

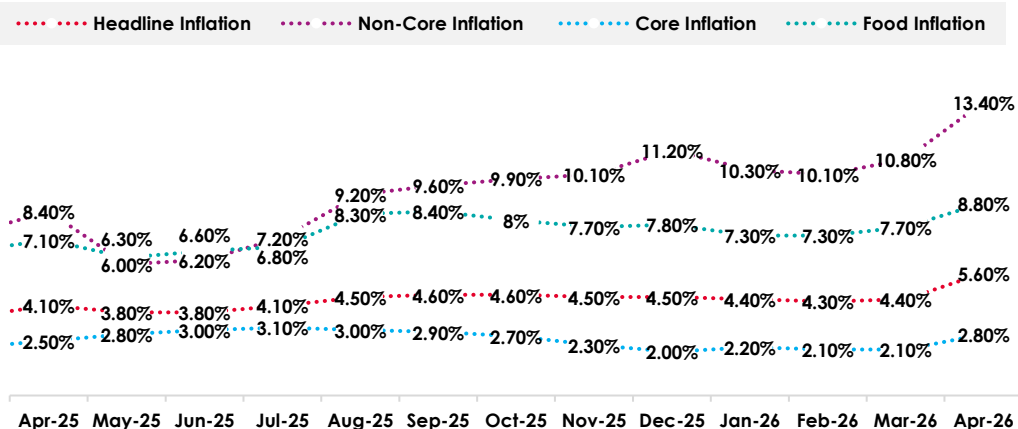
# ECONOMICS AND RESEARCH INFLATION REACTION

April 2026

## Headline Inflation Surges to 5.6% on Stronger Food and Transport Cost

- General prices increased rapidly following a more than expected jump in food prices, thus eroding any space to partly cushion the anticipated increase in energy and transport costs.
- Resultantly, annual headline inflation rose to 5.6% in April from 4.4% in March, while monthly, the consumer price index increased by 1.4% relative to 0.5% in the prior month.
- Food inflation rose by 8.8% annually and 1.5% month-on-month. Specifically, the price increases were; cabbages (+34.8%), tomatoes (+32.6%), kale (+23.6%), spinach (+18.6%), and potatoes (+17.4%). This was contrary to our expectations for a moderation in vegetable prices and may be attributed to crop losses caused by extensive flooding and logistical challenges affecting timely transportation of goods to market.
- On transport, inflation expectedly rose by 6.5% and 10.0% on a monthly and annual basis, respectively. This is relative to 0% and 3.8% respective increases in March. Moreover, gas/LPG prices rose 6.5%, offsetting a 3.8% decline in 500kwh electricity prices.
- Overall, non-core inflation rose to 13.4% from 10.8% previously. Meanwhile, the core index ticked up to 2.8% driven by the non-transient elements in food, alcoholic beverages and transport.
- On the global front, energy prices continue to rise – with Brent prices up 100% year-to-date at \$ 121.6 per barrel. Due to falling oil inventories in Europe and Asia and a likelihood of further escalation of the war, oil prices are likely to stay above \$110 for several weeks.
- Overall, the outlook remains unpredictable, but continued pressure to domestic inflation is anticipated. We now see inflation around 6% in May and moving toward the upper bound target of 7.5% in coming months on second round effects. Consequently, the Monetary Policy Committee is likely to be hawkish at the June meeting.

### KENYA INFLATION TRENDS



Source: KNBS, CBK, NCBA Research