

### **Cytonn Note on the June 2026 Monetary Policy Committee (MPC) Meeting**

The Monetary Policy Committee (MPC) is scheduled to meet on 9<sup>th</sup> June 2026, to review the outcome of its previous policy decisions and recent global and domestic economic developments, and to decide on the direction of the Central Bank Rate (CBR). In their [previous](#) meeting held on 8<sup>th</sup> April 2026, the Committee determined that the current monetary policy stance, with the CBR unchanged at 8.75%, remained appropriate to keep inflation expectations anchored within the target range of 2.5%-7.5% and maintain exchange rate stability. Additionally, the MPC noted the need to monitor any second-round effects of the recent rise in international oil prices on overall inflation, while also tracking the evolving conflict in the Middle East and other global and domestic developments, standing ready to take further action as necessary in line with its mandate. This was in line with our [expectation](#) for the MPC to maintain the rate at 8.75%, with our view having been informed by:

- i. **Rate holds by global giant economies:** Global monetary policy had generally remained accommodative or steady in recent months. At its March 19<sup>th</sup>, 2026 Federal Open Market Committee (FOMC) meeting, the US Federal Reserve [maintained](#) the federal funds rate at 3.5%-3.75% amid elevated uncertainty about the economic outlook from implications of developments in the Middle East war. Meanwhile, the European Central Bank (ECB), in its 19<sup>th</sup> March 2026 meeting, chose to [hold](#) its benchmark policy rate at 2.00% (deposit rate) for several consecutive meetings while continuing to monitor inflation dynamics in the Euro Area. In addition, other major central banks such as the Bank of England and the Bank of Japan had maintained steady rates or signaled conditional easing depending on inflation outcomes and growth prospects. The escalating Iran war had further reinforced this cautious stance by heightening global uncertainty and inflation risks particularly through potential oil price shocks thereby limiting the scope for immediate rate cuts.
- ii. **The need to support the economy:** A supportive monetary policy remains crucial to enhance financing activities and support private sector lending, particularly in an environment where credit uptake has been moderate. In January 2026, private sector credit grew by 6.4%, up from 5.9% in December 2025, an encouraging sign of recovery. However, this growth remained well below the 5-year average of 7.7%, indicating that credit expansion was still relatively subdued. Given the still-muted business environment, a rate hold would allow the CBK time to observe the impact of the escalating Iran war on the macroeconomic environment particularly through potential pressures on inflation, exchange rate stability, and overall business confidence.
- iii. **The continued stability of the Shilling against major currencies:** Despite the February 2026 rate cut, the Kenyan Shilling had remained relatively stable despite depreciating marginally by 75.2 bps against the US Dollar to 130.0 as at 2<sup>nd</sup> April 2026 from the Kshs 129.0 recorded on 10<sup>th</sup> February 2026. This stability, supported by foreign exchange reserves that currently stands at 5.6 months of import cover (above the 4.0 months statutory requirement), as at 5<sup>th</sup> June, provided the MPC with flexibility to maintain the current rate without risking currency volatility or capital outflows. However, the escalating Iran war posed an emerging external risk, as potential increases in global oil prices and a stronger US dollar could exert renewed depreciation pressure on the shilling going forward.

The Monetary Policy Committee noted that the current account deficit in 2025 was estimated at 2.4% of GDP, compared to 1.3% in 2024, supported by lower service receipts and secondary income transfers as a share of GDP. Additionally, the Monetary Policy committee noted that Goods exports increased by 8.1% in 2025, compared to a similar period in 2024, driven by horticulture, coffee, tea, manufactured goods, food and live animals, and machinery and transport equipment. Goods Imports increased by 10.4% compared to a similar period in 2024, mainly reflecting increases in intermediate and capital goods imports. Services receipts decreased by 0.5% in 2025 while remittances increased by 1.9%,

Additionally, the Committee noted the ongoing implementation of the FY'2025/26 Government Budget, and the planned fiscal consolidation strategy to reduce debt vulnerabilities over the medium

term. Notably, the total revenue collected as at the end of April 2026 amounted to Kshs 2,104.3 bn, equivalent to 75.6% of the revised estimates of Kshs 2,784.4 bn for FY'2025/2026 and is 90.7% of the prorated estimates of Kshs 2,320.3 bn. The total expenditure amounted to Kshs 3,642.5 bn, equivalent to 82.2% of the revised estimates of Kshs 5,159.2 bn, and is 84.7% of the prorated target expenditure estimates of Kshs 4,299.3 bn. Additionally, the net disbursements to recurrent expenditures came in at Kshs 1,343.2 bn, equivalent to 80.1% of the revised estimates of Kshs 1,676.6 bn and are equivalent to 96.1% of the prorated estimates of Kshs 1397.1 bn.

Below, we analyze the trends of the macro-economic indicators since the April MPC meeting, and how they are likely to affect the MPC decision on the direction of the CBR:

Cyttonn Report: Macroeconomic Indicator Trends and Our Expectation				
Indicators	Experience since the last MPC meeting in April 2026	Our Expectation Going forward	CBR Direction (April 2026)	Probable CBR Direction (June 2026)
<b>Government Revenue Collection</b>	<ul style="list-style-type: none"> <li>The total revenue collected as at the end of April 2026 amounted to Kshs 2,104.3 bn, equivalent to 75.6% of the revised estimates of Kshs 2,784.4 bn for FY'2025/2026 and is 90.7% of the prorated estimates of Kshs 2,320.3 bn. Cumulatively, tax revenues amounted to Kshs 1,967.7 bn, equivalent to 75.7% of the revised estimates of Kshs 2,600.8 bn and 90.8% of the prorated estimates of Kshs 2,167.3 bn,</li> <li>The government underachieved its prorated revenue targets for the tenth month of the FY'2025/2026, achieving 90.7% of the prorated revenue targets in April 2026, 2.9% higher than the 87.8% recorded in March 2026. This was driven by shortfall in tax revenues, which stood at 90.8% of prorated levels, respectively. The Purchasing Managers' Index (PMI), declined further to 46.6 in May 2026 from 49.7 in April, further moving below the neutral 50.0 threshold and signaling a deterioration in private-sector activity. These reflects worsening business conditions, driven by weaker demand and a decline in output across key sectors. This deterioration suggests that the earlier signs of recovery were not sustained, with momentum in the private sector weakening again. As a result, revenue collection performance in the coming months is likely to come under increased pressure, contingent on whether business activity stabilises or continues to soften. This stabilization is expected to be aided by the ongoing stability of the Shilling, having appreciated marginally by 56.9 bps</li> </ul>	<ul style="list-style-type: none"> <li>In the short term, revenue collections are expected to improve but remain below prorated targets, supported by a gradual recovery in business activity as reflected by the exchange rate stability, with the Kenya Shilling stable at Kshs 129.3 against the dollar. The 25.0 bps reduction in the Central Bank Rate to 8.75% from 9.0% in February 2026 is expected to ease credit conditions and support private sector expansion, which should in turn broaden the taxable base over the medium term.</li> <li>On the revenue administration front, the proposed Finance Bill 2026 introduces several measures expected to strengthen collections. Notably the tax amnesty on penalties and interest for liabilities up to 31<sup>st</sup> December 2025, the broadening of withholding tax to card interchange and merchant service fees, and the proposed VAT threshold removal. The proposed elimination of the Kshs 5.0 mn annual turnover threshold for VAT registration, which would effectively bring the registration threshold to zero, is especially significant as it directly targets the estimated 38.0% VAT collection gap and, if implemented, could lift VAT collections from Kshs 653.0 bn to over Kshs 1.0 tn. Additionally, the Finance Bill 2026 formally brings virtual asset service providers into the tax bracket for the first time, introducing definitions for virtual assets and virtual asset service providers under the Virtual Asset Service Providers Act 2025 and extending excise duty to crypto and digital gambling transactions, a recognition of the growing size of the digital economy and a move to close a longstanding revenue leakage. Complementary KRA initiatives including eTIMS expansion, enhanced data matching across government agencies, and audit automation further support a gradual broadening of the effective tax base through improved compliance and</li> </ul>	<b>Neutral</b>	<b>Neutral</b>

	<p>against the dollar to Kshs 129.3 at 5<sup>th</sup> June 2026 from Kshs 130.1 the last meeting in 8<sup>th</sup> April 2026. Additionally, the Monetary Policy Committee (MPC) maintained the Central Bank Rate (CBR) at 8.75% during its last meeting. Despite these developments, inflation rose to 6.7% in May from 4.4% in March, indicating that the business climate remains in contraction territory, with persistent weakness in demand conditions and rising inflationary pressures continuing to outweigh the modest support from macroeconomic conditions.</p> <ul style="list-style-type: none"> <li>The tabling of the Finance Bill 2026 on 30<sup>th</sup> April 2026 adds a further layer of uncertainty with several of its proposed measures, notably the elimination of the VAT registration threshold and the broadening of excise duty to digital transactions, likely to face public resistance in an already cost-pressured environment, raising the risk that key revenue measures could be amended or dropped before enactment, with direct implications for the government's revenue targets.</li> </ul>	<p>reduced leakages rather than new rate increases</p> <ul style="list-style-type: none"> <li>However, the broader fiscal consolidation narrative carries meaningful execution risk. The FY'2026/27 Budget Estimates project a deficit of 5.3% of GDP, which is higher than the 4.6% of GDP in the FY'2025/26 Supplementary Budget, presenting an internal tension with the government's stated consolidation intentions. Moreover, net domestic borrowing rises by 2.3% to Kshs 995.7 bn in FY'2026/27 even as the overall deficit narrows reflecting the sharp 48.5% reduction in net foreign borrowing to Kshs 116.2 bn meaning the domestic market will absorb 89.5% of budget financing, up from 81.2% in FY'2025/26. Any shortfall in revenue against the ambitious Kshs 3.629 tn target would place additional upward pressure on domestic borrowing beyond what is already budgeted, with attendant implications for interest rates and private sector credit access. Recent commentary from rating agencies reinforces this caution, citing execution risks, still-elevated debt servicing costs, and potential revenue mobilization shortfalls as factors that could challenge the attainment of the revised deficit target without deeper expenditure rationalization.</li> <li>Nevertheless, uncertainty around the evolving tax regime, particularly measures such as the 25.0% excise duty on smartphones that are likely to face public resistance, could generate inconsistency in collections. On the external front, rising geopolitical tensions of the escalating Iran-Israel conflict could continue exerting upward pressure on global oil prices, widen Kenya's import bill, and introduce exchange rate volatility, all of which would add downside risk to both revenue performance and the cost of external debt servicing, given that 52.0% of Kenya's external debt remains USD-denominated</li> </ul>		
<p><b>Government Borrowing</b></p>	<ul style="list-style-type: none"> <li>The government, as at 5<sup>th</sup> June 2026, is 16.0% ahead its prorated net domestic borrowing target of Kshs 938.2 bn having borrowed Kshs 1,088.3 bn of the total borrowing target of Kshs 998.6 bn. The government currently has domestic maturities worth Kshs 209.7 bn and will have to borrow Kshs 89.7 bn monthly to meet the upcoming domestic maturities and the budget deficit in the FY'2025/2026</li> <li>Total Borrowings at the end of April 2026 amounted to Kshs 1,606.3 bn, equivalent to 67.9% of the revised estimates of Kshs 2,364.0 bn for FY'2025/2026. The cumulative</li> </ul>	<ul style="list-style-type: none"> <li>Debt sustainability remains a key concern as the government continues to rely heavily on borrowing to finance persistent fiscal deficits. However, sovereign risk perceptions have improved. Moody's upgraded Kenya's rating from Caa1 to B3 with a stable outlook, following an earlier upgrade by S&amp;P Global from B- to B in August 2025, while Fitch affirmed Kenya at B- in January 2026 mainly on the back of a stronger external liquidity, higher foreign exchange reserves, a narrower current account deficit, and improved refinancing capacity, rather than a fundamental strengthening of fiscal metrics.</li> <li>However, the structural borrowing challenge persists into FY'2026/27. Net</li> </ul>	<p><b>Negative</b></p>	<p><b>Neutral</b></p>

	<p>domestic borrowing of Kshs 1539.1 bn comprises of Net Domestic Borrowing Kshs 994.8 bn and Internal Debt Redemptions (Rollovers) Kshs 544.3 bn.</p> <ul style="list-style-type: none"> <li>• Kenya opted not to seek additional funding from the International Monetary Fund in the near term, after raising approximately Kshs 588.5 bn through a combination of state asset sales and Eurobond issuance.</li> <li>• The funds were primarily sourced from: <ul style="list-style-type: none"> <li>i) The sale of a 35.0% stake in Kenya Pipeline Company (Kshs 106.3 bn),</li> <li>ii) The sale of a 15.0% stake in Safaricom to Vodacom (Kshs 244.5 bn), and</li> <li>iii) Eurobond proceeds amounting to about Kshs 290.3 bn, part of which was used for debt buyback, with the remainder supporting the budget.</li> </ul> </li> <li>• Proceeds from the KPC and Safaricom divestitures are additionally intended to provide seed capital for two newly established vehicles, i)the National Infrastructure Fund and the, ii)Sovereign Wealth Fund. The Sovereign Wealth Fund, currently at Bill stage and undergoing public participation, is structured into three components, a) Stabilisation Fund to cushion the economy during financial shocks, a b)Strategic Infrastructure Investment component, and a c)Future Generations Fund designed to transform proceeds from natural resources such as oil, gas and minerals into long-term financial resilience. The NIF alone is expected to have Kshs 387.4 bn in total seed capital by close of July 2026.</li> <li>• However, Kenya’s previous IMF programme, initiated in 2021, collapsed after the country failed to meet several conditions, leading to a loss of about Kshs 110.0 bn in expected IMF disbursements.</li> <li>• Despite stepping back from IMF financing, engagement with the Fund continues at a technical level, and a new programme may be considered for the 2026/27 financial year. Meanwhile, institutions like the World Bank and African Development Bank are expected to</li> </ul>	<p>domestic borrowing is projected to rise marginally to Kshs 995.7 bn, even as net foreign borrowing is nearly halved to Kshs 116.2 bn, meaning the domestic market will absorb 89.5% of budget financing up from 81.2% in FY’2025/26. Any shortfall against the ambitious Kshs 3.629 tn revenue target, which remains vulnerable to execution risks around the Finance Bill 2026 measures and persistent KRA compliance gaps, would place additional upward pressure on domestic borrowing beyond what is already budgeted, with direct implications for interest rates and private sector credit access.</p> <ul style="list-style-type: none"> <li>• The National Infrastructure Fund and the proposed Sovereign Wealth Fund represent a credible long-term shift in Kenya’s infrastructure financing model away from debt-driven public spending and toward an investment-led approach that seeks to crowd in private capital at scale. If the NIF achieves even a fraction of its Kshs 5.0 tn ten-year mobilisation target, it could structurally reduce future domestic borrowing requirements. Nevertheless, both vehicles are nascent, the SWF Bill is still at public participation stage, and the NIF’s real impact will depend on governance quality, project selection, and the pace at which institutional investors such as pension funds commit capital. The Controller of Budget has already flagged constitutional concerns around the SWF’s oversight framework, underscoring that execution risk remains material.</li> <li>• On the external front, the pivot toward World Bank and AfDB concessional financing provides a more stable and lower-cost funding base than commercial Eurobond issuance, though the absence of an IMF programme removes an important signalling anchor for sovereign creditworthiness. Any resumption of IMF engagement most likely in the context of a FY’2027/28 programme would be viewed positively by markets, particularly given that Kenya’s debt-to-GDP ratio is projected to remain above the 55.0% EAC benchmark throughout the forecast horizon. Until then, the government’s fiscal credibility will be tested by its ability to deliver on revenue targets, contain recurrent expenditure growth, and demonstrate disciplined deployment of privatisation proceeds through the NIF and SWF frameworks</li> </ul>	
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	remain key sources of concessional financing.			
<b>Inflation</b>	<ul style="list-style-type: none"> <li>The inflation rate for May 2026 increased to 6.7% from the 5.6% recorded in May 2026.</li> <li>Fuel prices for 19<sup>th</sup> May to 14<sup>th</sup> June 2026 increased to Kshs 232.9, Kshs 214.3 and Kshs 191.4 for Diesel, Super Petrol respectively.</li> <li>March headline inflation stayed within the CBK's target band of 2.5%–7.5%, but following the recent spike in food and fuel costs it is now positioned closer to the upper bound of the range.</li> </ul>	<ul style="list-style-type: none"> <li>We expect inflation rates to remain within the CBK's target range of 2.5% - 7.5% supported by the stabilizing of the Kenyan shilling against the dollar despite the shilling appreciating marginally by 20.9 bps against the dollar on year-to-date as of 5<sup>th</sup> June 2026. However, the escalating Iran-Israel conflict poses the most significant upward risk to inflation through potential oil price shocks, which have already begun feeding through to domestic fuel prices, with diesel rising by Kshs 35.7 per litre in May 2026.</li> </ul>	<b>Positive</b>	<b>Neutral</b>
<b>Currency (USD/Kshs)</b>	<ul style="list-style-type: none"> <li>Since the last meeting, the Kenyan Shilling has appreciated by 56.9 bps against the US Dollar to Kshs 129.3 from the Kshs 130.1 recorded on 8<sup>th</sup> April 2026</li> <li>In addition, the Forex Reserves remain sufficient at USD 13.2 bn (equivalent to 5.6 months of import cover) as of 5<sup>th</sup> June 2026. Notably, the forex reserves are above the statutory requirement of maintaining at least 4.0 months of import cover</li> </ul>	<ul style="list-style-type: none"> <li>We expect the Kenyan Shilling to be supported by Diaspora remittances standing at a cumulative USD 5,053.5 mn in twelve months to April 2026, 10.0% higher than the USD 4,592.8 mn recorded over the same period in 2025, which has continued to cushion the shilling against further depreciation. In the April 2026 diaspora remittances figures, North America remained the largest source of remittances to Kenya accounting for 52.2% in the period,</li> <li>Additionally, the shilling performance and strength is expected to be supported by the sufficient forex reserves currently at USD 13.2 bn (equivalent to 5.6 months of import cover) as of 5<sup>th</sup> June 2026. Moreover, tourism inflow receipts which came in at the tourism inflow receipts which came in at Kshs 452.2 bn in 2024, a 19.8% increase from Kshs 377.5 bn inflow receipts recorded in 2023, and owing to strong performance in the tourism sector, of 52.2% with international tourist arrivals increasing to 745,720 in Q3'2025 compared to 489,831 in Q3'2024.</li> </ul>	<b>Positive</b>	<b>Positive</b>
<b>GDP Growth</b>	<ul style="list-style-type: none"> <li>Kenyan's economy recorded a 5.0% growth in FY '2025, 0.3% points higher than the 4.7% growth recorded in FY'2024. The performance was driven by; <ul style="list-style-type: none"> <li>i. The main contributor to Kenyan GDP which remains to be the Agriculture and Forestry remains the major contributor to GDP, with the sectorial contribution to GDP however decreasing by 0.3% points to 14.2% in Q3'2025, from 14.5% recorded in Q3'2024. Additionally, its growth rate slowed down by 0.8% points to 3.2% in Q3 2025</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>In 2026, Kenya's economy is projected grow and is <a href="#">estimated</a> to be 5.3% compared to the 5.5% previously projected according to the National Treasury. This reflects the emerging risks of the Middle East on the performance of key sectors of the economy. This outlook is subject to risks particularly prolonged conflict in the Middle East and elevated trade policy uncertainties</li> <li>The continued stability of the Kenya shilling has continued to support the business environment, by reducing the cost of imported inputs and decreasing the finance cost of the foreign currency denominated debts</li> <li>Notably, the country's PMI for the month of May 2026 decreased to 46.6, from 49.4 in</li> </ul>	<b>Negative</b>	<b>Negative</b>

	<p>from the 4.0% recorded in Q3 2024 to GDP</p> <p>ii. Other sectors recorded an expansion in growth rates, with Accommodation and Food Services, Mining and Quarrying, and Construction recording the highest growths in rates of 17.7%, 16.6% and 6.7% respectively from 22.9%, (12.2%) and (2.6%) respectively recorded in Q3 2024</p>	<p>April, an indication of deterioration in business environment in the country. Likewise, according to <a href="#">CEO's survey- 2026 March report</a>, optimism about growth prospects for Kenyan business activity remained sustained, supported by favorable weather conditions, a relatively stable macroeconomic environment, technological innovations, and seasonal factors. At the same time, CEOs noted concerns over rising global uncertainties linked to the Middle East conflict, high operating costs, and subdued consumer demand.</p>		
Private Sector Credit Growth	<ul style="list-style-type: none"> <li>The latest data from the National Treasury indicates that growth in private sector credit grew by 8.1% in March 2026, compared to 0.2% decline in a similar period in 2025, mainly attributable to stronger credit growth in key sectors of the economy, particularly building and construction, trade, agriculture, and consumer durables, reflecting improved demand for credit in line with declining lending interest rates.</li> </ul>	<ul style="list-style-type: none"> <li>We anticipate continued adoption of the risk-based pricing model in the banking sector to continue to unlock access to credit to individuals and businesses who were not captured by the previous frame works due to being considered too risky,</li> <li>The weighted average lending rate is currently at 14.7% as at April 2026 from 14.8% in January 2026 following the MPCs decision to hold the CBR at 8.75%. Despite this, lending rates remain elevated, continuing to weigh on private sector credit demand and limiting the ability of businesses to access affordable financing to support growth and investment activity.</li> </ul>	Positive	Positive
Liquidity	<ul style="list-style-type: none"> <li>Liquidity levels in the money markets eased, with the average interbank rate since the previous MPC meeting increasing by 0.9 bps as of 5<sup>th</sup> June 2026 to 8.8% from 8.7% in 8<sup>th</sup> April 2026, partly attributable to tax remittances that offset government payments that</li> </ul>	<ul style="list-style-type: none"> <li>We expect liquidity in the money markets to be supported by the domestic debt maturities that currently stand at Kshs 209.7 bn worth of T-bill and T-bonds maturities for FY'2025/2026. However, this may be offset by the government's continued borrowing activity in the primary market to meet its financing needs.</li> </ul>	Positive	Neutral

### Conclusion

Out of the seven factors that we track, two are positive and four are neutral and one is negative. Notably, most of the Central Banks of developed economies around the world have maintained their rates with the aim of supporting economic activities and growth going forward.

The main goal of monetary policy is to maintain price stability and support economic growth by controlling the money supply in the economy. **We expect the MPC to maintain the Central Bank Rate (CBR) at 8.75%, with their decision mainly being supported by**

- i. **Global monetary policy stance:** The latest meetings confirm that most major economies have opted to hold rates steady in the face of war-driven energy shocks. The US Federal Reserve [maintained](#) the federal funds rate at 3.5%-3.75% in April, citing that monetary policy cannot directly offset oil price shocks but must ensure inflation expectations remain anchored. The

European Central Bank [held](#) its deposit rate at 2.00%, emphasizing caution given energy-driven inflation risks. The Bank of England voted 8-1 to [keep](#) its Bank Rate at 3.75%, noting inflation had ticked up to 3.3% but further tightening would not address supply-side pressures. Other central banks such as the Bank of Japan and Swiss National Bank also adopted steady or conditional easing stances. This collective posture underscores that global policy remains cautious, prioritizing stability over aggressive moves, and provides the MPC with room to hold the CBR at 8.75% without risking policy divergence.

- ii. **The need to support the economy:** Private sector indicators point to the need for a supportive monetary stance. The Stanbic Bank PMI [fell](#) to 46.6 in May 2026, marking a third consecutive month below the neutral 50.0 level and signaling continued deterioration amid weak demand, rising costs, and subdued business confidence. Further tightening would risk deepening the slowdown. At the same time, private sector credit growth improved to 8.1% in March 2026 from 7.4% recorded in February 2026, indicating a gradual recovery in financing activity. However, lending rates remain high at around 14.7%, leaving borrowers sensitive to additional increases. A rate hike could undermine this recovery. Maintaining the policy rate at 8.75% therefore offers the most balanced approach. It supports credit growth and business confidence while allowing the CBK to monitor external risks, particularly energy-driven inflation and exchange rate pressures, without adding strain to an already fragile economy.
- iii. **The continued stability of the Shilling against major currencies:** The Kenyan Shilling has remained relatively stable in recent months, supported by foreign exchange reserves at 5.6 months of import cover, comfortably above the statutory minimum of 4.0 months. This stability has provided the MPC with flexibility to maintain the current rate without risking volatility or capital outflows. However, if the shilling were to depreciate further, the import bill would widen significantly given that Kenya's fuel and most essential imports are dollar-denominated. A weaker shilling would therefore amplify inflationary pressures, erode household purchasing power, and strain the current account further widening the import bill. The escalation of the Middle East conflict and elevated global energy prices heighten this risk, as any disruption in supply chains directly feeds into higher import costs. Maintaining the CBR at 8.75% helps anchor investor confidence, preserve currency stability, and mitigate the risk of sharp depreciation. This stance ensures that external buffers remain intact while shielding the economy from the inflationary pass-through of a weaker shilling

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