

Nairobi, May 19, 2022

INTRODUCTION OF NEW SINGLE STOCK FUTURES ON THE NSE DERIVATIVES MARKET

The Nairobi Securities Exchange (NSE) is pleased to announce the introduction of additional single stock futures. The addition, which brings the total number of single stock futures offered to ten, follows a review of the eligibility criteria for admission of single stock futures to the NEXT Derivatives Market.

The addition now expands the range of securities offered and provides investors with a broader universe of single stock futures to trade. The new single stock futures added to the derivatives market are;

1. NCBA Group Plc (NCBA)
2. The Co-operative Bank of Kenya Ltd (COOP)
3. Standard Chartered Bank Kenya Ltd (SCBK)
4. I&M Group Plc (IMHP)

Commenting on the introduction, Mr. Geoffrey Odundo, Chief Executive, NSE noted that, “The addition of new single stock futures is a significant step in the development of the NEXT Derivatives Market and the advancement of the Capital Markets ecosystem in Kenya.

“The NEXT Derivatives Market represents our continued commitment to offering investors a wide range of innovative solutions that provide new avenues for the efficient deployment of capital and enhancement of returns” he added.

Single stock futures give investors exposure to the price movements of specific stocks and can be used to protect existing stock portfolios (hedging) or to speculate and profit from market movements. Single stock futures only require a small deposit upfront equivalent to 10% to 20% of the value of the transaction and also attract low trading fees (0.17%) thus giving investors maximum capital efficiency and flexibility.

NEXT was launched in July 2019 making the NSE the second African market to offer exchange traded derivatives. The market registered a turnover of Kshs 20 million in 2019, Kshs 40 million in 2020 and Kshs 289 million in 2021 following the introduction of market making the same year. The market continues to grow steadily and as at Q1 2021 market turnover stood at Kshs 43 million. The addition of the new securities is envisioned to increase turnover in the market.

-ENDS-

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

About NSE Derivatives Market (NEXT)

NEXT is the Nairobi Securities Exchange (NSE) derivatives market that facilitates the trading of equity index futures and single stock futures contracts. NEXT is regulated by the Capital Markets Authority (CMA).

NEXT is the second exchange traded derivatives market in Africa and has grown as a market and witnessed milestones such as the launch of the Mini NSE 25 index futures contracts, which goes a long way in increasing liquidity and encouraging broad exposure to the Kenyan equities market through the equity index futures contracts.

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