

# Malawi Financial Market Update

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Week ending 11 July 2025





### Market Developments

#### What happened this week

*Cotton exports from Malawi are projected to rise by 523.8% in 2025 to USD26.2 million, driven by a structured market established through the Cotton Council of Malawi.*

*Portland Cement Malawi is finalizing a MK200 billion cement plant that will double production, reduce imports, create jobs, and support Malawi's economic strategy, with launch expected by year-end.*

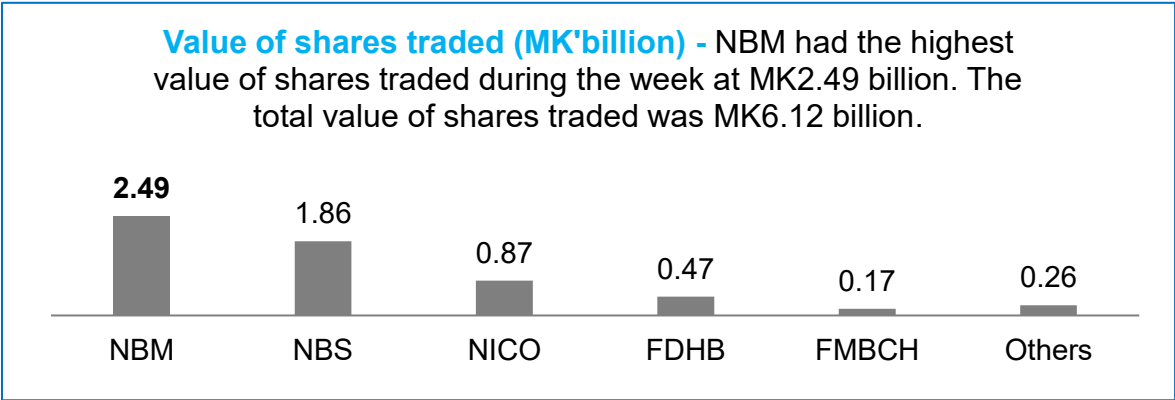
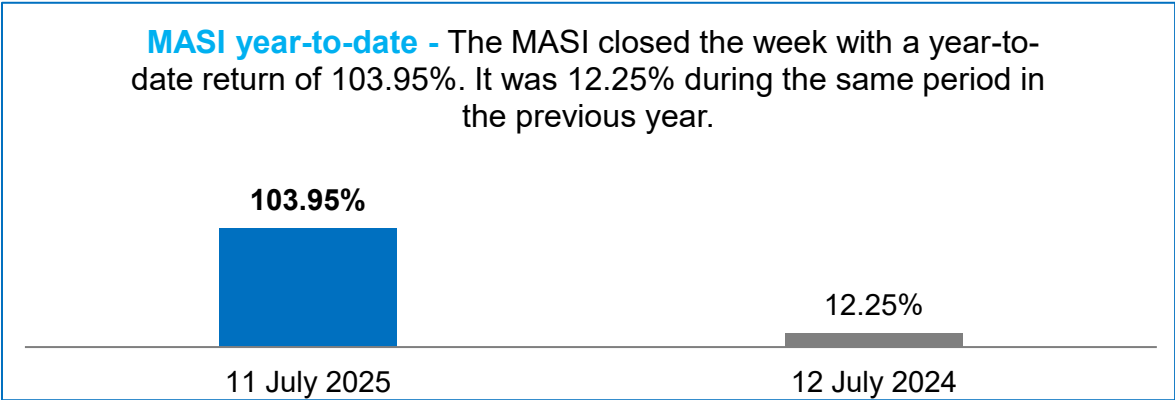
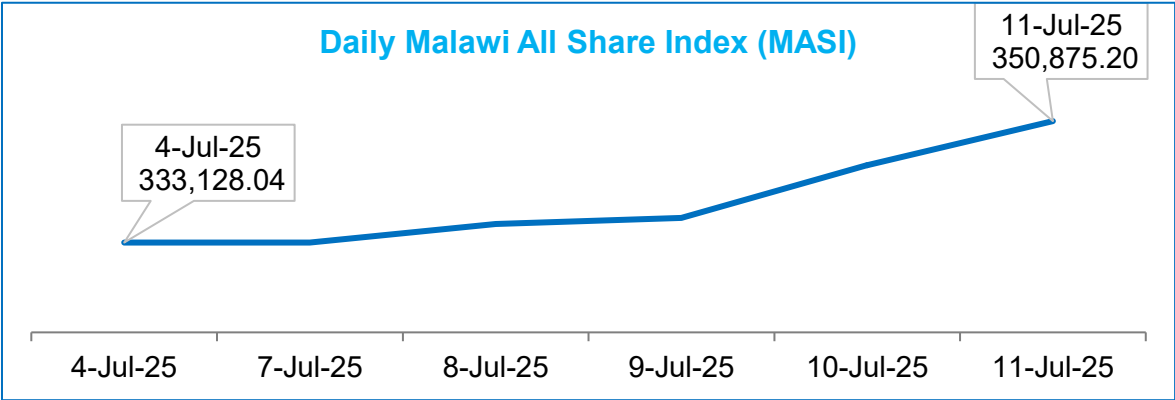
1. Records from the Ministry of Agriculture show that cotton exports are expected to increase by 523.8% to USD26.2 million in 2025 from USD4.2 million in 2024. According to the Minister of Agriculture, this has been driven by the establishment of a structured market through the Cotton Council of Malawi. The sector has already created 8,000 jobs, with projections of up to 40,000 more as production, processing, and value addition scale up. With domestic sales expected to generate MK28 billion, nearly 30,000 farmers have been digitally registered under a new Cotton Management Information System to improve efficiency and transparency. (*The Daily Times*, 9 July 2025)
2. Portland Cement Malawi Limited is nearing completion of a major MK200 billion cement manufacturing plant in Balaka, set to launch by year-end. The project, backed by China's Huaxin Cement, is expected to double the company's annual production capacity from 300,000 tonnes, helping meet Malawi's rising demand for cement in housing and infrastructure. The Chief Executive Officer (CEO) emphasized the plant's broader economic impact, including job creation, local sourcing of clinker to reduce imports, and support for Malawi's Agriculture, Tourism, and Mining (ATM) strategy. The project could save the country around USD50 million in foreign exchange annually and generate K5.5 billion in mining royalties. (*The Daily Times*, 11 July 2025)
3. Reserve Bank of Malawi (RBM) Governor has raised concerns over low compliance with the new Foreign Exchange Act of 2025, which came into effect in May after being signed by the President. The Act, replacing the 1984 Exchange Control Act, strengthens the RBM's enforcement powers and aligns Malawi's forex regulations with international standards to improve transparency and curb illicit financial flows. While the Governor is optimistic that the RBM's new authority will boost adherence, the Financial Dealers Association of Malawi President noted that formal communication on the Act's impact is still pending, but praised the reform as a necessary and modern step forward. (*The Daily Times*, 7 July 2025)
4. The Ministry of Lands has launched a new Real Estate Management Council to regulate the real estate sector under the Land Management Act of 2024. Speaking at the launch, the Minister of Lands said the council was created in response to widespread fraud by unqualified individuals posing as real estate managers. The council aims to bring order, accountability, and professionalism to the industry by ensuring that only licensed and registered practitioners operate legally. (*The Daily Times*, 8 July 2025)
5. The Malawi government is said to have cut the Agriculture Inputs Programme (AIP) budget by 67% over the past five years, dropping from USD224 million in 2020 to USD73 million in 2024. According to a Standard Bank Plc white paper, the reduction is part of broader agricultural reforms to shift focus from subsidies to irrigation and commercial farming. As a result, AIP beneficiaries have decreased from 3 million to 1 million. The Minister of Agriculture confirmed the changes, citing the fiscal burden of import-reliant subsidies. The ministry has since expanded irrigation to over 6,000 hectares and launched a USD300,000 mega farm project to support commercial farming. However, challenges remain, with Malawi's food security still fragile and agricultural output lagging behind regional peers. Experts recommend diversifying crops and improving export-focused farming, while banks are urged to speed up access to agricultural financing. (*The Daily Times*, 8 July 2025)
6. Maize prices in Malawi have risen to as high as MK1,300/kg (MK65,000 per 50kg bag) in some districts, according to spot checks by The Nation newspaper. Nationwide, prices range from MK48,000 to MK65,000 per bag. This rise comes amid a projected maize deficit of over 1.2 million metric tons (MT) for the 2024/25 season, according to the World Food Programme (WFP). In response, consumer advocates and traders are urging the government to strengthen strategic grain reserves and permit private imports to stabilize supply and curb further price increases. However, limited foreign exchange remains a key obstacle. Meanwhile, the Agricultural Development and Marketing Corporation (ADMARC) has managed to purchase only 15,140 MT of maize from farmers, against a target of 70,000 MT. (*The Nation*, 11 July 2025)
7. Illovo Sugar Malawi Plc has appointed Mr. Ronald Ngwira as the new Managing Director, effective 8 September 2025. (*The Daily Times*, 8 July 2025)
8. As of 10 July 2025, a cumulative USD373.7 million has been raised from tobacco sales. This amount corresponds to a total of 147.1 million kilograms (kgs) of tobacco sold at an average price of USD2.54/Kg. As of 10 July 2024, a cumulative USD362.5 million had been raised from 123.0 million kgs of tobacco sold at an average price of USD2.95/Kg. (*Auction Holdings Limited*, 10 July 2025)



Malawi Financial Market Update: Week ending 11 July 2025

Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 11 July 2025 at 350,875.20 points from 333,128.04 points on 4 July 2025. There were share price gains in FDH Bank, TNM, NITL, NBM and MPICO resulting in an upward movement of the index.



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



Symbol	Closing prices as of 11 July 2025 (MK/share)	Closing prices as of 4 July 2025 (MK/share)
AIRTEL	127.41	127.41
BHL	14.55	14.55
FDHB	458.61	350.19
FMBCH	1,199.71	1,199.69
ICON	17.93	17.92
ILLOVO	1,791.28	1,791.24
MPICO	19.25	19.02
NBM	6,500.02	6,200.45
NBS	700.00	699.81
NICO	865.00	865.00
NITL	900.00	830.02
OMU	2,500.04	2,500.03
PCL	5,100.00	5,100.00
STANDARD	12,000.01	12,000.00
SUNBIRD	350.01	350.01
TNM	34.50	29.30

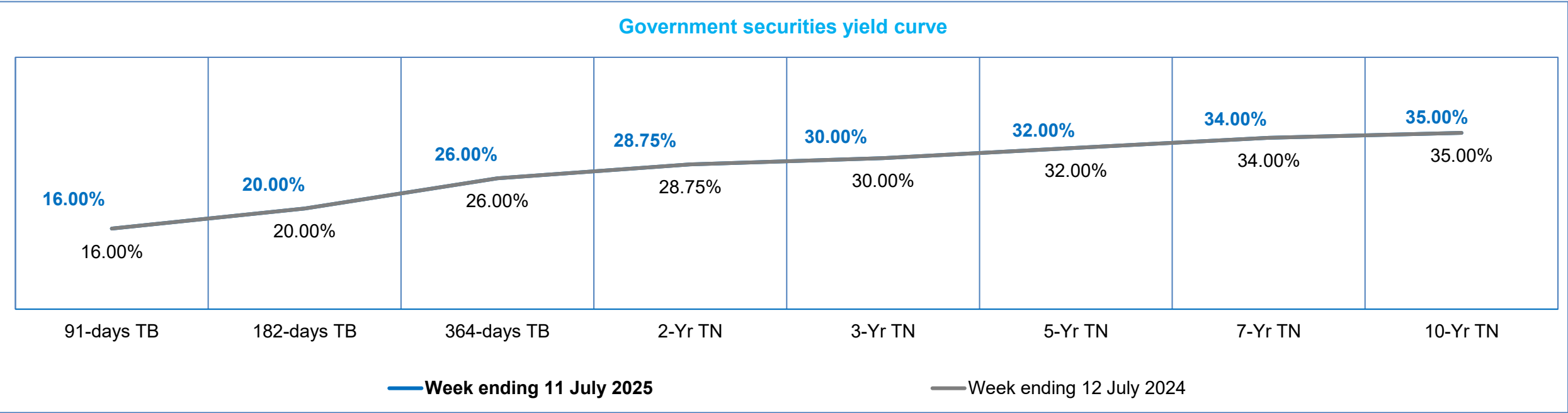
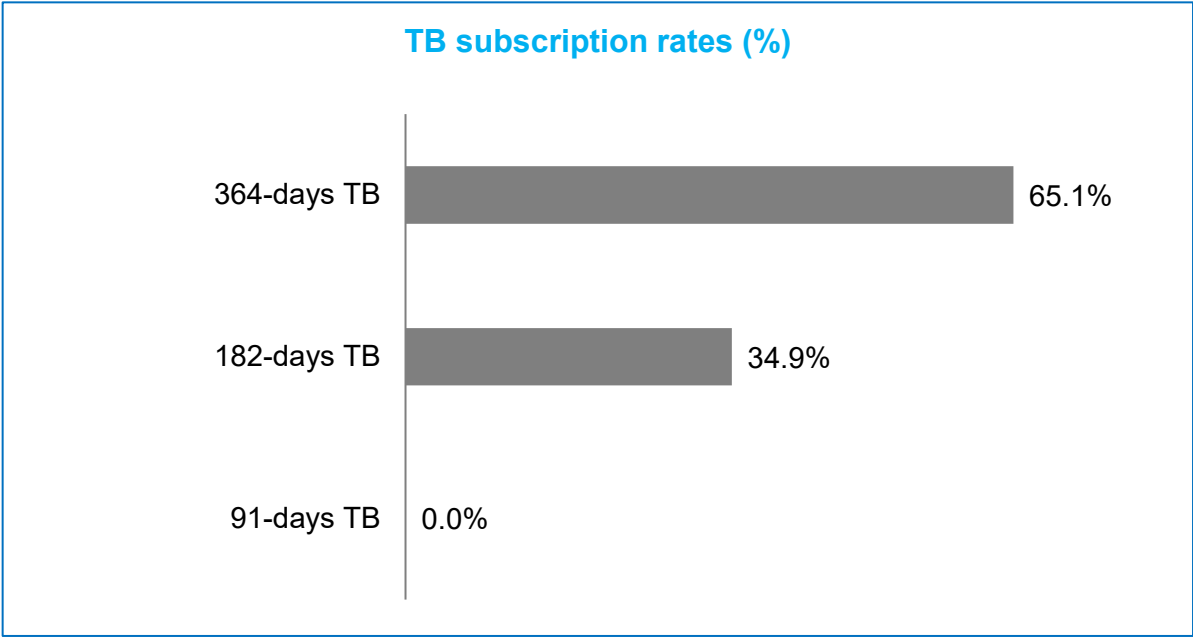
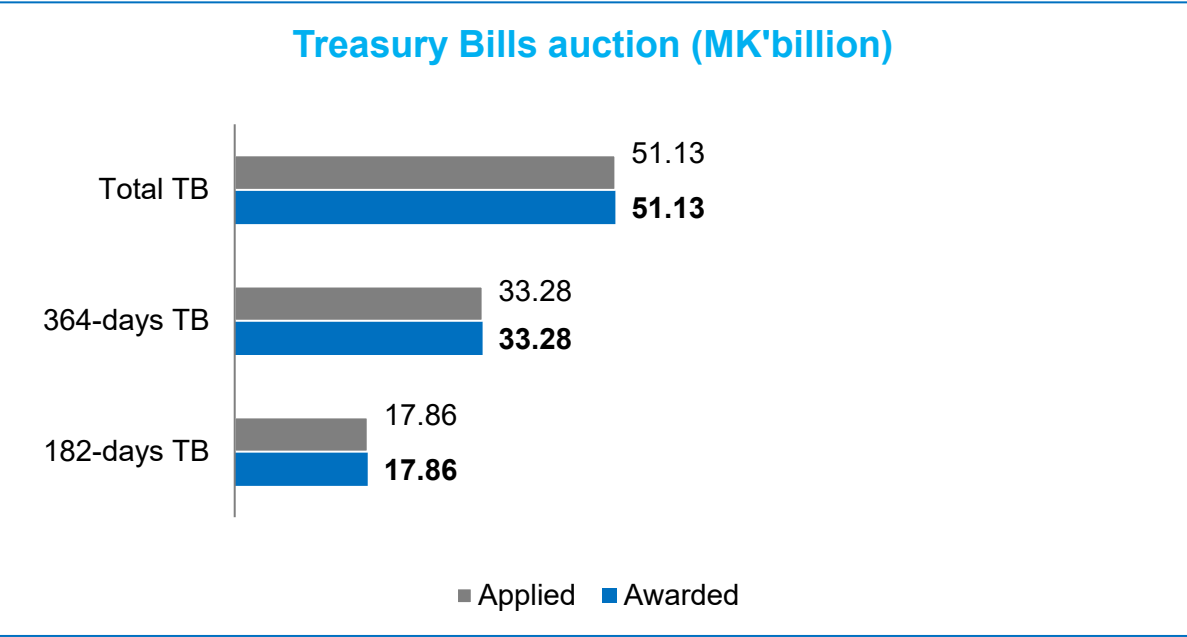


Government Securities (Source: RBM)

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

The total amount raised from the TBs auction was MK51.13 billion, primarily driven by the 364-days TB.

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



TB: Treasury Bill  
TN: Treasury Note





## Appendix 1: Historical Economic Indicators

	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	11-Jul-25
<b>Exchange Rates (middle rates)</b>														
MK/USD	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	1,750.48	<b>1,734.01</b>
MK/GBP	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	2,473.04	<b>2,417.39</b>
MK/EUR	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	2,112.10	<b>2,085.55</b>
MK/ZAR	96.89	97.91	101.09	105.69	101.15	99.29	95.82	97.11	97.04	98.15	96.28	100.76	100.57	<b>100.42</b>
<b>Foreign Exchange Reserves</b>														
Total Reserves (USD'mn)	591.51	572.02	549.85	560.3	519.0	516.9	530.9	570.60	569.5	536.0	530.0	521	N/A	<b>N/A</b>
<b>Inflation</b>														
Headline	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	<b>N/A</b>
Food	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	<b>N/A</b>
Non-food	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	<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)	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%	<b>23.98%</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	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	<b>25.30%</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	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%	55.06%	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	<b>103.95%</b>
DSI	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%	52.11%	32.35%	50.42%	56.52%	62.53%	62.41%	89.34%	<b>102.06%</b>
FSI	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%	75.65%	15.08%	152.62%	148.16%	103.82%	77.74%	106.49%	<b>115.40%</b>

The 11 July 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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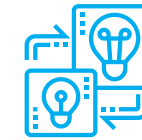
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