

Malawi Financial Market Update

Week ending 30 May 2025





Malawi Financial Market Update: Week ending 30 May 2025

Market Developments

What happened this week

The Reserve Bank of Malawi has posted a net profit of MK356 billion in 2024, recovering from a MK539 billion loss in 2023. The recovery was mainly driven by a substantial reduction in foreign exchange losses, which fell to MK48 billion from MK708 billion the previous year.

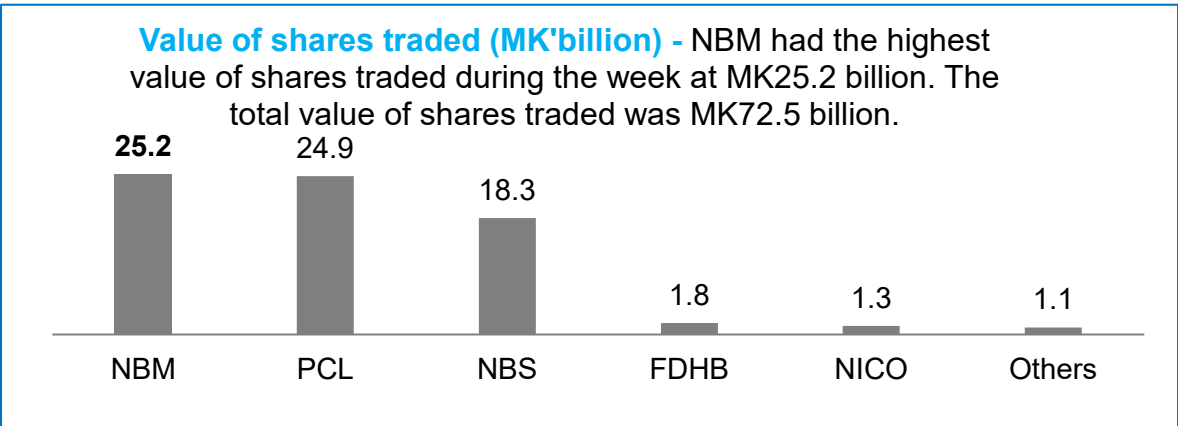
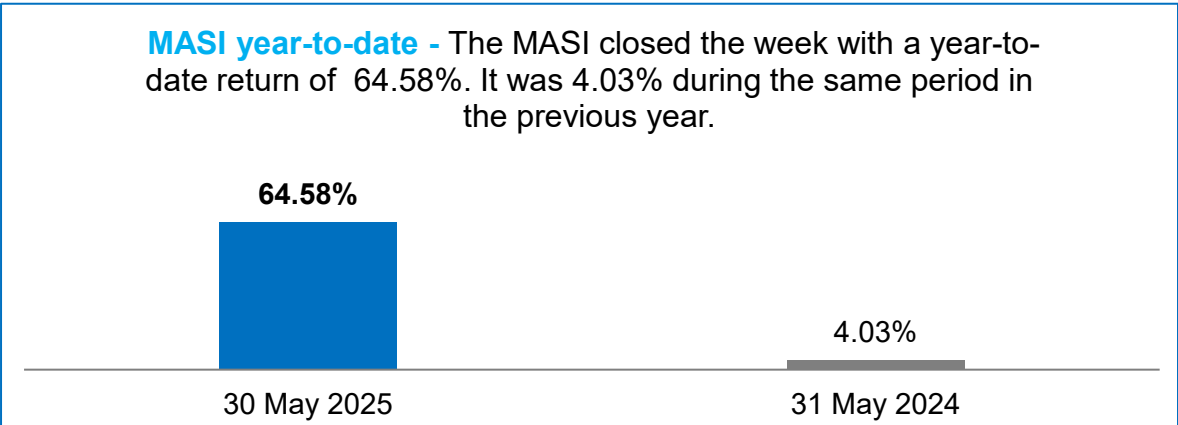
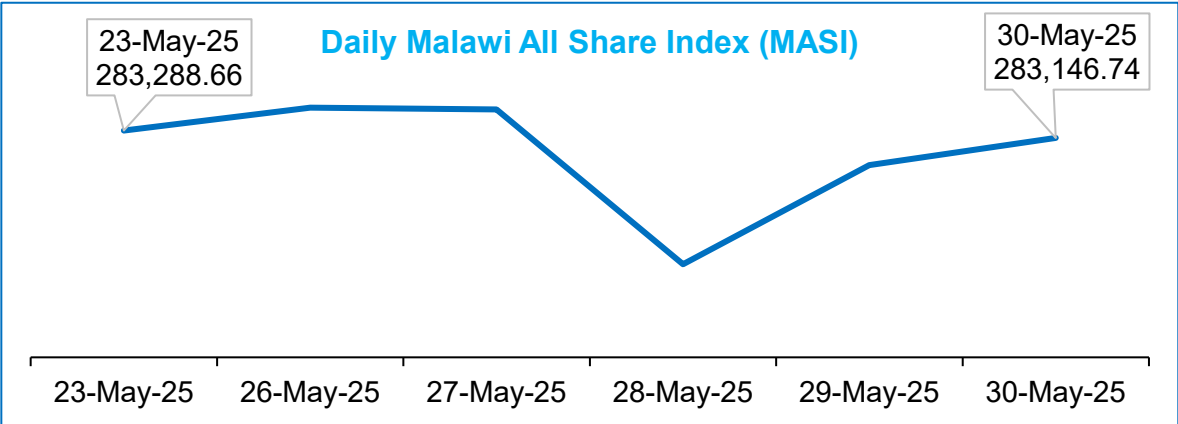
1. The Reserve Bank of Malawi (RBM) posted a net profit of MK356 billion in 2024, recovering from a MK539 billion loss in 2023. The turnaround was mainly driven by a significant drop in foreign exchange losses, which fell to MK48 billion from MK708 billion. The bank's asset base grew by 17.7%, rising from MK4.2 trillion to MK5.1 trillion. Analysts attributed the foreign exchange exposure to RBM's role in reserve accumulation, which makes hedging difficult. Following the MK539 billion loss in 2023, the Ministry of Finance provided a MK600 billion bailout to support the bank's capital position. RBM directors expressed confidence in the bank's continued operations, citing adequate resources and government backing. (*The Nation*, 27 May 2025)
2. Malawi's Energy Minister emphasized the need to boost electricity production to drive the nation's growth. These remarks were made following a power purchase signing ceremony between ESCOM and Mzuzu University (Mzuni) at Bingu International Convention Centre in Lilongwe. Mzuni is developing a 20MW solar power farm plant at Choma worth USD20 million and has also concluded another deal that will scale the operation up to 50MW worth USD70 million. The plant is expected to feed into the national grid in 2026. In a related development, Nyika Hydropower Group has also signed a Power Purchase Agreement for a 51MW project with ESCOM that will supply additional power to the national grid. These projects are expected to provide people of the Northern Region stable and reliable power in addition to aiding the government achieve its Agriculture, Tourism, Manufacturing and Mining (ATMM) goals. (*The Daily Times*, 30 May 2025)
3. The Malawi Investment Trade Centre (MITC) has signed a USD5 billion investment with Chinese firms to develop Chipoka into a Chinese Model City. The agreement, signed following a pitch by MITC Director General at the Xidian International Stock Exchange forum in Changsha, China, will see an initial USD1 billion injected over the next 12 months. The event drew over 300 Chinese business leaders with Liaoning Jingmao Quantum Technology Company Limited pledging USD520 million towards infrastructure, pharmaceuticals, and mining, while Kings Group committed USD100 million for a fertilizer plant, boosting Malawi's agri-industrial goals. (*The Nation*, 30 May 2025)
4. Further to the cautionary statement dated 24th March 2025, Press Corporation Plc (PCL) has advised that exclusive negotiations for the potential sale of its entire shareholding in Malawi Telecommunications Limited (MTL) are still ongoing. The company notes that the outcome of these discussions may impact its share price and urges shareholders to exercise caution and seek professional advice before dealing in PCL shares. PCL will continue to provide updates in accordance with Malawi Stock Exchange Listing Requirements. (*PCL*, 26 May 2025)
5. As of 29 May 2025, a cumulative 70.1 million kilograms (kgs) of tobacco have been sold at an average price of USD2.45/Kg. The cumulative amount raised so far is USD171.6 million. At this time last year, a cumulative 58.7 million kgs of tobacco had been sold at an average price of USD2.80/Kg, and a cumulative USD164.2 million had been raised. (*Auction Holdings Limited*, 29 May 2025)
6. Illovo Sugar (Malawi) Plc has attributed the ongoing sugar shortage in parts of the country to a delayed start in its 2025 crushing season and increased illegal exports. The delay was caused by adverse weather conditions, including unexpected rains, which disrupted harvesting operations at the Nchalo and Dwangwa estates. In addition, informal cross-border trade has led to the diversion of sugar to neighboring countries, creating supply gaps in the local market. Major retail outlets in urban centers have experienced stockouts, while others are rationing. The Ministry of Trade and Industry, in collaboration with Illovo are addressing the issue through enhanced enforcement measures and plans to impose stricter penalties on smugglers. (*The Nation*, 26 May 2025)
7. According to the Reserve Bank of Malawi (RBM), Malawi's export earnings dropped by 7.8% to USD30.1 million in March, primarily due to a significant decline in tobacco sales from USD11.3 million in February to USD3.3 million in March. Other exports, including macadamia nuts, sugar, groundnuts, tea, coffee, and soya beans, saw increases totaling USD5.8 million. Despite a decline in imports from USD293.7 million in February to USD264.8 million in March 2025, the import total was still greater than the USD235.5 million recorded in March 2024. Economists have attributed the decline in trade balance to a reliance on a few commodities, foreign exchange shortages, high production costs and unreliable infrastructure. (*The Daily Times*, 30 May 2025)



Malawi Financial Market Update: Week ending 30 May 2025

Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) closing the week ending 30 May 2025 at 283,146.74 points from 283,288.66 points on 23 May 2025.



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

SUNBIRD	1.45%
BHL	0.07%
STANDARD	0.06%
NITL	0.01%
AIRTEL	0.00%
ICON	0.00%
MPICO	0.00%
OMU	0.00%
PCL	0.00%
NBM	0.00%
ILLOVO	0.00%
NICO	0.00%
TNM	-0.09%
FMBCH	-0.09%
FDHB	-0.11%
NBS	-0.55%

Symbol	Closing prices as of 30 May 2025 (MK/share)	Closing prices as of 23 May 2025 (MK/share)
AIRTEL	127.95	127.95
BHL	14.56	14.55
FDHB	313.59	313.92
FMBCH	988.86	989.80
ICON	17.95	17.95
ILLOVO	1,791.39	1,791.42
MPICO	19.00	19.00
NBM	6,200.12	6,200.14
NBS	338.65	340.52
NICO	776.41	776.43
NITL	715.22	715.16
OMU	2,500.03	2,500.03
PCL	3,999.97	3,999.98
STANDARD	9,510.00	9,504.71
SUNBIRD	350.01	345.01
TNM	22.98	23.00



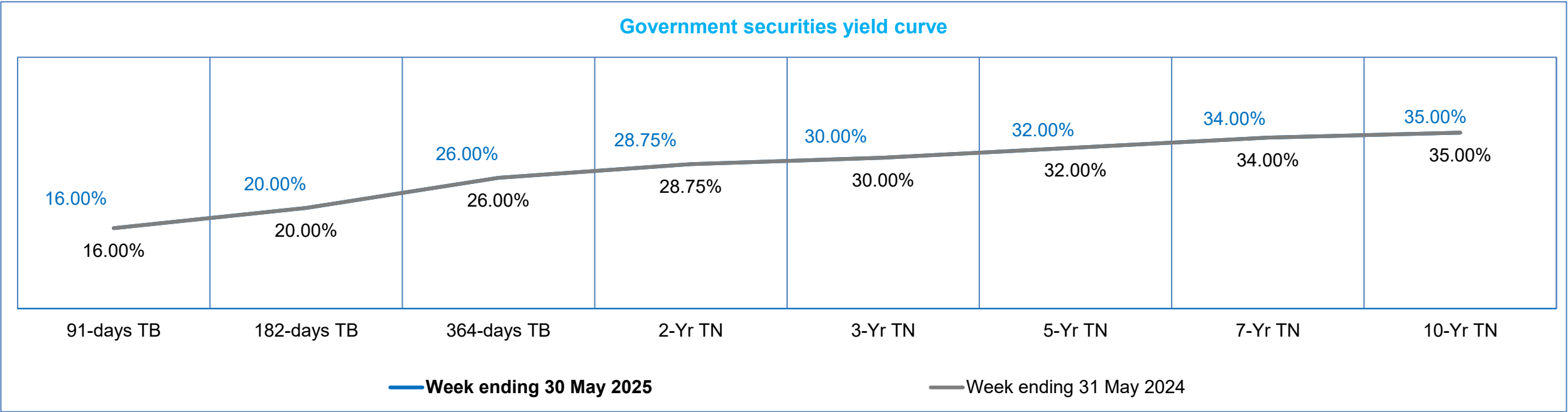
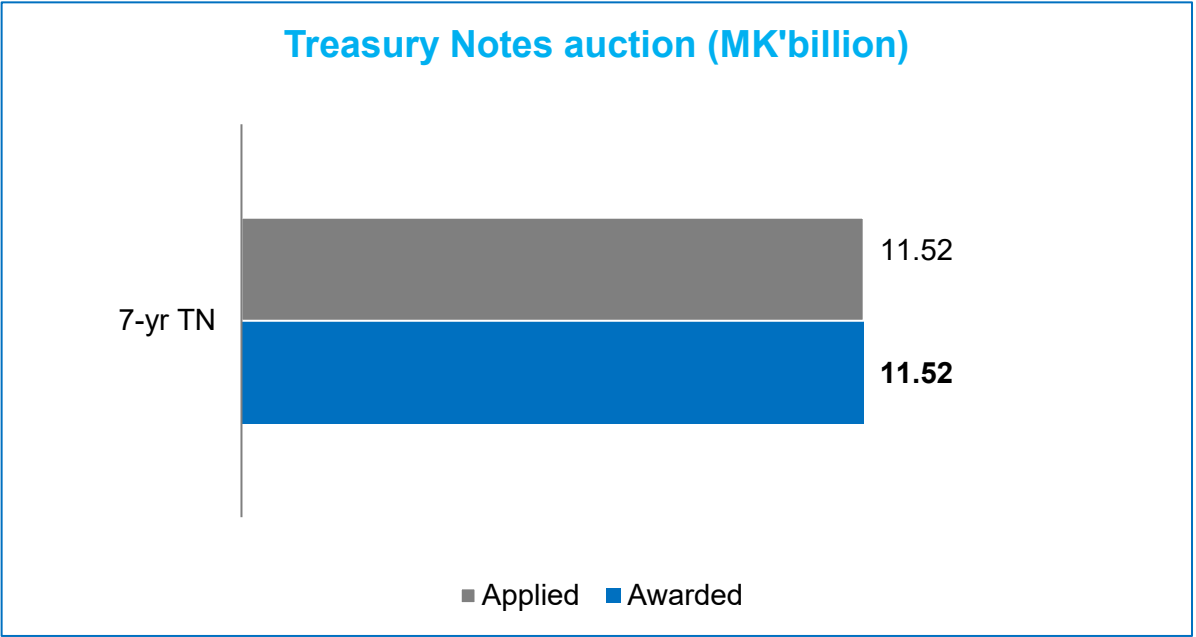
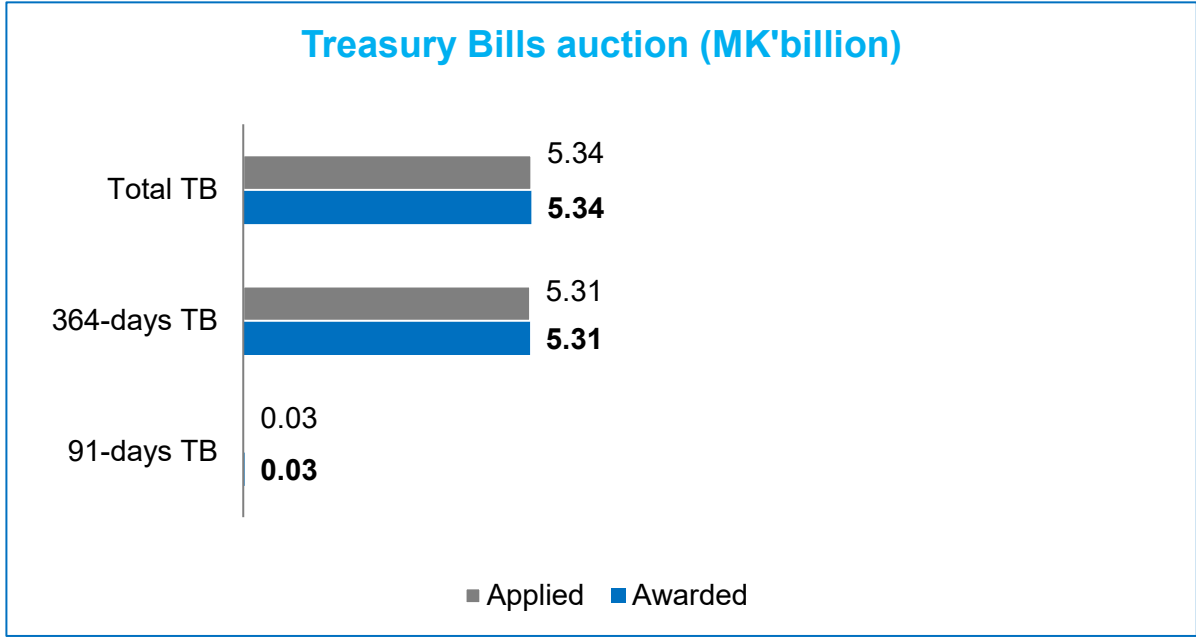
Government Securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and a 7-year Treasury Note (TN) during the period under review.

The total amount raised from the TBs auction was MK5.34 billion, primarily driven by the 364-days TB.

The total amount raised from the 7-year TN auction was MK11.52 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	30-May-25
Exchange Rates (middle rates)														
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	1,734.01*
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	2,407.39*
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	2,026.61*
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	100.61*
Foreign Exchange Reserves														
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	536.0	N/A	N/A
Inflation														
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%	N/A
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%	N/A
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%	N/A
Interest Rates														
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%	26.00%
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%	23.82%
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%	26.20%
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%	25.20%
Government Securities Yields														
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%	16.00%
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%	20.00%
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%	26.00%
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%	28.75%
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%	30.00%
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%	32.00%
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%	34.00%
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%	35.00%
Year-to-date Return														
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%	64.58%
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%	62.41%
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%	77.74%

*: Reserve Bank of Malawi opening exchange rates (middle) as of 30 May 2025

Disclaimer

Although every effort was made to ensure the information in this report is authentic, the report should only be used for indicative purposes. Bridgepath Capital Limited accepts no responsibility or liability resulting from usage of information from this report. Every recipient using this report should make independent efforts to ascertain the accuracy of the information.

Contact Information

Head Office – Blantyre

Bridgepath Capital Limited
1st Floor (106), Development House
Corner Henderson Street Road
P.O. Box 2920
Blantyre

Lilongwe Office

Bridgepath Capital Limited
Taurus House, Off Presidential Drive
City Center
Lilongwe

Tel No: + 265 111 828 355

Email: info@bridgepathcapitalmw.com

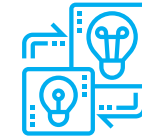
Website: www.bridgepathcapitalmw.com

Our Financial Advisory Solutions

We provide a range of financial advisory solutions to meet your needs and challenges:



Valuations



Business/Financial Modeling



Independent Business Reviews



Mergers and Acquisitions Transaction Services



Business Plans/feasibility studies/Financial Projections



Project Finance Advisory



Capital Raising



Equity/IPO Advisory

**Invest.
Achieve.
Be Different.**