

CAPITAL MARKETS RESEARCH UPDATE (CMRU)

Markets Update

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- ❖ AA Kenya Clears NSE Listing and Capital Restructure.
- ❖ Annual Inflation Eased in November 2025.
- ❖ EABL Raises KShs.16.7 billion in Oversubscribed MTN.
- ❖ Kenyan Shilling Remained Stable
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MSCI Adds Kenyan Companies to Global Equity Indices

Morgan Stanley Capital International (MSCI) has added CIC Insurance Group Plc and Williamson Tea Kenya Plc to its MSCI Frontier Small Cap Index, increasing the number of Kenyan companies included over the past year to seven. In addition, Standard Chartered Bank has been included in the main Frontier Markets Index, reinforcing Kenya's presence alongside major blue-chip names.¹

AA Kenya Clears NSE Listing and Capital Restructure

AA Kenya is set to list on the Nairobi Securities Exchange (NSE) following shareholder approval of a listing by introduction, marking its transformation from a long-standing member association into a publicly traded mobility services company.²

Annual Inflation Eased slightly in November 2025

The annual consumer price inflation as measured by the Consumer Price Index (CPI) was 4.5 per cent in November 2025, comparing current prices to those of February 2019, the base period. The rate of core inflation stood at 2.3 per cent in November 2025, contributing 2.6 points to the overall inflation, while the rate of non-core inflation was 10.1 per cent, contributing 1.8 points.³

EABL Raises KShs.16.7 billion in Oversubscribed MTN

East African Breweries Plc successfully raised KShs.16.7 billion through its corporate bond, exceeding the initial KShs.11 billion target following approval to utilise the green-shoe option. The bond achieved a 152.4% oversubscription rate, reflecting strong market liquidity, investor demand for high-quality corporate issuances, and

growing confidence in well-rated issuers. Proceeds will support general operational needs and refinance EABL's earlier KShs.11 billion bond, improving the company's liquidity position and extending its maturity profile.⁴

Kenyan Shilling Remained Stable

Currency	Oct-25	Nov-25	% Change
1 USD	129.24	129.82	0.45%
1 Sterling (£)	170.12	171.83	1.01%
1 Euro (€)	149.63	150.47	0.56%
1 SA Rand	7.47	7.57	1.34%
1 USHS	0.04	0.04	0.00%
1 TSHS	0.05	0.05	0.00%
1 Brazilian Real	24.05	24.22	0.71%
1 Russian Rubble	1.62	1.66	2.47%
1 Indian Rupee	1.46	1.45	0.68%
1 Chinese Yuan	18.17	18.35	0.99%

Red-Depreciate; Green- Appreciate; Source: CMA

In the month of November, the Kenya Shilling remained stable against major and regional currencies. Overall movements were small, indicating low volatility, with a slight appreciation against the Indian Rupee.

Domestic Investors Dominate Equities Market

Indicators	Oct-25	Nov-25	%Δ
NSE 20 Share index	3,116.69	3,052.73	2.05%
NSE 25 Share Index	4,998.39	4,820.79	3.55%
NSE 10 Share Index	1,910.77	1,848.91	3.24%
NASI	188.29	181.06	3.76%
Mkt. Cap (Kshs. Bn)	2,966.46	2,857.36	3.76%
Volume (M)	466.60	491.84	5.41%
Equity Turnover (Kshs. Bn)	11.46	14.22	24.06%
% Foreign Participation to ET	36.00	32.37	10.08%
Bond Turnover (Kshs Bn)	180.97	206.44	14.08%
NSE Bond Index	1,175.76	1,164.71	0.94%

Green- Increase, Red-Decrease; Source: CMA

The equities market capitalization declined as investors realized capital gains, leading to increased activity in the equities market. Domestic investors continued to dominate market participation, accounting for approximately 68 percent of total equities turnover.

¹ [MSCI Adds NSE Firms to Global Equity Indices](#)

² [AA Kenya NSE Listing](#)

³ [KNBS Report](#)

⁴ [EABL Oversubscribed Corporate Bond](#)

Capital Markets Outlook

MSCI Inclusions Are Set to Enhance Kenya's Foreign Investor Visibility

The addition of the NSE listed companies to MSCI Frontier Small Cap Index signals a positive outlook for the capital markets. This development is expected to enhance international visibility, attract incremental foreign investment flows, and improve market liquidity. By meeting MSCI's stringent criteria, Kenyan firms demonstrate resilience and governance standards that appeal to global institutional investors. Over time, this could support price appreciation, deepen market participation, and reinforce Kenya's position as a competitive frontier market, laying the foundation for sustained capital market growth.

AA Kenya's Listing is Expected to Boost Market Diversification

AA Kenya's planned listing introduces a new sectoral diversification opportunity to the Nairobi Securities Exchange, potentially enhancing investor interest in Automobiles & Accessories sector. The share split and bonus issue are expected to support a favourable market debut by increasing the number of tradable shares and improving accessibility for retail investors. As the company transitions into the capital markets ecosystem, it could attract medium-term investor attention due to its strong consumer brand, and potential to scale auxiliary services. Over time, AA Kenya's presence on the NSE may encourage similar member-based associations to explore capital market funding, contributing to broader market depth and increased public participation. If well-received, the listing may boost momentum in domestic equity listings on NSE.

EABL's Bond Success Signals Renewed Confidence in Corporate Debt

The success of EABL's bond issuance signals a positive shift in Kenya's corporate debt landscape, which has experienced years of subdued performance following defaults by several issuers earlier in the decade. Investors' willingness to commit capital to a large private-sector issuance indicates renewed trust in top-tier corporates with solid financial histories. This could catalyse a revival in the domestic corporate bond market, encouraging more blue-chip companies to diversify their funding strategies through capital market instruments rather than relying solely on bank borrowing. Additionally, as interest rates in government securities stabilise, institutional investors may increasingly seek higher-yielding, quality corporate alternatives, improving market depth and liquidity.

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