

KINGDOM SECURITIES

MONTHLY MARKET REVIEW

January 2026

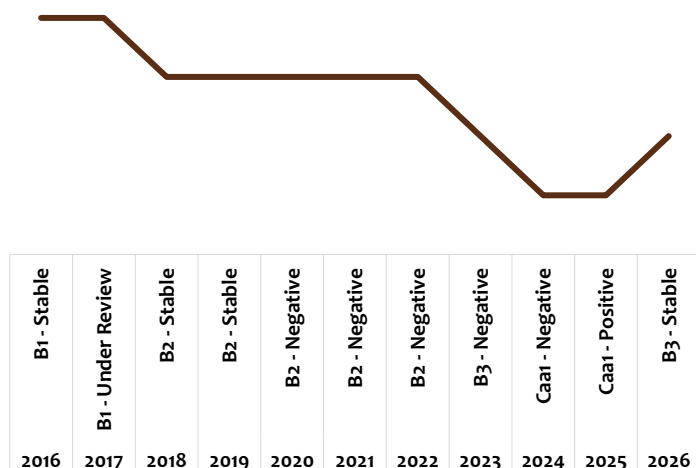


The Economy in Numbers

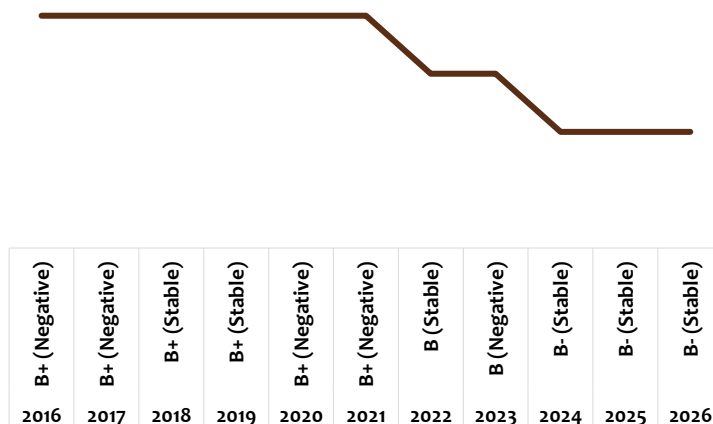
January, as is often the case, marks a fresh start with new beginnings as well as resolutions, and with it typically comes renewed market activity as portfolio rebalancing picks up. This January also opened with a clear signal on Kenya's fiscal standing, as both Fitch and Moody's released updates on the country's sovereign credit rating. Moody's struck a more positive tone, upgrading Kenya's rating and bringing it into alignment with Fitch, which reaffirmed the sovereign at B- with a stable outlook, the same assessment it issued in 2025.

While the revisions may not warrant excessive celebration, they do point to a growing alignment in sentiment and outlook among rating agencies. This convergence reflects the progress made over the past two years through aggressive and deliberate external debt management strategies by the Government of Kenya. Below, we highlight the evolution of Kenya's sovereign ratings by the two agencies:

Moody's Long Issuer Default Rating



Fitch Rating Actions on Kenya



Source: Fitch, Moody's | Chart: KSL

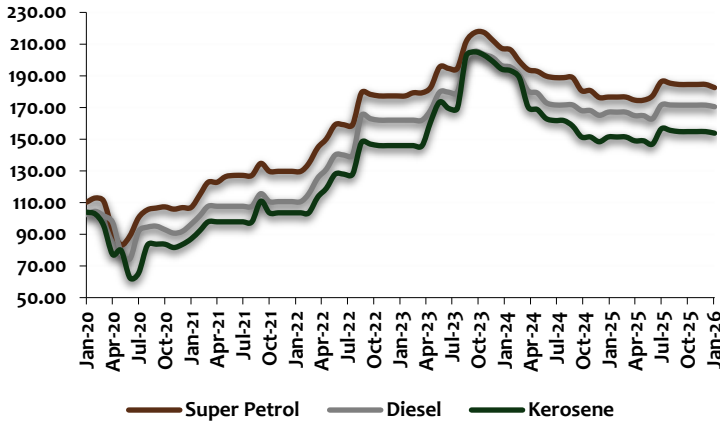
Beyond that, January was largely stable on both the consumer price and external fronts. Inflation remained contained, business activity picked up, and fuel prices recorded a slight month-on-month decline, offering modest relief to households and firms. We move into the rest of the year on a firmer footing, even as misalignments and persistent pressures on the fiscal landscape remain evident. The numbers and charts below tell that story clearly:

Period	Inflation	Benchmark Rate	PMI	FX Reserves (\$ Bn)	USD/KES	Domestic Debt	Fuel Prices		
							Petrol	Diesel	Kerosene
Jan-25	3.28%	11.25%	50.50	8.88	129.23	5.93	176.58	167.05	151.38
Dec-25	4.49%	9.00%	53.70	12.39	129.01	6.85	184.52	171.46	154.78
Jan-26	4.40%	9.00%		12.33	129.03	6.89	182.51	170.47	153.77
Y/Y Change	1.1%	-2.3%	-	38.9%	-0.2%	16.2%	3.4%	2.0%	1.6%
M/M Change	-0.1%	0.0%	-	-0.5%	0.0%	0.5%	-1.1%	-0.6%	-0.7%

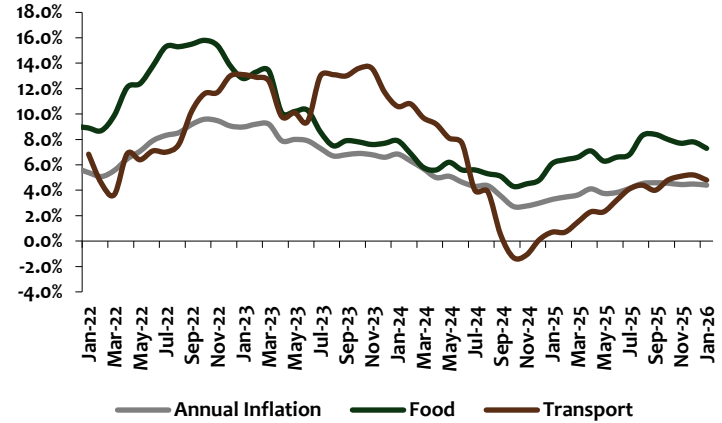
Source: CBK, KNBS, Stanbic Bank Kenya | Table: KSL

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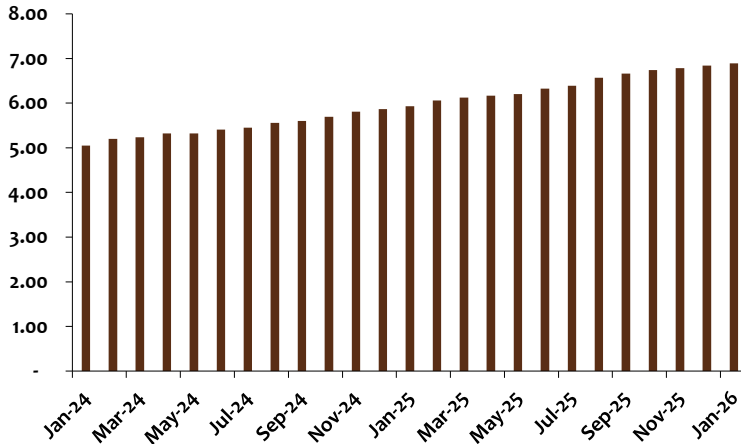
Fuel Prices (KES/Litre)



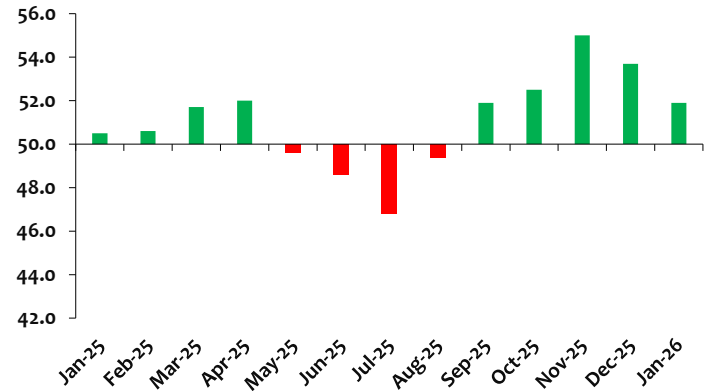
Core Consumption Drivers vs Headline Inflation



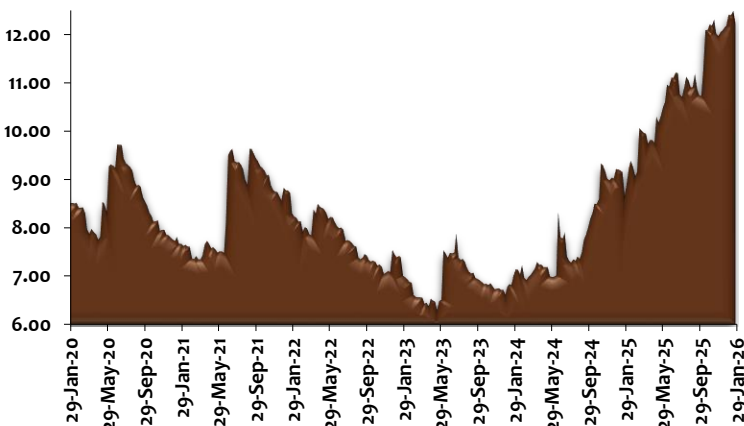
Domestic Debt (Kes Trn)



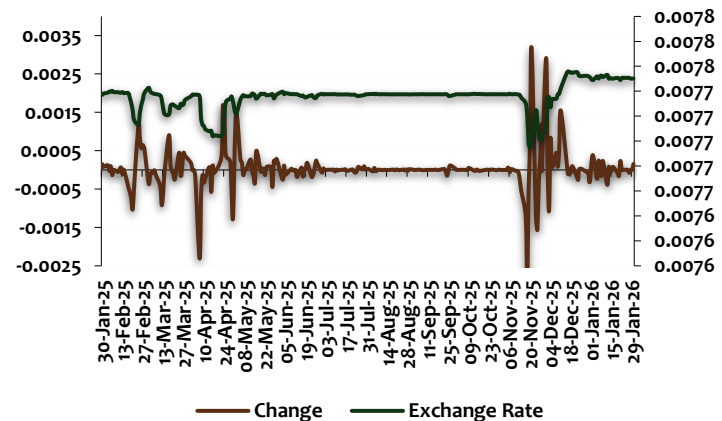
Purchasing Managers' Index



Kenya's Forex Reserves (USD BN)



KES/USD Performance

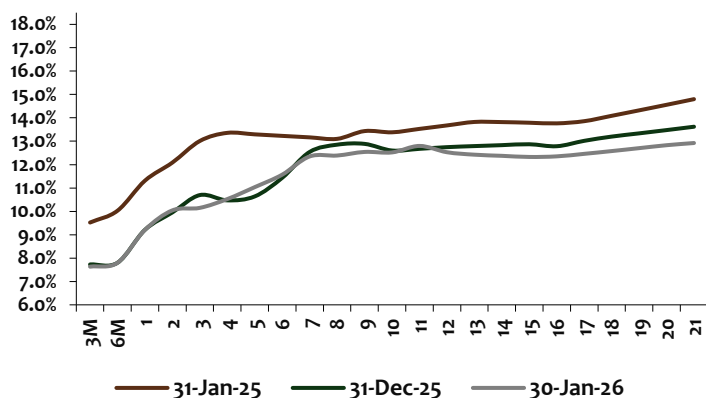


The Fixed Income Market

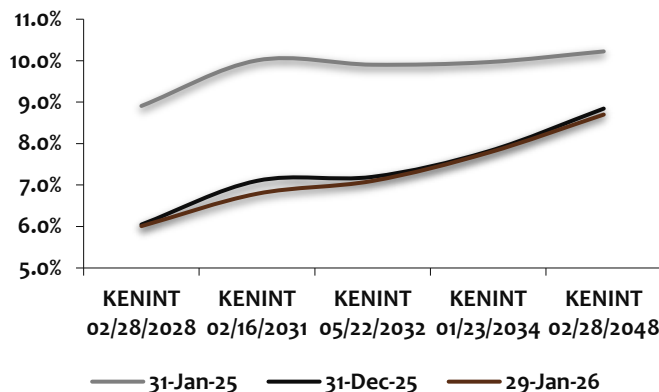
	Amount Offered	Bids Received	Bids Accepted	Subscription Rate
T-Bills				
Jan-25	96.00	100.51	91.07	104.7%
Dec-25	120.00	151.80	138.37	126.5%
Jan-26	96.00	106.36	98.80	110.8%
T-Bonds				
Jan-25	30.00	59.00	48.48	196.7%
Dec-25	40.00	53.13	47.11	132.8%
Jan-26	60.00	71.54	60.58	119.2%

Rates	91-Day	182-Day	364-Day
Jan-25	9.53%	10.03%	11.29%
Dec-25	7.73%	7.80%	9.21%
Jan-26	7.73%	7.80%	9.20%

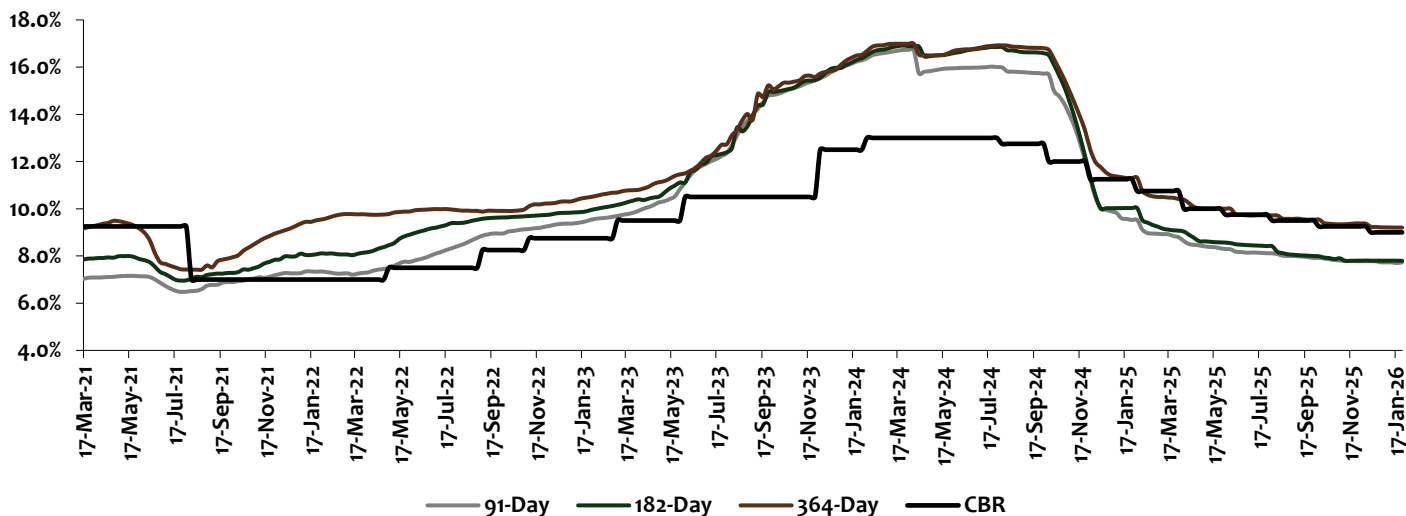
NSE Yield Curve



Kenyan Eurobond Yields



WAR of Accepted Bids (Yields)



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The Equities Market

Market Indicators			M/M
Indicator	31-Dec-25	30-Jan-26	%Change
NASI	186.58	195.36	4.71%
NSE 10	1965.20	2046.82	4.15%
NSE 20	3139.19	3299.28	5.10%
NSE 25	5096.68	5321.96	4.42%
Bank Index	203.65	215.03	5.59%
Market Capitalization (Bn)	2944.54	3083.07	4.70%
Shares Traded (Mn)	11.07	9.16	-17.29%
Equities Turnover (Mn)	140.24	352.18	151.13%

Top Movers			
Stock	Share Price 31-Dec-25	Share Price 30-Jan-26	Mkt Turnover (Kes. Mn)
Safaricom	28.35	29.60	3143.68
KCB Group	65.75	66.50	2056.37
Equity Group	66.75	67.00	1942.77
Absa NewGold ETF	5395.00	6235.00	970.68
Stanbic Holdings	197.75	198.00	948.15
Safaricom	28.35	29.60	3143.68

Top Gainers			
Stock	Share Price 31-Dec-25	Share Price 30-Jan-26	M/M %Change
Kenya Airways	3.53	4.83	36.83%
Uchumi	1.03	1.27	23.30%
Absa NewGold	5395.00	6235.00	15.57%
Car & General (K)	51.00	58.75	15.20%
E.A.Port. Cement	73.50	83.75	13.95%

Top Losers			
Stock	Share Price 31-Dec-25	Share Price 30-Jan-26	M/M %Change
Olympia Capital	8.22	7.44	-9.49%
WPP Scangroup	2.55	2.33	-8.63%
Home Afrika	1.34	1.25	-6.72%
Nairobi Business V.	1.47	1.38	-6.12%
Liberty Kenya	10.10	9.58	-5.15%

Top Foreign Buys		
Stock	Share Price 30-Jan-26	Foreign Buys (Kes. Mn)
Safaricom	29.60	1173.99
Equity Group	67.00	1092.13
KCB Group	66.50	648.05
Stanbic	198.00	471.63
Absa NewGold	6235.00	376.76

Top Foreign Sells		
Stock	Share Price 30-Jan-26	Foreign Sells (Kes. Mn)
Safaricom	29.60	1915.22
Stanbic	198.00	602.09
KCB Group	66.50	594.21
Absa NewGold	6235.00	531.93
Equity Group	67.00	374.03

Top Foreign Net Inflows		
Stock	Share Price 30-Jan-26	Net Inflows (Kes. Mn)
Equity Group	67.00	718.10
KCB Group	66.50	53.84
NCBA Group	92.50	47.20
Kapchorua Tea	235.75	25.32
Sasini Plc	19.70	15.21

Top Foreign Net Outflows		
Stock	Share Price 30-Jan-26	Net Outflows (Kes. Mn)
Safaricom	29.60	-741.23
BAT Kenya	473.50	-256.56
EABL	258.50	-193.69
Absa NewGold	6235.00	-155.16
ABSA Bank (K)	27.95	-147.25

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Corporate Warnings:

January 2026 marked the opening of the Kenya Pipeline Company (KPC) IPO, that broke the new listings drought at the NSE. Other highlights of the month included major stake acquisitions, financial earnings release, and profit warnings from select companies. The highlights of the month are as follows:

KPC IPO Opens Amid Strong Market Interest: The Kenya Pipeline Company Limited (KPC) Initial Public Offer opened on 19th January 2026 and is set to close on 19th February 2026, with 11.81 billion shares on offer at Kes. 9.00 per share. Read the detailed report [here](#).

Nedbank Announces Controlling Stake Acquisition in NCBA Group: During the month, Nedbank Group of South Africa announced its intention to acquire a 66% controlling stake in NCBA Group, subject to regulatory approvals.

I&M Group Raises Stake in I&M Bank Tanzania: During the month, I&M Group announced the acquisition of additional shares in I&M Bank Tanzania, increasing its effective shareholding from 84.9% to 95.5%, following the receipt of regulatory approvals.

EABL Delivers Strong H1 2026 Earnings Performance: During the month, East African Breweries Plc released its half-year financial results for the period ended 31st December 2025, reporting a strong earnings performance. Profit before tax rose 35.5% year-on-year to Kes. 16.46Bn, while profit after tax increased 37.7% to Kes. 11.16Bn, supported by solid topline growth and improved operating leverage. Read the detailed report [here](#).

Sasini Plc Reports Strong Turnaround in FY 2025 Performance: Sasini Plc released its FY 2025 financial results, highlighting a significant recovery in profitability relative to FY 2024. The Group recorded a profit before tax of Kes. 344.03Mn, reversing the previous year's loss of Kes. 674.38Mn.

AMAC Expands Global Reach Through Dubai Agreement: Africa Mega Agricultural Corp PLC (AMAC) signed a strategic agreement at Gulfood Dubai to onboard over 1,500 international buyers onto its digital commodities exchange, expanding global market access for Kenyan and East African exporters.

January 2026 Profit Warnings:

During the month, several companies issued profit warnings reflecting weaker-than-expected financial performance for the year ended 31st December 2025.

- **LAPTRUST Imara I-REIT** projected earnings at least 25% lower than the prior year, primarily due to a decline in gross rental revenue.
- **Liberty Kenya Holdings Plc** reported a likely reduction of at least 25% in consolidated earnings after tax, driven by lower investment yields, an accounting loss from the sale of its Heritage Insurance Tanzania stake, and adverse claims experience.

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- **Umeme Ltd** signaled a consecutive loss, primarily resulting from the cessation of electricity distribution revenue in Uganda following the natural expiry of its 20-year concession.

Global Highlights:

Global Inflation: Inflationary pressures in advanced economies showed signs of moderation during January 2026. In the Euro area, headline inflation fell to 2.0 percent in December 2025, down from 2.1 percent in November, largely driven by lower energy prices, while core inflation eased slightly to 2.3 percent. In the United States, both headline and core inflation remained stable at 2.7 percent and 2.6 percent, respectively, throughout November and December 2025, signaling that consumer price pressures were contained despite year-end economic activity.

Global Monetary Policy and Currency Trends: Global monetary policy remained broadly accommodative amid signs of slowing demand and geopolitical uncertainty. The U.S. Federal Reserve, Bank of Japan, and Bank of Canada maintained their policy rates throughout the month. Meanwhile, currency markets experienced volatility, with the U.S. Dollar Index initially strengthening in the first half of January due to safe-haven demand and thin liquidity, before weakening later in the month as major currencies such as the euro and pound gained ground.

International Oil Prices: Oil markets experienced notable swings during January 2026, influenced by both inventory dynamics and geopolitical tensions. Murban crude oil prices started the month lower at USD 61 per barrel, declined slightly mid-month, and then rose to USD 68.46 per barrel by the end of January. Early declines were driven by easing supply-demand pressures, while mid-month gains were supported by U.S. inventory drawdowns. By the fourth week, heightened U.S.-Iran geopolitical tensions contributed to a sharper price increase, reflecting market concerns over potential supply disruptions. Overall, oil prices showed sensitivity to both economic indicators and geopolitical developments.

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APPENDIX

Stock	Share Price 31-Dec-25	Share Price 30-Jan-26	M/M %Change	Mkt Turnover (Kes. Mn)	Annual Dividend Yield	Trailing Dividend Yield
AGRICULTURAL						
Eaagads	20.50	22.00	7.32%	1.94	-	-
Kakuzi Plc	402.00	386.75	-3.79%	1.53	2.07%	2.07%
Kapchorua Tea	231.50	235.75	1.84%	7.18	10.60%	10.60%
Limuru Tea	460.00	460.00	0.00%	0.32	-	0.22%
Sasini Plc	17.85	19.70	10.36%	12.89	5.08%	5.08%
Williamson Tea Kenya	149.50	142.50	-4.68%	39.43	17.54%	17.54%
AUTOMOBILES & ACCESSORIES						
Car & General (K)	51.00	58.75	15.20%	2.46	1.36%	1.36%
BANKING						
ABSA Bank Kenya	24.70	27.95	13.16%	373.19	6.26%	6.98%
BK Group	42.50	46.00	8.24%	72.63	5.70%	7.87%
DTB Group	114.50	129.00	12.66%	214.38	5.43%	5.43%
Equity Group	66.75	67.00	0.37%	1942.77	6.34%	6.34%
HF Group	9.96	10.20	2.41%	83.90	-	-
I&M Group	42.45	45.00	6.01%	349.76	6.67%	10.00%
KCB Group	65.75	66.50	1.14%	2056.37	4.51%	10.53%
NCBA Group	84.00	92.50	10.12%	486.81	5.95%	8.65%
Stanbic Holdings	197.75	198.00	0.13%	948.15	10.47%	12.39%
Stan Chart Bank	297.25	310.00	4.29%	320.08	11.94%	14.52%
Co-op Bank Group	23.95	27.20	13.57%	340.93	5.51%	9.19%
COMMERCIAL AND SERVICES						
Deacons East Africa	0.45	0.45	0.00%	0.00	-	-
Eveready East Africa	1.37	1.39	1.46%	1.56	-	-
Express Kenya	7.40	7.10	-4.05%	0.83	-	-
Homeboyz Entertainment Plc	4.66	4.66	0.00%	0.00	-	-
Kenya Airways	3.53	4.83	36.83%	58.27	-	-
Longhorn Publishers Plc	2.90	2.89	-0.34%	0.43	-	-
Nairobi Business Ventures	1.47	1.38	-6.12%	3.41	-	-
Nation Media Group	11.55	12.85	11.26%	10.06	-	-
Sameer Africa	14.25	15.45	8.42%	12.26	-	-
Standard Group	6.04	6.14	1.66%	0.81	-	-
TPS Eastern Africa	14.70	15.90	8.16%	3.29	2.20%	2.20%
Uchumi Supermarket	1.03	1.27	23.30%	18.51	-	-
WPP Scangroup	2.55	2.33	-8.63%	3.85	-	-
CONSTRUCTION & ALLIED						
Athi River Mining	5.55	5.55	0.00%	0.00	-	-

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Bamburi Cement	54.00	54.00	0.00%	0.00	-	-
Crown Paints Kenya	54.50	58.00	6.42%	1.30	5.17%	5.17%
E.A.Cables	1.71	1.71	0.00%	0.00	-	-
E.A.Portland Cement	73.50	83.75	13.95%	3.70	1.19%	1.19%
ENERGY & PETROLEUM						
KenGen	9.18	9.60	4.58%	336.74	9.38%	9.38%
Kenya Power Ord.	13.60	15.35	12.87%	380.53	5.21%	6.51%
Kenya Power Pref 4	5.00	5.00	0.00%	0.00	-	-
Kenya Power Pref 7	6.00	6.00	0.00%	0.00	-	-
Total Energies Kenya	38.55	39.00	1.17%	16.99	4.92%	4.92%
Umeme Ltd	7.82	8.60	9.97%	37.05	-	-
INSURANCE						
Britam Plc	9.10	9.70	6.59%	89.38	-	-
CIC Insurance	4.57	4.52	-1.09%	49.70	2.88%	2.88%
Jubilee Holdings	335.00	325.00	-2.99%	101.69	4.15%	4.77%
Kenya Re	3.01	3.18	5.65%	135.42	9.43%	9.43%
Liberty Kenya	10.10	9.58	-5.15%	3.17	16.70%	16.70%
Sanlam Kenya	8.46	8.98	6.15%	5.66	-	-
INVESTMENT						
Centum	13.85	13.55	-2.17%	8.30	2.36%	2.36%
Home Afrika	1.34	1.25	-6.72%	12.21	-	-
Kurwitu Ventures	1500.00	1500.00	0.00%	0.00	-	-
Olympia Capital Holdings	8.22	7.44	-9.49%	2.10	-	-
Trans-Century	1.12	1.12	0.00%	0.00	-	-
INVESTMENT SERVICES						
NSE	20.25	19.55	-3.46%	43.58	-	-
MANUFACTURING & ALLIED						
BOC Kenya	127.00	137.25	8.07%	3.42	6.30%	8.12%
BAT Kenya	459.00	473.50	3.16%	581.12	10.56%	12.67%
Carbacid Investments	29.35	30.65	4.43%	39.33	6.53%	6.53%
EABL	263.00	258.50	-1.71%	492.18	2.13%	3.68%
Flame Tree Group	1.57	1.78	13.38%	3.98	-	-
Kenya Orchards	70.50	77.50	9.93%	0.04	-	-
Mumias Sugar Co.	0.27	0.27	0.00%	0.00	-	-
Unga Group	23.20	23.90	3.02%	0.90	-	-
Shri Krishna Overseas	8.16	8.16	0.00%	0.70	-	-
TELECOMMUNICATION						
Safaricom	28.35	29.60	4.41%	3143.68	4.05%	4.05%

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REITs						
LapTrust Imara I-REIT	20.00	20.00	0.00%	0.00	4.10%	4.10%
EXCHANGE TRADED FUNDS						
Absa NewGold ETF	5395.00	6235.00	15.57%	970.68	-	-
Satrix MSCI World F. ETF	871.00	859.00	-1.38%	4.01	-	-

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