FAIDA
INVESTMENT BANK



Weekly Market Report

Week 41

Week Ending on Friday, October 9th, 2026

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Weekly Highlights

Kenya Airways (KQ): Government Approves USD 350 Million Loan and KES 122 Billion Debt Conversion Plan

On 9 October 2026, Kenya Airways announced Government approval of two measures to support its turnaround: a USD 350 million (approximately KES 45.15 billion) shareholder loan with a 10-year tenor to fund immediate operational needs, including aircraft maintenance and the return of grounded aircraft to service; and the proposed conversion of approximately KES 122 billion in existing Government loans, plus accrued interest, into an equity-qualifying tradeable instrument to restore positive equity and facilitate future capital raising and strategic investment. Both measures remain subject to definitive agreements, shareholder approval and CMA and NSE clearances. The package could ease near-term liquidity constraints and support balance-sheet repair, but the proposed debt conversion may materially dilute existing minority shareholders, depending on its structure and pricing. We advise caution when trading KQ pending further details on the conversion terms and implementation.

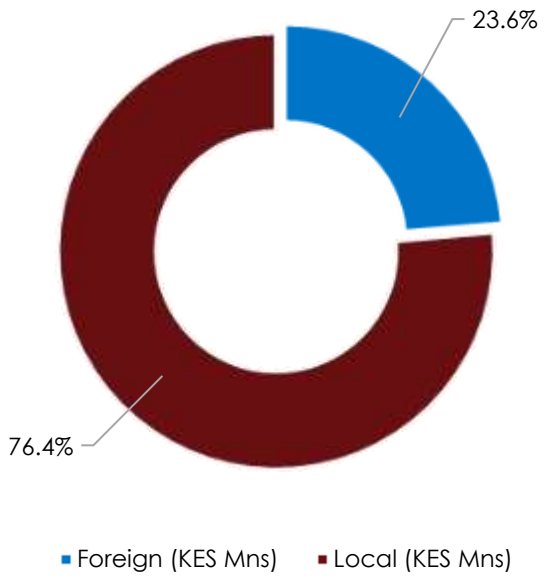
CBK Holds Rate at 8.75% Amid Rising Inflation

The Central Bank of Kenya's Monetary Policy Committee (MPC) held the Central Bank Rate (CBR) at 8.75% on 7 October 2026, its fourth consecutive hold since the February cut, citing the need to anchor inflation expectations and maintain exchange-rate stability. Inflation rose to 6.8% in September from 6.6%, approaching the 7.5% upper limit, with higher oil prices and potential second-round effects posing upside risks. The MPC raised its 2026 GDP growth forecast to 5.0% from 4.9% and retained its 2027 forecast at 5.3%. Private-sector credit growth accelerated to 10.6% in September from 10.3% in August, while gross NPLs declined to 13.9% from 14.8% in June, indicating improving credit conditions. Foreign exchange reserves stood at USD 14.7 billion, equivalent to 5.9 months of import cover. The Treasury bill auction demand was concentrated in the 91-day paper at 627.6%, while the 364-day tenor was undersubscribed at 96.4%, suggesting a preference for shorter maturities amid inflation and interest-rate uncertainty. We expect short-term yields to remain relatively stable in the near term, although persistent inflationary pressures could trigger repricing. Stable monetary conditions and improving credit quality would support equities, particularly the banking sector, although inflation, funding costs and asset quality remain key risks.

Equities Market

Foreign vs Local Investor Participation

Local vs Foreign Participation



Source: Nairobi Securities Exchange

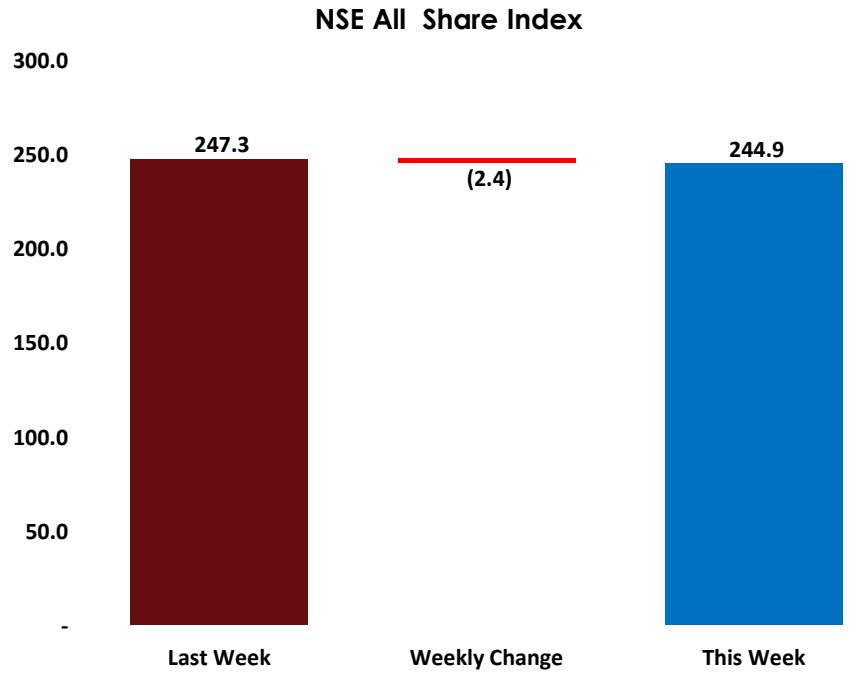
	Foreign (KES Mns)	Local (KES Mns)
Week ending October 9, 2026	462.2	1,493.6
Participation	23.6%	76.4%

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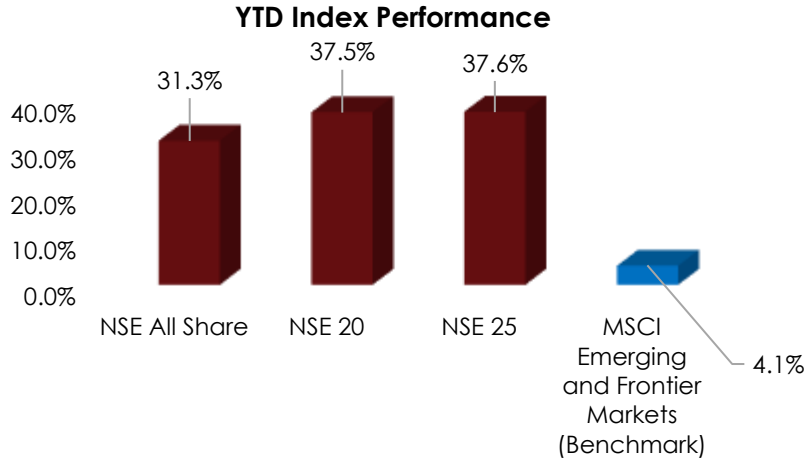
Equities Market Commentary

	This Week	Past Week	w-o-w Change	YTD Change
NSE All Share	244.9	247.3	-1.0%	31.3%
NSE 20	4,315.5	4,323.6	-0.2%	37.5%
NSE 25	6,964.0	7,001.5	-0.5%	37.6%
Benchmark	926.6	937.9	-1.2%	4.1%

The NSE All Share Index and the NSE 20 declined by 1.0% and 0.2%, respectively, while the NSE 25 also dropped by 0.5%, a broad-based decline across the market during the week.



Source: Nairobi Securities Exchange and Bloomberg



Source: Nairobi Securities Exchange and Bloomberg

	This Week	Past Week	w-o-w Change
Market Capitalization (KES Bns)	4,110.5	4,150.5	-1.0%
Volume Traded (Mns)	92.2	63.7	44.7%
Equity Turnover (KES Mns)	1,956.0	2,280.0	-14.2%

Source: Nairobi Securities Exchange and Bloomberg

Market capitalization edged down by 1.0%, reflecting the decline in overall equity valuations during the week. Trading volumes rose by 44.7%, while equity turnover fell by 14.2%, reflecting increased activity in lower-priced counters.

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Equities Performance

Top Gainers	Last Week	Previous Week	Weekly Change	QTD	YTD
I&M Holdings	87.50	82.50	6.1%	6.1%	106.1%
Standard Group	6.40	6.20	3.2%	4.2%	6.0%
Sanlam	10.65	10.40	2.4%	5.4%	25.9%
Nation Media	15.40	15.05	2.3%	2.3%	33.3%
Flame Tree	2.11	2.07	1.9%	-1.4%	34.4%

Source: Nairobi Securities Exchange

Top Losers	Last Week	Previous Week	Weekly Change	QTD	YTD
NBV	1.27	1.37	-7.3%	-2.3%	-13.6%
AMAC	329.00	349.75	-5.9%	193.1%	356.9%
Olympia	7.34	7.70	-4.7%	-6.9%	-10.7%
Eveready	0.96	1.00	-4.0%	-5.0%	-29.9%
Car and General	280.25	289.75	-3.3%	-4.3%	449.5%

Source: Nairobi Securities Exchange

Top Movers	Last Week	Previous Week	Turnover (KES Mns)
NMG	15.40	15.05	351.94
KCB	89.75	92.50	254.64
Safaricom	35.75	36.55	205.67
IMH	87.50	82.50	180.75
Equity Bank	104.00	105.50	153.27

Source: Nairobi Securities Exchange

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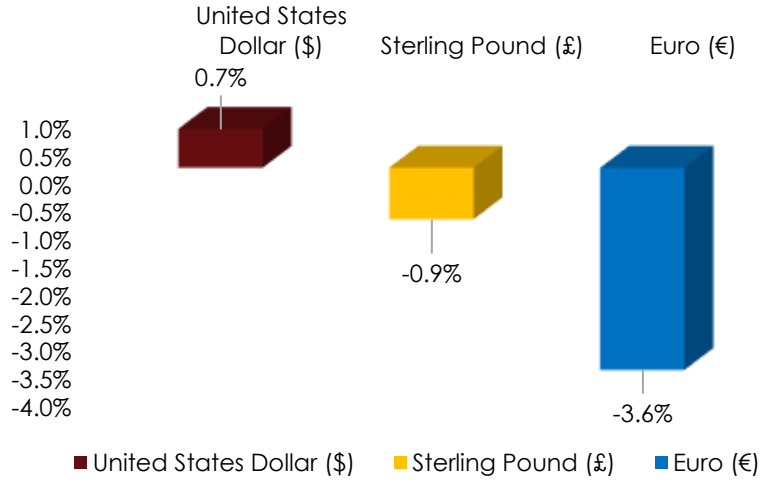
Exchange Rate

The Kenyan Shilling recorded mixed performance against major currencies during the week, depreciating by 0.1% against the US Dollar to close at KES 129.90 and by 0.2% against the British Pound to KES 172.00, while appreciating by 0.3% against the Euro to KES 145.90.

	This Week	Past Week	w-o-w Change	QTD Change	YTD Change
United States Dollar($)	129.9	129.8	0.1%	0.1%	0.7%
Sterling Pound (£)	172.0	171.6	0.2%	0.2%	-0.9%
Euro (€)	145.9	146.4	-0.3%	-0.9%	-3.6%

Source: Central Bank of Kenya; Positive = KES Depreciation, Negative=KES Appreciation

YTD Foreign Currency Performance vs KES



Source: Central Bank of Kenya Data

Global Markets

	This Week	w-o-w Change	YTD Change
Dow Jones Index	51,655.0	0.9%	7.5%
S&P 500 Index	7,811.5	1.2%	14.1%
Nasdaq 100 Index	30,883.2	0.2%	22.3%
DAX Index	25,087.3	-0.6%	2.4%
FTSE 100 Index	10,552.1	0.9%	6.2%
Eurostoxx 50 Index	6,173.4	-1.0%	6.6%
Shanghai Composite	3,813.8	-0.7%	-3.9%
Nikkei 225 Index	69,030.9	1.1%	37.1%

Source: Bloomberg

Global equities closed the week higher, supported by a late-week rebound in technology stocks and optimism ahead of third-quarter earnings season. The S&P 500 rose 1.2%, the Dow Jones gained 0.9% and the Nasdaq 100 Index added 0.2%. However, elevated Treasury yields and oil prices continued to pose risks to market sentiment.

Commodities

	This Week	w-o-w Change	YTD Change
Brent Crude Oil	104.7	2.4%	72.1%
Murban Crude Oil	110.6	-0.2%	80.1%
Gold	4,194.2	1.3%	-3.0%

Source: Bloomberg

Global commodity markets were mixed this week. Brent crude rose 2.4%, while Murban crude slipped 0.2%. Gold gained 1.3% on safe-haven demand amid economic and geopolitical uncertainty.

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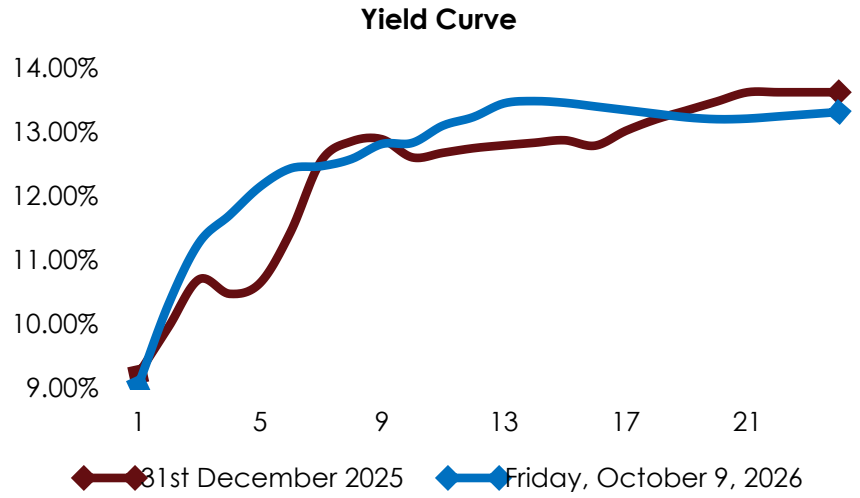
Treasury Bill Auction Results

	Amount Offered (KES bn)	Bids Received	Subscription	Bids Accepted	Yield	Subscription w-o-w
91-day	8.0	50.2	627.6%	20.4	8.76%	179.18%
182 - day	10.0	15.5	155.3%	15.4	8.87%	-18.91%
364 - day	10.0	9.6	96.4%	9.6	9.04%	-8.91%
Total	**28.0**	**75.4**	269.2%	**45.5**		57.96%

Source: Central Bank of Kenya

Treasury bill auction recorded improved demand, with the overall subscription rate rising to 269.2% from 170.4% in the previous week. The 91-day paper recorded the highest demand at 627.6%, followed by the 182-day paper at 155.3%, while the 364-day paper registered a subscription of 96.4%.
Yields currently stand at 8.76% for the 91-day, 8.87% for the 182-day, and 9.04% for the 364-day paper.

Nairobi Securities Exchange Yield Curve



Source: NSE Data

Stock Recommendation

KCB Group– Buy

The Group remains well positioned, supported by robust earnings growth, continued balance sheet expansion and improving asset quality. H1 2026 profit before tax and profit after tax grew by 20.8% and 14.0%, respectively, while loans and deposits expanded by 13.3% and 15.1%. The Group's income diversification also strengthened, with non-funded income contributing 31.5% of operating income, up from 29.9% a year earlier.

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Corporate Actions

Counter	Corporate Action	Declared Dividend	Date Announced	Book Closure	Payment Date
EABL	Final Dividend	8.70	06-Aug-2026	19-Oct-2026	31-Oct-2026
KenGen	Final Dividend	0.75	07-Sep-2026	29-Oct-2026	21-Jan-2027
KPLC	Final Dividend	1.20	18-Sep-2026	27-Nov-2026	31-Dec-2026
ABSA	Interim Dividend	0.50	18-Aug-2026	18-Sep-2026	15-Oct-2026
KCB	Interim Dividend	3.00	13-Aug-2026	02-Sep-2026	10-Nov-2026
Centum	Final Dividend	0.78	31-July-2026	Subject to Approval	Subject to Approval
EA Portland	Final Dividend	1.25	22-Jun-2026	Subject to Approval	Subject to Approval
B.O.C	Interim Dividend	4.00	21-Aug-2026	21-Sep-2026	19-Oct-2026

Counter Statistics

Agricultural Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Eaagads	28.10	-2.1%	0.0%	37.1%	-	76.1	0.7	0.9
Kakuzi	437.50	-0.2%	-0.2%	8.8%	867	86.5	1.6	1.8
Kapchorua Tea	343.50	1.3%	-1.6%	48.4%	2,429	18.4	1.5	7.0
Limuru Tea	532.00	0.0%	4.3%	15.7%	117	46.5	11.7	(39.3)
Sasini	23.65	-0.6%	-1.0%	32.5%	44,555	44.5	0.3	0.6
Williamson Tea	159.25	-0.6%	1.6%	6.5%	20,450	83.8	0.6	1.5
Sector Average		**-0.4%**	**0.5%**	**24.8%**		**59.3**	**2.7**	

Automobiles Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Car and General	280.25	-3.3%	-4.3%	449.5%	157,352	18.1	2.2	-

Banking Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Absa	33.05	0.0%	-0.3%	33.8%	1,289,667	8.2	1.8	23.3

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Bank of Kigali	59.75	-0.8%	0.0%	40.6%	83,781	-	-	22.7
Diamond Trust Bank	191.00	1.1%	1.1%	66.8%	306,116	4.6	0.5	11.5
Equity Group	104.00	-1.4%	-0.7%	55.8%	1,464,104	4.8	1.2	27.8
Housing Finance	11.80	0.0%	0.0%	18.5%	3,587,646	14.5	1.2	10.3
I&M	87.50	6.1%	6.1%	106.1%	2,098,863	7.4	1.3	18.0
KCB	89.75	-3.0%	-1.6%	36.5%	2,794,245	4.2	0.8	21.5
NCBA	88.75	1.1%	-0.3%	5.7%	220,651	5.9	1.1	19.8
Stanbic Bank	275.50	-1.8%	-2.3%	39.3%	44,397	7.9	1.4	18.0
StanChart	318.25	-0.4%	0.3%	7.1%	76,254	10.8	1.9	17.1
The Co-op Bank	36.95	-0.3%	-0.4%	54.3%	2,107,523	6.5	1.3	20.5
Sector Average		**0.1%**	**0.2%**	**42.2%**		**7.5**	**1.2**	

Commercial Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Eveready	0.96	-4.0%	-5.0%	-29.9%	959,166	-	-	-
Express Kenya	7.14	1.4%	-6.8%	-3.5%	19,796	2.1	0.5	29.6
Longhorn	2.79	-1.8%	4.9%	-3.8%	17,467	-	95.4	(1,001.0)
Nairobi Business Ventures	1.27	-7.3%	-2.3%	-13.6%	305,250	-	2.6	-
Nation Media Group	15.40	2.3%	2.3%	33.3%	21,270,468	7.8	0.4	(9.1)
Sameer	16.65	-2.3%	-2.6%	16.8%	25,928	15.9	4.1	29.9
Standard Group	6.40	3.2%	4.2%	6.0%	8,537	-	20.8	(183.9)
TPS East Africa	17.40	1.8%	2.1%	18.4%	6,320	6.5	0.4	6.8
Uchumi	1.40	-1.4%	-4.8%	35.9%	1,824,222	140.0	-	-
WPP Scangroup	1.92	0.0%	-8.6%	-24.7%	343,556	59.6	0.2	(17.1)
Sector Average		**-0.8%**	**-1.7%**	**3.5%**		**45.6**	**15.6**	

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Construction Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Crown Paints	60.75	0.8%	3.4%	11.5%	45,334	8.7	2.1	25.7
E.A. Portland	118.50	0.4%	-1.3%	61.2%	1,953	5.6	0.5	9.8
Sector Average		**0.3%**	**0.5%**	**18.2%**		**7.2**	**1.3**	

Energy Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
KenGen	10.95	1.4%	2.3%	19.3%	6,925,415	7.7	0.3	3.3
Kenya Power	22.35	-2.2%	-3.2%	64.3%	3,330,909	1.7	0.3	23.1
Total Kenya	46.95	-0.7%	0.1%	21.8%	50,212	4.7	0.3	7.4
Umeme	6.08	-2.6%	0.7%	-22.3%	106,889	-	-	(158.5)
Sector Average		**-1.0%**	**0.0%**	**20.8%**		**4.7**	**0.3**	

Insurance Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Britam	18.20	-2.4%	-3.2%	100.0%	337,834	7.2	1.2	18.8
CIC	5.12	1.2%	3.4%	12.0%	3,164,969	4.6	1.2	29.0
Jubilee	402.75	0.9%	0.7%	20.2%	6,400	4.7	0.5	11.4
Kenya Re	4.39	-0.2%	-0.5%	45.8%	8,412,549	5.4	0.4	8.4
Liberty	9.26	-1.1%	-1.1%	-8.3%	33,984	10.8	0.5	4.6
Sanlam Kenya	10.65	2.4%	5.4%	25.9%	48,664	-	1.2	-
Sector Average		**0.1%**	**0.8%**	**32.6%**		**6.5**	**0.8**	

Investment Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Centum	18.05	0.0%	-0.8%	30.3%	251,415	8.8	0.3	3.0

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Home Afrika	1.10	0.9%	2.8%	-17.9%	1,320,420	8.5	-	-
Olympia	7.34	-4.7%	-6.9%	-10.7%	21,208	-	0.3	0.2
Sector Average		**-0.9%**	**-1.2%**	**0.4%**		**8.65**	**0.3**	

Investment Services Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Nairobi Securities Exchange	30.65	1.0%	1.0%	51.4%	731,850	9.3	2.8	34.9

Manufacturing Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
BOC Kenya	191.00	0.1%	6.6%	50.4%	5,638	11.9	1.7	15.2
British American Tobacco	559.00	0.0%	0.0%	21.8%	47,503	10.5	4.5	39.1
Carbacid	42.20	-2.3%	-0.5%	43.8%	81,683	10.4	2.1	21.4
EABL	289.75	0.9%	-0.1%	10.2%	124,855	15.3	6.7	48.8
Flame Tree	2.11	1.9%	-1.4%	34.4%	249,995	5.7	0.2	-
Kenya Orchards	70.00	0.0%	0.0%	0.0%	100	-	9.2	6.7
Unga Group	39.80	0.0%	-1.5%	71.6%	18,202	7.1	0.8	15.9
Sector Average		**0.1%**	**0.4%**	**33.2%**		**10.2**	**3.6**	

Telecommunications Sector	Last Price	Weekly Change	QTD	YTD	Volume	P/E	P/B	ROE
Safaricom	35.75	-2.2%	-0.4%	26.1%	5,700,535	15.0	7.1	50.5

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Top 10 Dividend Yield

	Last Price	Dividend Yield
Williamson Tea	159.25	9.4%
Kapchorua	343.50	8.7%
Bank of Kigali	59.75	7.8%
Total Kenya	46.95	7.3%
KenGen	10.95	6.8%
The Coop Bank	36.95	6.8%
Safaricom	35.75	5.6%
Equity Bank	104.00	5.5%
Liberty Kenya	9.26	5.4%
Kenya Power	22.35	5.4%

Agricultural

	Last Price	Dividend Yield
Eaagads	28.10	0.0%
Kakuzi	437.50	3.7%
Kapchorua	343.50	8.7%
Limuru Tea	532.00	0.0%
Sasini	23.65	0.0%
Williamson Tea	159.25	9.4%

Automobile

	Last Price	Dividend Yield
Car and General	280.25	0.4%

Banking

	Last Price	Dividend Yield
Absa	33.05	1.5%
Bank of Kigali	59.75	7.8%
Diamond Trust	191.00	4.7%
Equity Bank	104.00	5.5%
Housing Finance	11.80	0.0%
I&M	87.50	4.3%
KCB	89.75	3.3%
NCBA	88.75	4.2%
Stanbic	275.50	0.6%
StanChart	318.25	2.7%
The Coop Bank	36.95	6.8%

Commercial and Services

	Last Price	Dividend Yield
Eveready	0.96	0.0%
Express Kenya	7.14	0.0%
Longhorn	2.79	0.0%
NBV	1.27	0.0%
Nation Media Group	15.40	0.0%
Sameer	16.65	0.0%
Standard Group	6.40	0.0%
TP Serena	17.40	2.0%
Uchumi	1.40	0.0%
ScanGroup	1.92	0.0%
Kenya Airways	5.76	0.0%

Construction and Allied

	Last Price	Dividend Yield
Bamburi	54.00	0.0%
Crown Paints	60.75	4.9%
E.A. Cables	1.71	0.0%
E.A. Portland	118.50	1.1%

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Energy and Petroleum

	Last Price	Dividend Yield
KenGen	10.95	6.8%
Kenya Power	22.35	5.4%
Total Kenya	46.95	7.3%
Umeme	6.08	0.0%

Insurance

	Last Price	Dividend Yield
Britam	18.20	0.0%
CIC	5.12	2.5%
Jubilee	402.75	0.5%
Kenya Re	4.39	3.4%
Liberty Kenya	9.26	5.4%
Sanlam	10.65	0.0%

Investment

	Last Price	Dividend Yield
Centum	18.05	4.3%
Home Afrika	1.10	0.0%
Olympia	7.34	0.0%
TransCentury	1.12	0.0%

Investment Services

	Last Price	Dividend Yield
NSE	30.65	3.3%

Manufacturing & Allied

	Last Price	Dividend Yield
BOC	191.00	2.1%
British American Tobacco	559.00	1.8%
Carbacid	42.20	2.4%
EABL	289.75	3.0%
Flame Tree	2.11	0.0%
Kenya Orchards	70.00	0.0%
Unga Group	39.80	0.0%

Telecommunications

	Last Price	Dividend Yield
Safaricom	35.75	5.6%

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For the Faida M-Trader Application,

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