Investment Play
Q2 2025
The Tariff Trap

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- Capital protection
- Outperformance of local economic conditions
- Minimize exposure to currency risk

Your Investment GPS

List of Abbreviations

AfDB	African Development Bank
CBK	Central Bank of Kenya
CBR	Central Bank Rate
ECF	Extended Credit Facility
EFF	Extended Fund Facility
EMDE	Emerging Markets and Developing Economies
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IMF	International Monetary Fund
KES	Kenya Shilling
KNBS	Kenya National Bureau of Statistics
KRA	Kenya Revenue Authority
LCU	Local Currency Units
MPC	Monetary Policy Committee
NSE	Nairobi Securities Exchange
PMI	Purchasing Managers Index
RSF	Resilience and Sustainability Fund
SDR	Special Drawing Rights
SSA	Sub-Sahara Africa
USD	United States Dollar
VAT	Value Added Tax

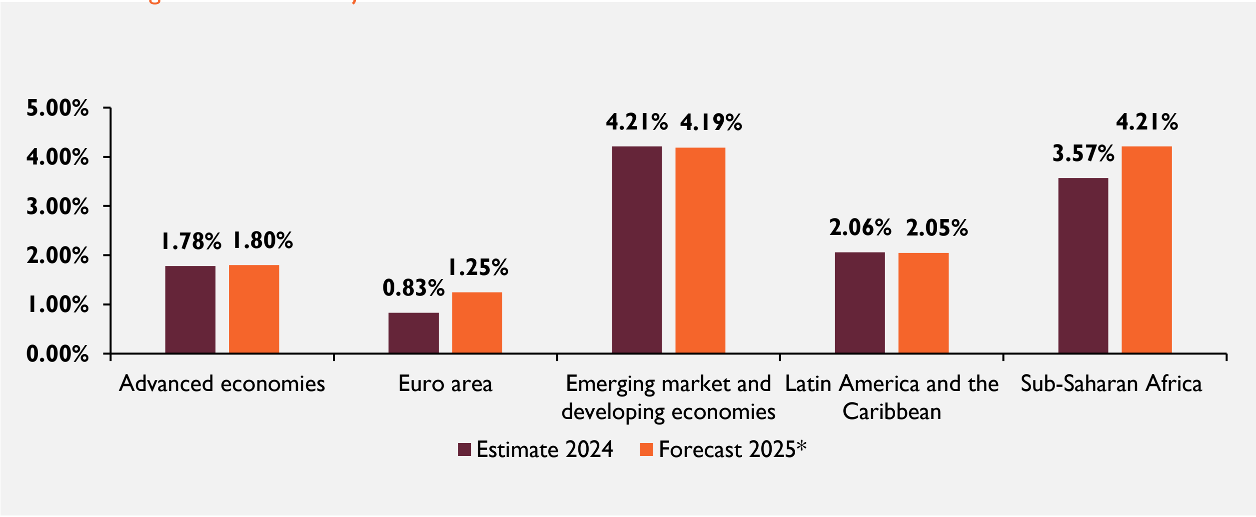
I) Global Market Outlook

Tariff Wars and Global Slowdown: The Hidden Threat to 2025's Economic Recovery

Global growth recovery prospects for 2025 have dimmed amid rising trade tensions, despite an initially optimistic macroeconomic backdrop. Growth was expected to accelerate, bolstered by robust labor markets, falling interest rates, easing inflation, and forthcoming fiscal stimulus from Europe and China, alongside pro-business reforms in the U.S. However, shifts in trade policy have placed the growth outlook in a precarious position as Trump 2.0 takes full swing. In Q1 2025, the U.S. imposed a wave of tariffs on key trading partners, targeting sectors such as automotive, steel, and aluminum, under the banner of correcting "historically imbalanced trade practices." These measures quickly escalated into broad-based reciprocal tariffs, with a minimum 10% baseline applied across the board. These tariffs not only surpassed analyst expectations, but now threaten to derail growth momentum, with the global economy finding itself "Stuck in a tariff trap".

Signs of weakening have already begun to emerge, with US consumer sentiment hitting its second-lowest level on record. However, this has yet to translate to hard data metrics, as the unemployment rate remains near multidecade lows and US retail sales growth outperforming analyst expectations in March. We view this resilience as the calm before the storm, driven by front-loaded spending from businesses and consumers anticipating price increases once tariffs take effect. The expected economic slowdown is not confined to the US, with the Euro area -which was already struggling with manufacturing overcapacity- expected to witness further demand erosion, as tariffs reduce the competitiveness of exports in the US market. Emerging markets also find themselves in a precarious position, as global tariffs slow economic growth in developed markets, triggering potentially substantial spillover effects.

Chart 1: Regional Growth Projections



Source: IMF October 2024 World Economic Outlook, AIB-AXYS Research

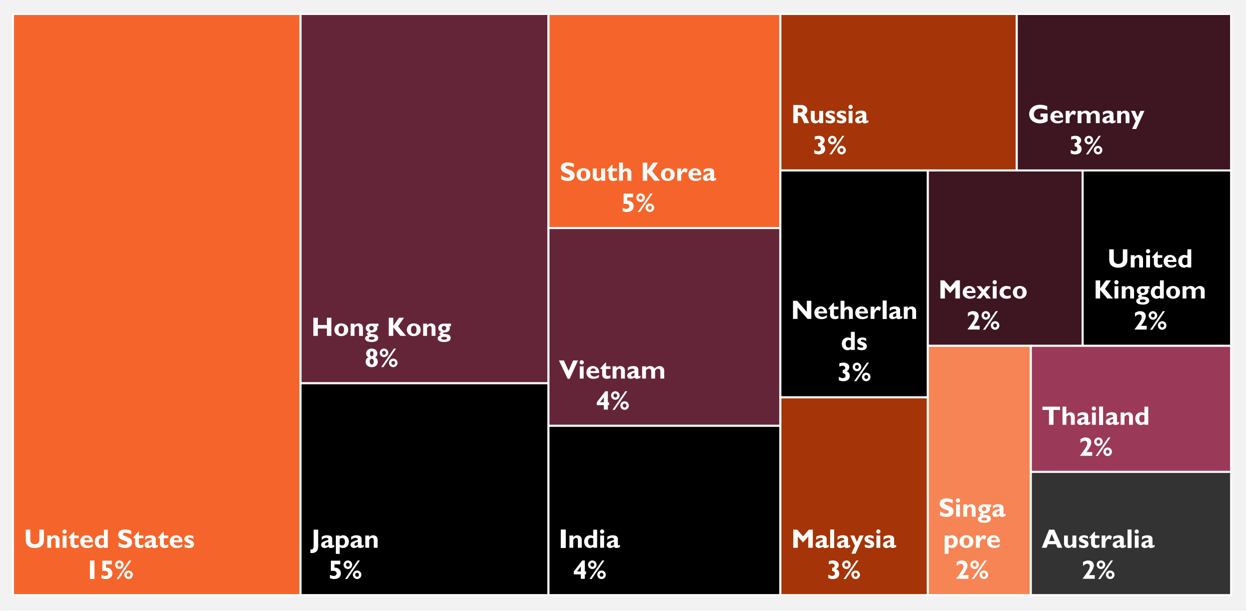
Going into the second quarter, we expect to see a more pronounced weakening of investment and consumption trends as the effect of existing tariffs begins to reverberate through markets. While a 90-day pause in reciprocal tariffs was announced to allow for negotiations, the ongoing U.S.-China trade dispute remains unresolved and risks spilling over into other markets —further dampening global growth prospects.

Taking stock of our year's themes

China's Growth Slump: Debt, Trade, and Tough Choices

China's economy exceeded expectations in Q1, posting 5.4% y/y growth, driven by government-led monetary and fiscal support aimed at boosting consumer spending and reviving the property sector. However, significant headwinds lie ahead as trade tensions with the U.S. intensify. The recent escalation saw China impose 125% tariffs on U.S. imports, while the U.S. responded with 145% tariffs on Chinese exports. Despite efforts to diversify its export base - reducing its exposure to US protectionist policies - the US market still accounts for approximately 14.7% of the country's total exports, with the new tariffs likely to impact the country's economic prospects. In response, we believe that the Chinese government is likely to implement further monetary and fiscal incentives in Q2, potentially including currency devaluation, to offset the impact of the tariffs.

Chart 2: Percentage of Chinese Export Per Country

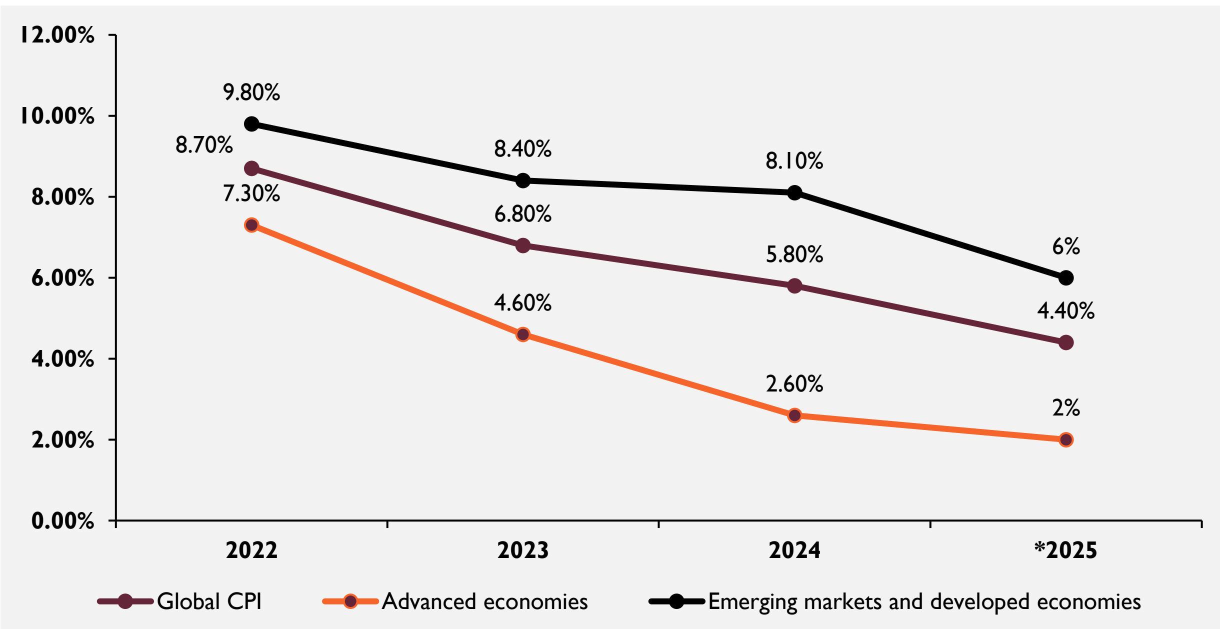


Source: United Nations COMTRADE database, AIB-AXYS Research

Inflation, Rate Cuts, and Risks: The 2025 Global Monetary Policy Outlook

Volatile trade policy developments have cast a shadow over global monetary policy in Q1, resulting in a divergence of easing cycles. Central banks in Europe and the UK proceeded with their rate-cutting cycles as inflationary levels continue to trend toward their 2% benchmarks, whilst their developed market counterpart —the US— has kept interest rates unchanged despite declining inflation opting for a more cautious stance amid concerns that recent trade measures could reignite price pressures—an outlook we expect to persist into the second quarter. Meanwhile, policy outlooks in emerging and frontier markets have presented a mixed bag, with some central banks shifting toward easing to support growth, while others remain on hold to address persistent inflation risks due to potential supply chain disruptions.

Chart 3: Global CPI Forecast



Source: World Bank, AIB-AXYS Research

At present, global inflationary pressures remain muted as uncertainties in trade policy shifts weigh down energy and commodity prices. Additionally, a weakening US dollar—prompted by softer growth expectations —is also expected to contain import prices, reinforcing a subdued near-term inflationary outlook. We therefore, foresee further easing in Q2 as central banks opt to ease financial conditions in a bid to spur economic growth. However, caution is expected to take precedence, with modest rate cuts favored as policymakers monitor evolving global financial conditions. In frontier and emerging markets, ongoing capital outflows—driven by risk aversion and a flight to safe-haven assets—are expected to constrain easing efforts, as authorities seek to protect currency stability.

Asset Class Shake-Up: 2024 Trends and 2025 Outlook

Equity market performance registered a solid start to the year, with Q4 earnings exceeding analyst expectations, propelling the S&P 500 to a new all-time high in February. However, growing uncertainties surrounding trade policy implementation have since weighed on investor sentiment, prompting a reversal in equity gains. Additionally, the emergence of new AI models from China has challenged the preexisting assumptions of US dominance in the AI market, with investors beginning to question the high capital expenditure associated with the sector, weighing down tech stock performance during the quarter.

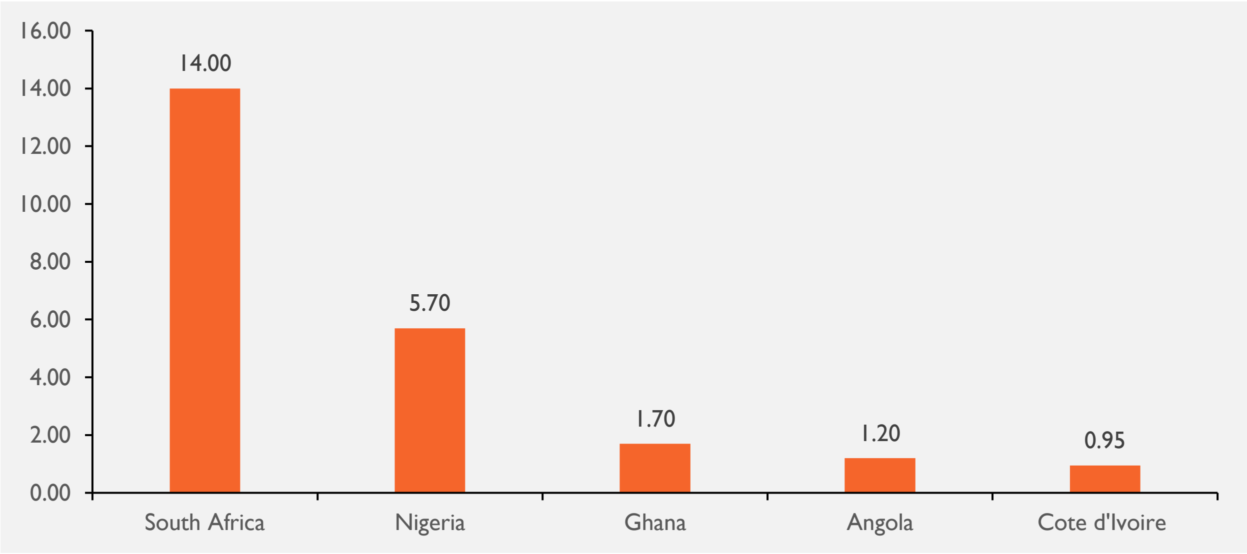
Rising uncertainty also spilled into commodity markets, with softer growth projections fueling demand concerns. In contrast, fixed income markets benefited from declining interest rates in developed economies, driving yield-seeking investors toward emerging and frontier market bonds—particularly in Sub-Saharan Africa, where Eurobond issuance remained active. However, mounting trade tensions have seen investor risk appetite wane, as focus shifts to investment-grade bonds in safe-haven markets. Going into the second quarter of the year, we expect equity market performance to remain subdued with investors reallocating toward defensive stocks to weather heightened market volatility. In the fixed income market, increased participation is anticipated in safe-haven bonds, particularly in markets such as Germany and Japan.

II) Sub-Sahara Africa Macro

The Sub-Saharan region was caught in the crosshairs of global trade tensions, with resource-intensive countries (RICs) disproportionately affected by U.S.-imposed tariffs. Key exporters such as South Africa, Botswana, Angola, and Nigeria faced stiff tariffs of 30%, 37%, 32%, and 14%, respectively, threatening critical sectors and placing millions of jobs at risk. These measures were implemented despite existing trade agreements under the African Growth and Opportunity Act (AGOA), raising concerns about the agreement's longevity and casting uncertainty over the region's export prospects to the U.S.

The spill-over effects from the tariffs have also seen commodity prices decline, further eroding export incomes for the region, with the threat of a global economic slowdown contributing to demand concerns. While the region was previously projected to achieve 4.2% growth during the year, these developments have clouded the outlook, however, the recent pause in tariff implementation to allow for negotiations does offer a glimmer of hope.

Chart 4: Top SSA Exports to the US (Bn)



Source: AGOA, AIB-AXYS Research

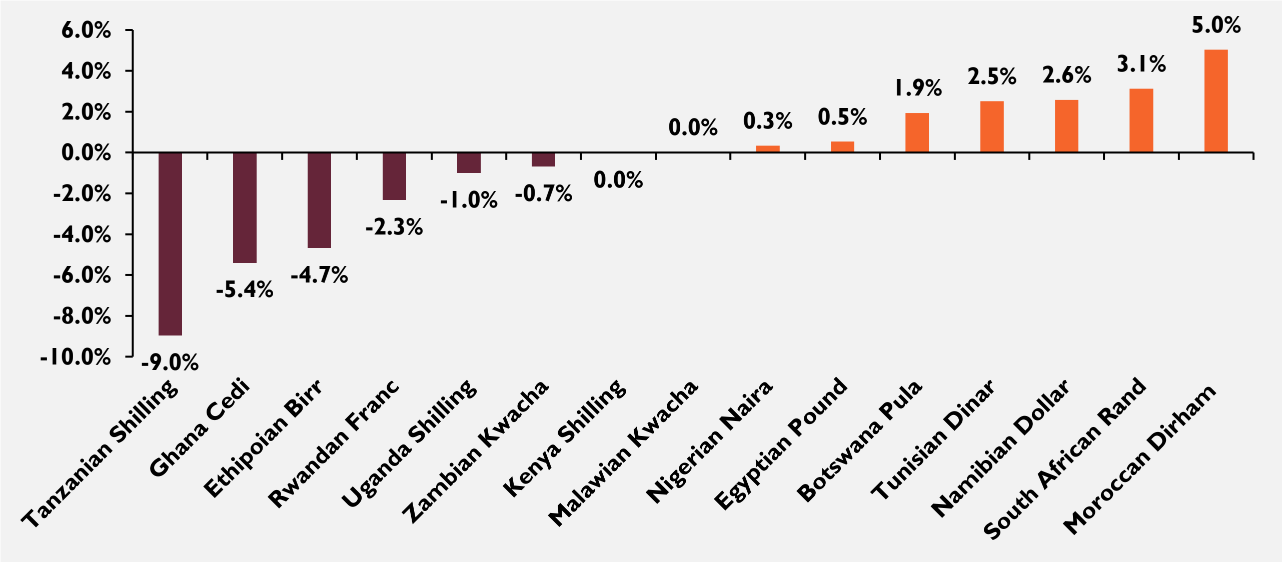
Looking ahead, we maintain a cautious view on the regional growth outlook, due to the uncertainty surrounding trade tariff developments. Although the recent pausing of tariffs offers a slight reprieve, businesses are likely to limit future investments and expansion decisions, as they monitor the situation, a move that is likely to further slow recovery.

Mixed Fortunes for Regional Currencies Amid Shifting Capital Flows

On the currency front, regional exchange rates demonstrated relative resilience early in the year, supported by renewed capital inflows amid declining global interest rates. The Moroccan dirham posted the strongest appreciation, driven by ongoing structural reforms that have helped narrow it's fiscal deficit. Additionally, capital injections from multilateral lenders have bolstered forex reserves, further supporting the dirhams' performance. In contrast, the Tanzanian shilling experienced the sharpest depreciation, as persistent foreign exchange shortages prompted hoarding behavior, further straining USD availability and accelerating currency weakness.

Going into the second quarter, we anticipate a straining of regional exchange rates, as escalating global trade tensions trigger capital flight from emerging markets, with risk-averse investors seeking safe-haven assets to weather the uncertain market conditions.

Chart 5: Select African Exchange Rate 2024 Performance



Source: Central Banks Data, AIB-AXYS Research

Eurobond Window Narrows as Risk Aversion Rises

Sovereign spreads continued to narrow at the start of the year, driven by declining global interest rates. This trend further eased access to international debt markets, with Benin, Ivory Coast, and Kenya all issuing new Eurobonds during the period. The lower rates in developed markets also boosted investor appetite for emerging market debt, resulting in oversubscription across all issuances. These Eurobond issues have provided much-needed relief for regional governments facing funding pressures as weakened domestic consumption —exacerbated by post-pandemic inflation—have seen tax revenues underperform targets. Volatility, however, has since gripped Eurobond markets as global trade tensions have seen investors shift to a more risk-averse stance, leading to a widening sovereign credit spreads. While spreads remain below 2022 peaks, we anticipate a slowdown in new Eurobond issuances in the second quarter as countries closely monitor global financial market developments.

III) Kenya Macro Outlook

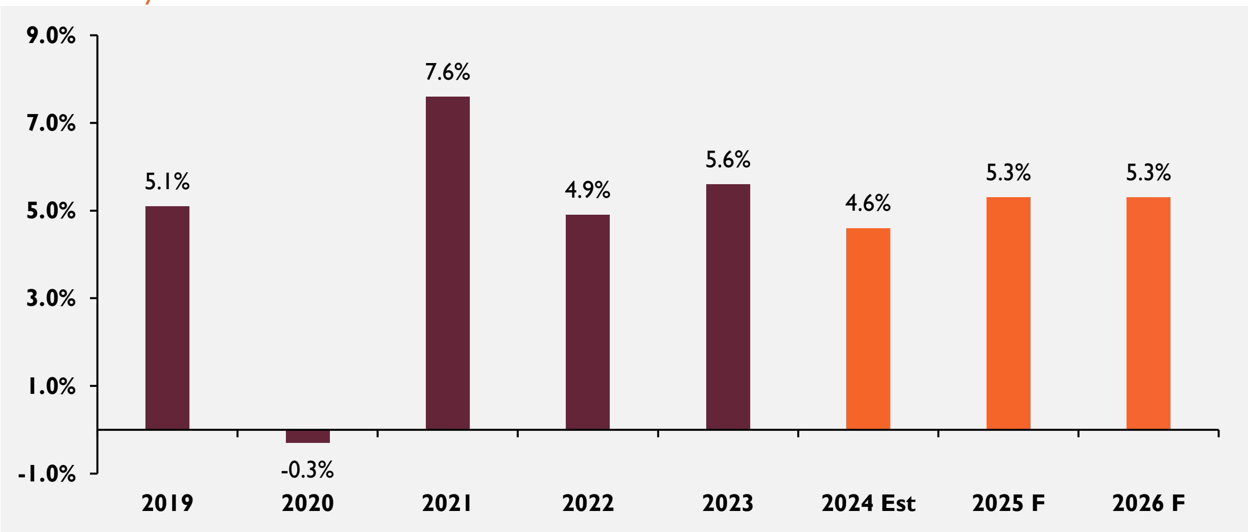
Slower than expected growth rate: Kenya's GDP

According to the National Treasury, Kenya's GDP grew by an estimated 4.6% in FY'2024, slower than the 5.6% recorded in FY'2023. In Q3'2024, growth stood at 4.0%, down from 6.0% in the same quarter of 2023. Over the first three quarters of FY'2024, GDP growth averaged 4.5%, below the 5.6% achieved in the corresponding period of FY'2023.

The 2024 expansion was primarily driven by strong performances in the agriculture, manufacturing, and services sectors. Most sectors recorded positive growth, except for mining and construction. The construction sector contracted due to reduced infrastructure projects, while mining remained subdued following the closure of Base Titanium's Kwale operations.

Due to slower growth in the first three quarters of 2024, the GDP estimate has been revised downward to 4.6% from an initial projection of 5.2%. However, growth is expected to rebound to 5.3% in FY 2025 and stabilize at this level through FY 2026. On the downside, ongoing trade tensions between China and the US, driven by trade tariff could weigh on GDP growth if the two nations fail to reach a consensus.

Chart 6: Kenya Real GDP Growth and Forecasts



Source: National Treasury, AIB-AXYS Research

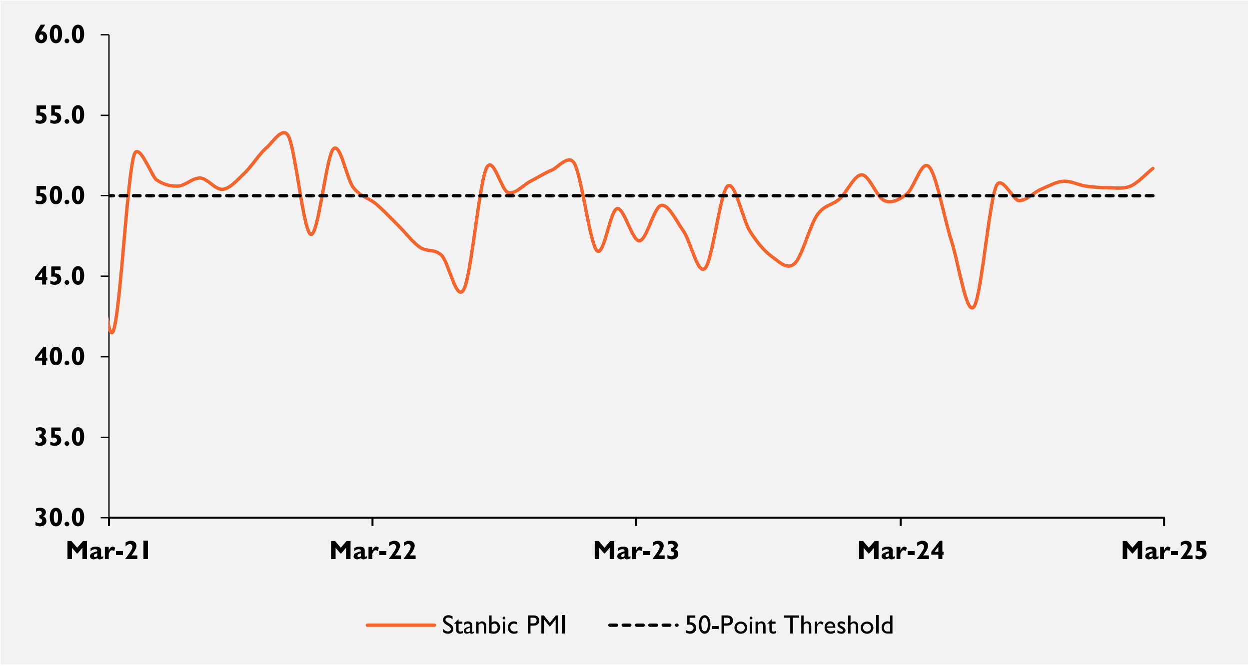
Business Conditions Rebound: Stanbic Purchasers Managers Index

Stanbic Purchasers Managers Index (PMI) showcased marginal improvement averaging at 50.9 compared to 50.3 recorded in Q1 2024, signaling an improvement in business sentiments. Readings above 50.0 signal an improvement in business conditions in the previous month, while readings below 50.0 show a deterioration. Notably March's 2025 numbers showed major improvement coming in at 51.7 compared to 50.6 recorded the February.

The period under review saw improved demand conditions, particularly in March, driving an increase in new orders within the private sector. This growth was supported by stronger cash flow, easing price pressures, and the introduction of new products and services. Businesses reported modest expansions in inventory and staffing levels but maintained a cautious outlook for the year ahead, as new business growth remained subdued. However, firms anticipate higher output, with plans to open new outlets and diversify their product and service offerings.

Overall, businesses observed growth in both output and sales, which we believe was supported by a favorable interest rate environment that incentivized borrowing and boosted business activity. However, as the global economy remains constrained by trade tariffs, this could have a dampening effect on the local business environment due to supply chain disruptions which we believe could lead to a slowdown in PMI in Q2.

Chart 7: Stanbic Bank Kenya Purchasing Managers Index



Source: Stanbic Bank Kenya, AIB-AXYS Research

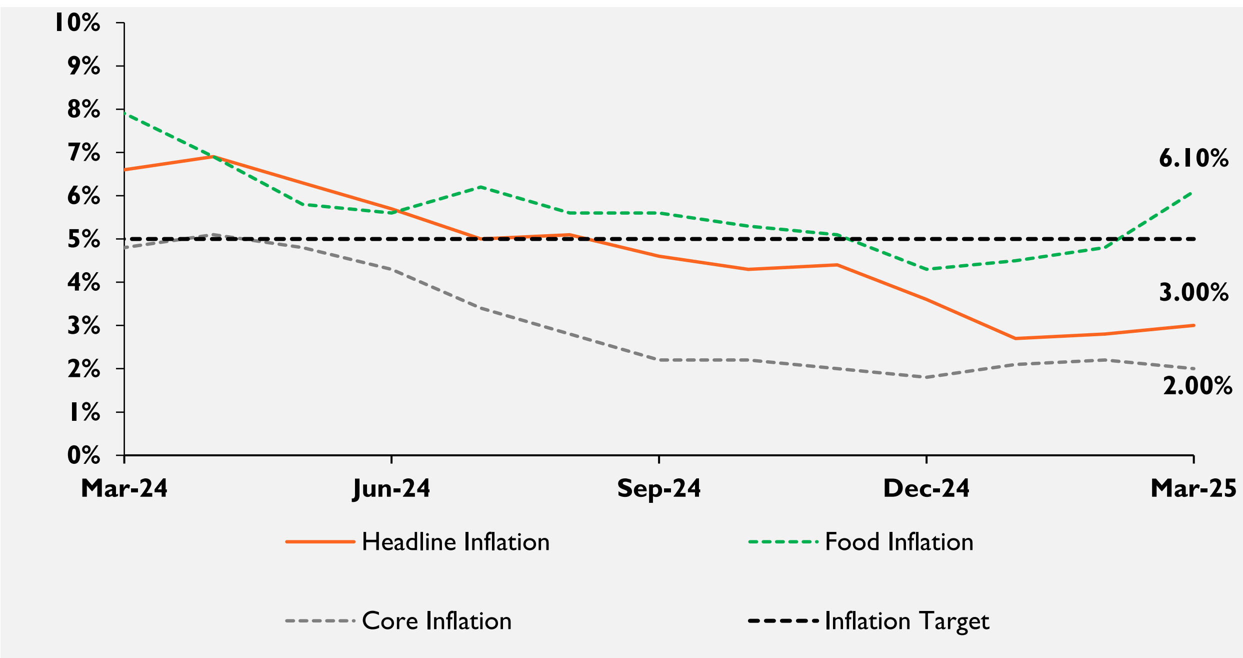
Inflation Holds Steady Amid Trade Wars: Price Levels

During the first quarter of 2025 headline inflation came in at 3.5%- within CBK's target range of 2.5%-7.5%, which is relatively lower than 6.3% recorded in Q1'2024. Inflationary pressures remained subdued in the quarter; however, March closed with the highest level of inflation at 3.6% on the back of an increase in prices in the Food and Non-Alcoholic Beverages category at 6.6%, transport at 1.5% and restaurant and accommodation at 4.0%.

During the quarter, food inflation came in at 6.3%, which was slower compared to 6.8% in 2024. Also, fuel inflation came in at 0.7%, which was impressively lower than 13.33% recorded in FY'24. Similarly, non-food inflation came in at 2.10%, which was slower compared to 4.90% recorded in Q1'2024.

Looking ahead, we expect inflation to remain anchored around this level, supported by a stable Kenyan shilling and ongoing rains that will boost food supplies potentially easing food inflation. However, inflationary pressures may arise from ongoing trade disruptions, primarily driven by US government tariffs, as well as from increased money supply due to the low-interest-rate environment.

Chart 8: CPI Inflation



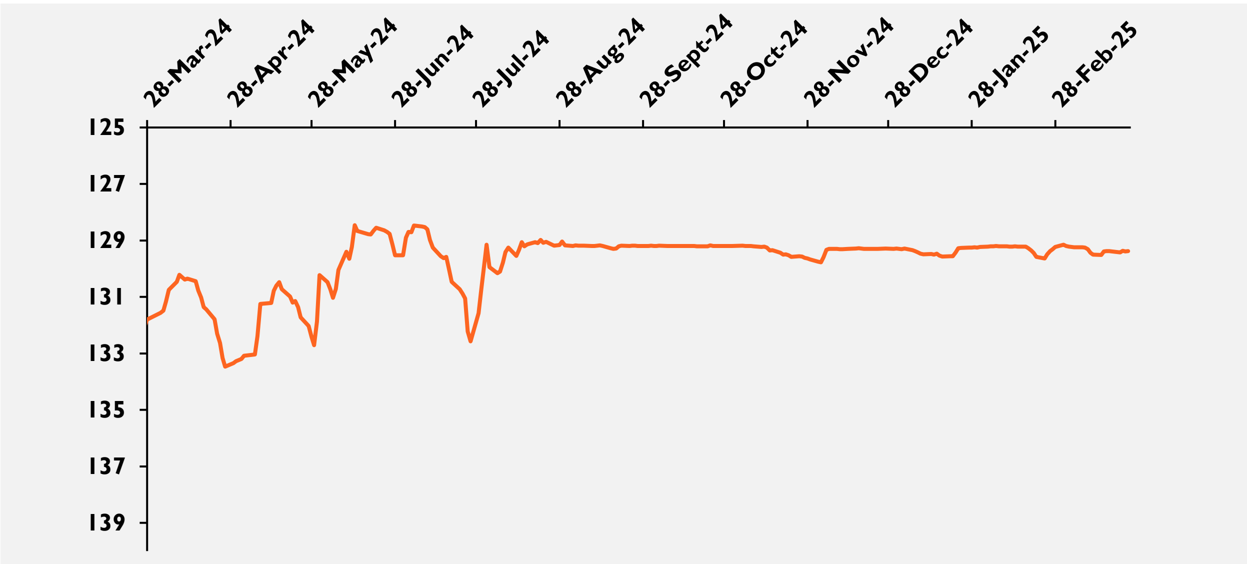
Source: Kenya National Bureau of Statistics, AIB-AXYS Research

Currency Stability Endures Amid Trade Tariff Tensions

Despite pressure on the global economy from ongoing tariff tensions, the Kenyan Shilling maintained its FY'24 gains, closing at KES 129.30 against the US dollar with several factors bolstering the shilling's resilience. By the quarter's end, Kenya's foreign exchange reserves reached USD 9.90 Bn, providing 5.1 months of import cover. We attribute the improvement in foreign reserves to the surplus from the February Eurobond issuance, the proceeds of which were used to partially buy back the USD 900.00 Mn Eurobond maturing in 2027.

Additionally, the Kenyan shilling received cushion from improved diaspora remittances. Total remittances between March 2025 and February 2024 reached USD 4,971.62 Mn, while Q1 2025 inflows amounted to USD 1,232.52 Mn – a 2.2% y/y increase from USD 1,206.12 Mn recorded during the same period last year. The currency also benefited from relatively low inflationary pressures, which remained below the CBK's target band, helping ease exchange rate pressures.

Chart 9: Kenya Shilling Performance Against US Dollar



Source: Central Bank of Kenya. AIB-AXYS Research

Going forward, we expect the Kenyan shilling to maintain stability in the near term. The government has maintained vigilance in monitoring key economic indicators, keeping inflation within target ranges while simultaneously incentivizing private sector credit growth through Central Bank Rate cuts. However, a balance is needed, excessive rate cuts could spur inflationary pressures, creating ripple effects on the currency. Additionally, the persistent current account deficit may exert further pressure on the shilling's performance.

Table 1: Kenya Shilling Performance Against Select Currencies

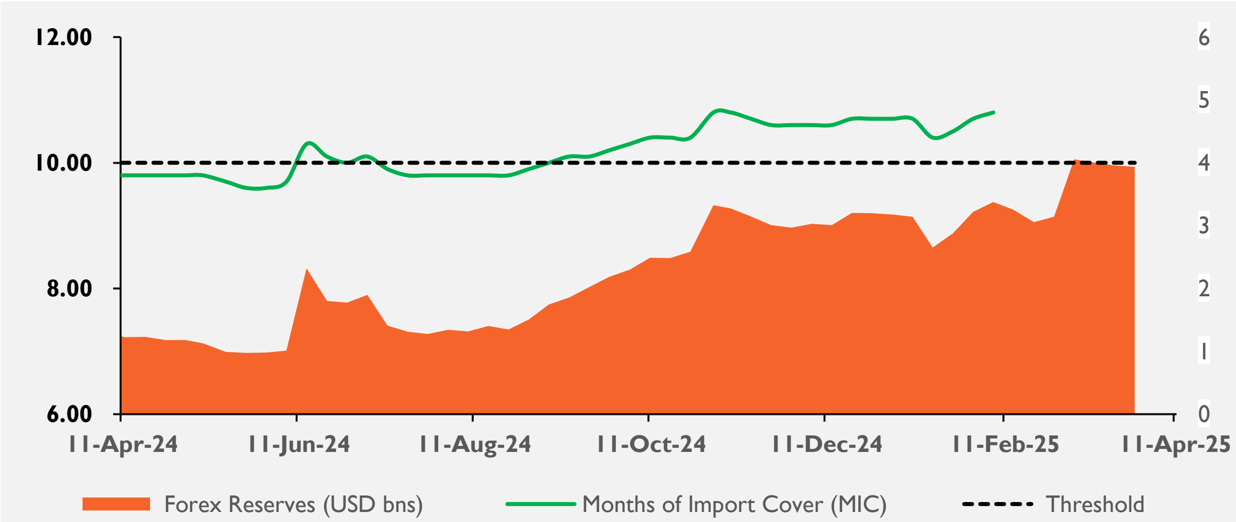
KES Exchange Rates	31-Dec-24	28-Mar-25	YTD % change
Sterling Pound	162.2688	167.3549	▼ (3.1%)
US Dollar	129.2927	129.3165	▼ (0.0%)
Euro	134.2899	139.5056	▼ (3.9%)
Chinese Yuan	17.7147	17.7992	▼ (0.5%)
Japanese Yen (100)	82.1193	85.7337	▼ (4.4%)
Indian Rupee	1.5119	1.5103	▲ 0.1%
South African Rand	6.8747	7.0759	▼ (2.9%)
Kenya/Uganda Shilling	28.4084	28.3413	▼ (0.2%)
Kenya/Tanzania Shilling	18.9879	20.6470	▲ 8.7%

Source: Central Bank of Kenya. AIB-AXYS Research

Foreign Reserves Hold Firm

Foreign reserves remained stable, reaching USD 9.90 Bn equivalent to 5.1 months of import cover. This represents an increase from the USD 9.20 Bn translating to 4.7 months of import cover recorded in December 2024. Notably, March marked the first time since June 2019 that reserves surpassed the USD 10.00 Bn threshold. The increase is largely due to the retained surplus from the February Eurobond issue, which was partially used to buy back the USD 900.00 Mn Eurobond maturing in 2027. With a 64.4% investor acceptance rate for the buyback, the government retained a larger-than-expected balance of KES 119.10 Bn, augmenting reserves. Going forward, we expect foreign reserves to remain stable, supported by liquidity injections from upcoming loan facilities. However, mounting external debt servicing costs may limit the upside potential reserve levels.

Chart 10: Forex Reserves Trend



Source: Central Bank of Kenya, AIB-AXYS Research

Tax Targets Missed, Spending Soars: Kenya's Fiscal Balancing Act Falters

Tax revenues underperformed estimates in the first nine months of the fiscal year, despite multiple downward revisions to projections since the year began. Revenues registered an 87.7% performance against prorated targets, coming in at KES 1.58 Tn- showcasing an average collection of KES 175.50 Bn per month. This fell short of the required average monthly collection of KES 200.10 Bn, leaving the Treasury with the challenging task of collecting KES 274.00 Bn per month in the current quarter to meet the revised annual target of KES 2.40 Tn. Tax underperformance came despite the enactment of the Tax Amendment Bill 2024 , which was set to raise additional revenue of KES 174.00 Bn, which we believe was overly ambitious given the limited introduction of substantial new taxes.

Despite revenue underperformance, the government approved additional spending of KES 199.90Bn through the second supplementary budget—marking a shift from its earlier commitment to reduce expenditures. This move widened the fiscal deficit to KES 887.20 Bn, further weakening the country's fiscal position. The additional spending primarily benefited recurrent and Consolidated Fund Services (CFS) expenditures. However, development expenditure continued to underperform, recording the weakest performance at just 48.1%, as the government focused its budget cuts on infrastructure projects.

Looking ahead, it is unlikely that revenue targets will be met by the end of the fiscal year, as economic activity remains subdued in the wake of last year's high inflation and elevated interest rates. Furthermore, grant financing may also fall short for the remainder of the year, as developed markets—led by the U.S.—scale back or discontinue aid programs. As a result, we expect the government to increasingly rely on debt markets to finance the anticipated shortfall- a trend that has already began slowing yields declines in the Fixed Income market.

Table 2: Fiscal Performance for the first nine months of FY2024/2025

Item	Revised Estimates	Prorated Estimates	Actual Receipts	% Achieved of the Revised Estimates	% Achieved of the Prorated
Opening Balance			1.2		
Tax Revenue	2,400.7	1800.5	1,579.4	65.8%	87.7%
Non-Tax Revenue	180.2	135.2	122.3	67.9%	90.5%
Total Revenue	**2,580.9**	**1,935.7**	**1,701.7**	**65.9%**	**87.9%**
External Loans & Grants	718.4	538.8	314.1	43.7%	58.3%
Domestic Borrowings	1,167.0	875.3	731.6	62.7%	83.6%
Other Domestic Financing	8.5	6.4	4.4	52.1%	69.5%
Total Financing	**1,894.0**	**1,420.5**	**1,050.1**	**55.4%**	**73.9%**
Recurrent Exchequer issues	1,412.7	1,059.5	991.8	70.2%	93.6%
CFS Exchequer Issues	2,289.0	1,716.8	1,223.3	53.4%	71.3%
Development Expenditure & Net Lending	354.9	266.2	170.8	48.1%	64.2%
County Governments+ Contingencies	418.3	313.7	255.5	61.1%	81.5%
Total Expenditure	**4,474.9**	**3,356.2**	**2,641.4**	**59.0%**	**78.7%**

Source: National Treasury, AIB-AXYS Research

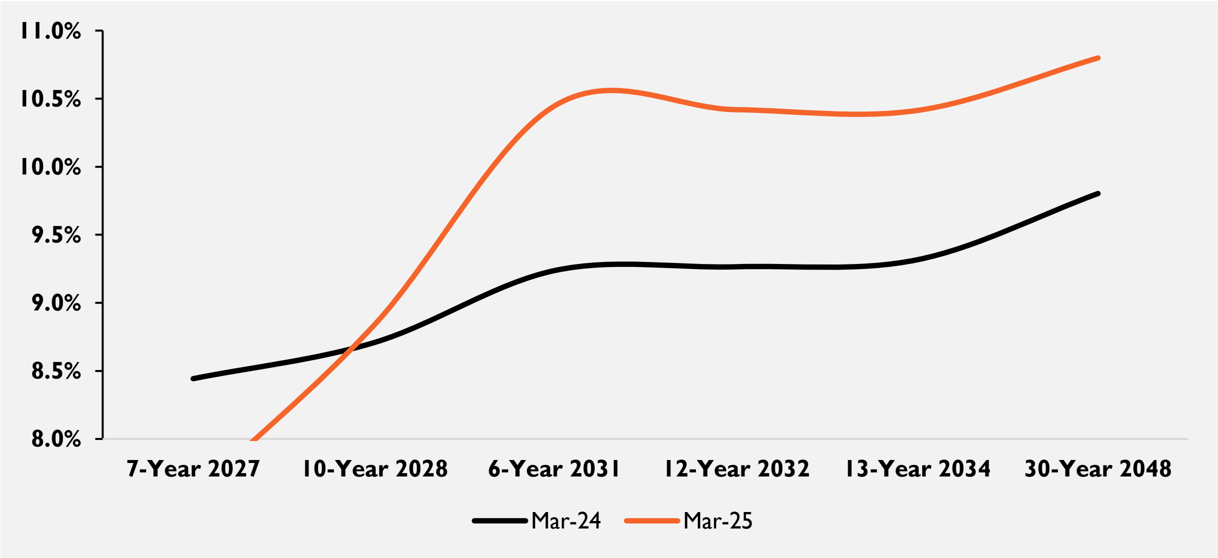
Debt Maneuvers: Strategic Buybacks and Eurobond Issuance to Alleviate Fiscal Strain

In Q1 2025, the Exchequer implemented its liability management strategy aimed at reducing rollover risks by executing bond buybacks in both domestic and international debt markets. As part of this strategy, Kenya returned to the Eurobond market in February with a new issuance, targeting early redemption of the upcoming USD 900.00 Mn (KES 116.4 Bn) 2027 Eurobond, originally scheduled for repayment in three equal tranches starting May 2025. The issuance was met with robust investor interest, garnering over USD 5.00 Bn in bids, underscoring renewed risk appetite for emerging market sovereign credit amid a softening global interest rate environment. The issue raised USD 1.50 Bn, priced to yield approximately 10.3% at issuance, with a 9.75% coupon and a weighted average life of six years.

Despite the exchequer's intention to secure a full buyback, investors agreed to sell back only 64.4% of the outstanding 2027 issue, translating to $579.6Mn (KES 75.1 Bn). We believe this partial uptake is indicative of investor confidence in Kenya's sovereign credit profile, suggesting that holders are comfortable with the country's repayment capacity and therefore not compelled to liquidate their positions prematurely. As a result of this partial buyback, the country was left with a larger-than-expected balance, with the government intending to utilize these proceeds to repay syndicated loans worth KES 113.9 Bn in a move aimed at further easing its repayment burden.

On the domestic front, the government issued its first-ever domestic bond buyback, targeting upcoming maturities worth KES 185.1 Bn in April and May. The buyback accepted bids amounting to KES 50.10 Bn against a target of KES 50.00 Bn, reducing the outstanding maturities to KES 135.10 Bn and helping to further ease rollover risks.

Chart 10: Kenya Eurobond Yield Evolution



Source: Central Bank of Kenya, AIB-AXYS Research

While these initiatives helped to ease some of the debt pressures on the country's fiscal space, significant challenges remain. Tax revenues continue to underperform estimates, leading the government to rely on debt markets to fund deficits. Meanwhile, global economic uncertainties—driven by trade tensions—have heightened risk perceptions around emerging market debt instruments, prompting investors to shift toward safe-haven assets. This has effectively offset the yield gains achieved through the Eurobond buyback. Looking ahead, we believe that any new Eurobond issue is unlikely in the near term, with the government exploring alternative funding sources, including debt-to-nature swaps and concessional loans from new partners like the UAE.

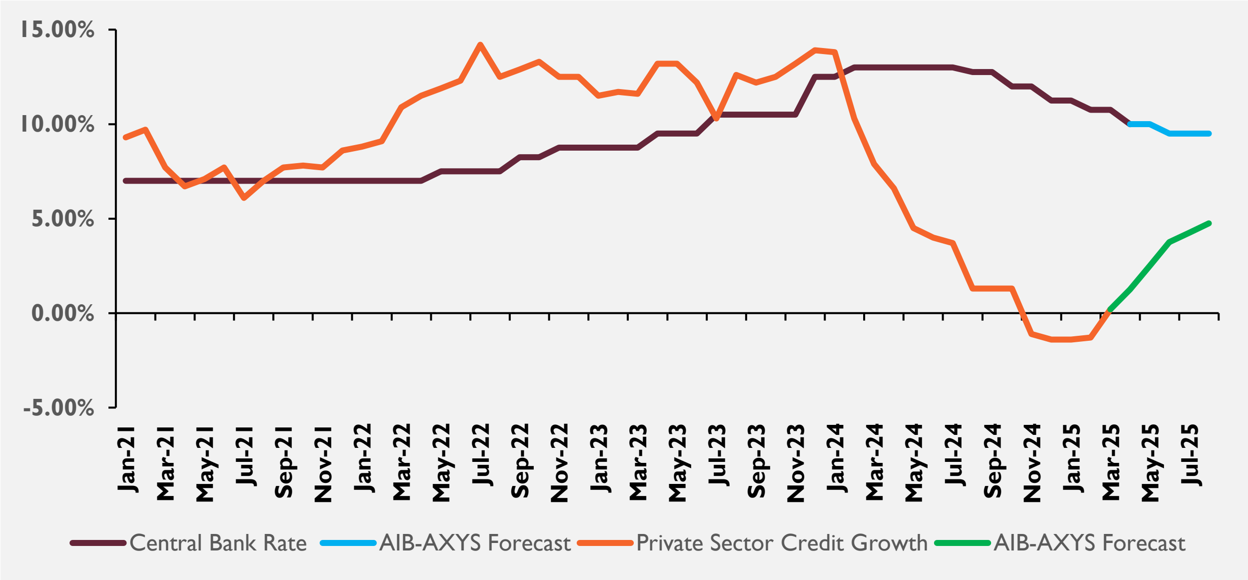
Central Bank Doubles Down on Easing

In the latest Monetary Policy Committee (MPC) meeting, the committee opted to enact a further 75 basis point (bps) interest rate cut, bringing the Central Bank Rate (CBR) down to 10.00%, with this move aiming to boost private sector lending, which remains sluggish despite previous cuts totaling 225bps. The decision surpassed our expectations, as we had anticipated a more cautious stance due to the uncertain macroeconomic environment and ongoing trade tensions that continue to pose inflationary risks. However, the committee noted that inflation remains below the midpoint target. Additionally, the CEO and agriculture surveys conducted by the Central Bank suggest minimal short-term inflationary pressure expectations in the near term, supported by favorable weather, a stable exchange rate, and falling fuel prices amid global oil market uncertainties.

The MPC also decided to narrow the interbank interest rate corridor around the Central Bank Rate (CBR) from ±150 bps to ±75 bps with this adjustment aiming to improve the effectiveness of monetary policy transmission, which has remained weak across the banking sector. It follows the MPC's earlier move in February to reduce the cash reserve ratio by 100 bps, a step intended to inject more liquidity into the banking system and stimulate lending growth. However, lending activity has yet to pick up meaningfully. Banks have attributed this to the inconsistent application of risk-based pricing models, which has hindered the full transmission of lower lending rates. We believe that adopting a unified-based lending rate could help standardize and improve the transmission of interest rate cuts, a view that is shared by both the Central Bank and the Kenya Bankers Association, who are currently in discussions on the most suitable benchmark rate, with the two-month average interbank rate emerging as a leading candidate.

Looking ahead, we anticipate that the Central Bank will maintain its easing cycle, with further rate cuts likely in upcoming MPC meetings. Our baseline projection assumes two additional 50 basis point cuts over the near term, bringing the Central Bank Rate (CBR) to a year-end target range of 8.50%–9.00%. We also expect private sector lending growth to gain moderate traction as recent interest rate cuts effects continue to reverberate through the market. However, we note that the upside may remain constrained in the absence of a standardized base lending rate, which would be instrumental in harmonizing rate transmission across the sector. Additionally, deteriorating asset quality within the banking sector is likely to exert further downward pressure on credit extension. With the Non-Performing Loan (NPL) ratio currently at 17.2% (industry average), banks are expected to adopt more cautious lending practices to contain credit risk. Consequently, we project that private sector credit growth is unlikely to exceed 8.50% by year-end.

Chart 11: Central Bank Rate and Private Sector Credit Growth Forecasts



Source: Central Bank of Kenya, AIB-AXYS Research

IV) Equities Outlook

Global equities markets entered 2025 with much optimism, riding on the gains made in 2024 and further fueled by post-inauguration optimism after the election in the US. This was the calm before the storm that took place in the quarter, stemming from the trade tariffs by President Trump to his trade partners as he pushed to enhance protectionism. This caused market jitters, which wiped out money in the equities markets, while higher valuations in US stocks attracted market corrections. The ever-resilient S&P 500 recorded one of its worst performances to date as it registered a decline of 4.3%. On the flip side, some countries, such as China, defied the market correction happening in the US, largely buoyed by the launch of an AI model by DeepSeek, which was relatively cheaper compared to US models as investor optimism drove a surge in Chinese tech stocks.

Emerging markets and frontier markets seemed resistant to the market shocks witnessed in the first quarter of 2025, with returns of 3.0% and 8.0%, respectively, an improvement from the 2.4% and 5.1% recorded in the same period last year. The performance of emerging markets was buoyed by attractive valuations, especially for tech companies, and higher expected corporate returns. On the other hand, developed countries witnessed a market correction of 10.7%, closing at a decline of 1.7% compared to the 9.0% return registered last year. This was linked to volatility caused by trade tariffs, while some stocks also experienced price corrections due to elevated valuations.

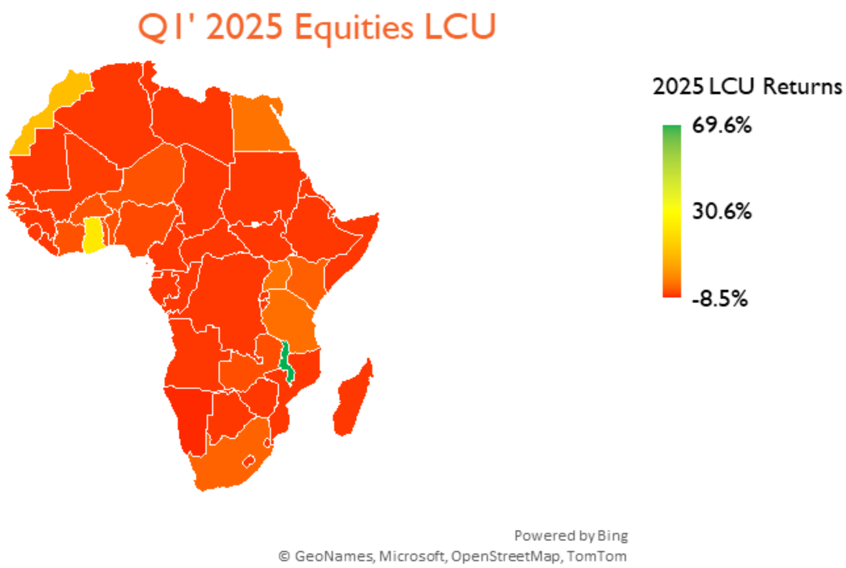
Table 3: Regional Equities Performance (USD % Terms)

Regional Equities	Q1 2024 Return	Q1 2025 Return	Change
MSCI Developed Markets	9.01%	(1.7%)	▼ (10.7%)
MSCI Emerging Markets	2.44%	3.0%	▲ 0.6%
MSCI Frontier Markets	5.08%	8.0%	▲ 2.9%
MSCI All Country Average	**8.32%**	**(1.3%)**	▼ (9.6%)

Source: MSCI World, AIB-AXYS Research

On a regional basis, despite global market shocks, African equity markets registered a bullish momentum, posting a median return of 5.1% in local currency units (LCU). Malawi was the best-performing market, with the MSEASI gaining 69.6% during the quarter. Ghana followed in second place with a quarterly return of 27.2%, while Morocco came in third at 20.6%. On the other hand, Namibia was the worst-performing market, declining by 2.1%. As trade tensions begin to ease, we expect African equity markets to remain resilient, as seen during the quarter.

Chart 12: African Equities LCU Return Heatmap



Source: African-Markets, AIB-AXYS Research

Kenya's Equities Outlook

The equities market demonstrated resilience during the quarter, building on the gains from FY'24 despite global volatility triggered by concerns over Trump's tariff policies, and showed an upward trend across all local indices. On a quarter-on-quarter basis, the Nairobi All Share Index (NASI) gained 5.9%, closing the quarter at 130.8 points, up from 123.5 points in Q4'2024. Year-on-year, the NASI rose 15.7% compared to 113.1 points at the end of the first quarter in 2024. Over the quarter, the NSE 10 Index, NSE 20 Index, and NSE 25 Index registered gains of 3.1%, 10.8%, and 3.8%, respectively. These gains can be attributed to strong performances by large-cap stocks such as Stanbic Holdings, Diamond Trust Bank, NCBA Group, and Standard Chartered Bank Kenya, which posted year-to-date gains of 17.9%, 9.8%, 8.9%, and 7.0%, respectively. This rally was bolstered by surging corporate earnings, which boosted investor confidence.

Equity turnover decreased on a quarterly basis to close at KES 26,211.00 Mn compared to KES 40,075.10 Mn at the close of the previous quarter; however, this represented a 41.6% increase on a year-on-year basis. During the period under review, the market experienced foreign capital flight, largely attributable to trade tensions as foreign investors remained net sellers while also reducing their market participation.

As global equity markets ease from Trump's trade tariffs after he announced a 90-day pause for countries that did not retaliate, we expect markets to remain stable moving forward. We also note that the government is taking deliberate measures to increase credit availability for businesses by lowering interest rates, which is expected to ripple through the Fixed Income market by driving down yields on government securities. Consequently, as these yields continue to fall, we anticipate a positive trajectory in the equity markets as investor shift their investment preferences seeking higher returns.

Table 4: Kenya Equity Market Quarterly Statistics

Statistic	Q1'23	Q1'24	Q4'24	Q1'25	q/q % Change	y/y % Change
Equity Turnover (KES Mn)	22,053.1	18,508.6	40,075.1	26,211.0	▼ (34.6%)	▲ 41.6%
Market Cap (KES Bn)	1,756.3	1,767.0	1,939.7	2,056.1	▲ 6.0%	▲ 16.4%
NSE All Share Index	112.8	113.1	123.5	130.8	▲ 5.9%	▲ 15.7%
NSE 10 Index		1,155.4	1,302.3	1,342.4	▲ 3.1%	▲ 16.2%
NSE 20 Index	1622.1	1752.4	2010.7	2226.9	▲ 10.8%	▲ 27.1%
NSE 25 Index	2965.9	2975.4	3402.8	3532.4	▲ 3.8%	▲ 18.7%
Foreign Buys	8757.1	10268.7	7818.9	8523.9	▲ 9.0%	▼ (17.0%)
Foreign Sales	13,868.9	12,317.6	10,340.1	11,779.6	▲ 13.9%	▼ (4.4%)
Net F. Flows	(5,114.5)	(2,227.9)	(2,521.2)	(3,255.67)	▲ 29.1%	▲ 46.1%
Total Volume Traded (Mn)	1085.0	1069.7	1292.2	1572.5	▲ 21.7%	▲ 47.0%

Source: NSE, AIB-AXYS Research

Table 5: NSE Top Movers Q1 2025

Top Movers 2025	Turnover (KES Mn)	Turnover (USD Mn)	Foreigners' Participation	Closing Price	% Change (YTD)
Safaricom Plc	KES 8,058.7	$62.37	69.1%	KES 18.30	▲ 7.3%
KCB Group	KES 5,527.2	$42.78	25.1%	KES 42.15	▲ 1.3%
Equity Group Holdings	KES 2,644.6	$20.47	40.5%	KES 47.10	▼ (2.5%)
East African Breweries	KES 1,408.4	$10.90	63.3%	KES 180.00	▲ 2.6%
Absa Bank Kenya	KES 917.4	$7.10	2.5%	KES 19.00	▲ 5.3%
Co-operative Bank of Kenya	KES 730.5	$5.65	4.4%	KES 16.00	▼ (2.7%)
Standard Chartered Bank	KES 701.2	$5.43	9.3%	KES 299.25	▲ 7.0%
Stanbic Holdings	KES 657.4	$5.09	53.2%	KES 161.75	▲ 17.9%
HF Group Plc	KES 655.9	$5.08	0.0%	KES 6.90	▲ 53.0%
Kenya Power & Lighting Co	KES 642.9	$4.98	6.4%	KES 6.76	▲ 40.5%
Liberty Kenya Holdings	KES 634.9	$4.91	0.1%	KES 10.30	▲ 54.2%
KenGen Co.	KES 491.1	$3.80	5.3%	KES 5.02	▲ 37.9%
I&M Holdings	KES 478.6	$3.70	0.5%	KES 32.35	▼ (10.8%)
British American Tobacco Kenya	KES 442.1	$3.42	40.4%	KES 371.25	▼ (1.3%)
Kenya Re Insurance Corporation	KES 380.0	$2.94	2.6%	KES 1.61	▲ 25.8%

Source: NSE, AIB-AXYS Research

The top traded counters over the quarter were ***Safaricom, KCB Group and Equity Group Holdings*** with cumulative turnover coming at **KES 8.05 Bn, KES 5.52 Bn and KES 2.64 Bn**, respectively. We note that for these top three counters, their trading activity increased compared to the same period last year, despite lower foreign investor participation in the market. Going forward, we expect increased market activity in equities, particularly blue chips as investors shift investments from the fixed income segment amid declining yields.

Bullish sentiment was largely skewed on ***East African Breweries***, which recorded cumulative net inflows amounting to KES 221.9 Mn, whereas on other hand, bearish sentiment was skewed on ***Safaricom*** which recorded net outflows amounting to KES1,364.6 Mn.

Table 6: Top Foreigner Net Buys & Sales Q1 2025

Top Net Foreigner Buys		Top Net Foreigner Sales	
Company	**Turnover (KES '000')**	**Company**	**Turnover (KES '000')**
East African Breweries Plc	221,921.45	Safaricom Plc	(1,364,557.33)
Kenya Power & Lighting Co Plc	49,686.38	KCB Group Plc	(941,596.77)
Jubilee Holdings Ltd	45,520.70	Equity Group Holdings Plc	(672,188.33)
KenGen Co. Plc	15,431.33	British American Tobacco Kenya Plc	(271,607.20)
Carbacid Investments Plc	9,362.73	Stanbic Holdings Plc	(156,843.33)
I&M Group Plc	1,533.16	ABSA Bank Kenya Plc	(44,154.81)
ABSA New Gold ETF	1,010.00	Standard Chartered Bank Kenya Ltd	(22,912.58)
Britam Holdings Plc	495.77	NCBA Group Plc	(22,629.17)
Kapchorua Tea	375.20	Kenya Re- Insurance Corporation Ltd	(19,879.47)
Crown Paints Kenya Plc	81.20	Diamond Trust Bank	(18,662.63)

Source: NSE, AIB-AXYS Research

Penny stocks dominated the top gainers, reflecting continued investor speculation. Their low prices made them an accessible entry point for traders, though their volatility far exceeds that of blue-chip stocks posing significant risks. Notably TransCentury Plc, E.A Cables and Uchumi Supermarket, all trading at less than KES 2.5 per share, posted highest gains of 223.1%, 106.5% and 105.9% respectively. Small and mid-cap stocks underperformed as their valuations remained tied to fundamental factors. Notably, Africa Mega Agricorp, Car & General, and I&M Holdings were the top losers, with price corrections of 27.1%, 20.15%, and 32.35%, respectively. It's worth noting that I&M Holdings had posted significant gains of 107.1% in FY'2024, which helps explain the subsequent correction

Table 7: Q1 2025 Gainers and Losers (Capital Gains)

Top Gainers 2025		Closing Price	% Change
Trans-Century Plc	KES	1.26	▲ 223.1%
E.A.Cables	KES	2.23	▲ 106.5%
Uchumi Supermarket	KES	0.35	▲ 105.9%
Home Afrika Ltd	KES	0.76	▲ 105.4%
Sanlam Kenya Plc	KES	8.40	▲ 69.7%
Unga Group	KES	25.10	▲ 67.3%
Liberty Kenya Holdings	KES	10.30	▲ 54.2%
HF Group Plc	KES	6.90	▲ 53.0%
Sameer Africa	KES	3.61	▲ 48.6%
Kenya Power & Lighting Co	KES	6.76	▲ 40.5%

Top Losers 2025		Closing Price	% Change
Africa Mega Agricorp	KES	51.00	▼ (27.1%)
Car & General	KES	20.15	▼ (11.4%)
I&M Holdings	KES	32.35	▼ (10.8%)
B.O.C Kenya	KES	80.50	▼ (9.3%)
Crown Paints Kenya	KES	30.00	▼ (8.8%)
Limuru Tea	KES	320.00	▼ (8.6%)
Carbacid Investments	KES	19.75	▼ (5.7%)
Nation Media Group Plc	KES	13.65	▼ (5.2%)
Umeme Ltd	KES	16.00	▼ (4.5%)
Eaagads Ltd	KES	11.50	▼ (4.2%)

Source: NSE, AIB-AXYS Research

For the quarter Bamburi Cement posted the highest dividend yield which came in at an impressive 42.0%. Umeme came in second with a dividend yield of 19.4%. Standard Chartered Bank Kenya and Stanbic Holdings showed resilience in the banking sector with dividend yield of 15.0% and 12.8% respectively. Willamson Tea Kenya and Kapchorua Tea Kenya showed resilience in the Agricultural sector with dividend yields of 11.4% and 11.0% respectively.

Table 8: Top Dividend Yield Counters Q1 2025

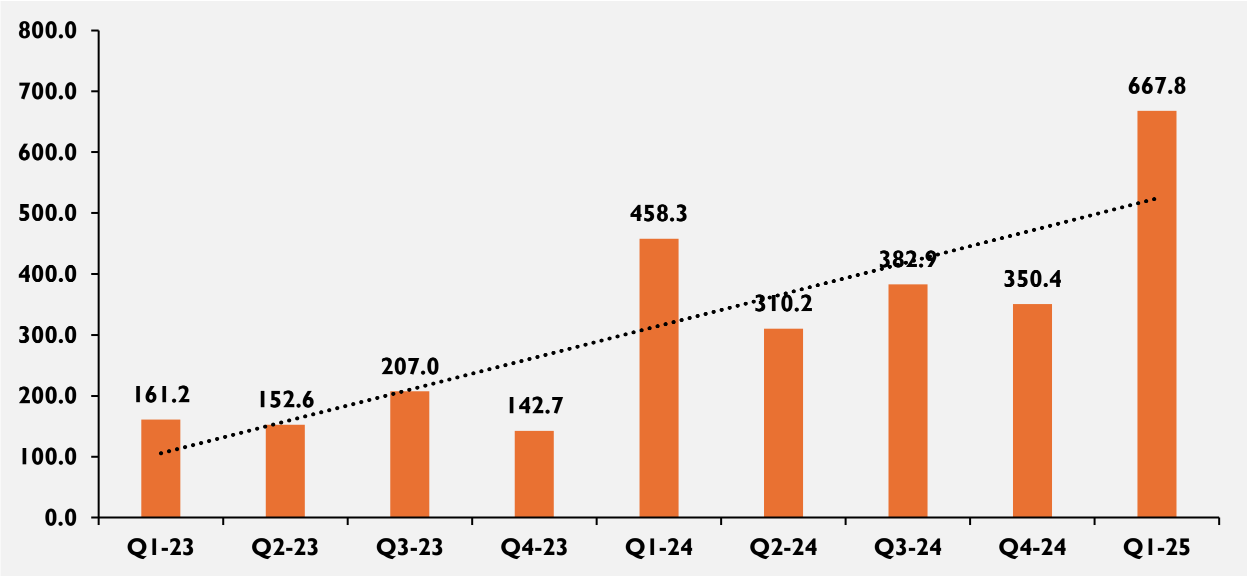
Top Dividend Counters Q1'2025	Dividend	Closing Price	Dividend yield (%)
Bamburi Cement Ltd	23.72	56.50	42.0%
Umeme Ltd	3.11	16.00	19.4%
Standard Chartered Bank Kenya Ltd	45.00	299.25	15.0%
British American Tobacco Kenya Plc	50.00	371.25	13.5%
KenGen Co. Plc	0.65	5.02	12.9%
Stanbic Holdings Plc	20.74	161.75	12.8%
BK Group Plc	3.90	34.00	11.5%
Williamson Tea Kenya Plc	25.00	219.00	11.4%
Kapchorua Tea Kenya Plc	25.00	226.25	11.0%
NCBA Group Plc	5.50	52.50	10.5%

Source: NSE, AIB-AXYS Research

V) Fixed Income Outlook

Fixed income market activity surged in Q1, with secondary market turnover rising by 45.7% y/y to KES 667.80Bn—putting it on track to surpass last year's record-high performance. This growth was fueled by the easing monetary policy environment that saw the CBK enact further rate cuts during the period. Capital gains-driven investors continued to exit their positions at a premium, locking in mark-to-market gains, while yield-seeking investors targeted older bonds with higher coupons compared to newer issues. Additionally, the February primary auction of infrastructure bonds (IFBs), which recorded an impressive 277.0% performance rate, likely contributed to the spike in secondary market activity, with investors whose bids were unsuccessful turning to the secondary market to acquire the bonds, while successful bidders partially exited to take profits.

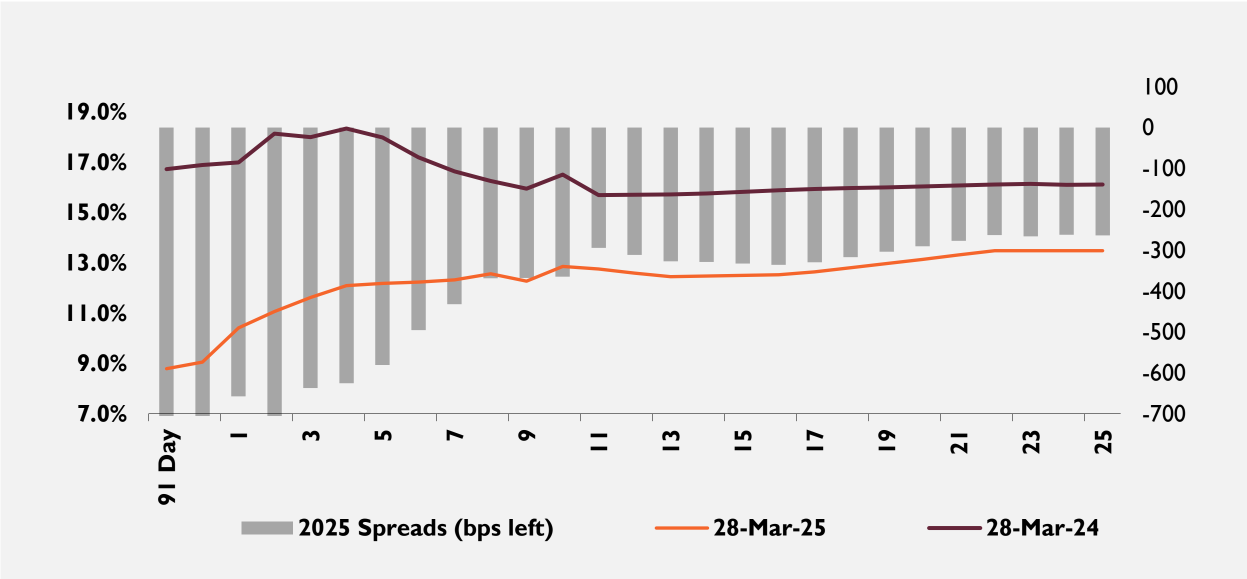
Chart 13: NSE Secondary Bond Market Turnover in KES



Source: NSE, AIB-AXYS Research

Going into Q2, we expect secondary market turnover to remain strong, supported by robust participation in the government's recent primary bond issuance as it builds a buffer ahead of upcoming maturities. Furthermore, with the Central Bank continuing its rate-cutting cycle, we anticipate sustained interest from both capital gains-driven and yield-seeking investors.

Chart 14: NSE Secondary Bond Market Turnover in KES



Source: NSE, AIB-AXYS Research

In Q1, the yield curve continued to face downward pressure, led by discount securities, as the government increasingly shifted its borrowing strategy toward long-term instruments. This shift resulted in a surge of rejections for short-term securities, further depressing spot rates as short-term yields declined by 793.8 basis points year-to-date. Similar pressure was observed in the midsection of the yield curve, contributing to a progressive flattening—marking a sharp contrast to the yield structure seen in Q1 2024.

Looking ahead, while the recent interest rate cuts are expected to exert further downward pressure on yields, the decline is likely to slow. Mounting government funding needs are expected to drive increased domestic borrowing, which could put a floor under spot rates. Moreover, as global uncertainties persist, investors may demand higher risk premiums before allocating capital to emerging market debt—further limiting the scope for yield compression.

VI) Portfolio Recommendation

In the current uncertain macroeconomic environment, constant shifts in the business cycle have continued to present both risks and opportunities for investors. Against this backdrop, portfolio management must evolve from static allocation models to a more dynamic, responsive framework—one that seeks to optimize utility through carefully calibrated exposure to risk and reward.

At the beginning of the year, we highlighted the potential for elevated volatility across and within asset classes, and called for increased selectivity and tactical flexibility in portfolio construction. These expectations have largely materialized. We observed a decisive rotation in investor preference from fixed income to equities, particularly in sectors like banking and financial services, which benefited from elevated interest income stemming from government securities. This strategic positioning delivered meaningful capital gains and dividend income, in some cases surpassing forecasts. However, the rapid appreciation in select equity counters eventually limited entry opportunities for new investors, highlighting the importance of timely execution.

As we progress into the second quarter, the investment climate continues to evolve. Shifts in macroeconomic signals and market sentiment have begun to reframe risk perceptions, as evidenced by the renewed interest in the bond market during the latter part of the quarter. This trend, which we expect to persist, reflects a broader rebalancing by investors seeking to hedge against deepening uncertainties. Nonetheless, we believe equities still offer value, especially following the passing of book closure dates, which has led to price corrections across several counters. These dislocations create opportunities to recalibrate existing portfolios.

AIB-AXYS Africa Equities Portfolio Recommendation Q2 2025

As uncertain global market conditions weigh down local equity performance, we view this as an opportunity for investors to secure attractive discounted positions whilst rebalancing their existing portfolio. We remain bullish in the banking, energy& petroleum, insurance, and manufacturing sectors, which we still believe will position investors to benefit from attractive capital appreciation prospects.

Table 9: AIB-AXYS Equities Portfolio

Counter	Sector	Opening Price (as at 2nd May 2025)	Target Price	Expected Return	Q1 Weighting	Q2 Weighting
Kapchorua Tea	Agriculture	209.50	252.18	20.37%	10.00%	10.00%
ABSA Bank Kenya	Banking	17.20	21.20	17.45%	10.00%	10.00%
Equity Group	Banking	46.05	54.38	18.08%	10.00%	10.00%
KCB Group	Banking	38.55	49.14	27.47%	10.00%	10.00%
Standard Chartered Bank	Banking	270.00	323.79	19.92%	10.00%	5.00%
KenGen Plc.	Energy & Petroleum	4.90	5.55	13.26%	10.00%	10.00%
CIC Group	Insurance	2..94	3.07	4.42%	10.00%	10.00%
British American Tobacco Kenya Plc	Manufacturing & Allied	372.50	436.25	17.11%	10.00%	10.00%
Carbacid Investments	Manufacturing & Allied	19.35	19.35	0.00%	10.00%	5.00%
East African Breweries Ltd	Manufacturing & Allied	171.75	195.55	13.85%	10.00%	10.00%
Co-operative Bank of Kenya	Banking	14.40	17.82	23.75%	0%	10.00%

Source: NSE, AIB-AXYS Africa Research

AIB-AXYS Africa Fixed Income Portfolio recommendation Q2 2025

With the easing monetary environment in full swing, we recommend that conservative investors continue extending their duration risk by investing in longer term bonds, benefiting from declining interest rates that would see their prices rise. For income-oriented investors we recommend this list of coupon paying bonds below.

Table 10: Top Ten bonds by Coupon Rate

Issue No.	Next Coupon Payment Date	Maturity Date	Tenor to Maturity (Years)	Fixed Coupon Rate*	Modified Duration (%)
IFB1/2024/8.5	Feb-2025	Aug-2032	7.3	18.4607%	4.0
FXD1/2024/003	Jul-2025	Jan-2027	1.7	18.3854%	1.6
IFB1/2023/6.5	May-2025	May-2030	5.0	17.9327%	3.4
FXD1/2023/002	Feb-2025	Aug-2025	0.3	16.9723%	0.5
FXD1/2023/005	Jul-2025	Jul-2028	3.2	16.8440%	2.6
FXD1/2024/010	Mar-2025	Mar-2034	8.9	16.0000%	4.7
IFB1/2023/007	Jun-2025	Jun-2030	5.1	15.8370%	3.6
FXD1/2016/010	Feb-2025	Aug-2026	1.3	15.0390%	1.3
IFB1/2023/017	Mar-2025	Feb-2040	14.8	14.3990%	6.1
FXD1/2023/003	May-2025	May-2026	1.0	14.2280%	1.1

Source: NSE, AIB-AXYS Research

**Fixed Coupon Rates are Gross of Withholding Tax where applicable.*

	Offered Amount (KES, Mn)	Paper(s)	Duration at Issuance (yrs)	Performance Rate	Coupon Rate (%)	Market Average Yield (%)	Accepted Average Yield (%)	Deviation from Yield Curve
Apr-24	25,000	FXD1/2023/005 - Tap Sale	4.4		16.844%		18.410%	
		FXD1/2024/010 - Tap Sale	9.9	**183.4%**	16.000%		16.519%	
	40,000	FXD1/2023/002 - Re-open	1.4	**118.0%**	16.972%	17.147%	16.992%	▼ (54 bps)
May-24	25,000	FXD1/2024/010 - Re-opened	9.9	**16.668%**	16.000%	16.668%	16.227%	▲ 7 bps
	15,000	FXD1/2024/010 - Tap Sale	9.9	**46.8%**	16.000%			
Jun-24	30,000	FXD1/2023/002 - Re-opened	1.2		16.972%	17.187%	17.123%	▲ 37 bps
		FXD1/2024/003 - Re-opened	2.6	**102.9%**	18.385%	17.627%	17.586%	▲ 40 bps
	30,000	FXD1/2023/005 - Re-opened	4.1		16.844%	18.277%	18.165%	▲ 86 bps
		FXD1/2023/010 - Re-opened	8.7	**138.5%**	14.151%	16.571%	16.392%	▲ 163 bps
	20,000	FXD1/2023/002 - Tap Sale	1.2		16.972%			
		FXD1/2024/003 - Tap Sale	2.6		18.385%			
		FXD1/2023/005 - Tap Sale	4.1		16.844%			
		FXD1/2023/010 - Tap Sale	8.7	**125.7%**	14.151%			
Jul-24	20,000	FXD1/2023/002 - Tap Sale	1.2	**2.4%**	16.972%			
	30,000	FXD1/2024/010 - Re-opened	9.7		16.000%	16.636%	16.592%	▲ 166 bps
		FXD1/2008/020- Re-opened	3.9	**48.9%**	13.750%	18.475%	18.290%	▲ 53 bps
Aug-24	50,000	IFB1/2023/6.5 - Re-opened	5.8		17.933%	18.469%	18.299%	▲ 77 bps
		IFB1/2023/17 - Re-opened	15.7	**252.6%**	14.399%	18.158%	17.728%	▲ 32 bps
Sep-24	15,000	IFB1/2023/17 -Tap Sale	15.7	**234.6%**	14.399%			
	30,000	FXD1/2024/010 - Re-opened	9.5		16.000%	16.972%	16.870%	▲ 18 bps
		FXD1/2016/020 - Re-opened	12.0	**75.5%**	14.000%	17.349%	17.285%	▲ 176 bps
Oct-24	30,000	FXD1/2016/010 re-opened	1.8		15.039%	17.064%	16.984%	▲ 14 bps
		FXD1/2022/010 re-opened	7.6	**169.9%**	13.490%	17.340%	16.952%	▲ 1 bps
	15,000	FXD1/2022/010 (Tap sale)	7.6	**110.0%**	13.490%			
Nov-24	25,000	FXD1/2023/010 re-opened	8.3		14.151%	16.150%	15.972%	▼ (17 bps)
		FXD1/2022/015 re-opened	12.5	**132.2%**	13.942%	16.385%	16.299%	▼ (21 bps)
	20,000	FXD1/2024/010 re-opened	9.4	**277.9%**	16.000%	16.113%	15.855%	▲ 25 bps
Dec-24	25,000	FXD1/2023/010 re-opened	8.2		14.151%	14.864%	14.691%	▲ 84 bps
		FXD1/2018/020 re-opened	13.3	**285.3%**	13.200%	15.271%	15.112%	▲ 85 bps
	20,000	FXD1/2024/010 re-opened	9.3	**268.1%**	16.000%	14.782%	14.685%	▲ 4 bps
Jan-25	30,000	FXD1/2018/015 re-opened	8.3		12.650%	14.329%	14.210%	▲ 75 bps
		FXD1/2022/025 re-opened	22.8	**196.7%**	14.188%	15.743%	15.683%	▲ 8 bps
Feb-25	70,000	IFB1/2022/014 re-opened	11.8		13.938%	14.086%	13.978%	▲ 27 bps
		IFB1/2023/017 re-opened	15.1	**277.0%**	14.399%	14.416%	14.281%	▲ 119 bps
Mar-25	25,000	FXD1/2018/025 re-opened	18.3	**188.1%**	13.400%	13.938%	13.803%	▲ 51 bps
Average*	**32,000**		**9.2**	**169.9%**	**15.038%**	**16.401%**	**16.242%**	**▲ 50 bps**

Source: CBK, AIB-AXYS Research,   ** - Yearly average results excludes tap sales*

AGRICULTURAL	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Eaagads Ltd	**12.75**	▲ 6.3%	▲ 6.3%	600	44.67	410.0	**0.02%**	(1.91)	-	(6.7x)	0.3x	0.0%	0.0%	0.0%	0.0%
Kakuzi Plc	**411.00**	▼ (6.6%)	▲ 6.8%	100	272.11	8,055.6	**0.40%**	(43.88)	8.00	(9.4x)	1.5x	1.9%	(119.0%)	0.0%	0.0%
Kapchorua Tea Kenya Plc	**209.50**	▲ 1.3%	▼ (10.9%)	200	249.69	1,639.1	**0.08%**	25.49	25.00	8.2x	0.8x	11.9%	49.0%	10.2%	7.5%
The Limuru Tea Co. Plc	**320.00**	-	▼ (8.6%)	0	76.28	768.0	**0.04%**	0.11	1.00	2,909.1x	4.2x	0.3%	29.6%	0.1%	0.1%
Sasini Plc	**15.40**	-	▲ 3.4%	2,500	93.17	3,512.1	**0.18%**	(3.13)	1.00	(4.9x)	0.2x	6.5%	(41.3%)	0.0%	0.0%
Williamson Tea Kenya Plc	**210.25**	▼ (4.1%)	▼ (7.2%)	400	365.89	3,682.0	**0.18%**	(3.64)	25.00	(57.8x)	0.6x	11.9%	88.0%	0.0%	0.0%
Industry Median		**-**	**▼ (1.9%)**			**18,066.8**	**0.91%**			**(5.8x)**	**0.7x**	**4.2%**	**14.8%**	**0.0%**	**0.0%**

AUTOMOBILES & ACCESSORIES	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Car & General (K) Ltd	**19.80**	-	▼ (13.0%)	0	133.35	794.0	**0.04%**	(3.77)	-	(5.3x)	0.1x	0.0%	0.0%	0.0%	0.0%

BANKING	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
ABSA Bank Kenya Plc	**17.20**	▼ (5.2%)	▼ (4.7%)	112,400	15.69	93,422.4	**4.69%**	4.28	1.75	4.0x	1.1x	10.2%	45.6%	27.3%	4.6%
BK Group Plc	**31.50**	▼ (0.6%)	▼ (3.2%)	406,400	58.88	28,247.9	**1.42%**	10.15	2.64	3.1x	0.5x	8.4%	27.9%	17.2%	3.0%
Diamond Trust Bank Kenya Ltd	**72.75**	▼ (2.0%)	▲ 5.4%	1,300	292.48	20,341.1	**1.02%**	29.14	7.00	2.5x	0.2x	9.6%	25.6%	10.0%	1.4%
Equity Group Holdings Plc	**46.05**	▲ 0.8%	▼ (4.7%)	387,200	65.42	173,777.7	**8.72%**	13.58	4.25	3.4x	0.7x	9.2%	34.4%	20.8%	2.8%
HF Group Plc	**6.20**	▲ 2.3%	▲ 37.5%	16,000	10.50	9,258.6	**0.46%**	0.90	-	6.9x	0.6x	0.0%	0.0%	8.6%	1.9%
I&M Group Plc	**30.30**	▲ 0.7%	▼ (16.4%)	11,200	57.13	50,104.7	**2.51%**	10.14	3.00	3.0x	0.5x	9.9%	32.3%	17.7%	2.9%
KCB Group Plc	**38.55**	▲ 0.3%	▼ (7.3%)	132,400	85.54	123,879.0	**6.22%**	24.94	1.50	1.5x	0.5x	3.9%	8.0%	29.2%	4.1%
NCBA Group Plc	**49.45**	▼ (8.4%)	▲ 2.6%	8,200	66.59	81,469.8	**4.09%**	13.54	5.50	3.7x	0.7x	11.1%	41.4%	20.3%	3.3%
Stanbic Holdings Plc	**174.50**	-	▲ 27.1%	3,200	190.73	68,983.6	**3.46%**	35.11	20.74	5.0x	0.9x	11.9%	59.8%	18.4%	3.1%
Standard Chartered Bank Kenya Ltd	**270.00**	▼ (10.0%)	▼ (3.5%)	40,700	189.96	102,019.6	**5.12%**	52.33	45.00	5.2x	1.4x	16.7%	124.4%	27.5%	5.1%
The Co-operative Bank of Kenya Ltd	**14.40**	-	▼ (12.5%)	321,200	24.78	84,487.4	**4.24%**	4.47	1.50	3.2x	0.6x	10.4%	34.6%	18.0%	3.5%
Industry Median		**-**	**▼ (3.5%)**			**835,991.9**	**41.95%**			**3.4x**	**0.6x**	**9.9%**	**34.4%**	**18.4%**	**3.1%**

COMMERCIAL AND SERVICES	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Eveready East Africa Ltd	**0.98**	▼ (5.8%)	▼ (14.8%)	80,400	0.30	205.8	**0.01%**	(0.28)	-	(3.5x)	3.3x	0.0%	0.0%	0.0%	0.0%
Express Kenya Plc	**3.00**	▼ (2.6%)	▼ (16.7%)	500	9.76	143.1	**0.01%**	(1.13)	-	(2.7x)	0.3x	0.0%	0.0%	0.0%	0.0%
Homeboyz Entertainment Plc	**4.66**	-	-	0	0.35	294.5	**0.01%**	(0.74)	-	(6.3x)	13.2x	0.0%	0.0%	0.0%	0.0%
Kenya Airways Ltd	**4.16**	▼ (1.7%)	▲ 8.6%	51,400	0.35	262.9	**0.01%**	(0.74)	-	(5.6x)	11.8x	0.0%	0.0%	0.0%	0.0%
Longhorn Publishers Plc	**2.66**	▲ 5.1%	▲ 15.7%	1,600	-0.52	724.7	**0.04%**	(1.89)	-	(1.4x)	(5.1x)	0.0%	0.0%	0.0%	0.0%
Nairobi Business Ventures Ltd	**2.00**	▲ 4.2%	▼ (0.5%)	6,300	0.48	2,707.4	**0.14%**	0.01	-	216.6x	4.1x	0.0%	0.0%	1.9%	1.6%
Nation Media Group Plc	**11.75**	▲ 1.3%	▼ (18.4%)	1,600	2.50	2,436.9	**0.12%**	(3.00)	-	(3.9x)	4.7x	0.0%	0.0%	0.0%	0.0%
Sameer Africa Plc	**3.10**	▼ (2.5%)	▲ 27.6%	8,100	2.64	862.9	**0.04%**	0.93	-	3.3x	1.2x	0.0%	0.0%	35.2%	17.0%
Standard Group Plc	**6.26**	▲ 1.3%	▲ 24.7%	700	15.36	511.6	**0.03%**	(10.15)	-	(0.6x)	0.4x	0.0%	0.0%	0.0%	0.0%
TPS Eastern Africa (Serena) Ltd	**14.00**	▼ (6.7%)	▼ (6.0%)	700	57.78	2,550.4	**0.13%**	2.89	-	4.8x	0.2x	0.0%	0.0%	5.0%	2.6%
Uchumi Supermarket Plc	**0.32**	▼ (5.9%)	▲ 88.2%	233,800	-11.73	116.8	**0.01%**	(5.56)	-	(0.1x)	(0.0x)	0.0%	0.0%	0.0%	0.0%
WPP Scangroup Plc	**2.86**	▼ (2.1%)	▲ 15.3%	17,000	10.75	1,236.0	**0.06%**	(1.17)	-	(2.4x)	0.3x	0.0%	0.0%	0.0%	0.0%
Industry Median		**▼ (2.1%)**	-			**11,790.2**	**0.59%**			**(2.4x)**	**1.2x**	**0.0%**	**0.0%**	**0.0%**	**0.0%**

CONSTRUCTION & ALLIED	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Bamburi Cement Ltd	**56.50**	-	▲ 2.7%	0	69.50	20,507.2	**1.03%**	(1.97)	23.72	(28.7x)	0.8x	42.0%	(850.2%)	0.0%	0.0%
Crown Paints Kenya Plc	**36.90**	▲ 3.8%	▲ 12.2%	1,100	22.25	5,253.2	**0.26%**	0.07	-	527.1x	1.7x	0.0%	0.0%	0.3%	0.1%
E.A Cables Ltd	**2.02**	▲ 0.5%	▲ 87.0%	12,200	10.06	511.3	**0.03%**	(1.16)	-	(1.7x)	0.2x	0.0%	0.0%	0.0%	0.0%
E.A Portland Cement Co. Ltd	**38.95**	-	▲ 27.3%	200	226.97	3,505.5	**0.18%**	20.26	-	1.9x	0.2x	0.0%	0.0%	8.9%	5.2%
Industry Median		**▲ 0.2%**	**▲ 19.7%**			**29,777.2**	**1.49%**			**0.1x**	**0.5x**	**0.0%**	**0.0%**	**0.2%**	**0.1%**

ENERGY & PETROLEUM	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
KenGen Co. Plc	**4.90**	▲ 0.2%	▲ 34.6%	1,473,300	42.33	32,313.2	**1.62%**	1.11	0.65	4.4x	0.1x	13.3%	85.5%	2.6%	1.5%
Kenya Power & Lighting Co Plc	**6.28**	▼ (2.2%)	▲ 30.6%	647,100	49.85	12,255.2	**0.62%**	15.41	0.70	0.4x	0.1x	11.1%	4.5%	30.9%	8.2%
TotalEnergies Marketing Kenya Plc	**22.85**	▲ 2.2%	▲ 14.3%	2,300	51.19	14,385.0	**0.72%**	4.48	1.92	5.1x	0.4x	8.4%	42.9%	8.8%	3.7%
Umeme Ltd	**16.00**	-	▼ (4.5%)	0	19.64	25,982.0	**1.30%**	0.24	3.11	66.2x	0.8x	19.4%	1287.5%	1.2%	0.5%
Industry Median		**▲ 0.1%**	**▲ 22.4%**			**84,935.5**	**4.26%**			**4.8x**	**0.3x**	**12.2%**	**64.2%**	**5.7%**	**2.6%**

INSURANCE	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Britam Holdings Plc	**6.56**	▼ (3.0%)	▲ 13.1%	47,500	11.57	16,554.1	**0.83%**	1.98	-	3.3x	0.6x	0.0%	0.0%	17.1%	2.4%
CIC Insurance Group Ltd	**2.94**	▲ 0.7%	▲ 36.7%	57,800	4.21	7,689.7	**0.39%**	1.04	0.13	2.8x	0.7x	4.4%	12.5%	24.7%	4.4%
Jubilee Holdings Ltd	**200.00**	-	▲ 15.3%	0	706.23	14,494.6	**0.73%**	65.00	13.50	3.1x	0.3x	6.8%	20.8%	9.2%	2.2%
Kenya Re- Insurance Corporation Ltd	**1.62**	▲ 2.5%	▲ 26.6%	2,742,500	8.71	9,071.3	**0.46%**	0.79	0.15	2.1x	0.2x	9.3%	19.0%	9.1%	6.9%
Liberty Kenya Holdings Ltd	**11.40**	▼ (2.6%)	▲ 70.7%	1,300	19.23	6,107.1	**0.31%**	2.59	1.00	4.4x	0.6x	8.8%	38.6%	13.5%	2.9%
Sanlam Kenya Plc	**7.38**	▲ 2.5%	▲ 49.1%	700	12.30	1,062.7	**0.05%**	6.67	-	1.1x	0.6x	0.0%	0.0%	54.2%	2.5%
Industry Median		**▲ 0.3%**	**▲ 31.7%**			**54,979.5**	**2.76%**			**3.0x**	**0.6x**	**5.6%**	**15.7%**	**15.3%**	**2.7%**

INVESTMENT	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Centum Investment Co Plc	**11.30**	▼ (5.0%)	▲ 14.4%	12,500	59.75	7,520.7	**0.38%**	4.27	0.60	2.6x	0.2x	5.3%	14.1%	7.1%	3.7%
Home Afrika Ltd	**0.75**	▲ 2.7%	▲ 102.7%	797,000	-4.65	303.9	**0.02%**	0.41	-	1.8x	(0.2x)	0.0%	0.0%	(8.8%)	4.4%
Kurwitu Ventures Ltd	**1,500.00**	-	-	0	502.63	153.4	**0.01%**	(19.22)	-	(78.1x)	3.0x	0.0%	0.0%	0.0%	0.0%
Olympia Capital Holdings Ltd	**3.70**	▲ 3.9%	▲ 32.1%	3,700	32.70	148.0	**0.01%**	0.49	-	7.6x	0.1x	0.0%	0.0%	1.5%	1.4%
Trans-Century Plc	**1.26**	▼ (4.5%)	▲ 223.1%	52,700	-38.80	472.8	**0.02%**	(6.10)	-	(0.2x)	(0.0x)	0.0%	0.0%	0.0%	0.0%
Industry Median		**-**	**▲ 32.1%**			**8,598.9**	**0.43%**			**1.8x**	**0.1x**	**0.0%**	**0.0%**	**0.0%**	**1.4%**

INVESTMENT SERVICES	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Nairobi Securities Exchange Plc	**7.14**	▲ 0.6%	▲ 19.0%	18,400	7.53	1,859.2	**0.09%**	0.45	0.32	15.9x	0.9x	4.5%	71.1%	6.0%	5.4%

MANUFACTURING & ALLIED	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
B.O.C Kenya Plc	**80.00**	-	▼ (9.9%)	0	82.79	1,562.0	**0.08%**	10.84	6.15	7.4x	1.0x	7.7%	56.7%	13.1%	9.4%
British American Tobacco Kenya Plc	**372.50**	▲ 0.6%	▼ (0.9%)	4,800	157.33	37,250.0	**1.87%**	37.97	50.00	9.8x	2.4x	13.4%	111.5%	24.1%	21.5%
Carbacid Investments Plc	**19.35**	▼ (0.5%)	▼ (7.6%)	4,000	17.97	4,931.4	**0.25%**	3.31	-	5.8x	1.1x	0.0%	0.0%	18.4%	18.5%
East African Breweries Plc	**171.75**	▼ (1.3%)	▼ (2.1%)	4,100	39.37	178,322.1	**8.95%**	12.47	7.00	13.8x	4.4x	4.1%	56.1%	31.7%	9.4%
Flame Tree Group Holdings Ltd	**1.16**	▲ 3.6%	▲ 16.0%	4,400	6.88	206.5	**0.01%**	1.13	-	1.0x	0.2x	0.0%	0.0%	16.4%	5.4%
Africa Mega Agricop Plc	**51.00**	-	▼ (27.1%)	0	2.18	656.3	**0.03%**	0.13	-	392.3x	23.4x	0.0%	0.0%	6.0%	1.2%
Unga Group Ltd	**22.40**	▲ 6.7%	▲ 49.3%	500	44.85	1,695.9	**0.09%**	(5.29)	-	(4.2x)	0.5x	0.0%	0.0%	0.0%	0.0%
Industry Median			**▼ (2.1%)**			**224,624.2**	**11.27%**			**7.4x**	**1.1x**	**0.0%**	**0.0%**	**16.4%**	**9.4%**

TELECOMMUNICATION	Current Price	Daily Change (%)	YTD change (%)	Volumes Traded	Book Value per Share	Market Cap (KES, Mn)	Market Weight (%)	Trailing EPS	Dividend Per Share	P/E Ratio	P/B Ratio	Dividend yield (%)	Payout Ratio (%)	ROE (%)	ROA (%)
Safaricom Plc	**18.00**	▲ 2.6%	▲ 5.6%	988,100	3.88	721,177.7	**36.19%**	1.42	1.20	12.7x	4.6x	6.7%	76.4%	36.6%	11.8%
Market Average		**▼ (0.4%)**	**▲ 36.4%**							**3.2x**	**1.0x**	**3.9%**		**9.0%**	**3.3%**

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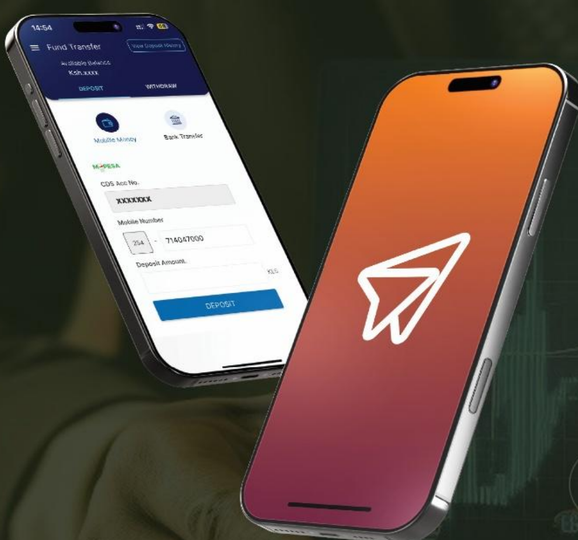

Fund Transfer
DEPOSIT
WITHDRAW
Mobile Money
Bank Transfer
CDS Acc No.
Mobile Number
Deposit Amount
DEPOSIT