

**Nairobi, October 26, 2021**

## **NSE RECEIVES REGULATORY APPROVAL TO ROLL OUT DAY TRADING**

The Nairobi Securities Exchange (NSE) has received approval from the Capital Markets Authority (CMA) to initiate day trading. The roll out of day trading will go live on 22<sup>nd</sup> November, 2021 as part of NSE's strategy to enhance market liquidity.

Day trading refers to the practice of purchasing and selling a security within a single day or trading session or multiple times over the course of the day. To complement this milestone, the NSE Board approved an incentive structure whereby investors who participate in day trades will receive a discount on the second leg of the transaction which will be levied at 0.114% compared to normal trades which are levied at 0.12%. This benefit will be enjoyed by the investor directly through their trading accounts. The NSE has since championed the requisite infrastructure enhancements to ensure that this is achieved.

This milestone is a culmination of the investment in technology whereby the NSE commissioned a new trading system in October 2019 that enabled separation of the trading and post trading activities. The separation effectively enables the introduction of new products including Covered Short Selling and Day Trading which will revolutionize the capital markets and strengthen NSE's position as the preferred investment hub in the region.

*"Day trading is a welcome move for local investors who have previously lobbied for the activation of the intraday trading, as they seek to take advantage of intraday price movements and increase their profit margins. We are confident of a bullish market performance going forward."* noted Mr. Geoffrey Odundo the Chief Executive, NSE.

Commenting on the approval the NSE Chairman, Mr. Kiprono Kittony EBS noted that, *"Day trading will allow investors to trade on one position, two or three times per day. This will significantly increase our turnovers and attract more investors to the bourse, further entrenching the NSE as an innovative and transformational Exchange in the region."*

The introduction of day trading is part of NSE's strategic objective to enhance liquidity. Equally, it is an extension of ongoing initiatives to increase investor participation in the market which has also seen the introduction of the Unquoted Securities Platform (USP) earlier this year.

The successful roll out of the new initiatives is tipped to firm up the rebound of the NSE after the drastic impact of the COVID-19 pandemic.

The NSE 25 Share Index hit a 12 month high of 4,075 points in August this year recording a record market capitalization of Kes. 2.9 trillion. The increasing market activity is an indicator that the companies listed at the Exchange are growing steadily and a reflection of the positive future outlook across the various sectors in the economy.

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## Notes to the Editor

### About NSE

The Nairobi Securities Exchange (NSE) is the principal securities exchange in Kenya. It offers a world class trading facility for local and international investors and issuers looking to gain exposure to Kenya's and Africa's economic growth. NSE plays a vital role in the growth of Kenya's economy through mobilization of domestic resources and international capital. The NSE is a founder member of the African Securities Exchanges Association and the East African Securities Exchanges Association. It is a full member of the World Federation of Exchanges and the Association of Futures Markets, and a partner Exchange in the United Nations Sustainable Stock Exchanges Initiative (SSE). NSE operates under the jurisdiction of the Capital Markets Authority of Kenya

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