



The Capital Markets Soundness Report (CMSR)

Volume XXXVII



"Strengthening Market Integrity through Effective Self-Regulation"

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ABBREVIATIONS

AfDB- The African Development Bank Group

CBDC -central bank digital currency

CFDs -Contracts for Difference.

CISs- Collective Investment Schemes

CMA- Capital Markets Authority of Kenya

EMDEs- Emerging Markets and Developing Economies

EMEIA- Middle East, India, and Africa.

ESG- Environmental Social and Governance

FCA- Financial Conduct Authority

GOE- Government-Owned Enterprises

IOSCO-The International Organization of Securities Commissions

IPO- Initial Public Offer

KYC/AML- Know Your Customer/ Anti-Money Laundering

MSCI- Morgan Stanley Capital International

NSE- Nairobi Securities Exchange

SEC- Securities and Exchange Commission

SGD Testnet- Singapore Dollar Test Network

SMEs- Medium-Sized Enterprises

SROs- Self-Regulatory Organizations

UPI- Unified Payments Interface

VASPs- Virtual Asset Service Providers

SPECIAL MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Mr. Wycliffe Shamiah, FCPA
Chief Executive Officer
Capital Markets Authority, Kenya

Having successfully concluded the year 2025, I am pleased to welcome you to the 37th Edition of the Capital Markets Soundness Report, where we review the key developments that shaped global, regional, and local capital markets. As with previous editions, this report also examines market performance during the second quarter of the year.

The 37th Edition is published against a backdrop of optimism, reflecting one of the strongest economic performances since 2020, when global markets were disrupted by the COVID-19 pandemic. According to World Bank projections, the global economy is expected to grow by 2.6 percent in 2026, a drop from 2.7 percent in 2025. This modest slowdown is largely attributed to the impact of tariffs, with Emerging Markets and Developing Economies (EMDEs) expected to be disproportionately affected by this weaker growth.

With inflation having moderated during the quarter ending in December 2025, in 2026 it is expected to decline further, driven by tightening labour markets in many economies, falling energy prices, and subdued demand for tradable goods.

Geopolitical tensions continue to pose a significant risk to global markets. While artificial intelligence offers considerable advantages, it has also emerged as a potential threat to capital markets, with the past quarter witnessing an increase in cyberattacks. Meanwhile, the enactment of the Virtual Assets Service Providers Act presents an opportunity for the Authority to develop sector-specific regulations and strengthen investor confidence in the virtual assets space.

During the quarter, the Authority approved the issuance of two corporate bonds in the form of Medium-Term Notes by Safaricom and EABL, marking a revival in a market that had experienced a prolonged issuance drought. Both bonds were oversubscribed, indicating continued investor demand and sustained confidence in the corporate bond market.

The Authority has licensed eight new Collective Investment Schemes (CIS), reflecting the continued growth of the CIS sector and efforts to promote its development. In fulfilling its mandate, the Authority has also issued licenses in other categories, including investment advisors, non-dealing online foreign exchange brokers, and Authorized Securities Dealers.

I extend my gratitude to you, our reader, for your patronage in supporting the Capital Markets Authority, year on year, towards the attainment of its mandate through your continued readership of this publication.

Enjoy your read and have a prosperous year – 2026!

FCPA Wickliffe Shamiah, EBS

CHIEF EXECUTIVE OFFICER

EDITORIAL



Mr. Kamunyu Njoroge
Ag. Director, Policy and Market Development
Capital Markets Authority

Greetings for the New Year 2026!

I am pleased to present the Capital Market Soundness Report for the period October–December 2025, currently in its 37th edition. This edition's special feature highlights Self-Regulatory Organizations (SROs), examining their role in overseeing market intermediaries, the global standards set by IOSCO, the regulatory framework governing SROs in Kenya, and both the challenges they encounter and the benefits they provide to the capital markets ecosystem. The discussion on SROs provides an opportunity to consider how collaboration between the Authority and SROs can promote market integrity while simultaneously leveraging the benefits that SROs offer to both the regulator and the SRO members.

The capital markets continued to perform strongly on the global stage, with IPO issuance recovering and proceeds for the quarter rising by 39% compared to the same period in 2024. Corporate bonds remained in high demand worldwide, while equity markets posted robust gains, reflecting sustained investor confidence. The MSCI World Index recorded a return of 21.6%, highlighting broad-based strength across major economies.

Other key developments during the quarter included the UK FCA's development of regulations for ESG ratings providers, the successful trial of interbank settlement by the Monetary Authority of Singapore, and SEBI's rollout of the Unified Payment Interface. At the regional level, the African Development Bank Group urged stock exchanges to reinvent Africa's financial future, while Nigeria completed its transition to a T+2 settlement cycle.

On domestic market performance, a year-on-year assessment of trading at the Nairobi Securities Exchange showed positive gains across all metrics, with all indices recording over a 50% increase

compared to the previous quarter. By the end of the quarter NSE10, NSE 20, NSE 25 and NASI stood at 1965.20, 3139.19, 5096.68 and 186.58 basis points, respectively. Foreign participation continued to grow, with an inflow recorded in December, contributing to an overall 42.63% increase in foreign investor activity. Market concentration remains at 66%, indicating continued investor preference for blue-chip companies. Treasury bonds also performed exceptionally well, with the government surpassing its targeted collections. Assets under management now stand at KSh 679.6 billion, reflecting the Authority's ongoing efforts to license additional fund managers and approve more Collective Investment Schemes.

We conclude this edition with a detailed capital markets stability analysis of trends in market volatility, liquidity, concentration, foreign portfolio flow, derivatives statistics, and net asset base of licensees on a quarter-by-quarter analysis.

Enjoy your read!

MR. Kamunyu Njoroge
AG. DIRECTOR, POLICY AND MARKET DEVELOPMENT

1. SPECIAL FEATURE: SELF-REGULATORY ORGANIZATIONS IN CAPITAL MARKETS

A Self-Regulatory Organisation is a non-governmental, membership-based body empowered to establish, administer, and enforce rules governing the conduct of market participants, such as exchanges, broker-dealers, and other financial intermediaries. The earliest Self-Regulatory Organizations (SROs) date back to as early as 1790 in the United States, when a group of traders in cities like New York and Philadelphia established their own rules of conduct and other principles.

SROs initially emerged as member-owned stock exchanges and, out of necessity, developed private mechanisms for governance, oversight, and control. In 1934, these private entities began working in partnership with federal regulators, taking on the role of policing their members and enforcing compliance not only with their own rules but also with the requirements of a newly established federal securities regulatory framework. Through the U.S. Securities and Exchange Commission (SEC), the federal government-maintained oversight of the SROs and, when necessary, exercised strong enforcement authority. To date, this public-private partnership has endured and evolved in response to shifting industry dynamics and government priorities.

Although SROs operate independently, they function under the oversight or recognition of a governmental regulator, such as the Capital Markets Authority (Kenya), and their rules remain subject to and subordinate to statutory securities laws. In the capital markets, SROs play a central role in monitoring member activity, enforcing compliance, disciplining misconduct, and promoting fair, orderly, and transparent markets, thereby protecting investors and maintaining market integrity.

1.1 Self-Regulatory Organisations under IOSCO Principle 9

The International Organization of Securities Commissions (IOSCO) is the global standard setter for securities regulation. To protect investors, ensure that markets are fair, efficient, and transparent, and reduce systemic risk, IOSCO sets out 38 principles that guide securities regulation. Principle 9 refers to self-regulatory organisations (SROs) that have been given the power or responsibility to regulate and whose rules are subject to meaningful sanctions regarding any part of the securities market or industry. SROs must be subject to the regulator's oversight and observe standards of fairness and confidentiality when exercising their delegated responsibilities. IOSCO considers Principle 9 to be important for securities markets for the following reasons:

- ✓ SROs support market integrity and investor protection by enforcing rules and taking disciplinary action against their members, thereby promoting a fair, orderly, and transparent market and, in turn, strengthening investor confidence.
- ✓ Where regulatory resources are limited, SROs help ease the burden on the regulator by handling routine compliance and supervisory activities, allowing the regulator to focus on broader systemic issues.

It is important to note that IOSCO's principles require SROs to operate under effective regulatory oversight, ensuring that the public interest is safeguarded and that delegated powers are not abused. The global applicability of IOSCO principles promotes consistency among jurisdictions in the development of securities regulation. This alignment with international standards helps build market confidence, thereby facilitating cross-border investment and market operations.

1.2 Self-Regulatory Organisations under the Capital Markets Act

In Kenya, there are two recognized Self-Regulatory Organizations, i.e. Nairobi Securities Exchange and EABX Public Company Limited. The Nairobi Securities Exchange (NSE) was formally recognised by CMA as a Self-Regulatory Organization (SRO) in July 2016. Following this recognition, an SRO Committee was established. The Committee is mandated to enforce the NSE's regulatory framework, including the Market Participants Business Conduct and Enforcement Rules (2014), the Listing Rules, Continuous Listing Obligations Regulations, Derivatives Rules, NSE Trading Rules, and any other applicable NSE regulations in force. These responsibilities are exercised to maintain a fair, transparent, and orderly market, ensure compliance with capital markets legislation, and carry out the enforcement powers delegated to the NSE in its SRO capacity.

In February 2024, the Authority approved EABX Public Company Limited to operate as an Over The Counter Securities Exchange and recognized it as a Self-Regulatory Organization (SRO), bringing the total number of recognized SROs in the Capital Markets space to two (2).

1.3 Requirement for Recognition as an SRO

The Capital Markets Act defines an SRO as an organization whose objective is to regulate the operations of its members or of the users of its services and includes the organizations that may be recognized as such by the Capital Markets Authority. Part II A of the Capital Markets Act provides the requirement for recognition of an SRO in the securities market space. The section covers the requirement for recognition of a self-regulatory organization, rules of self-regulatory organizations,

restrictions on decisions by a self-regulatory organization, disciplinary action by a self-regulatory organization, protection from personal liability, appointment of key personnel by a self-regulatory organization, directions to a self-regulatory organization, removal of an officer of the self-regulatory organization, and the requirement for an annual report.

Any institution that intends to operate as an SRO is required to make a formal application to the Capital Markets Authority specifying the functions and powers that the organization is seeking to exercise upon recognition. Before being granted the recognition of an SRO, the Authority ensures that the organization has the following:

- ✓ A constitution and internal rules and policies which are consistent with this Capital Markets Act or related legislation.
- ✓ Capacity and financial and administrative resources necessary or desirable to carry out its functions as a self-regulatory organization, including dealing with a breach of the law or of any other applicable standards or guidelines.
- ✓ is a fit and proper person.
- ✓ has competent personnel for the carrying out of its functions.

The Authority has the power to delegate some of its power to the SRO. In the delegation, the Authority specifies the function or power delegated, the extent of disciplinary powers delegated, and the scope of sanctions which may be imposed, the terms and conditions upon which the power or function has been delegated and may be exercised, the persons authorized to exercise the delegated powers or functions on behalf of the SRO and the manner in which an SRO should submit periodical reports to the Authority in respect of the exercise of a delegated power or function.

An SRO is also required to develop and maintain rules that relate directly to the areas in which it has been granted regulatory or supervisory authority, including the sanctioning and disciplinary powers it may exercise in carrying out its delegated functions. Before being implemented, these rules must be approved by the Authority. Additionally, an SRO is prohibited from making decisions under its rules that are likely to adversely affect a person's rights unless the person has been given an opportunity to be represented on the matter, or unless the SRO determines that delaying the decision would prejudice a class of consumers. The rules should cover the following;

- ✓ management structures and shareholding rights of the SRO taking into consideration the interests, rights, and liabilities of its members, consumers, investors, and users of their service.
- ✓ rules of membership and conditions for approval and admission of members.
- ✓ the procedure for dispute resolution between members, users, investors, and their clients, and the right of appeal to the Authority or other relevant primary regulator.
- ✓ the rules and procedures of the self-regulatory organization relating to reporting and accountability to any primary regulator other than the Authority; and
- ✓ mechanisms of protecting personal data in compliance with the Data Protection Act

When a member of an SRO contravenes its rules, the SRO has the authority to take disciplinary action in accordance with its rules. The SRO must immediately notify the Authority in writing, providing details of the member involved, the action taken, and the reasons for the action. If a fine is imposed or a suspension period applied, this must also be included in the notification. Upon receiving the notification, the Authority reviews the disciplinary action and decides whether to affirm it, set it aside, or provide the aggrieved party an opportunity to be heard. To change its key personnel, the SRO must notify the Authority of its intention and obtain confirmation from the Authority indicating that it has no objection to the proposed change.

Additionally, the Authority may, after giving both the officer and the self-regulatory organization an opportunity to be heard, direct the SRO not to appoint or to remove an officer if it reasonably believes that the officer is not fit and proper, or that their appointment or continued service could harm the SRO, investors, consumers of financial services, or members of the relevant industry.

1.4 SRO Reporting

A self-regulatory organization (SRO) is required to submit its financial statements and annual report to the Authority within ninety days after the end of each financial year. The annual report must include a report on the SRO's corporate governance policy, audited financial statements prepared in accordance with the accounts and audit requirements for regulated persons, and any other information the Authority may require.

Additionally, if an auditor, during the course of an audit, believes that there has been an adverse change in the SRO's business risks that could threaten its ability to continue as a going concern, that

the SRO may be in violation of the Capital Markets Act or directions issued by the Authority, that a financial crime has occurred or is likely to occur, or that serious irregularities have taken place, the auditor is required to report the matter in writing to the Authority. Reporting under these circumstances does not constitute a breach of the auditor's professional duties.

1.5 Benefits of an SRO in Capital Markets

i. Market Oversight and Protection

SROs function as watchdogs, therefore preventing fraud and unethical practices among market participants, which strengthens investor confidence and upholds market integrity. In addition, they help reduce the oversight burden on regulatory bodies, allowing resources to be allocated more efficiently for broader supervisory priorities.

ii. Membership Standards

SROs establish stringent entry requirements for members, including educational, professional, and sometimes experiential qualifications. By setting these standards, they ensure that only competent and qualified participants operate in the market, which enhances overall professionalism, promotes sound decision-making, and strengthens the credibility and integrity of the capital markets ecosystem.

iii. Conducting Investor and Market Education

SROs play a critical role in conducting market education by providing comprehensive guidance, training programs, and educational resources to market participants. They help investors and intermediaries understand complex investment products, navigate market dynamics, and adopt best practices that mitigate financial risks. By fostering informed decision-making, SROs enhance investor protection, promote responsible investing, and contribute to the overall stability and integrity of the capital markets.

iv. Effective Market Surveillance

SROs are well-positioned to monitor market behaviour and trading activity effectively due to their deep integration with market operations. They can efficiently detect emerging issues on behalf of the regulatory bodies and provide early warning signs of regulatory concern.

1.6 Risks of Self-Regulatory Organizations

i. Conflict of Interest

Self-Regulatory Organizations perform a dual function of enforcing regulatory standards in the public interest while simultaneously advancing the interests of their members. This dual mandate can make it challenging for SROs to maintain full independence and objectivity in the execution of their regulatory responsibilities. For example, an SRO may hesitate to take strong disciplinary action against influential or major members, as doing so could harm relationships or disrupt the industry. As a result, enforcement decisions may appear biased or lenient, which can weaken market integrity and reduce investor confidence.

ii. Effectiveness and Accountability

Critics of Self-Regulatory Organizations (SROs) note that their regulatory effectiveness and consistency can vary. Given that certain regulatory responsibilities are delegated to SROs, there is a concern that these entities may place greater emphasis on supporting industry development rather than rigorously enforcing applicable securities laws. This potential for leniency or selective enforcement could undermine investor protection, compromise market integrity, and erode public confidence in the securities market.

Additionally, resource and capacity constraints can limit the ability of Self-Regulatory Organizations (SROs) to effectively oversee complex and rapidly evolving market activities. These limitations raise concerns about whether SROs have sufficient expertise and authority to enforce rules consistently and maintain market integrity.

2. GLOBAL ECONOMIC AND CAPITAL MARKETS OUTLOOK

2.1 Global Economic Outlook

Despite the continued trade tensions and policy uncertainty that characterised the year 2025, the global economy demonstrated notable resilience. Some of the factors that characterized the global economy during the year included a strong risk appetite, stockpiling of traded goods, and a surge in artificial intelligence (AI) spending. Notably, the global supply chains adapted to the rising trade barriers.

The rate of growth peaked by the end of the year, marking a five-year global recovery from the 2020 recession triggered by the COVID-19 pandemic. The recovery is the strongest ever recorded in over six decades. However, it is worth noting that emerging markets and developing economies (EMDEs) were noted to still lag in the recovery process.

Growth projections indicate that the economy will grow by 2.6 percent in 2026, a drop from 2.7 percent in 2025. The drop in the growth is expected to be contributed to by the intensification of tariffs as firms scale back inventory accumulation, with EMDEs expected to be greatly affected by this weakened growth. Specifically, the weakened growth is expected to weigh on the demand for energy and industrial commodities.

Figure 1 Real GDP

	(Percent change from previous year unless indicated otherwise)					Percentage-point differences from June 2025 projections		
	2023	2024	2025e	2026f	2027f	2025e	2026f	2027f
World	2.8	2.8	2.7	2.6	2.7	0.4	0.2	0.1
Advanced economies	1.6	1.7	1.7	1.6	1.6	0.5	0.2	0.0
United States	2.9	2.8	2.1	2.2	1.9	0.7	0.6	0.0
Euro area	0.5	0.9	1.4	0.9	1.2	0.7	0.1	0.2
Japan	0.7	-0.2	1.3	0.8	0.8	0.6	0.0	0.0
Emerging market and developing economies	4.4	4.3	4.2	4.0	4.1	0.3	0.2	0.2
East Asia and Pacific	5.2	5.0	4.8	4.4	4.3	0.3	0.4	0.3
China	5.4	5.0	4.9	4.4	4.2	0.4	0.4	0.3
Indonesia	5.0	5.0	5.0	5.0	5.2	0.3	0.2	0.2
Thailand	2.0	2.5	2.0	1.8	2.5	0.2	0.1	0.2
Europe and Central Asia	3.6	3.6	2.4	2.4	2.7	0.0	-0.1	0.0
Russian Federation	4.1	4.3	0.9	0.8	1.0	-0.5	-0.4	-0.2
Türkiye	5.0	3.3	3.5	3.7	4.4	0.4	0.1	0.2
Poland	0.2	3.0	3.3	3.2	2.9	0.1	0.2	0.0
Latin America and the Caribbean	2.4	2.4	2.2	2.3	2.6	-0.1	-0.1	0.0
Brazil	3.2	3.4	2.3	2.0	2.3	-0.1	-0.2	0.0
Mexico	3.4	1.4	0.2	1.3	1.8	0.0	0.2	0.0
Argentina	-1.9	-1.3	4.6	4.0	4.0	-0.9	-0.5	0.0
Middle East, North Africa, Afghanistan and Pakistan	2.1	2.6	3.1	3.6	3.9	0.4	-0.1	-0.1
Saudi Arabia	0.5	2.7	3.8	4.3	4.4	1.0	-0.2	-0.2
Iran, Islamic Rep. ²	5.3	3.7	-1.1	-1.5	0.6	-0.6	-1.8	-1.2
Egypt, Arab Rep. ²	3.8	2.4	4.4	4.3	4.8	0.6	0.1	0.2
South Asia	8.0	6.3	7.1	6.2	6.5	1.0	-0.2	0.0
India ²	9.2	6.5	7.2	6.5	6.6	0.9	0.0	-0.1
Bangladesh ²	5.8	4.2	3.7	4.6	6.1	0.4	-0.3	0.4
Sri Lanka	-2.3	5.0	4.6	3.5	3.1	1.1	0.4	0.0
Sub-Saharan Africa	3.0	3.7	4.0	4.3	4.5	0.3	0.2	0.2
Nigeria	3.3	4.1	4.2	4.4	4.4	0.6	0.7	0.6
South Africa	0.7	0.6	1.3	1.4	1.5	0.6	0.3	0.2
Ethiopia ²	7.2	8.1	7.2	7.1	7.7	0.8	0.6	0.5

e-Estimate F-Forecast

Source: World Bank

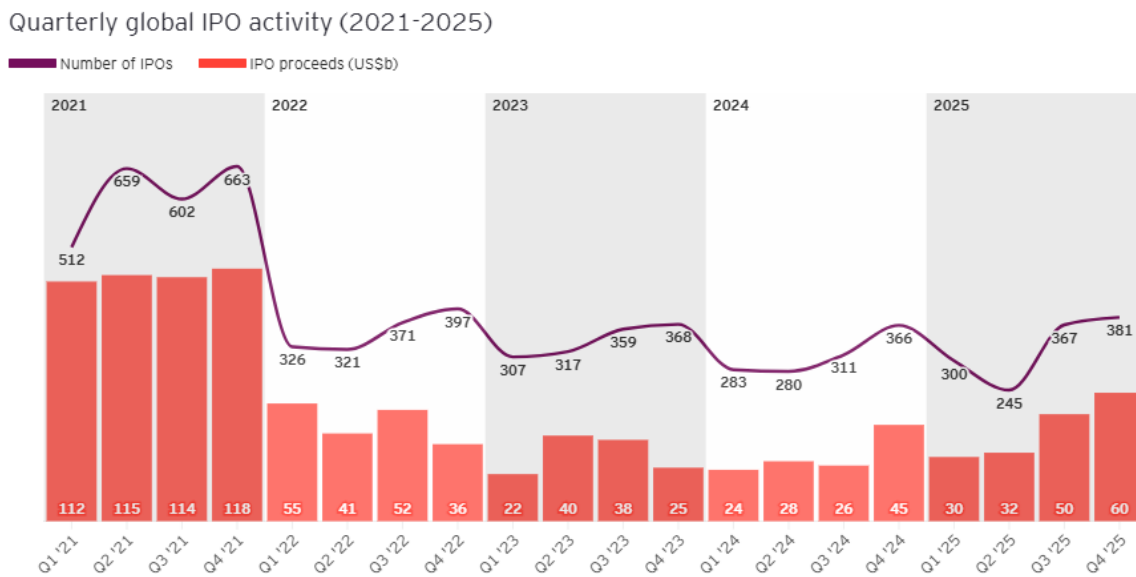
Inflation moderated in most countries, with the global inflation expected to drop even further in 2026 despite the continued effects of tariffs, which are expected to drive greater variation across major economies. The projected disinflation will be mainly attributed to softening labour markets in many economies, subdued demand for tradeable goods, and falling energy prices.

2.2 Capital Markets Outlook

2.2.1 IPOs

The year 2025 was marked by a recovery in IPO markets after several years of geopolitical headwinds and macroeconomic uncertainties that had adversely affected IPO performance. Globally, 1,293 IPOs raised US\$171.8b, a 39% increase in proceeds compared to 2024.

Figure 2 Quarterly Global IPO Activity (2021-2025)



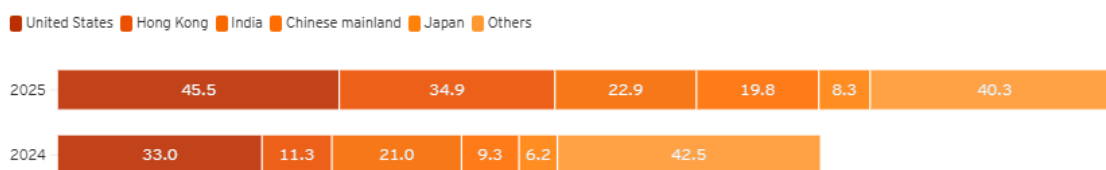
Sources: Dealogic, EY analysis.

Source: EY

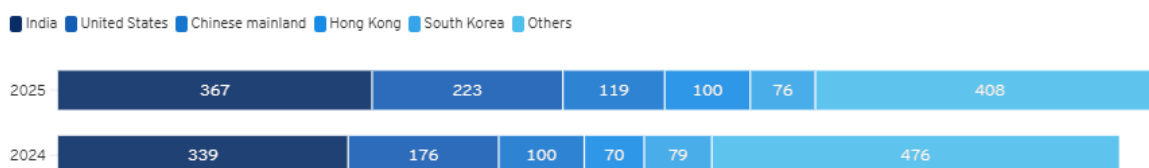
Notably, the EMEIA region stood out by accounting for 42% of the total IPOs issued globally in terms of the number of deals. In terms of proceeds, the Asia Pacific region was at 43% a figure that was largely driven by robust activity in Hong Kong and sustained strength in the Chinese mainland's pipeline. The resurgence of the IPO market signaled renewed investor confidence and a shift towards higher-quality offerings.

Figure 3 Top IPO Destination by Proceeds and Numbers

Top IPO destinations by proceeds (US\$b)



Top IPO destinations by number



Sources: Dealogic, EY analysis.
 IPO proceeds are rounded to the nearest \$0.1b.

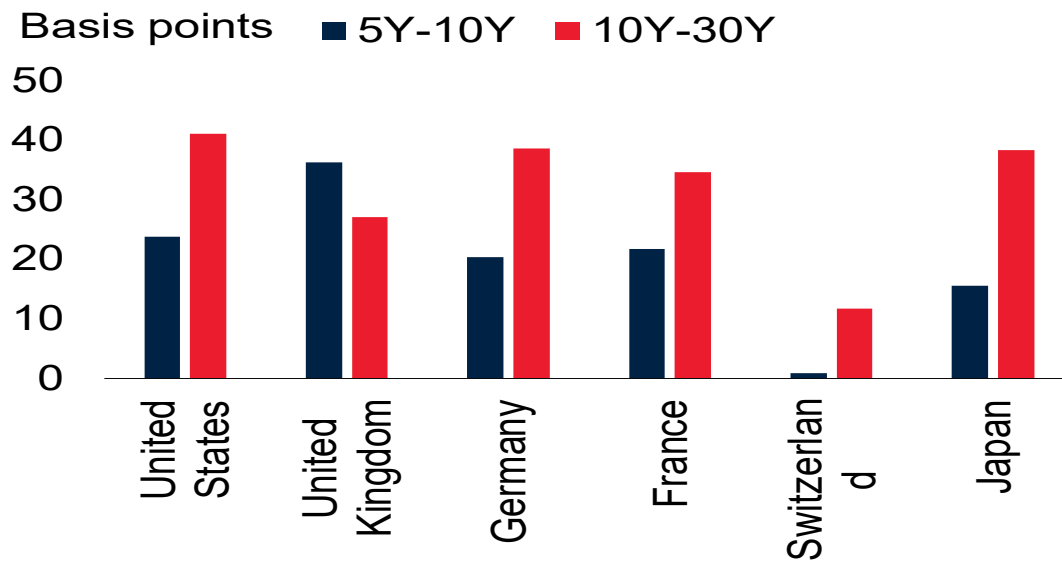
Source: EY

In terms of deal volume, India stood out, followed by the United States and Mainland China. In contrast, by proceeds raised, the United States led, followed by Hong Kong and India. The U.S. remained one of the most active IPO markets globally, continuing to attract foreign issuers seeking access to its deep capital pools and underscoring its central role in the global IPO landscape.

2.2.2 Bond Markets

In 2025, bond markets showed clear differences between advanced economies and emerging markets and developing economies (EMDEs). In advanced economies, long-term sovereign yields rose as term premia increased, reflecting concerns over higher government borrowing costs and ongoing fiscal pressures. Corporate bonds remained in strong demand, with spreads staying tight across both investment-grade and high-yield segments, although elevated valuations suggest these markets could be vulnerable to sudden corrections.

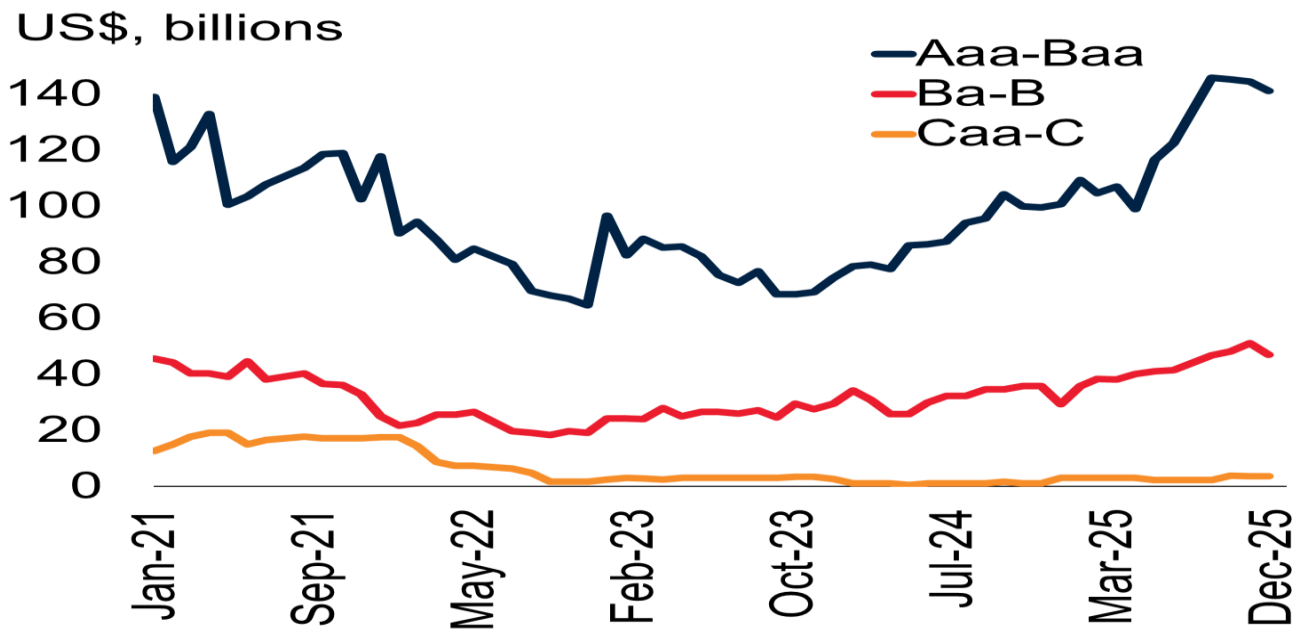
Figure 4 Change in Government Bond Spread over 2025



Source: World Bank

Meanwhile, in EMDEs, sovereign spreads generally narrowed, and stronger-rated countries took advantage of favourable financing conditions by issuing more foreign-currency debt.

Figure 5 Sovereign bond issuance on Foreign Currencies by EMDEs



Aaa-Baa - Investment-grade bonds; considered safe with low to moderate risk of default,

Ba-B: Non-investment grade (speculative); higher risk, may offer higher returns.

Caa-C: Very high-risk bonds; significant chance of default, mostly for speculative investors.

Source: World Bank

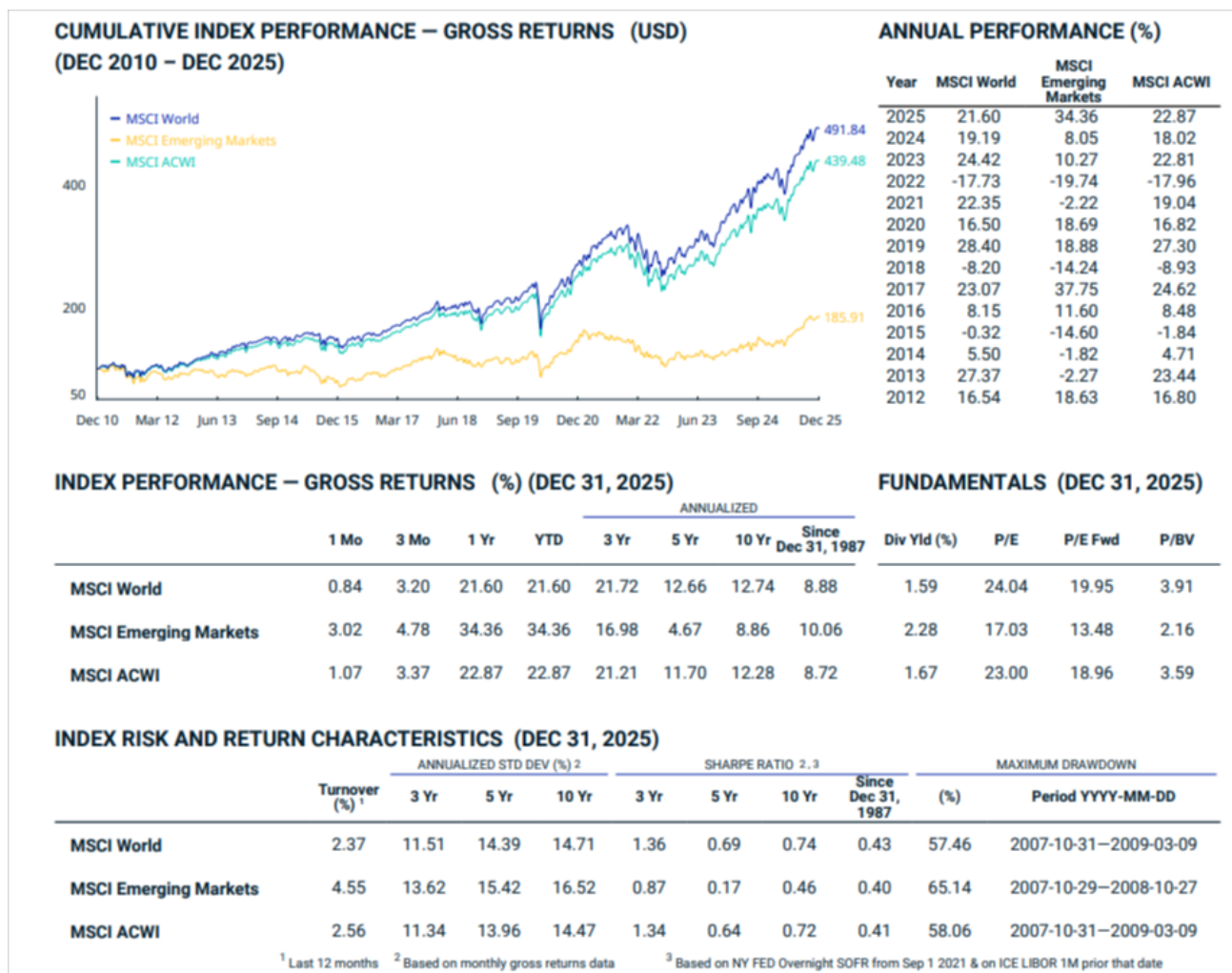
The depreciation of the U.S. dollar further boosted returns for investors in local-currency EMDE bonds, driving robust portfolio inflows, particularly toward larger economies with stable fundamentals and credible policy frameworks. Taken together, these trends highlight the selective nature of investor demand and the growing influence of debt markets on global financial conditions in 2025.

2.2.3 Equity Markets

Global equity markets posted robust gains in 2025, reflecting widespread investor confidence and solid corporate earnings across both developed and emerging economies. The MSCI World Index, which tracks large and mid-cap equities across 23 developed markets, recorded an annual total return of approximately 21.6%, highlighting broad-based strength in major economies. In the fourth quarter of 2025, the index continued its upward trajectory, returning around 2.65%, contributing to a strong finish to the year.

Meanwhile, emerging markets also rebounded significantly, with the MSCI Emerging Markets Index rising nearly 34.4% for the year, driven by expectations of a weaker U.S. dollar, more accommodative monetary policies in key regions, and improving macroeconomic conditions. Technology, healthcare, and consumer sectors led the gains in developed markets, while structural themes such as AI adoption, digital transformation, and sustainability-linked investments played an increasingly important role in shaping investor sentiment. Overall, the performance of global equities in 2025 demonstrates both resilience and broad participation, setting a constructive backdrop for 2026.

Figure 6 MSCI World Index



2.3 Top Global, Regional, and Local Risks and Opportunities

Key Risks Identified

1. Geopolitical tensions, specifically in Russia, Ukraine, Gaza, Israel, and Yemen, remained a top systemic risk. These tensions influenced energy markets, investment flows, supply chains, defence planning, and global risk.
2. Cybersecurity remained a major threat with AI agents and tools being used by malicious actors to widen the attack surface and accelerate cyberattacks. These AI-enhanced threats automate reconnaissance and attack generation at machine speed, increasing both the volume and sophistication of cybercrime beyond what traditional defences were built to handle.

Cyberattacks associated with AI increased during the quarter, and they included deepfake, social-engineering scams, and identity spoofing.

- 3. Although headline inflation broadly eased in parts of the world toward the end of 2025, core inflation, which excludes volatile food and energy prices, remained elevated in some major advanced economies, which suggested underlying price pressures were still persistent.*
- 4. The quarter was characterised by sharp volatility in crypto-asset markets, driven by macroeconomic shocks and shifts in market liquidity. Crypto prices recorded large swings and pronounced corrections, particularly following significant leverage liquidations and broader risk-off sentiment in October. Bitcoin and other digital assets subsequently traded within narrow ranges with weakened momentum, reflecting heightened investor caution and persistent volatility. These conditions resulted in substantial unrealised losses for major holders, including corporate treasuries with significant exposure to Bitcoin.*

Key Opportunities

- 1. The Virtual Asset Service Providers (VASPs) Act was enacted and signed into law, formalising and regulating the virtual asset ecosystem in Kenya. This will enhance investor confidence, attract both local and international capital, and foster innovation in fintech and digital finance. By providing a clear legal framework for Virtual Assets Service Providers, the Act reduces regulatory uncertainty, mitigates fraud and illicit activity risks, and enables market participants to operate transparently. This creates a safer, more credible environment for digital asset adoption, supports financial inclusion, and positions Kenya as a regional hub for regulated digital finance and innovation.*
- 2. The influence of Artificial Intelligence (AI) on market dynamics became increasingly pronounced, with AI-related investments contributing significantly to US GDP growth, highlighting the technology's pivotal role in shaping the future economic landscape. Artificial intelligence, alongside digital infrastructure, continued to be a major driver of capital allocation, as investors and firms increasingly directed funds toward AI innovation, cloud computing, data centres, and digital transformation projects, thereby supporting activity across both equity and debt markets.*

3. *Corporate borrowing and bond turnover in Kenya grew significantly, with turnover reaching approximately Ksh 2 trillion by November 2025, reflecting investor confidence and opportunities in fixed-income securities.*
4. *Collective Investment Schemes (CIS) AUM grew substantially, reaching approximately Ksh 679.6 billion by September 2025, fuelled by consistent inflows into money market, special, and fixed-income funds, greater investor education, and the introduction of new products. This growth has enhanced funding capacity for equities and bonds, deepened market liquidity, and broadened the investor base.*

3. INTERNATIONAL DEVELOPMENTS

3.1 UK Financial Conduct Authority (FCA) welcomes new regulations on ESG Ratings Providers

The United Kingdom is entering an important new phase in sustainable finance as Environmental, Social, and Governance (ESG) ratings providers are now being brought under formal regulation. The Financial Conduct Authority (FCA) has strongly welcomed this change, noting that it helps address long-standing concerns about how these ratings are developed and used. Until now, ESG ratings largely depended on voluntary standards and industry trust, which often lead to inconsistent results, unclear rating methods, and potential conflicts of interest when assessing companies.

With the new rules, ESG ratings providers will now operate under the FCA's oversight and must meet clear standards on governance, transparency, methodology, and controls. Instead of relying purely on reputation, they will be accountable to an independent regulator, helping ensure that their ratings are credible, trustworthy, and fair.

This shift is especially important because investors, asset managers, and financial institutions increasingly depend on ESG ratings to guide investment choices, manage risks, and meet sustainability requirements. By creating a more consistent and reliable framework, the UK aims to strengthen confidence in ESG information, align with global best practices, and reduce the likelihood of misleading or unreliable sustainability data shaping where capital flows.

Key Takeaway

ESG ratings providers' regulation is a key step in turning loosely guided ESG data into credible, accountable, and trusted information. Regulation boosts investor confidence, reduces conflicting ratings, and ensures capital flows based on reliable sustainability performance. For Kenya, this development provides a timely example as the country expands its green finance agenda and strengthens its role as a sustainable finance hub.

3.2 The Monetary Authority of Singapore (MAS) completes a successful CBDC trial for interbank settlements

The Monetary Authority of Singapore (MAS) has successfully completed a live trial that could reshape how banks handle day-to-day transactions. In this pilot, several major Singapore banks used a wholesale central bank digital currency (CBDC) version of the Singapore dollar to settle overnight

interbank lending. Instead of relying on traditional intermediaries like clearinghouses, the banks were able to transact directly with one another, reducing delays and lowering operational risks.

The experiment took place on the Singapore Dollar Test Network (SGD Testnet), a sandbox that mirrors real financial environments. Within this setup, banks could issue, move, and redeem digital dollars instantly. Programmable features built into the system allowed transactions to follow pre-set rules automatically, enabling real-time enforcement of agreements and ensuring both sides of a deal were settled at the same time. This significantly reduces the risk of one party paying while the other fails to deliver.

Beyond simply speeding up payments, the trial highlights how digital currencies could become an essential part of everyday banking. Programmable money has the potential to connect payments, lending, and securities settlement into one streamlined system, improving efficiency, safety, and oversight.

Most importantly, MAS's trial offers a glimpse into the future of financial infrastructure, one that is faster, more transparent, and more resilient, showing that CBDCs are not just experimental ideas but practical tools that can meaningfully transform modern financial markets.

Key Takeaway

Singapore's live trial highlights why central bank digital currencies (CBDCs) matter; they show that digital money can make real banking operations, such as interbank lending, faster, safer, and more transparent, while reducing settlement risks. For Kenya, this offers an important example as the country modernizes its banking system and explores digital finance innovations to align to the global standards.

3.3 Securities and Exchange Board of India (SEBI) rollouts validated Unified Payments Interface (UPI) 3 handles and "SEBI check" for secure investor payments

The Securities and Exchange Board of India (SEBI) has taken a decisive step towards modernizing the infrastructure of India's capital markets by introducing advanced digital payment mechanisms designed to make investment transactions both faster and more secure.

At the centre of this initiative is the rollout of Unified Payments Interface (UPI) 3 handles, which represents a substantial upgrade over earlier iterations. UPI 3 allows investors to link multiple bank accounts to a single handle, giving them greater flexibility and enabling instant, real-time

transactions across mutual funds, initial public offerings (IPOs), and other investment instruments. This is particularly significant in a market like India's, where retail participation has grown rapidly and timely payments can be critical for securing investment allocations in high-demand offerings. By minimizing delays and errors in payment processing, UPI 3 not only improves efficiency but also reduces the operational burden on intermediaries and banks handling these transactions.

Complementing the technological upgrade is SEBI's introduction of the "SEBI check," a rigorous verification mechanism that ensures every payment is authentic, compliant with regulatory standards, and free from fraud before it is processed. In practice, this means that the system automatically verifies the legitimacy of transactions in real time, preventing issues such as duplicate payments, insufficient funds, or attempts at fraudulent activity. The combination of instant settlement through UPI 3 and regulatory oversight through the SEBI check establishes a robust framework that balances speed with investor protection—a crucial requirement for maintaining trust in capital markets.

The implications of these measures go beyond convenience and fraud prevention. By reducing friction in transactions, SEBI is actively encouraging broader participation from both retail and institutional investors, many of whom were previously deterred by cumbersome processes or concerns about payment security. This not only deepens market liquidity but also promotes inclusivity in financial markets, giving more Indians the opportunity to invest safely in securities and mutual funds.

SEBI's approach addresses multiple challenges simultaneously: it accelerates transaction speed, reduces the risk of failed or fraudulent payments, enhances investor confidence, and reinforces regulatory oversight. This dual focus on convenience and compliance illustrates a modern policy philosophy—one where digital innovation and market security are not mutually exclusive but mutually reinforcing.

Key Takeaway

The rollout of UPI 3 handles and the "SEBI check" in India is a big step toward making investment payments faster, safer, and more reliable. Investors can link multiple bank accounts and complete transactions instantly, which cuts down on mistake and lowers the risk of fraud. For Kenya, which is quickly moving toward digital financial markets, adding similar market specific verification

layers to existing real-time payment systems could strengthen investor authentication, ensure compliance (KYC/AML), and prevent fraud in investment payments

4. REGIONAL DEVELOPMENTS

4.1 African Development Bank Group rallies stock exchanges to reinvent Africa's financial future

The African Development Bank Group (AfDB) is spearheading a bold effort to reshape Africa's financial future by working closely with stock exchanges across the continent. Recognizing that strong capital markets are essential for economic growth, the Bank is encouraging exchanges to modernize their operations, adopt innovative technologies, and expand investment opportunities. This effort goes beyond simply improving trading systems, it's about creating financial ecosystems that are transparent, inclusive, and capable of mobilizing investment to fuel Africa's development.

A central part of this initiative is the push for digital modernization. Many African exchanges still rely on outdated infrastructure, which can slow transactions, limit access, and discourage smaller investors from participating. By promoting digital trading platforms, automated settlement systems, and real-time market data, the AfDB aims to break down these barriers. This not only makes investing easier and safer for ordinary investors but also helps businesses, particularly small and medium-sized enterprises (SMEs), access the capital they need to grow. The goal is to make African markets more liquid, efficient, and attractive to both local and international investors.

The Bank is also stressing the importance of regional collaboration. African stock exchanges often operate in isolation, limiting opportunities for cross-border investment. Through knowledge-sharing, harmonized regulations, and the encouragement of cross-listing of securities, the AfDB is helping exchanges work together to create a more integrated and resilient financial ecosystem. This collective approach boosts investor confidence, reduces market fragmentation, and positions African capital markets as a viable destination for global investment.

Beyond the numbers and technical upgrades, the AfDB's initiative is about long-term transformation. By modernizing stock exchanges, the Bank is helping Africa build financial markets that support sustainable economic growth, create jobs, and channel investment into sectors critical for the continent's future.

Key Take away

The AfDB's push to modernize African stock exchanges highlights the critical role of efficient, transparent, and inclusive capital markets in driving economic growth. By leveraging digital platforms, improving infrastructure, and fostering regional collaboration, exchanges can attract more investment, support SMEs, and channel funds into strategic sectors like infrastructure and green energy.

4.2 Nigeria completes shift to T+2 settlement cycle

Nigeria has successfully moved its stock market settlement cycle from T+3 to T+2, meaning that trades are now fully completed just two business days after they are made instead of three. This change is a major step toward modernising the country's capital markets and bringing them in line with international standards. By shortening the settlement period, investors can access their funds and securities more quickly, reducing risk and making the market more efficient. The transition involved careful planning, including upgrades to trading and clearing systems, close coordination with brokers and custodians, and thorough preparation of all market participants.

Beyond improving efficiency, the T+2 cycle helps build investor confidence by limiting exposure to market swings between the time a trade is made and when it is settled. It also makes Nigerian markets more attractive to both local and international investors, encouraging more participation and higher trading volumes. The move lays the groundwork for future improvements, such as a potential T+1 settlement cycle. Overall, this milestone strengthens Nigeria's financial ecosystem, improves capital turnover, and positions the country's stock market to play a bigger role in driving sustainable economic growth.

Key Takeaway

Moving to a T+2 or T+1 settlement cycle shows just how efficiency in securities trading and settlement deepen the capital markets. Faster settlements mean less risk, better access to cash and securities, and more confidence for investors both local and international. This allows money to flow more quickly into businesses and infrastructure, supporting real economic activity. For Kenya, Nigeria's example shows that with careful planning, strong coordination, and the right market systems, it's possible to make financial markets more efficient, resilient, and ready to drive long-term development.

5. DOMESTIC MARKET DEVELOPMENTS

5.1 Kenya enacts the Virtual Asset Service Providers (VASP) Act, 2025

During the quarter under consideration, the Virtual Asset Service Providers (VASP) Act, 2025 was enacted into law. The law provides a framework for regulation of virtual assets in Kenya, bringing cryptocurrencies, digital tokens, and other digital financial services into a clear and structured framework. For years, these markets operated in a legal gray area, leaving investors exposed to fraud, sharp price swings, and unclear rules. The new law sets clear guidelines for exchanges, wallet providers, and other digital asset businesses, with oversight shared between the Central Bank of Kenya, the Capital Markets Authority, and the National Treasury.

The legislation also protects investors and tackles money laundering, giving users greater confidence when using digital assets. At the same time, fintech companies now have a stable, predictable environment to innovate, develop new products, and attract investment without fear of sudden regulatory changes.

By integrating virtual assets into the regulated financial system, Kenya is attracting both local and international investors. The move positions the country as a regional leader in digital innovation and lays the foundation for a modern, resilient, and inclusive financial ecosystem.

Stability Implication

Kenya's new law regulating virtual assets will help the financial system operate more smoothly. With clear rules and oversight, risks such as fraud or sudden price swings will be reduced, and fintech companies will be able to operate in a more predictable environment.

5.2 Nairobi Securities Exchange (NSE) slashes contract sizes and lowers margins to deepen NEXT market

The Nairobi Securities Exchange (NSE) has taken concrete steps to make its NEXT market more investor-friendly by reducing contract sizes and lowering margin requirements. Previously, the size of a single contract and the high margin expectations limited participation largely to institutional investors, leaving retail traders with little room to engage

Under the new framework, investors can now buy smaller portions of shares in the NEXT market, making it easier for individuals with modest capital to enter, manage risk, and diversify their

holdings. Lower margin requirements mean that traders no longer need to tie up large amounts of cash to hold leveraged positions, reducing the cost of trading while also mitigating potential losses.

The NSE expects these measures to increase liquidity, encourage more frequent trading, and improve price formation, which in turn strengthens market efficiency. By making the market more accessible, the exchange also hopes to cultivate a culture of investment among Kenyans, support the growth of small and medium-sized companies listed on NEXT, and ultimately expand the investor base to include more retail participants alongside institutional players.

Stability Implication

By cutting contract sizes and lowering margin requirements, the NSE will create a more balanced market that is less reliant on a few large trades. Smaller positions will help spread risk across more participants, reducing the likelihood of sudden price swings. At the same time, lower margins will ease the financial burden on individual investors, helping prevent forced sell-offs that could disrupt the market.

5.3 President signs the Capital Markets (Amendment) Act 2025 and the Government-Owned Enterprises (GOE) Act 2025

President William Ruto has signed into law two important acts aimed at strengthening Kenya's financial sector and public institutions: the Capital Markets (Amendment) Act 2025 and the Government-Owned Enterprises (GOE) Act 2025. The Capital Markets (Amendment) Act introduces reforms to improve transparency, investor protection, and efficiency in Kenya's capital markets. The Amendment introduces a significant structural reform by removing statutory limits on shareholding in licensed market intermediaries.

Previously, a single shareholder was restricted to holding a maximum of 33.33% of shares in a market intermediary. Under the Amendment, any person or entity may now acquire controlling stake in licensed intermediaries, subject to regulatory approval by the Capital Markets Authority. This gives the Capital Markets Authority (CMA) broader powers to oversee market activities, enforce compliance, and support innovation, including frameworks for digital assets and modern financial instruments. The law also aims to make it easier for both institutional and retail investors to participate in the market.

The Government-Owned Enterprises (GOE) Act establishes comprehensive standards for the governance, accountability, and performance of state-owned enterprises, ensuring that these

entities operate with transparency and efficiency. It requires clear reporting structures and regular financial disclosures, making it easier for oversighting bodies and the public to track the use of resources. Operational oversight is strengthened, with defined roles and responsibilities for boards and management, promoting better decision-making and reducing opportunities for mismanagement or corruption.

The GOE Act and capital markets are closely linked, creating a bridge between public enterprises and Kenya's financial system. Many state-owned enterprises rely on capital markets to raise funds through bonds, shares, or other instruments to finance expansion, infrastructure projects, and operational needs. Stronger governance, transparency, and accountability under the GOE Act give investors confidence that these enterprises are well-managed and financially reliable, making them attractive participants in the capital markets.

Key takeaway

The passing of the Acts strengthens transparency and governance in Kenya's financial system. The GOE Act reduces the risk of mismanagement in state-owned enterprises, while the Capital Markets Act sets clearer rules for investments. Together, these laws create a more predictable environment for investors and make it easier for public enterprises to raise funds for growth and infrastructure projects.

5.4 Safaricom Issues Green Bond with Mobile Subscription Option

During the quarter, Safaricom issued a green bond under its Ksh 40 billion Domestic Medium Term Note Programme (DMTN), with an option to raise an additional Ksh 5 billion if demand exceeded expectations.

The first tranche of the bond is valued at Ksh 15 billion. Proceeds from the bond will fund projects aimed at enhancing operational efficiency, expanding renewable energy initiatives, and advancing sustainability across the company's network. Remarkably, Safaricom received bids totaling Ksh 41.6 billion, resulting in Ksh 20 billion raised, a 175.7 % oversubscription. In line with Kenyan law, interest earned on these green bonds is tax-exempt, allowing investors to fully benefit from their returns. The proceeds will be used to finance eligible green projects, reinforcing Safaricom's sustainability agenda.

The bond offer ran from 25th November to 5th December at a tax-free rate of 10.4%, with a minimum investment of Ksh 50,000 and additional top-ups in multiples of Ksh 10,000. Investors could apply via a USSD code, through a Safaricom link or through licensed brokers, simplifying the investment process. This issuance is notable for being the largest green bond in Kenya to date and the first to allow mobile-based subscription.

Key Takeaway

The oversubscription of Safaricom's bond highlights the strong demand and investor appetite for green, social, and sustainability-linked bonds in the Kenyan market. Its exceptional performance also demonstrates the potential for the government to explore alternatives to traditional treasury bonds as a means of bridging the financing gap.

5.5 EABL Domestic Medium-Term Note

On 2nd October, the Authority approved East African Breweries PLC's KSh 20 billion Medium-Term Note (MTN) Programme. The first tranche, valued at KSh 11 billion, was a five-year fixed-rate note offered at an interest rate of 11.80%, with proceeds earmarked for general corporate purposes and the refinancing of selected borrowings.

The notes were issued at par with a minimum subscription of Ksh 10,000 and carry semi-annual interest payments on 18 May and 18 November, calculated on an Actual/364 basis. The issuance attracted strong investor demand, with EABL raising Ksh 16.76 billion, representing a 154% oversubscription.

Key Takeaway

The success of EABL's bond issuance signals renewed investor confidence in Kenya's corporate bond market, demonstrating that well-structured and credible issuances can attract strong demand despite a recent slowdown in activity. The significant oversubscription underscores the depth of domestic liquidity and highlights the potential for corporate bonds to serve as a viable alternative to bank financing, thereby supporting market revival, issuer diversification, and the broader development of Kenya's capital markets.

5.6 Capital Markets Authority of Kenya (CMA) issues four new licenses to strengthen and diversify Kenya's capital markets

The Capital Markets Authority of Kenya (CMA) has recently taken a major step to strengthen and diversify the country's capital markets by issuing four new licenses. This move shows CMA's commitment to building a more dynamic and inclusive financial ecosystem where investors have more options and market players operate under clear, transparent rules. It's part of a bigger effort to encourage innovation, improve market efficiency, and attract both local and international participants.

The licenses were given to TPXM Global Kenya Limited, Point Forty Investment Advisory Limited, Silverhouse Capital Limited, and Enwealth Impact Debt Fund Limited. TPXM Global Kenya received a non-dealing online foreign exchange broker license, allowing it to offer investors easy access to global trading in foreign exchange, commodities, equities, and CFDs through digital platforms. Point Forty Investment Advisory Limited was granted an authorized securities dealer license, giving it the ability to provide tailored investment solutions in government securities and listed equities, which will broaden opportunities for investors across Kenya.

Silverhouse Capital Limited received an investment adviser license, enabling it to give professional, research-based guidance that helps clients make smarter, more informed investment decisions. Enwealth Impact Debt Fund Limited was issued an alternative investment fund license, which sets up a pooled investment vehicle to channel capital into impact-focused debt instruments

Together, these licenses represent more than just regulatory approvals, they are a signal that Kenya's capital markets are opening up, becoming more diverse, and ready for innovation. They are expected to improve market liquidity, increase investor confidence, and create new opportunities for both everyday investors and large institutions

Key Takeaway

The new license issuances show that Kenya's capital markets are continuing to grow and diversify. By expanding the range of financial services and encouraging innovation, the CMA is giving investors more options than before.

5.7 The Capital Markets Authority (CMA) approves eight new collective investments

The Capital Markets Authority (CMA) has approved eight new Collective Investment Schemes (CIS), marking an important step in expanding investment choices and making Kenya's capital markets more accessible to both retail and institutional investors. This move shows the CMA's ongoing commitment to creating a diverse and well-regulated investment environment where investors can grow their savings safely and with confidence.

The newly approved schemes include the Swala Capital Unit Trust Funds, which offer money market, balanced, and equity options; the Lofty Corban Unit Trust Scheme, featuring private debt and global asset sub-funds; and a new multi-asset fund under Sanlam Unit Trust Funds. Meanwhile, the XENO Unit Trust Scheme introduces US Dollar-denominated money market, equity, and bond funds, and the Globetec Unit Trust Scheme brings a broad range of local and USD-denominated funds across money market, equity, fixed income, and multi-asset classes. The Tradium Unit Trust Scheme adds a low-risk money market fund, while the Capital A Rejeshu Umbrella CIS provides a mix of KSh- and USD-denominated money market, balanced, equity, and fixed income options.

With these approvals, investors now have access to a wider set of professionally managed investment products, making it easier to diversify portfolios and manage risk. Beyond giving investors more choices, these developments help strengthen trust in the market, improve transparency, and support the long-term growth and resilience of Kenya's financial system. The CMA's careful oversight ensures that these funds operate under robust governance and risk-management standards, so investors can grow their wealth with confidence.

Key Takeaway

The CMA's approval of eight new collective investment schemes provides investors with more options to diversify their portfolios, including money market, equity, multi-asset, and fixed-income funds in both Kenyan Shillings and US Dollars. With these professionally managed funds operating under clear rules and regulatory oversight, investors can participate with confidence, while supporting the continued development and transparency of Kenya's capital markets.

5.8 Performance of Domestic Capital Markets

In the fourth quarter of 2025, Kenya's domestic capital markets moved with renewed energy and confidence, building on the powerful upswing seen earlier in the year. Investor optimism grew stronger as market indicators pointed upward, signalling deeper market strength and an environment that felt both promising and progressively stable. Equities continued to shine, with major indices climbing and market capitalization rising, driven by strong performance in key sectors such as banking, telecommunications, and manufacturing.

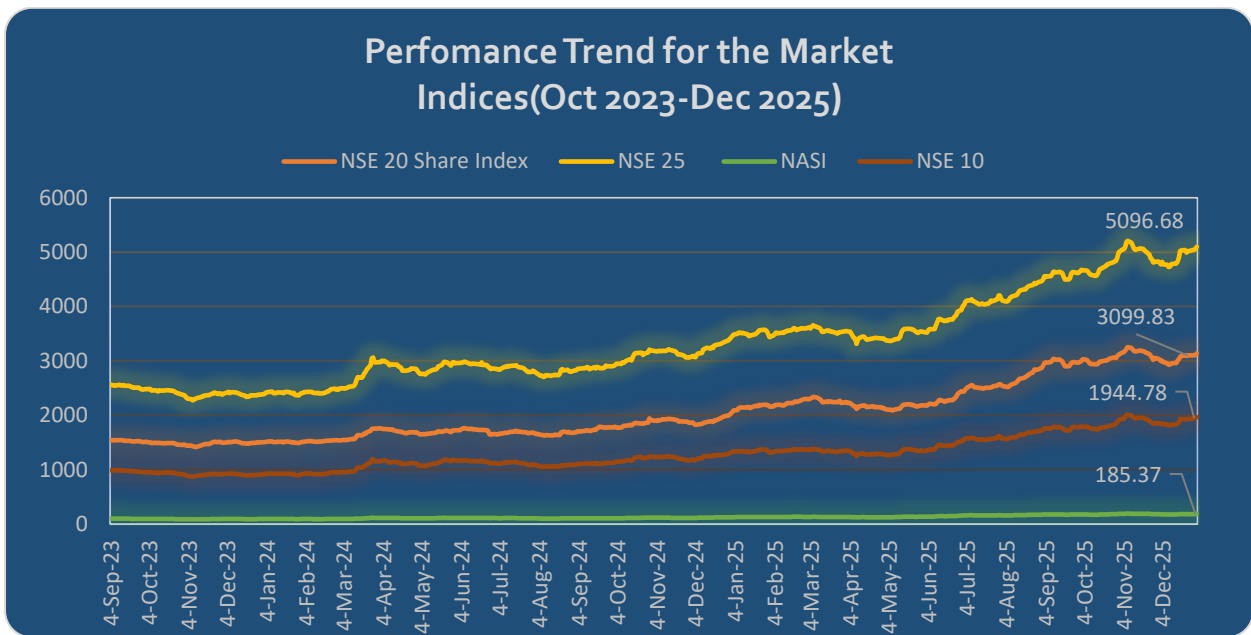
This positive momentum was further reinforced by a wave of meaningful reforms championed by the Capital Markets Authority and the Nairobi Securities Exchange, including the introduction of single-unit share trading to increase accessibility, enhanced market transparency initiatives, the rollout of more flexible digital trading infrastructure, and efforts to deepen market liquidity through stronger regulatory oversight. Altogether, the fourth quarter highlighted a market that was not only recovering but evolving.

5.8.1 Equity Market

The Equities market in the fourth quarter and throughout 2025, posted impressive gains across its major equity indices, marking one of the strongest annual performances in recent years. The NSE All Share Index (NASI), which tracks the overall market, climbed over 50% year-on-year to close the year at around 186.58 points, while the NSE 20 Share Index rose by more than 56%, ending near 3,139 points.

Other key sub-indices also performed strongly, with the NSE 10 Share Index increasing by approximately 50% to finish at 1,965.20 points, and the NSE 25 Share Index rising by around 49%, closing the year at 5,096.68 point, reflecting broad-based gains across most listed companies and a healthy upward momentum in market valuations.

Figure 7 Trends of the Performance of the Market Indices



Source: CMA

Table 1 Equity Performance (October- December 2025)

Year	Month	Share Volume	Total Equity Turnover (KSh)	NSE20 Share Index (Average)	NASI Share Index (Average)	NSE 25 Share Index (Average)	NSE10 Share Index (Average)	Market Cap (KShs Billion Mn)
Q4. 2025	Oct	466,556,597	11,271,155,113.51	3,011.66	178.08	4,720.37	1,795.76	2,966.46
	Nov	491,827,677	14,176,502,928.59	3,159.66	187.36	5,030.30	1,935.10	2,857.36
	Dec	539,655,411	17,542,139,264.29	3,030.37	181.90	4,908.30	1,886.15	2,944.54
	Total	1,498,039,685	42,989,797,306.39					
Q3. 2025	Jul	487,135,400	12,509,305,947	2,514.93	159.98	4,089.91	1,569.27	2,524.22
	Aug	483,903,678	10,771,183,672.35	2,674.16	165.35	4,277.74	1,637.60	2,719.26

Year	Month	Share Volume	Total Equity Turnover (KSh)	NSE20 Share Index (Average)	NASI Share Index (Average)	NSE 25 Share Index (Average)	NSE10 Share Index (Average)	Market Cap (KShs Billion Mn)
	Sep	847,547,881	22,701,285,418.31	2,967.88	176.87	4,578.71	1761.95	2,784.47
	Total	1,377,762,400	28,429,725,358					

As at end-December 2025, the MSCI Kenya Index (Index is designed to measure the performance of the large and mid cap segments of the Kenya market) closed Q4 on a firm footing, recording a quarterly gain of approximately 7.5% and a full-year increase of about 63.4%. This performance significantly outpaced both global equity markets and peer frontier benchmarks, underscoring a sustained improvement in investor sentiment toward Kenya’s capital markets.

Figure 8 MSCI Kenya Index

ANNUAL PERFORMANCE (%)

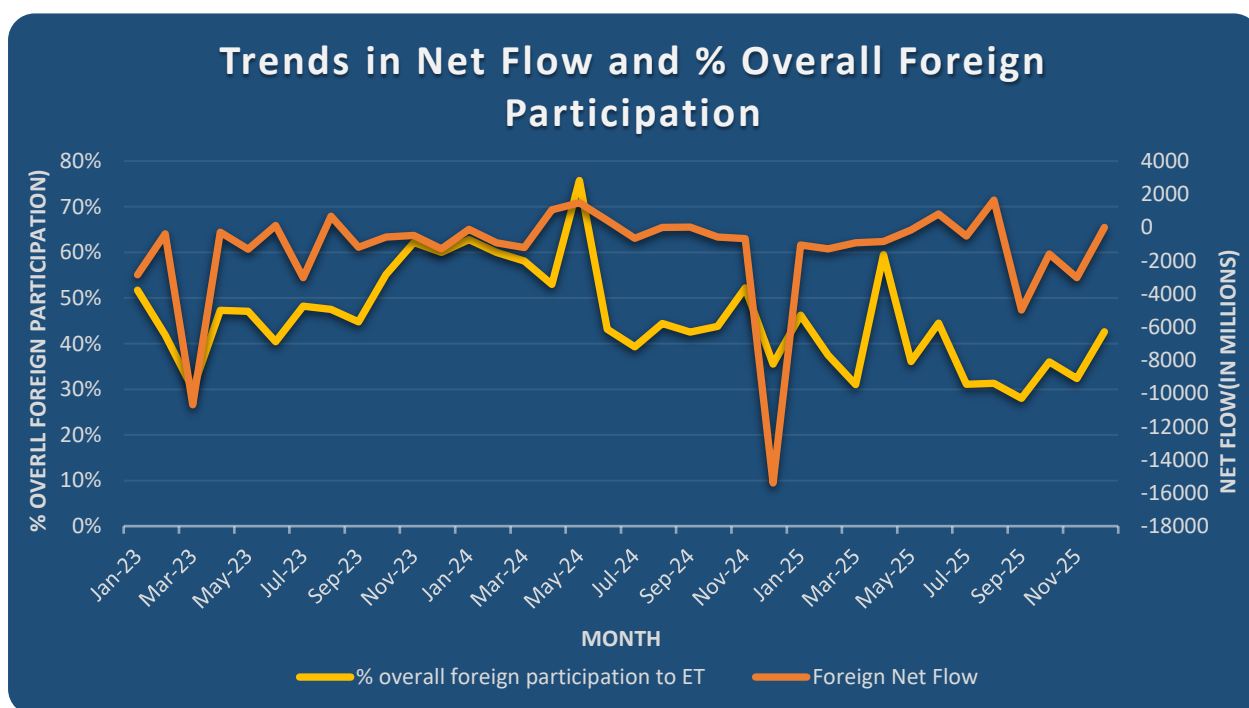
Year	MSCI Kenya	MSCI Frontier Markets	MSCI ACWI
2025	63.35	46.86	22.34
2024	76.62	9.42	17.49
2023	-46.61	11.63	22.20
2022	-30.97	-26.34	-18.36
2021	13.84	19.73	18.54
2020	-9.50	1.43	16.25
2019	48.73	17.99	26.60
2018	-12.51	-16.41	-9.41
2017	35.97	31.86	23.97
2016	1.11	2.66	7.86
2015	-18.34	-14.46	-2.36
2014	23.39	6.84	4.16
2013	47.74	25.89	22.80
2012	61.90	8.85	16.13

Source: MSCI Kenya

Net Flow and Overall Foreign Participation (October- December 2025)

In October, foreign investors recorded a net outflow of KSh 1,601 million, while overall foreign participation rose to 36.00%, indicating heightened trading activity. This trend persisted into November, with net outflows widening to KSh 3,028 million and foreign participation declining to 32.37%, suggesting a temporary moderation in foreign engagement. In December, foreign flows stabilized, with the market registering a marginal net inflow of KSh 9 million, while foreign participation rose sharply to 42.63%, the highest level recorded during the quarter. This elevated participation likely reflects profit-taking, sector rotation, or portfolio rebalancing.

Figure 9 Trends in Net flow and Overall Foreign Participation (October - December 2025)



Source: CMA

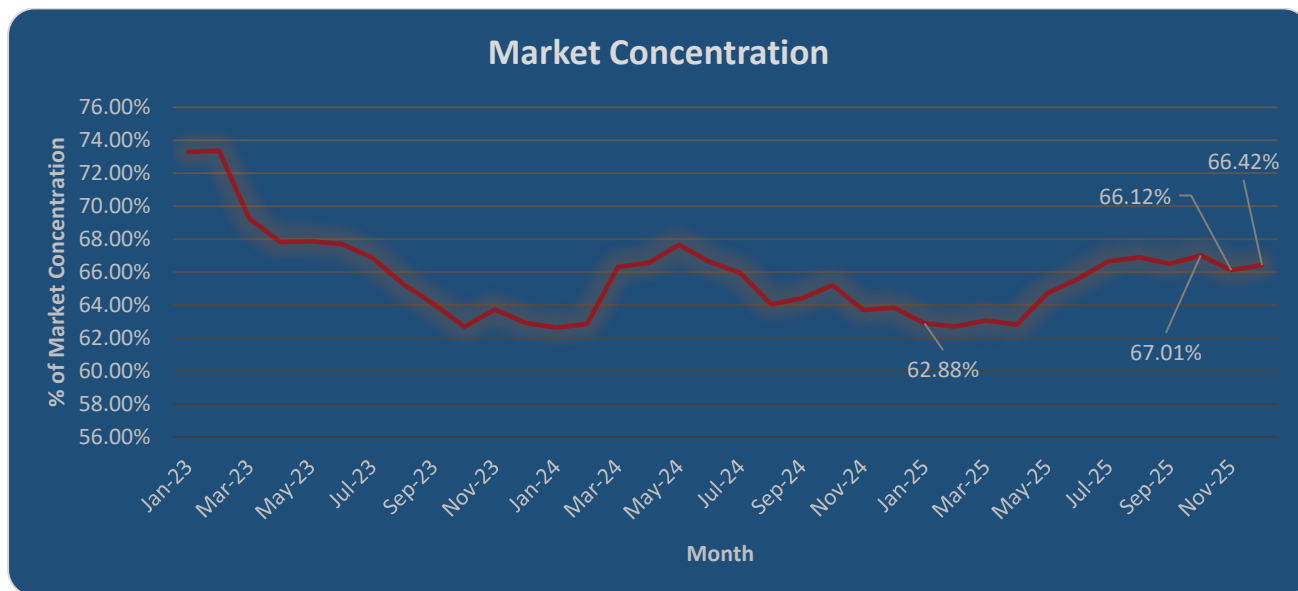
Market concentration

Market concentration in the fourth Quarter remained elevated, averaging around 66%. The concentration ratio peaked at 67.01% in October before moderating slightly to 66.12% in November and finishing the year at 66.42%. Compared to the broader annual trend, which saw concentration gradually rise at the start of the year, Q4 figures indicate that market share among leading participants had largely plateaued at higher levels

Overall, the market in 2025 remained heavily concentrated in a few large-cap stocks, reflecting a consolidated structure and uneven liquidity, while mid- and small-cap stocks experienced lower

activity. Improving investor awareness and access to information could help broaden investment across a wider range of stocks, fostering a more balanced and resilient market.

Figure 10 Market Concentration (Top 5 Companies by Market Cap)



Source CMA

5.8.2 Treasury Bond Market

In the fourth quarter of 2025, the Kenyan government issued bonds totalling KSh 200 billion, which attracted subscriptions of KSh 415.07 billion, reflecting continued strong investor interest and notable oversubscription. Acceptance rates varied across issues, with reopenings such as FXD1/2021/020 in October accepting KSh 107.4 billion against KSh 73.9 billion received, while some long-dated bonds like SDB1/2011/030 in December recorded lower acceptance of just KSh 3.9 billion.

Compared with the third quarter, Q4 saw slightly lower overall subscription volumes but sustained selective demand, particularly for medium-term fixed-rate bonds, highlighting cautious positioning among investors toward longer maturities amid global uncertainties.

Table 2 Treasury Bond Performance

Date	BOND	Amt Issued (KShs. Bn)	Amt Received (KShs. Bn)	Amt Accepted (KShs. Bn)	% AA/AI	% AR/AI	Issue
Oct-25	FXD1/2018/015	50	44.99	31.57	63.14	89.98	Re-opened
	FXD1/2021/020		73.9	53.7	107.4	147.8	Re-opened
Nov-25	FXD1/2012/020	40	35.32	19.48	48.69	88.31	Re-opened
	FXD1/2022/015		57.58	33.35	83.37	143.96	Re-opened
	FXD1/2023/003	30	34.3	20.08	66.93	114.33	BuyBack
	FXD3/2019/015	40	33.71	20.19	67.3	112.36	Re-opened
	FXD1/2022/025		82.14	34.57	86.425	205.35	Re-opened
Dec-25	SDB1/2011/030	40	4.59	3.90	9.75	11.47	Re-opened
	FXD1/2021/025		48.54	43.21	108.02	121.36	Re-opened
Total		200	415.07	260.05			
Jul-25	FXD1/2018/020	50	33.08	30.57	61.14	66.16	Re-opened
	FXD1/2018/025		43.83	36.08	72.16	87.66	Re-opened
Aug-25	IFB1/2018/015	90.00	215.94	50.66	56.29	239.93	Re-opened
	IFB1/2022/019		107.49	44.36	49.29	119.43	Re-opened
	IFB1/2018/015	50.00	130.34	127.98	255.96	260.68	Tap Sale
	IFB1/2022/019		77.11	51.79	103.58	154.22	Tap Sale
Sep-25	FXD1/2018/020	40	33.38	23.51	58.78	83.45	Re-opened
	FXD1/2022/025		63.91	37.93	94.83	159.78	Re-opened

	SDB1/2011/030	20	8.07	2.40	11.99	40.35	Re-opened
Total		250	713.15	205.28			

Source: CBK

5.8.3 Corporate Bonds Market

The corporate bond turnover in the Kenyan bond market has been in a prolonged contraction, interrupted only by brief episodes of heightened activity in Q4 2010 and Q3 2019. Market performance in 2025 was uneven, with turnover starting at KSh 525.10 million in Q1 before dropping sharply to KSh 1.25 million in Q2. Activity showed a modest recovery in Q3, with turnover rising to KSh 105.13 million.

In Q4 2025, new corporate bond issuances of KSh203 million signalled renewed issuer participation; however, overall liquidity in the corporate bond segment remained constrained. Cumulatively, total corporate bond market activity in 2025 amounted to approximately KSh 834 million, underscoring the subdued nature of the market despite the late-year issuance.

Figure 11 Trends in Corporate Bonds Turnover from 2010-2025

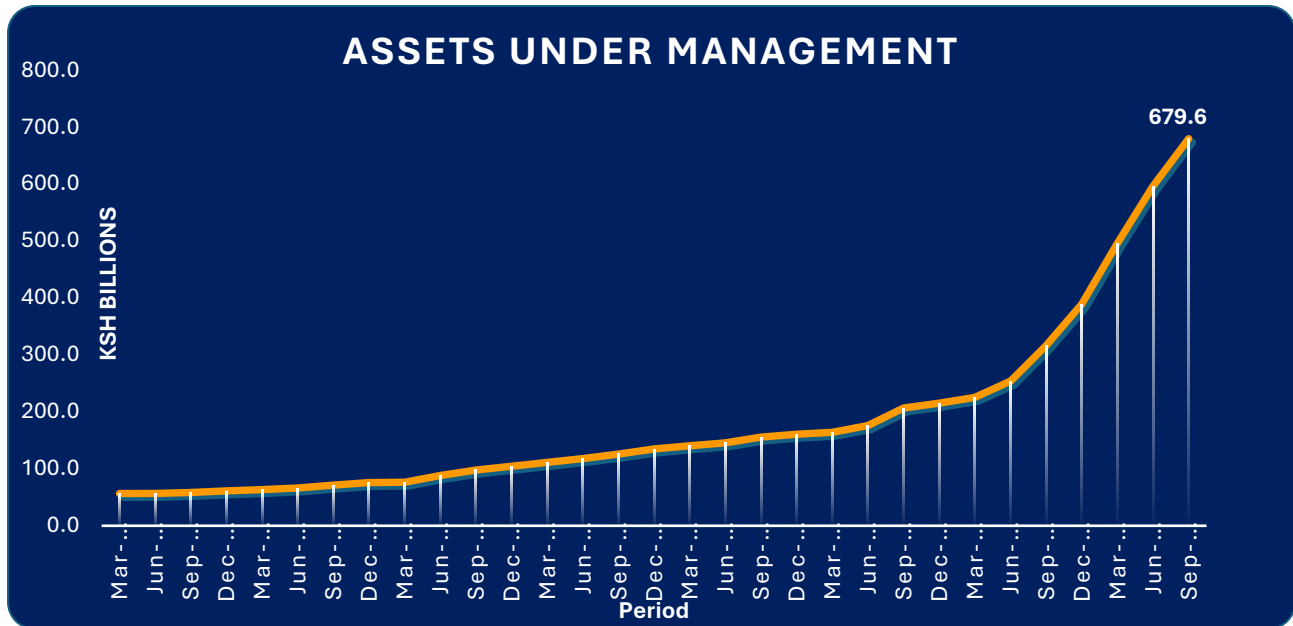


5.8.4 Collective Investment Schemes (CIS)

The latest report ended September 30, 2025, shows the total assets under management by the CIS amounted to KSh. 679.6 billion, being a 14% increase from KSh. 596.3 billion reported in the period

ended June 30, 2025. The increase can be attributed to overall growth reported by existing CIS funds as well as additional funds registered by existing umbrella schemes and commenced reporting in 2025. The increase can also be attributed to intensified marketing efforts by the fund managers.

Figure 12 Assets Under Management for CISs



Source: CMA

6. CAPITAL MARKETS STABILITY SOUNDNESS INDICATORS FOR THE PERIOD 1st October – 31st December 2025

Table 3 Stability Indicators (1st October- 31st December 2025)

Stability Indicator	Quarter/Year	Market Statistics				Assessment Risk Level	Performance Brief for the Quarter	Ongoing Intervention Measures
1.0 Equity Market Depth								
NSE 20 Index Volatility Base Year= 2010	Q4.2025	Oct	Nov	Dec	Q4. Aver	Low (Indicative-	The average Quarterly volatility for the three Market indices, NSE 20, NSE 25, and NASI remained low, staying below the 1% threshold	The Market volatility for the three key indices NSE 20, NSE 25, and NASI remained low, staying below the 1% threshold
		0.29%	0.49%	0.57%	0.45%			
	Q3.2025	July	Aug	Sep	Q3. Aver	Low < 1%; Medium 1%; High >10%)		
		0.39%	0.37%	0.46%	0.41%			
	Q2. 2025	Apr	May	Jun	Q2. Aver			
		0.84%	0.40%	0.45%	0.56%			
	Q1. 2025	Jan	Feb	Mar	Q1. Aver			
		0.56%	0.40%	0.47%	0.48%			
NSE 25 Index Volatility Base Year = 2015	Q4.2025	Oct	Nov	Dec	Q4. Aver	Low (Indicative	was 0.45%, 0.45%, and 0.52%, Respectively	Low volatility indicates that the price movements of the three indices were relatively stable
		0.29%	0.49%	0.57%	0.45%			
	Q3.2025	July	Aug	Sep	Q3. Aver	Low < 1% Medium: >1% high; >10%)		
		0.53%	0.31%	0.44%	0.43%			
	Q2. 2025	Apr	May	Jun	Q2. Aver			
		0.77%	0.41%	0.54%	0.58%			
	Q1. 2025	Jan	Feb	Mar	Q1. Aver			
		0.36%	0.44%	0.45%	0.42%			
NASI Volatility Base	Q4.2025	Oct	Nov	Dec	Q4. Aver	Low (Indicative		
		0.47%	0.51%	0.57%	0.52%			
	Q3.2025	July	Aug	Sep	Q3. Aver	-		

Year= 2010		0.51%	0.41%	0.47%	0.47%	Low < 1% Medium: >1% high; >10%)		during the period. This low volatility was likely driven by increased trading, earnings disclosures, and macroeconomic shifts which helped steady the indices and reduce price fluctuations.
	Q2. 2025	Apr	May	Jun	Q2. Aver			
		0.75%	0.42%	0.70%	0.62%			
	Q1. 2025	Jan	Feb	Mar	Q1. Aver			
		0.38%	0.35%	0.53%	0.42%			
	Equities Turnover Ratio	Q4.2025	Oct	Nov	Dec			
0.38%			0.50%	0.57%	1.45%			
Q3.2025		July	Aug	Sep	Q3. Sum			
		0.50%	0.40%	0.82%	1.71%			
Q2. 2025		Apr	May	Jun	Q2. Sum			
		0.38%	0.42%	0.50%	1.30%			
Q1. 2025		Jan	Feb	Mar	Q1. Sum			
		0.48%	0.41%	0.39%	1.28%			

								<p>sheet optimization.</p> <p>Overall, yearly concentration has remained on an upward trend, and to sustain momentum, the NSE and CMA are continuing to enhance market activity through targeted liquidity support, eased access for foreign investors, expansion of investment products, and strengthened investor</p>
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								education initiatives.
2.0 Foreign Exposure Risk								
Percentage (%) overall Foreign participation to Total Equity Turnover	Q4.2025	Oct	Nov	Dec	Q4.Aver	Low (Indicative – annual: <40%-Low; >90% High)	Foreign Investor Participation at the end of the Q4,2025, Averaged at 37% a an increase from 30.12% in Q3 2025	In Q4 2025, foreign investors turnover average was 37% an increase from 30.12 % registered in Q3. 2025.The increase was most likely
		36.00%	32.37%	42.63%	37%			
	Q3.2025	Jul	Aug	Sep	Q3. Aver			
		31.07%	31.28%	28.01%	30.12%			
	Q2. 2025	Apr	May	Jun	Q2. Aver			
		59.51%	36.06%	44.47%	46.68%			
	Q1. 2025	Jan	Feb	Mar	Q1. Aver			
		46.22%	37.46%	31.03%	38.24%			
Net Foreign Portfolio Flow (Ksh Million)	Q4.2025	Oct	Nov	Dec	Q4.Sum	High (Indicative – annual: Less (outflow. <Kshs (50billion) - High (outflow. >Kshs. 50 billion High	The market recorded an outflow of KS 4,620 million compared to an outflow of 3,838 million in Q3. 2025 2025	reflects profit-taking, sector rotation, or portfolio rebalancing. Ongoing foreign outflows pose a sustained risk to market stability, emphasizing
		(1,601)	(3,028)	9	(4,620)			
	Q3.2025	Jul	Aug	Sep	Q3. Sum			
		(524)	1,651	(4,965)	(3,838)			
	Q2. 2025	Apr	May	Jun	Q2. Sum			
		(851)	(146)	(180)	(177)			
	Q1. 2025	Jan	Feb	Mar	Q1. Sum			
		(1052)	(1284)	(926)	(3262)			

							<p>the importance of implementing targeted measures to enhance liquidity and stimulate investor activity at the Nairobi Securities Exchange.</p> <p>New reforms such as the introduction of single-share trading and implementation of hybrid fixed income market are aimed at improving market liquidity, attracting</p>
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								international capital, and fostering a more vibrant and resilient market environment.
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3.0 Market Concentration Risk

Market Concentration (Top 5 companies by market cap)	Q4.2025	Oct	Nov	Dec	Q4.Aver	High (Indicative – annual: >50% High Concentration)	Market concentration for the top 5 companies for the quarter ended December 2025 averaged at 66.42%	This Quarter trading activity became increasingly dominated by a few large-cap counters, mainly Safaricom and major banking stocks.
		67.01%	66.12%	66.14%	66.42%			
	Q3.2025	Jul	Aug	Sep	Q3.Aver			
		66.66%	66.90%	66.50%	66.69%			
	Q2.2025	Apr	May	Jun	Q2.Aver			
		62.81%	64.73%	65.99%	64.51%			
	Q1.2025	Jan	Feb	Mar	Q1.Aver			
		62.88%	62.69%	63.06%	62.88%			

4.0 Derivatives Trading Statistics¹

Total Volume (No. of	No of Contracts		Low		
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contracts)	<table border="1"> <thead> <tr> <th></th> <th>Q3. Sum</th> <th>Oct-25</th> <th>Nov-25</th> <th>Dec-25</th> <th>Q4. Sum</th> <th>%Change Q2 Vs Q4</th> </tr> </thead> <tbody> <tr> <td>ABSA</td> <td>18</td> <td>2</td> <td>1</td> <td>308</td> <td>311</td> <td>1627.78%</td> </tr> <tr> <td>BATK</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>EABL</td> <td>22</td> <td>51</td> <td>51</td> <td>824</td> <td>926</td> <td>4109.09</td> </tr> <tr> <td>EQTY</td> <td>8</td> <td>360</td> <td>790</td> <td>1,875</td> <td>3,025</td> <td>37,712.5%</td> </tr> <tr> <td>KCBG</td> <td>31</td> <td>1,200</td> <td>5,240</td> <td>2,625</td> <td>9,065</td> <td>29,141.94%</td> </tr> <tr> <td>N25I</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>SCOM</td> <td>104</td> <td>3,210</td> <td>2,600</td> <td>5,458</td> <td>11,268</td> <td>10,734.62%</td> </tr> <tr> <td>COOP</td> <td>24</td> <td>500</td> <td>1,248</td> <td>206</td> <td>1,954</td> <td>8041.67%</td> </tr> <tr> <td>NCBA</td> <td></td> <td>91</td> <td>699</td> <td>62</td> <td>852</td> <td></td> </tr> <tr> <td>IHMP</td> <td></td> <td>-</td> <td>979</td> <td>1,200</td> <td>2,179</td> <td></td> </tr> <tr> <td>SCBK</td> <td></td> <td>1</td> <td>1</td> <td>7</td> <td>9</td> <td></td> </tr> <tr> <td>25MN</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>10MN</td> <td>13</td> <td>19</td> <td>12</td> <td>-</td> <td>31</td> <td>138.46</td> </tr> <tr> <td>BRIT</td> <td></td> <td>575</td> <td>575</td> <td>-</td> <td>1,150</td> <td></td> </tr> <tr> <td>KEGN</td> <td></td> <td>10,970</td> <td>290</td> <td>270</td> <td>11,530</td> <td></td> </tr> <tr> <td>KNRE</td> <td></td> <td>450</td> <td>4,200</td> <td>408</td> <td>5,058</td> <td></td> </tr> <tr> <td>KPLC</td> <td></td> <td>261</td> <td>500</td> <td>475</td> <td>1,236</td> <td></td> </tr> <tr> <td>Total</td> <td>920</td> <td>17,690</td> <td>17,186</td> <td>13,718</td> <td>48,594</td> <td>5181.96</td> </tr> </tbody> </table>								Q3. Sum	Oct-25	Nov-25	Dec-25	Q4. Sum	%Change Q2 Vs Q4	ABSA	18	2	1	308	311	1627.78%	BATK		-	-	-	-		EABL	22	51	51	824	926	4109.09	EQTY	8	360	790	1,875	3,025	37,712.5%	KCBG	31	1,200	5,240	2,625	9,065	29,141.94%	N25I		-	-	-	-		SCOM	104	3,210	2,600	5,458	11,268	10,734.62%	COOP	24	500	1,248	206	1,954	8041.67%	NCBA		91	699	62	852		IHMP		-	979	1,200	2,179		SCBK		1	1	7	9		25MN		-	-	-	-		10MN	13	19	12	-	31	138.46	BRIT		575	575	-	1,150		KEGN		10,970	290	270	11,530		KNRE		450	4,200	408	5,058		KPLC		261	500	475	1,236		Total	920	17,690	17,186	13,718	48,594	5181.96			The volume of contracts traded in Q4.2025 was 48,594 translating to a 5181.96 Increase from 920 Contracts recorded in Q3. 2025.
	Q3. Sum	Oct-25	Nov-25	Dec-25	Q4. Sum	%Change Q2 Vs Q4																																																																																																																																									
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Gross Notional Exposure (GNE) (To be changed)	<p>Amount in Kshs</p> <table border="1"> <thead> <tr> <th></th> <th>Q3.2025</th> <th>Oct-25</th> <th>Nov-25</th> <th>Dec-25</th> <th>Q4. Sum</th> <th>% Change Q4 Vs Q3</th> </tr> </thead> <tbody> <tr> <td>ABSA</td> <td>358,200</td> <td>4,474</td> <td>2,550</td> <td>694,226</td> <td>701,250</td> <td>95.77%</td> </tr> <tr> <td>BATK</td> <td></td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td></td> </tr> <tr> <td>EABL</td> <td>1,721,275</td> <td>113,789</td> <td>119,400</td> <td>2,398,748</td> <td>2,631,937</td> <td>52.91%</td> </tr> <tr> <td>EQTY</td> <td>322,800</td> <td>2,265,600</td> <td>5,238,770</td> <td>11,599,950</td> <td>19,104,320</td> <td>5818.31%</td> </tr> </tbody> </table>								Q3.2025	Oct-25	Nov-25	Dec-25	Q4. Sum	% Change Q4 Vs Q3	ABSA	358,200	4,474	2,550	694,226	701,250	95.77%	BATK		-	-	-	-		EABL	1,721,275	113,789	119,400	2,398,748	2,631,937	52.91%	EQTY	322,800	2,265,600	5,238,770	11,599,950	19,104,320	5818.31%	High (indicative) – annual: >50%		The total value (Gross Exposure) of contracts traded																																																																																																		
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	KCBG	554,860	6,987,370	34,232,925	15,557,050	56,777,345	10132.73%	High concentration)		during the quarter came up to Ksh 148,864,886; a 3321.36% an increase from Q3.2025	
	N25l		-	-	-	-					
	SCOM	1,218,020	9,107,190	7,739,295	15,664,324	32,510,809	2569.15%				
	COOP	161,000	1,063,200	2,903,578	477,520	4,444,298	2660.43%				
	NCBA		709,863	5,905,725	516,940	7,132,528					
	IHMP		-	4,537,965	5,286,500	9,824,465					
	SCBK		3,080	2,980	20,288	26,348					
	25MN		-	-	-	-					
	10MN	14,920	348,760	233,000	-	581,760	3799.20%				
	BRIT		496,775	517,500	-	1,014,275					
	KEGN		10,354,820	298,400	243,860	10,897,080					
	KNRE		140,000	1,331,000	120,348	1,591,348					
	KPLC		352,376	680,750	593,997	1,627,123					
	Total	4,351,075	31,947,297	63,743,838	53,173,751	148,864,886	3321.36%				
Total Open Interest (No. of Contracts)		Q3. Average	Oct-25	Nov-25	Dec-25	Q4. Average	% Change Q4 Vs Q3	Medium (Indicative – annual: >50% High concentration)	Overall, the total average number of open interest contracts recorded in Q4 2025 were 428 a 250.82 % increase from Q3. 2025 value of 122.	As for hedging instruments, the place of derivatives markets in the face of economic uncertainty remains important in risk management.	
		ABSA	2	2	2	302	102				5000%
		BATK		-	-	-	-				
		EABL	17	51	1	623	225				1223.53%
		EQTY		-	250	1,300	775				
		KCBG	8	600	1,170	600	790				9775.00%
		N25l		-	-	-	-				
		SCOM	81	506	2,076	2,652	1745				2054.32%
		COOP	9	500	20	-	260				2788.89%
		NCBA		5	-	-	5				
		IHMP		-	526	3	265				
		SCBK		1	1	2	1				
		25MN		-	-	-	-				
	10MN	2	-	-	-	-					
	BRIT		575	-	-	575					
	KEGN		110	150	-	130					

KNRE		452	652	252	452	
KPLC		261	261	202	241	
Total	122	278	464	660	428	250.82%

With the increasing profile of risks in the macro-economy, the profile of derivative instruments may grow

Settlement Guarantee Fund (SGF) Coverage for Derivatives(to be changed)

	Oct-25	Nov-25	Dec-25
SGF	62,142,113	62,495,149	62,789,393
Average Market Value	1,030,558	2,124,795	1,715,282
SGF Coverage	60 times	29 times	37 times

Data as of December 2025

***High (Indicative– annual: >50% High concentration**

The SGF coverage ratio for the Derivatives market in Q4 2025 was sufficient during the period.

To Maximize value from the SGF fund balances, there is deliberate effort by NSE to encourage increased activity by Market intermediaries in this market for Increased

								volumes of trade.																				
5.0 Government Bond Market Exposure																												
Treasury Bond Market turnover Concentration	Q4.2025	Oct	Nov	Dec	Q4.Aver	High (Indicative – annual: >50%High)	In Q4.2025, Treasury Bond market turnover was 100.00 %	Government activity in the bonds markets continues to dominate as the Government targets domestic market savings to fund various Government activities																				
		100%	100%	100%	100%																							
	Q3.2025	Jul	Aug	Sep	Q3. Aver																							
		100%	100%	100%	100%																							
	Q2. 2025	Apr	May	Jun	Q2. Aver																							
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6.0 Investor Profile²																												
Corporate Bond Market ownership	<table border="1"> <thead> <tr> <th>Account Type</th> <th>Number of Investors</th> <th>Share Quantity</th> <th>% By Share Quantity</th> </tr> </thead> <tbody> <tr> <td>EI</td> <td>1</td> <td>10,000,000</td> <td>0.04</td> </tr> <tr> <td>FC</td> <td>3</td> <td>131,549,607</td> <td>0.57</td> </tr> <tr> <td>FI</td> <td>23</td> <td>280,200,000</td> <td>1.22</td> </tr> <tr> <td>LC</td> <td>603</td> <td>21,180,010,513</td> <td>92.35</td> </tr> </tbody> </table>					Account Type	Number of Investors	Share Quantity	% By Share Quantity	EI	1	10,000,000	0.04	FC	3	131,549,607	0.57	FI	23	280,200,000	1.22	LC	603	21,180,010,513	92.35	High (Indicative – annual: >50% High concentration)	In the quarter under review Local investors constituted the greatest share in investment followed by	Kenya has been facing a period of reduced corporate bond activity in the last few years.
	Account Type	Number of Investors	Share Quantity	% By Share Quantity																								
	EI	1	10,000,000	0.04																								
	FC	3	131,549,607	0.57																								
	FI	23	280,200,000	1.22																								
LC	603	21,180,010,513	92.35																									

² Data on investor profile to be updated once available

LI	759	1,335,910,934	5.83
Total	1,389	22,937,671,054	100.00

Data computed as of 30 September 2025

Note: For every EAC, LI, and FI, the total calculated is a sum of both corporate and individual investors.

foreign corporates with East Africa Investors constituting the least Number of investors. The Authority through its investor education and market deepening function has profiled retail investors to increase activity within the domestic corporate bond market.

Equity Market

Account Type	Number of Investors	Share Quantity	% By
BR	6	14,498,291	0.01%
EC	265	1,414,178,754	1.37%
EI	7,141	114,051,121	0.11%
FC	381	15,593,383,249	15.11%
FI	7,979	554,482,850	0.54%
JR	207	1,619,763	0.0%
LC	40,705	69,806,707,091	67.67%
LI	1,248,543	15,700,042,946	15.22%

High (Indicative – annual: >50% High concentration

In Q2. 2025 Local corporate investors constituted the majority in the investment in equity followed by foreign Investors While the proportion of local investors is higher than foreign investors, the share quantity held by each investor on a per capita basis remains low.

	Total	1,305,227	103,198,964,065					
	Data as of September 30, 2025							
7. o Settlement Compensation Coverage³								
Settlement Guarantee Fund	Q4. 2025	Oct	Nov	Dec	Q4. Aver	(Indicative– annual: >1 times, implies full coverage	The settlement Guarantee Fund (SGF) ratio for the quarter under review was 2.3	Through Risk- Based supervision, the Authority has been monitoring the SGF figures. The fund remains adequate to guarantee settlement failure.
		2.7	2.2	1.9	2.3			
	Q3.2025	Jul	Aug	Sep	Q3. Aver			
		2.81	3.01	1.51	2.45			
	Q2. 2025	Apr	May	Jun	Q2. Aver			
		3.42	3.53	3.75	3.57			
	Q1. 2025	Jan	Feb	Mar	Q3. Aver			
		3.42	3.53	3.75	3.57			
8.o Asset Base of Fund Managers, Stockbrokers, Investment Bank⁴								
Working Capital		Amount in KshMillions				Medium (Indicative – the	The net assets base of fund Managers,	Capital markets licensees' net

³ Data for SGF to be updated

⁴ Data for Asset base to be updated

(Amount in Kshs Millions) *		Total Assets	Total Liabilities	Net Assets June 2025	Net Assets March 2025	% change	Higher the figure, the more stable is the market	Investment Adviser, Investment Banks, Online Forex, REITs For investment bank and stockbroker as of september was Kshs,_____	assets increased between April and June 2025 for Investment Adviser Online Forex brokers, Investment bank and stockbrokers and decreased for fund manager. Forex Broker s Manager and increased.
	Fund Mangers	10,446	2,706	7,740	7,831	1.66			
	Investment Advisers	410	166	244	240	1.66			
	Investment Banks	13,803	5,019	8,784	8,120	8.17			
	Online Forex Brockers	4,661	2,875	1,786	1,629	9.63			
	REIT Manager	-	-	-	394	-			
	Stockbrokers	3,679	2,021	1658	1,632	1.59			