



Weekly Rock Pulse

Week Ending 25th September 2026

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NASI 248.51 ▲ 4.1% W/W	NSE-20 4,363.67 ▲ 4.8% W/W	Mkt Cap (KES Bn) 4,170.52 ▲ 4.1% W/W	Brent Crude \$97.44 ▼ 6.19% W/W	US 10Yr Yield 5.17% ▲ 3.4% W/W
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GLOBAL MARKET OVERVIEW

Global equity markets **closed higher overall this week**, supported by **continued strength in AI and technology stocks and easing oil prices as Middle East tensions moderated slightly**. However, **global bond yields rose broadly**, reflecting persistent longer-term inflation concerns and shifting expectations for monetary policy.

In the U.S., equity markets ended the week higher, with the **Dow Jones Industrial Average gaining 0.3%**, while the **S&P 500 and NASDAQ Composite rose 1.2% and 2.1%, respectively**. Gains were led primarily by AI and technology stocks, as renewed optimism around AI continued to support the sector. This was reflected in counters such as **Meta**, which gained following strong reception to its **Muse AI assistant**, while **Microsoft** also advanced after enhancements to its **Copilot app** were well received. Meanwhile, bond yields surged, with **the 2-year U.S. Treasury yield rising by 2.6%**, as markets increased expectations of another rate hike this year. **The 10-year yield also rose to 5.17%**, reflecting persistent longer-term inflation concerns amid the Middle East crisis.

In Europe, markets ended the week higher, with **Germany's DAX gaining 0.4%** and the **FTSE 100 rising 0.3%**, as easing oil prices reduced near-term inflation concerns. Banks were among the strongest performers, while oil-sensitive airlines and travel stocks also benefited from the slightly lower crude prices. Meanwhile, energy stocks lagged. Despite the equity rebound, bond yields continued to rise, with **Germany's 10-year Bund yield increasing by 2.8% to 3.62%** and the **UK 10-year gilt yield rising 1.4% to 5.36%**, as markets remained concerned about longer term inflation and the outlook for interest rates.

In Asia, markets were mixed during the week, with **Japan's Nikkei 225 gaining 2.1%**, while the **Shanghai Composite declined 0.6%**. In Japan, equities were supported by renewed buying of AI and semiconductor stocks, while dividend-focused buying ahead of the September interim dividend deadline provided further support. **Meanwhile, Japanese bond yields rose** amid persistent inflation concerns, compounded by continued yen weakness. **In China**, stocks declined in a holiday-shortened week, with markets closed on Friday for the Mid-Autumn Festival. Sentiment was weighed by uncertainty surrounding the Trump-Xi summit, despite the U.S.-China trade truce being extended by two months, which was yet to be priced in.

Global Markets Overview	Current Price	Previous Close	% Change
Dow Jones Industrial Average	51,828.62	51,682.64	▲ 0.3%
NASDAQ Composite	27,068.72	26,522.54	▲ 2.1%
S&P 500	7,743.41	7,650.50	▲ 1.2%
FTSE 100	10,695.25	10,659.13	▲ 0.3%
DAX	25,408.64	25,304.06	▲ 0.4%
Nikkei 225	66,364.20	65,018.95	▲ 2.1%
Shanghai Composite	3,888.37	3,911.87	▼ (0.6%)

Fixed Income Overview	Current Yield	Previous Close	% Change
US 2Yr Bond Yield	4.86%	4.74%	▲ 2.6%
US 10Yr Bond Yield	5.17%	5.00%	▲ 3.4%
UK Gilt 10 Year Yield	5.36%	5.28%	▲ 1.4%
Bund 10Yr	3.62%	3.52%	▲ 2.8%
Japan 10 Yr Yield	3.08%	2.98%	▲ 3.3%

Looking ahead, investors will focus on U.S. August PCE inflation and September employment data, alongside Fed commentary, for signals on whether further rate hikes are warranted. **In Europe and the UK**, September inflation and PMI data will provide insight into whether elevated energy costs are feeding into inflation while growth remains subdued. **In Asia**, China's September PMI will be watched for signs of a sustained recovery in manufacturing activity, while Japan's Tankan survey and BOJ meeting minutes could shape expectations for further policy tightening.

EQUITY MARKET OVERVIEW

The market registered bullish sentiments as signalled by the 4.1% increase in the **Nairobi All-Share Index (NASI)** to close at **248.51 points**.

Trading activity **decreased by 50.5% during the week to KES 4,639.31 Mn**, from KES 9,370.76 Mn the previous week.

Foreign investors were **sluggish** this week, with their participation rate at 20.0% of total market activity.

Weekly Market Statistics

Statistic	Latest Week	Previous Week	% Change
Market Cap (KES Bn)	4,170.52	4,004.44	▲ 4.1%
Nairobi All Share Index	248.51	238.61	▲ 4.1%
NSE-10 Index	2,770.34	2,624.37	▲ 5.6%
NSE-20 Index	4,363.67	4,165.11	▲ 4.8%
NSE-25 Index	7,062.15	6,719.36	▲ 5.1%

Trading Activity

Participation Mix

80.0% Domestic Investors	20.0% Foreign Investors
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Source: NSE, Rock Investment Bank Research

Statistic	Latest Week	Previous Week	% Change
Equity Turnover (KES, Mn)	4,639.31	9,370.76	▼ (50.5%)
Foreigner buys (KES Mn)	894.88	986.54	▼ (9.3%)
Foreigner sales (KES Mn)	963.07	3,446.23	▼ (72.1%)
Net foreign flows (KES, Mn)	(68.19)	(2,459.69)	▲ 97.2%
Foreign Participation Rate	20.0%	23.7%	▼ (3.6%)

Source: NSE, Rock Investment Research

Top Gainers

Company	Close	W/W %
Uchumi Supermarket Plc	1.63	▲ 37.0%
Africa Mega Agricorp Plc	355.75	▲ 26.3%
Olympia Capital Holdings Ltd	8.08	▲ 14.8%
Carbacid Investments Plc	43.55	▲ 13.0%
Car & General (K) Ltd	291.50	▲ 12.7%

Source: NSE, Rock Investment Bank Research

Top Losers

Company	Close	W/W %
Limuru Tea Plc	510.00	▼ (4.7%)
Nation Media Group Plc	14.25	▼ (4.0%)
Crown Paints Kenya Plc	57.25	▼ (3.8%)
ABSA New Gold ETF	5195.00	▼ (3.6%)
E.A. Portland Cement Co. Ltd	114.75	▼ (2.5%)

Source: NSE, Rock Investment Bank Research

Capital Markets News

Among the gainers, **Uchumi Supermarkets (+37.0%)** and **Africa Mega Agricorp (+26.3%)** rose over the week amid continued speculative buying activity. **Olympia Capital Holdings (+14.8%)** also gained, potentially reflecting optimism ahead of its financial results expected at the end of October. **Carbacid Investments (+13.0%)** similarly rose on investor optimism ahead of its upcoming results and potential dividend payout, supported by its history of dividend payments. **Car & General (+12.7%)** continued its strong rally, supported by retail participation and continued investor optimism, despite no material change in the company's fundamentals. Among the losers, **Limuru Tea (4.7%)** declined amid thin trading volumes, which can amplify price movements. **Nation Media Group (-4.0%)** also fell, as investors took profits following its recent rally after the new acquisition, due to continued optimism around the company's new leadership. **ABSA New Gold ETF** also declined **(-3.6%)** declined in line with the broader pullback in spot gold, with its low liquidity also amplifying the price movement.

SECTORAL MARKET PERFORMANCE

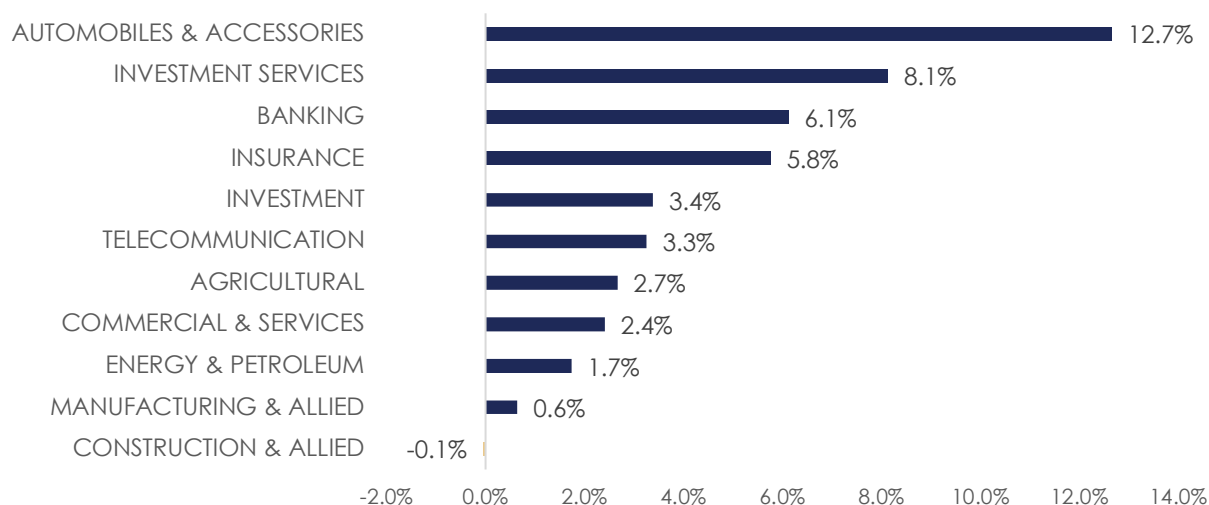
The **Nairobi Securities Exchange (NSE)** recorded positive performance during the week, with all major indices closing higher. Sector performance was largely positive, led by the **Automobiles & Accessories Sector (+12.7%)**, driven primarily by **Car & General**, which continued to gain amid speculative activity, particularly among retail investors, with signs of herding behaviour. The **Investment Services Sector (+8.1%)** also posted notable gains, led by the **Nairobi Securities Exchange**, which recorded increased trading activity, likely reflecting investor positioning ahead of the upcoming **Quick Mart IPO** and expectations of stronger returns. The **Banking Sector (+6.1%)** also rebounded, led by **KCB and Equity Group** following the significant foreign-driven outflows recorded the previous week. The **Commercial & Services Sector (+2.4%)** also gained modestly. While the sector has generally remained relatively weak over time, the **Quick Mart listing** could provide some support, particularly for retail counters, given the company's expected dividend payout.

On the downside, the **Construction & Allied Sector (-0.1%)** recorded a marginal decline, driven by **Crown Paints and East African Portland Cement**. The sector, however, remains resilient, supported by continued construction activity, which is expected to benefit **Crown Paints**, the sector's largest-weighted counter.

Looking ahead, the recent rebound in Kenyan equities will be tested as investors balance renewed buying interest against continued global risk aversion. Attention will also shift to the proposed Quick Mart listing on the NSE, which could renew interest in the consumer and commercial sectors, while a few companies remain due to release results, providing further stock-specific catalysts. Meanwhile, the upcoming inflation print remains key ahead of the October MPC meeting, with a higher reading potentially reinforcing expectations for tighter monetary policy and weighing on local assets.

Sector Performance Snapshot

Sector Performance (w/w)



Source: NSE, Rock Investment Bank Research

Weekly Top Movers

Top Movers of the Week	Turnover (KES Mn)	Turnover (USD Mn)	Foreigners' Participation	Closing Price	% Change (W/W)
Equity Group Holdings	KES 1,077.1	\$8.31	26.5%	KES 107.00	▲ 8.6%
Safaricom Plc	KES 828.7	\$6.39	32.0%	KES 36.45	▲ 3.3%
KCB Group	KES 787.6	\$6.08	3.4%	KES 93.50	▲ 7.5%
I&M Holdings	KES 436.6	\$3.37	4.5%	KES 85.00	▲ 5.9%
Nairobi Securities Exchange Plc	KES 250.6	\$1.93	80.0%	KES 29.90	▲ 8.1%

Source: NSE, Rock Investment Bank Research

FIXED INCOME MARKET OVERVIEW

Primary Markets

	Current	Previous	bps
91- Day	8.78%	8.78%	▼ (0.56bps)
182-Day	8.89%	8.91%	▼ (1.50bps)
364-Day	9.04%	9.06%	▼ (1.35bps)
Interbank Rate	8.75%	8.75%	▲ 0.07bps

Source: CBK, Rock Investment Bank Research

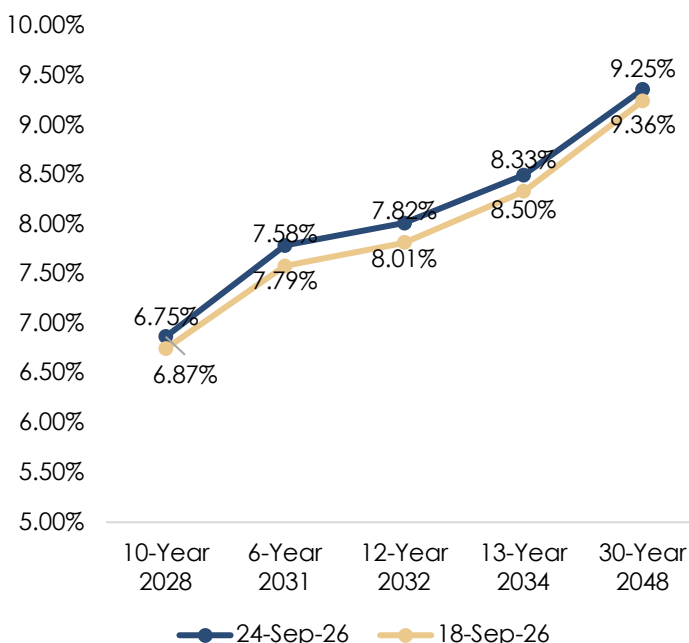
Demand for discount securities declined in this week's Treasury bill auction, with total bids of **KES 41.72 billion** against the KES 28.00 billion offered, translating to an oversubscription rate of **149.02%**. Investor appetite was concentrated in the **91-day paper**, which attracted **KES 17.74 billion** in bids against a KES 8.00 billion offer (**221.75% subscription**), reflecting a preference for shorter-dated securities amid increased uncertainty around the interest rate outlook. Weighted average accepted yields printed at **8.78%** for the 91-day paper, **8.89%** for the 182-day, and **9.04%** for the 364-day bills.

Secondary Markets

Bond turnover in the domestic secondary market **increased by 151.12%**, from **KES 30.78bn to KES 77.30bn** during the week, reflecting **higher trading activity as investors repositioned their portfolios amid the new KES 50bn Treasury bond offer**. The ongoing offer, comprising reopened 15-year and 20-year bonds, likely encouraged investors to adjust existing holdings and liquidity positions ahead of the auction, contributing to the significant increase in secondary-market activity.

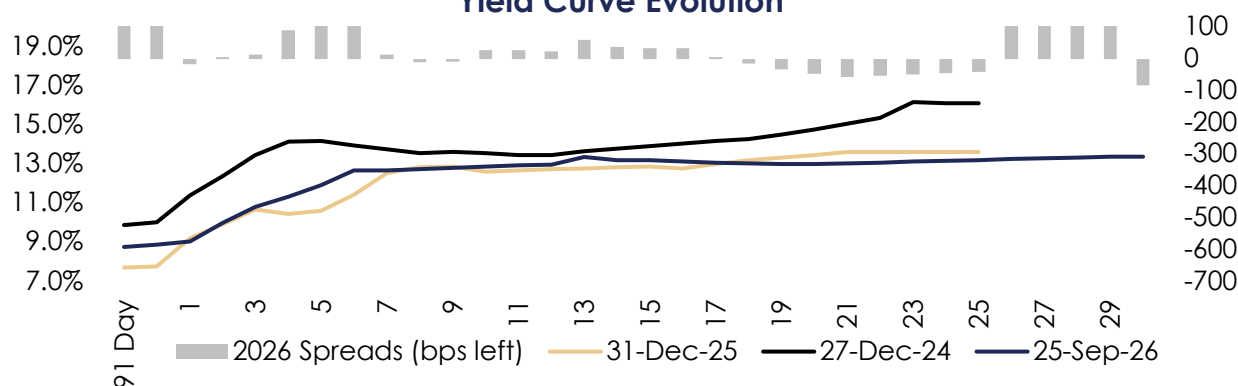
Eurobond Yield

Kenya's Eurobond yields **increased by 14.41 bps during the week**, broadly tracking the rise in global bond despite the slight ease in crude oil futures prices over the week. However, supply disruptions have pushed up physical crude and refined-fuel prices, as refiners scramble to secure alternative supplies. Hence, longer term inflationary concerns loom. Meanwhile, monetary policy tightening by the U.S Federal Reserve and the Bank of Japan, in line with market expectations, have further driven global yields higher. These global pressures have subsequently filtered through to Kenyan Eurobonds, despite the country's relatively stable macroeconomic conditions.



Source: CBK, Rock Investment Bank Research

Yield Curve Evolution



MACROECONOMIC UPDATE

KENYA INFLATION OUTLOOK: INFLATION EXPECTED TO MODESTLY RISE TO 6.7%

Kenya's headline inflation edged slightly higher to 6.6% in August, from 6.5% in July, reflecting higher prices across several core categories such as insurance services, health, information and communication, and recreation. We expect inflation in the upcoming review to slightly increase to 6.7%. The uptick is expected to reflect food supply pressures, indicated by the higher food import bill, and higher electricity costs, partly offset by stable fuel prices, a resilient exchange rate and adequate external buffers.

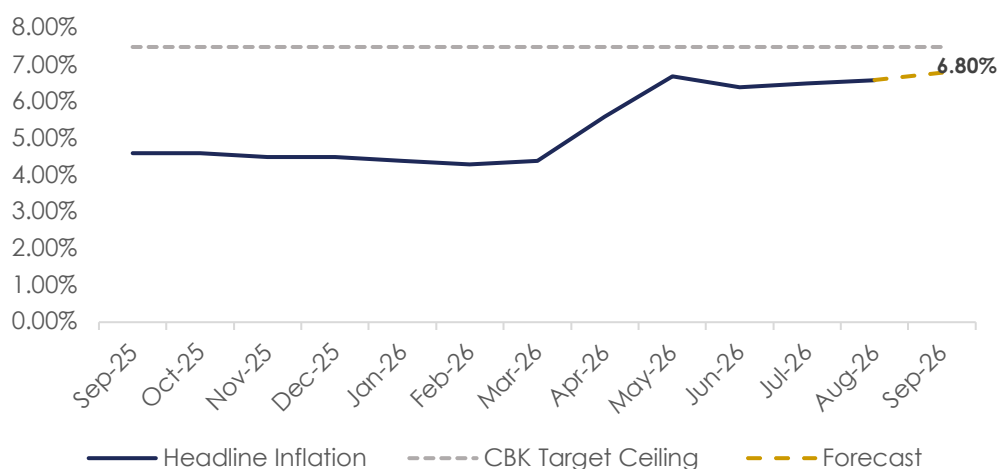
Food inflation remains a key area to watch. There was a milk supply shortage due to a decline of formal milk deliveries to processors and an increase in prices of animal feed in the first half of September, that resulted in higher retail prices for milk with KCC 500 ml packet at KES 53 and Brookside 500 ml packet at KES 60. Animal feed had risen from KES 1,800 to KES 2,400 and hay had risen from KES 100 to KES 250. In addition, due to El Niño, several acres of land have been washed away in the Mid-Tana region around Garissa and its surrounding areas. Globally, imports have been affected due to the U.S.-Iran war that has affected oil supply, causing an overall rise in input and production costs causing companies to raise prices. For electricity, Kenya's reserve margin has shrunk to less than 3.3%, which has driven electricity costs higher.

Meanwhile, on the fuel front, the latest **EPRA review saw fuel prices remain unchanged for the second consecutive month**, largely supported by the current subsidy, including the **reduction in VAT from 16% to 8%**. However, the subsidy is nearing expiry, while the worsening Middle East conflict and disruptions to key supply routes, including the **East-West pipeline**, could place upward pressure on pump prices in the upcoming review. While this will not affect the current inflation print, higher fuel prices in the coming months could add to fuel inflation and place upward pressure on headline inflation.

Additionally, we expect imported inflation to remain contained, supported by the relative stability of the Kenyan shilling, 6.1 months of foreign exchange reserves cover and unchanged fuel prices due to the current subsidy. This is further reinforced by increased World Bank financing, including the Rapid Response Option (RRO), which provides additional funding that can be deployed in response to emergency shocks, including adverse El Niño weather conditions and renewed fuel price pressures arising from the ongoing conflict.

Looking ahead, we expect inflation to **remain within the 6.6%–6.8% range, with a point estimate of 6.7%**, driven by food inflation concerns arising from recent milk shortages, higher input costs and rising electricity prices. These pressures could, however, be partly offset by the latest EPRA review, which left fuel prices unchanged and should help contain imported inflation, alongside continued stability in the Kenyan Shilling.

Inflation Forecast



Source: KNBS, RIB Research

ON THE RADAR: UPCOMING EVENTS

Company	Interim Dividend / Special	Final Dividend	Book Closure	Dividend Payment
KCB Group	KES 3.00	-	02-Sept-26	10-Nov-26
East African Breweries	KES 4.00	KES 8.70	19- Oct-26	31-Oct-26
British American Tobacco Kenya	KES 10.00	—	28-Aug-26	25-Sept-26
Safaricom Plc	—	KES 1.15	04-Aug-26	04-Sept-26
Crown Paints Kenya Plc		KES 3.00	26-Jun- 26	31-Aug 26
Liberty Kenya Holdings Ltd	—	KES 0.50	15-Jun-26	30-Aug-26
Kenya Re Insurance Corporation Ltd	—	KES 0.15	19-Jun-26	31-Jul-26
Nairobi Securities Exchange Plc	—	KES 1.00	21-May-26	31-Jul-26
Total Energies Marketing Kenya		KES 3.40	24-Jun-26	31-Jul-26
TPS Eastern Africa Ltd	—	KES 0.35	26-Jun-26	30-Jul-26
Jubilee Holdings Ltd		KES 13.00	11-Jun-26	24-Jul-26
BOC Kenya	—	KES 10.35	31- May- 26	21- Jul-26
Car & General (K) Ltd	—	KES 3.12	24-Jun-26	30-Jun-26
Equity Group Holdings	—	KES 5.75	22-May-26	30-Jun-26
East Africa Portland Cement	—	KES 1.25	TBA	TBA
Centum Investment Co Plc	KES 0.36	KES 0.42	TBA	TBA
Kengen Co Plc	-	KES 0.75	29-Oct-26	21-Jan-27
Kenya Power & Lightning Co	-	KES 1.20	27-Nov-26	31-Dec 26

Source: NSE, Rock Investment Bank Research

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