

Malawi Financial Market Update

Week ending 20 June 2025





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Market Developments

What happened this week

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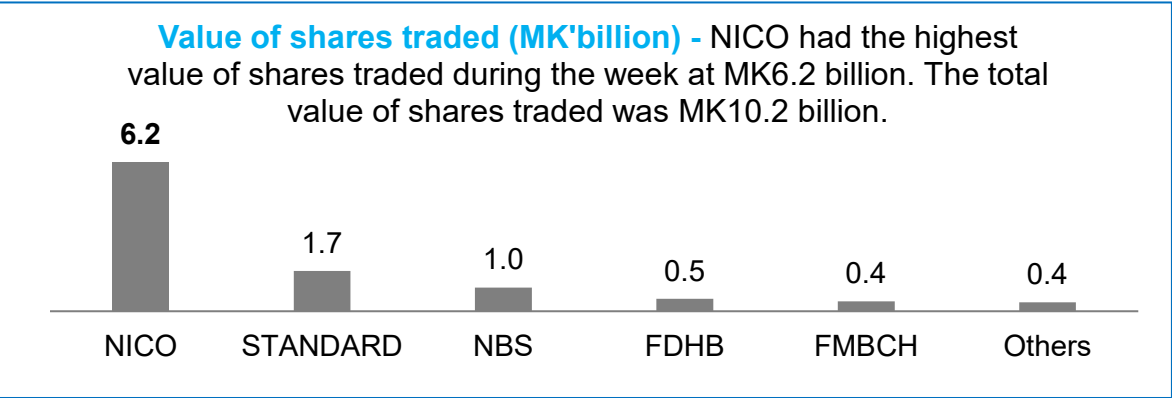
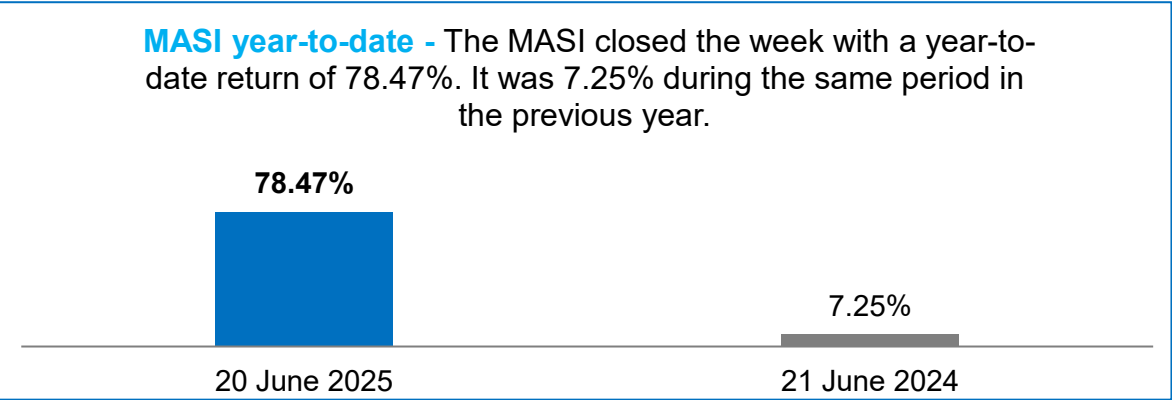
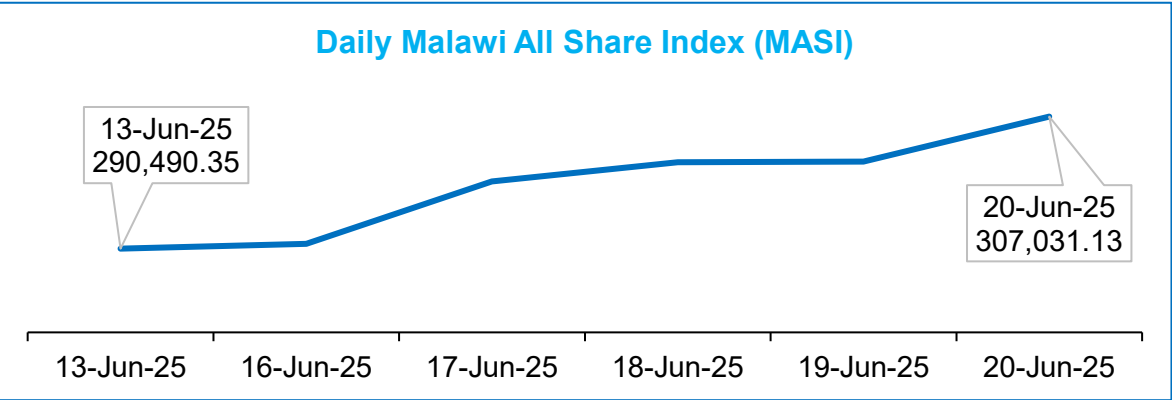
Malawi has signed a USD50 million agricultural investment agreement with China's Huaihua Yongcheng Agricultural Technology, paving the way for the establishment of a China-Malawi Agricultural Industrial Park in Salima.

1. The headline inflation rate eased to 27.7% in May 2025 from 29.2% in April 2025, largely due to a slowdown in food price growth. Food inflation rate declined to 32.7% from 35.8%, while non-food inflation rate rose modestly to 20.0% from 19.4%. On a monthly basis, overall inflation stood at 0.6%, with food inflation at 0.2% and non-food inflation at 1.2%. Urban and rural inflation rates were 0.6% and 0.5%, respectively. (*National Statistical Office, 15 June 2025*)
2. Global oil prices have increased by at least 10% following renewed conflict between Israel and Iran, with Brent crude reaching USD78 per barrel. The Malawi Energy Regulatory Authority (MERA) board is yet to convene, and Petroleum Importers Limited (PIL) has not engaged with authorities on mitigation strategies. PIL warns the situation could lead to price hikes, stressing that early procurement could have cushioned the impact, a missed opportunity amid ongoing forex shortages. (*Daily Times, 19 June 2025*)
3. Malawi has signed a USD50 million agricultural investment agreement with China's Huaihua Yongcheng Agricultural Technology, paving the way for the establishment of a China-Malawi Agricultural Industrial Park in Salima. Signed during the China-Africa Economic and Trade Expo, the deal promises to modernise farming practices and boost agro-industrial capacity through a 5,000-hectare industrial park. The park will integrate farming, processing, logistics, and training facilities, and the Malawi Government will retain a 30% equity stake via a Special Purpose Vehicle. The initiative is expected to enhance yields, create jobs, and strengthen export competitiveness through technology transfer and foreign direct investment. (*Daily Times, 17 June 2025*)
4. Italy has pledged MK40.8 billion to support Malawi's health sector through two major projects targeting HIV and AIDS, tuberculosis (TB), cancer in women and other non-communicable diseases. The support comes amid growing uncertainty around continued assistance from traditional donors like USAID. The projects will run over three years in six districts, implemented by the University of Rome, Community of Sant'Egidio Dream Programme, Kamuzu University of Health Sciences and the Peace and Development Trust. Italy also signaled intentions to expand support to agriculture and education. Government officials hailed the partnership as timely, reinforcing Malawi's health goals amid shrinking external assistance. (*The Nation, 18 June 2025*)
5. As of 19 June 2025, a cumulative 110.3 million kilograms (kgs) of tobacco have been sold at an average price of USD2.51/Kg. The cumulative amount raised so far is USD276.5 million. At this time last year, a cumulative 130.3 million kgs of tobacco had been sold at an average price of USD2.97/Kg, and a cumulative USD386.9 million had been raised. (*Auction Holdings Limited, 19 June 2025*)
6. Telekom Networks Malawi (TNM) has announced a MK16 billion investment to upgrade its telecommunications network across 650 sites nationwide. The initiative, which focused on Lilongwe, Blantyre, Zomba, and Mzuzu, is aimed at enhancing service quality and supporting the growing demand for digital connectivity. TNM's Chief Technical Officer highlighted that the upgrades involved both hardware improvements and advanced software enhancements to improve voice clarity, internet speeds, and overall user experience. The project forms part of TNM's broader vision to deliver reliable, high-capacity digital services to both individual and enterprise customers across Malawi. (*The Daily Times, 19 June 2025*)
7. The World Bank has ordered Malawi's local councils to refund MK1.3 billion by 30 June 2025, after uncovering financial irregularities under the Social Support for Resilient Livelihoods Project (SSRLP). A review of the 2021/22 and 2022/23 financial years found noncompliance with funding guidelines and serious accountability breaches. Nsanje and Dedza district councils are among those flagged, with Nsanje owing MK169 million, largely due to missing documentation and Dedza MK93 million for procurement anomalies. Refunds are to be processed via the National Local Government Finance Committee, which will also oversee internal audits, disciplinary actions, and tighter enforcement. The development revives concerns over weak financial controls at council level. (*The Nation, 17 June 2025*)



Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 20 June 2025 at 307,031.13 points from 290,490.35 points on 13 June 2025. There were share price gains in NBS, STANDARD and NICO resulting in an upward movement of the index.



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

NBS	32.21%
STANDARD	15.64%
NICO	12.76%
FMBCH	0.00%
NITL	0.00%
NBM	0.00%
FDHB	0.00%
ICON	0.00%
MPICO	0.00%
OMU	0.00%
PCL	0.00%
SUNBIRD	0.00%
TNM	0.00%
ILLOVO	0.00%
BHL	-0.07%
AIRTEL	-0.18%

Symbol	Closing prices as of 20 June 2025 (MK/share)	Closing prices as of 13 June 2025 (MK/share)
AIRTEL	127.56	127.79
BHL	14.50	14.51
FDHB	314.00	314.00
FMBCH	1,000.04	1,000.01
ICON	17.95	17.95
ILLOVO	1,791.36	1,791.38
MPICO	19.01	19.01
NBM	6,200.29	6,200.27
NBS	620.42	469.27
NICO	844.22	748.66
NITL	820.04	820.02
OMU	2,500.03	2,500.03
PCL	3,999.98	3,999.98
STANDARD	10,999.54	9,511.51
SUNBIRD	350.01	350.01
TNM	23.04	23.04



Government Securities (Source: RBM)

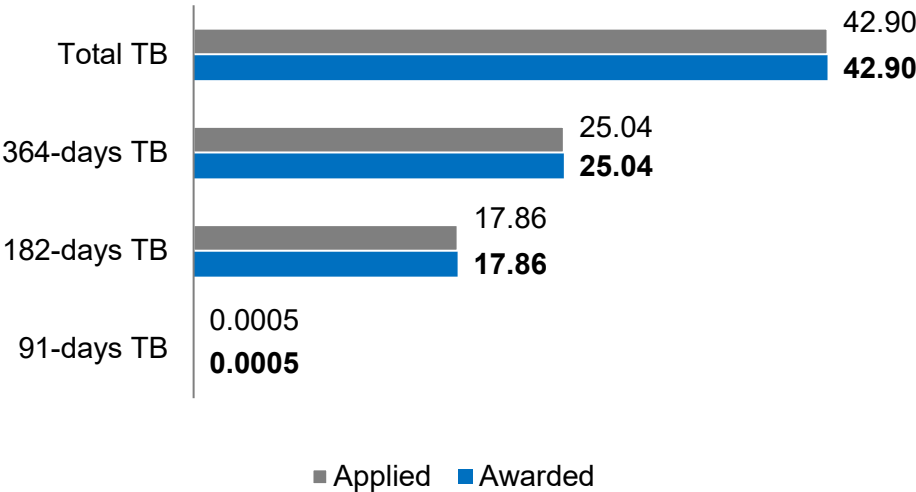
The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and Treasury Notes (TNs) during the period under review.

The total amount raised from the TBs auction was MK42.90 billion, primarily driven by the 364-days TB.

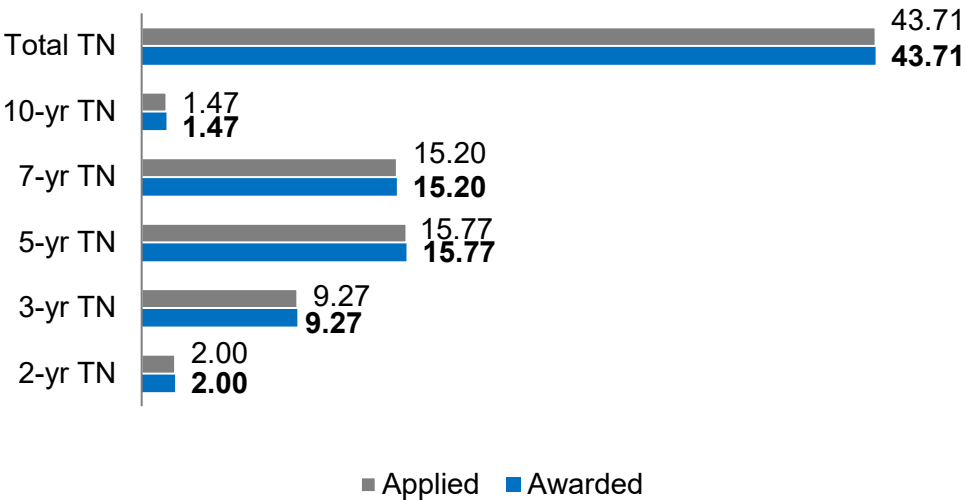
The total amount raised from the TNs auction was MK43.71 billion, primarily driven by the 5-yr and 7-yr TNs.

The average yields for Treasury Bills and Treasury Notes remained at 20.67% and 31.95%, respectively, during the period under review.

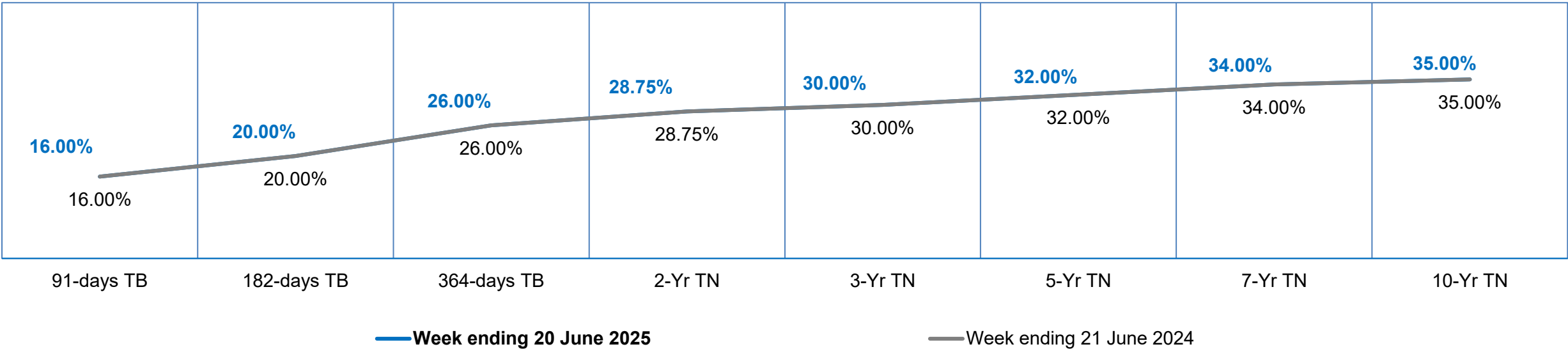
Treasury Bills auction (MK'billion)



Treasury Notes auction (MK'billion)



Government securities yield curve



TB: Treasury Bill
TN: Treasury Note



Appendix 1: Historical Economic Indicators

	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	May-25	20-Jun-25
Exchange Rates (middle rates)														
MK/USD	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	1,750.67	1,734.01
MK/GBP	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	2,415.65	2,408.46
MK/EUR	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	2,045.98	2,058.04
MK/ZAR	95.89	96.89	97.91	101.09	105.69	101.15	99.29	95.82	97.11	97.04	98.15	96.28	100.76	99.23
Foreign Exchange Reserves														
Total Reserves (USD'mn)	610.18	591.51	572.02	549.85	560.3	519.0	516.9	530.9	570.60	569.5	536.0	530.0	N/A	N/A
Inflation														
Headline	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	27.0%	28.1%	28.5%	30.7%	30.5%	29.2%	27.7%	N/A
Food	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	33.7%	35.6%	36.0%	38.5%	37.7%	35.8%	32.7%	N/A
Non-food	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	17.2%	16.8%	16.9%	18.5%	19.2%	19.4%	20.0%	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)	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%	23.99%
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	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%	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	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%	78.47%
DSI	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%	78.25%
FSI	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%	79.74%

The 20 June 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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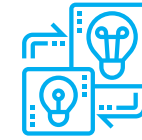
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