



MACRO-ECONOMIC HIGHLIGHTS

| JUNE 2026

Kenya

KEY MACRO - INDICATORS

Indicator	Latest Reading	Trend	Commentary
Inflation (YoY)	6.40%	Slight 	Driven by fuel, food and domino effects in other sectors. Inflation is expected to stay within the 6% - 7% ranges in H2 2026 due to second round effects of the US – Iran conflict.
Revised GDP Growth Forecast (World Bank 2026)	4.5%	Slight 	Moderate resilience despite shocks.
USD/KES Exchange Rate	129.50	Stable 	Supported by FX reserves & inflows.
FX Reserves	USD 13,173 million	Stable 	5.6 months of import cover as of June 26 th , 2026.

(Source: KNBS, CBK and OMIG Research)

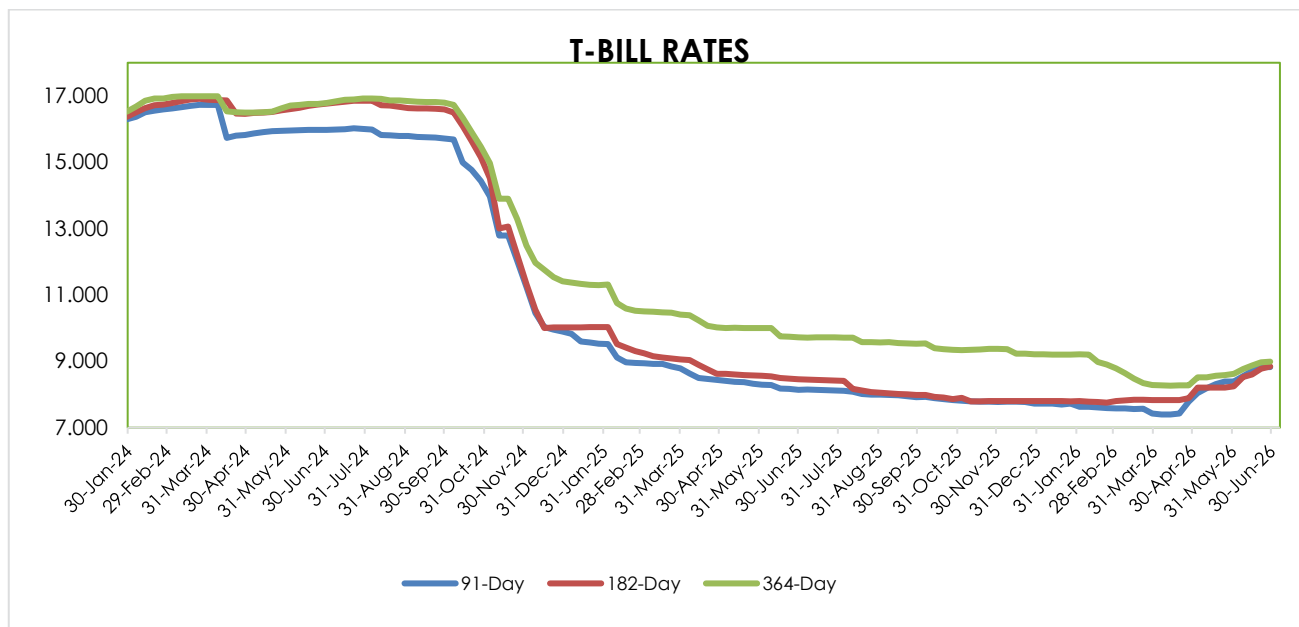
Yields and Yield Curve

Treasury Bills

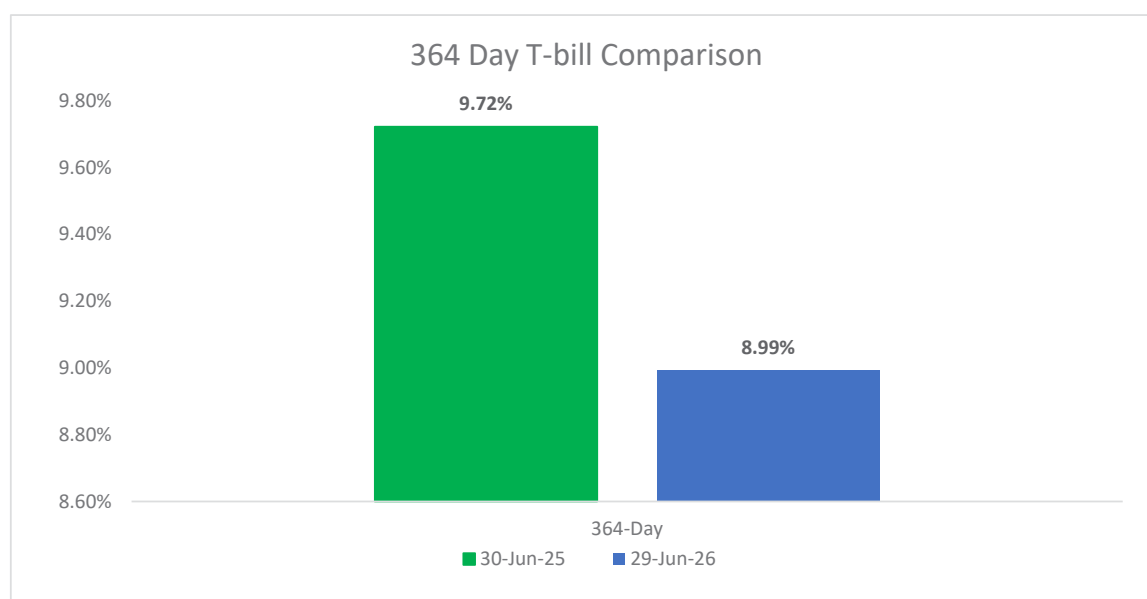
In June, demand for Treasury bills experienced an increase with the total subscription rate up to **116.23%**, from **108.69%** in May 2026. Investor interest has varied across the tenors, with the 91-day, 182-day, and 364-day issues at subscription rates of **727.27%**, **39.14%**, and **102.61%**, respectively.

During the same period, interest rates displayed varying trends, with the 91-day Treasury bill up by 44.10 bps to **8.83%**, the 182-day yield up by 63.25 bps to **8.84%** and the 364-day up by 40.51bps to **8.99%**.

Treasury bill subscription rates have continued to marginally increase with yields maintaining an upward trajectory.



(Source: CBK, OMIG Research)



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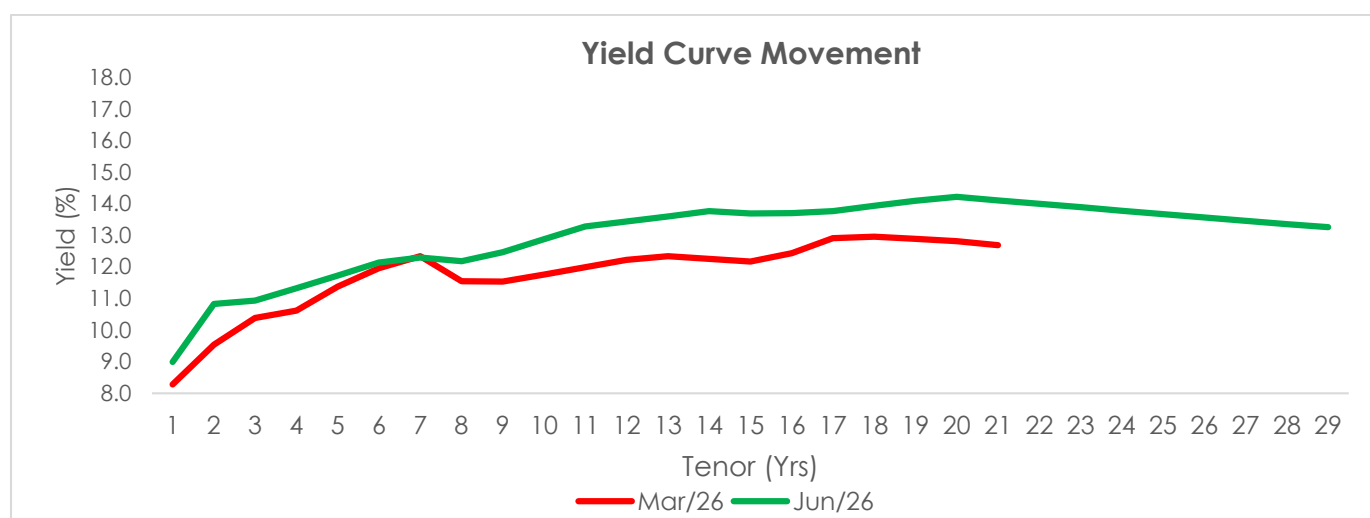
Treasury Bonds

In June, the NSE yield curve shifted upward and steepened, reflecting investors' demand for higher returns in Government of Kenya securities amid inflation concerns and ongoing fiscal pressures.

Government borrowing through bond reopenings, coupled with fiscal year-end funding requirements and preparations for FY2026/27, further supported higher yields. Investors are also beginning to price-in political risks ahead of the upcoming elections.

Kenya's FX reserves rose to USD 13,173 million (5.6 months of import cover) as of June 25, 2026. This was mainly due to the government's partial divestiture in Safaricom. Reserves are expected to remain supported by the recently approved World Bank DPO loan of USD 750 million (approximately KES 97.1 billion).

While these inflows are expected to ease concerns over the country's fiscal position and liquidity remains ample in the fixed-income market, we expect yields to maintain their upward trajectory in the near term.



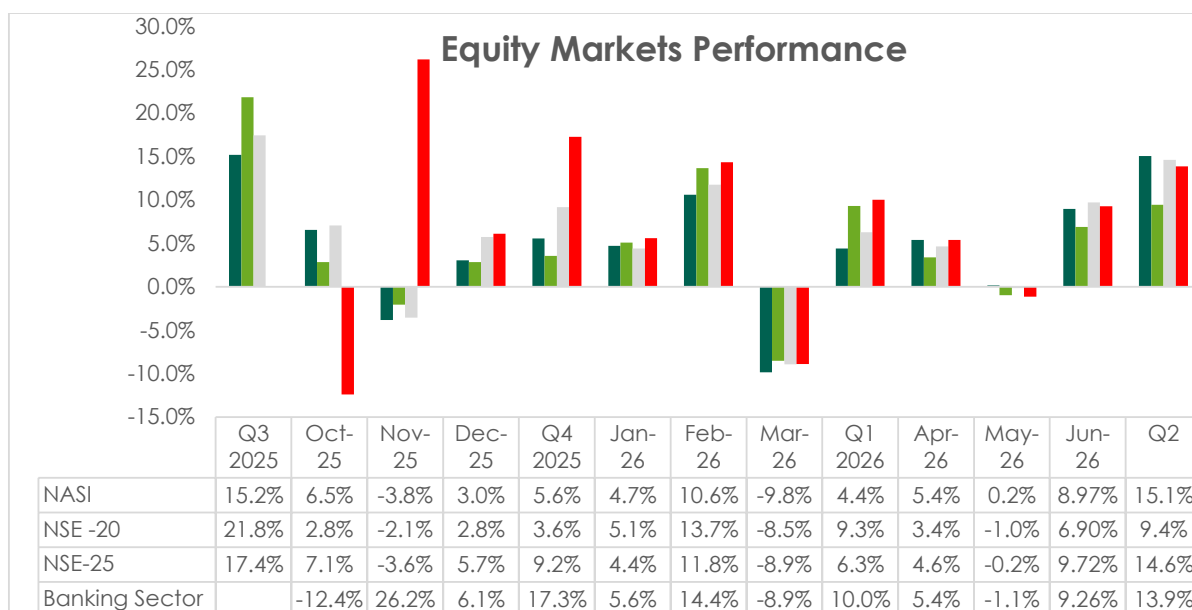
(Source: NSE, OMIG Research)

Equities Market Performance

In June, the Kenya equity markets experienced an upward trend, with the NSE All-Share Index (NASI) up by **8.97%**. The NSE 20 and NSE 25 indices also recorded upturns of **6.90%** and **9.72%**, respectively.

The market delivered a strong H1 performance of **20.14%**, supported largely by the banking sector, with the NSE Banking Index rising **25.27%** in H1. The Sector gains were underpinned by increased corporate actions and strategic transactions, including the NCBA–Nedbank deal, Family Bank listing, and Absa Group's decision to increase stake in Absa Bank Kenya. Positive investor sentiment was further supported by management changes across select banks and expectations of regional expansion and heavy investments in tech, reinforcing the sector's earnings outlook and contribution to overall market performance.

A key market event in June was the Government of Kenya's partial divestiture in Safaricom through a block trade valued at **KES 204.30 billion**, which boosted market activity and liquidity. Following the transaction, Safaricom closed the month at **KES 34.05** per share.



(Source: NSE, OMIG Research)

Top and Bottom 5 equity stocks performance

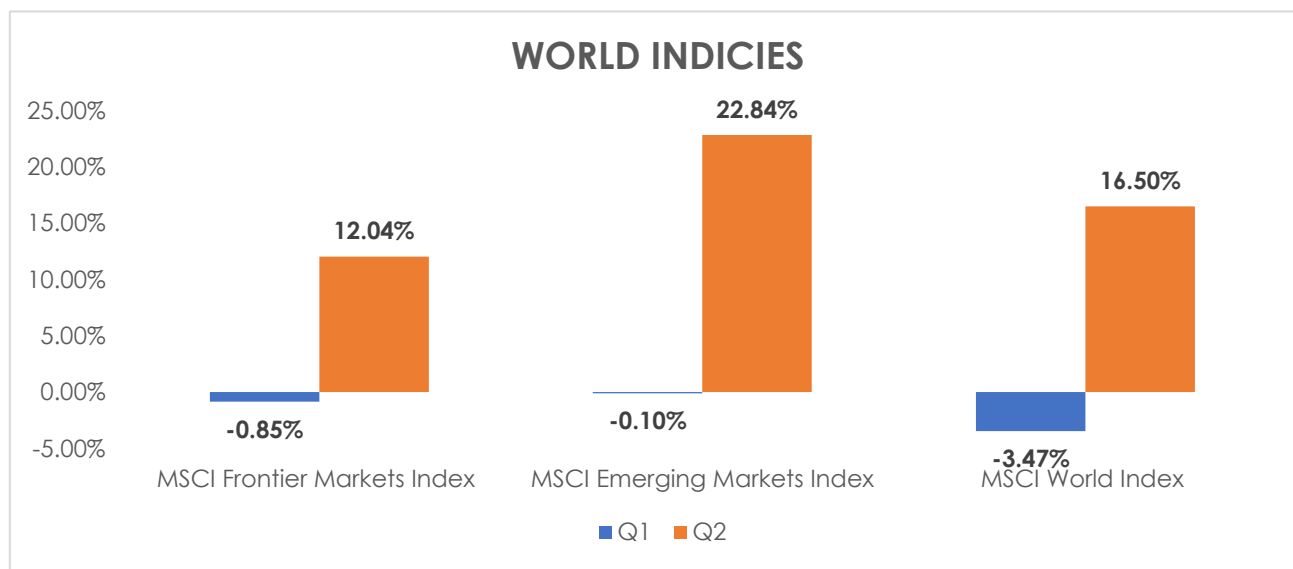
Top 5	June 2026 Performance
Car & General (K) Ltd Ord 5.00	48.26%
I&M Group Plc Ord 1.00	36.95%
Kapchorua Tea Co. Ltd Ord Ord 5.00 SME	27.06%
E.A.Portland Cement Co. Ltd Ord 5.00	23.83%
Williamson Tea Kenya Ltd Ord 5.00	19.81%
Bottom 5	June 2026 Performance
Sasini Plc Ord 1.00	-13.49%
Liberty Kenya Holdings Ltd Ord.1.00	-9.70%
NEW GOLD ETF	-9.23%
Eaagads Ltd Ord 1.25 SME	-7.08%
Standard Group Plc Ord 5.00	-6.09%

Top 10 Stocks Performance by Market Weight

Stock	Market Weight	June 2026 Performance
Safaricom Plc Ord 0.05	36.27%	11.46%
Equity Group Holdings Plc Ord 0.50	8.03%	7.74%
KCB Group Plc Ord 1.00	6.73%	17.98%
East African Breweries Plc Ord 2.00	5.65%	8.47%
The Co-operative Bank of Kenya Ltd Ord 1.00	5.35%	6.85%
ABSA Bank Kenya Plc Ord 0.50	4.63%	11.48%
NCBA Group Plc Ord 5.00	3.92%	2.58%
Standard Chartered Bank Kenya Ltd Ord 5.00	3.29%	-1.65%
I&M Group Plc Ord 1.00	3.21%	36.95%
Stanbic Holdings Plc ord.5.00	2.95%	3.99%

Global Markets

In Q2 2026, global markets recovered strongly, with the strongest improvements seen in the MSCI Emerging Markets Index up 22.84%, supported by easing geopolitical tensions US-Iran negotiations and the reopening of shipping routes through the Strait of Hormuz. Political developments in the UK with Sir Keir Starmer resigning as Prime Minister of the United Kingdom after approximately 2 years in office, introduced some uncertainty, leading to mild volatility in the London Stock Exchange, although overall risk sentiment remained positive.



(Source: MSCI, OMIG Research)

Key Global Transactions:

Elon Musk's. SpaceX carried out the largest initial public offering (IPO) in history on June 12, 2026. Initial Valuation: Debuted at a market valuation of **\$1.77 trillion**, briefly surging past **\$2 trillion** in its opening days. Capital Raised - **\$75 billion** in the base offering (approx. 555.5 million shares)

Space Exploration Technologies Corp. (SpaceX) is an aerospace, satellite communications, and artificial intelligence conglomerate that completely altered the economics of space travel through reusable rocket technology.

SpaceX plans to build orbital AI data centres in space, bypassing Earth's growing bottlenecks in land availability, power grid constraints, and environmental heat dissipation.

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Contact Us

Enwealth Capital Limited

Enwealth Business Center
1st Floor Ngong Lane, Off Ngong Road
P.O Box 52840-00200 Nairobi, Kenya

Pilot Line: +254 700617443

Telephone: +254 758617443, 742617443

Email: enwealthcapital@enwealth.co.ke

Website: www.enwealth.co.ke/capital