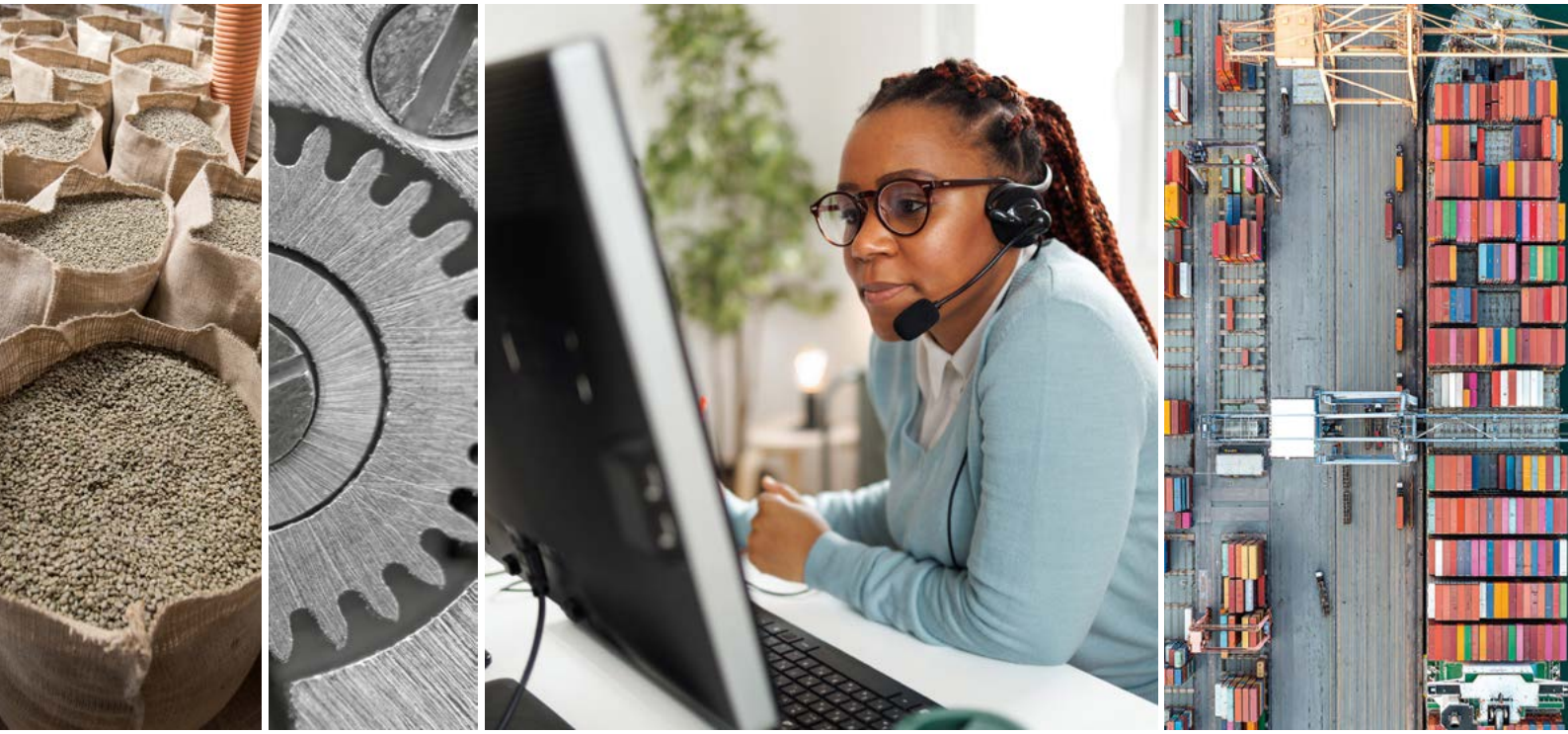
4 November 2026

Stanbic Bank Kenya PMI®

Kenyan business activity returns to growth as new orders increase sharply and expectations improve



Stanbic Bank
A member of Standard Bank Group

PMI® by S&P Global

4 November 2026

Stanbic Bank Kenya PMI®

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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.

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Key findings

October 2026

Output rises for first time in eight months amid sharp upturn in sales

Business confidence strongest since early-2020

Input cost inflation at near three-year high

Stanbic Bank Kenya PMI
October 2026

52.5

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.



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Kenyan business activity returns to growth as new orders increase sharply and expectations improve

The Stanbic Bank Kenya PMI® signalled a renewed rise in business activity in October, the first for eight months, supported by stronger customer demand. Firms' expectations for future output subsequently climbed to the highest since March 2020.

Purchasing activity and inventories also increased, aided by quicker supplier deliveries. However, cost pressures intensified, with input prices rising at the steepest pace since November 2023.

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 52.5 in October, from 51.3 in September, to signal an improvement in the health of the private sector economy for the second month running. The index reading was the strongest recorded in 2026 so far.

Underpinning the upturn was a sharp acceleration in new order growth to the fastest in almost a year, amid reports from surveyed businesses of customer referrals, greater footfall and new contracts. Sales volumes have now risen for five straight months, putting pressure on firms' operating capacities.

After previously staying in contraction during the current period of sales growth, business activity at Kenyan firms rose for the first time since February in October. That said, cash flow issues and inflation concerns meant the expansion was only modest. Manufacturing posted the quickest increases in output and new orders of the five monitored sectors.

Kenyan firms raised their input purchases at the fastest pace since January, citing stronger sales. This fed through to a steep rise in stocks of purchases, the sharpest in exactly four years. Suppliers' delivery times also shortened at the quickest rate since September 2021, with vendors reportedly more responsive amid high competition.

Rising workloads led to a further accumulation of backlogs in October, with outstanding business increasing at the fastest rate in exactly seven years. Employment rose for the fifth month running, although the rate of job creation was modest and the slowest in the current sequence.

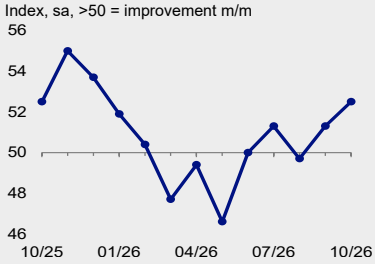
Around 36% of monitored firms reported an increase in total input costs in October, compared with 2% seeing a fall. The rate of inflation subsequently quickened to the fastest since November 2023, edging above June's recent high, as panellists frequently cited higher fuel and transport costs.

Kenyan businesses subsequently raised their selling prices at a quicker pace, aiming to protect margins and pass on higher purchase costs. The rate of output price inflation was the second-fastest in three years, exceeded only by that seen in June.

Finally, business expectations strengthened markedly in October, as 51% of firms anticipated higher activity in a year's time, up from 31% in September. Sentiment was the strongest since March 2020, with optimism linked to planned expansions, new products and services, marketing campaigns and investments.

Stanbic Bank Kenya PMI

Index, sa, >50 = improvement m/m

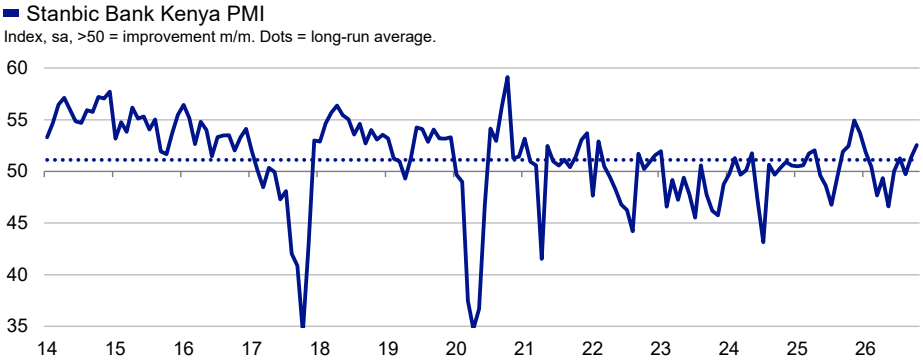


Data were collected 12-28 October 2026.
Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

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Comment



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

"Kenya's Stanbic PMI improved markedly in October due to stronger output and sustained new orders activity, implying that demand conditions for the private sector aided the improvement. Improvements were broad-based across most sectors, with construction sector the only laggard.

"Business confidence among firms improved notably; the future output index surged to its highest in six years. Further, businesses reported increases in employment.

"Additionally, firms increased input purchases at the fastest pace since January and built inventories at the quickest rate in four years, aided by shorter supplier delivery times. However, backlogs accumulated at the fastest pace in seven years, while employment growth slowed to the weakest rate in the current five-month expansion, which implies that stronger demand is stretching operating capacity,

"Rising costs remain a key constraint for the recovery. Input cost inflation reached its highest level since November 2023 due to fuel and transport costs, while selling price inflation was the second-fastest in three years as firms sought to protect margins. October's survey therefore points to firmer demand and improved confidence, but the recovery remains constrained by price pressures, cash-flow difficulties and a modest hiring response."

Contact

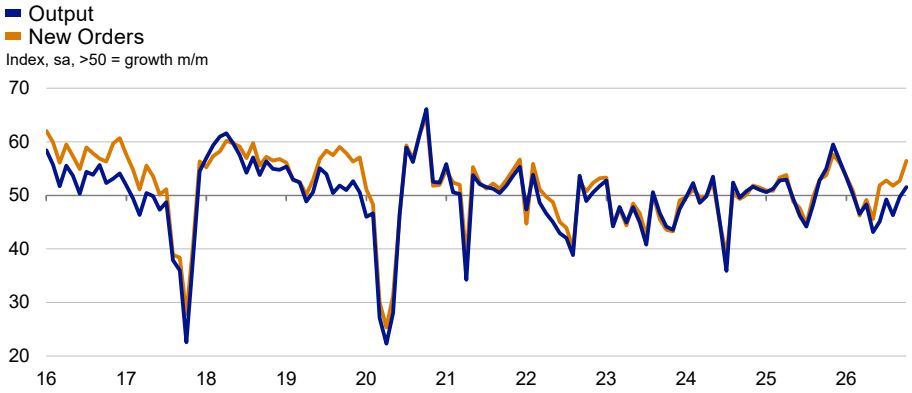
Christopher Legilisho
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Standard Bank
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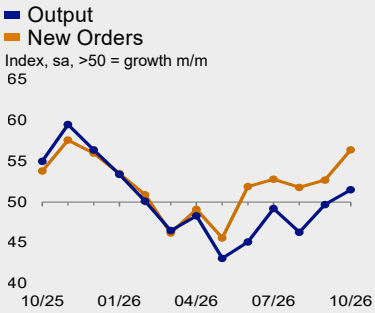
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Output and demand



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



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

Output levels began to increase in October, marking the first expansion in eight months.

The seasonally adjusted Output Index rose above the 50.0 neutral mark in October, indicating a rise in private sector activity for the first time since February. Around 31% of surveyed firms reported an expansion of output, against 23% that registered a contraction. Business activity mainly rose because of strengthening demand conditions, according to respondents. That said, cash flow issues and inflation concerns continued to hamper firms, and meant that the overall expansion in output was only modest.

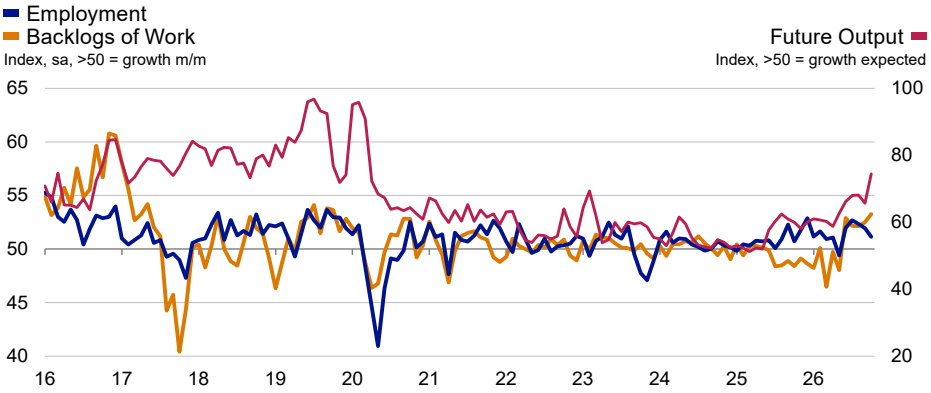
The volume of new business received by Kenyan firms grew for the fifth successive month in October. Furthermore, the rate of increase accelerated to the most marked in almost a year. Many respondents pointed to increased client activity, with comments specifically noting new customer referrals, greater footfall and new tenders and contracts.

The manufacturing sector performed especially strongly in October, recording the quickest increases in output and new orders out of the five monitored categories. Construction was the only area to register lower sales compared to the previous month.

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Employment and outlook



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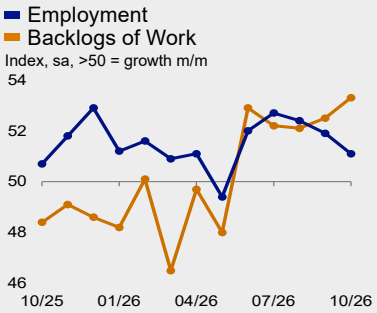
Kenyan business confidence soared to its highest level since early-2020 in October.

When asked about future activity prospects, a majority of surveyed firms (51%) projected higher levels in 12 months' time compared to present conditions. This was up from 31% in September, leading the Future Output Index to climb sharply to its highest since March 2020. Companies attributed optimism to planned business expansions, new products and services, social media and marketing campaigns, investments and operational improvements.

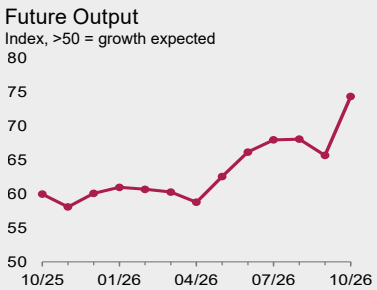
All five monitored sectors recorded an uplift in confidence in October, with a particularly robust level of optimism seen in the manufacturing segment.

Meanwhile, the Kenyan private sector registered a further uptick in outstanding business. October's rise was the fifth seen in a row, and the fastest in exactly seven years. Panellist reports suggested that high demand led to a build-up of unfinished orders, while some businesses signalled that funding gaps and processing delays also contributed to the rise.

As a result, domestic firms reported sustained efforts to increase their headcounts. Staffing levels expanded for the fifth month running and across all sectors, although the overall rate of growth was only modest and the slowest in the current sequence.



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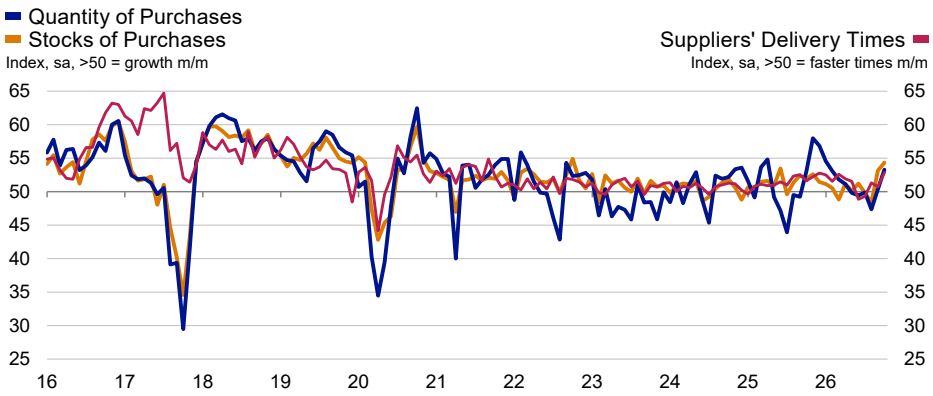
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Supply chains



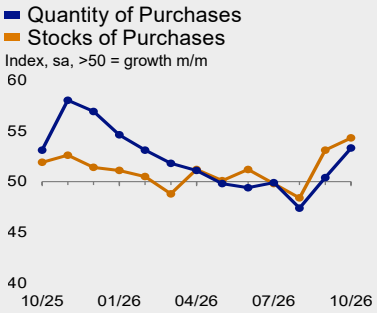
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Stocks of purchases rose at the fastest rate in four years in October, as delivery times improved.

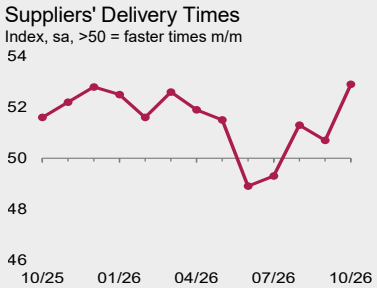
Kenyan companies increased their purchases of new inputs as the final quarter of 2026 commenced. Following a fresh rise in September, the rate of purchasing growth accelerated to the quickest since January. Where input purchasing quantities grew, firms mainly linked this to stronger new orders.

Firms also signalled they were able to build up their inventories in October. Notably, the seasonally adjusted Stocks of Purchases Index reached its highest level in exactly four years and was consistent with a steep upturn in overall inventories. That said, sector data revealed divergent trends in October, with higher input holdings recorded in manufacturing, agriculture and services, contrasting with reductions across construction and wholesale & retail.

Supporting the overall increase in input stocks, the survey data signalled a solid improvement in supplier delivery times during October. In fact, the rate at which lead times shortened was the quickest since September 2021. Qualitative evidence widely suggested that vendors were more responsive to delivery requests because of high competition, although there were still some reports of material shortages and transport delays.

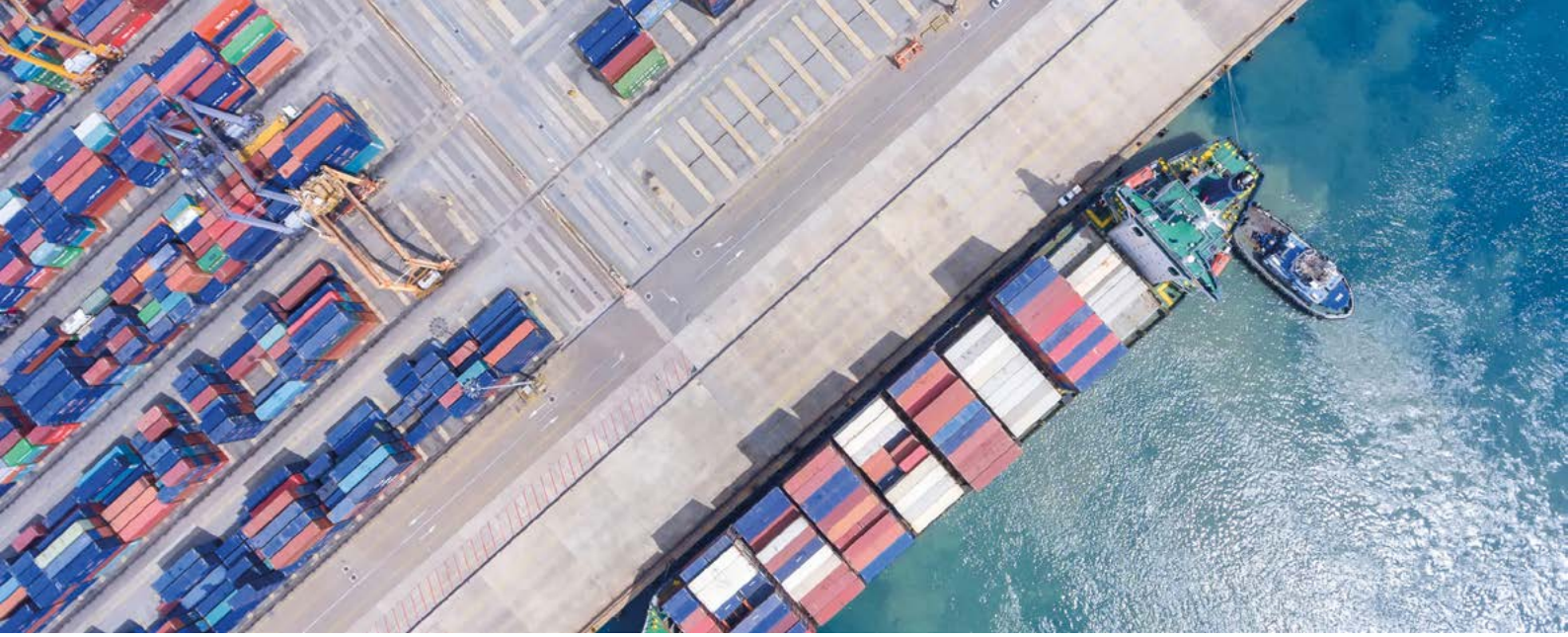


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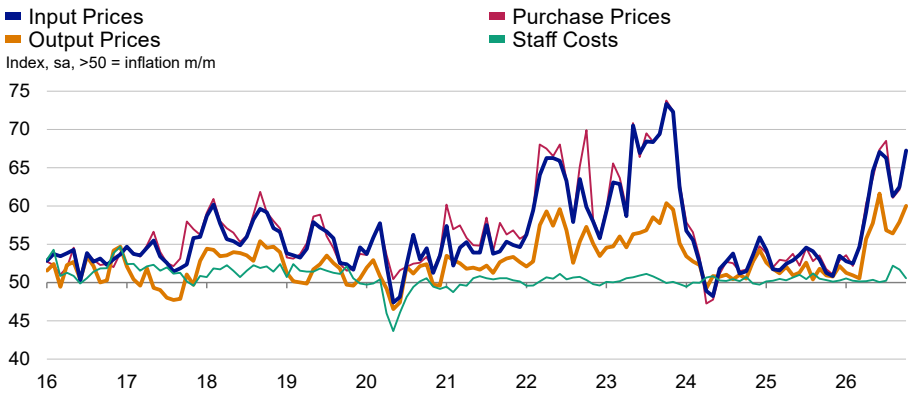


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Prices



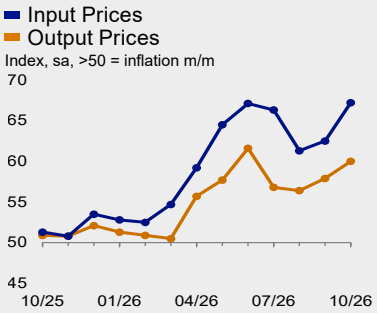
Sources: Stanbic Bank, S&P Global PMI. ©2026 S&P Global.

Input price inflation climbed to its highest level in nearly three years.

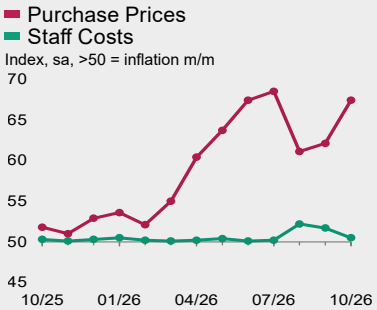
Kenyan businesses reported intense cost pressures at the start of the fourth quarter, as the overall pace of input price inflation accelerated further and edged above the recent high in June. Moreover, the latest increase in input costs was the fastest recorded since November 2023. More than a third of panellists (36%) reported a rise in expenses in October, much higher than the 2% noting a reduction.

Detailed survey data signalled that rising inflationary pressures were mainly due to an increase in purchase prices, with anecdotal evidence frequently highlighting the impact of rising fuel and transport costs. Businesses also cited that suppliers had raised their fees in response to product shortages and broader inflation. Approximately 37% of firms reported higher purchase prices in October, pushing the rate of inflation to a three-month high. Salary costs also rose across the private sector economy, though only slightly.

Kenyan firms subsequently raised their average prices charged to a greater extent at the start of the fourth quarter. Adjusted for seasonal variation, the Output Prices Index rose to its second-highest print in three years (after June 2026). Panellists often cited the need to protect margins and pass on higher purchasing costs.



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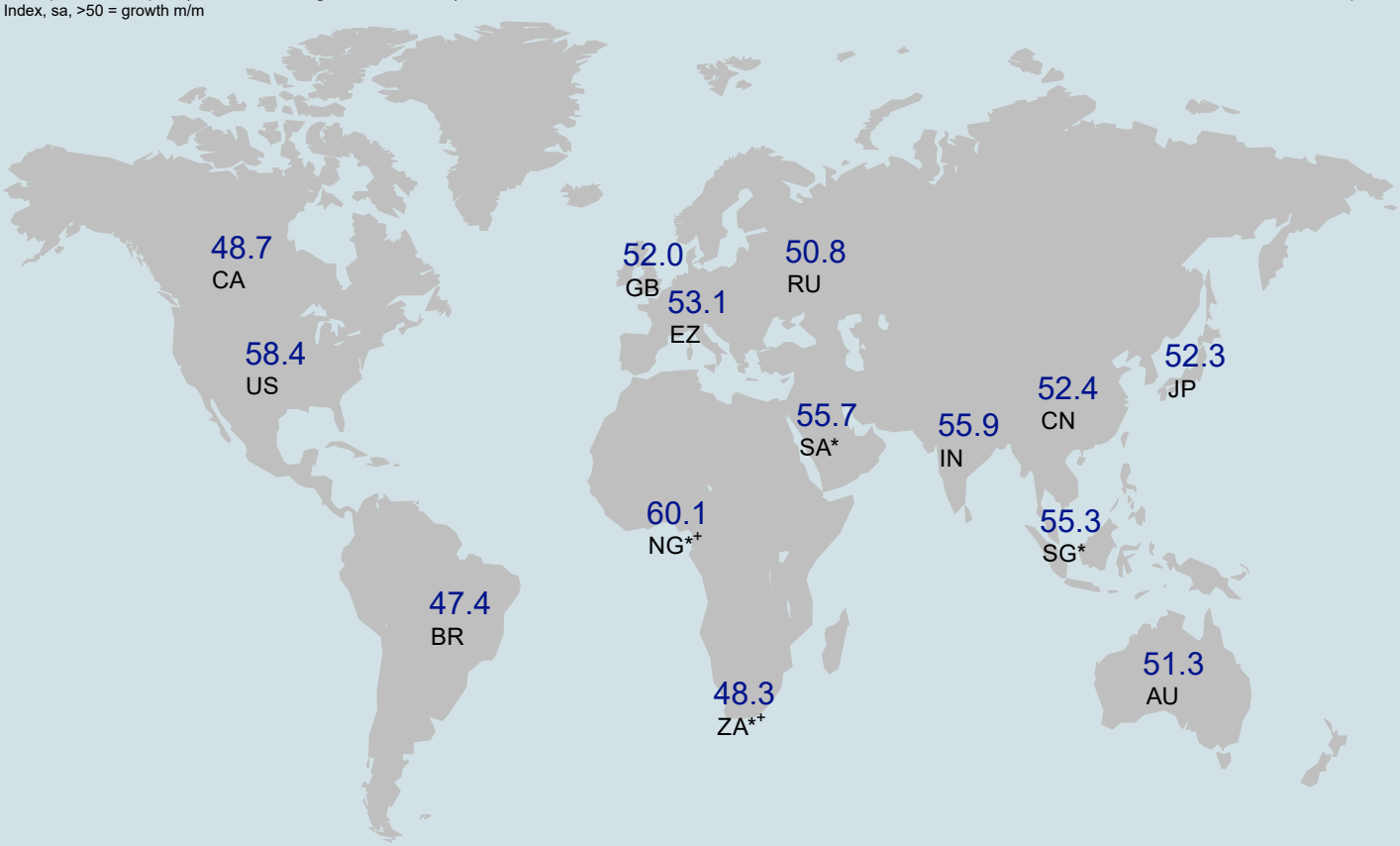
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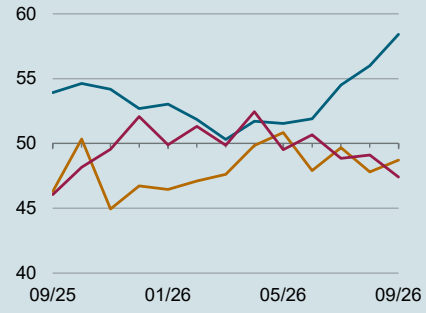
International PMI

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

Sep '26

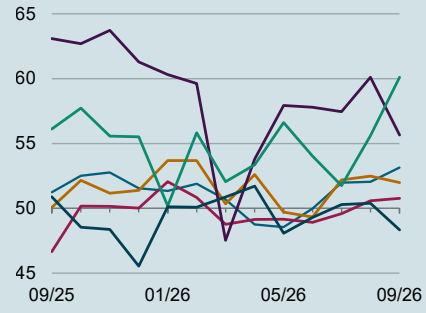


Americas
US CA BR
Index, sa, >50 = growth m/m



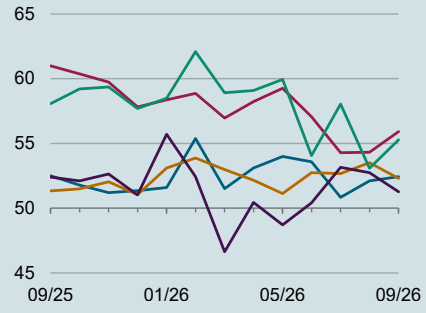
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Europe, Middle East & Africa
EZ GB RU SA NG ZA
Index, sa, >50 = growth m/m



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

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



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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.

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Advanced economies Emerging economies

Sep '26

X axis = PMI Output Index, sa, >50 = growth m/m . Y = Change in Index vs. six-month average



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

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

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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

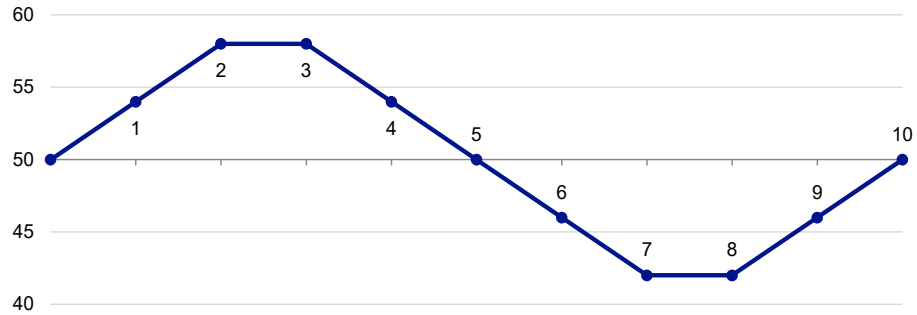
Sector coverage

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



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		

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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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