



“STRENGTHENING CORPORATE GOVERNANCE AS A PILLAR FOR MARKET STABILITY, SUSTAINABILITY AND GROWTH”

Quarterly Publication of the Capital Markets Authority (K)

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Table of Contents

1.	SPECIAL FEATURE: CORPORATE GOVERNANCE FOR ISSUERS AND MARKET INTERMEDIARIES	10
1.1	Introduction.....	10
1.2	The Capital Markets Corporate Governance Market Intermediaries Regulations.....	10
1.2.1	The Capital Markets (Corporate Governance Market Intermediaries) Regulations, 2011 Error! Bookmark not defined.	
1.2.2	The Draft Capital Markets (Corporate Governance Market Intermediaries) Regulations, 2025	11
1.3	Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 – Code .	12
1.4	State of Corporate Governance Report	13
2.	GLOBAL ECONOMIC AND CAPITAL MARKETS OUTLOOK.....	15
2.1	Global Economic Outlook	15
2.2	Capital Markets Outlook.....	18
2.2.1	Global Bond Markets.....	18
2.2.2	Global Equity Markets	20
2.3	IPOs	21
2.4	Virtual Assets Market	23
2.5	Top Global Regional and Local Risks and opportunities.....	24
3.	INTERNATIONAL DEVELOPMENTS	26
3.1	Canada Publishes Research on Using Gamification to Improve Investor Outcomes	26
3.2	Removal of Misleading Finfluencer Posts by SEBI.....	27
4.	REGIONAL DEVELOPMENTS	28
4.1	Ghana’s Virtual Asset Sandbox	28
4.2	Johannesburg Stock Exchange lists an AI-focused Actively Managed ETF	28
5.	LOCAL DEVELOPMENTS	29
5.1	Rollout of the New Reporting System for Market Intermediaries.....	29
5.2	The Kenya Pipeline Company (KPC) Initial Public Offer (IPO)	30
5.3	The Launch of Ziidi Trader	31
5.4	Kenya Launches the First Carbon Registry	32
5.5	Licensed Market Intermediaries During the Quarter	33
5.6	Listing of the ALP Industrial REITs.....	34
6.	PERFORMANCE OF THE DOMESTIC CAPITAL MARKETS.....	35

6.1	Equities Market	35
6.1.1	Foreign Participation in the Equity Market	38
6.1.2	Market Concentration	39
6.2	Bond Market	39
6.2.1	Treasury Bonds.....	39
6.2.2	Corporate Bonds	40
6.3	Collective Investment Schemes (CIS)	41
7.	CAPITAL MARKETS STABILITY SOUNDNESS INDICATORS FOR THE PERIOD 1 January – 31 March 2026	43

List of Figure

Figure 1, Corporate Governance Practices Assessment Process	13
Figure 2. Overall Performance Across Periods on State of Corporate Governance for Issuers.....	14
Figure 3. World Economic Outlook Growth Projections	16
Figure 4. Global Inflation Projections.....	18
Figure 5. Bond Yields React More to Bond Auctions	19
Figure 6. MSCI World Index	20
Figure 7. Number of IPOs	22
Figure 8. IPO Proceeds (US \$b).....	22
Figure 9. YTD Crypto Returns	23
Figure 10. Performance Trend for Market Indices	36
Figure 11. MSCI Kenya Index	37
Figure 12. Trends in Net Flow and % Overall Foreign Participation in the Equities Market	38
Figure 13. Trend in Corporate Bond Turnover.....	41
Figure 14. CIS AUM Growth Trend	42

List of Tables

Table 1. MSCI Index for Africa Frontier Markets (31 March 2026).....	24
Table 2. Performance of the Treasury Bond Market.....	40
Table 3. Stability Indicators (1 January- 31 March) 2026.....	43

ABBREVIATIONS

AI – Artificial Intelligence

ALP – Africa Logistics Properties

AUM – Assets Under Management

CBK – Central Bank of Kenya

CG – Corporate Governance

CIS – Collective Investment Schemes

CMA – Capital Markets Authority

ESG – Environmental, Social and Governance

ETF – Exchange Traded Fund

FY – Financial Year

GDP – Gross Domestic Product

IMF – International Monetary Fund

IPO – Initial Public Offering

ISP – Intermediary Service Platform

JSE – Johannesburg Stock Exchange

KNCR – Kenya National Carbon Registry

KPC – Kenya Pipeline Company

KShs – Kenya Shilling

MSCI – Morgan Stanley Capital International

NASI – NSE All Share Index

NEMA – National Environment Management Authority

NSE – Nairobi Securities Exchange

OECD – Organisation for Economic Co-operation and Development

OSC – Ontario Securities Commission

POLD Regulations – Public Offers, Listings and Disclosures Regulations

RBCA – Risk-Based Capital Adequacy

REIT – Real Estate Investment Trust

SEBI – Securities and Exchange Board of India

USD – United States Dollar

YTD – Year-To-Date

EDITORIAL

SPECIAL MESSAGE FROM THE CHIEF EXECUTIVE OFFICER



Dear Esteemed Reader,

Greetings, and welcome to the 38th Edition of the Capital Markets Soundness Report, covering the period from 1st January to 31 March 2026, which marks the third quarter of the Financial Year 2025/2026. This issue provides an overview of global economic and capital market performance, as well as an assessment of the stability of the domestic market.

Amid ongoing conflict in the Middle East and broader geopolitical uncertainty, the International Monetary Fund projects global GDP growth of 3.1% in 2026. Growth in advanced economies is expected to be slower at 1.8%, while emerging markets are projected to grow faster at about 4.0-4.2%. However, the IMF projects that if the conflict persists, particularly due to its impact on oil supply, rising energy prices, and increasing inflation, there could be spillover effects into the last quarter of the current financial year. In such a scenario, global growth could decline further, with projections falling to as low as 2.0%.

During the quarter, the Authority published the 8th Edition of the State of Corporate Governance for Issuers of Securities Report. For the second time in history, the findings indicate an improvement in corporate governance performance among issuers, with a Leadership rating of 78.88%. This reflects a growing commitment by issuers to uphold sound governance practices, which remain fundamental to the stability and sustainable growth of capital markets.

The Authority continues to prioritize the promotion of robust corporate governance standards among both market intermediaries and issuers. In the current financial year, the Authority is undertaking a comprehensive review of the Corporate Governance Regulations for Market Intermediaries, as well as the Code of Corporate Governance Practices for Issuers of Securities to the Public, 2015 (“the Code”), with the aim of aligning them to international best practices while addressing the specific needs of the domestic market.

Among the key developments during the quarter was the issuance of the KPC IPO, which marked the end of a prolonged drought of initial public offerings in the domestic market. The IPO recorded an oversubscription rate of 105%, reflecting strong investor appetite for new issuances.

ALP Industrial REIT was listed, becoming the fifth REIT in Kenya’s. The number of REITs is expected to increase further, supported by the Authority’s ongoing review of the REITs regulatory framework aimed at making them more facilitative. The Authority also launched a new reporting portal for capital markets intermediaries, which is expected to improve efficiency, accuracy, and timeliness of reporting. Overall, the Authority remains committed to embedding financial technology (fintech) within its regulatory framework to support effective oversight and promote a well-functioning, efficient capital market.

During the quarter, the Authority licensed a range of market participants, including REITs, stockbrokers, investment advisers, investment banks, and intermediary service platform providers.

As part of efforts to deepen and grow the capital markets, the Authority continues to leverage its Regulatory Sandbox, which allows for the testing of innovative products and services within a controlled environment for a period of up to six months. The Sandbox remains open for applications, underscoring the Authority's commitment to leveraging fintech solutions to support market development and innovation.

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.

Happy Reading!

FCPA Wyckliffe Shamiah, MBS

CHIEF EXECUTIVE OFFICER

EDITORIAL



Greetings!

It is with great pride that the Authority presents the 38th Edition of the Capital Markets Soundness Report, themed “*Strengthening Corporate Governance as a Pillar for Market Stability, sustainability and Growth.*” The special feature examines the current regulatory framework for market intermediaries and issuers, which has played a critical role in promoting the strong governance standards currently observed, particularly among issuers.

This issue is published against a backdrop of economic uncertainty driven by the ongoing conflict in the Middle East. Over the past six years, the global economy has experienced significant turbulence. Nonetheless, global markets have continued to demonstrate resilience in the face of these shocks, as evidenced during the quarter under review.

On the global front, bond markets recorded a decline in yields as investors anticipated high inflation, largely driven by rising energy prices. Equity markets prices fell by 8% from February, following earlier gains supported by strong corporate earnings in preceding months. The number of global IPOs declined, while bond issuance proceeds increased, indicating a shift in investor preference toward fixed-income instruments. Notably, the cryptocurrency market recorded its weakest performance since 2018. Overall, the decline in performance across major asset classes highlights the significant impact of energy price dynamics on the global economy and capital markets.

Noting the role that financial influencers (“finfluencers”) continue to play in misleading members of the public in India, the Securities and Exchange Board of India (SEBI) removed more than 120,000 posts linked to such content creators, as part of efforts to protect investors from unqualified investment advice. In Canada, research was published on the use of gamification in capital markets, aimed at improving investor outcomes. Additionally, during the quarter under review, the Johannesburg Stock Exchange listed the first actively managed AI-focused ETF, which recorded an oversubscription, reflecting robust investor appetite for technology-driven investment themes.

Despite the ongoing global crisis, the domestic market performed strongly during the quarter. The four market indices, NSE 20 Index, NSE 25 Index, NASI, and NSE 10 Index closed at 3,431.56, 5,416.72, 194.82, and 2,030.35 basis points, respectively, reflecting gains of 9.31%, 6.28%, 4.42%, and 3.32%. MSCI Statistics shows that the equity returns for Kenya in three months had grown by 1.85%.

The number of shares traded increased from 1,498,039,685 to 1,860,898,021 during the quarter, indicating improved market activity and liquidity. Equity market capitalization as at 31st March 2026 stood at KShs.3.230 trillion, surpassing the three-trillion mark and reflecting growth from KShs.2.944 trillion recorded in the previous quarter.

Foreign investors continued to exit the market, with the quarter under review recording a net outflow of KShs.8.783 billion. On average, foreign investors accounted for 32.27% of activity in the equity market. The decline in foreign investor participation reflects a relative increase in domestic investor activity within the equity market. Notably, 82.91% of market capitalization remains concentrated in 10 companies, highlighting a degree of concentration risk within the market.

Finally, in the bond market, Treasury bonds continued to dominate trading activity, accounting for 99.99% of total turnover. Assets under management for Collective Investment Schemes continued to grow, reaching KShs.756.2 billion as at December 2025, reflecting sustained investor confidence and increased participation in pooled investment products.

Enjoy the read!

Mr. Samuel Kamunyu Njoroge

Ag. Director, Research Policy and Market Development

Capital Markets Authority

1. SPECIAL FEATURE: CORPORATE GOVERNANCE FOR ISSUERS AND MARKET INTERMEDIARIES

1.1 Introduction

Financial sector regulators globally have established corporate governance frameworks in recognition of their critical role in the growth and development of the financial sector ecosystem. Acknowledging that robust governance structures underpin economic efficiency, sustainable growth, and financial stability, efforts to develop such frameworks have been advanced across the Africa region, despite implementation challenges. The implementation of broader institutional and governance reforms has progressed slowly, exhibiting considerable variation across countries, influenced by regional, cultural, and political factors.

Good corporate governance is heavily dependent on effective supervision and regulatory enforcement. Strong Corporate governance framework is a key driver in developing liquid and resilient capital markets and facilitating companies' access to finance.

The Capital Markets Authority Kenya has established comprehensive corporate governance frameworks applicable to both market intermediaries and issuers. In particular, the Capital Markets (Corporate Governance Market Intermediaries) Regulations, 2011 provide the governance framework for market intermediaries, including exchanges, investment advisers, broker-dealers, stockbrokers, dealers, Intermediary Service Platform providers, fund managers, custodians, and trustees. Additionally, the Code of Corporate Governance Practices for Issuers of Securities to the Public (2015) sets out the corporate governance standards and practices applicable to issuers of securities to the public.

1.2 The Capital Markets Corporate Governance Market Intermediaries Regulations, 2011

The Capital Markets (Corporate governance Market Intermediaries) Regulations, 2011 has played a critical role in promoting and sustaining high standards of governance within Kenya's capital markets industry. There have been relatively few instances of market intermediaries failing due to corporate governance deficiencies. This can be attributed, in part, to the proactive and timely supervisory approach adopted by the CMA, which has consistently enforced compliance with established governance requirements. Through ongoing supervision, monitoring, and enforcement, the Authority has effectively mitigated the risk of institutional failure arising from weak corporate governance practices among regulated entities.

The Corporate Governance Framework provides a comprehensive framework governing the governance, management, and operational conduct of licensed intermediaries. The framework addresses, among other things, the composition of the board of directors; fit-and-proper requirements for director appointments; maintenance of a register of directors; and the role of the board in providing strategic direction. It further requires the adoption of a board code of conduct, the development of a formal board charter, and the convening of regular board meetings, as well as prescribing remuneration structures for directors and the establishment of mandatory board committees.

In addition, the framework outlines requirements for the development and implementation of a corporate governance framework, delineates the responsibilities of shareholders, and provides guidance on the appointment and oversight of employees, including the roles and responsibilities of the Chief Executive Officer and management. It emphasizes the separation of duties, the appointment of an internal auditor, and the board's responsibility for risk management, internal controls, and the establishment of robust information management systems.

The framework also provides for the appointment of a compliance officer, prescribes requirements for the handling and safeguarding of client funds, and sets out broader regulatory compliance obligations, including the maintenance of board, third-party, and employee records. Finally, it outlines applicable remedial measures and administrative sanctions in instances of non-compliance.

1.2.1 The Draft Capital Markets (Corporate Governance Market Intermediaries) Regulations, 2025

Having been in existence for nearly fifteen years and with intention of reducing cost of compliance for Capital Market Intermediaries, CMA is undertaking an overhaul of the corporate governance regulations. This initiative is aimed at ensuring that the regulations adequately reflect recent developments in corporate governance within the capital markets, align with international best practices, and address the specific needs of the local market. The review seeks to enhance the effectiveness of the regulatory framework in promoting robust governance standards across the industry.

In accordance with Article 10 of the Constitution of Kenya and Section 5 of the Statutory Instruments Act the Regulations underwent stakeholder consultations through public notice issued on 22 April

2025 inviting comments from stakeholders and the public. The draft was made available for review, and comments were received from both internal and external stakeholders.

The proposed Corporate Governance Regulations introduce several key enhancements aimed at strengthening governance standards and oversight. Notably, they establish a clear objectives clause to guide interpretation and enforcement, while improving board composition and stability by promoting continuity, preserving institutional knowledge, and ensuring a balanced mix of experience. The framework also requires at least one board member to have relevant capital markets expertise and increases the allowable number of directorships from two to three to broaden participation without encouraging over-boarding. Regulatory oversight is reinforced by elevating the requirement from “consent” to “approval,” and the remuneration framework is expanded to cover all employees with a stronger focus on performance-based compensation. Additionally, the regulations enhance director training by introducing structured induction and continuous professional development requirements, ensuring boards remain competent and effective over time.

1.3 Code of Corporate Governance Practices for Issuers of Securities to the Public 2015 – Code

The Code establishes a set of guiding principles and specific recommendations on governance structures and processes that issuers are expected to adopt in order to embed sound corporate governance within their business practices and organizational culture. It promotes the adoption of standards that exceed the minimum statutory requirements, thereby fostering enhanced transparency, accountability, and long-term value creation. The Code adopts an *Apply or Explain* approach, replacing the traditional *Comply or Explain* model. This principle-based framework emphasizes the application of sound governance practices while allowing issuers the flexibility to provide adequate and reasoned explanations where deviations occur. Under this approach, boards are required to disclose any instances of non-application to relevant stakeholders, including CMA, and to demonstrate a clear commitment towards achieving full compliance over time.

Pursuant to the Capital Markets (Securities) (Public Offers, Listing and Disclosures) Regulations, 2023, compliance with the provisions of the Code was rendered mandatory for issuers. In line with this development, and consistent with the ongoing review of the corporate governance regulatory framework, the Code is currently under review to ensure alignment with the POLD Regulations, 2023, as well as with evolving international best practices in corporate governance.

1.4 State of Corporate Governance Report

The Authority annually publishes the State of Corporate Governance Report, which assesses the governance performance of issuers within the market. The assessment of Corporate Governance Practices by issuers is based on the completed Corporate Governance Self Reporting Template and publicly available and accessible information such as Annual Reports, company's Websites, Notices, Circulars, Articles of Association, Resolutions of Shareholders' Meetings, Board Charter, Media Publications, Codes of conduct, Sustainability Reports, Policies and other sources of public information as available. To reduce assessor subjectivity and strengthen accuracy and consistency in the review process, a system of checks and balances is implemented through peer review. Additionally, the Authority shares the draft Assessment Reports with issuers and invites them to provide tracked comments and any supplementary documentation to improve the accuracy and completeness of the report. Where requested by an issuer, the Authority also holds virtual exit meetings to deliberate on the draft findings and the issuer's feedback before finalizing and issuing the Corporate Governance Assessment Report.

Figure 1: Corporate Governance Practices Assessment Process



Source: CMA

Under the Corporate Governance Scorecard used by the Authority to assess implementation of the CG Code, an issuer is awarded zero (0) points for each question where the practice has not been observed, one (1) point where it has been partially observed, two (2) points where it has been fully observed and three (3) points where the issuer has gone above and beyond the requirements of the Code. Based on the overall score attained, issuers are classified into four categories: Leadership

Rating (75% and above), Good Rating (65%–74%), Fair Rating (50%–64%), and Needs Improvement Rating (below 50%).

The Authority has consistently published the Report since the Financial Year 2017/2018. Over the seven-year period since its inception, there has been a sustained improvement in corporate governance standards, reflecting issuers’ growing commitment to the adoption and institutionalisation of sound corporate governance practices. In the Financial Year 2024/2025, the report, for the first time, recorded a Leadership Rating. During the same period, the weighted average overall governance score improved to 78.88%, up from 73.56% (Good Rating) recorded in the Financial Year 2023/2024, reflecting a positive trajectory in corporate governance practices among issuers.

Notably, the assessment showed an improvement in the performance of various governance principles under the Code with all principles attaining a Leadership Rating. Among the principles, Accountability, Risk Management and Internal Control recorded the highest performance at 84.47% (Leadership Rating), reflecting enhanced oversight by boards in establishing effective internal control systems, strengthening risk management frameworks and promoting responsible corporate stewardship. Significant improvements were also observed in several principles compared to the previous financial year. In particular, Board Operations and Control registered the most notable improvement, increasing by 9.44% from 67.93% (Good Rating) in FY 2023/2024 to 77.37% (Leadership Rating) in FY 2024/2025. This improvement was largely driven by issuers realigning board composition to comply with regulatory requirements, including the designation of Independent Non-Executive Directors and Non-Executive Directors as required under the Capital Markets (Public Offers, Listings and Disclosures) Regulations, 2023 (POLD Regulations, 2023).

Figure 2: Overall Performance Across Periods on State of Corporate Governance for Issuers

Rating	FY 2017/2018	FY 2018/2019	FY 2019/2020	FY 2020/2021	FY 2021/2022	FY 2022/2023	FY 2023/2024	FY 2024/2025
Leadership	3	7	25	25	30	31	27	38
Good	15	17	11	8	12	8	13	9
Fair	31	21	8	10	6	6	8	4
Needs Improvement	17	8	4	5	6	4	4	2

Source:CMA

Notably, Kenya's improved performance is evident within a challenging global and continental landscape. The revised G20/OECD Principles of Corporate Governance, the African Union's Agenda 2063, and the imperatives of the African Continental Free Trade Area collectively underscore that strong governance frameworks are foundational to sustainable investment and market credibility. Against these benchmarks, Kenya's capital markets are increasingly competitive, attracting heightened interest from institutional investors, development finance institutions, and ESG-focused funds, which increasingly regard governance performance as a key determinant in capital allocation decisions.

Stability Implications

The improvement in the overall governance scores for listed companies demonstrates a sustained commitment by both the issuers and the Authority to strengthening corporate governance practices, which remain a fundamental driver of the long-term sustainability and success of the Capital Markets. The Authority is currently reviewing the Code of Corporate Governance and the Corporate Governance Regulations for Market Intermediaries with a view to aligning them with global best practices, while addressing the specific needs of issuers and market intermediaries within the local context. This initiative forms part of the Authority's broader efforts to promote robust corporate governance frameworks across issuers and intermediaries in Kenya.

2. GLOBAL ECONOMIC AND CAPITAL MARKETS OUTLOOK

2.1 Global Economic Outlook

Global economic resilience has remained under sustained pressure over the past six years, with successive shocks testing the stability of both advanced and emerging economies. This trend persisted in the quarter commencing January 2026, as ongoing geopolitical tensions in the Middle East continued to exert significant humanitarian and macroeconomic impacts. In particular, disruptions to global supply chains, most notably the temporary suspension of shipments through the Strait of Hormuz, constrained the supply of energy and other key commodities. The supply shock has precipitated a sharp increase in global energy prices, with subsequent pass-through effects contributing to elevated prices across a broad range of commodities.

Notwithstanding these developments, it is noteworthy that prior to the escalation of the conflict, the global economy had exhibited considerable resilience. This performance was largely

underpinned by robust investment in artificial intelligence (AI)-related sectors, alongside supportive monetary and fiscal policy conditions across major economies.

Against the backdrop of continued geopolitical uncertainty, the IMF estimates that the global GDP growth of about 3.1% in 2026, slightly lower than earlier projections of around 3.3%. The predicted growth is expected to be uneven across regions, with advanced economies growing around 1.8% while emerging markets grow faster at about 4.0 - 4.2%. The IMF indicates that, under adverse conditions, global growth could fall to about 2.5%, and in a severe scenario as low as 2.0%, approaching recession - like levels, if the conflict persists and energy prices rise sharply.

Figure 3: World Economic Outlook Growth Projections

(Real GDP, annual percent change)	PROJECTIONS		
	2025	2026	2027
World Output	3.4	3.1	3.2
Advanced Economies	1.9	1.8	1.7
United States	2.1	2.3	2.1
Euro Area	1.4	1.1	1.2
Germany	0.2	0.8	1.2
France	0.9	0.9	0.9
Italy	0.5	0.5	0.5
Spain	2.8	2.1	1.8
Japan	1.2	0.7	0.6
United Kingdom	1.3	0.8	1.3
Canada	1.7	1.5	1.9
Other Advanced Economies	3.0	2.6	2.2
Emerging Market and Developing Economies	4.4	3.9	4.2
Emerging and Developing Asia	5.5	4.9	4.8
China	5.0	4.4	4.0
India	7.6	6.5	6.5
Emerging and Developing Europe	2.0	2.0	2.1
Russia	1.0	1.1	1.1
Latin America and the Caribbean	2.4	2.3	2.7
Brazil	2.3	1.9	2.0
Mexico	0.6	1.6	2.2
Middle East and Central Asia	3.6	1.9	4.6
Saudi Arabia	4.5	3.1	4.5
Sub-Saharan Africa	4.5	4.3	4.4
Nigeria	4.0	4.1	4.3
South Africa	1.1	1.0	1.3
Memorandum			
Emerging Market and Middle-Income Economies	4.4	3.8	4.1
Low-Income Developing Countries	4.8	4.8	4.9

Source: IMF

The scope and duration of the ongoing conflict remain highly uncertain. However, an increased period of elevated energy prices is likely to exert significant upward pressure on production costs for businesses and contribute to higher consumer price inflation, thereby posing downside risks to economic growth. These inflationary pressures are occurring at a time when inflation remains above target levels in several major economies, including Brazil, Mexico, Türkiye, the United Kingdom, and the United States. In addition, the recent surge in energy prices has contributed to an upward adjustment in medium-term inflation expectations, potentially complicating the conduct of monetary policy and the anchoring of inflation over the medium term.

Organisation for Economic Co-operation and Development (OECD) projects that the inflation could rise to 4.0%, in 2026 if energy disruptions intensify. These pressures are driven by oil supply shocks, with energy prices potentially exceeding USD 100 per barrel, amplifying inflation particularly in energy importing economies and increasing the risk of prolonged global price instability.

Figure 4 Global Inflation Projections

	2025	2026		2027	
		Interim EO projections	Difference from December EO	Interim EO projections	Difference from December EO
G20 ¹	3.4	4.0	1.2	2.7	0.2
Australia	2.8	4.1	1.4	2.5	0.0
Canada	2.1	2.4	0.3	2.0	0.0
Euro area	2.1	2.6	0.7	2.1	0.1
Germany	2.3	2.9	0.8	2.6	0.2
France	0.9	1.8	0.5	1.5	-0.1
Italy	1.6	2.4	0.7	1.8	0.0
Spain ²	2.7	3.0	0.7	2.2	0.4
Japan	3.2	2.4	0.2	1.9	-0.2
Korea	2.1	2.7	0.9	2.0	0.0
Mexico	3.8	3.8	0.5	3.2	0.3
Türkiye	34.9	26.7	5.9	16.9	5.2
United Kingdom	3.4	4.0	1.5	2.6	0.5
United States	2.6	4.2	1.2	1.6	-0.7
Argentina	41.9	31.3	13.7	14.1	4.1
Brazil	5.0	4.1	-0.1	3.8	0.0
China	-0.1	1.3	1.0	1.1	0.3
India ³	2.0	5.1	1.7	4.1	0.1
Indonesia	1.9	3.4	0.3	2.6	-0.6
Russia	8.7	6.4	1.0	4.5	0.2
Saudi Arabia	2.0	1.9	-0.3	2.2	0.2
South Africa	3.2	3.9	0.3	3.3	0.1
<i>Memorandum item</i>					
G20 countries excluding Argentina and Türkiye	2.2	3.1	0.9	2.2	0.0

Source: OECD

2.2 Capital Markets Outlook

2.2.1 Global Bond Markets

In the quarter under review the global sovereign bond yields continued to rise because investors expected inflation to increase. This negatively affected emerging markets, especially those that rely on imports, as the US dollar strengthened and energy prices increased.

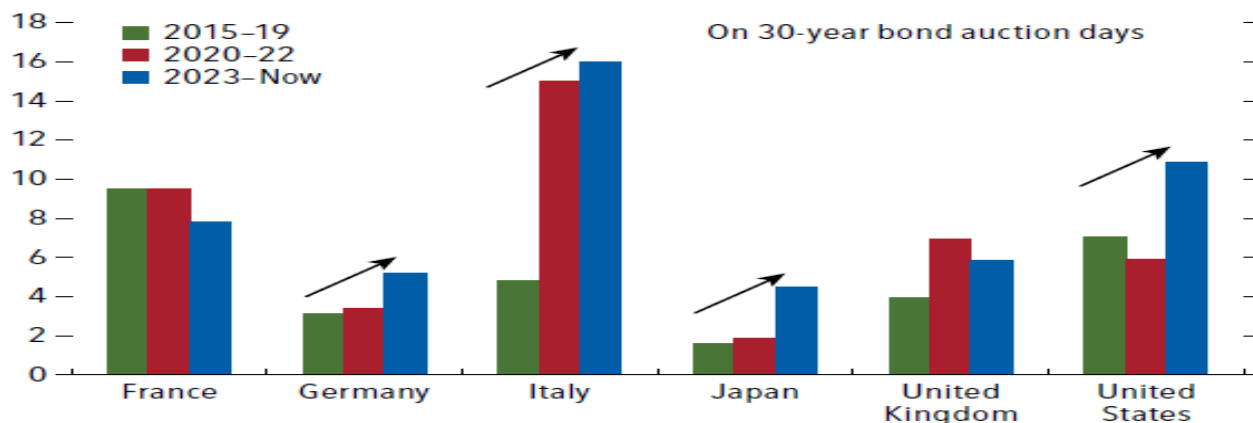
In the Global Financial Stability Report 2026¹, the IMF projects that if the trend continues, it could put pressure on the financial system. Currently many countries now have higher debt levels, and investors are more sensitive to price changes. This has caused more volatility in bond markets, especially during auctions. Governments are also relying more on short-term borrowing, which increases the risk of refinancing debt in difficult conditions. This could push interest rates even higher and strain both governments and banks. Additionally, emerging markets may face currency

¹ <https://www.imf.org/en/publications/gfsr/issues/2026/04/14/global-financial-stability-report-april-2026?cid=wp-com-sm26-GFSREA2026001>

depreciation and capital outflows as investors pull back. Previously, these markets attracted strong investment, but much of it was short-term and debt-driven rather than long-term investment. As a result, more vulnerable and frontier economies may struggle to manage their debt.

Figure 5: Bond Yields React More to Bond Auctions

(Basis point change on auction days, 90th percentile within indicated periods)



Sources: Bloomberg Finance L.P.; national debt offices; and IMF staff calculations.
 Note: The figure shows the 90th percentiles of daily 10-year bond yield changes on 30-year bond auction days within the indicated periods.

Source: IMF

Heightened inflationary pressures, largely driven by a surge in global oil prices associated with the Iran war contributed to an upward adjustment in bond yields across major advanced economies, including the United States and Europe. The increase in oil prices increased expectations of further monetary policy tightening by the Federal Reserve, as authorities sought to contain inflationary risks.

Figure 6: 10Year Note Bond Yield



Source: Trading Economics

In Europe, yields on the 10-year German government bond, a key benchmark for regional borrowing costs, rose to approximately 3.025%, marking their highest level since the eurozone sovereign debt crisis in 2011. This trend reflects the inverse relationship between bond prices and yields, with rising yields indicative of declining bond prices amid tightening financial conditions.

2.2.2 Global Equity Markets

Global equity markets recorded negative performance in the quarter ended March 2026, amid heightened volatility driven by geopolitical tensions, inflationary pressures linked to rising energy prices and shifting expectations around monetary policy. Developed market equities were generally under pressure, with the MSCI World Index declining by approximately 3.47% for the quarter, reflecting widespread decline in performance across major markets, accompanied by heightened risk aversion and a prevailing risk-off sentiment among investors.

Figure 7: MSCI World Index

CUMULATIVE INDEX PERFORMANCE – GROSS RETURNS (USD) (MAR 2011 – MAR 2026)



ANNUAL PERFORMANCE (%)

Year	MSCI World	MSCI Emerging Markets	MSCI ACWI
2025	21.60	34.36	22.87
2024	19.19	8.05	18.02
2023	24.42	10.27	22.81
2022	-17.73	-19.74	-17.96
2021	22.35	-2.22	19.04
2020	16.50	18.69	16.82
2019	28.40	18.88	27.30
2018	-8.20	-14.24	-8.93
2017	23.07	37.75	24.62
2016	8.15	11.60	8.48
2015	-0.32	-14.60	-1.84
2014	5.50	-1.82	4.71
2013	27.37	-2.27	23.44
2012	16.54	18.63	16.80

INDEX PERFORMANCE – GROSS RETURNS (%) (MAR 31, 2026)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since Dec 31, 1987
					3 Yr	5 Yr	10 Yr		
MSCI World	-6.32	-3.47	19.39	-3.47	17.29	10.77	12.36	8.72	
MSCI Emerging Markets	-13.03	-0.10	30.30	-0.10	15.41	4.16	8.24	9.99	
MSCI ACWI	-7.13	-3.11	20.52	-3.11	17.10	9.99	11.88	8.57	

FUNDAMENTALS (MAR 31, 2026)

Div Yld (%)	P/E	P/E Fwd	P/BV
1.68	22.70	18.25	3.71
2.32	16.52	11.52	2.16
1.75	21.77	17.12	3.43

Source: MSCI

In the United States, equity markets underperformed relative to earlier periods due to policy uncertainty, while international equities showed relative resilience in some regions, supported by commodity-linked gains and concentrated investor inflows into select markets, sectors, and asset

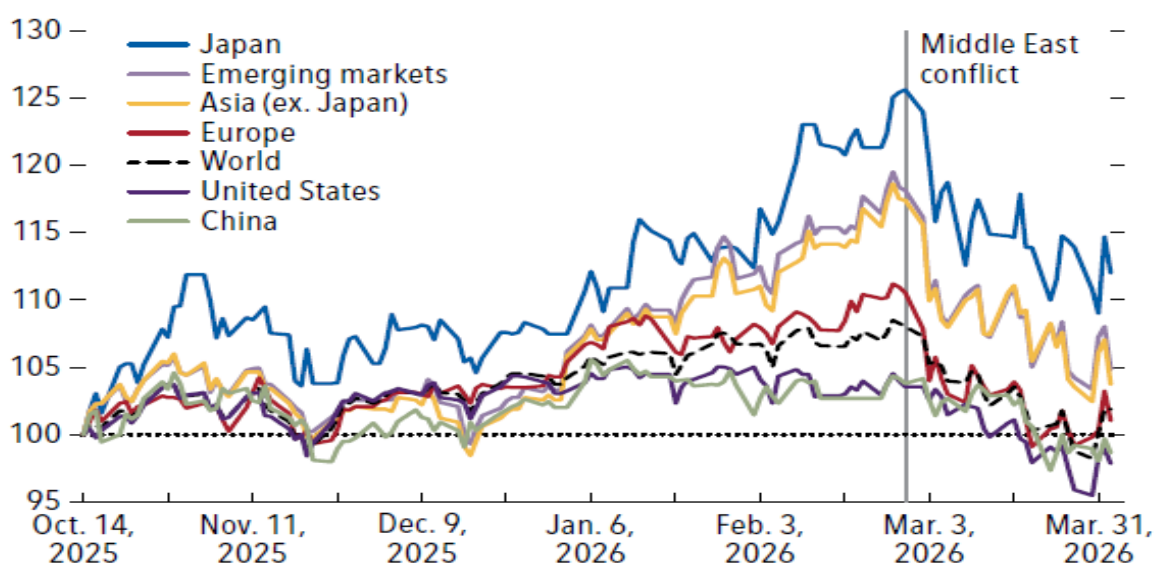
classes perceived as lower risk or fundamentally stronger. Emerging markets delivered a more diverse performance, with gains in parts of Asia and Latin America offset by weakness in export-oriented economies affected by global demand uncertainty and rising input costs.

Overall, the quarter was characterized by elevated dispersion across regions and sectors, increased portfolio rebalancing activity, and a cautious investor outlook as markets adjusted to expectations of a prolonged higher-for-longer interest rate environment and persistent inflation risks.

According to IMF Global Financial Stability Report, in stock markets, some investors have been taking risks by selling options to earn extra income. This has kept market volatility low, but if they suddenly stop or reverse their positions, prices could swing sharply.

Figure 8: Equities Sold of Amid the Conflict in the Middle East

(Index, October 14, 2025 = 100)



Sources: Bloomberg Finance L.P.; and IMF staff calculations.

Note: ex. = excluding.

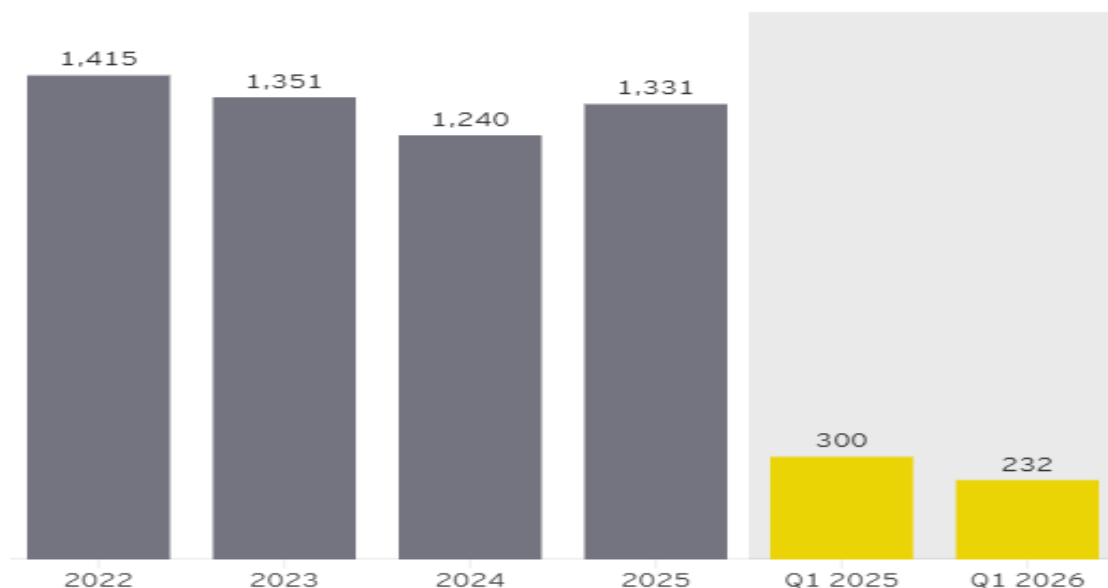
Source: IMF

2.3 IPOs

The initial public offering (IPO) market commenced on a strong momentum. However, prevailing geopolitical tensions at the global level created a more challenging operating environment, constraining the sustainability of this momentum. In addition, renewed tariff-related uncertainties, coupled with conflict in the Middle East, contributed to higher energy prices and increased market volatility. Compared to the first quarter of 2025, the number of IPOs declined from 300 to 232, while

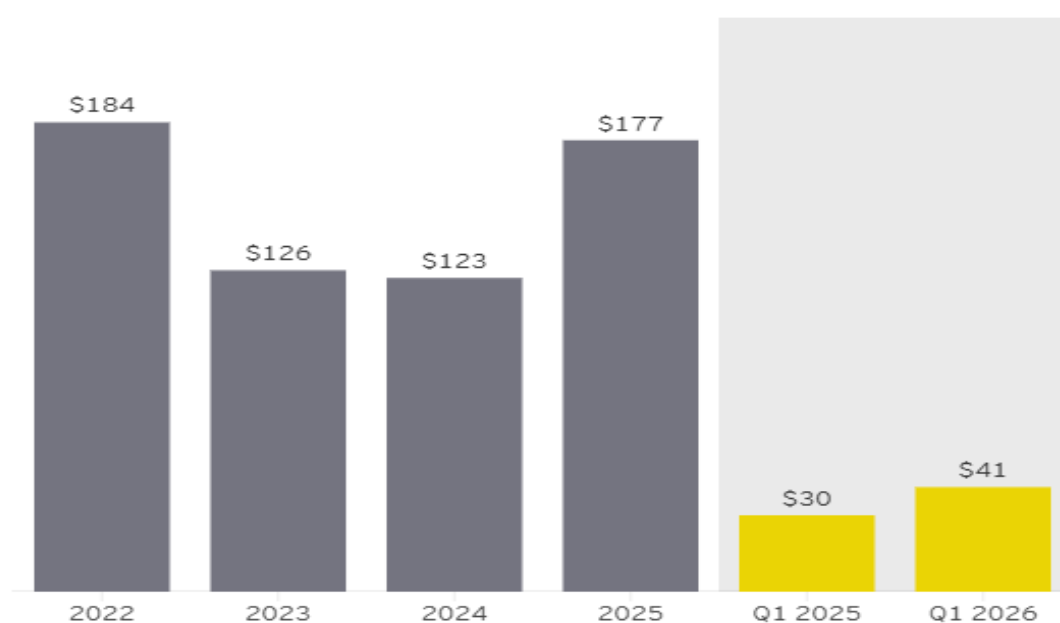
IPO proceeds increased from USD 30 billion to USD 41 billion, indicating a shift toward larger, higher-value transactions. Notably, toward the end of the quarter, global IPO markets remained broadly resilient.

Figure 9: Number of IPOs



Source: Dealogic; EY analysis

Figure 10: IPO Proceeds (US \$b)



Sources: Dealogic; EY analysis; IPO proceeds are rounded to the nearest US\$1b.

The elevated uncertainty in the IPO market favoured issuers with strong financial fundamentals, established operating histories, and clear market differentiation or disruptive potential, thereby limiting participation opportunities for newer and less established issuers. As market uncertainty intensifies, the differentiation between issuers that meet these heightened listing thresholds and those that do not continues to widen, resulting in a more selective and segmented IPO pipeline.

2.4 Virtual Assets Market

The cryptocurrency market recorded its weakest performance since 2018, reflecting heightened volatility and a broad-based contraction in digital asset valuations. Notably, Bitcoin experienced a significant decline from its opening levels of approximately USD 87,500, while Ethereum registered a depreciation of about 35 percent over the period. Consequently, total crypto market capitalisation declined from approximately USD 3.4 trillion to USD 2.5 trillion.

The downturn was largely attributed to adverse macroeconomic conditions, including heightened geopolitical tensions in the Middle East, which contributed to increased risk aversion, reduced liquidity, and a broader sell-off across risk asset classes.

Figure 11: YTD Crypto Returns



Source: Trend Spider

Performance of Select African Frontier Markets

Frontier equity markets in Africa recorded a broadly positive performance despite liquidity constraints and heightened volatility associated with geopolitical tensions in the Middle East. Notably, in the period January – March 2026, selected frontier markets registered positive returns, with the exception of Morocco, which recorded a decline of 12.25%. This performance underscores the relative resilience of African capital markets in the face of external shocks and demonstrates their capacity to withstand adverse global developments while maintaining investor confidence.

Table 1: MSCI Index for Africa Frontier Markets (January – March 2026)

MSCI Index	Index Code	Last	January – March 2026 (3MTD*)
Kenya	136643	1,403.146	0.85%
Ivory Coast	712199	2,607.168	9.57%
Morocco	105765	365.622	-12.25%
Nigeria	136645	82.983	44.07%
Senegal	712202	1,312.445	8.92%
Tunisia	136645	1,177.832	14.93%
Zimbabwe	700873	1,331.759	24.54%

Source: MSCI

*3MTD, formerly labelled QTD, represents the index's cumulative return from 3-month prior end date to current date.

2.5 Top Global Regional and Local Risks and opportunities

Risks

1. Geopolitical tensions arising from ongoing conflicts in the Middle East created an increasingly constrained global macroeconomic environment. As the region remains a critical hub for global energy supply, this resulted in energy price escalation intensified inflationary pressures across both advanced and emerging economies.
2. Artificial Intelligence (AI) remained a major risk factor through sectoral repricing, elevated volatility, and structural uncertainty, particularly in software and technology-linked equities.

The disruption narrative led to sharp valuation adjustments, increased dispersion in returns, and heightened concerns over systemic risk transmission through financial markets.

Opportunities

- 1. The launch of the Kenya National Carbon Registry (KNCR) reinforced the institutional and infrastructural framework necessary for effective participation in global carbon markets. The registry enhances market integrity, mitigates the risk of double counting, and strengthens investor confidence in carbon-based instruments which positions Kenya as a credible and competitive hub for carbon trading and climate finance.*
- 2. Collective Investment Schemes (CIS) AUM grew substantially at 756.2 billion by December 2025, which was attributed to the strong performance of existing CIS funds, the registration of additional sub-funds under existing umbrella schemes that commenced reporting in 2025, as well as enhanced marketing and distribution initiatives undertaken by fund managers, which collectively contributed to increased investor participation.*
- 3. The National Treasury published the Draft Virtual Assets Service Providers Regulations for public consultation. In parallel, the Authority, in collaboration with the Central Bank of Kenya, commenced public participation on the proposed regulatory framework. These coordinated efforts towards finalisation of the regulations are expected to strengthen the regulatory architecture governing virtual assets, enhance oversight of the sector, and address existing anti-money laundering vulnerabilities.*
- 4. Political stability within the Kenyan market has continued to reinforce the country's position as a secure and attractive investment destination for both domestic and international investors. This stability has enhanced investor confidence, strengthened macroeconomic predictability, and supported the resilience of capital markets.*

3. INTERNATIONAL DEVELOPMENTS

3.1 Canada Publishes Research on Using Gamification to Improve Investor Outcomes

During the quarter, Ontario Securities Commission (OSC) unveiled new research suggesting that the same game-like features designed to make investing more engaging may also be quietly shaping how and how often people trade. Conducted in partnership with the Behavioural Insights Team, the study finds that small digital rewards and social features can significantly influence investor behaviour, often encouraging more frequent and targeted trading activity. The findings build on earlier evidence that even modest incentives such as points with little tangible value, can trigger a surge in trading.

More recent analysis adds that social elements, including peer interaction and copy trading, can amplify this effect further, nudging investors toward popular or promoted stocks. Yet the report stops well short of casting gamification as inherently harmful. Instead, it identifies a growing opportunity for regulators and platforms alike to reconsider how these tools are deployed.

Measures such as clearer disclosures, investor education, and built-in pauses before high-risk decisions could help users trade more deliberately rather than impulsively. To explore this potential, regulators tested a range of game-like features in a simulated trading environment with more than 4,000 participants. Tools including diversification scores, goal-setting prompts, leaderboards, and digital badges were found to improve portfolio diversification, pointing to a constructive side of gamification when applied with care.

Key takeaway:

Recognizing the potential of gamification, while remaining vigilant to the associated risks, the Authority has adopted a facilitative approach towards the approval and licensing of innovative products incorporating gamification elements. In this regard, Ziidi Trader was licensed during the quarter under review.

Notably, Ziidi Trader exhibits several features that align with gamification principles, including lower barriers to entry, a mobile-first and intuitive interface, real-time feedback through price movements, trade execution and portfolio updates, as well as enhanced accessibility to trading. These attributes are designed to improve user engagement and broaden retail participation in the capital markets. However, the platform does not incorporate certain conventional gamification

features, such as points, badges, or reward systems, which are typically associated with fully gamified environments.

3.2 Removal of Misleading Finfluencer Posts by SEBI

The Securities and Exchange Board of India (SEBI), stepped up efforts to clean up misleading financial content online, taking down more than 120,000 posts linked to so-called “finfluencers.” The move came amid rising concern that unqualified individuals are using social media to give investment advice, often influencing retail investors without proper oversight. SEBI says many of these posts crossed the line from general financial awareness into unregulated advisory, which is only permitted for licensed professionals.

To tackle the scale of the problem, the regulator introduced an artificial intelligence system called “Sudarshan,” designed to scan videos, text, and audio across platforms and languages to quickly detect questionable content. The regulator has also been working with social media companies to ensure flagged material is removed promptly. This signals a shift toward more technology-driven enforcement as online investing communities continue to grow. Overall, the crackdown reflects SEBI’s effort to strike a balance of protecting investors from misleading information while still allowing genuine financial education to thrive in the digital space.

Key takeaway

SEBI’s large-scale takedown of finfluencer content, combined with the deployment of AI surveillance tools like “Sudarshan,” signals a structural shift toward proactive, technology-driven market supervision. Rather than relying solely on post-violation enforcement, the regulator is moving toward real-time detection of unlicensed advisory activity across digital platforms.

This reflects a broader global trend in securities regulation where authorities are prioritizing investor protection in social media-driven markets while attempting to preserve space for legitimate financial education through clearer enforcement boundaries and platform collaboration.

4. REGIONAL DEVELOPMENTS

4.1 Ghana's Virtual Asset Sandbox

In the quarter under review, the Securities and Exchange Commission of Ghana released the securities Industry (Regulatory Sandbox Licensing) Guidelines 2026, following the passage of the Virtual Asset Service Providers Act (Act 1154) in December 2025, which further clarifies regulatory expectations in the digital asset space. The platform will allow the testing of innovative products in a regulated environment while ensuring investor protection and market integrity. The objectives of the sandbox include, promoting responsible innovation in capital markets, ensuring investor protection and market integrity supporting financial stability and providing a clear pathway to full licensing. The sandbox framework applies broadly across the financial ecosystem, covering: Virtual asset services and crypto-related activities, tokenization and digital asset issuance, Fintech platforms and investment technologies and capital market innovations and infrastructure.

Participants in the sandbox will be subject to regulatory conditions, including compliance with anti-money laundering standards and risk management requirements. Insights gathered from these trials will be used to shape a more comprehensive and permanent licensing regime for virtual assets in Ghana.

Key takeaway

The Ghana SEC's introduction of a virtual asset regulatory sandbox reflects a structured, risk-calibrated approach to crypto oversight, enabling controlled experimentation of digital asset services under defined compliance parameters to support the development of a comprehensive, and efficient licensing regime.

4.2 Johannesburg Stock Exchange lists an AI-focused Actively Managed ETF

The Johannesburg Stock Exchange (JSE) introduced a new actively managed exchange-traded fund (ETF) focused on artificial intelligence, further broadening its expanding range of thematic investment products. The fund is designed to give investors direct exposure to global companies at the forefront of developing and applying AI technologies.

Unlike passive ETFs that simply track an index, this fund is actively managed meaning portfolio managers can adjust its holdings as market conditions shift and new opportunities within the AI sector emerge. The approach is intended to keep pace with, and capitalise on, trends in a technology landscape that continues to evolve at speed.

The listing reflects deepening investor appetite for technology-driven themes, with artificial intelligence having emerged as a significant driver of global equity market performance in recent years. It also signals the JSE's broader ambition to diversify its ETF offering and deliver more sophisticated investment options to both retail and institutional investors. Taken together, the launch underscores the growing prominence of thematic investing in South Africa's capital markets, as investors increasingly seek targeted exposure to the long-term forces reshaping the global economy.

Key takeaway

This reflects a policy relevant shift toward product innovation and market deepening, enabling local investors to access global thematic opportunities, particularly in artificial intelligence, through a regulated domestic platform. The introduction of an actively managed ETF in South Africa also signals growing flexibility in product structures, balancing passive investment efficiency with active portfolio management.

5. LOCAL DEVELOPMENTS

5.1 Rollout of the New Reporting System for Market Intermediaries

At the beginning of the quarter under review, the Authority launched a new reporting portal. The system which allows Capital Markets intermediaries to conduct their financial reporting online went live on 9 January 2026. Through the system licensed market intermediaries will be expected to prepare and submit the following reports; (i) Monthly RBCA returns alongside corresponding management accounting accounts, due within 15 days after the end of each calendar month and (ii) Annual RBCA returns together with a full set of audited financial statements, usually submitted within three months after the end of the financial year.

The changes to the reporting mode were anchored in existing legal and regulatory frameworks, including the Capital Markets (Licensing Requirements) (General) Regulations, 2002, the Guidelines on Financial Resource Requirements for Market Intermediaries, and the Capital Markets (Online Foreign Exchange Trading) Regulations, 2017. The system enhances reporting processes by streamlining workflows, improving efficiency for both regulators and market participants, and ensuring the timely submission of accurate data. This strengthens the Authority's ability to monitor

capital adequacy while promoting investor protection through consistent and reliable financial reporting.

The introduction of the online platform forms part of the Authority's broader strategy to modernise Kenya's capital markets. A robust digital framework minimizes errors, enhances regulatory oversight, and aligns domestic practices with international standards in financial regulation. Additionally, the platform provides intermediaries with a secure and user-friendly solution for managing sensitive financial information.

Stability Implication

The rollout of the new system represents a significant milestone in enhancing regulatory efficiency and oversight within Kenya's capital markets. By replacing the system, the Authority has ensured the submission of accurate, timely, and standardized reports by all licensed market intermediaries.

The Authority will continue to optimize the system and leverage emerging innovations to modernize the domestic capital markets. This is expected to strengthen investor protection, enhance compliance levels, and promote a more transparent and resilient capital market environment.

5.2 The Kenya Pipeline Company (KPC) Initial Public Offer (IPO)

The third quarter commenced on a strong footing, marked by the successful issuance of an Initial Public Offering (IPO) by the Government of Kenya. The Government offered 65% of its shareholding in the state-owned oil transport company with the objective of raising KSh 106.3 billion (approximately USD 825 million). The offer price was set at KSh 9 per share.

The allocation of shares during the offer period as follows: 15% of the shares were reserved for oil marketing companies, 5% for employees of the company, while the remaining shares were allocated across local retail investors, local institutional investors, East African investors, and foreign investors.

Following the closure of the offer on 24 February, the IPO raised KSh 106 billion, reflecting an oversubscription rate of 105.7%. Shareholding distribution indicates that local institutional investors emerged as the largest shareholders with a 41% stake, followed by the Government at 35%, and East

African investors at 21.2%. Local retail investors accounted for 2.56% of the shareholding, while foreign investors, employees, and oil marketing companies held 0.02%, 0.06%, and 0.014%, respectively.

Subsequently, the company was listed on the Nairobi Securities Exchange, with its shares commencing trading at KSh 9.30, representing a 3.3% increase from the offer price of KSh 9.

Key Takeaway

The Kenya Pipeline Company IPO marked the end of a prolonged IPO drought in Kenya, being the first public offer in over a decade since the Safaricom IPO in 2008. The strong oversubscription recorded underscores a renewed investor appetite for public offerings, signalling favourable market conditions for future IPO activity. Notably, the Authority's review of the Public Offers and Listings Disclosure Regulations in 2023 has strengthened the regulatory framework, enhancing its responsiveness to market dynamics and improving the enabling environment for capital raising through public offers.

Going forward, the Authority remains committed to facilitating listings and public offers by fostering a robust, transparent, and efficient capital markets ecosystem, thereby enhancing the attractiveness of the market to both domestic and international investors.

5.3 The Launch of Ziidi Trader

Ziidi Trader is a digital trading platform integrated within the M-PESA application that enables investors to buy and sell listed securities on the Nairobi Securities Exchange directly via mobile devices, without the need for a traditional brokerage account. The platform was launched during the quarter through a strategic partnership between Safaricom and the Nairobi Securities Exchange.

To safeguard investor interests, ensure transparency and market integrity, the platform is licensed as an Intermediary Service Platform (ISP) and operates under the regulatory oversight of the Capital Markets Authority. By integrating securities trading within the M-PESA ecosystem, the platform streamlines the investment process, enabling users to execute trades, monitor portfolio performance, and access market information seamlessly within a single interface.

The introduction of Ziidi Trader is expected to significantly broaden access to capital markets by lowering entry barriers, thereby facilitating participation by a wider segment of the population, including low-income and previously underserved investors.

Stability Implications

The launch of Ziidi Trader represents a significant step towards enhancing accessibility of Kenya's capital markets by leveraging the extensive reach of M-PESA among the Kenyan population. The platform lowers entry barriers for retail investors, thereby supporting broader market participation and contributing to improved market liquidity. Furthermore, the platform is accessible to the general public, aligning with the Government's Bottom-Up Economic Transformation Agenda, which prioritizes inclusivity and economic empowerment at the base of the pyramid.

5.4 Kenya Lauches the First Carbon Registry

A carbon registry constitutes a critical infrastructure for the functioning of carbon markets, serving as the intermediary between projects that generate or offset carbon and buyers of carbon credits. Registries operate as centralized hubs, facilitating transparency, accountability, and integrity in carbon trading.

In February 2026, the Ministry of Environment, in collaboration with the National Environment Management Authority (NEMA), launched Kenya National Carbon Registry (KNCR). The registry provides a centralized platform to track carbon credit projects, verify emissions reductions, and prevent double counting, an issue that has historically undermined confidence in carbon markets.

The registry establishes a transparent national accounting framework aligned with international standards, recording project approvals, monitoring emissions reductions, and authorizing carbon credit transfers. It also facilitates Kenya's compliance with global carbon trading regulations, ensuring emissions reductions are accurately accounted for when transferred across borders. The registry incorporates the Forestry Carbon Registry, launched in the previous year, to support Kenya's national tree-planting program, one of the continent's most ambitious reforestation initiatives.

Stability Implications

The Authority welcomes this development in the Kenyan carbon markets. Currently, the Authority is working towards developing a comprehensive carbon credit regulatory framework to support the integration of carbon credits into the broader capital markets ecosystem.

5.5 Licensed Market Intermediaries During the Quarter

As part of its regulatory mandate in respect of licensing, the Capital Markets Authority approved and licensed a number of firms across various categories, including stockbrokers, investment advisers, investment banks, and intermediary service platform providers during the period under review.

The number of licensed stockbrokers increased following the licensing of XM Broker, a firm with a significant global client base, thereby supporting its strategic objective of expanding its footprint within the African market. Additionally, Green Margin Capital Limited was licensed as a stockbroker, positioning itself as a technology-driven intermediary aimed at enhancing both retail and institutional participation in listed securities.

Rock Advisors Limited, previously licensed as an investment adviser, was approved to operate as an investment bank, enabling it to broaden its service offering to include market research, proprietary trading, and wealth management services. Further, Zamara Actuaries, Administrators and Consultants Limited, Arion Capital Limited, and Horizon Africa Capital Limited were licensed as investment advisers. Arion Capital Limited is expected to provide tailored advisory services to corporates and high-net-worth individuals, including strategies incorporating environmental and social considerations, while Horizon Africa Capital Limited will offer corporate finance advisory services in areas such as mergers and acquisitions, capital raising, and wealth solutions.

In addition, I&M Capital Limited was licensed as an intermediary service platform provider. As a subsidiary of I&M Group PLC and an existing fund manager, the firm will be permitted to operate a platform facilitating access to a range of investment products and advisory services, including collective investment schemes and fixed-income instruments.

Stability Implication

The continued licensing of new firms by the Capital Markets Authority reflects the existence of a facilitative regulatory environment that supports the growth and development of Kenya's capital markets. The Authority remains committed to an efficient and transparent licensing framework,

alongside robust supervision of licensees, in order to safeguard investor interests and promote sustainable capital markets development.

5.6 Listing of the ALP Industrial REITs

During the quarter under review, Africa Logistics Properties (ALP) was successfully listed on the Nairobi Securities Exchange. This marked the first U.S. dollar-denominated security in East Africa and increased the total number of authorized Real Estate Investment Trusts (REITs) in Kenya to five. The ALP REIT raised USD 34.55 million, achieving an overall subscription of 115%, thereby demonstrating robust investor confidence in the real estate sector and the long-term growth prospects of Kenya's capital markets.

A total of 39.95 million units were admitted to trading following the transaction. Key investors in the REIT include InfraCo Africa and the MOBILIST Programme. The REIT's portfolio focuses on logistics and industrial assets in Kenya, including warehouse developments in Tilsisi and Tatu City, strategically located along major transport corridors that facilitate regional trade and distribution.

Stability Implications

The listing of Africa Logistics Properties (ALP) underscores the viability of REITs as an investment avenue for both domestic and international investors. The oversubscription of the offering reflects strong market demand and underscores the need for additional REIT issuances to broaden investor access to this asset class in Kenya. In line with this, the Authority is undertaking a review of the REITs Regulations in the current financial year to enhance their facilitative framework, with the objective of promoting the introduction of additional REITs to the market.

6. PERFORMANCE OF THE DOMESTIC CAPITAL MARKETS

During the quarter under review, Kenya's domestic capital markets sustained the positive momentum carried over from 2025, with this trend remaining broadly consistent through to the end of March 2026. This performance was underpinned by sustained investor confidence and robust participation across multiple market segments. Consequently, the market experienced a mild bull phase at the beginning of the quarter, largely driven by improved macroeconomic stability and increased participation by domestic investors.

Notably, stable domestic macroeconomic conditions played a critical role in supporting this positive market performance, even as persistent global risks attributed to geopolitical concerns continued to exert uneven pressures across international financial markets.

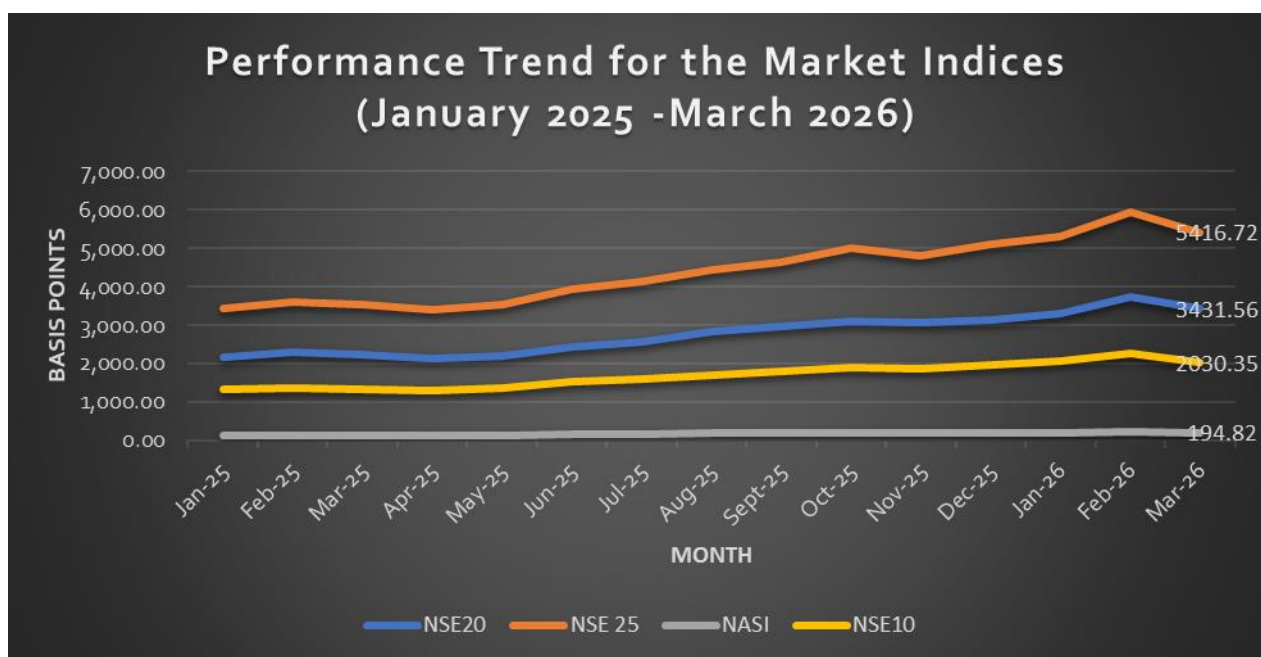
The introduction of new market products, including Ziidi Trader, alongside key developments such as the listing of Africa Logistics Properties (ALP) and the Kenya Pipeline Company (KPC) IPO, constituted notable developments during the period under review. These initiatives expanded the range of investment opportunities available to market participants, thereby supporting portfolio diversification and contributing to enhanced market liquidity.

6.1 Equities Market

The equities market demonstrated notable resilience during the quarter under review, as evidenced by the sustained increase across all four key market indices. The NSE 20, NSE 25, NASI, and NSE 10 indices closed at 3,431.56, 5,416.72, 194.82, and 2,030.35 basis points, reflecting gains of 9.31%, 6.28%, 4.42%, and 3.32%, respectively.

This improved performance is largely attributable to increased participation by domestic investors, supported by enhanced accessibility to capital markets products and services. In particular, the approval of the Ziidi Trader application during the quarter enabled investors to access and trade equities directly through the M-PESA platform, thereby lowering entry barriers and broadening retail investor participation. This development also contributed to improved market liquidity and trading activity, further reinforcing the positive performance observed in the equities segment.

Figure 12: Performance Trend for Market Indices



Source: CMA/ NSE

Figure 11: Performance of the Equities Market

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)
Q1. 2026	Jan	410,039,589	12,859,679,699.01	3,243.69	192.99	5,262.90	2,026.77	3,083.07
	Feb	820,179,994	24,280,287,856.35	3,532.32	209.06	5,658.83	2,167.80	3,410.07
	Mar	630,678,443	19,067,401,768.06	3,604.53	206.14	5,722.95	2,174.26	3,230.73
		1,860,898,021	56,207,369,323.42					
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					

Source: CMA/NSE

As at end-March 2026, the MSCI Kenya Index (Index is designed to measure the performance of the large and mid cap segments of the Kenya market) closed Q3 2026 on a firm footing, recording a quarterly gain of approximately 1.85 % and a full-year increase of about 60.45%. Similar to the quarter ended December the performance in the quarter under review significantly outpaced both global equity markets and peer frontier benchmarks, underscoring a sustained improvement in investor sentiment toward Kenya’s capital markets.

Figure 13 MSCI Kenya Index

**CUMULATIVE INDEX PERFORMANCE – NET RETURNS (USD)
(MAR 2011 – MAR 2026)**



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

INDEX PERFORMANCE – NET RETURNS (%) (MAR 31, 2026)

	1 Mo	3 Mo	1 Yr	YTD	ANNUALIZED				Since May 31, 2002
					3 Yr	5 Yr	10 Yr		
MSCI Kenya	-12.66	1.85	60.45	1.85	24.52	3.05	6.45	15.93	
MSCI Frontier Markets	-6.88	-0.91	34.83	-0.91	19.91	9.23	7.92	7.79	
MSCI ACWI	-7.18	-3.20	20.01	-3.20	16.58	9.49	11.33	8.23	

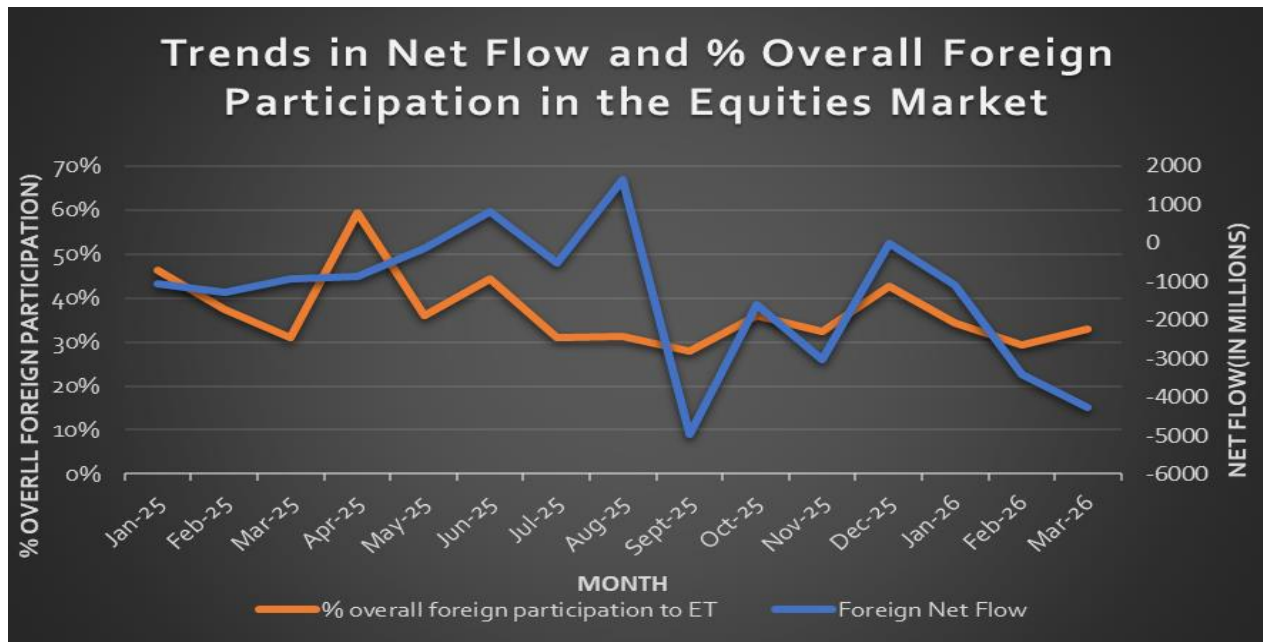
FUNDAMENTALS (MAR 31, 2026)

Div Yld (%)	P/E	P/E Fwd	P/BV
6.24	6.66	na	1.43
3.39	12.34	na	1.85
1.75	21.77	17.12	3.43

Source: MSCI

6.1.1 Foreign Participation in the Equity Market

Figure 14: Trends in Net Flow and % Overall Foreign Participation in the Equities Market



Source: NSE

As at the end of March 2026, the market recorded net foreign investor outflows of Ksh 8.783 billion, representing a 90.10% increase compared to the outflows recorded in December 2025. This trend reflects heightened capital flight and a shift in investor sentiment away from the domestic markets. Additionally, the proportion of foreign investor participation in the equities market declined by 10%, further indicating reduced foreign participation.

The significant outflows observed during the quarter can largely be attributed to prevailing geopolitical tensions in the Middle East region, which prompted global investors to rebalance their portfolios in favour of safer investment destinations, and lower-risk assets. As a frontier market, Kenya remains susceptible to such external shocks and the associated spillover effects, including reduced capital inflows and heightened market volatility.

Despite the substantial foreign investor exit, the equities market demonstrated strong performance during the quarter. This resilience underscores the growing role of domestic investors in supporting market activity and sustaining liquidity. Increased local participation is a positive structural development, as it enhances market stability and reduces vulnerability to abrupt capital reversals associated with external investor movements.

6.1.2 Market Concentration

During the quarter under review, the Authority undertook an assessment of market concentration by analysing the share of total market capitalisation attributable to the top 10 listed companies relative to the full universe of 62 listed firms. The findings indicate that the top 10 companies account for approximately 82.91% of total market capitalisation, leaving the remaining 52 companies with a significantly smaller share. This high level of market concentration presents a structural vulnerability, as it exposes the market to concentration risk. Adverse developments affecting these large-cap firms could have a disproportionate impact on overall market performance and stability, with potential spillover effects to the broader economy.

Consequently, this underscores the need for continued efforts to deepen the market, enhance and encourage investor profile diversification, and support the growth and visibility of smaller and mid-cap issuers.

6.2 Bond Market

6.2.1 Treasury Bonds

During the quarter under review, Treasury bonds accounted for 99.99% of total turnover in the fixed income segment, underscoring their dominance in market activity. Treasury bonds have continued to be a highly attractive investment instrument for investors, as evidenced by the consistent oversubscription observed in primary issuances. This sustained demand reflects investor preference for relatively lower-risk government securities, particularly in the context of prevailing market uncertainties and the search for stable returns.

During the quarter under review, bond issuances comprised exclusively of reopened and switch bonds, with maturities of 15 and 20 years. Through these issuances, the Government targeted to raise KSh 205 billion from the market. Investor response was strong, with total bids received amounting to KSh 451.41 billion, significantly exceeding the amount on offer. Consequently, the Government accepted bids valued at KSh 265.68 billion, reflecting robust demand for long-term government securities.

Table 2 Performance of the Treasury Bond Market

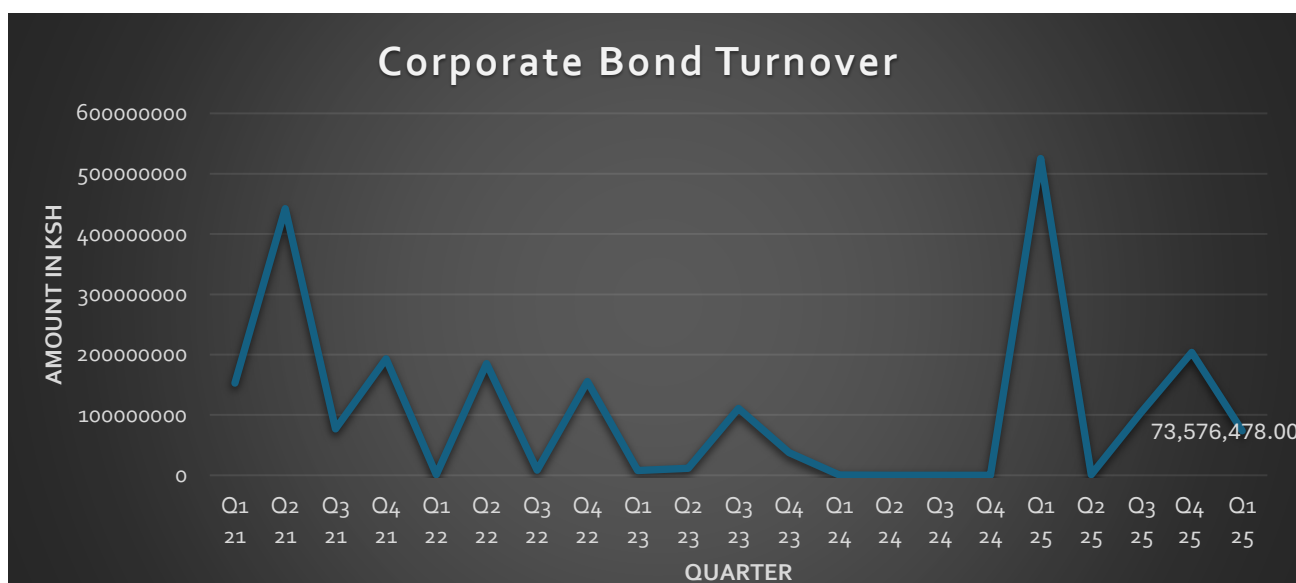
Date	BOND	Amt Issued (KShs. Bn)	Amt Received (KShs. Bn)	Amt Accepted (KShs. Bn)	% AA/AI	% AR/AI	Issue
Jan -26	FXD1/2019/020	60.00	23.36	20.24	33.73	38.93	RO
	FXD1/2022/025		48.18	40.34	67.23	80.30	RO
	FXD1/2022/015	20.00	26.49	25.17	125.87	132.46	SW
Feb-26	FXD3/2019/015	50.00	133.79	54.79	109.57	267.59	RO
	FXD1/2018/025		79.94	45.75	91.50	159.89	RO
Mar-26	FXD1/2019/020	60.00	50.50	44.85	74.75	84.16	RO
	FXD1/2021/025		66.94	16.14	26.90	111.56	RO
	FXD3/2019/015	15.00	22.21	18.40	122.67	148.06	SW
Total		205	451.41	265.68			
Oct-25	FXD1/2018/015	50	44.99	31.57	63.14	89.98	RO
	FXD1/2021/020		73.9	53.7	107.4	147.8	RO
Nov-25	FXD1/2012/020	40	35.32	19.48	48.69	88.31	RO
	FXD1/2022/015		57.58	33.35	83.37	143.96	RO
	FXD1/2023/003	30	34.3	20.08	66.93	114.33	BB
	FXD3/2019/015	40	33.71	20.19	67.3	112.36	RO
	FXD1/2022/025		82.14	34.57	86.425	205.35	RO
Dec-25	SDB1/2011/030	40	4.59	3.90	9.75	11.47	RO
	FXD1/2021/025		48.54	43.21	108.02	121.36	RO
Total		200	415.07	260.05			

RO-Re-opened; BB-Buyback; SW-Switch; AA-Amount Accepted; AI-Amount Issued; AR-Amount Received; (AA/A) % - Acceptance Rate; (AR/AI) % - Performance Rate; Source: CBK

6.2.2 Corporate Bonds

Activity in the corporate bond market segment remained relatively subdued in the domestic market. During the quarter under review, corporate bond turnover stood at Ksh 73,576,478.00, representing a 63.9% decline from Ksh 203,493,175.50 recorded in the quarter ended December 2026.

Figure 15: Trend in Corporate Bond Turnover



Source: CMA

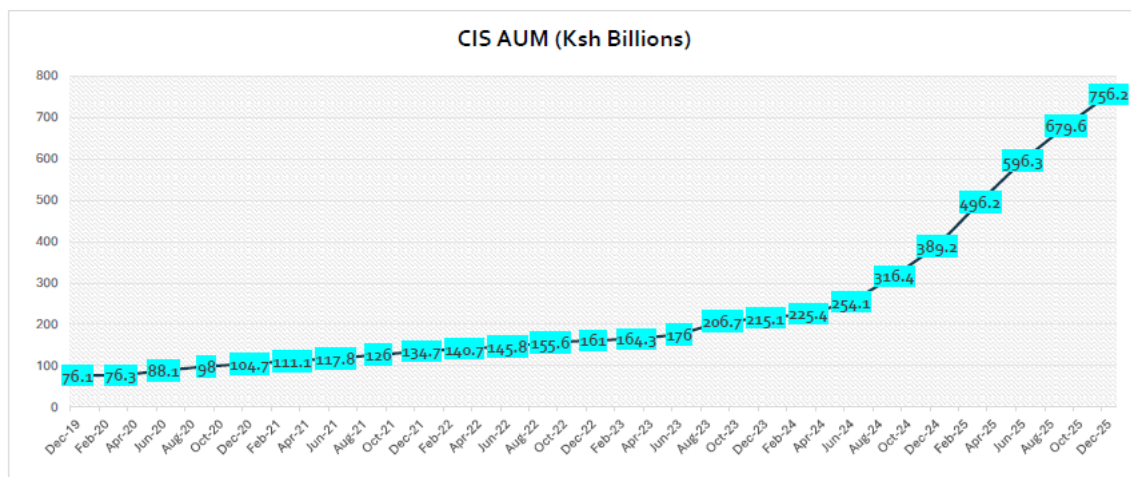
This subdued performance is attributed to ongoing investor preference for relatively higher-yielding and more liquid government instruments. Overall, the quarter was characterized by weak liquidity and minimal participation in the corporate bond segment despite favorable macroeconomic stability.

6.3 Collective Investment Schemes (CIS)

As of 31 December 2025, there were 59 approved Collective Investment Schemes comprising 282 funds. Money Market Funds remained the most preferred investment option among investors in addition to fixed Income Funds, Equity Funds, Balanced Funds, and Special Funds.

From September 2025- December 2025, total Assets Under Management (AUM) increased by 11% , from Ksh 679.6 billion to Ksh 756.2 billion. This growth was attributable to the strong performance of existing CIS funds, registration of additional sub-funds under existing umbrella schemes that commenced reporting in 2025, as well as enhanced marketing and distribution initiatives undertaken by fund managers, which collectively contributed to increased investor participation.

Figure 16 CIS AUM Growth Trend



Source: CMA

7. CAPITAL MARKETS STABILITY SOUNDNESS INDICATORS FOR THE PERIOD 1 January – 31 March 2026

Table 3 Stability Indicators (1st January- 31 March) 2026

Stability Indicator	Quarter/ FY 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	Q3.2025/2026	Jan	Feb	Mar	Q3. Aver	Low (Indicative- < 1%; Medium 1%; High >10%)	The average Quarterly volatility for the three Market indices, NSE 20, NSE 25, and NASI was 0.46%, 0.54%, and 0.46%, Respectively	The Market volatility for the three key indices NSE 20, NSE 25, and NASI remained low, below the 1% threshold.				
		0.23%	0.56%	0.58%	0.46%							
	Q2.2025/2026	Oct	Nov	Dec	Q2. Aver							
		0.29%	0.49%	0.57%	0.45%							
	Q1.2025/2026	July	Aug	Sep	Q1. Aver							
		0.39%	0.37%	0.46%	0.41%							
	Q4. 2024/2025	Apr	May	Jun	Q4. Aver							
		0.84%	0.40%	0.45%	0.56%							
	NSE 25 Index Volatility Base Year = 2015	Q3.2025/2026	Jan	Feb	Mar				Q3. Aver	Low (Indicative – < 1% Medium: >1% high; >10%)		
			0.35%	0.51%	0.75%				0.54%			
		Q2.2025/2026	Oct	Nov	Dec				Q2. Aver			
			0.29%	0.49%	0.57%				0.45%			
Q1.2025/2026		July	Aug	Sep	Q1. Aver							
		0.53%	0.31%	0.44%	0.43%							
Q4. 2024/2025		Apr	May	Jun	Q4. Aver							
		0.77%	0.41%	0.54%	0.58%							
NASI Volatility Base		Q3. 2025/2026	Jan	Feb	Mar	Q3. Aver	Low (Indicative –					
			0.26%	0.49%	0.62%	0.46%						
	Q2.2025/2026	Oct	Nov	Dec	Q2.Aver							

Year= 2010		0.47%	0.51%	0.57%	0.52%	Low < 1% Medium: >1% high; >10%)		This low volatility was likely driven by increased trading in the quarter as well as stable macroeconomic environment.
	Q1.2025/2026	July	Aug	Sep	Q1. Aver			
		0.51%	0.41%	0.47%	0.47%			
	Q4. 2024/2025	Apr	May	Jun	Q4. Aver			
0.75%		0.42%	0.70%	0.62%				
Equities Turnover Ratio	Q3 2025/2026	Jan	Feb	Mar	Q3. Sum	Low (Indicative – annual: <8% Low; >15% High)	The recorded turnover for Q3 2026 was 1.82%, an increase from 1.45% recorded in Q2 2026.	The slight increase in turnover from 1.45% to 1.82% was largely driven by increased activity in the market. The approval of Ziidi Trader, which enhances accessibility to the buying and selling of shares, has facilitated
		0.42%	0.71%	0.59%	1.82%			
	Q2.2025/2026	Oct	Nov	Dec	Q2. Sum			
		0.38%	0.50%	0.57%	1.45%			
	Q1.2025/2026	July	Aug	Sep	Q1. Sum			
		0.50%	0.40%	0.82%	1.71%			
	Q4. 2024/2025	Apr	May	Jun	Q4. Sum			
		0.38%	0.42%	0.50%	1.30%			

								easier entry into the equities market for investors, thereby broadening participation and improving market access.
2.0 Foreign Exposure Risk								
Percentage (%) overall Foreign participation to Total Equity Turnover	Q3 2025/2026	Jan	Feb	Mar	Q3. Aver	Low (Indicative – annual: <40%- Low; >90% High)	Foreign Investor Participation at the end of the Q3, Averaged at 32.27% a decrease from 37.00 % recorded in Q2.	The decline in foreign participation in the equity market, coupled with increased capital outflows, is attributable to investors reallocating funds toward safer investment destinations
		34.29%	29.47%	33.06%	32.27%			
	Q2.2025/2026	Oct	Nov	Dec	Q2. Aver			
		36.00%	32.37%	42.63%	37.00%			
	Q1.2025/2026	Jul	Aug	Sep	Q1. Aver			
		31.07%	31.28%	28.01%	30.12%			
	Q4. 2024/2025	Apr	May	Jun	Q4. Aver			
		59.51%	36.06%	44.47%	46.68%			
Net Foreign Portfolio Flow (Ksh Million)	Q3 2025/2026	Jan	Feb	Mar	Q3. Sum	High (Indicative – annual: Less (outflow.	The market recorded an outflow of Ksh 8.783 million	
		(1,085)	(3,422)	(4,276)	(8,783)			
	Q2.2025/2026	Oct	Nov	Dec	Q2. Sum			
		(1,601)	(3,028)	9	(4,620)			

	Q1.2025/2026	Jul	Aug	Sep	Q1. Sum	<Kshs (50billion) - High (outflow. >Kshs. 50 billion High	compared to an outflow of Ksh 4.620 million in Q2. 2025/2026	amid heightened geopolitical tensions. New reforms such as the introduction of single-share trading and implementatio n of hybrid fixed income market are aimed at improving market liquidity, attracting international capital, and fostering a more vibrant and resilient market environment.
		(524)	1,651	(4,965)	(3,838)			
	Q4. 2024/2025	Apr	May	Jun	Q4. Sum			
		(851)	(146)	(180)	(177)			
3.0 Market Concentration Risk								
		Jan	Feb	Mar	Q3. Aver			

Market Concentration (Top 5 companies by market cap)	Q3 2025/2026 ²	83.39%	83.70%	81.13%	82.91%	High (Indicative – annual: >50% High Concentration)	Market concentration for the top 10 companies for the quarter ended March 2026 averaged at 82.91%.	The concentration of market capitalization among the top ten companies, which account for 82.91% of the total market cap, presents a significant concentration risk. This implies that adverse performance or failure of these firms could have a disproportionate impact on overall market stability.		
	Q2.2025/2026	Oct	67.01%	66.12%	66.14%				Q2. Aver	66.42%
		Jul	66.66%	66.90%	66.50%				Q1. Aver	66.69%
	Q1.2025/2026	Apr	62.81%	64.73%	65.99%				Q4. Aver	64.51%
		May								

² For the Third quarter (Jan- March 2026) market concentration was for the top 10 Companies

	ABSA	311	3,850	420	1476	5,746	1747.59%			
	BATK	0	150	65	15	230	-			
	COOP	1,954	2,424	2	3149	5,575	185.31%			
	EABL	926	1,900	1840	863	4,603	397.08%			
	EQTY	3,025	2,634	1490	10743	14,867	391.47%			
	IHMP	2,179	9,314	1303	996	11,613	432.95%			
	KCBG	9,065	1,234	553	2,441	4,228	53.36%			
	KEGN	11,530	1,800	5658	1600	9,058	21.44%			
	KNRE	5,058	8,452	400		8,852	75.01%			
	KPLC	1,236	2,256	401		2,657	114.97%			
	NBSI		6	6	20	32				
	NCBA	852	2,428	1487	41	3,956	364.32%			
	SCBK	9	2			2	77.78%			
	SCOM	11,268	3,797	605	2521	6,923	38.56%			
	BRIT	1,150				0	100.00%			
	Total	48,594				78,348	61.23%			
									in Q3.2025/2026 was 78,348 translating to a 61.23 % Increase from 48,594 Contracts recorded in Q2.	As for hedging instruments, the place of derivatives markets in the face of economic uncertainty remains important in risk management. With the increasing profile of risks in the macro-economy, the profile of derivative instruments may grow
Gross Notional Exposure (GNE)⁴								High (indicative – annual:	The total value (Gross Exposure)	

⁴ Gross Notional Exposure = no. of Contracts * notional contract size * market price of underlying equity share or index. The GNE is the value amount. It is the exact conversion of the derivative into the market value of an equivalent position in the underlying asset of that derivative.

Amount in Kshs

Security	Q2.2025/2026	Jan	Feb	March	Sum-Q3 2025/2026	%Change Q2 Vs Q3
10MN	581,760	61,200.00	66,990.00	-	128,190.00	77.97%
ABSA	701,250	1,098,100.00	11,427,402.00	4,115,480.00	16,640,982.00	2273.05%
BATK	0	310,550.00	733,175.00	85,822.50	1,129,547.50	-
COOP	4,444,298	5,026.00	7,163,090.00	9,553,557.00	16,721,673.00	276.25%
EABL	2,631,937	4,631,650.00	4,808,400.00	2,284,280.00	11,724,330.00	345.46%
EQTY	19,104,320	10,060,790.00	19,404,492.00	80,297,248.00	109,762,530.00	474.54%
IHMP	9,824,465	5,778,059.00	45,096,310.00	4,987,690.00	55,862,059.00	468.60%
KCBG	56,777,345	3,642,125.00	9,069,695.00	18,234,629.00	30,946,449.00	45.50%
KEGN	10,897,080	5,388,222.00	1,711,550.00	1,520,000.00	8,619,772.00	20.90%
KNRE	1,591,348	128,200.00	3,264,682.00		3,392,882.00	113.21%
KPLC	1,627,123	584,797.00	3,715,245.00		4,300,042.00	164.27%
NBSI		13,110.00	14,220.00	49,400.00	76,730.00	-
NCBA	7,132,528	13,869,795.00	21,829,433.00	375,099.00	36,074,327.00	405.77%
SCBK	26,348		6,057.00		6,057.00	77.01%
SCOM	32,510,809	1,827,740.00	12,577,715.00	7,787,373.00	22,192,828.00	31.74%
BRIT	1,014,275					-
Total	14,886,886				317,578,398.50	113.33%

>50%

High
concentration

)

of contracts
traded
during the
quarter
came up to
Ksh317,578,39
8; a 31.74
increase from
Q2.2025/2026.

Total Open Interest ⁵ (No. of Contracts)	Security	Q2.2025/2026	Jan	Feb	March	Sum-Q3 2025/2026	%Change Q2 Vs Q3	Medium (Indicative – annual: >50% High concentration)	Overall, the total average number of open interest contracts recorded in Q3 were 32,579 a 485.32% increase from Q2. 2025/2026 value of 5,566	
	10MN		3			3	-			
	ABSA	102	122	120	1,353	1595	1463.73%			
	BATK		65	15		80	-			
	COOP	260	2	2,122	626	2750	957.69%			
	EABL	225	2,343	843		3186	1316.00%			
	EQTY	775	340	1,405	2,790	4535	485.16%			
	IHMP	265	477	4,364	3,676	8517	3113.96%			
	KCBG	790	71	771	819	1661	110.25%			
	KEGN	130	1,600	1,600		3200	2361.54%			
	KNRE	452	252			252	44.25%			
	KPLC	241	203			203	15.77%			
	NBSI		6		20	26	-			
	NCBA	5	37	40	1	78	1460.00%			
	SCBK	1	2			2	100.00%			
	SCOM	1745	3,109	684	2,698	6491	271.98%			
BRIT	575					100.00%				
Total	5566				32579	485.32%				
Settlement Guarantee Fund (SGF)								*High (Indicative– annual I:	The SGF coverage ratio for the	To Maximize value from
		Oct-25	Nov-25	Dec-25						

⁵ Open interest is the total number of outstanding derivative contracts that have not been settled or closed. It is a measure of market interest.

Coverage for Derivatives (to be changed)	SGF	62,142,113	62,495,149	62,789,393		>50% High concentration	Derivatives market in Q4 2025 was sufficient during the period.	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.
	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								

5.0 Government Bond Market Exposure

Treasury Bond Market turnover Concentration	Q3.2025/2026	Jan	Feb	Mar	Q3. Aver	High (Indicative – >50%High)	In Q3 2026 Treasury Bond market turnover averaged at 99.99 %	Government activity in the bonds markets continues to dominate as the Government targets domestic market savings to fund various
		100.00%	100.00%	99.98%	99.99%			
	Q2.2025/2026	Oct	Nov	Dec	Q2. Aver			
		100.00%	100.00%	100.00%	100.00%			
	Q1.2025/2026	Jul	Aug	Sep	Q1. Aver			
		100.00%	100.00%	100.00%	100.00%			
	Q4. 2024/2025	Apr	May	Jun	Q4. Aver			
		100.00%	100.00%	100.00%	100.00%			

								Government activities
6.o Investor Profile								
Corporate Bond Market ownership	Account_Type	Num_of_Investors	Share_Qnty	% By Share Quantity	High (Indicative – annual: >50% High concentration	In the quarter under review Local Corporate investors constituted the greatest share in investment followed by foreign corporates with East Africa Investors constituting the least Number of investors.	Kenya has been facing a period of reduced corporate bond activity in the last few years. The Authority through its investor education and market deepening function has profiled retail investors to increase activity within the domestic corporate bond market.	
	EI	7	11,290,000	0.02%				
	FC	3	698,894,415	1.44%				
	FI	39	263,810,000	0.54%				
	JR	4	200,000	0.00%				
	LC	577	43,955,212,367	90.70%				
	LI	3,010	3,531,439,974	7.29%				
	Total	3,640	48,460,846,756	100.00%				
Data Computed as of March 2026								

Equity Market	<table border="1"> <thead> <tr> <th>Account_Type</th> <th>Num_of_Investors</th> <th>Share_Qnty</th> <th>% By Share Quantity</th> </tr> </thead> <tbody> <tr> <td>BR</td> <td>6</td> <td>15,733,569</td> <td>0.01%</td> </tr> <tr> <td>EC</td> <td>253</td> <td>5,340,391,083</td> <td>4.72%</td> </tr> <tr> <td>EI</td> <td>7,317</td> <td>119,092,156</td> <td>0.11%</td> </tr> <tr> <td>FC</td> <td>380</td> <td>15,120,209,359</td> <td>13.35%</td> </tr> <tr> <td>FI</td> <td>8,023</td> <td>531,818,625</td> <td>0.47%</td> </tr> <tr> <td>JR</td> <td>335</td> <td>2,839,666</td> <td>0.00%</td> </tr> <tr> <td>LC</td> <td>40,770</td> <td>78,098,338,941</td> <td>68.97%</td> </tr> <tr> <td>LI</td> <td>1,284,897</td> <td>14,011,115,852</td> <td>12.37%</td> </tr> <tr> <td></td> <td>1,341,981</td> <td>113,239,539,251</td> <td>100.00%</td> </tr> </tbody> </table>				Account_Type	Num_of_Investors	Share_Qnty	% By Share Quantity	BR	6	15,733,569	0.01%	EC	253	5,340,391,083	4.72%	EI	7,317	119,092,156	0.11%	FC	380	15,120,209,359	13.35%	FI	8,023	531,818,625	0.47%	JR	335	2,839,666	0.00%	LC	40,770	78,098,338,941	68.97%	LI	1,284,897	14,011,115,852	12.37%		1,341,981	113,239,539,251	100.00%	High (Indicative – annual: >50% High concentration	In Q3. 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.
	Account_Type	Num_of_Investors	Share_Qnty	% By Share Quantity																																											
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Data as of March, 2026																																															

7. o Settlement Compensation Coverage

Settlement Guarantee Fund	Q3.2025/2026	Jan	Feb	Tue	Q3. Aver	(Indicative– annual: >1 times, implies full coverage	The settlement Guarantee Fund (SGF) ratio for the quarter under review	Through Risk-Based supervision, the Authority has been monitoring the
		2.59	1.32	1.78	1.89			
	Q2. 2025/2026	Oct	Nov	Dec	Q2. Aver			
		2.7	2.2	1.9	2.3			
	Q1.2025/2026	Jul	Aug	Sep	Q1. Aver			
		2.81	3.01	1.51	2.45			
	Q4. 2024/2025	Apr	May	Jun	Q4. Aver			

		3.42	3.53	3.75	3.57		was 1.89.	SGF figures. The fund remains adequate to guarantee settlement failure.
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8.0 Asset Base of Fund Managers, Stockbrokers, Investment Bank⁶

Working Capital (Amount in Kshs Millions) *	Amount in Ksh Millions						Medium (Indicative – the Higher the figure, the more stable is the market	The net assets base of fund Managers, Investment Adviser, Investment Banks, Online Forex, REITs For investment bank and stockbroker as of September was Kshs	Capital markets licensees' net assets increased between April and June 2025 for Investment Adviser Online Forex brokers, Investment bank and stockbrokers and decreased
	Total Assets	Total Liabilities	Net Assets June 2025	Net Assets March 2025	% change				
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				

⁶ Data to be provided once available.

				for fund manager. Forex Broker s Manager and increased.
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