

Malawi Financial Market Update

Week ending 4 July 2025





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Market Developments

What happened this week

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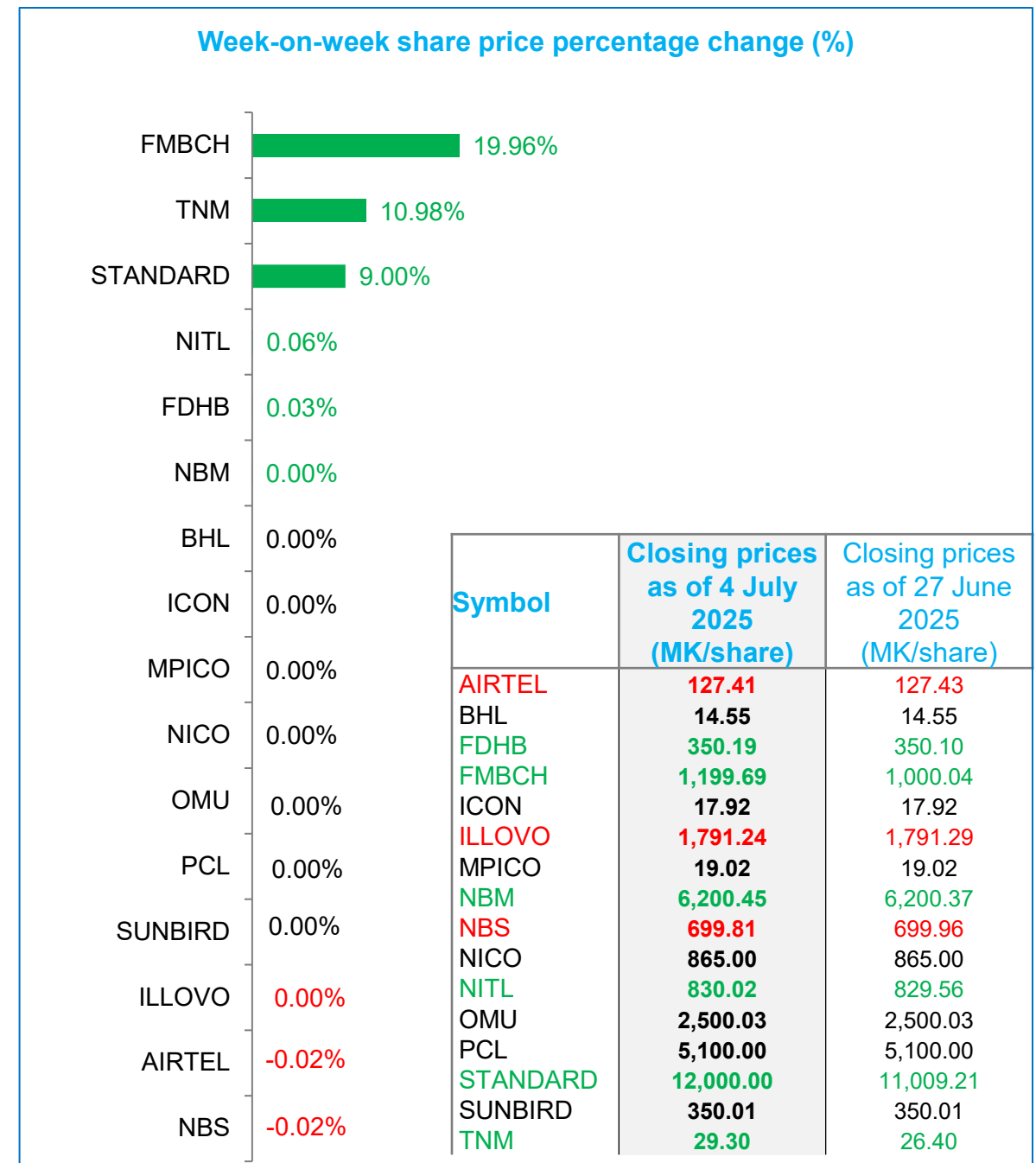
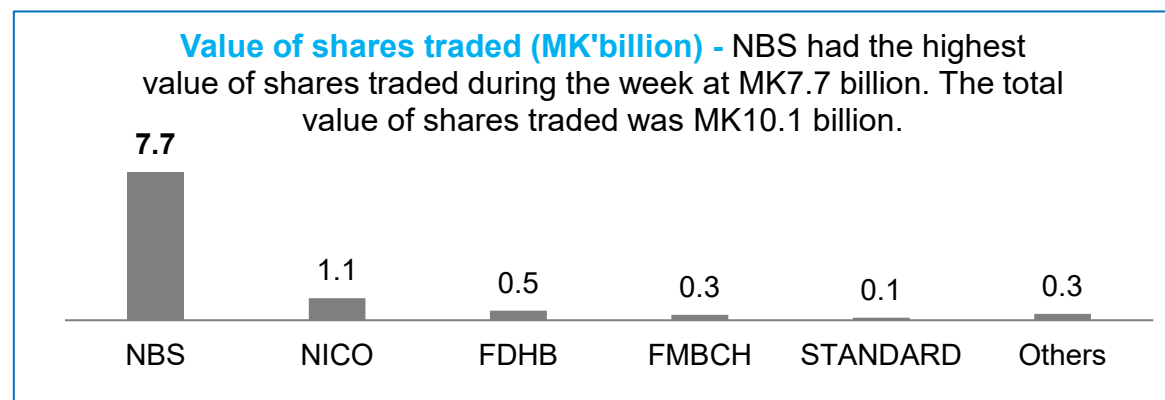
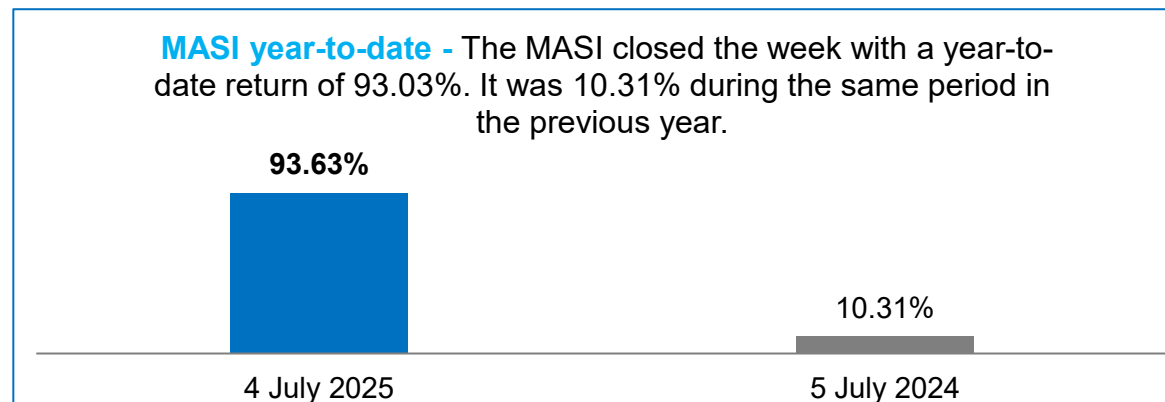
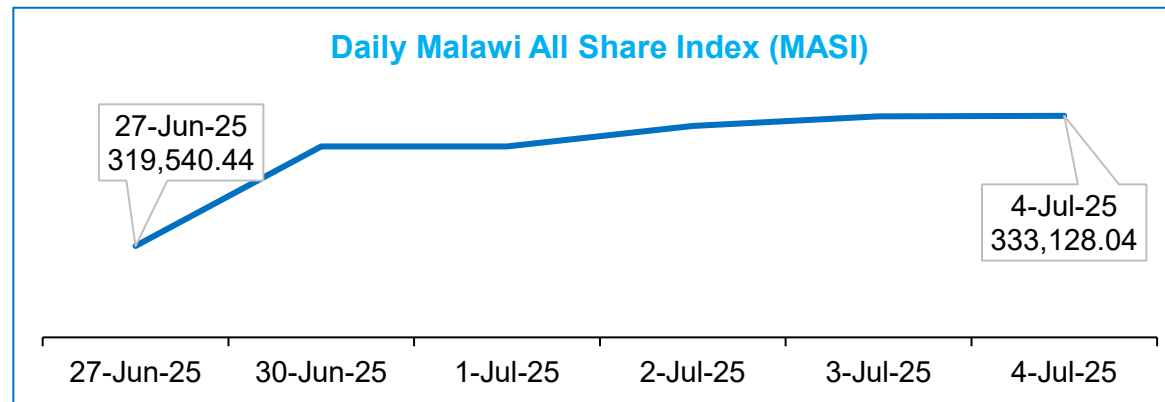
1. The World Bank has reaffirmed its USD350 million grant support for the Mpatamanga Hydropower Storage Project, highlighting it as a catalytic anchor for unlocking an additional USD1 billion in financing. The funding is contingent upon Malawi undertaking critical reforms, including ensuring macroeconomic discipline, meeting the conditions outlined in the financing agreement, resolving persistent foreign exchange challenges, and improving the efficiency of the national power utility. The project is expected to double hydroelectric capacity by 2031, stabilise power supply, and generate up to USD50 million annually in electricity export revenue. (*The Nation, 28 June 2025*)
2. A new study by the Centre for Agricultural Research and Development (CARD) at LUANAR, titled “Leaving No Farmer Behind: Towards a More Inclusive and Sustainable Extended-Affordable Input Programme for Malawi,” has recommended a hybrid subsidy model combining conditional support for productive farmers and unconditional aid for vulnerable households during food shortages. The proposed structure targets 40% to 60% of smallholder farmers, with a cost-sharing approach where farmers contribute 70% of fertiliser costs and the government 30%. The study argues that this model enhances return on investment, aligns with current budget constraints, and promotes long-term productivity. It also advocates for bulk procurement and private sector distribution, while criticising past subsidy models for entrenching maize dependency and failing to address food insecurity. (*The Nation, 30 June 2025*)
3. The commercial bank reference rate for July 2025 is 25.30%, an increase from 25.10% recorded in June 2025. The rate is effective as of 3 July 2025. (*National Bank of Malawi Plc, 2 July 2025*)
4. As of 3 July 2025, a cumulative USD345.0 million has been raised from tobacco sales. This amount corresponds to a total of 136.3 million kilograms (kgs) of tobacco sold at an average price of USD2.53/Kg. At the same time last year, the cumulative amount raised was USD343.9 million from 117.3 million kgs of tobacco sold at an average price of USD2.93/Kg. (*Auction Holdings Limited, 3 July 2025*)
5. FDH Bank Plc released a trading statement advising that the consolidated profit after tax for the half year ending 30 June 2025 is expected to be in the range of MK57.8 billion to MK60.8 billion, representing an increase of between 107% and 118% on the profit after tax reported for the half year ending 30 June 2024, which stood at MK27.9 billion. (*FDH Bank Plc, 30 June 2025*)
5. ICON Properties Plc released a trading statement advising that the profit after tax for the half year ending 30 June 2025 is expected to be in the range of MK11 billion to MK13 billion, representing an increase of between 18% and 33% from MK9.7 billion reported for the half year ending 30 June 2024. (*ICON Properties Plc, 27 June 2025*)
6. Blantyre Hotels Plc released a trading statement advising that the profit after tax for the half year ending 30 June 2025 is expected to be in the range of MK3.35 billion to MK3.51 billion. This represents a significant turnaround from a loss after tax of MK781 million in the previous corresponding period, reflecting an increase of between 529% and 549%. The profit increase is primarily attributed to the interest earned on proceeds from the rights issue, which were earmarked for the Lilongwe Hotel Project. (*Blantyre Hotels Plc, 30 June 2025*)
7. National Investment Trust Plc released a trading statement advising that profit after tax for the half year ending 30 June 2025 is expected to be between MK79.5 billion and MK80.5 billion, representing an increase of between 1,742% and 1,765% from MK4.32 billion reported in the previous corresponding period. The sharp growth is attributed to the strong performance of listed shares on the Malawi Stock Exchange, with the Malawi All Share Index rising by 85.83% in 2025 compared to 9.12% in 2024. (*National Investment Trust Plc, 30 June 2025*)
8. MPICO Plc released a trading statement advising that group profit after tax for the half year ending 30 June 2025 is expected to be in the range of MK7.18 billion to MK7.99 billion, representing an increase of between 26% and 40% from MK5.7 billion reported in the previous corresponding period. (*MPICO Plc, 26 June 2025*)
9. Press Corporation Plc released a trading statement advising that the consolidated profit after tax for the half year ending 30 June 2025 is expected to be in the range of MK89.26 billion to MK96.03 billion, representing an increase of between 97% and 112% from MK45.28 billion reported for the half year ending 30 June 2024. Profit attributable to shareholders is projected between MK46.21 billion and MK49.65 billion, compared to MK22.61 billion in the previous corresponding period—an increase of between 104% and 120%. (*Press Corporation Plc, 25 June 2025*)



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Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 4 July 2025 at 333,128.04 points from 319,540.44 points on 27 June 2025. There were share price gains in FMBCH, TNM and STANDARD, resulting in an upward movement of the index.





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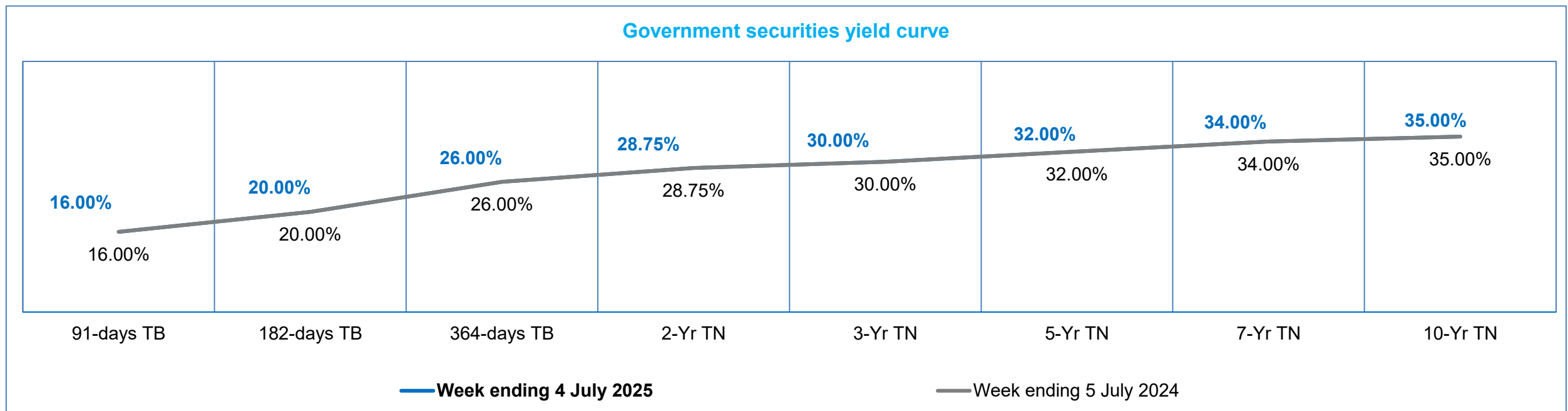
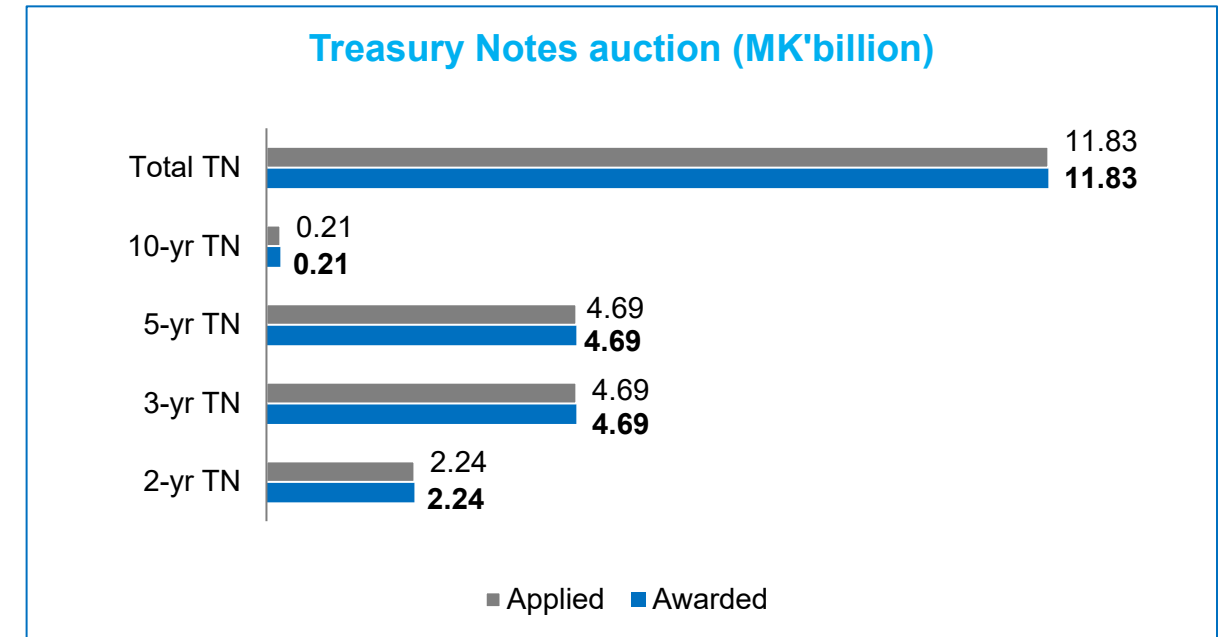
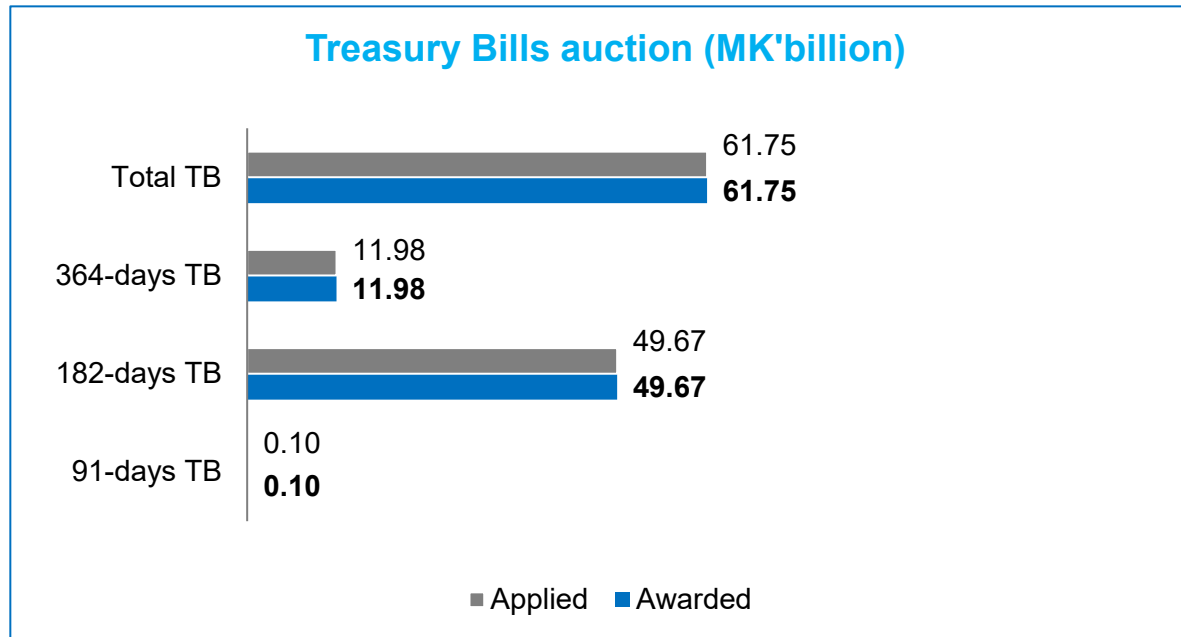
Government Securities (Source: RBM)

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 MK61.75 billion, primarily driven by the 182-days TBs.

The total amount raised from the TNs auction was MK11.83 billion, primarily driven by the 5-year and 3-year TNs.

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	4-Jul-25
Exchange Rates (middle rates)														
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	1,734.01
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	2,440.61
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	2,103.41
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	101.70
Foreign Exchange Reserves														
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	N/A	N/A	N/A
Inflation														
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	N/A
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	N/A
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	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)	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%	23.98%
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	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%
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	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%	93.03%
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%	89.33%
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%	115.40%

The 4 July 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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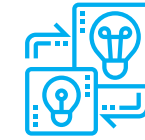
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