

“

Fuel prices hold steady as
the government maintains
stabilization of pump prices

”

WEEKLY FIXED INCOME REPORT

Cumulative Tax Revenues to October rise 5.7%y/y to KES 736.3bn, as external borrowings and reserves swell on Eurobond issuance

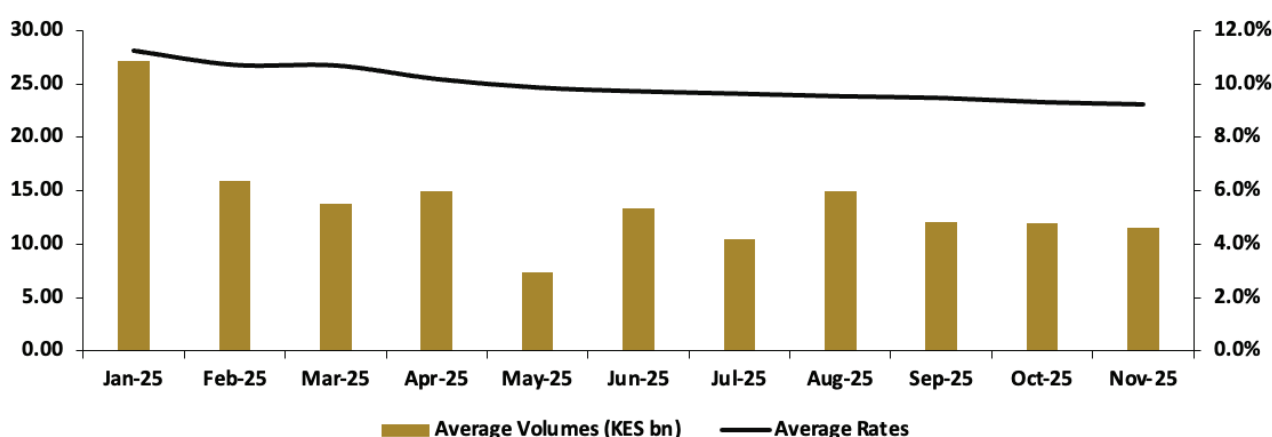
MONEY MARKET STATISTICS

Interbank lending increased during the week, with the average traded volumes jumping by 102.25% w/w to KES 13.92bn, from KES 6.88bn the prior week. Consequently, the number of interbank deals edged higher by 44.44% w/w to 26. The Kenya Shilling Overnight Interbank Average (KESONIA) eased slightly (-1.68bps w/w) to an average of 9.23%. Notably, no actor utilized the CBK borrowing window in the week.

Average	Previous Week – ended 6 th November 2025	Current Week – ended 13 th November 2025	Change
Interbank Deals	18	26	44.44%
Inter-Bank volumes (KES bn)	6.88	13.92	102.25%
KESONIA (bps)	9.25%	9.23%	(1.68)
Window Borrowing Volumes (KES bn)	-	-	n/a

Source: Central Bank of Kenya (CBK), Table: SIB

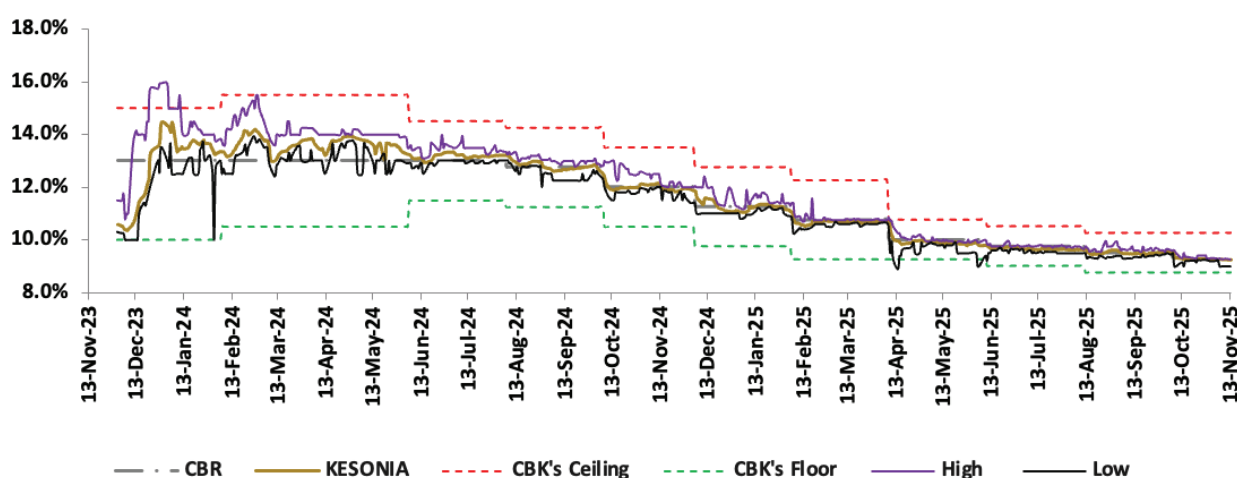
Average Interbank Rates & Volumes



Source: Central Bank of Kenya (CBK), Chart: SIB

The weighted average interbank rate continues to closely track the Central Bank Rate, underscoring the stability and effectiveness of the monetary policy framework:

Interbank Rate Spreads



Source: Central Bank of Kenya (CBK), Chart: SIB

GOVERNMENT SECURITIES MARKET

T-Bills:

The T-bill auction for the week was oversubscribed, with overall performance increasing to 127.3% from 166.1% in the previous week. Investors submitted sought to invest KES 30.54bn, of which the fiscal agent accepted 99.7% of the bids. This quantum was lower than the maturity amounts, resulting in a net repayment of KES 8.2bn. In absolute terms, the 364-day paper received the highest interest, with the paper garnering 66.5% of the total bids. Additionally, the 91-day paper reported the highest subscription rate at 203.1%, while the 182-day paper recorded a muted performance of 36.9%. Ultimately, KES 30.44bn was accepted at 7.77% (-2.34bps), 7.79% (same as the prior week), and 9.35% (+1.20bps) for the 91-day, 182-day, and 364-day papers, respectively, as shown below;

KES Bn

17-Nov-25	91-day	182-day	364-day	Totals
	16-Feb-26	18-May-26	16-Nov-26	
Amount offered	4.00	10.00	10.00	24.00
Bids received	6.54	3.69	20.31	30.54
Subscription rate (%)	163.5%	36.9%	203.1%	127.3%
Amount accepted	6.48	3.69	20.26	30.44
Acceptance rate (%)	99.2%	100.0%	99.8%	99.7%
Of which: Competitive Bids	5.23	0.00	15.74	20.97
Non-competitive bids	1.26	3.69	4.52	9.47
Rollover/Redemptions	4.98	5.52	28.18	38.67
New Borrowing/(Net Repayment)	1.51	-1.83	-7.91	-8.23
Weighted Average Rate of Accepted Bids	7.77%	7.79%	9.36%	
Inflation	4.6%	4.6%	4.6%	
Real Return	3.2%	3.2%	4.8%	

Source: Central Bank of Kenya (CBK), Table: SIB

T-Bonds:

In the primary bond market, the apex bank is seeking KES 40.0bn through two long-term reopened bonds: FXD3/2019/015 (first reopening in 2025) and FXD1/2022/025 (fourth reopening in 2025), with effective tenors of 8.7 and 14.2 years, respectively. The bonds have coupon rates of 12.34% and 14.19% for FXD3/2019/015 and FXD1/2022/025, respectively. The total outstanding amount for these papers is KES 195.0bn, with FXD1/2022/025 taking the lion's share of the quantum at KES 141.1bn. The sale period for both papers will run until 19th October 2025. In line with recent trends, we anticipate higher investor demand for the longer-term paper, FXD1/2022/025, due to its comparatively attractive coupon rate and continued focus on returns as rates in the market come off. See below a summary of the offer:

Bond	Maturity Date	Effective Tenor	Amount Offered (in KES Bn)	Coupon	Sale Period	Expected Outcome Range
FXD3/2019/015	10-Jul-34	8.7	40.00	12.34%	Up to 19th November 2025	12.55% - 12.65%
FXD1/2022/025	23-Sep-47	14.2		14.18%		13.50% - 13.60%

Source: Central Bank of Kenya (CBK), SIB Estimates | Table: SIB

Meanwhile, the Central Bank of Kenya is in the market for a bond buyback, aiming to partly settle in advance, one paper: FXD1/2023/003. The offer targets a redemption of KES 30.0bn, whose total outstanding amount is KES 76.5bn—translating to a c.39.2% potential settlement. We opine that investors who currently hold the paper and may be keen on lengthening their duration profile (e.g., pension funds) will show interest in the buyback, given that the coupon rate of FXD1/2023/003 is almost similar to the paper on offer (14.18% for FXD1/2022/025 vs 14.23% for FXD1/2023/003). This strategy may also help investors address potential reinvestment risk if yields in the market fall even further, should the paper be held till May 2026. Additionally, we anticipate that the Government will have some flexibility to utilize the proceeds from the previous auction to buy back the paper. The CBK stated that investors should expect payments for the buy-back to be made on 19th November 2025 (which is the same date as the closure date for the ongoing reopening issuance sale).

See a summary of the offer:

Bond	Maturity Date	Effective Tenor	Target Amount (in KES Bn)	Coupon	Outstanding Amount (in KES Bn)	Pending Coupon Payment (in KES Bn)	Sale Period
FXD1/2023/003	11-May-26	0.6	30.00	14.23%	76.54	5.44	Up to 17th November 2025

Source: Central Bank of Kenya (CBK) | Table: SIB

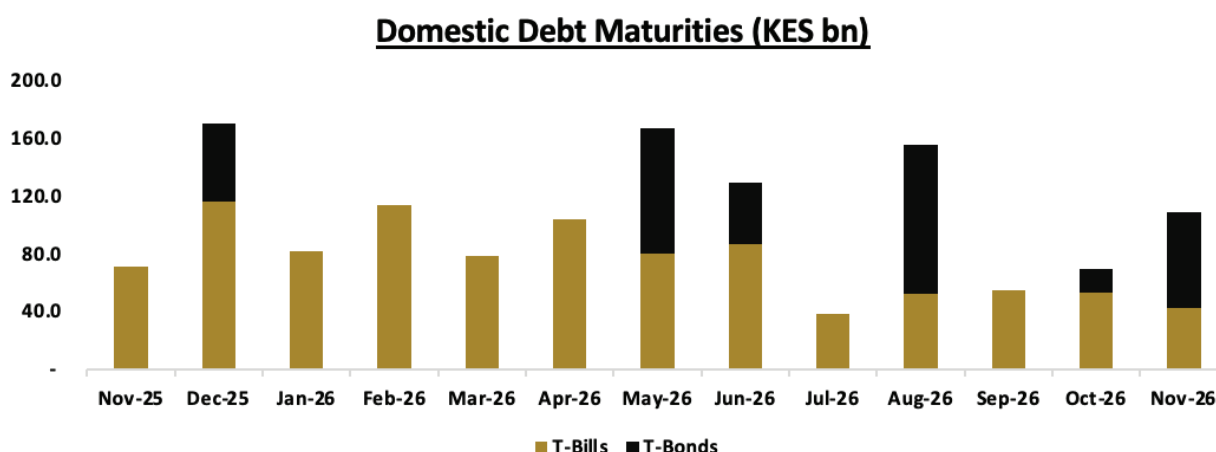
A noteworthy development this week is that East African Breweries PLC (EABL) announced on November 12, 2025, that the first tranche of its medium-term note (MTN) program achieved a performance rate of 152.4%. The company received bids totaling KES 16.7 billion against a target of KES 11.0 billion. Notably, the issuer received approval to increase the total allotment for Tranche 1 to accommodate the oversubscription, remaining within the KES 20.0bn MTN limit previously approved by the Capital Markets Authority (CMA). The note's coupon rate is 11.80% per annum (an 81bps premium compared to government papers, 10.99% as of 12th November 2025 for the same maturity) and has a tenor of 5 years. We opine that the note's performance was partly driven by EABL's past issuance track record, overall revenue performance, the firm's debt management & balance sheet strategy, as well as robust market appetite for EABL's high-grade corporate debt (seniority) in a stabilizing economic environment.

Looking at the secondary bond market, turnover rose to KES 55.9bn (+36.5% w/w) in the week from KES 40.9bn posted in the previous week.

Outstanding Debt Maturities (T-Bills and T-Bonds):

As of this week, the Government's outstanding maturities to November 2026 are at c.KES 970.4bn in T-Bills and c.KES 420.6bn in T-Bonds (including scheduled amortization of IFBs). When we factor in coupons, the total maturity profile comes in at c.KES 2.0tn. Markedly, the next domestic bond maturity is expected in December (KES 54.9bn; FXD2/2010/015 at KES 25.2bn & 50% amortization of IFB1/2022/006 at KES 29.7bn).

See the chart below;

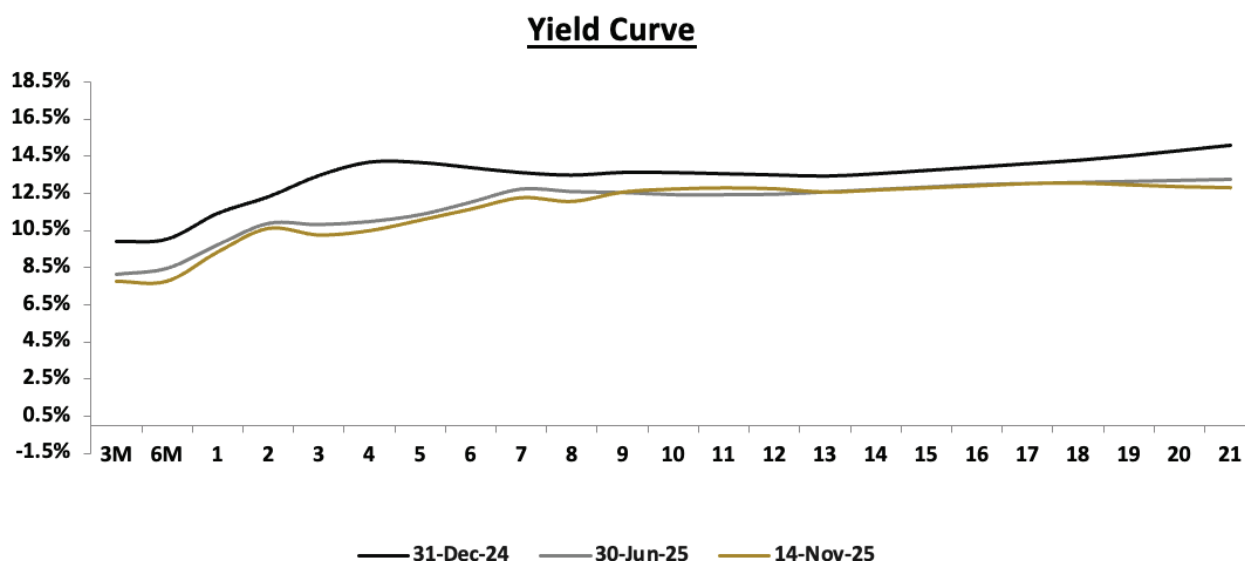


Source: Nairobi Securities Exchange (NSE), Chart: SIB

This week's auction pushed the Government's net domestic borrowing position to KES c.418.6bn, above the prorated target (performance rate of c.174.2%).

Yield Curve:

Week-on-week, yields dipped slightly by an average of 8.4bps w/w, with upticks offset by the declines. Below is a visual representation;



Source: Nairobi Securities Exchange (NSE), Chart: SIB

THE INTERNATIONAL SCENE

Kenyan Eurobonds:

During the week, yields on Kenyan Eurobonds remained largely stable, with rates edging lower by an average of 7.8bps w/w. The table below summarizes the performance across maturities:

Issuance	KENINT 02/28/2028	KENINT 02/16/2031	KENINT 05/22/2032	KENINT 01/23/2034	KENINT 02/28/2048
Maturity Date	28-Feb-28	16-Feb-31	22-May-32	1-Jun-34	28-Feb-48
Tenor to Maturity	2.3	5.3	6.6	8.6	22.4
31-Dec-24	9.1%	10.1%	10.1%	10.1%	10.3%
06-Nov-25	6.1%	7.9%	8.2%	8.6%	9.3%
07-Nov-25	6.1%	8.0%	8.3%	8.7%	9.4%
10-Nov-25	6.1%	8.0%	8.2%	8.6%	9.3%
11-Nov-25	6.1%	8.0%	8.2%	8.6%	9.3%
12-Nov-25	6.1%	7.8%	8.1%	8.5%	9.1%
13-Nov-25	6.1%	7.9%	8.1%	8.5%	9.2%
Weekly Change	(0.009%)	(0.074%)	(0.114%)	(0.094%)	(0.100%)
YTD Change	(3.0%)	(2.3%)	(2.0%)	(1.6%)	(1.1%)

Source: Central Bank of Kenya (CBK), Table: SIB

Currency Performance

The Kenyan shilling exhibited mixed performance against the currencies we track during the week. In particular, the local unit weakened by 1.1% w/w, 0.9% w/w, and 0.2% w/w against the Tanzanian Shilling, Euro, and British Pound, respectively. Conversely, the Kenyan Shilling appreciated by 3.8% w/w and 0.6% w/w against the Ugandan Shilling and Japanese Yen, respectively. Keeping with trends in the year, the local currency remained largely stable against the US dollar. Notably, the U.S. Dollar index weakened by 0.6% during the week, with the longest U.S. government shutdown being lifted after President Trump signed legislation on Wednesday evening.

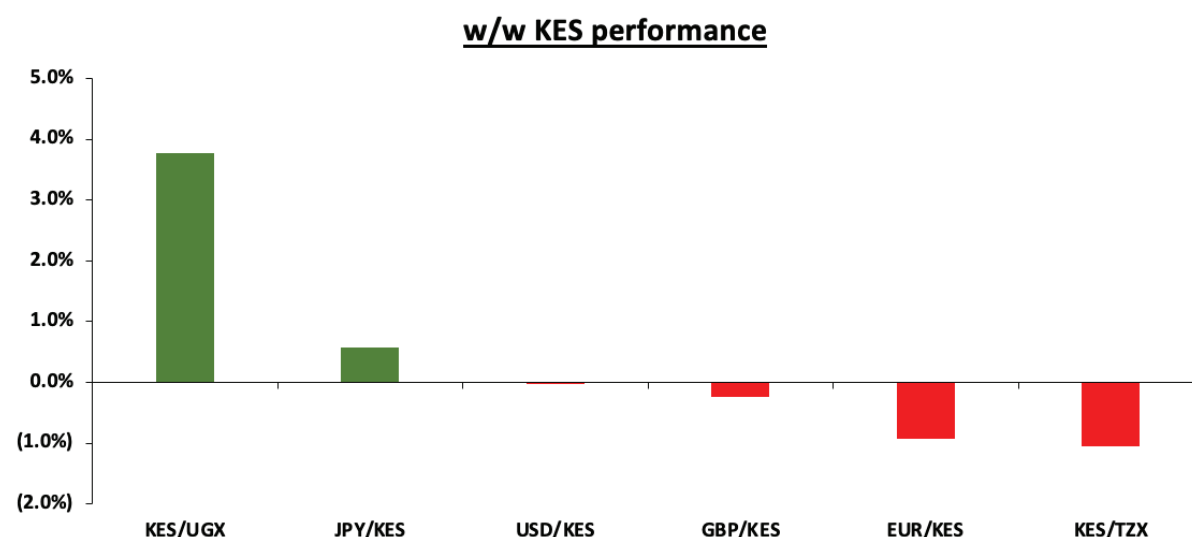
See the table below;

Currencies	31 Dec 2024	Previous Week	Current	w/w Change	YTD change
KES/UGX	28.41	27.02	28.04	3.8%	(1.3%)
JPY/KES	82.12	84.21	83.73	0.6%	(2.0%)
USD/KES	129.29	129.24	129.29	(0.0%)	0.0%
GBP/KES	162.27	169.56	169.97	(0.2%)	(4.7%)
EUR/KES	134.29	149.16	150.55	(0.9%)	(12.1%)
KES/TZX	18.99	19.07	18.87	(1.1%)	(0.6%)

Source: Central Bank of Kenya (CBK), Chart: SIB

Abb: GBP – British Pound, EUR – Euro, USD – US Dollar, UGX – Ugandan Shilling, TZS – Tanzanian Shilling, JPY – Japanese Yen | FX rate is determined by calculating the weighted average rate of recorded spot trades in the interbank market

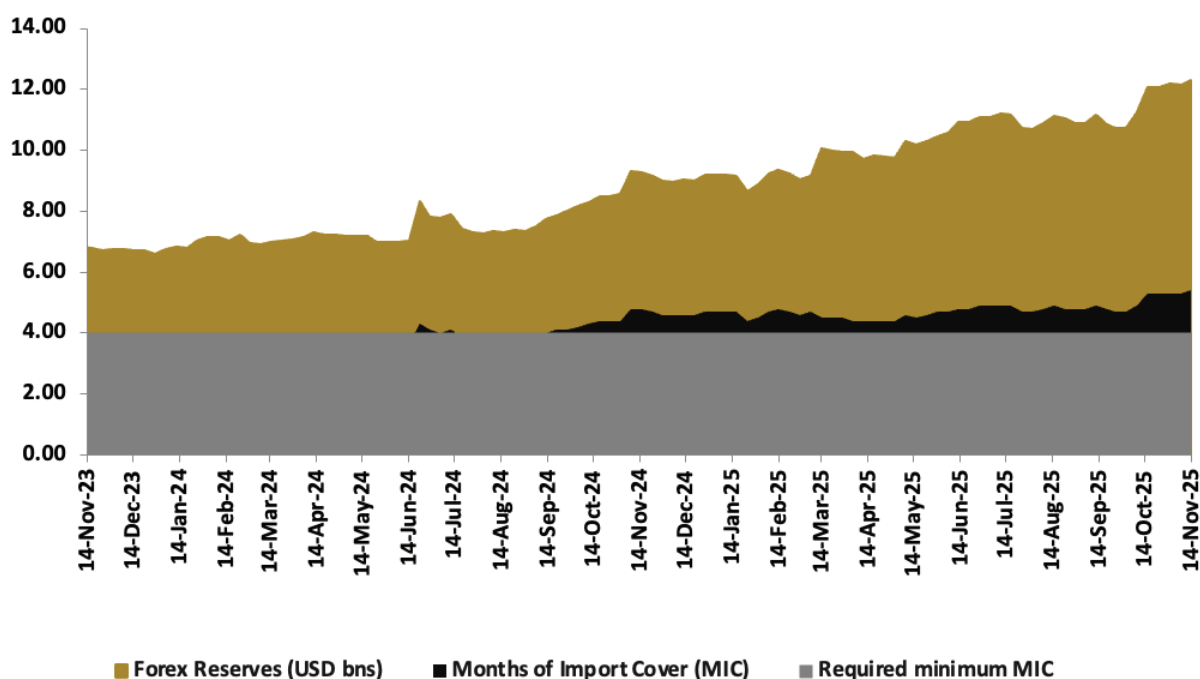
See also a visual representation;



Source: Central Bank of Kenya (CBK), Chart: SIB

Kenya's foreign exchange reserves rose to USD 12.29bn – a record high (+1.1% w/w), maintaining the import cover at 5.4 months, partly supported by resilient diaspora inflows and the latest net proceeds from the Eurobond settlement. See the chart below for a visual summary;

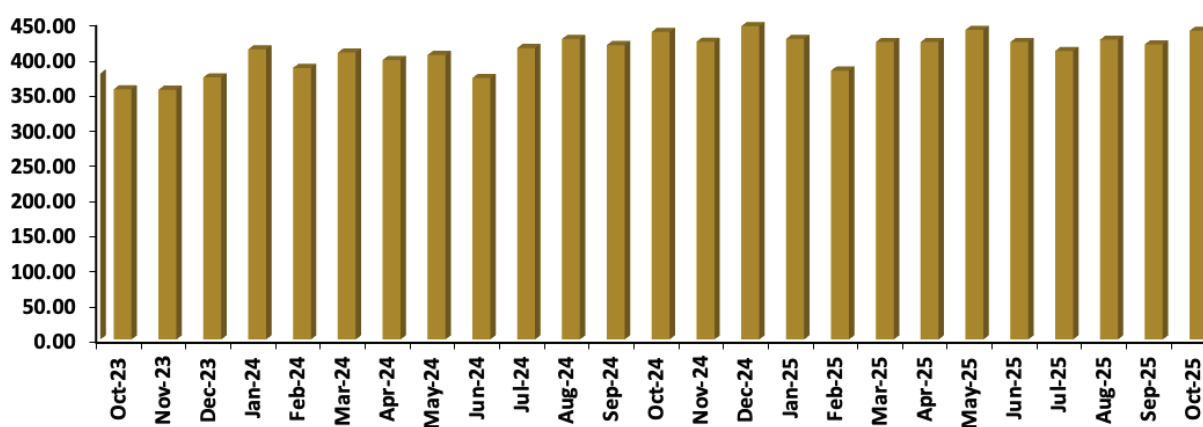
Import Cover by Forex Reserves



Source: Central Bank of Kenya (CBK), Chart: SIB

Meanwhile, diaspora remittances remained resilient, with October 2025 inflows rising by 0.4% y/y to USD 438.8m from USD 419.6m in October 2024 (up 4.6% m/m from USD 419.6m in September 2025). Cumulative inflows for 2025 so far stand at USD 4.2bn. Notably, the 12-month cumulative inflows to October 2025 climbed by 5.8% y/y to USD 5.08bn from USD 4.80bn in October 2024. See the chart below for a visual summary.

Diaspora Remittances (USD mn)



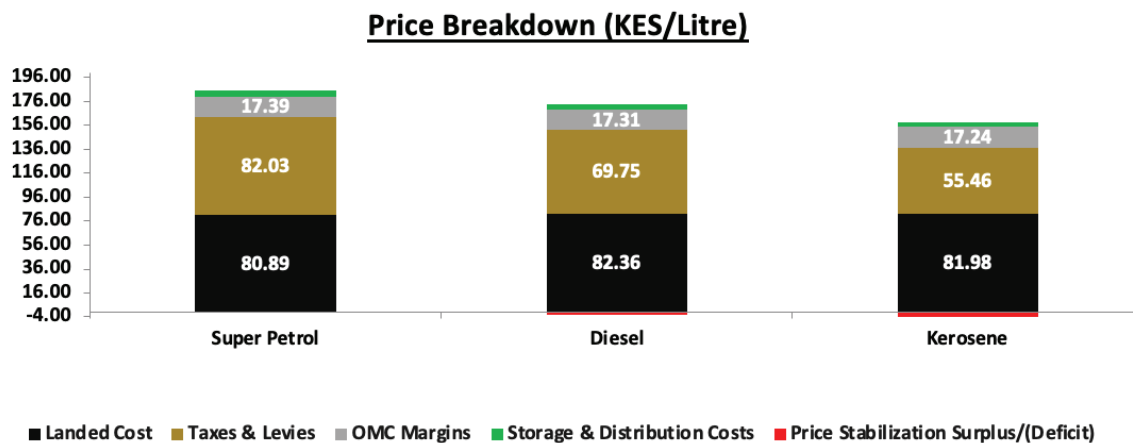
Source: Central Bank of Kenya (CBK), Chart: SIB

THE MACRO WRAP

1. Fuel prices hold steady as the government maintains stabilization of pump prices

The Energy and Petroleum Regulatory Authority (EPRA) released fuel prices for the pricing cycle running from 15th November –14th December 2025. Petrol, Diesel, and kerosene pump prices remained unchanged from the previous cycle at KES 184.52, KES 171.47, and KES 154.78 per litre, respectively, in Nairobi over the review period.

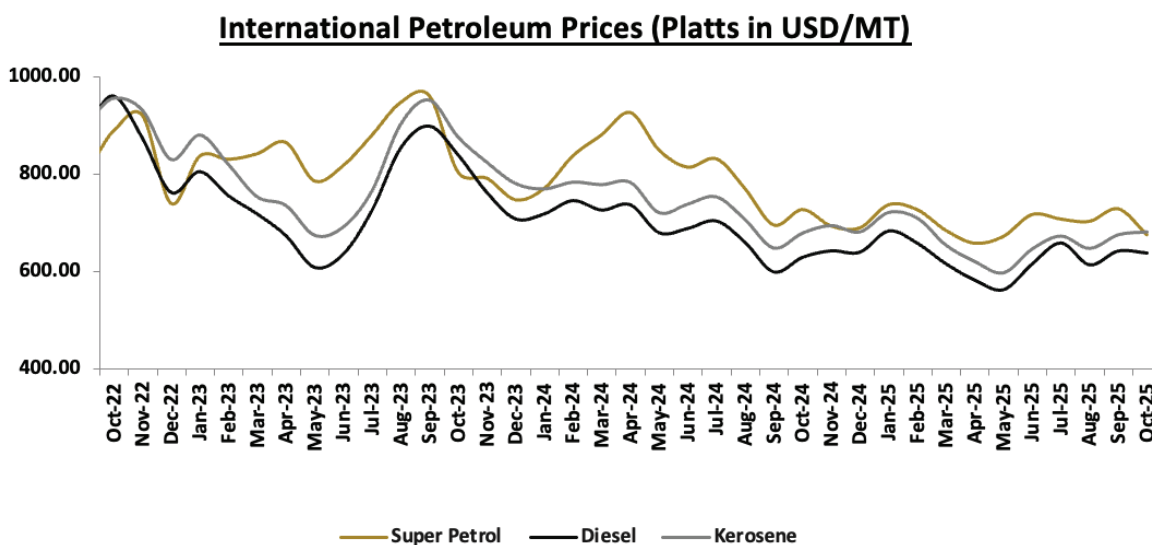
See below the price breakdown;



Source: EPRA, Chart: SIB

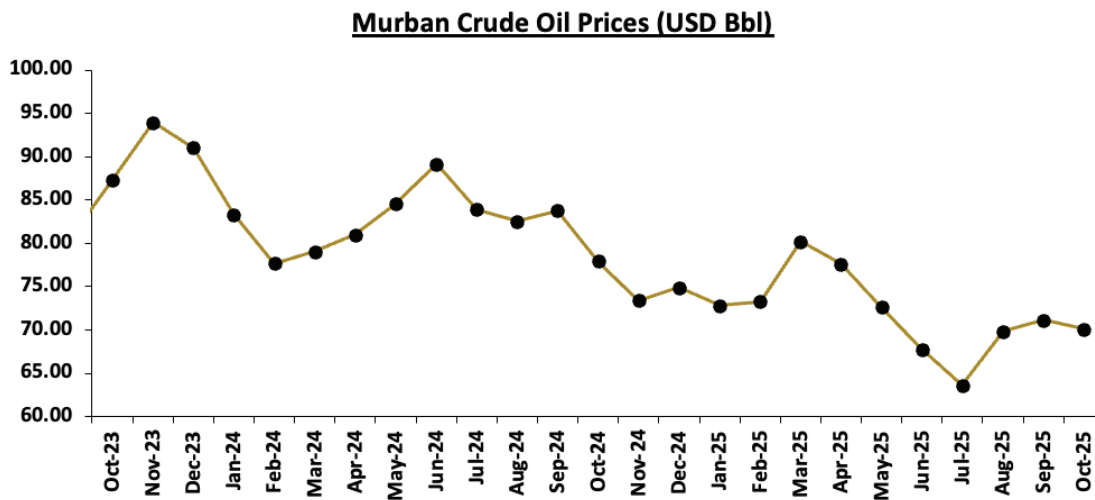
On the key pricing metrics, we note the following:

- i. In October 2025, the average landed cost of imported Super Petrol decreased by 0.18% to US\$619.14 per cubic metre. In contrast, Diesel rose by 1.81% to US\$635.05 per cubic metre, while Kerosene increased by 0.71% to US\$632.16 per cubic metre. Looking at Platts prices, the price of Super Petrol and Diesel eased by 7.4% m/m and 0.6%, respectively, while the price for Kerosene rose by 0.9% m/m. Notably, the exchange rate for fuel imports remained largely stable during the period, helping to mitigate further cost volatility.



Source: EPRA, Chart: SIB

- ii. In a bid to anchor fuel prices, the price stabilisation component was utilized in the period, with Super Petrol, Diesel, and Kerosene subsidized by KES 0.47 per litre, KES 2.33 per litre, and KES 4.24 per litre, respectively (up from KES 0.07, KES 0.54 and KES 3.48 per litre of Super Petrol, Diesel and Kerosene in the previous cycle).
- iii. A slight 1.4% m/m downturn in crude oil prices in October to USD 70.1 per barrel, from USD 71.12 per barrel (Bbl), bucking the upward trend witnessed from August 2025 as shown below:



Source: EPRA, Chart: SIB

The October/November 2025 fuel review cycle has not generated significant shifts, as fuel prices remained unchanged. A combination of stable recent prices, relatively stable forex rates, and moderate global crude price trends suggests a cautious but stable petroleum price environment over the medium term, unless disrupted by external shocks (such as geopolitical tensions) or policy shifts (particularly due to the government's discretionary application of the stabilization levy). Notably, the National Assembly endorsed the lifting of the moratorium on the signing of new purchasing power agreements during the week, which may help boost local energy generation as energy demands surge.

2. Cumulative Tax Revenues to October rise 5.7%y/y to KES 736.3bn, as external borrowings swell on Eurobond issuance

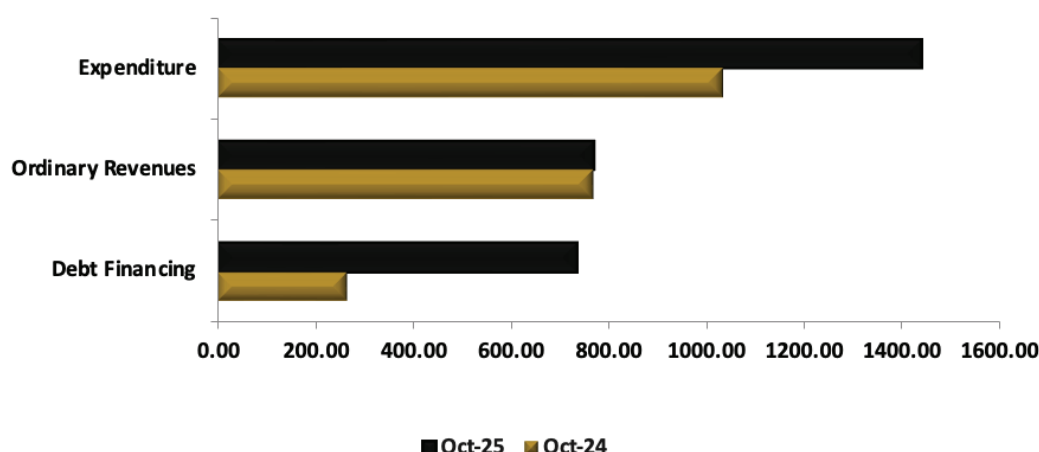
The National Treasury published the actual receipts and releases for the four months of FY25/26, and below is our assessment;

2.1 Year-on-year Performance

- Overall, the Government collected KES 770.33bn in ordinary revenues, reflecting a muted 0.3% increase from KES 767.67bn collected during the same period in FY2024/25. Within this, tax revenues rose by 5.7% y/y, reaching KES 736.28bn, up from KES 696.68bn during a similar period last year. Notably, non-tax revenue continued to struggle, down 52.0%y/y to KES 34.05bn.
- Total expenditure stood at KES 1,437.85bn, marking a 39.2% y/y uptick from KES 1,032.59bn in the corresponding period of FY2024/25. This performance was partly attributable to a 17.5% y/y and 76.7% y/y rise in recurrent expenditure and debt servicing to KES 485.50bn and KES 705.85bn, respectively.
- The total borrowings amounted to KES 736.35bn, representing a 1.8x increase from KES 265.78bn recorded in FY2024/25 over the same period.

See the chart below for a quick summary;

Actual Budget Performance (KES Bn)



Source: Treasury, Chart: SIB

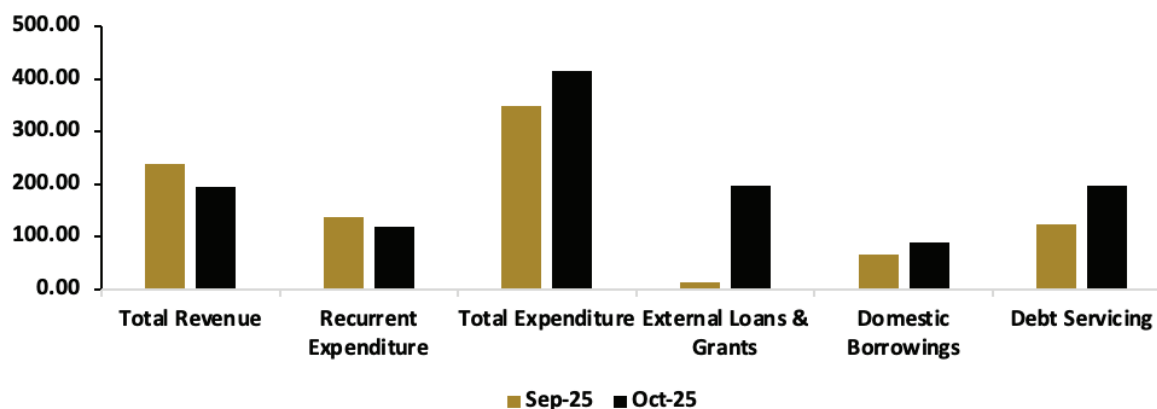
Overall, actual development spending increased by 23.5% y/y to KES 97.53bn, up from KES 78.97bn over the same period in FY24/25. Below, we provide a breakdown of the m/m performance.

2.2 Month-on-month Performance

- Total expenditure for October jumped by 19.1% m/m to KES 415.15bn, from KES 348.73bn in September 2025. The performance was largely on a c.84.0% m/m acceleration in development expenditure to KES 54.22bn and higher CFS Exchequer issuances at KES 206.64bn (+37.8% m/m). On the other hand, recurrent expenditure waned to KES 119.01bn (-12.5% m/m) while issuances to the County Governments hit KES 35.28bn (+6.3% m/m).
- Domestic borrowing for the same period increased to KES 88.10bn (+33.7% m/m), compared to the KES 65.92bn borrowed in September 2025. External financing skyrocketed to KES 197.67bn, up 13.1x m/m from KES 14.03bn in September 2025 on account of the Eurobond issuance in the month. Overall, the total financing surged to KES 286.37bn (+242.1% m/m) in the month. Furthermore, debt servicing obligations decreased by 58.8% m/m to KES 196.27bn.
- Meanwhile, the total revenue performance for September recorded an 18.1% m/m dip to KES 195.09bn, from KES 238.27bn in September 2025 (which we suspect was as a result of a cyclical occurrence).

See the chart below for a summary;

Monthly Budget Performance (KES Bn)



Source: Treasury, Chart: SIB

2.3 Tax Revenue Performance

Over the first four months of FY25/26, cumulative tax revenue grew by 5.7%/y. In October alone, collections reached KES 182.62bn, marking a 6.7%/y rise from KES 171.13bn in FY24/25 (-18.8 m/m from September 2025).

See the table below for a summary;

Tax Revenue Collections			
Month	FY 23/24	FY 24/25	FY 25/26
July	155.07	159.51	171.53
August	162.51	153.33	157.22
September	196.68	212.72	224.91
October	170.48	171.13	182.62
November	162.60	160.32	
December	203.50	217.06	
January	165.57	177.82	
February	157.61	151.82	
March	161.04	175.73	
April	210.69	221.39	
May	183.06	210.62	
June	232.26	246.36	
Total	1,928.82	2,257.81	736.28

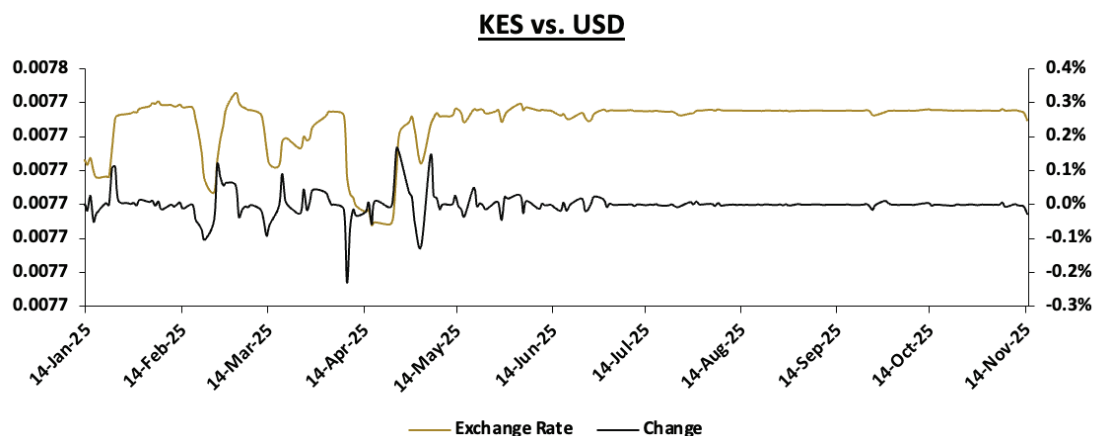
Source: Treasury, Chart: SIB

As of 31st October 2025, debt repayments gobbled up 35.4% of the total expenditure for FY25/26 (an improvement from 38.7% in FY24/25/0, while recurrent expenses claimed 39.0%. Additionally, the county equitable share took 9.5%, while development projects received a modest 8.5%. Debt servicing alone consumed 51.9% of ordinary revenues—a slight improvement from 52.0% during the same period in 2024. With the next domestic debt maturity expected in December 2025, the Government can afford some breathing space to allow it to shore up reserves and benefit from more favorable rates in the domestic market.



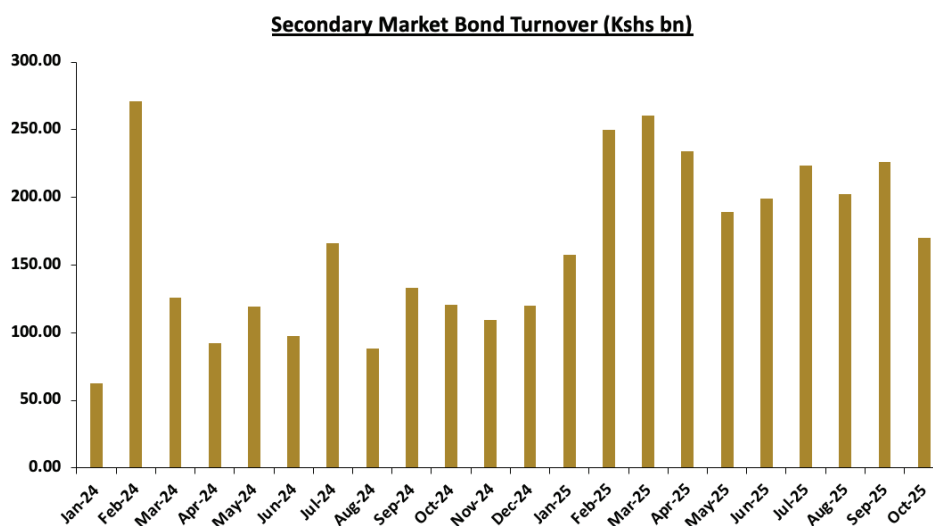
BACKGROUND CHARTS

KES/USD Performance



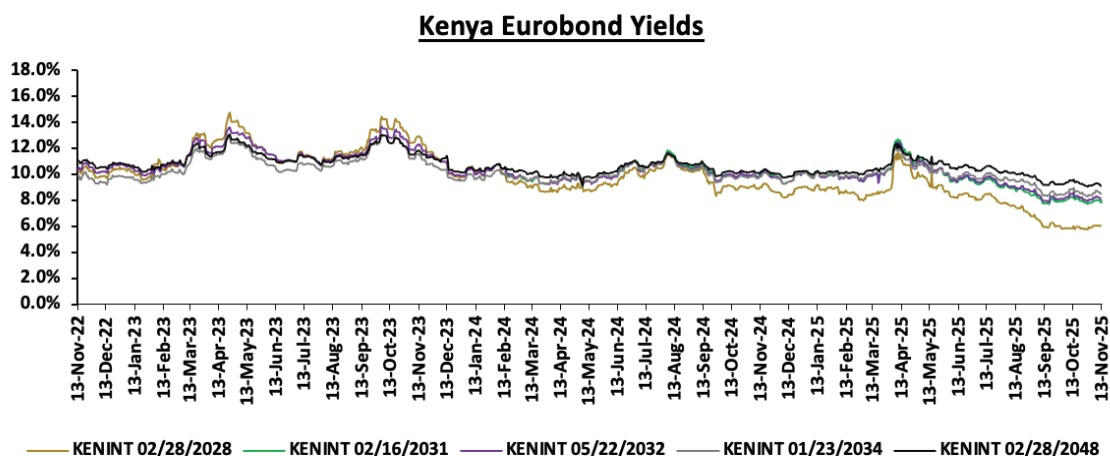
Source: Central Bank of Kenya (CBK)

Bond Turnover



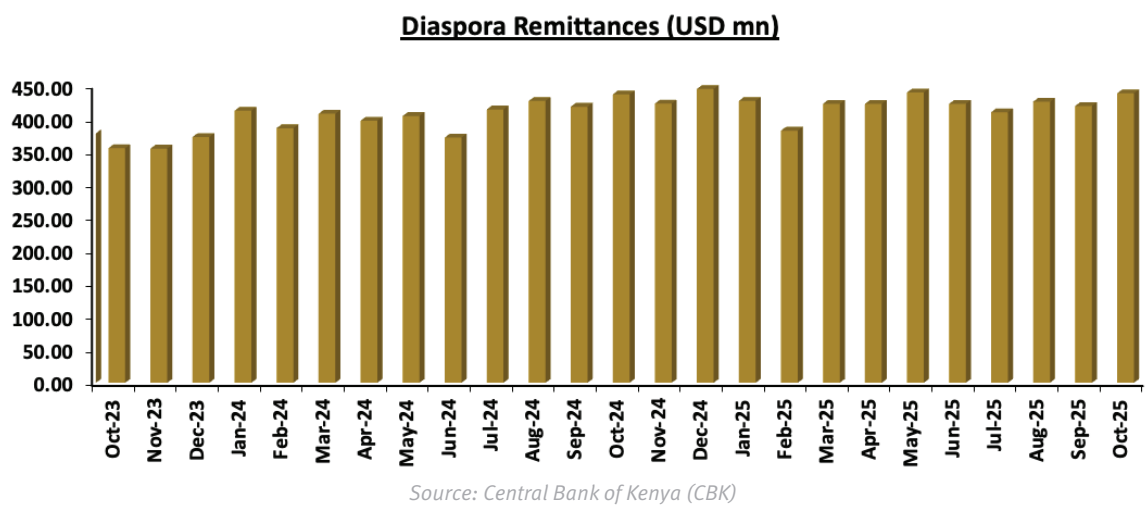
Source: Central Bank of Kenya (CBK)

Kenyan Eurobonds



Source: Central Bank of Kenya (CBK)

Diaspora Remittances



Disclosure and Disclaimer

Analyst Certification Disclosure: The research analyst or analysts responsible for the content of this research report certify that: (1) the views expressed and attributed to the research analyst or analysts in the research report accurately reflect their personal opinion(s) about the subject securities and issuers and/or other subject matter as appropriate; and, (2) no part of his or her compensation was, is or will be directly or indirectly related to the specific recommendations or views contained in this research report.

Shariah Compliant Disclosure: The research analyst or analysts responsible for the content of this research report certify that: The information provided in this report reflects SIB's approach to Sharia Compliant investing as at the date of this report and is subject to change without notice. We do not undertake to update any of such information in this report. Any references to Halal equities or similar terms in this report are intended as references to the internally defined criteria of the Firm or our businesses only, as applicable, and not to any jurisdiction-specific regulatory definition.

Global Disclaimer: Standard Investment Bank (SIB) and/or its affiliates makes no representation or warranty of any kind, express, implied or statutory regarding this document or any information contained or referred to in the document. The information in this document is provided for information purposes only. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices, or represent that any such future movements will not exceed those shown in any illustration. The stated price of the securities mentioned herein, if any, is as of the date indicated and is not any representation that any transaction can be effected at this price. While reasonable care has been taken in preparing this document, no responsibility or liability is accepted for errors of fact or for any opinion expressed herein. The contents of this document may not be suitable for all investors as it has not been prepared with regard to the specific investment objectives or financial situation of any particular person. Any investments discussed may not be suitable for all investors. Users of this document should seek professional advice regarding the appropriateness of investing in any securities, financial instruments or investment strategies referred to in this document and should understand that statements regarding future prospects may not be realised. Opinions, forecasts, assumptions, estimates, derived valuations, projections and price target(s), if any, contained in this document are as of the date indicated and are subject to change at any time without prior notice. Our recommendations are under constant review. The value and income of any of the securities or financial instruments mentioned in this document can fall as well as rise and an investor may get back less than invested. Future returns are not guaranteed, and a loss of original capital may be incurred. Foreign-currency denominated securities and financial instruments are subject to fluctuation in exchange rates that could have a positive or adverse effect on the value, price or income of such securities and financial instruments. Past performance is not indicative of comparable future results and no representation or warranty is made regarding future performance. While we endeavour to update on a reasonable basis the information and opinions contained herein, there may be regulatory, compliance or other reasons that prevent us from doing so. Accordingly, information may be available to us which is not reflected in this material, and we may have acted upon or used the information prior to or immediately following its publication. SIB is not a legal or tax adviser, and is not purporting to provide legal or tax advice. Independent legal and/or tax advice should be sought for any queries relating to the legal or tax implications of any investment. SIB and/or its affiliates may have a position in any of the securities, instruments or currencies mentioned in this document. SIB has in place policies and procedures and physical information walls between its Research Department and differing business functions to help ensure confidential information, including 'inside' information is not disclosed unless in line with its policies and procedures and the rules of its regulators. Data, opinions and other information appearing herein may have been obtained from public sources. SIB makes no representation or warranty as to the accuracy or completeness of such information obtained from public sources. You are advised to make your own independent judgment (with the advice of your professional advisers as necessary) with respect to any matter contained herein and not rely on this document as the basis for making any trading, hedging or investment decision. SIB accepts no liability and will not be liable for any loss or damage arising directly or indirectly (including special, incidental, consequential, punitive or exemplary damages) from the use of this document, howsoever arising, and including any loss, damage or expense arising from, but not limited to, any defect, error, imperfection, fault, mistake or inaccuracy with this document, its contents or associated services, or due to any unavailability of the document or any part thereof or any contents or associated services. This material is for the use of intended recipients only and, in any jurisdiction in which distribution to private/retail customers would require registration or licensing of the distributor which the distributor does not currently have, this document is intended solely for distribution to professional and institutional investors.

CONTACTS

Research

Eric Musau
emusau@sib.co.ke

Wesley Manambo
wmanambo@sib.co.ke

Melodie Gatuguta
mgatuguta@sib.co.ke

Equity Trading

Tony Waweru
awaweru@sib.co.ke

Foreign Equity Sales

John Mucheru
jmucheru@sib.co.ke

Fixed Income Trading

Brian Mutunga
bmutunga@sib.co.ke

Barry Omotto
bomotto@sib.co.ke

Global Markets

Nahashon Mungai
nmungai@sib.co.ke

Nickay Wangunyu
nwangunyu@sib.co.ke

Corporate Finance

Job Kihumba
jkihumba@sib.co.ke

Lorna Wambui
wndungi@sib.co.ke

Marketing & Communications

Victor Ooko
communications@sib.co.ke

Client Services
clientservices@sib.co.ke

Investment Solutions

Robin Mathenge
rmathenge@sib.co.ke

Private Client Services

Boniface Kiundi
bkiundi@sib.co.ke

Frankline Kirigia
fkirigia@sib.co.ke

Laban Githuki
lgithuki@sib.co.ke



Headquarters

JKUAT Towers (Formerly ICEA Building),
16th Floor , Kenyatta Avenue, Nairobi,
Kenya.

Telephone: +254 777 333 000,
+254 20 227 7000, +254 20 227 7100

Email: clientservices@sib.co.ke