

# Malawi Financial Market Update

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Week ending 23 May 2025





## Malawi Financial Market Update: Week ending 23 May 2025

### Market Developments

#### What happened this week

According to the National Statistical Office (NSO), construction input costs in Malawi have increased in Q4 of the 2024-25 fiscal year, with material prices for civil works rising by 52.8% and equipment by 38.7%.

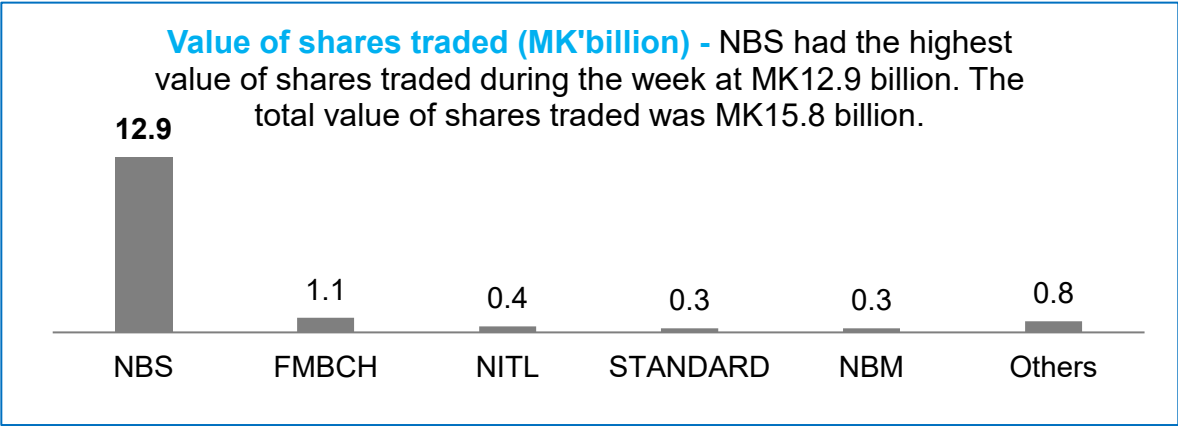
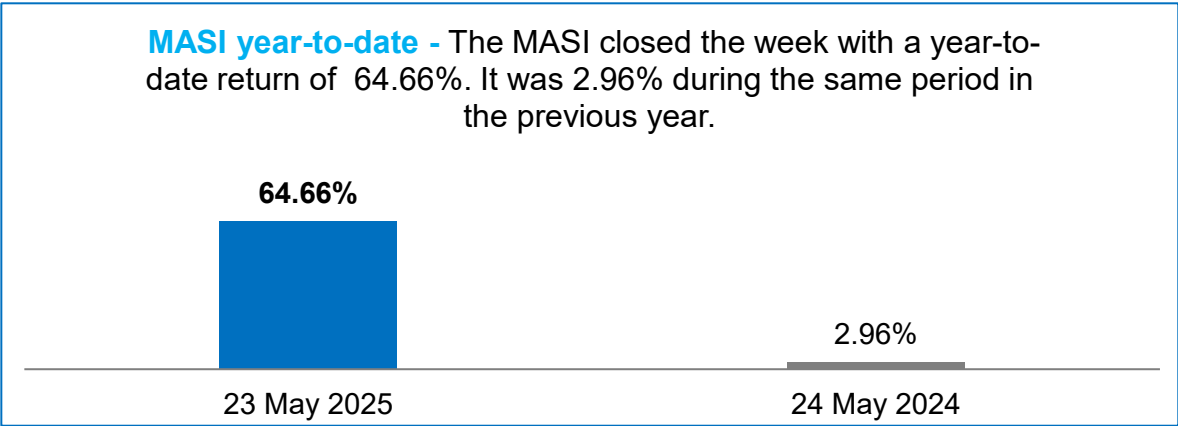
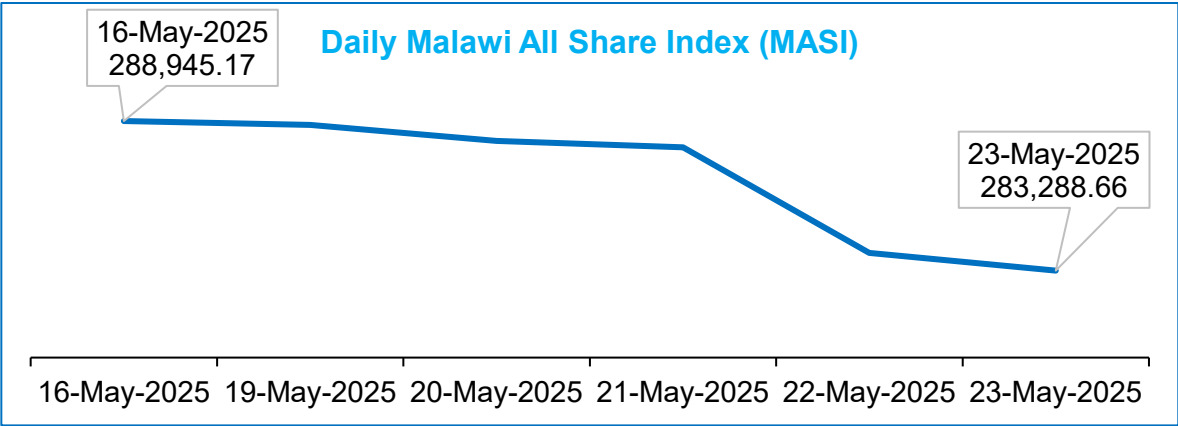
1. According to the National Statistical Office (NSO), construction input costs in Malawi have increased in Q4 of the 2024-25 fiscal year, with material prices for civil works rising by 52.8% and equipment by 38.7%. Analysts attribute the increase to persistent foreign exchange shortages, currency depreciation, and global supply chain disruptions. This is expected to delay or cancel projects, raise financing needs, and compromise construction quality. Economists warn of serious implications for economic growth and job creation if policy interventions are not implemented swiftly. (*The Daily Times*, 21 May 2025)
2. The World Bank has invested USD150 million (about MK262.6 billion) to boost Malawi's border security by funding the Migration Information and Data Analysis System (MIDAS). The system, developed by the International Organization for Migration (IOM) under the Southern Africa Trade and Connectivity Project, aims to enhance efficiency and safety at border posts. The Minister of Homeland Security emphasized that the system addresses serious threats like human trafficking and organized crime. IOM chief of mission noted that Midas links to Interpol and alert lists, improving detection and response to cross-border threats. (*The Nation*, 20 May 2025)
3. Government arrears to State-owned Enterprises (SOEs) in Malawi rose from MK36.9 billion in 2023 to MK41.2 billion in 2024, deepening financial strain and weakening their balance sheets. SOEs' tax arrears also increased to MK96.16 billion, reflecting worsening liquidity challenges. The delays in payments from public and private entities are triggering a cycle of arrears, threatening the Malawi Revenue Authority's revenue targets. SOEs recorded a combined loss of MK47 billion in 2024, up from a MK16.8 billion loss, the previous year. Economists warn of broader economic risks and call for urgent reforms, fiscal discipline, and a shift towards financially sustainable operations. (*The Nation*, 22 May 2025)
4. The Government of Malawi has launched the Malawi National Single Window, a digital platform designed to significantly streamline import and export licensing processes. The reform reduces the licensing period from 14 days to under 3 days, enhancing trade efficiency and reducing operational costs for businesses. Traders can now use a QR-code based system to verify permits instantly at border points, enhancing transparency and security in trade transactions. The platform allows for real-time application, processing, and approval of import/export permits, aiming to eliminate bureaucratic delays and minimize non-tariff trade barriers. (*The Nation*, 21 May 2025)
6. As of 22 May 2025, a cumulative 56.1 million kilograms (kgs) of tobacco have been sold at an average price of USD2.42/kg. The cumulative amount raised so far is USD135.7 million. At this time last year, a cumulative 46.9 million kgs of tobacco had been sold at an average price of USD2.76/kg, and a cumulative USD129.4 million had been raised. (*Auction Holdings Limited*, 22 May 2025)
7. The President of Malawi has approved six bills passed in Parliament in March 2025. These include the Supplementary Appropriation Bill (No. 14 of 2025), which adds MK500.7 billion in over-expenditure to the national budget, raising the 2024–25 budget from MK6.0 trillion to K6.5 trillion. This was due to unplanned pension and gratuity costs, natural disasters and other statutory obligations. Additionally, he assented to the Appropriation Bill No. 13 of 2025, allowing the Minister of Finance to spend MK8.07 trillion in the 2025-26 national budget as well as the Foreign Exchange Bill No.19 of 2025 which seeks to repeal the Exchange Control Act of 1984 and introduce stricter regulations on foreign currency dealings. Only Banks and authorized dealers may handle foreign exchange transactions or transfer funds abroad. (*The Daily Times*, 22 May 2025)
8. Malawian businesses are struggling to compete in the e-commerce space, with government data showing that foreign firms dominate and up to 70% of respondents reporting few or no local players. Key challenges include high internet costs, limited digital infrastructure, lack of financing, and widespread online fraud. SMEs cite fraud and the cost of technology as major deterrents to engaging in online trade. Internet usage rose by 24.4% year-on-year to 5.86 million users as of January 2024, though social media penetration remains low. The Digital Readiness Assessment Report by the Ministry of Information and digitisation and UNDP urges targeted reforms to enhance digital inclusion and support Malawi's long-term economic goals. (*The Nation*, 20 May 2025)



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Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) closing the week ending 23 May 2025 at 283,288.66 points from 288,945.17 points on 16 May 2025.



Week-on-week share price percentage change (%)

ICON	0.06%
STANDARD	0.03%
SUNBIRD	0.00%
NITL	0.00%
OMU	0.00%
BHL	0.00%
MPICO	0.00%
TNM	0.00%
NBM	0.00%
PCL	0.00%
ILLOVO	-0.01%
NICO	-0.02%
FDHB	-0.04%
AIRTEL	-0.34%
NBS	-0.62%
FMBCH	-11.20%

Symbol	Closing prices as of 23 May 2025 (MK/share)	Closing prices as of 16 May 2025 (MK/share)
AIRTEL	127.95	128.39
BHL	14.55	14.55
FDHB	313.92	314.06
FMBCH	989.80	1,114.62
ICON	17.95	17.94
ILLOVO	1,791.42	1,791.52
MPICO	19.00	19.00
NBM	6,200.14	6,200.15
NBS	340.52	342.63
NICO	776.43	776.57
NITL	715.16	715.14
OMU	2,500.03	2,500.01
PCL	3,999.98	3,999.99
STANDARD	9,504.71	9,502.12
SUNBIRD	345.01	345.00
TNM	23.00	23.00



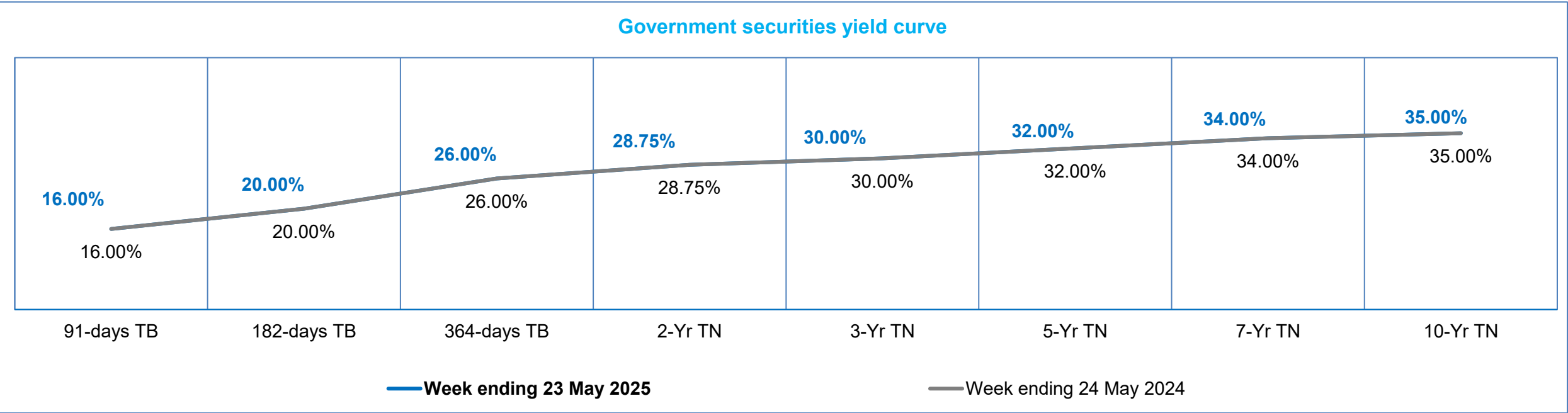
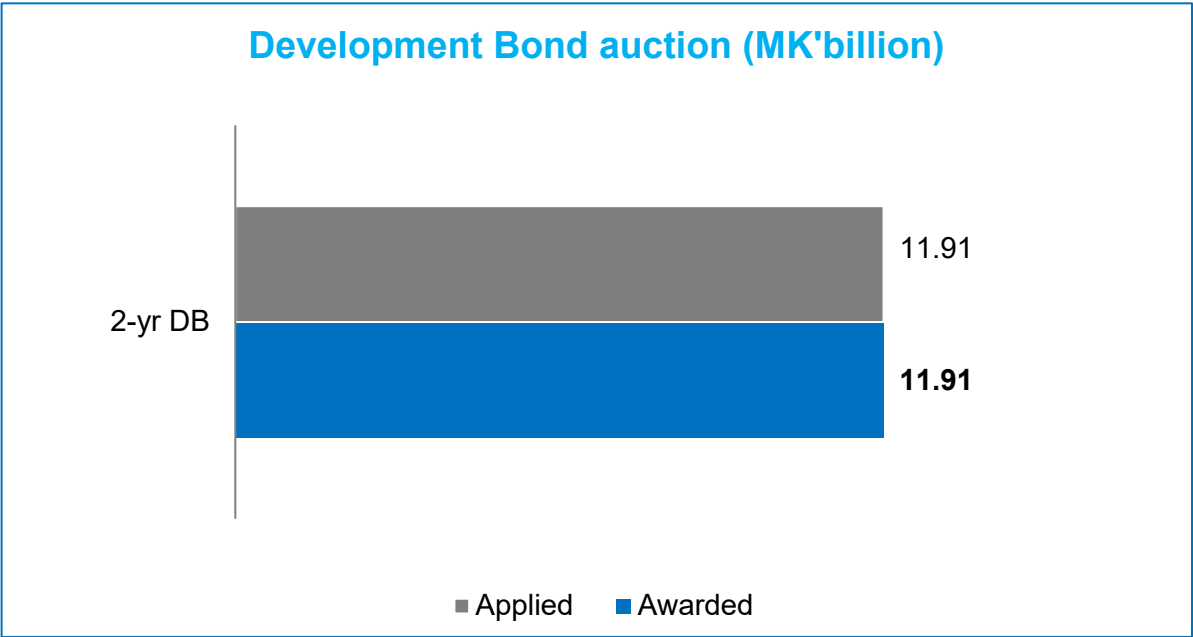
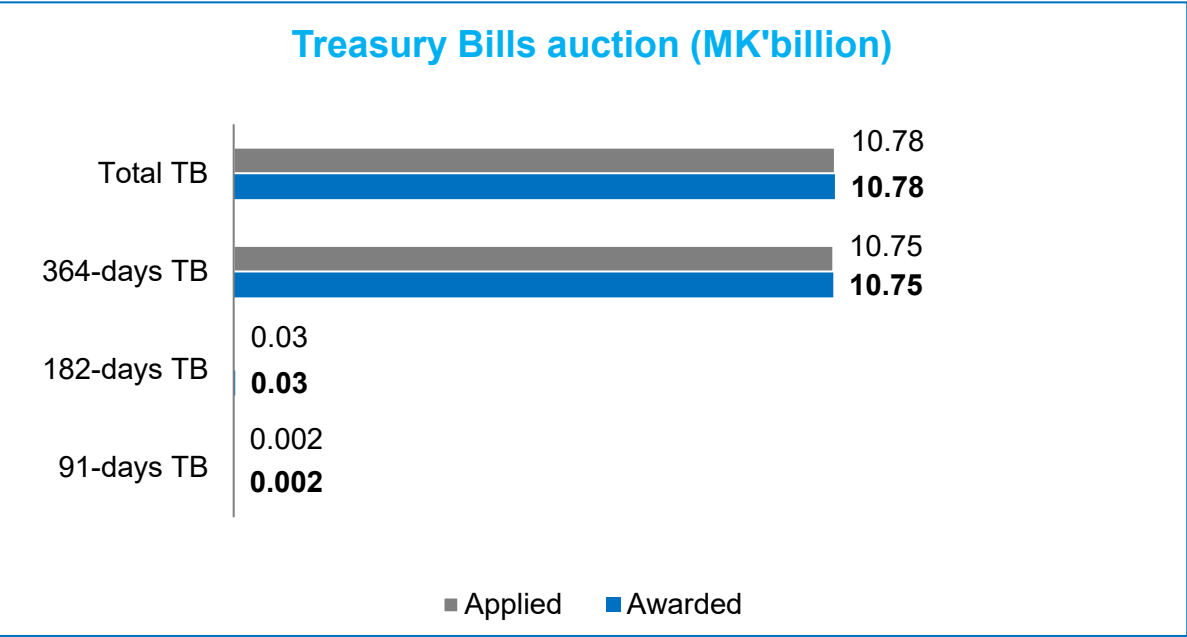
Government Securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and a 2-year Development Bond (DB) during the period under review.

The total amount raised from the TBs auction was MK10.78 billion, primarily driven by the 364-days TB.

The total amount raised from the 2-year DB auction was MK11.91 billion.

The average Treasury Bill and Treasury Note yields remained at 20.67% and 31.95%, respectively, during the period under review.



TB: Treasury Bill  
TN: Treasury Note



## Appendix 1: Historical Economic Indicators

	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	23-May-25
<b>Exchange Rates (middle rates)</b>														
MK/USD	1,745.70	1,750.76	1,749.51	1,749.95	1,750.31	1,750.37	1,749.95	1,750.11	1,749.93	1,750.35	1,749.65	1,750.25	1,750.51	<b>1,734.01*</b>
MK/GBP	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,411.29	2,338.28	2,290.94	2,250.25	2,233.84	2,268.53	2,329.61	2,412.28	<b>2,401.14*</b>
MK/EUR	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	2,003.14	1,953.49	1,904.40	1,861.87	1,866.83	1,873.26	1,945.36	2,052.11	<b>2,020.36*</b>
MK/ZAR	95.40	95.89	96.89	97.91	101.09	105.69	101.15	99.29	95.82	97.11	97.04	98.15	96.28	<b>99.47*</b>
<b>Foreign Exchange Reserves</b>														
Total Reserves (USD'mn)	603.07	610.18	591.51	572.02	549.85	560.3	519.0	516.9	530.9	570.60	569.5	N/A	N/A	<b>N/A</b>
<b>Inflation</b>														
Headline	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	27.0%	28.1%	28.5%	30.7%	30.5%	29.2%	<b>N/A</b>
Food	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	33.7%	35.6%	36.0%	38.5%	37.7%	35.8%	<b>N/A</b>
Non-food	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	17.2%	16.8%	16.9%	18.5%	19.2%	19.4%	<b>N/A</b>
<b>Interest Rates</b>														
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
Average Interbank Rate (Overnight)	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.23%	23.22%	23.19%	23.18%	23.19%	23.18%	<b>23.20%</b>
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	<b>26.20%</b>
Commercial Bank Reference Rate	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%	25.10%	25.10%	<b>25.20%</b>
<b>Government Securities Yields</b>														
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	<b>16.00%</b>
182-days Treasury Bill	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	<b>20.00%</b>
364-days Treasury Bill	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	<b>28.75%</b>
3-year Treasury Note	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	<b>30.00%</b>
5-year Treasury Note	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	<b>32.00%</b>
7-year Treasury Note	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	<b>34.00%</b>
10-year Treasury Note	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
<b>Year-to-date Return</b>														
MASI	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%	55.06%	29.90%	64.92%	69.52%	68.39%	<b>64.66%</b>
DSI	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%	52.11%	32.35%	50.42%	56.52%	62.53%	<b>62.47%</b>
FSI	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%	75.65%	15.08%	152.62%	148.16%	103.82%	<b>77.91%</b>

\*: Reserve Bank of Malawi opening exchange rates (middle) as of 23 May 2025

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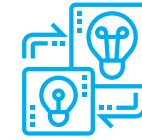
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