SIB Standard Investment Bank

23RD NOVEMBER 2026



WEEKLY FIXED INCOME REPORT

Fed Hike Bets Drive Dollar Surge, Tech Rout, and Precious Metals Drop

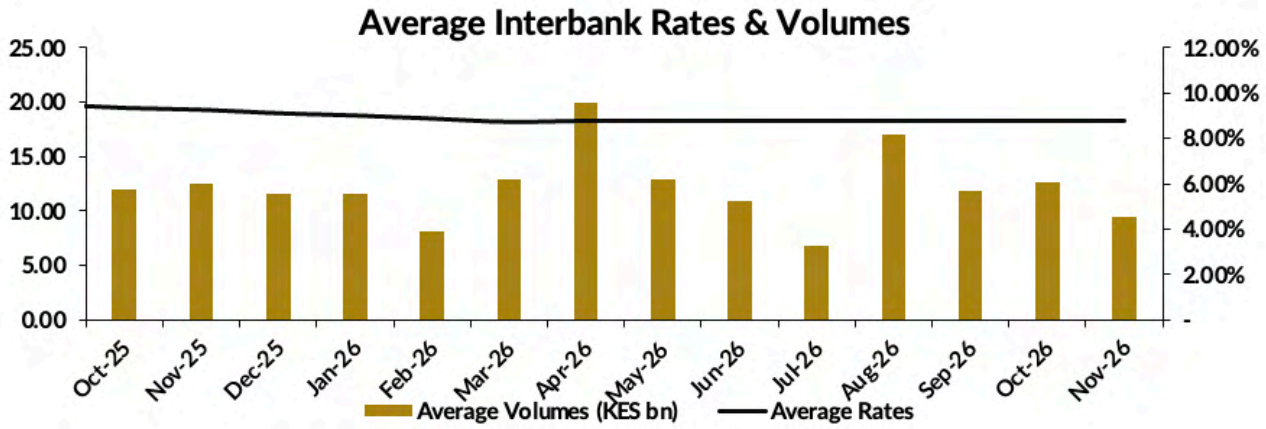
MONEY MARKET STATISTICS

Liquidity conditions remained stable in the week, with the Kenya Shilling Overnight Interbank Average (KESONIA) closing at an average of 8.75%. Interbank lending decreased by 47% in the week, with average traded volumes coming in at KES 7Bn from last week's KES 14Bn. Notably, the interbank deals decreased by 39% to close the week at 14 compared to the 23 recorded in the previous week.

Find the summary below:

Average	Previous Week - ended 12/11/2026	Current Week - ended 19/11/2026	Change
Interbank Deals (Total)	23.00	14.00	(39.13%)
Inter- Bank volumes (KES bn)	13.43	7.15	(46.80%)
KESONIA (bps)	8.75%	8.75%	0.00

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



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

GOVERNMENT SECURITIES MARKET

T-Bills:

Investor appetite for Treasury Bills **decreased** this week as total submitted bids decreasing to KES 44.1 billion compared to KES 69 billion recorded last week, of which the fiscal agent accepted KES 43.7Bn resulting in the subscription rate of 99% and a performance rate of 157%; lagging behind the subscription rate of 247%, recorded the previous week.

The 91-day Treasury Bill remained the most attractive debt instrument, registering a performance rate of 283%. The auction was significantly oversubscribed, receiving **KES 23Bn** in bids compared to the **KES 8.0Bn** on offer.

Below is a visual summary;

23-Nov-26	91-day	182-day	364-day	Totals
	22-Feb-27	24-May-27	22-Nov-27	
Amount offered	8.00	10.00	10.00	28.00
Bids received	22679.17	8863.15	12550.86	44093.18
Bids Accepted	22651.89	8544.22	12499.90	43696.01
Subscription rate (%)	99.88%	96.40%	99.59%	99.10%
Performance rate (%)	283.49%	88.63%	125.51%	157.48%
Rollover/Redemptions	30003.90	8714.60	28039.00	66757.50
New Borrowing/ (Net Repayment)	-7,352.01	-170.38	-15,539.10	-23,061.49
Weighted Average Rate of Accepted Bids	8.7%	8.8%	9.0%	
Inflation	7.3%	7.3%	7.3%	
Real Return	1.4%	1.5%	1.7%	

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

T-Bonds:

In the primary space, The Central Bank of Kenya recently released the **results** for the two re-opened bonds **FXD1/2019/015 and SDB1/2011/030 carrying** coupon rates of 12.86%. and 12.00% respectively.

Investor demand was strong, pushing total bids to KES 86Bn against an initial offer of KES 50Bn. This resulted in an overall oversubscription rate of 171%. Out of the bids received, the government accepted KES 52Bn, achieving a 61% acceptance rate.

Find below a summary the results:

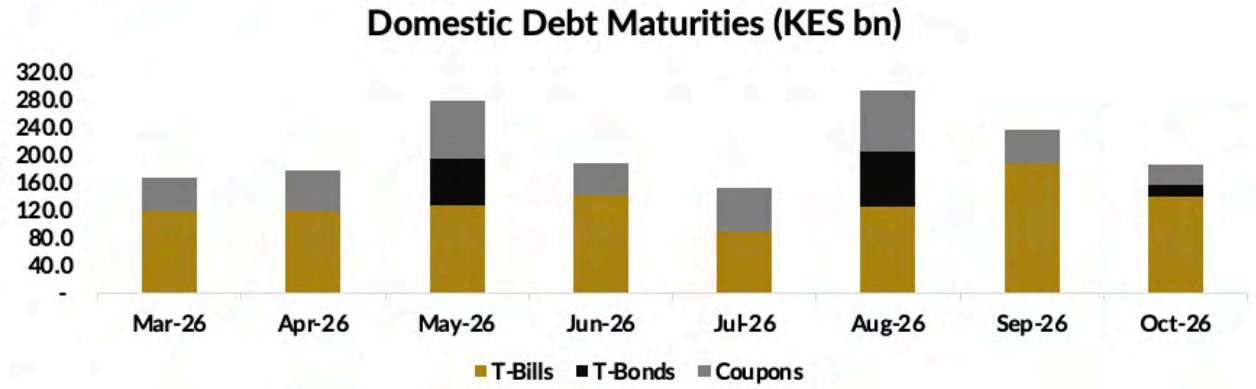
Issue	FXD3/2019/015- Re-opened	FXD1/2026/030 - Re-opened
Tenor to Maturity	7.8 Yrs	29.5 Yrs
Coupon Rate	**12.34%**	**12.50%**
Offered Amount	**KES 50Bn**	
Bids Received (KES Mn)	37,069.54	62,397.80
Amount Accepted (KES Mn)	**29,904.78**	**40,954.62**
Market Weighted Average Rate (%)	**12.872%**	**14.171%**
Weighted Average Rate of Accepted Bids (%)	12.740%	14.127%
Adjusted Average Price(Per KES 100)	101.824	89.392
New Borrowing/Net Repayment	**KES 30Bn**	

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

Looking at secondary bond market turnover, the quantum **decreased** to KES 53Bn (-35%w/w) from KES 82Bn in the prior week. **Month on Month**, bond turnover decreased by 18% to KES 240Bn in October from KES 293Bn in September 2026.

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

Total domestic debt maturities in November 2026 are at KES 364Bn compared to KES 244Bn in October 2026. See the chart below;



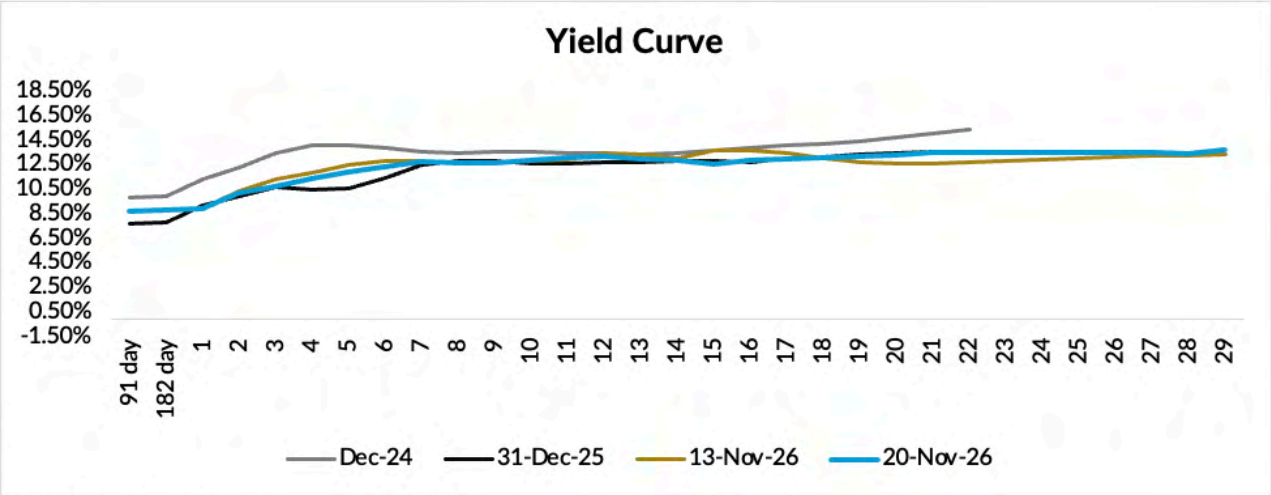
Source: Central Bank of Kenya (CBK), Chart: SIB

Yield Curve:

Local interest rates were largely stable during the week, with average government securities yields inching slightly higher by c.0.024% w/w.

With the government expected to lean heavily on the domestic market to plug its budget deficits, borrowing demand will likely stay high, keeping consistent upward pressure on local yields over the medium term despite high liquidity conditions.

Below is a visual representation;



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

THE INTERNATIONAL SCENE

Weekly Insight: Hawkish FOMC Minutes, Tech Sell-Off, and Shilling Pressure

The third week of November 2026 was defined by hawkish U.S. monetary policy signals, a broad-based U.S. Dollar rally, and major fiscal policy announcements on the domestic front. Internationally, the release of the October FOMC minutes on November 18 reinforced expectations for a December Federal Reserve rate hike to counter persistent inflation, propelling the U.S. Dollar to an 18-to-19-month high against major peers (pushing the Euro down toward $1.097 and the British Pound near $1.315) and weighing heavily on precious metals, with spot gold sliding below $3,700/oz. Meanwhile, a sharp sell-off in U.S. technology equities—driven by governance turmoil at Nvidia and skepticism around AI capital expenditure—triggered defensive safe-haven flows into sovereign bonds that kept Treasury yields subdued, even as persistent Middle East shipping disruptions kept crude oil benchmarks volatile.

Domestically, fiscal and structural policy took centre stage as Parliament concluded public participation on the 2027 Budget Policy Statement and borrowing plans on November 20, coinciding with President William Ruto's State of the Nation address unveiling a KSh 5 trillion long-term economic transformation plan alongside tax relief proposals—including a PAYE exemption for workers earning KSh 32,333 or less per month, stamp duty removal on land transactions up to KSh 1 million, and the elimination of the 25% import duty on mobile phones. On the monetary and external front, the Central Bank of Kenya (CBK) maintained its benchmark rate at 8.75% amid 7.3% headline inflation, while the Kenyan Shilling breached the psychological KSh 130.00/USD threshold on November 20 and official foreign exchange reserves declined by $656 million over the week to $13.95 billion (5.6 months of import cover, remaining well above the 4.0-month statutory minimum).

Hawkish FOMC Minutes & U.S. Consumer Cooling

Global monetary policy expectations hardened during the third week of November 2026 following the release of the October 27–28 Federal Open Market Committee (FOMC) minutes on November 18. The minutes confirmed that most Federal Reserve policymakers retain a tightening bias to combat persistent inflation, reinforcing market bets on a December interest rate hike. This hawkish policy stance contrasted with signs of domestic demand moderation after October U.S. retail sales data showed a slowdown in consumer spending, leaving markets balancing resilient labor dynamics against tighter financial conditions.

Technology Equity Sell-Off & Defensive Bond Flows

Global equity markets experienced pronounced risk-off pressure throughout the week, led by a sharp sell-off in U.S. technology stocks. Despite strong quarterly earnings from Nvidia and the public market debut of Anthropic, investor sentiment toward high-valuation tech shares soured amid corporate governance turmoil at Nvidia and broader skepticism over artificial intelligence spending. The S&P 500 and Nasdaq-100 retreated sharply to multi-month lows, triggering defensive safe-haven flows into sovereign fixed income that kept U.S. Treasury yields subdued despite aggressive Federal Reserve rhetoric.

Middle East Geopolitical Risks & Commodity Divergence

Commodity markets navigated competing crosscurrents of geopolitical friction and a surging U.S. Dollar. Crude oil benchmarks saw choppy, two-way trading as persistent attacks and shipping disruptions across the Persian Gulf and Red Sea kept supply-risk premiums active, even as broader market risk aversion capped sustained rallies. Meanwhile, precious metals suffered steep losses under the weight of rising real rate expectations and Greenback strength, with spot gold sliding below the key $3,700/oz threshold on November 19 to touch its lowest level since September 2025.

U.S. Dollar Surge to Multi-Month Highs & Cross-Border Policy Action

Foreign exchange markets were dominated by broad-based U.S. Dollar appreciation, with the Greenback climbing to an 18-to-19-month high on the back of hawkish FOMC minutes and defensive safe-haven demand. Widening interest rate differentials pressured major European peers, driving the Euro down toward **$1.097** and weighing on the British Pound near **$1.315** as traders digested UK inflation and labour market releases, while the Japanese Yen remained under pressure near **¥159.6** per dollar. Elsewhere in central banking, the National Bank of Hungary trimmed its base rate by 5 basis points to 5.45% on November 17, the People's Bank of China maintained an accommodative policy stance on November 20 to balance domestic support against currency stability, and the Financial Stability Board (FSB) published its 2026 progress report on the G20 Roadmap for Enhancing Cross-Border Payments.

Kenyan Eurobonds:

Yields on Kenyan Eurobonds decreased marginally by average of c.0.384% during the week dated 13th November 2026 to 19th November 2026, partly linked to the ongoing volatility in international markets. The table below summarizes the performance across maturities:

	KENINT 02/28/2028	KENINT 02/16/2031	KENINT 05/22/2032	KENINT 01/23/2034	KENINT 02/28/2048
Issuance	**10-Year 2028**	**6-Year 2031**	**12-Year 2032**	**13-Year 2034**	**30-Year 2048**
Maturity Date	**28-Feb-28**	**16-Feb-31**	**22-May-32**	**1-Jun-34**	**28-Feb-48**
Tenor to Maturity	**1.6**	**4.6**	**5.8**	**7.9**	**21.6**
31-Dec-25	6.0%	7.1%	7.2%	7.8%	9.3%
13-Nov-26	7.3%	7.8%	8.6%	9.0%	9.6%
16-Nov-26	7.5%	8.0%	9.1%	9.2%	9.8%
17-Nov-26	7.5%	8.1%	9.3%	9.3%	9.9%
18-Nov-26	7.5%	8.0%	9.3%	9.3%	9.8%
19-Nov-26	7.6%	8.1%	9.3%	9.3%	9.9%
Weekly Change	(0.359%)	(0.295%)	(0.713%)	(0.322%)	(0.233%)
YTD Change	1.6%	0.9%	2.1%	1.5%	0.6%

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

Currency Performance:

The Kenyan Shilling displayed mixed week-over-week (w/w) performance across major global and regional currencies. Against major global counters, the Shilling remained flat against the U.S. Dollar (USD/KES) at **0.0%**. Conversely, it lost ground against European currencies, softening by **(0.9%)** against the British Pound (GBP/KES) and **(0.7%)** against the Euro (EUR/KES), while strengthening by **0.6%** against the Japanese Yen (JPY/KES). Regionally, the Shilling appreciated across both major East African trading partners, surging by **2.6%** against the Ugandan Shilling (KES/UGX) and edging up by **0.2%** against the Tanzanian Shilling (KES/TZX).

The U.S. Dollar Index **strengthened** by 0.70% during the week.

Murban crude oil prices moderated to USD 89.61 per barrel on November 19, from USD 90.07 per barrel on November 12, as rising oil supply outweighed geopolitical tensions. Over the same period, spot gold prices decreased to USD 3,522.31 per ounce on November 19 from USD 3,876.4 per ounce on November 12.

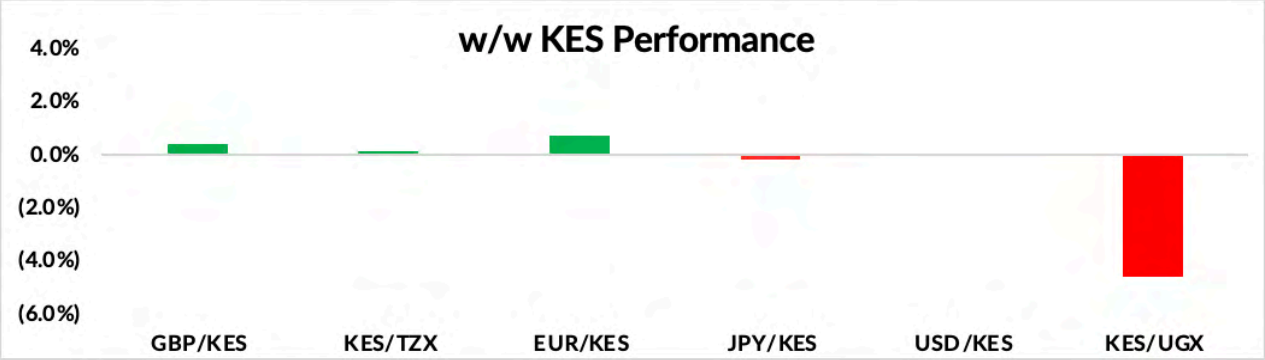
See the table below;

Currencies	31 Dec 2025 (vs KES)	Previous	Current	w/w Change	YTD change
GBP/KES	173.65	173.20	173.91	0.4%	0.2%
KES/TZX	19.03	20.32	20.35	0.1%	6.9%
EUR/KES	151.43	144.74	145.83	0.8%	(3.7%)
JPY/KES	82.39	82.31	82.18	(0.2%)	(0.3%)
KES/UGX	28.06	33.43	31.89	(4.6%)	13.7%
USD/KES	129.01	129.95	129.91	(0.0%)	0.7%

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

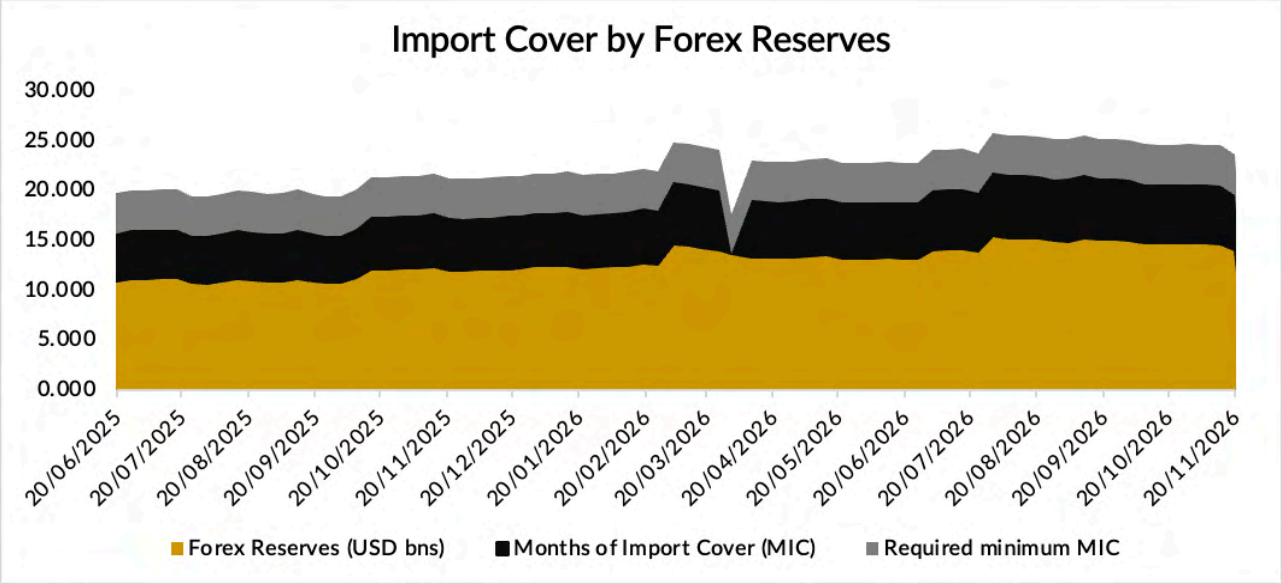
Abbreviations: GBP – British Pound, EUR – Euro, USD – US Dollar, UGX – Ugandan Shilling, TZS – Tanzanian Shilling, JPY – Japanese Yen I
FX rate is determined by calculating the weighted average rate of recorded spot trades in the interbank market

See also a visual representation below;



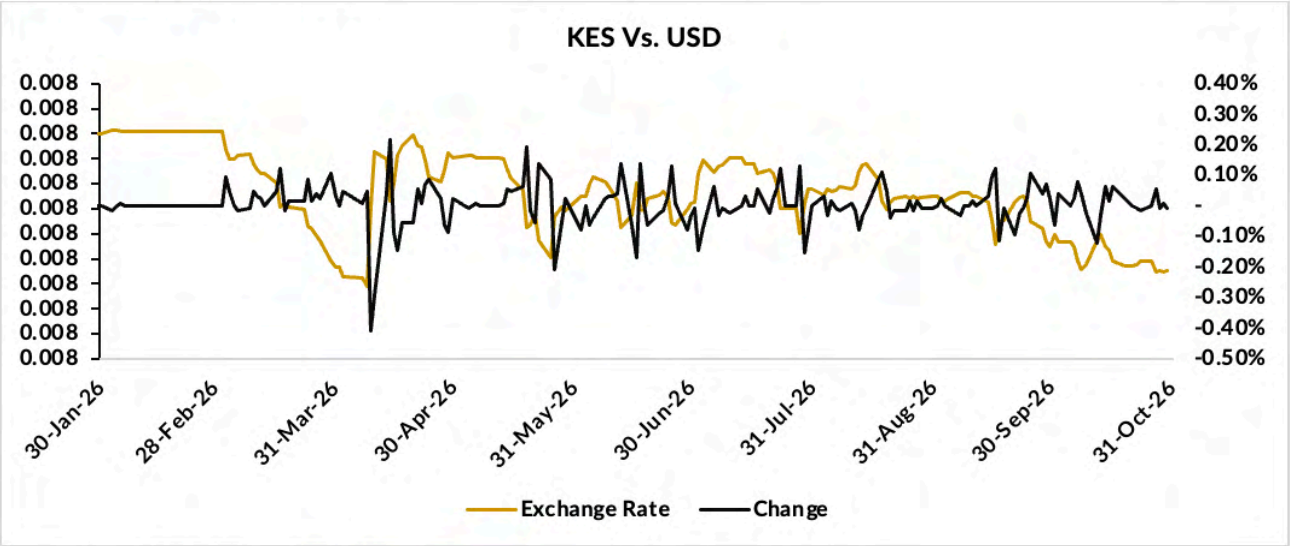
Source: Central Bank of Kenya (CBK), Chart: SIB

Kenya's foreign exchange reserves decreased by 4.5% to close at USD 13.95bn, with import cover closing at 5.6 months. See the chart below for a visual summary.



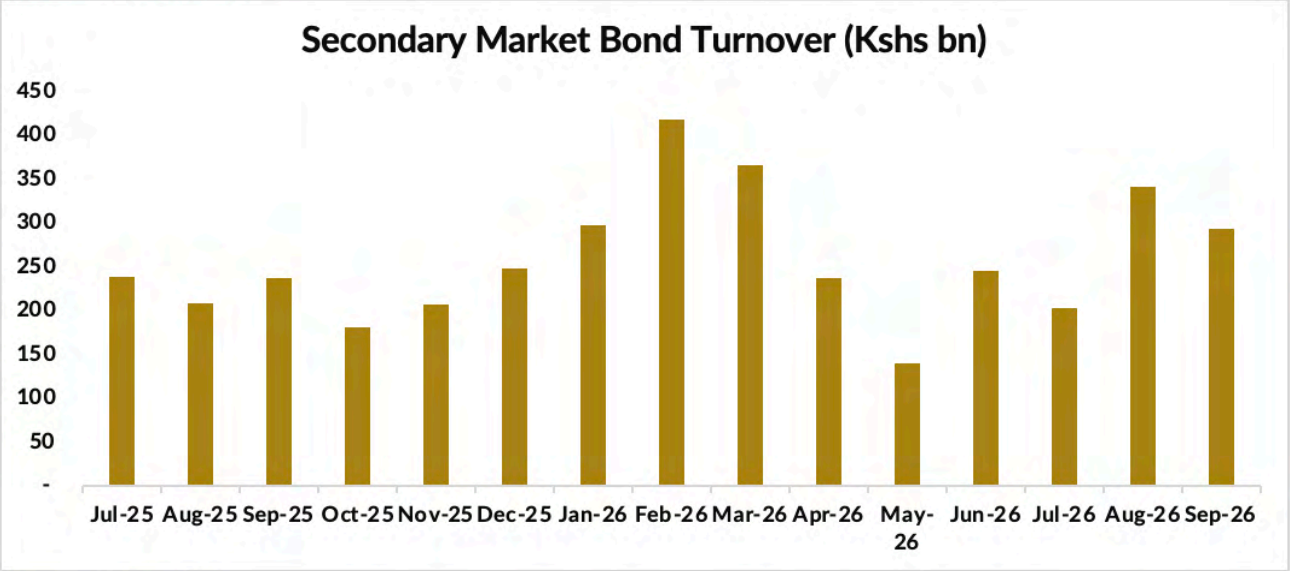
Source: Central Bank of Kenya (CBK), Chart: SIB

BACKGROUND CHARTS
KES/USD Performance:



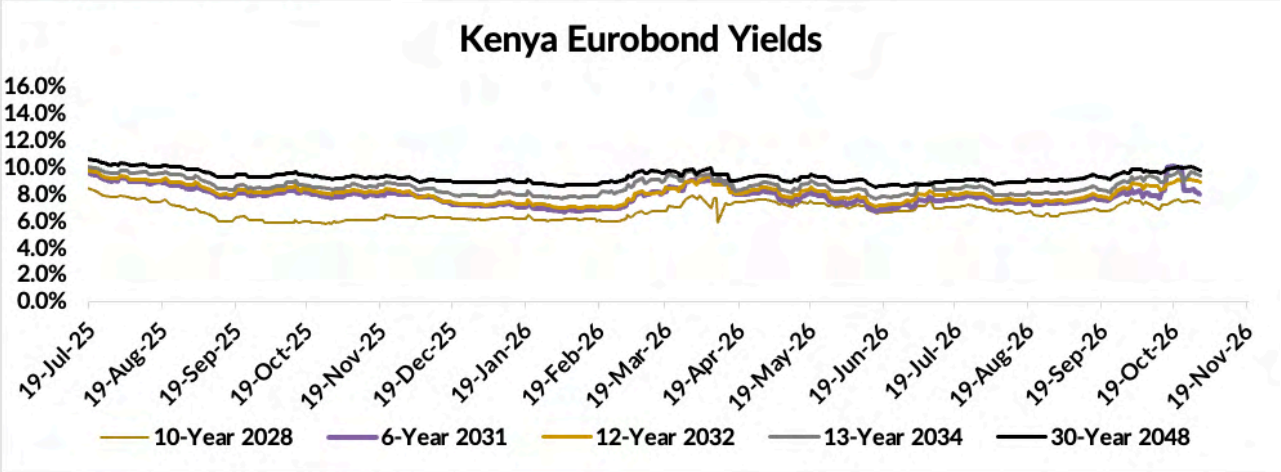
Source: Central Bank of Kenya (CBK), Chart: SIB

Bond Turnover:



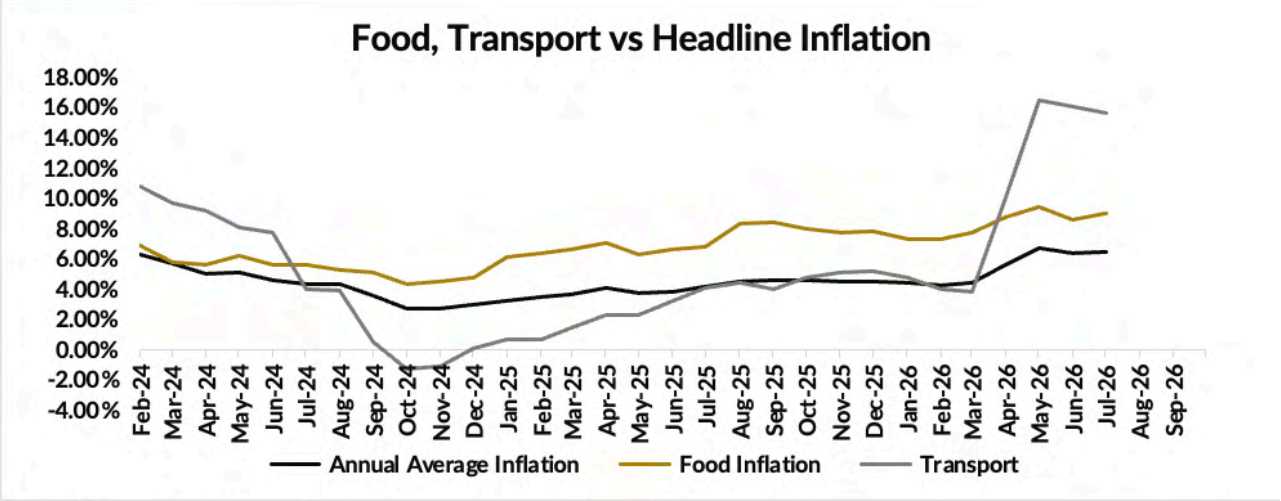
Source: NSE, Chart: SIB

Kenyan Eurobonds:



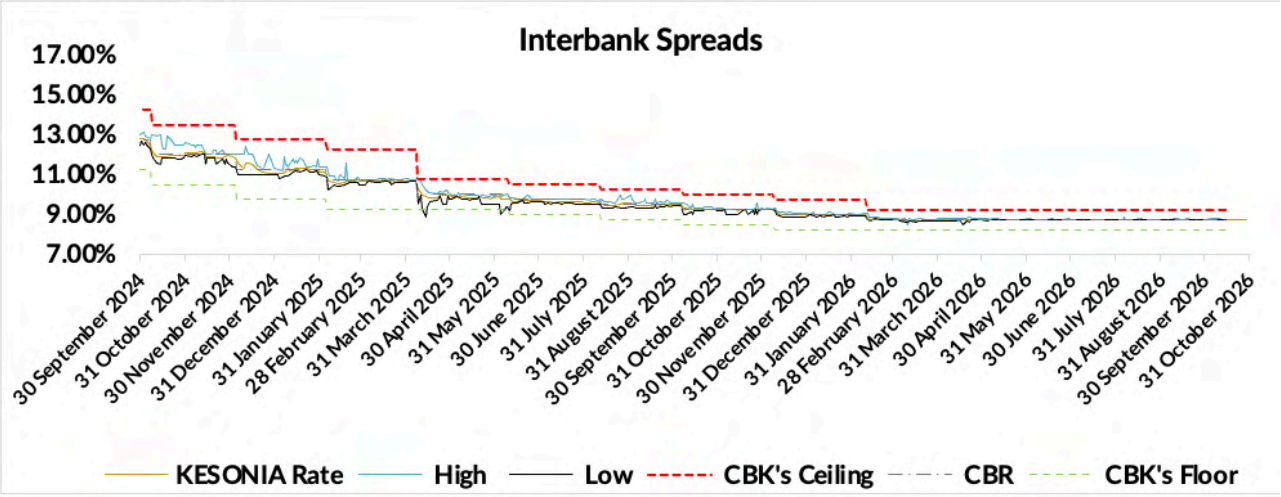
Source: Central Bank of Kenya (CBK), Chart: SIB

Inflation:



Source: Kenya National Bureau of Statistics (KNBS), Chart: SIB.

Interbank Spreads.



Source: Kenya National Bureau of Statistics (KNBS), Chart: SIB

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

Anjali Patel
apatel@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

Robin Mathenge
rmathenge@sib.co.ke

Corporate Finance

Job Kihumba
jkihumba@sib.co.ke

Fred Opondo
fopondo@sib.co.ke

Lorna Wambui
wndungi@sib.co.ke

Marketing & Communications

Victor Ooko
communications@sib.co.ke

Client Services
clientservice@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 20 227 7000, +254 20 227 7100

Email: clientservices@sib.co.ke