Equity Kenya Macro Note

Kenya Financial Markets Weekly

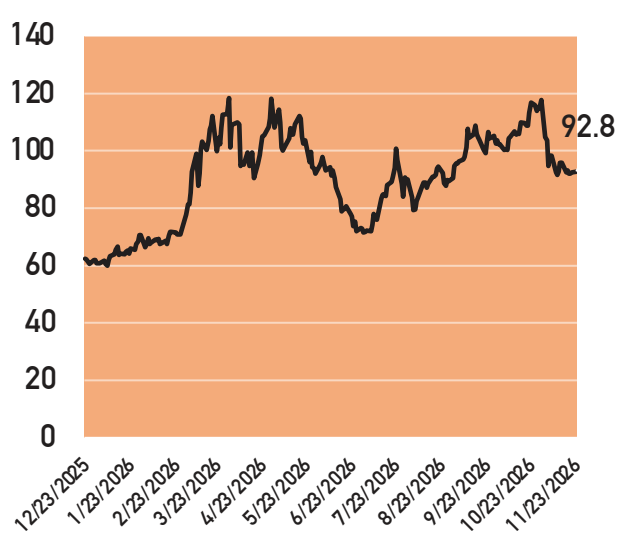
23rd Nov to 27th Nov 2026

Higher-for-Longer: Fed Hawkishness Supports Dollar Strength and Tighter Global Conditions.

Global markets remain focused on a more hawkish Federal Reserve with policymakers signalling that interest rates may need to stay higher for longer to bring inflation back to target. This has supported a stronger US dollar and tighter global financial conditions placing some pressure on emerging-market currencies. While gold has recovered modestly on renewed safe-haven demand markets are likely to remain sensitive to incoming inflation and policy signals.

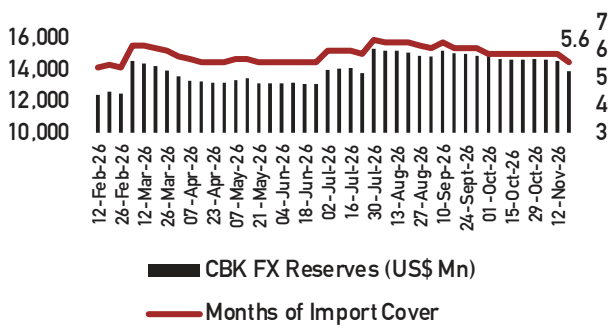
KES Remains Stable Amid Evolving External Conditions

The KES remains broadly stable around 130/USD supported by a balance of payments surplus, strong FX reserves ($13.9 billion) and improving investment and export prospects. However, tighter global financial conditions from Fed tightening and upcoming Eurobond obligations continue to pose external risks. In the near term, the IMF Article IV mission and external financing developments will be key determinants of market sentiment and shilling stability.



IMF Re-Engagement Signals a Positive Turn for Kenya's Economic Outlook

Kenya's engagement with the IMF is set to gain momentum, with an IMF staff team scheduled to visit Nairobi from 1–11 December for Article IV consultations. The visit is an encouraging step following earlier uncertainty around program timelines and will give investors greater clarity on the country's fiscal path, debt sustainability and the prospects for future IMF support. A constructive assessment would reinforce confidence in Kenya's economic outlook providing a supportive backdrop for sovereign bonds, external financing conditions and the Kenyan shilling.



Lower Oil Prices Provide Near-Term Relief Amid Persistent Geopolitical Risks

Global oil prices have stabilized after a sharp month-long correction with Brent crude trading around $92/bbl, nearly 20% below its late-October peak. The decline reflects softer global demand expectations, a stronger US dollar and improving supply conditions although ongoing geopolitical tensions in the Middle East, Libya and Russia continue to put pressure on prices. For Kenya, lower oil prices are a welcome development helping to reduce import costs, ease pressure on the current account and moderate transport-related inflation. If sustained, the softer oil price environment should support exchange rate stability and provide additional room for monetary policy to remain unchanged in the near term.

Major Mining Investment Highlights Continued Interest in Kenya

Kenya continues to make encouraging progress on its trade and investment agenda. The award of a major mining tender to a US-led consortium highlights sustained international investor confidence in the country's long-term potential. At the same time, the government's decision to channel proceeds from the Export and Investment Promotion Levy into a dedicated manufacturing fund reflects a strong commitment to supporting local industry, creating jobs conserving foreign exchange and expanding exports. Complementing these efforts, a new partnership between KEPROBA and EATTA aims to strengthen the global competitiveness of Kenyan tea reinforcing the country's position in one of its most important export sectors. Together these developments point to continued efforts to deepen investment boost exports and support sustainable economic growth.

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Key Financial and Economic Calendar Month	Events & Dates
Mon Nov 30	November CPI release
Wed Dec 09	CBK MPC meeting
Wed Dec 09	FOMC Decision

News

- State agencies snub electronic procurement system
- World Bank wants treasury to notify parliament early in case of emergency spending
- Nigerian exchange buys 10% of NSE stake for Sh900m
- Dangote firm to replace NSSF in KPC board
- Inflows from US dip, to fall below half of diaspora cash
- Equities investors to disclose more details in money laundering fight
- American firm gets tender to mine Sh8trn rare earth minerals in Kwale
- US inflows fall to below half of remittance to Kenya

Indicator	Period	IMF (Oct WEO)	IMF (Apr WEO)	CBK	National Treasury	Bloomberg Consensus
GDP Growth (% YoY)	2026	4.5%	4.5%	5.0%	5.5%	4.9%
GDP Growth (% YoY)	2027	4.7%	4.5%	5.3%	5.8%	5.1%
CPI Inflation (% YoY avg)	2026	6.0%	5.9%	Peak 7.2% Dec	5.0%	6.1%
CPI Inflation (% YoY avg)	2027	5.0%	5.9%	5.0%	4.5%	6.4%
Budget Balance (% GDP)	2026	-5.7%	-5.5%	—	-5.5%	-6.1%
Budget Balance (% GDP)	2027	-5.2%	-5.0%	—	-4.7%	-6.0%
Current Account (% GDP)	2026	-4.5%	n/a	-3.2%	-4.1%	n/a
Current Account (% GDP)	2027	-4.1%	n/a	—	-3.5%	n/a

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