

5 October 2026

Stanbic Bank Kenya PMI[®]

Kenyan business activity falls at softest rate for seven months in September



Stanbic Bank
A member of Standard Bank Group

PMI[®]
by **S&P Global**

5 October 2026

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About the report

The Stanbic Bank Kenya PMI® provides a timely snapshot of economic performance. The report tracks monthly changes in output, demand, employment, prices and supply chains, compiled from survey responses from a representative panel of private sector companies.

Key findings

September 2026

Output almost stabilises as new orders continue to rise

Purchasing activity increases, albeit slightly

Inflationary pressures tick higher

Stanbic Bank Kenya PMI
September 2026

51.3

The PMI varies between 0 and 100 and is seasonally adjusted. A reading above 50 indicates an increase compared to the previous month, and below 50 a decrease. The PMI is a weighted average of five-indices tracking new orders, output, employment, suppliers' delivery times and stocks of purchases. For more information on methodology, click [here](#).



Kenyan business activity falls at softest rate for seven months in September

The Stanbic Bank Kenya PMI® signalled a further contraction in business activity in September, but only a fractional one, as stronger customer demand partly offset the effects of elevated cost pressures and supply-side constraints.

Businesses also reported fresh increases in purchases and inventories, alongside continued payroll growth. However, inflation remained elevated, with both overall input costs and output prices rising at faster rates than in August.

The headline figure derived from the survey is the Purchasing Managers' Index™ (PMI®). Readings above 50.0 signal an improvement in business conditions on the previous month, while readings below 50.0 show deterioration.

The headline PMI rose to 51.3 in September, up from 49.7 in August and back above the 50.0 no-change mark. The index signalled a modest improvement in the health of the Kenyan private sector economy that was the joint-fastest since January, matching that recorded in July.

The renewed upturn was partly linked to a stronger rate of new business growth in September. Improved market demand, customer referrals, marketing campaigns and cash injections were highlighted by panellists as factors driving sales growth. New orders have risen in every month since June.

In spite of the overall improvement in demand conditions, business activity contracted for the seventh month running, although the rate of decline was the softest in the current sequence and only slight. Firms once again signalled that inflationary pressures had dampened output, while

some also reported cutbacks linked to shortages of agricultural goods. Other companies, however, were encouraged by improving sales and recovering cash flows.

Kenyan firms also reported a renewed expansion in purchasing activity in September, following a four-month sequence of contraction. Although slight overall, the rise supported an increase in input inventories for the first time since June. Suppliers' delivery times improved for the second month running in September, though only slightly, with survey comments suggesting that material shortages had once again limited the extent of the improvement.

September data revealed a further rise in employment at Kenyan companies. The rate of growth eased slightly but remained above the series trend. Firms generally attributed staff recruitment to rising workloads, as illustrated by an increase in outstanding work for the fourth month running.

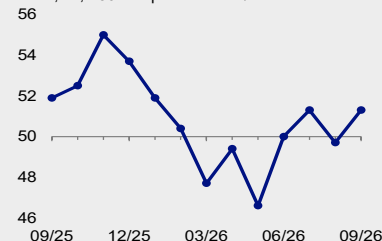
Around 30% of monitored firms reported an increase in total input costs in September, compared with 1% seeing a fall. This signalled another marked rise in average cost burdens. The rate of cost inflation also quickened from August, as panellists commonly noted higher prices for fuel, transport and agricultural products.

As firms sought to maintain profit margins, average prices charged by Kenyan businesses rose sharply during September. The rate of output price inflation quickened to the second-fastest since November 2023, exceeded only by the rate recorded in June 2026.

Finally, business activity expectations slipped to a four-month low in September but remained among the strongest seen for over five years. Companies anticipating an improvement in activity mostly commented

Stanbic Bank Kenya PMI

Index, sa, >50 = improvement m/m



Data were collected 10-28 September 2026.

Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

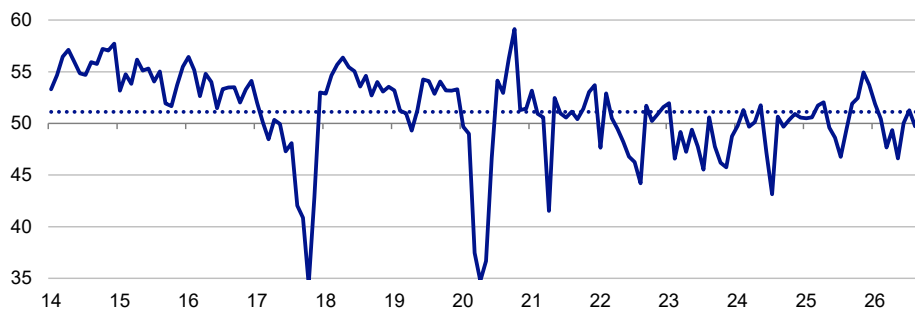
on capacity expansion efforts, technology investments, increased marketing, and new products and services.



Comment

■ Stanbic Bank Kenya PMI

Index, sa, >50 = improvement m/m. Dots = long-run average.



Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

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Commenting on the survey findings, Christopher Legilisho, Economist at Stanbic Bank said:

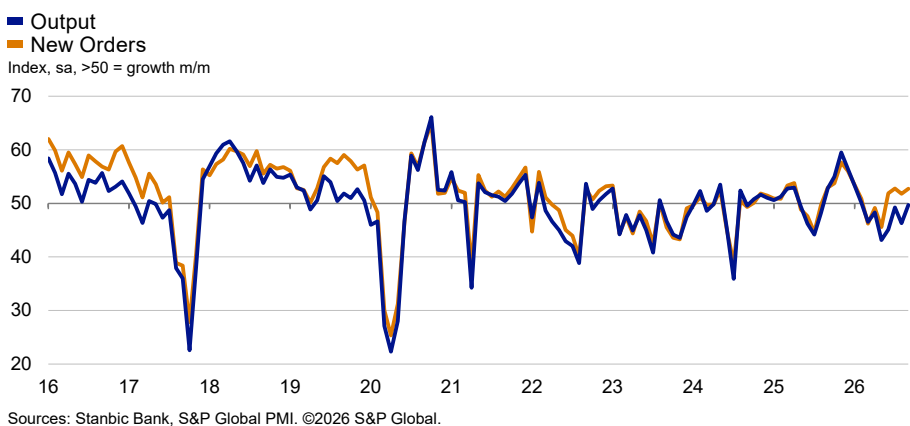
“The rise in Stanbic Kenya’s headline PMI in September points to a demand-led improvement in private sector conditions rather than a broad-based recovery in activity. New orders increased for a fourth consecutive month, supported by robust customer demand and improved cash flows, yet output contracted for a seventh straight month as higher fuel, transport and agricultural input costs, alongside material shortages, limited firms’ ability to convert sales into production.

“Manufacturing, construction and

services expanded, while agriculture, wholesale and retail remained under pressure. Continued hiring, rising backlogs and renewed inventory accumulation indicate that firms expect demand to persist, but also suggest that capacity and supply constraints are becoming more binding. Moreover, the acceleration in output price inflation to its second-fastest pace since November 2023 implies that businesses are increasingly passing higher costs to consumers. The near-term outlook is therefore cautiously positive with demand momentum supportive of activity, but a sustained expansion will require an easing of cost pressures and improved input availability; otherwise, growth may remain modest and increasingly inflationary.”



Output and demand

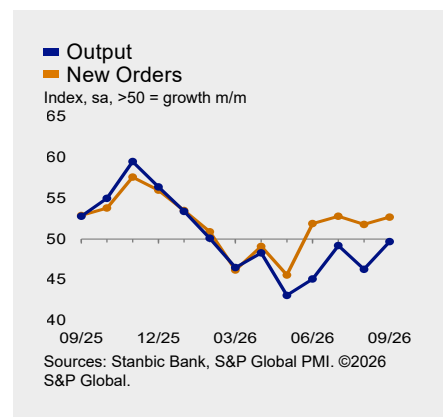


Business activity remained in negative territory but was almost stable in September.

Adjusted for seasonal variation, the Output Index rose to its highest level for seven months and was only slightly below the 50.0 neutral mark. Lower activity was mainly linked to high inflation and ongoing vendor shortages, according to survey comments. However, many respondents indicated that stronger demand conditions and improving cash circulation had boosted output.

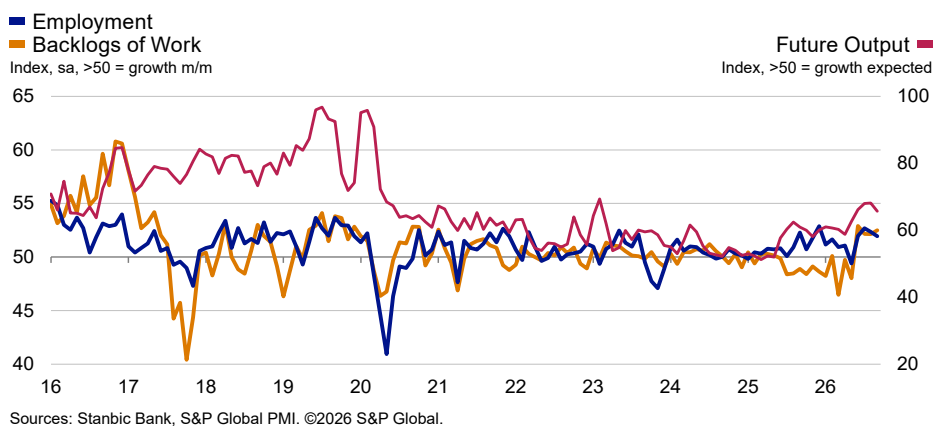
Reduced activity levels were centred on the agriculture and wholesale & retail sectors. Manufacturing, construction and services, however, all recorded expansions in September.

New business intakes rose for the fourth straight month across the Kenyan private sector in September. The rate of growth accelerated slightly from the previous survey period and was solid overall. Strengthening market demand, customer referrals, marketing campaigns and cash injections were cited as factors contributing to the increase in new work.





Employment and outlook



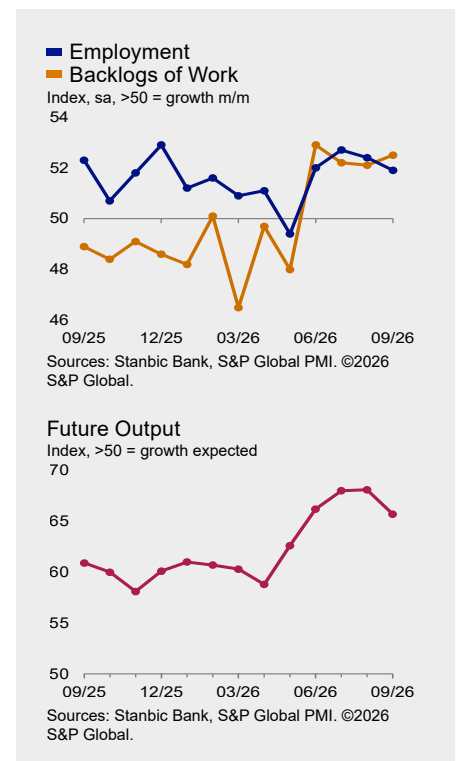
Business expectations fell to a four-month low in September, but remained robust.

Approximately 31% of survey respondents forecast a rise in activity levels over the coming 12 months in September, while the remaining firms gave a neutral outlook. Although the resulting Future Output Index signalled the lowest level of optimism for four months, it remained among the strongest readings in over five years. Companies focused on plans to expand capacity, increase marketing, invest in technology, and diversify their products and services.

Positive expectations fuelled a further

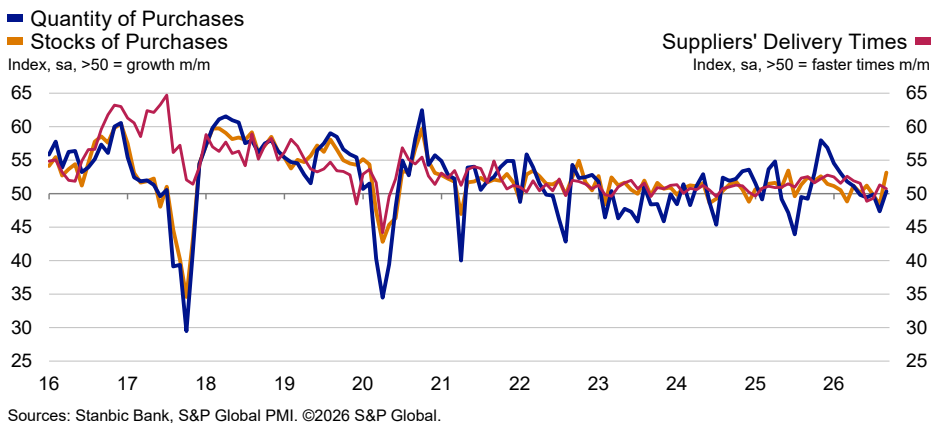
round of hiring activity as the third quarter concluded. The seasonally adjusted Employment Index indicated higher staffing levels for the fourth month running, which firms mainly linked to a rise in new business. Despite easing slightly to a four-month low, the rate of job creation remained quicker than the survey average.

Expanded staffing capacity failed to prevent a further increase in backlogs of work across the Kenyan private sector. Moreover, the rate of accumulation accelerated to a three-month high and was solid overall. Agriculture businesses struggled the most to complete orders on time.





Supply chains

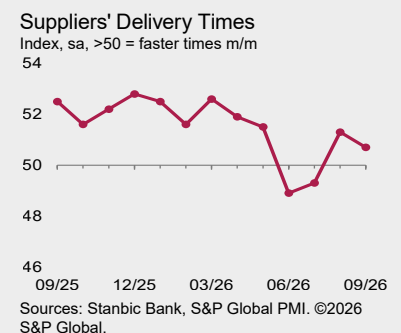
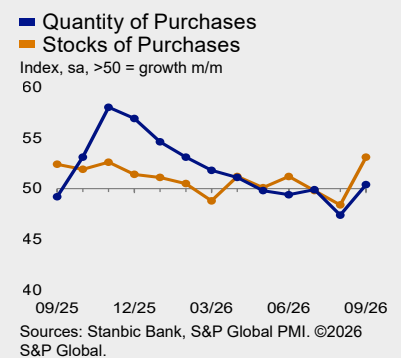


Purchasing activity increased in September, ending a four-month period of decline.

The seasonally adjusted Quantity of Purchases Index edged back above the 50.0 no-change mark in September, signalling a slight increase in input buying at Kenyan companies. Although marking an improvement after four months of contraction, the uplift in purchasing activity was much slower than the historical trend. Companies remarked on increased operational needs due to stronger demand, but cost considerations and efforts to avoid unnecessary stock remained dampeners.

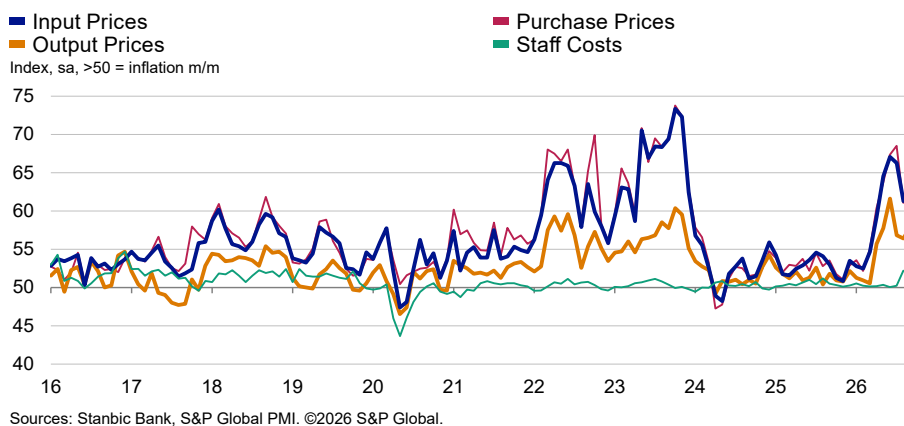
An increase in purchasing helped firms to boost their stocks of key materials and other inputs in September. Total inventories rose solidly and to the greatest extent since June 2025. A number of respondents linked restocking to positive demand expectations, as well as concerns over supply shortages.

The time taken for inputs to be delivered shortened over the month, albeit only slightly and to a lesser degree than in August. Improving supply-side conditions were generally linked to a competitive vendor environment. However, delays were sometimes reported as the result of material shortages.





Prices



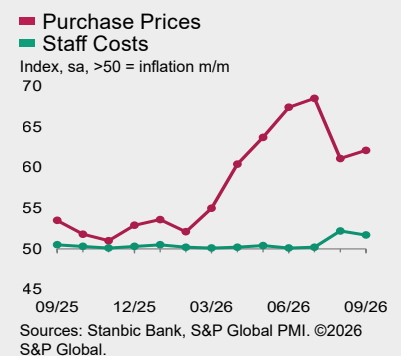
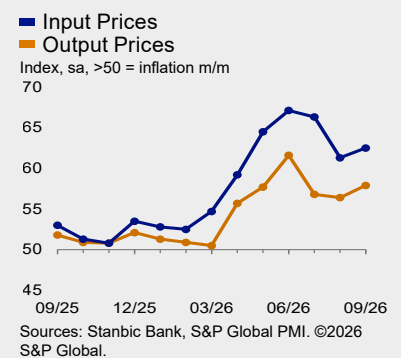
Kenyan businesses raised their selling prices at the second-fastest pace in nearly three years.

One in five monitored companies increased their prices charged during September, whereas only 2% reported a decline. Consequently, the overall rate of output price inflation accelerated slightly to the second-fastest since November 2023, behind only June 2026.

Companies indicated that higher selling charges were mainly a response to rising input costs. In addition, some panellists reported that stronger demand and more widespread goods shortages were the main causes of price mark-ups.

On input costs, the latest survey data pointed to another marked rate of inflation at the end of the third quarter. Roughly 30% of firms reported increased total expenses, against just 1% noting a decrease. Generally, the upticks in costs were driven by higher purchase prices, with the rate of inflation quickening slightly from August. Firms often remarked on an uplift in fuel costs, as well as increased prices for foodstuffs such as milk due to shortages.

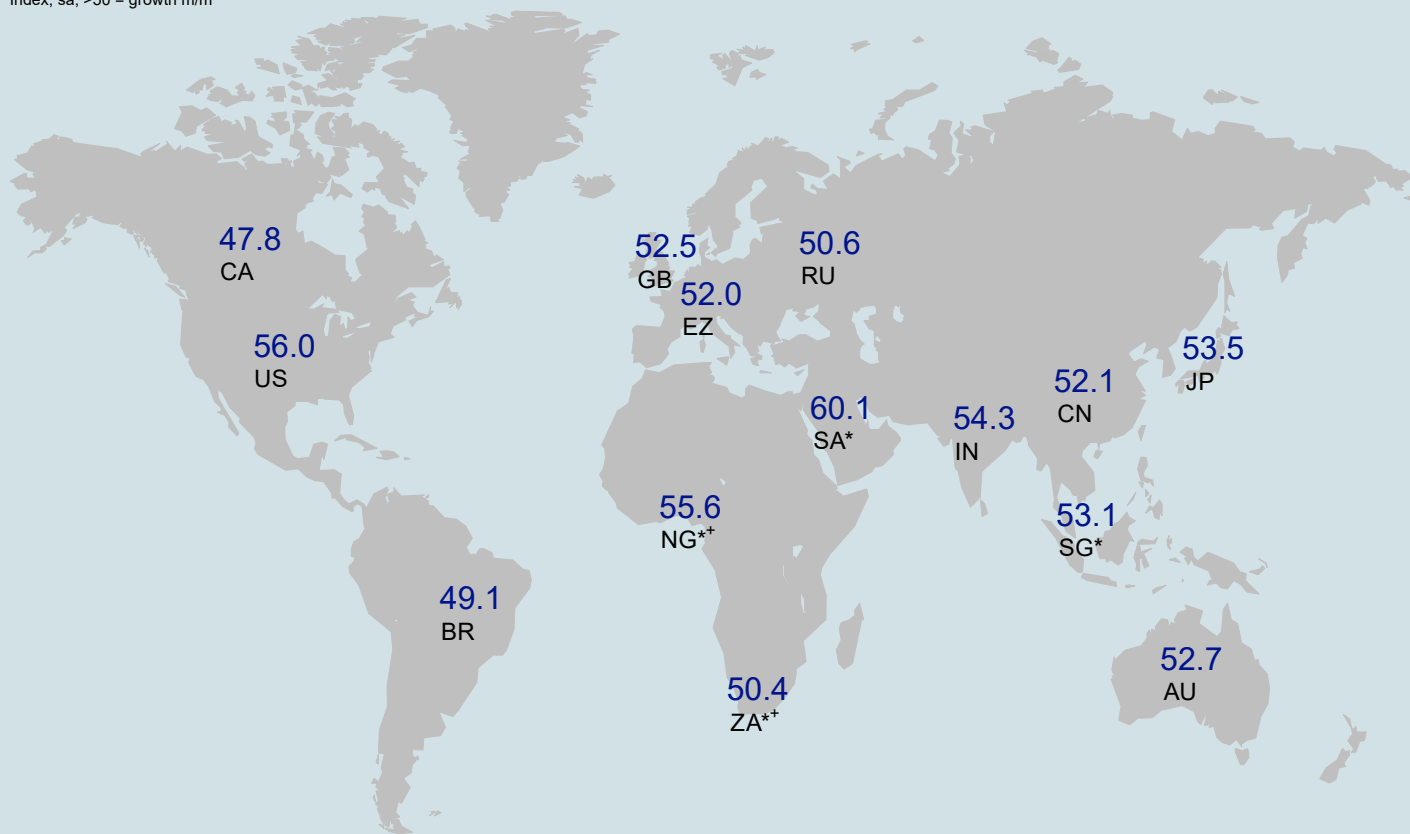
Kenyan companies also saw their wage costs rise during September. Despite softening from August's seven-and-a-half-year high, the rate of increase remained historically strong amid reports of pay uplifts linked to cost-of-living pressures.



International PMI

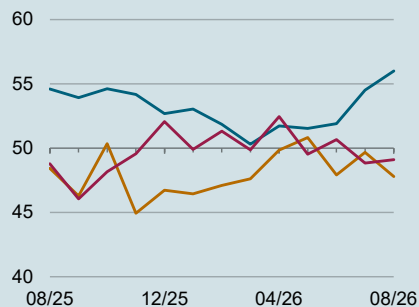
Composite Output (manufacturing and services)
Index, sa, >50 = growth m/m

Aug '26



Americas

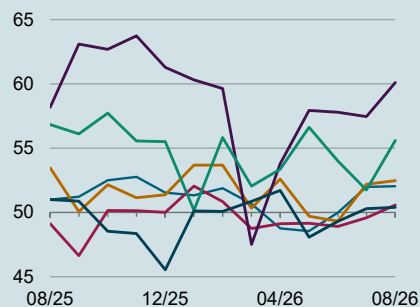
US CA BR
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2026 S&P Global.

Europe, Middle East & Africa

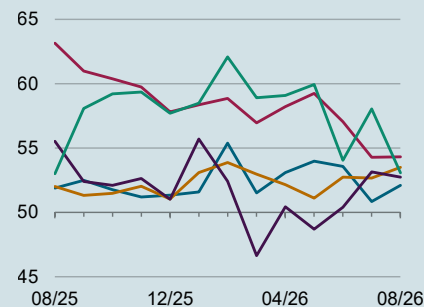
EZ GB RU SA NG ZA
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2026 S&P Global.

Asia-Pacific

CN JP IN AU SG
Index, sa, >50 = growth m/m



Source: S&P Global PMI. ©2026 S&P Global.

Key

US United States
CA Canada
BR Brazil

EZ Eurozone
GB United Kingdom
RU Russia

SA Saudi Arabia*
NG Nigeria**
ZA South Africa**

CN Mainland China
JP Japan
IN India

AU Australia
SG Singapore*

*Sector coverage also includes construction, wholesale and retail. **Sector coverage also includes agriculture and energy.

Aug '26



Source: S&P Global PMI. ©2026 S&P Global.

Expansion

Regions are growing at a faster rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the highest regions are seeing the greatest acceleration in growth.

Slowdown

Regions are growing at a slower rate than the six-month trend. Regions furthest right are growing at the strongest rate, and the lowest regions are seeing the greatest deceleration in growth.

Contraction

Regions are contracting at a faster rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the lowest regions are seeing the greatest acceleration in the rate of contraction.

Recovery

Regions are contracting at a slower rate than the six-month trend. Regions furthest left are contracting at the strongest rate, and the highest regions are seeing the greatest deceleration in the rate of contraction.

Key

AE United Arab Emirates*	CN Mainland China	DE Germany	SAR*	KE Kenya**	NG Nigeria**	UG Uganda**
AU Australia	EG Egypt*	GB United Kingdom	IE Ireland	KW Kuwait*	QA Qatar*	US United States
BR Brazil	ES Spain	GH Ghana**	IN India	KZ Kazakhstan	RU Russia	ZA South Africa**
CA Canada	FR France	HK Hong Kong	IT Italy	LB Lebanon*	SA Saudi Arabia*	ZM Zambia**
			JP Japan	MZ Mozambique**	SG Singapore*	

*Sector coverage also includes construction, wholesale and retail. *Sector coverage also includes agriculture and energy.

Methodology

The Stanbic Bank Kenya PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies.

The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. Data collection began in January 2014.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the

percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact economics@spglobal.com.

Survey size

400 companies

Survey history

January 2014

Survey questions

Output, new orders, new export orders, future output, employment, backlogs of work, quantity of purchases, suppliers' delivery times, stocks of purchases, input prices, output prices, purchase prices, staff costs

Sector coverage

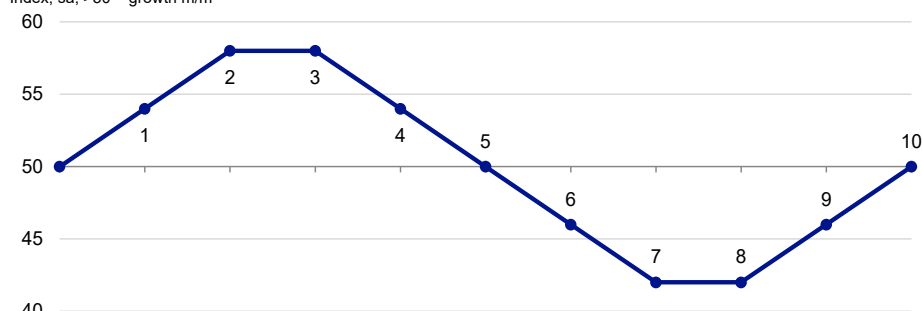
International Standard Industry Classification (ISIC) code

- A Agriculture, Forestry and Fishing
- B Mining and Quarrying
- C Manufacturing
- F Construction
- G Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
- H Transportation and Storage
- I Accommodation and Food Service Activities
- J Information and Communication
- K Financial and Insurance Activities
- M Professional, Scientific and Technical Activities
- N Administrative and Support Service Activities
- P Education*
- Q Human Health and Social Work Activities*
- R Arts, Entertainment and Recreation
- S Other Service Activities

*Private sector

Index interpretation

Index, sa, >50 = growth m/m



Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

Key

- | | | | |
|--------------------------|---------------------------|------------------------|----------------------------|
| 1 Growth, from no change | 4 Growth, slower rate | 7 Decline, faster rate | 10 No change, from decline |
| 2 Growth, faster rate | 5 No change, from growth | 8 Decline, same rate | |
| 3 Growth, same rate | 6 Decline, from no change | 9 Decline, slower rate | |

Further information

Stanbic Bank Kenya

Stanbic Bank Kenya is a member of the Standard Bank Group, Africa's largest bank by assets. With a solid foundation in Kenya and history spanning over 110 years, Stanbic is one of the top banks operating in Kenya focused on fostering her socio-economic growth wide with a branch network across the country providing services to individuals, businesses and Commercial clients. Standard Bank Group which is the largest financial institution in Africa by Market capitalization, has on- the-ground representation in 20 African countries - making them one of the largest banking networks on the continent. Standard Bank Group's largest shareholder is Industrial and Commercial Bank of China (ICBC), the world's largest bank, with a 20.1% shareholding. Standard Bank Group has direct, on-the-ground representation in 20 African countries.

At Stanbic Bank, we are proudly Kenyan with a clear purpose which is Kenya is our Home, we drive her Growth. This informs everything we do as an organization as we are committed to the growth and development of Kenya, its people and industries. It is with this drive that Stanbic Bank Kenya continues to move forward with its purposeful strategy to drive Kenya's growth by actively seeking opportunities to partner with both Government and private Sector to unlock their potential and contribution to the economy.

Stanbic Bank Kenya provides the full spectrum of financial services. The Consumer and High Net-worth division Stanbic Bank continue to serve the people of Kenya with a range of personal banking products and solutions. Stanbic Bank also offers Wealth services and product offerings, including insurance, investment, fiduciary, bespoke banking and multi-generational wealth preservation solutions to high net worth individuals, retail, business, commercial, and corporate clients across the Bank's footprint.

Its Corporate and Investment Banking

division serves a wide range of requirements for banking, finance, trading, investment, risk management and advisory services. Corporate and Investment Banking delivers this comprehensive range of products and services relating to investment banking; global markets; and global transactional products and services. Stanbic Bank's Corporate and Investment Banking expertise is focused on industry sectors that are most relevant to emerging markets. It has strong offerings in oil, gas and renewables; power and infrastructure and agriculture.

With regard to Business and Commercial unit, Stanbic Bank Kenya offers banking and other financial services to medium-sized enterprises and high value small businesses. This unit serves the increasing need among Africa's small business and individual customers for banking products that can meet their shifting expectations and growing wealth.

Stanbic Bank is listed on the Nairobi Securities Exchange (NSE).

www.stanbicbank.co.ke

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PMI by S&P Global

Purchasing Managers' Index™ (PMI®) surveys are now available for over 40 countries and also for key regions including the eurozone. They are the most closely watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends.

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