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Weekly Market Performance Summary- Week ending 20th February 2026

In the grand scheme of things, macroeconomic stability remains the dominant theme. Recent developments suggest that policy anchors are gradually gaining traction.

Last week, foreign exchange reserves climbed to another record high, with import cover now at 5.5 months—well above the statutory threshold and a strong signal of improving external buffers. At the same time, the newly issued Eurobond received a favorable reception, according to a communiqué by the National Treasury of Kenya. The successful USD 2.25Bn dual-tranche issuance further bolsters external liquidity, implying that reserves could continue their upward trajectory and potentially approach the USD 13.0Bn mark before the close of the fiscal year.

On the domestic front, trading activity remained resilient. While equity market turnover moderated toward the end of the week, overall sentiment stayed constructive, reflecting cautious optimism amid improving macro fundamentals.

Get a feel of last week's market pulse as you ease into your Monday blues.

In the Report:

Fixed Income Pulse: Demand for Treasury Bills remained strong on account of high maturities and ample liquidity even as some player (s) tapped into the CBK's discount window.

Equities Pulse: Bearish; NASI -3.14%, NSE 10 -3.51%, NSE 25 -2.62%, NSE 20 -0.29%, Banking -1.94%; mkt cap -3.14% to Kes. 3.31Trn; turnover -43.36% to Kes. 698.29Mn.

Corporate News: ARM Cement creditors meeting set amid liquidation, as KPC extends IPO timelines to support investor uptake.

MACRO LENS

The Eurobond Scene:

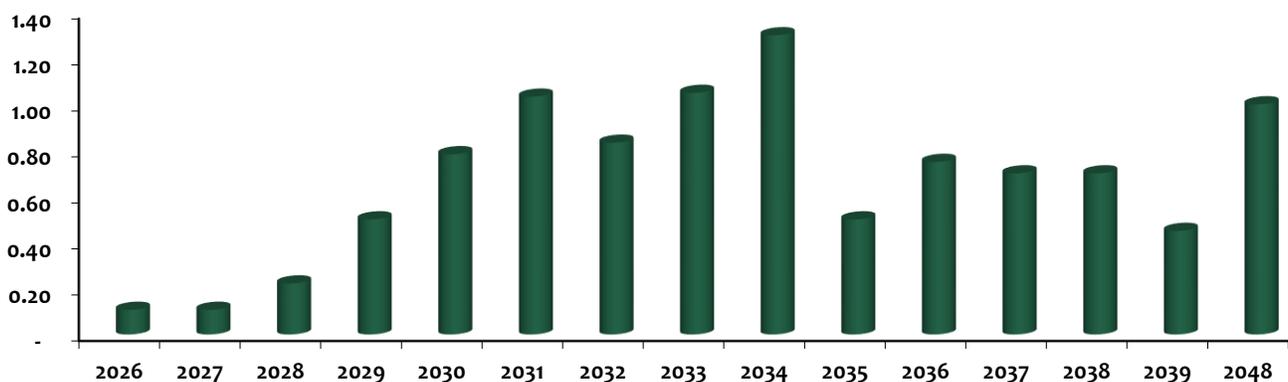
Last week was particularly eventful in Kenya’s Eurobond market. Consistent with the approach adopted since the first maturity of Kenya’s debut notes, the government executed another liability management transaction, issuing new notes to partially buy back outstanding ones while at the same time financing the fiscal deficit.

In our 2026 outlook report, we indicated a bias toward the government returning to the Eurobond market in the second half of the fiscal year, even though it had already tapped the market in the first half. This expectation was anchored on the lag in external financing, particularly in the absence of a formal programme framework with the International Monetary Fund.

That view materialized swiftly. The government successfully raised USD 2.25Bn through a dual-tranche issuance of amortizing notes maturing in 2034 and 2039. Proceeds will be used to repurchase up to USD 150Mn of the 2028 notes and USD 350Mn of the 2032 notes. Following the initial buyback and the current offer, the outstanding balance on the 2028 notes will decline to approximately USD 221.56Mn, while the 2032 notes will stand at about USD 850.00Mn.

Assuming the buyback is completed as structured, Kenya’s total Eurobond stock will stand at USD 10.04Bn. Structurally, this leaves the country with at least one Eurobond maturity falling due every year through 2039—underscoring the need for sustained and proactive debt management.

Eurobond Maturity Profile (USD Bn)



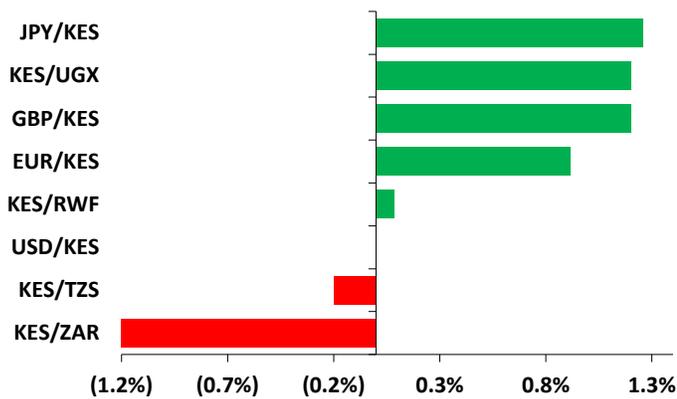
Source: CBK | Chart: KSL

Foreign Exchange:

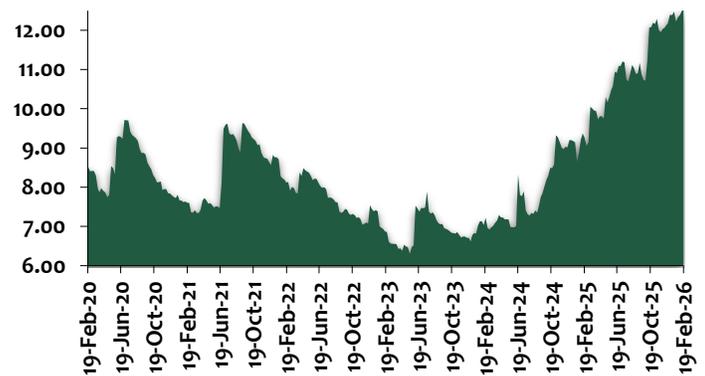
The Kenyan Shilling strengthened against all currencies in our coverage universe, save for the Tanzanian Shilling and South African Rand while the unit remained unchanged against the US Dollar—a phenomenon we expect will persist in the short to medium term.

Meanwhile, foreign exchange reserves touched a new high of USD 12.66Bn from USD 12.49Bn last week, reflecting sustained purchasing activity by the apex bank, in a bid to further bolster the reserves. See the chart below:

W/W KES Performance



Kenya's Forex Reserves (USD BN)



Source: CBK | Chart: KSL

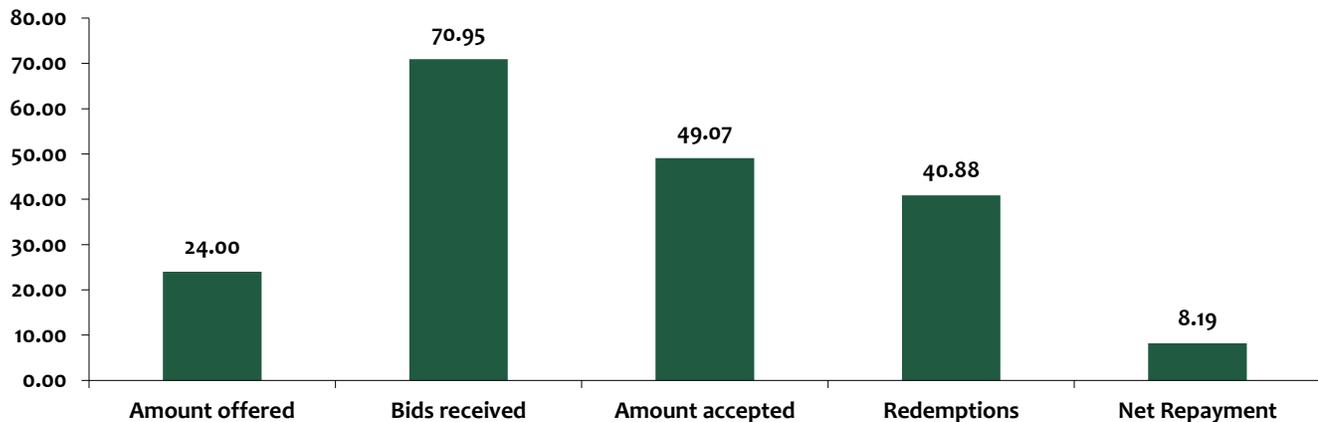
FIXED INCOME PULSE

Primary Market Activity:

Demand for Treasury bills remained strong, supported by sizable concurrent maturities and ample liquidity. The overall subscription rate dropped to 295.6%, from the 308.8% recorded in the previous auction. Investor appetite remained strongest for the 364-Day paper, which recorded a 465.4% subscription rate — down from the 600.5% recorded last week. The 91-Day paper also picked momentum, recording a subscription rate of 326.2%.

The fiscal agent received bids worth Kes. 70.95Bn against an offer size of Kes. 24.00Bn and accepted Kes. 49.07Bn, translating to a 69.2% acceptance rate. This resulted in a net borrowing position of Kes. 8.19Bn, considering concurrent maturities amounting to Kes. 40.88Bn. The overall performance of the T-Bills is summarized below:

T-Bills Performance (Kes Bn)



Source: CBK | Chart: KSL

Yields on the short-term papers remained broadly stable this week, with the 91-day, 182-day, and 364-day papers printing at 7.590%, 7.750%, and 8.901%.

In the same week, liquidity remained ample with trades in the interbank market inching upwards. Average volumes rose by 11.8% to Kes 8.15Bn, from Kes 7.29Bn. Interbank rates also trended downwards to 8.78%, from 8.90%, in the previous week. However, we note that some participant(s) tapped CBK's discount window for a Kes 300Mn facility, pointing towards uneven liquidity.

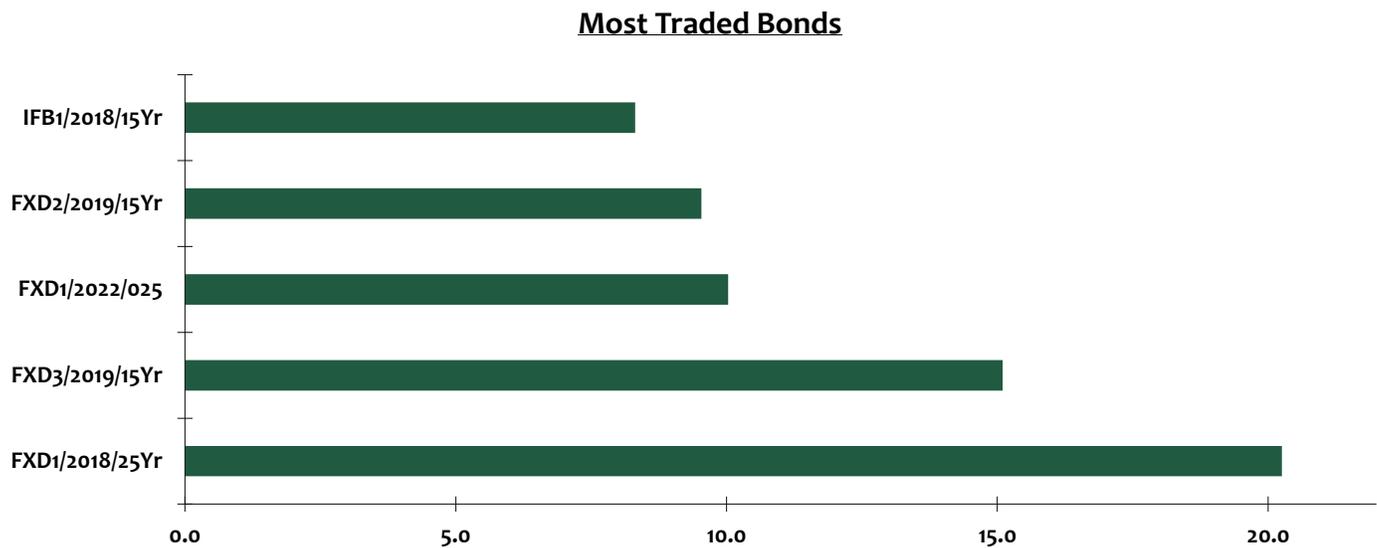
Treasury Bonds

Secondary bond market activity improved during the week, with turnover jumping 52.0% to KES 113.44Bn from KES 74.63Bn the previous week, in tandem with a 49.0% increase in the number of deals. See the table below:

	Previous Week	Current Week	Change
Turnover in Bonds (Kes Bn)	74.63	113.44	52.0%
Number of Deals	989	1474	49.0%

Source: NSE | Table: KSL

The bonds below were the most traded:



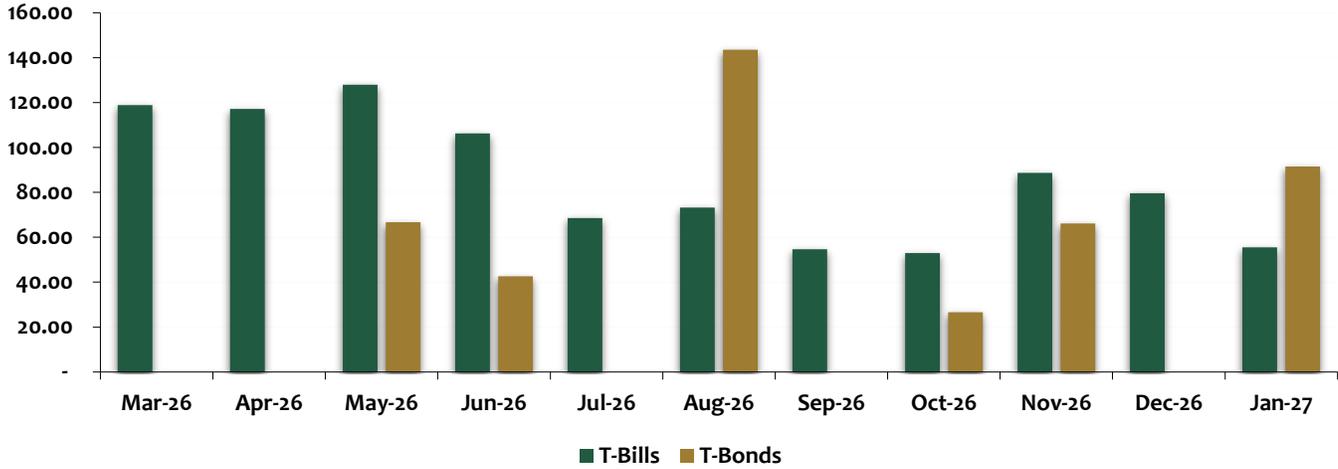
Source: NSE | Chart: KSL

Domestic Debt Service Schedule:

The maturity profile for the next one year is as follows:

- i. KES 943.51Bn in Treasury Bills
- ii. KES 437.13Bn in Treasury Bonds – the maturities are well spread with the next redemption set for May 2026
- iii. KES 660.08Bn in coupon payments. See the chart below for a visual presentation:

T-Bill vs. T-Bond Maturities (Kes. Bn)

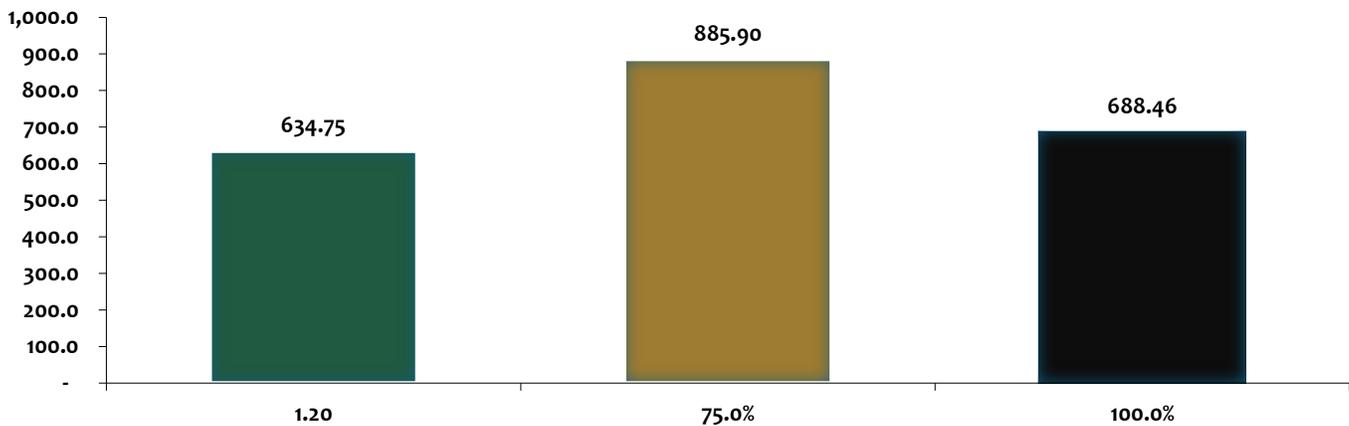


Source: CBK, NSE | Chart: KSL

Government Borrowing Position:

As of this week, the government’s net domestic borrowing stands at Kes 688.45Bn—8.5% above the FY2025/26 budget estimates but 77.7% of the 2026 Budget Policy Statement target of Kes 885.90Bn. See the visual below:

ACTUAL DOMESTIC BORROWING VS. TARGET

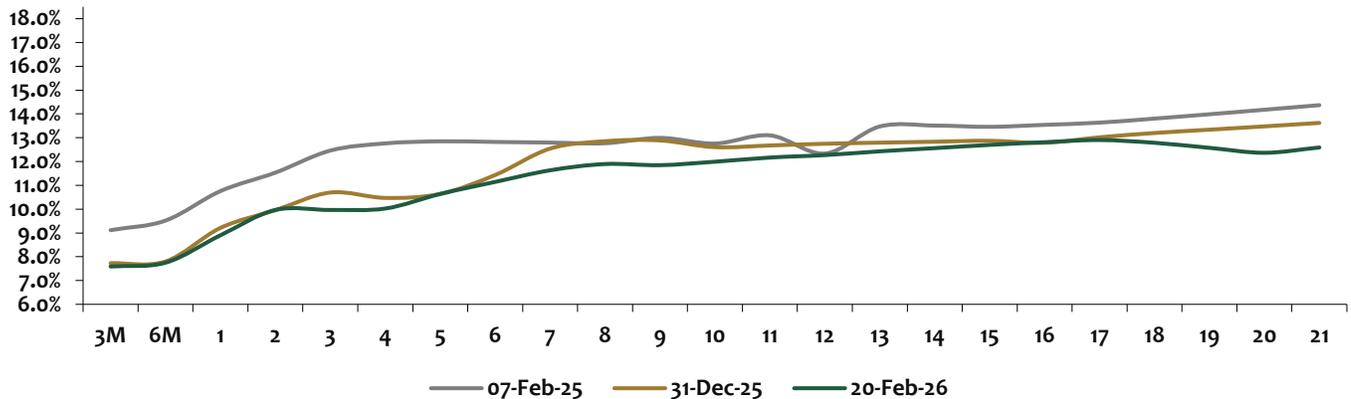


Source: CBK, NSE | Chart: KSL

Local & International Yields

The local yield curve nudged downwards on average, save for the 13-year tenure which rose marginally. This reflects the recent monetary policy stance as well as developments in the international market. The chart below compares the current yield levels with previous records:

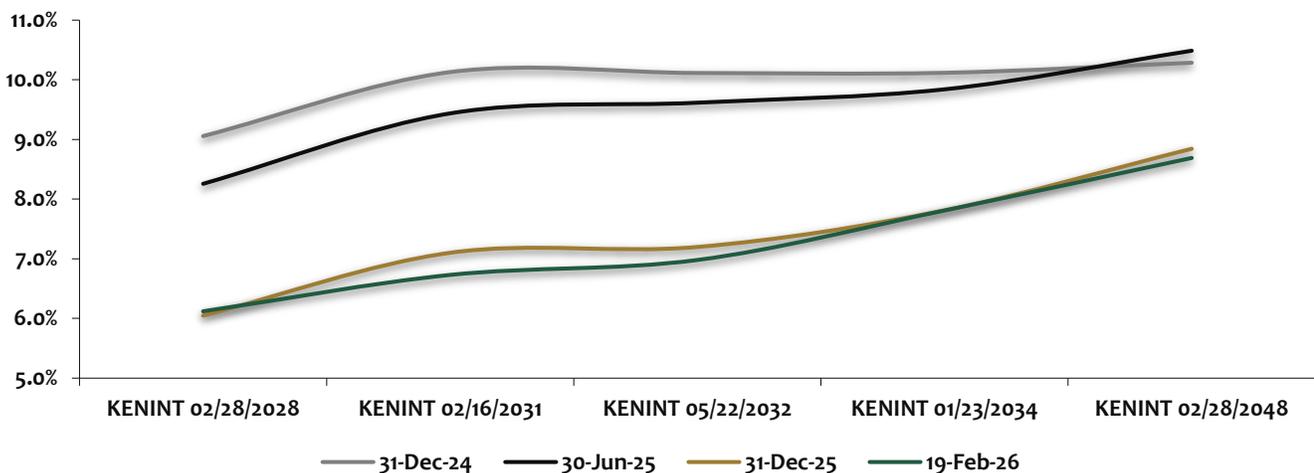
NSE Yield Curve



Source: NSE | Chart: KSL

Kenyan Eurobond yields held steady throughout the week, signaling continued stability in economic conditions. The chart below illustrates the movement of the yields over the year:

Kenyan Eurobond Yields



Source: CBK | Chart: KSL

EQUITIES PULSE

Market Indicators: The equities market retreated during the week ending 20th February 2026, with most indices closing in negative territory amid reduced trading activity. NASI declined 3.14% to 209.88, NSE 10 eased 3.51% to 2,172.95, NSE 25 fell 2.62% to 5,701.79, while NSE 20 edged lower by 0.29% to 3,622.57. The Banking Index slipped 1.94% to 232.53, reflecting mild profit-taking within financial counters.

Market capitalization contracted 3.14% to Kes. 3,312.20Bn. Trading activity weakened significantly, with total shares traded dropping 46.14% to 25.87Mn, while total equity turnover declined 43.36% to Kes. 698.29Mn, pointing to subdued investor participation.

Gainers/Losers: Uchumi Supermarket topped the gainers' list, surging 37.31% to Kes. 1.84, followed by Shri Krishna Overseas (+32.85%) and Eaagads (+18.99%). On the downside, Eveready East Africa led the losers, falling 19.16%, while Sasini Plc declined 12.44% and Nation Media Group shed 6.69%, reflecting price corrections in select counters.

Top Movers: Stanbic Holdings dominated trading activity with Kes. 1,349.66Mn turnover, followed by KCB Group (Kes. 895.78Mn) and Equity Group (Kes. 635.66Mn). Safaricom also recorded notable activity with Kes. 505.04Mn traded, underscoring continued interest in large-cap stocks despite the broader market pullback.

Foreign Participation: Foreign investor activity remained active but skewed towards net selling in key large-cap counters. Stanbic Holdings recorded marginal net inflows of Kes. 1.71Mn despite high two-way flows. However, notable net outflows were registered in Safaricom (Kes. -292.85Mn), Equity Group (Kes. -115.18Mn), and ABSA Bank Kenya (Kes. -92.23Mn), suggesting selective foreign repositioning amid the week's market decline.

Corporate Actions:

- **EABL:** Interim dividend Kes. 4.00/Share; Book Closure 29-Jan-26; Payment 20-Feb-26
- **KPLC:** Interim dividend Kes. 0.30/Share; Book Closure 23-Feb-26; Payment 27-Mar-26
- **Safaricom:** Interim dividend Kes. 0.85/Share; Book Closure 25-Feb-26; Payment 31-Mar-26

WEEKLY SUMMARY TABLES

Market Indicators			
Indicator	13-Feb	20-Feb	%Change
NASI	216.69	209.88	-3.14%
NSE 10	2252.01	2172.95	-3.51%
NSE 20	3633.13	3622.57	-0.29%
NSE 25	5855.41	5701.79	-2.62%
Bank Index	237.12	232.53	-1.94%
Market Capitalization (Bn)	3419.60	3312.20	-3.14%
Total Shares Traded (Mn)	48.03	25.87	-46.14%
Total Equities Turnover (Mn)	1232.84	698.29	-43.36%

Top Movers			
Stock	Share Price 13-Feb	Share Price 20-Feb	Mkt Turnover (Kes. Mn)
Stanbic Holdings	240.00	253.50	1349.66
KCB Group	75.25	74.75	895.78
Equity Group	76.75	73.25	635.66
Safaricom	33.95	32.00	505.04
EABL	257.25	250.50	283.01
Co-op Bank Group	29.60	29.05	248.57

Top Gainers			
Stock	Share Price 13-Feb	Share Price 20-Feb	W/W %Change
Uchumi Supermkt	1.34	1.84	37.31%
Shri Krishna	8.28	11.00	32.85%
Eaagads	26.85	31.95	18.99%
CIC Insurance	5.52	6.20	12.32%
Flame Tree Group	1.80	2.02	12.22%

Top Losers			
Stock	Share Price 13-Feb	Share Price 20-Feb	W/W %Change
Eveready East Africa	1.67	1.35	-19.16%
Sasini Plc	30.95	27.10	-12.44%
Nation Media Group	15.70	14.65	-6.69%
Express Kenya	8.36	7.82	-6.46%
Kenya Airways	5.48	5.16	-5.84%

Top Foreign Buys		
Stock	Share Price 20-Feb	Foreign Buys (Kes. Mn)
Stanbic Holdings	253.50	1159.67
Equity Group	73.25	211.40
KCB Group	74.75	125.93
BK Group	46.00	92.00
Safaricom	32.00	19.43

Top Foreign Sales		
Stock	Share Price 20-Feb	Foreign Sells (Kes. Mn)
Stanbic Holdings	253.50	1157.96
Equity Group	73.25	326.58
Safaricom	32.00	312.28
KCB Group	74.75	174.45
BK Group	46.00	162.60

Top Foreign Net Inflows		
Stock	Share Price 20-Feb	Net inflows (Kes. Mn)
Stanbic Holdings	253.50	1.71
Sasini Plc	27.10	0.25
TPS Eastern Africa	17.15	0.05
Kakuzi Plc	429.75	0.05
Williamson Tea	144.50	0.03

Top Foreign Net Outflows		
Stock	Share Price 20-Feb	Net Outflows (Kes. Mn)
Safaricom	32.00	-292.85
Equity Group	73.25	-115.18
ABSA Bank Kenya	28.45	-92.23
BK Group	46.00	-70.60
Co-op Bank Group	29.05	-57.18

CORPORATE HIGHLIGHTS

Corporate activity during the week was characterized by developments in restructuring and capital markets, highlighted by ARM Cement's creditor meeting notice and Kenya Pipeline Company's revised IPO settlement terms.

ARM Cement Plc (In Liquidation) issued a notice convening a virtual Meeting of Creditors scheduled for 27th February 2026, in accordance with Section 413(1) of the Insolvency Act, 2015. The meeting will present the Liquidator's account of acts, dealings, and the conduct of the liquidation over the preceding year, with participation facilitated through USSD, email registration, and live-stream access. The Liquidators also confirmed continued distributions to creditors, noting that unsecured creditors who have not received at least 7.61% of their admitted claims should formally notify the administrators.

Kenya Pipeline Company (KPC) announced a revision to its IPO timetable, extending the participation deadline from 19th February 2026 to 24th February 2026, while also pushing the final payment deadline for investors utilizing Irrevocable Bank Guarantees to 6th March 2026. The updates, communicated through a Supplementary Information Memorandum and approved by the Capital Markets Authority, are designed to provide additional time for institutional and cross-border investors to complete application and funding processes. Notably, the revisions do not affect the offer price of Kes. 9.00 per share, the 11.81 billion shares on offer, or the overall transaction structure.

The extensions are likely to be perceived as facilitative measures aimed at enhancing participation and ensuring smooth settlement of one of the NSE's largest recent listings.

GLOBAL MARKET HIGHLIGHTS

Global Inflation and Monetary Policy: Inflationary pressures across major economies continued to moderate during the week ending 19th February. In the United States, headline inflation eased to 2.4% in January 2026 from 2.7% in December, largely driven by lower energy prices. Similarly, the United Kingdom recorded a decline in headline inflation to 3.0% from 3.4%, primarily reflecting softer petrol prices. In Japan, inflation slowed to 1.5% from 2.1% over the same period. Core inflation measures also trended downward across these economies, reinforcing the broader disinflation narrative. Meanwhile, the U.S. Dollar Index strengthened marginally during the week, reflecting measured shifts in currency positioning and rate expectations.

The continued easing in inflation supported cautious optimism in global markets, with investors increasingly pricing in a more accommodative monetary policy outlook.

International oil prices edged higher over the week, with Murban crude rising to USD 70.76 per barrel on February 19 from USD 68.89 per barrel on February 12. The uptick was largely driven by heightened geopolitical tensions, as concerns over a potential U.S. strike on Iran raised fears of supply disruptions.

Market sentiment remained cautious, with traders reacting to the geopolitical risk premium in oil markets.

APPENDIX

Stock	Share Price 13-Feb	Share Price 20-Feb	W/W %Change	YTD %Change	Mkt Turnover (Kes. Mn)	Annual Dividend Yield	Trailing Dividend Yield
AGRICULTURAL							
Eaagads	26.85	31.95	18.99%	55.85%	2.06	-	-
Kakuzi Plc	436.00	429.75	-1.43%	6.90%	0.51	1.86%	1.86%
Kapchorua Tea	241.25	249.25	3.32%	7.67%	4.03	10.03%	10.03%
Limuru Tea	510.00	531.00	4.12%	15.43%	0.39	-	0.19%
Sasini Plc	30.95	27.10	-12.44%	51.82%	19.29	3.69%	3.69%
Williamson Tea Kenya	145.00	144.50	-0.34%	-3.34%	19.11	17.30%	17.30%
AUTOMOBILES & ACCESSORIES							
Car & General (K)	73.75	72.75	-1.36%	42.65%	6.82	1.10%	1.10%
BANKING							
ABSA Bank Kenya	29.55	28.45	-3.72%	15.18%	193.17	6.15%	6.85%
BK Group	45.90	46.00	0.22%	8.24%	164.53	5.70%	7.87%
DTB Group	160.00	151.50	-5.31%	32.31%	83.30	4.62%	4.62%
Equity Group	76.75	73.25	-4.56%	9.74%	635.66	5.80%	5.80%
HF Group	10.75	10.40	-3.26%	4.42%	31.15	-	-
I&M Group	49.85	48.35	-3.01%	13.90%	171.68	6.20%	9.31%
KCB Group	75.25	74.75	-0.66%	13.69%	895.78	4.01%	9.36%
NCBA Group	89.75	88.25	-1.67%	5.06%	193.48	6.23%	9.07%
Stanbic Holdings	240.00	253.50	5.63%	28.19%	1349.66	8.18%	9.68%
Stan Chart Bank	336.75	336.25	-0.15%	13.12%	99.15	11.00%	13.38%
Co-op Bank Group	29.60	29.05	-1.86%	21.29%	248.57	5.16%	8.61%
COMMERCIAL AND SERVICES							
Deacons East Africa	0.45	0.45	0.00%	0.00%	0.00	-	-
Eveready East Africa	1.67	1.35	-19.16%	-1.46%	11.01	-	-
Express Kenya	8.36	7.82	-6.46%	5.68%	1.23	-	-
Homeboyz Entertainment Plc	4.66	4.66	0.00%	0.00%	0.00	-	-
Kenya Airways	5.48	5.16	-5.84%	46.18%	18.82	-	-
Longhorn Publishers Plc	3.28	3.28	0.00%	13.10%	0.52	-	-
Nairobi Business Ventures	1.47	1.55	5.44%	5.44%	1.85	-	-
Nation Media Group	15.70	14.65	-6.69%	26.84%	1.52	-	-
Sameer Africa	20.25	19.80	-2.22%	38.95%	4.26	-	-
Standard Group	6.40	6.36	-0.63%	5.30%	0.19	-	-
TPS Eastern Africa	17.85	17.15	-3.92%	16.67%	2.14	2.04%	2.04%
Uchumi Supermarket	1.34	1.84	37.31%	78.64%	12.09	-	-
WPP Scangroup	2.51	2.45	-2.39%	-3.92%	2.74	-	-

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CONSTRUCTION & ALLIED

Athi River Mining	5.55	5.55	0.00%	0.00%	0.00	-	-
Bamburi Cement	54.00	54.00	0.00%	0.00%	0.00	-	-
Crown Paints Kenya	60.00	65.50	9.17%	20.18%	1.83	4.58%	4.58%
E.A.Cables	1.71	1.71	0.00%	0.00%	0.00	-	-
E.A.Portland Cement	81.25	80.75	-0.62%	9.86%	1.04	1.24%	1.24%

ENERGY & PETROLEUM

KenGen	9.58	9.56	-0.21%	4.14%	237.16	9.41%	9.41%
Kenya Power Ord.	18.25	17.25	-5.48%	26.84%	171.47	4.64%	5.80%
Kenya Power Pref 4	5.00	5.00	0.00%	0.00%	0.00	-	-
Kenya Power Pref 7	6.00	6.00	0.00%	0.00%	0.00	-	-
Total Energies Kenya	42.45	42.60	0.35%	10.51%	12.99	4.51%	4.51%
Umeme Ltd	8.98	9.10	1.34%	16.37%	3.93	-	-

INSURANCE

Britam Plc	11.55	11.90	3.03%	30.77%	15.59	-	-
CIC Insurance	5.52	6.20	12.32%	35.67%	71.85	2.10%	2.10%
Jubilee Holdings	349.75	359.00	2.64%	7.16%	1.54	3.76%	4.32%
Kenya Re	3.66	3.75	2.46%	24.58%	113.50	8.00%	8.00%
Liberty Kenya	9.98	10.15	1.70%	0.50%	5.85	15.76%	15.76%
Sanlam Kenya	9.00	9.88	9.78%	16.78%	2.07	-	-

INVESTMENT

Centum	14.20	15.25	7.39%	10.11%	7.91	2.10%	2.10%
Home Afrika	1.38	1.44	4.35%	7.46%	7.26	-	-
Kurwitu Ventures	1500.00	1500.00	0.00%	0.00%	0.00	-	-
Olympia Capital	8.06	8.04	-0.25%	-2.19%	0.73	-	-
Trans-Century	1.12	1.12	0.00%	0.00%	0.00	-	-

INVESTMENT SERVICES

NSE	23.35	22.55	-3.43%	11.36%	100.25	-	-
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MANUFACTURING & ALLIED

BOC Kenya	138.50	133.00	-3.97%	4.72%	0.76	6.50%	8.38%
BAT Kenya	497.75	515.00	3.47%	12.20%	71.89	9.71%	11.65%
Carbacid Investments	32.20	31.95	-0.78%	8.86%	5.06	6.26%	6.26%
EABL	257.25	250.50	-2.62%	-4.75%	283.01	2.20%	3.79%
Flame Tree Group	1.80	2.02	12.22%	28.66%	1.97	-	-
Kenya Orchards	98.75	95.25	-3.54%	35.11%	0.49	-	-
Mumias Sugar Co.	0.27	0.27	0.00%	0.00%	0.00	-	-
Unga Group	24.50	26.75	9.18%	15.30%	2.09	-	-
Shri Krishna Overseas	8.28	11.00	32.85%	34.80%	1.26	-	-

TELECOMMUNICATION

Safaricom	33.95	32.00	-5.74%	12.87%	505.04	3.75%	3.75%
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REITs							
LapTrust Imara I-REIT	20.00	20.00	0.00%	0.00%	0.00	4.10%	4.10%
EXCHANGE TRADED FUNDS							
Absa NewGold ETF	5960.00	6000.00	0.67%	11.21%	5.00	-	-
Satrix MSCI World F.	836.00	864.00	3.35%	-0.80%	0.45	-	-

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