



Issue #111

Friday, 5 June 2026

Nairobi · EAT (UTC+3)

Morning Intelligence Brief – Kenya & East Africa

INTELLIGENCE SNAPSHOT – NSE & MACRO INDICATORS

NASI

209.40

+0.6% · June 4 close · [Trading Room](#)

NSE 20 INDEX

3,543.32

+0.4% · June 4 close · [Trading Room](#)

USD / KES

129.55

CBK indicative rate · [posted May 29](#)

CBK CENTRAL BANK RATE

8.75%

Held at April MPC · next meeting June 9, 2026

NSE TOP GAINER · JUN 4

+8.4%

Limuru Tea PLC · June 4, 2026

NSE TOP LOSER · JUN 4

-4.7%

Africa Mega Agricornp · June 4, 2026

IN TODAY'S BRIEF

KE KENYA · MACRO POLICY

NAIROBI, Kenya, June 4 – Kenya's private sector contracted further in May as rising costs, weakening demand and shrinking new orders dragged business conditions to their lowest level since July 2024, according to the Stanbic Bank Kenya PMI.

KE KENYA · CAPITAL MARKETS

NAIROBI, Kenya, June 4 – National Treasury has filed at the Court of Appeal to lift High Court orders blocking the KES 204.3 billion divestiture of a 15% government stake in Safaricom Plc to Vodacom Group, with a June 29 hearing set to determine the transaction's future.

UG UGANDA · INVESTMENT

KAMPALA, Uganda, June 4 – The World Bank Group launched a ten-year Country Partnership Framework for Uganda anchored by approximately \$2 billion in IDA lending per three-year cycle, as TotalEnergies' Tilenga and CNOOC's Kingfisher fields prepare to come on stream in H2 2026.

ET ETHIOPIA · KE KENYA · TECH & MOBILITY

NAIROBI, Kenya, June 4 – Ethiopia's aggressive drive to electrify transport is attracting Kenyan EV manufacturers Spiro, Roam and BasiGo northward, backed by tax incentives and a government target of 80% electric new vehicle registrations by 2030.

Kenya private sector contracts as costs spike to 2023 highs – PMI

NAIROBI, Kenya, June 4 – Kenya's private sector contracted further in May as rising costs, weakening demand and shrinking new orders dragged business conditions to their lowest level in nearly a year, according to the Stanbic Bank Kenya Purchasing Managers' Index (PMI). The index fell to 46.6 in May 2026 from 49.4 in April – its lowest reading since July 2024 and the third consecutive month below the 50-point growth threshold. Input costs surged to their highest level since November 2023, driven by fuel and transportation increases linked to Middle East supply disruptions, while output prices rose at the fastest pace in two-and-a-half years. The employment sub-index turned negative for the first time in 15 months, with firms cutting temporary contract staff as new orders fell at the sharpest rate since July 2025 and consumer demand weakened further.

INVESTOR INSIGHT

A third consecutive sub-50 PMI reading paired with multi-year cost inflation and the first private-sector job losses since March 2025 signals a deepening demand squeeze heading into Q3 2026. Kenya equity exposure should be assessed against June PMI and Q2 corporate earnings for evidence of margin recovery before adding risk in consumer or mid-cap industrial names.

State seeks to lift orders freezing Sh204bn Safaricom stake sale

NAIROBI, Kenya, June 4 – National Treasury has filed at the Court of Appeal to lift High Court orders blocking the KES 204.3 billion divestiture of a 15% government stake in Safaricom Plc to Vodacom Group, priced at KES 34 per share. The transaction would lift Vodacom's stake from 35% to 55% while Kenya retains 20%; a separate KES 40.2 billion dividend-backed loan forms part of the package. The Court of Appeal application and the main High Court suit are both scheduled for June 29, 2026, the same date – creating a single high-stakes hearing that will determine the transaction's future.

INVESTOR INSIGHT

A favourable June 29 ruling unlocks KES 244.5 billion in combined proceeds and facilities for an Exchequer under acute fiscal pressure, removing the largest overhang on Kenya's most liquid NSE equity. An adverse outcome extends the impasse and raises sovereign financing risk heading into FY2026/27 – making June 29 Kenya's single most significant near-term capital markets catalyst.

KEPSA warns illicit trade costs Kenya Sh800bn yearly

NAIROBI, Kenya, June 4 – The Kenya Private Sector Alliance (KEPSA) warned at a C-Suite Roundtable that illicit trade – spanning counterfeiting, smuggling and untaxed goods – costs Kenya’s formal economy KES 800 billion annually, equivalent to roughly 5–6% of GDP. Industry leaders from manufacturing, healthcare, beverage, tobacco and construction called for emergency amendments to anti-counterfeit laws, a cross-agency intelligence dashboard, mandatory IP rights recordation for high-risk imports, and a dedicated rapid-response enforcement unit.

INVESTOR INSIGHT

The KES 800bn leakage figure underscores structural drag on legitimate businesses and KRA revenue performance. Progress on the proposed enforcement framework would disproportionately benefit listed consumer goods manufacturers – particularly in FMCG and healthcare – that absorb margin pressure from underpriced counterfeit competition.

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MACRO POLICY

Parliament’s PAC to engage Treasury over rising pending bills owed to suppliers

NAIROBI, Kenya, June 4 – Parliament’s Public Accounts Committee will engage the National Treasury over rising pending bills owed by state entities to suppliers and contractors, Mwango Capital reported. The alert follows a June 4 PAC session where lawmakers reviewed Auditor-General findings showing the State Department for Correctional Services alone carries KES 4.58 billion in outstanding obligations – only KES 1.21 billion verified and funded, with KES 3.37 billion unfunded. Chair Tindi Mwale said the committee will summon Treasury officials to propose a payment plan, as delayed settlements continue to strain suppliers and weaken public–private trust.

INVESTOR INSIGHT

Persistent pending-bill backlogs are a direct drag on SME liquidity, listed consumer and construction suppliers, and KRA revenue collection. A Treasury-backed clearance framework would ease working-capital pressure across government-linked supply chains; continued inaction keeps sovereign fiscal credibility and private-sector payment risk on investors’ watchlist ahead of FY2026/27 budget execution.

EACC recovers Ksh.65.3M from Nairobi County officer's residence

NAIROBI, Kenya, June 4 – Kenya's Ethics and Anti-Corruption Commission (EACC) recovered Ksh.65.3 million from the residence of a Nairobi County government officer as part of ongoing investigations into sub-national financial misconduct. The recovery is part of a sustained 2026 enforcement drive targeting devolved government units, following EACC programme activities across Kenya's 47 counties throughout Q1 and Q2 2026 that have progressively targeted county-level procurement irregularities.

INVESTOR INSIGHT

Sustained sub-national anti-corruption enforcement signals a more aggressive institutional reform posture in Kenya's devolved governance structures – a moderately positive indicator for development finance institution assessments of Kenya's readiness for decentralised public finance reforms embedded in the FY2026/27 fiscal strategy.

EAST AFRICA

WORLD BANK · PRESS RELEASE

INVESTMENT

UG UGANDA

World Bank Group Launches Ten-Year Strategy to Drive Jobs and Prosperity in Uganda

KAMPALA, Uganda, June 4 – The World Bank Group launched a new ten-year Country Partnership Framework for Uganda anchored by an indicative IDA lending programme of approximately \$2 billion per three-year cycle – building on an existing \$4 billion portfolio. The strategy targets job creation, private-sector competitiveness and economic resilience as Uganda prepares for oil-led fiscal transformation, with TotalEnergies' Tilenga and CNOOC's Kingfisher fields expected to come on stream in H2 2026 under the East Africa Crude Oil Pipeline timeline.

INVESTOR INSIGHT

The \$2B-per-cycle IDA anchor provides visible concessional financing scaffolding for Uganda's infrastructure and social sectors at precisely the moment the country's fiscal profile is set to transform through oil revenues. Multilateral confidence in Uganda's reform trajectory is a positive read-through for project finance pipeline development and FDI reception capacity ahead of first-oil.

It's race against time for the strategic \$1 billion Mkuju uranium project

DAR ES SALAAM, Tanzania, June 4 – Tanzania's \$1 billion (Sh2.6 trillion) Mkuju River uranium project in Namtumbo, Ruvuma Region faces a critical test: securing construction financing before the special mining licence expires in April 2028. Operator Mantra Tanzania – a Rosatom subsidiary – is finalising a loan consortium with Russian financial institutions and Tanzanian banks CRDB and NMB, while Deputy Minister Kiruswa assured investors on June 4 that the government has no intention of revoking the licence. The 139-million-tonne deposit targets 3,000 tonnes per year of uranium production once the main plant is commissioned in 2029, with over 4,000 direct jobs projected and a 1%-of-GDP annual contribution at full production.

INVESTOR INSIGHT

The April 2028 licence cliff is creating measurable lender reluctance despite the project's 20+ year productive life projections. A formal Tanzanian government licence renewal announcement would immediately de-risk the CRDB/NMB financing process and accelerate construction – establishing Tanzania as only the second sub-Saharan African uranium producer with long-term export revenue implications.

IMF to give Ethiopia \$468m

ADDIS ABABA, Ethiopia, June 4 – The IMF and Ethiopia reached a staff-level agreement on the fifth review of Ethiopia's \$3.4 billion Extended Credit Facility, paving the way for a \$468 million disbursement subject to IMF Board approval. The June 3 IMF statement noted continued progress on Ethiopia's Homegrown Economic Reform Agenda – including forex market liberalisation, revenue mobilisation and monetary policy reform – despite disruptions from the US-Iran Middle East conflict. Total disbursements under the four-year programme will reach approximately \$2.65 billion once the fifth tranche is approved.

INVESTOR INSIGHT

The fifth ECF review unlocks \$468m in concessional balance-of-payments support as Ethiopia manages global oil-price shock spillovers. With external debt restructuring talks advancing in parallel with official creditors and bondholders, this programme continuation provides essential scaffolding for Ethiopia's planned return to international capital markets.

Mobile World Congress postponed

KIGALI, Rwanda, June 4 — GSMA has postponed MWC26 Kigali, Africa's flagship mobile and connectivity congress, the organisers announced on Tuesday, June 2, 2026. The high-level gathering — bringing together handset makers, software firms, equipment providers, mobile operators and policymakers — had been scheduled for June 16–18 at the Kigali Convention Centre. GSMA gave no reason for the delay, stating only that it recognised the inconvenience to participants and that a new date would be announced in due course. The postponement lands just two weeks before opening day and marks the second scheduling disruption for the Kigali edition in three years, after the 2024 event was similarly deferred before running in October 2025.

INVESTOR INSIGHT

MWC Kigali is a key calendar event for African telecoms capital allocation, vendor deal-making and digital infrastructure partnerships. A late postponement without a replacement date freezes exhibitor spend, delegate travel budgets and near-term visibility for Rwanda's ICT investment narrative. Investors in mobile operators, fintech and connectivity infrastructure should treat the rescheduled date as a catalyst for renewed regional deal flow — and monitor whether repeated disruptions affect confidence in Kigali as the continent's default connectivity convening hub.

EAC forms regional Ebola response team

ARUSHA, Tanzania, June 4 — The East African Community activated a regional Ebola response coordination team covering all 8 EAC member states — Uganda, Tanzania, Rwanda, Kenya, Burundi, South Sudan, DRC and Somalia — as the ongoing DRC outbreak moved closer to EAC member state borders. The team will harmonise surveillance protocols, border screening logistics, cross-border movement policies and medical supply chains. Burundi and South Sudan, whose borders directly adjoin DRC's active outbreak zones, are among the most exposed EAC members under the bloc's One Health coordination mechanism.

INVESTOR INSIGHT

Any formal EAC border closure or movement restriction triggered by Ebola escalation would materially disrupt cross-border trade corridors — particularly the DRC-Burundi and DRC-Uganda routes that underpin informal regional supply chains. The June 4 activation of an 8-member coordinated response is a positive signal that closure risks are being pre-empted at the bloc level.

Ethiopia's EV push draws Kenyan manufacturers north

NAIROBI, Kenya, June 4 — Ethiopia's aggressive drive to electrify its transport sector is attracting Kenya's leading electric vehicle manufacturers, with Spiro, Roam and BasiGo exploring expansion into what is rapidly emerging as the region's most advanced EV market. Ethiopia's new e-mobility strategy — targeting electric vehicles for at least 80% of newly registered vehicles by 2030, up from 8% today — is pulling manufacturers toward Addis Ababa. Spiro, Roam and BasiGo are exploring expansion into what The East African describes as the region's most advanced EV market, backed by tax holidays, fast-track licensing, low-interest financing and accelerated charging infrastructure rollout. Spiro, fresh from a \$215 million equity raise, named Ethiopia among its next markets alongside DRC; Roam completed a 1,600 km Nairobi–Addis Ababa demonstration ride earlier this year; BasiGo remains focused on Kenya and Rwanda but flagged Ethiopia as a future option. Ethiopia's EV fleet surged from 45,000 in 2024 to 115,000 in 2025, yet domestic annual production capacity of roughly 83,500 units still trails demand — creating a gap Kenyan firms, with nearly double that capacity, are positioned to fill.

INVESTOR INSIGHT

Ethiopia's policy advantage is reshaping East Africa's EV competitive map: an 8% fleet penetration rate versus Kenya's 0.5% signals where demand is compounding fastest. For Kenyan manufacturers, northbound expansion offers scale beyond a home market where adoption lags, while fuel imports at ~20% of Ethiopia's import bill make electrification a forex-saving industrial policy — a supportive backdrop for concessional financing, local assembly partnerships and cross-border mobility infrastructure plays.



Mwango Capital

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11 stories · 8 sources · 7 countries

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