News Release

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Stanbic Bank Kenya PMI®

Kenya PMI slips closer to 50.0 neutral mark

Key findings

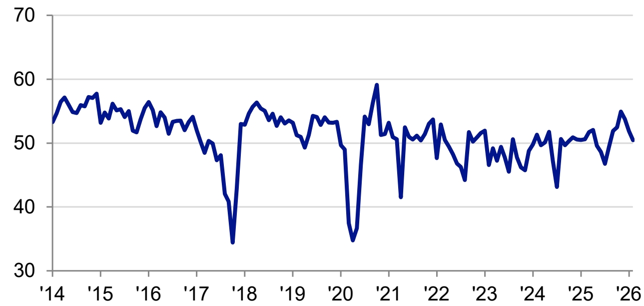
Business activity almost stalls in February

New orders rise at weakest rate for six months

Inflationary pressures ease to three-month low

Stanbic Bank Kenya PMI

sa, >50 = improvement since previous month



Sources: Stanbic Bank, S&P Global PMI.
Data were collected 10-25 February 2026.

The Kenyan economy was close to stagnating in February, according to the Kenya PMI® which fell closer to its neutral 50.0 threshold. Sales volumes across the private sector rose only marginally, leading firms to put the brake on output growth. The expansion in purchasing activity also eased, supporting a weaker uptick in input prices and, in turn, prices charged.

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 a deterioration.

The Kenya PMI dropped for the third month in a row from 51.9 in January to 50.4 in February, indicating only a marginal improvement in the health of the private sector economy. Notably, the upturn was the slowest recorded in the current six-month growth sequence.

After going on a solid expansionary run over the past few months, output volumes were close to stalling during February, with the respective seasonally adjusted index recording just above its neutral value. Around 33% of surveyed companies posted higher activity, whereas 32% noted a fall, with slowing new order growth and increased pressure from macroeconomic conditions seen as headwinds.

Although total sales volumes rose in February, the rate of growth was relatively subdued and the softest in the current six-month sequence of expansion. Many survey panellists reported that introducing new products and services, expanding marketing and offering price promotions had bolstered sales. At the same time, other firms commented on difficult economic conditions, low client purchasing power and strong competition. Sector trends were split, with construction, wholesale & retail and services registering sales growth, contrasting with downturns in agriculture and manufacturing.

The slowdown in new business growth prompted a smaller increase in purchasing activity over the course of February. In turn, inventory levels rose at their slowest pace for seven

Comment

Christopher Legilisho, Economist at Standard Bank commented:

"The Stanbic Kenya PMI cooled in February as firms reported only modest surges in new orders and steady output. While the outcome was still expansionary, some businesses were hampered by increased competition and a doubtful economy. Although macroeconomic conditions have improved, the broader economy has not yet seen the benefits; sections of the private sector are still feeling the strain.

"However, expectations for the next 12-m held steady; about a fifth of firms in the survey remain optimistic about future output. Further, job growth momentum was sustained, signaling underlying improvement in the private sector. Additionally, purchasing demand was resilient as both quantities purchased and inventories increased, though at a slower pace. Input prices and purchase costs increased in February, attributable to higher operating costs and tax concerns, though improved supply of inputs helped to contain increases. Output prices were up only slightly as discounts and increased competition restrained momentum."

months. While companies continued to benefit from shorter delivery times, the rate of improvement eased from January amid reports of busy vendors, road traffic and port congestion.

At the same time, Kenyan companies signalled that workloads were still busy and even struggled to complete backlogs on time. Outstanding work levels were broadly unchanged after eight consecutive months of depletion. This helped to sustain hiring growth, with firms taking on additional workforces to lower pressure on staff.

On prices, the February survey data indicated the slowest increase in overall input costs for three months, as purchase prices and staff wages both rose to lesser degrees. Increases in material prices and the impact of higher VAT were nonetheless cited. With cost pressures easing and challenging market conditions, Kenyan companies raised their prices charged at the softest pace since last November.

Finally, Kenyan firms stayed confident when assessing the 12-month outlook for business activity in February. Just over a fifth of respondents expect output to rise, citing hopes of stronger demand, better economic conditions, planned product innovation and greater marketing activity. Optimism remained much higher than the average seen in 2025.

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Survey 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 panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include agriculture, mining, manufacturing, construction, wholesale, retail and services. Data were first collected 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.

About PMI

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.
www.spglobal.com/marketintelligence/en/mi/products/pmi

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We are widely sought after by many of the world's leading organizations to provide credit ratings, benchmarks, analytics and workflow solutions in the global capital, commodity and automotive markets. With every one of our offerings, we help the world's leading organizations plan for tomorrow, today. www.spglobal.com

About 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).
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