ABC Capital Weekly Market Report

Member of the NSE since 1954 Week *Ending 16th January 2026*

1. Capital Markets

Top Gainers			Top Losers		
Company	Price	% Change	Company	Price	% Change
EA PORTLAND	85.25	14.05%	NEW GOLD	3260.00	-39.41%
SASINI	20.20	11.60%	UNGA	22.50	-7.79%
NATION MEDIA	12.85	7.08%	HOME AFRIKA	1.25	-5.30%
EAAGADS	20.45	6.51%	KQ	3.26	-4.68%
STANDARD GROUP	6.16	5.12%	JUBILEE	334.75	-3.18%

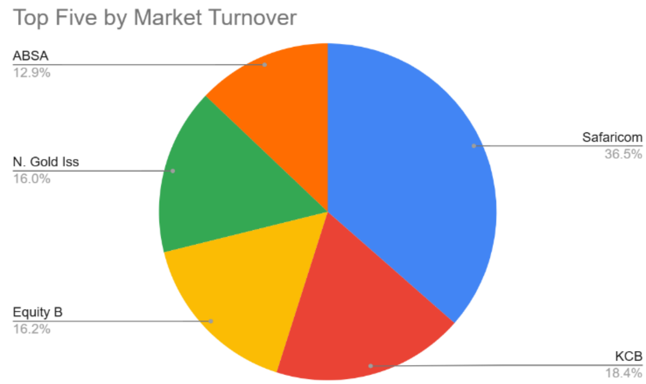
Source: Nairobi Securities Exchange (NSE)

For the week ended January 16, 2026, **activity at the Nairobi Securities Exchange (NSE) moderated** after the strong performance recorded in the prior week. Total equity turnover retreated to KES 2.5 billion from KES 3.5 billion the previous week, while traded volumes declined to 79 million shares compared to 130.51 million shares previously. Despite lower trading activity, market sentiment remained positive as key indices continued to post gains.

The Nairobi Securities Exchange (NSE) maintained its upward trajectory across most market segments during the trading week. The All-Share Index (NASI) rose to 193.87 from 191.87 in the previous week, representing a week-on-week gain of 1.04%. The continued improvement reflected sustained investor confidence, largely supported by gains in select large-cap counters, particularly **Safaricom, KCB Group, Absa Bank, and BAT Kenya.**

Broad market performance remained positive, with the NASI gaining 1.04% to settle at 193.87, supported by steady activity in banking and telecommunications stocks, led by **Safaricom's 2.06% rise and KCB's 0.75% gain.**

Performance across the major equity indices remained largely bullish. The NSE 20 Share Index advanced 0.70% to close at 3,256.54 points, the NSE 10 Share Index increased 0.61% to settle at 2,022.61, and the NSE 25 Share Index gained 0.66% to close at 5,280.48. The NSE Banking Index also posted a gain of 0.90%, settling at 213.62, underpinned by strong trading in **KCB, Equity Group, and Absa Bank.**



Performance by Equity Turnover

Market liquidity softened in the week ending January 16, 2026, with equity trading volume declining by **39.32% to 79.19 million shares** from 130.51 million the previous week, while equity turnover fell by **26.67% to Kes 2.568 billion** from Kes 3.503 billion. Despite lower trading activity, market sentiment remained positive, reflected in a **1.04% rise in market capitalization to Kes 3,059.46 billion** and modest gains across the major indices led by the **NASI, which climbed to 193.87.**

Trading activity remained concentrated among large-cap counters, with the top five stocks—**Safaricom, KCB, Equity Bank, New Gold Issuer (RP), and ABSA—accounting for Kes 1.505 billion or 58.61%** of total market turnover. However, this represented a notable decline from **79.89% the previous week**, suggesting relatively broader participation across the market despite lower overall turnover levels.

Corporate Announcements.

- **Safaricom PLC (Stake Sale - Stakeholder Push for Public Allocation):** During the ongoing parliamentary public hearings on the government's proposed 15% stake sale to Vodacom, banks and industry stakeholders urged the allocation of at least 300 million shares to the public retail market. This advocacy, highlighted on January 16, 2026, aims to boost liquidity, broaden ownership, and mitigate concerns over concentrated foreign control, as the transaction advances toward potential approval.

- **East African Breweries Limited (CFO Resignation):** East African Breweries Limited announced on January 15, 2026, the resignation of its Chief Financial Officer and Executive Director, Risper Ohaga, effective June 30, 2026, after a six-year tenure. The departure follows the recent Diageo-Asahi ownership transition and is positioned as a strategic leadership evolution to align with the company's growth ambitions in East Africa.
- **Kenya Reinsurance Corporation (Governance Reforms Proposal):** Kenya Reinsurance Corporation proposed significant governance changes on January 15, 2026, including a dual-class share structure that would grant the National Treasury majority board control and authority over key appointments like the Managing Director. These amendments, aimed at enhancing oversight and efficiency, are slated for shareholder approval at an Extraordinary General Meeting in February 2026.

Dividend announcements

Company	Announcement
Co-operative Bank of Kenya Plc	An interim dividend **of KES 1.00 per** share will be paid on January 14, 2026, to shareholders on the register as of the book closure date of **November 26, 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**.
Kenya Power and Lighting Company Plc	A final dividend of **KES 0.80 per share will be paid on January 30, 2026,** to shareholders on the register by the book closure date of **December 2, 2025.**

Bonds

Bond	Value Traded (Kshs. B)	WoW (%) Change
Total Mkt Value	75.60	+80.1%

Source: Nairobi Securities Exchange (NSE)

For the week ending 16th January 2026, the Kenyan bond market experienced strong performance, with secondary **market turnover registering KES 75.6 billion, compared to KES 42 billion posted last week.**

Activities in the Kenyan debt market continued to build on the prior week's rebound. **Secondary bond turnover increased by 80.0% week-on-week**, reflecting heightened investor activity and risk appetite in the absence of a primary auction, as participants focused on duration extension amid favorable liquidity conditions.

(Kshs. Mn)	Auction Results	Auction Results
	FXD1/2019/020	**FXD1/2022/025**
Bond	FXD1/2019/020	FXD1/2022/025
Tenor (Remaining)	13.2 Years	21.8 Years
Due Date	21/03/2039	23/09/2047
Total Amt. Offered	60 billion	
Total Amt. Bids	23.36B	71.54B
Amount Accepted	20.24B	60.58B
Market WaR	-	14.18%
Accepted Bids WaR	13.26%	14.18%
Coupon Rate (%)	12.873%	14.188%
Withholding Tax	10.00%	10.00%

Source: Central Bank of Kenya (CBK)

The Kenyan debt market sustained elevated risk appetite as investors positioned for yield compression, buoyed by the ninth consecutive easing cycle—with the CBR steady at 9.00% and December inflation anchored at 4.5%, supporting consensus for potential policy easing in February.

Demand was broad-based across the curve, with notable activity in medium- to long-dated infrastructure bonds and fixed-rate papers, driven by institutional flows seeking premium pricing below coupon levels. Yields held stable to slightly lower, with the 10-year benchmark around 13.50%, confirming continued curve flattening expectations.

The Kenya Shilling traded stably at 129.03 per USD, underpinned by foreign exchange reserves of USD 12.48 billion (5.4 months of import cover). System liquidity remained abundant, with commercial banks' excess reserves averaging KES 26.5 billion above the 3.25% CRR requirement and the KESONIA rate at 9.00%, aligning with the CBR and underscoring banks' preference for sovereign exposure.

Outlook: With inflation contained and liquidity conditions supportive, the bias remains toward further curve flattening, particularly at the long end, as institutional investors front-run anticipated policy easing and position ahead of the next primary issuance.

2. Key Benchmark Rates

Benchmark Rate	Current	Previous	Variance
Central Bank Rate (CBR)	9.00%	9.00%	0.00%
Month on Month Inflation	4.49%	4.49%	0.00%
Inter Bank Rate (KESONIA)	8.96%	8.96%	0.00%
91 Day Treasury Bill Rate	7.73%	7.73%	0.00%
182 Day Treasury Bill Rate	7.80%	7.80%	0.00%
364 Day Treasury Bill Rate	9.21%	9.21%	0.00%

Source: Central Bank of Kenya (CBK)

Kenyan financial markets sustained their consolidation phase in the week ending 16 January 2026, with activity levels stabilizing further post-festive normalization. The Central Bank Rate (CBR) remained unchanged at 9.00%, upholding the accommodative policy framework established in late 2025. Inflation remained supportive of this stance, with December headline inflation holding steady at 4.5%, marking the second consecutive month at this level and the 20th month below the 5.0% midpoint target.

Liquidity conditions in the interbank market held firm, with holiday distortions fully dissipated. The KESONIA rate averaged 8.99%, edging marginally higher from the previous week's 8.98%, reflecting balanced system liquidity bolstered by ongoing CBK interventions and steady inflows from seasonal deposits.

The Treasury Bill market mirrored this steady environment, exhibiting robust demand—particularly at the longer end—in the auction dated 15 January 2026. Yields ticked lower on select tenors: the 91-day rate dipped to 7.701%, the 182-day rate remained at 7.800%, and the 364-day rate softened slightly to 9.203%. Overall subscription reached 128.4%, highlighting persistent investor confidence in government paper amid expectations of policy continuity.

3. Money Market Funds (MMF) – Top 10 as of 16th January 2026

Rank	Fund Manager	Daily Yield	Effective Annual Rate (p.a.)
1	Arvocap	11.58%	12.21%
2	Cytonn	11.00%	11.62%
3	Nabo	10.82%	11.43%
4	Etica	10.64%	11.22%
5	Kuza	9.93%	10.43%
6	Old Mutual	9.88%	10.34%
7	Jubilee	9.86%	10.32%
8	Britam	9.51%	9.98%
9	Orient Kasha	9.48%	9.95%
10	Dry Associates	9.18%	9.58%

Source: Business Daily 15.01.2026

4. Exchange Rates

Currency	16/1/2026	9/1/2026	% Change
US Dollar (USD)	129.03	129.01	0.02% (Depreciation)
Sterling Pound (GBP)	172.6	173.26	-0.38% (Appreciation)
Euro (EUR)	149.75	150.31	-0.37% (Appreciation)
Japanese Yen (JPY)*	81.27	81.99	-0.87% (Appreciation)
Uganda Shilling (UGX)	27.55	27.88	-1.19% (Depreciation)
Tanzania Shilling (TZS)	19.36	19.34	0.10% (Appreciation)
Rwandese Franc (RWF)	11.29	11.29	0.00% (Stable)
Burundi Franc (BIF)	22.98	22.94	0.17% (Appreciation)

Source: Central Bank of Kenya

The Kenya Shilling (KES) exhibited broad-based stability during the week as market activity continued to normalize post-festive period. The currency appreciated against most major international currencies while registering a marginal depreciation against the U.S. Dollar, underpinned by ample liquidity and resilient macroeconomic indicators.

The Shilling depreciated marginally by 0.02% against the U.S. Dollar, closing the week at 129.03. Notable appreciations were seen against the Euro (0.37%) and the Sterling Pound (0.38%), influenced by softer global yields and reassessments of economic data from the Eurozone and UK amid persistent policy divergence.

Within the East African Community, the Shilling strengthened by 1.19% against the Uganda Shilling, reflecting balanced regional trade dynamics. It depreciated by 0.57% against the Tanzania Shilling, driven by heightened TZS demand tied to cross-border commodity flows. The Shilling traded stably against the Rwandese Franc and Burundi Franc, with minimal fluctuations.

Foreign exchange market conditions stayed robust, bolstered by steady diaspora remittances and horticultural export receipts. Official foreign exchange reserves closed the week at USD 12.48 billion, equivalent to 5.4 months of import cover, exceeding the CBK's minimum threshold and providing a solid cushion against external shocks.

5. Commodities & Precious Metals

Commodity	Previous Week (Jan 12)	Current (Jan 16)	Weekly Change (%)
Gold (Spot)	$4,563.61	$4,614.46	1.12%
Silver (Spot)	$85.00	$89.94	5.81%
Brent Crude	$65.40	$64.13	-1.94%
WTI Crude	$59.50	$59.44	-0.10%

Source: Trading Economics, Investing.com, Reuters

Precious metals rallied further in the week ending January 16, 2026, driven by safe-haven demand and Fed rate-cut bets. **Gold reached a record $4,610.15/oz**, fueled by U.S.-Iran tensions, Venezuela frictions, and robust central bank/ETF buying, despite mixed U.S. jobs data. **Silver surged over 10% to $89.94/oz (peaking near $93),** boosted by supply shortages, industrial demand in renewables, and gold spillover, with YTD gains topping 25% amid U.S.-China resource tensions.

Oil prices posted modest gains, extending a mid-2025 winning streak. **Brent rose to $64.13/bbl and WTI to $59.44**, supported by Iranian unrest risks (threatening 3M bpd) and Venezuelan sanctions, though offset by global surpluses and OPEC+ hike signals.

6. Crypto Currencies

Cryptocurrency	Volume (USD Bn)	Current (USD)	Previous Week Close (USD)	% Change (Weekly)
Bitcoin (BTC)	33.25	95525.00	90513.00	5.55%
Ethereum (ETH)	22.73	3295.00	3083.00	6.88%
Tether (USDT)	75.53	1.00	1.00	0.03%
XRP (XRP)	2.32	2.07	2.09	-1.12%
Binance Coin (BNB)	1.87	938.00	895.00	4.69%
Solana (SOL)	3.65	145.00	136.00	6.69%
USD Coin (USDC)	11.16	1.00	1.00	0.01%
Dogecoin (DOGE)	1.40	0.14	0.14	-1.74%

Tron (TRX)	5.23	0.31	0.30	3.83%
Cardano (ADA)	0.56	0.40	0.39	1.24%

Source: finance.yahoo.com, coinmarketcap.com

The cryptocurrency market capped the week ending January 16, 2026, on a bullish note, with total market capitalization climbing to USD 3.33 trillion amid renewed risk appetite following softer U.S. CPI data and ETF momentum.

Bitcoin powered through to a fresh high above USD 95,000—marking its third consecutive weekly gain for the first time since July—fueled by USD 1.7 billion in ETF inflows and filings from Morgan Stanley for Bitcoin and Solana products, underscoring deepening institutional adoption. Ethereum surged past the USD 3,200 resistance with a 6.9% weekly advance, bolstered by soaring ETF volumes and optimism around a proposed Citigroup-Coinbase integration for tokenized payments.

Among large-cap altcoins, **Solana led the charge with a 6.7% rally to USD 145,** driven by ETF hype and projections of explosive growth in tokenization markets potentially hitting USD 4 trillion by year-end. **Cardano eked out a modest 1.2% gain to USD 0.40 amid fading "Midnight" launch buzz.** Market sentiment warmed, with the Fear & Greed Index ticking up to 45 (Neutral), though caution lingers over a stalling U.S. crypto market structure bill and potential stablecoin reward curbs.

Stablecoin dominance persisted, with USDC's cumulative transaction volume surpassing USD 35 trillion, highlighting their pivotal role in bridging traditional finance and DeFi ecosystems.

7. Derivatives

For the week ending 16th January 2026, activity in the Kenyan derivatives market cooled following the previous week's rebound. A total of **3,096 contracts valued at KES 5.88 million** were traded, marking a **54.8% decline in volumes and a 63.7% drop in value** compared to **6,848 contracts worth KES 16.21 million** recorded the prior week.

Trading was largely concentrated in **NSE 25 Index (N25I) futures**, while activity in single stock futures remained muted. Notably, no trades were executed on January 16, with key N25I prices holding steady—March 2026 contracts closed at **5,310 (flat)** while June 2026 settled at **5,346 (+0.6%)**. Open interest remained near zero, signaling limited hedging or speculative positioning in the market. Overall, this slowdown suggests a period of consolidation as investors adopted a wait-and-see approach ahead of key U.S. economic data and inflation releases. Looking ahead, derivatives activity could pick up if equities continue to strengthen, global volatility intensifies (including developments around Federal Reserve policy or Middle East tensions), or as the NSE expands single stock futures coverage—particularly in counters such as **BATK and Safaricom (SCOM).**

8. Market Watch

1. Global Focus: The week ahead (January 19–23, 2026) features several pivotal U.S. data releases that could shape expectations for Fed rate cuts. Key highlights include **Existing Home Sales** on January 20, **Initial Jobless Claims** and **Personal Income/Spending (including PCE inflation)** on January 22, and the **advance Q4 GDP estimate** on January 23. Investors will also take note of the **IMF's World Economic Outlook Update** on January 19, which will provide fresh projections for global growth and influence sentiment in emerging markets. The **Q4 earnings season** continues to gain momentum, with results expected from **Johnson & Johnson (January 20), United Airlines (January 20), Netflix (January 21), and Tesla (January 22)**, alongside ongoing bank reports from the prior week.

2. Kenya Market Focus: Domestically, attention will center on the **CBK Treasury bills auction** on January 19, with **KES 24 billion offered across various tenors**, following strong uptake in previous auctions. Investors will also monitor developments on the **delayed IMF funding tranche**, which could unlock **USD 800 million**, and progress in the **privatization of state assets**, including **Kenya Airways and Telkom Kenya**—initiatives critical for fiscal consolidation and supporting Kenya's growth trajectory in 2026.

9. General News.

- **Record FX Reserves Strengthen Buffers:** Kenya's foreign exchange reserves hit an all-time high of KSh 1.61 trillion in mid-January 2026, up KSh 430 billion year-on-year, lifting import cover to 5.4 months—the highest in over a decade—and providing a robust shield against external shocks amid steady diaspora inflows and export growth.

- **Duty-Free Trade Deal with China:** Kenya struck a preliminary agreement with China granting duty-free access to 98% of its exports, a landmark move to diversify trade partners and boost revenues from horticulture, apparel, and minerals. The deal, announced on January 15, 2026, counters U.S. tariff pressures and aligns with efforts to expand non-oil exports to Asia.

- **Money Market Liquidity Surge:** Market liquidity strengthened markedly, with commercial banks' excess reserves jumping to KSh 26.5 billion, driving the KESONIA rate down to 8.99% and easing funding pressures. This ample liquidity, per the CBK's January 16 bulletin, supports sustained credit growth and positions the sector for potential policy easing in February.

- **Treasury Commits to Ten-Point Agenda:** National Treasury CS John Mbadi pledged full fiscal backing for the administration's Ten-Point Economic Recovery Plan, emphasizing political consensus on reforms like tax base expansion and privatization. The January 16 announcement aims to accelerate implementation, targeting 5.5% GDP growth in 2026 through enhanced public-private partnerships.

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