank House

Mezzanine Floor

Woodvale Groove, Westlands

PO BOX 34137 – 00100, Nairobi Kenya

Email: info@abccapital.co.ke Tel: +254 20 22460036