

Malawi Financial Market Update

Week ending 15 August 2025





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Market Developments

What happened this week

The President inaugurated the restart of Kayelekera Uranium Mine, with first production expected by September 2025.

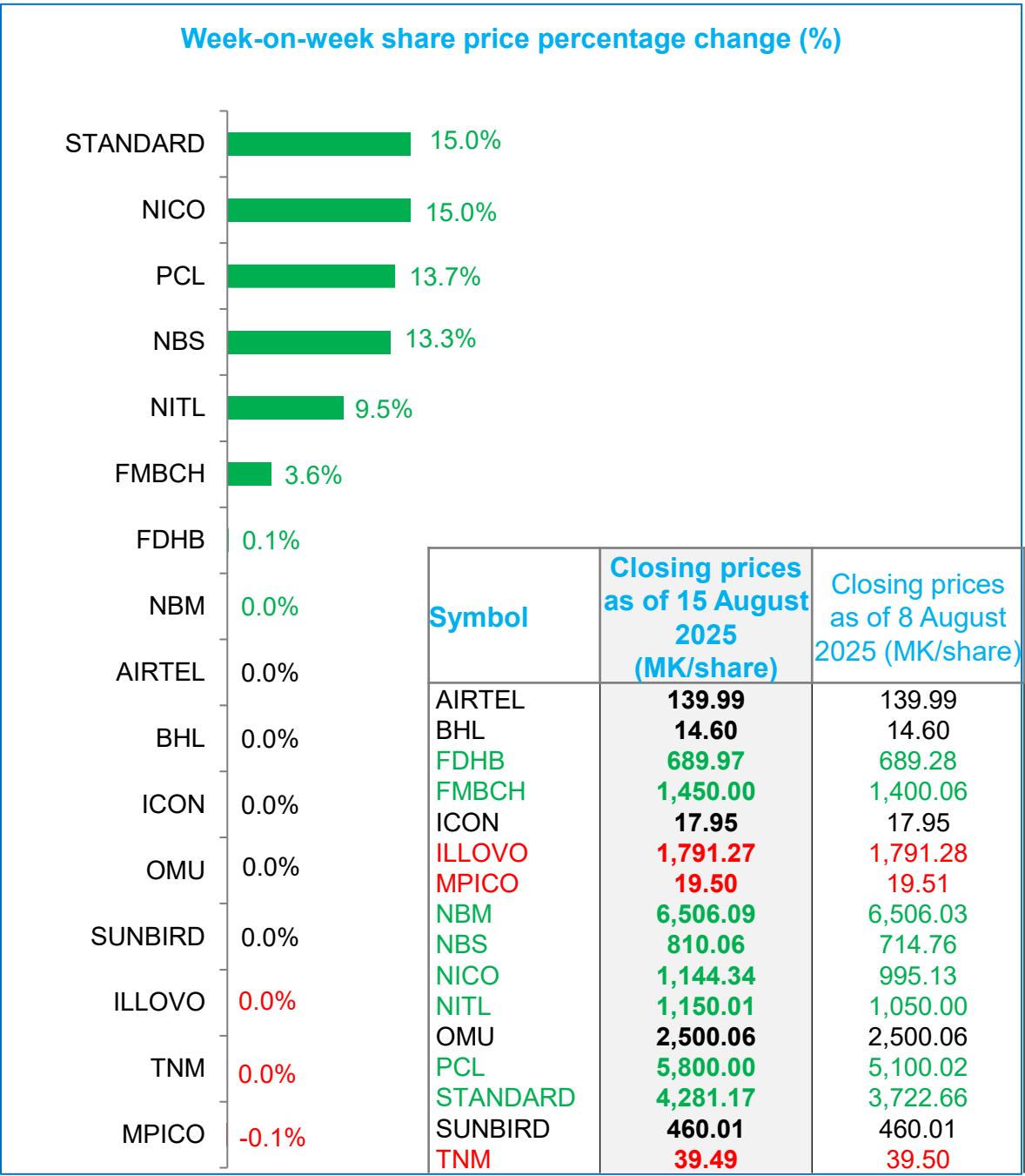
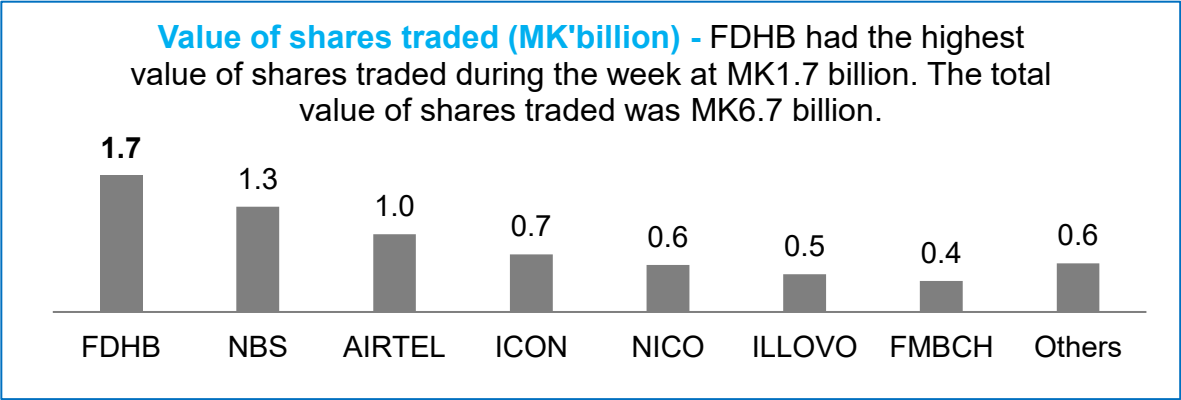
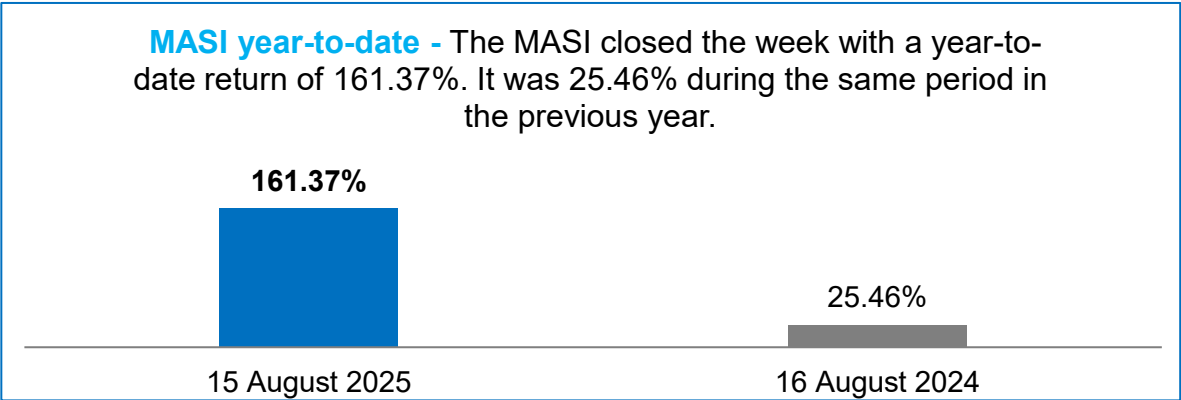
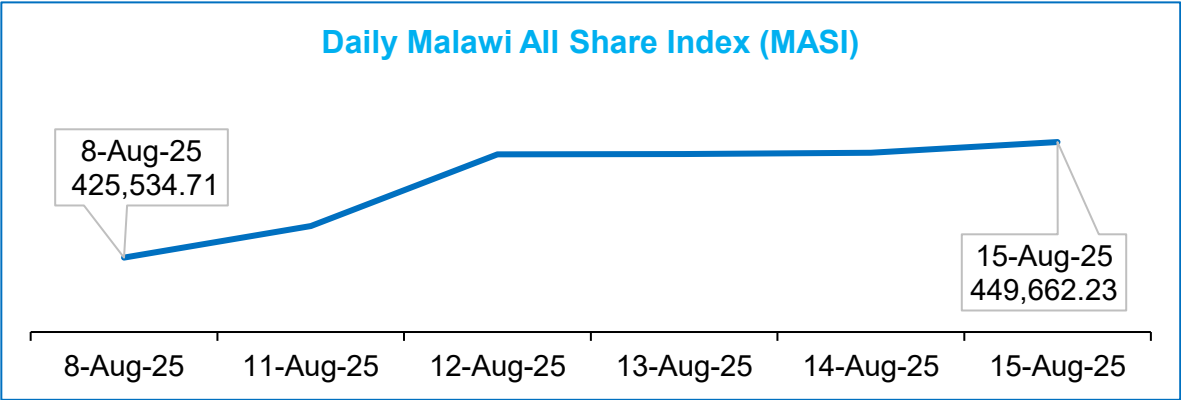
1. The President of the Republic of Malawi presided over the official inauguration of the commissioning and restart of the Kayelekera Uranium Mine on 12 August 2025. Lotus Resources Limited's chief operations officer (COO) confirmed that they are currently in the process of commissioning the processing plant and expect the first production by the end of September 2025. (*The Nation, 13 August 2025*)
2. The Reserve Bank of Malawi (RBM) Financial Institutions Annual Report 2024 shows Malawi's economic resilience and a satisfactory financial sector performance in 2024, supported by stable monetary policy. However, key challenges remain: non-performing loans (NPLs) at 9.5%, significant credit concentration, pension arrears, and elevated insurance receivables, creating credit and liquidity risks. The Registrar of Financial Institutions advanced the regulatory framework through new Insurance and Financial Services Bills. Future priorities include addressing NPLs and insurance receivables, enhancing risk-based supervision, adopting data-driven regulatory approaches, and integrating climate-related financial risks for a more resilient and sustainable financial sector. (*Reserve Bank of Malawi, 14 August 2025*)
3. Airtel Money Africa announced an extended partnership with PawaPay, Africa's largest mobile money payment service provider, to streamline cross-border payments for licensed International Money Transfer Operators in seven Airtel Africa markets, including Malawi. The deal launches PawaPay's inbound remittance service in Malawi, enabling recipients to receive money from abroad directly into Airtel Money wallets, eliminating the need to visit physical branches or agents. With Airtel's extensive reach and PawaPay's infrastructure, the partnership promises secure, instant, and reliable remittances. PawaPay will extend this capability to additional Airtel Money Africa markets in the coming months. (*The Daily Times, 12 August 2025*)
4. The reopening of Kayelekera Uranium Mine in Karonga is fuelling demand for air transport in Malawi's Northern Region, increasing the need for the swift completion of renovations at Mzuzu and Karonga airports. The Deputy Transport Minister said rehabilitation of Mzuzu Airport is nearly complete and has Civil Aviation Authority certification, with Malawi Airlines set to conduct final checks before a test flight. While some have raised concerns over renovation quality, the government intends to build a larger airport after feasibility studies. Lotus officials say restored air links will not only support mining but also spur tourism and investment in the region. (*The Daily Times, 14 August 2025*)
5. Malawi's persistent power shortages are being compounded by the Electricity Supply Corporation of Malawi's (ESCOM) MK52 billion debt to Independent Power Producers (IPPs), which is limiting its ability to secure extra electricity. The ESCOM chief executive officer (CEO) said that while Malawi can import up to 1,000MW from Mozambique, it is only accessing 50MW at a cost of USD5 million due to foreign exchange shortages. He added that the 44% electricity tariff hike applied only to commercial users, excluding domestic customers, which has worsened the revenue shortfall. Another tariff hike is planned for November. Electricity Generation Company (EGENCO) CEO added that faults at three major hydro units are reducing output, though repairs are underway. Malawi's persistent energy crisis stems from low generation capacity, ageing infrastructure, and heavy dependence on climate-sensitive hydropower, while efforts to diversify through IPPs and power imports have been slowed by foreign currency constraints, delayed agreements, and tariff issues. (*The Daily Times, 15 August 2025*)
6. FDH Bank Plc registered a profit after tax (PAT) of MK60.27 billion for the half year ended 30 June 2025, up 116% from a PAT of MK27.93 billion achieved over a similar period in 2024. Net Interest Income has gone up by 92% to MK89.78 billion, and non-interest income has increased by 75% to MK53.44 billion. (*FDH Bank Plc, 13 August 2025*)
7. Standard Bank Plc reported a profit after tax of MK48.4 billion for the half year ended 30 June 2025, representing a 14% increase from the half year ended 30 June 2024. Net interest income has increased by 44% to MK112.22 billion, and non-interest revenue increased by 21% to MK41.74 billion. (*Standard Bank Malawi Plc, 14 August 2025*)
8. The Malawi Bureau of Standards (MBS) is digitising its systems to reduce costs, accelerate product certification, and boost Malawi's international trade. The upgrade includes a centralised Standards Information Management System, improved technical infrastructure, and integration with the upcoming Malawi National Single Window to streamline import/export processes, enhance quality assurance, track laboratory samples in real time, and strengthen compliance. (*The Daily Times, 15 August 2025*)
9. As of 14 August 2025, a cumulative USD498.0 million has been raised from tobacco sales. This amount corresponds to a total of 196.2 million kilograms (kg) of tobacco sold at an average price of USD2.54/kg. As of 14 August 2024, a cumulative USD396.7 million had been raised from the sale of 133.3 million kgs of tobacco at an average price of USD2.98/kg. (*Auction Holdings Limited, 14 August 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 15 August 2025 at 449,662.23 points from 425,534.71 points on 8 August 2025. The share price gains in STANDARD, NICO, PCL, NBS, NITL, and FMBCH drove the upward movement of the index.





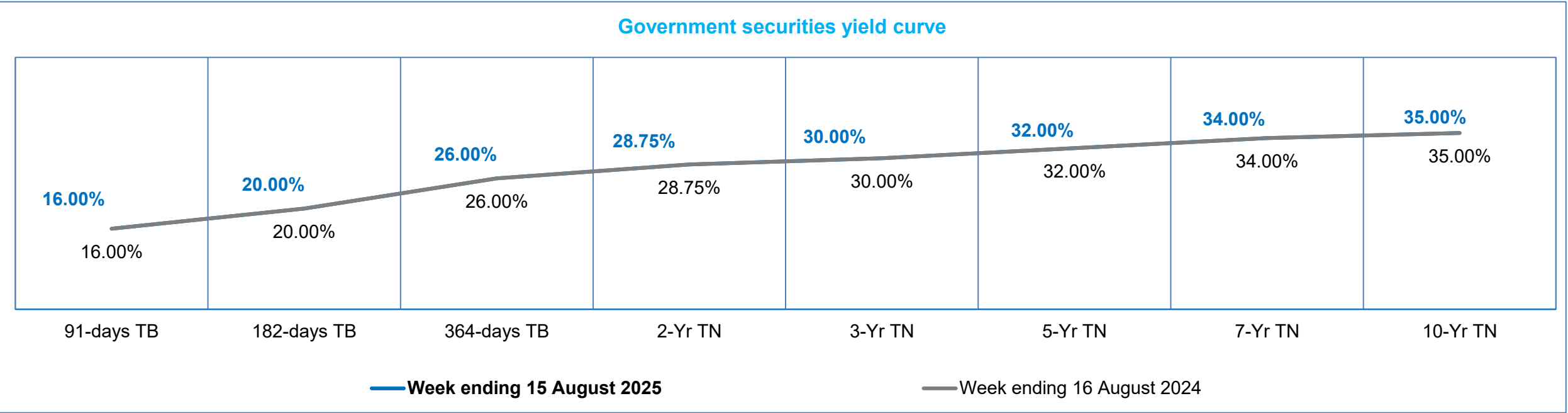
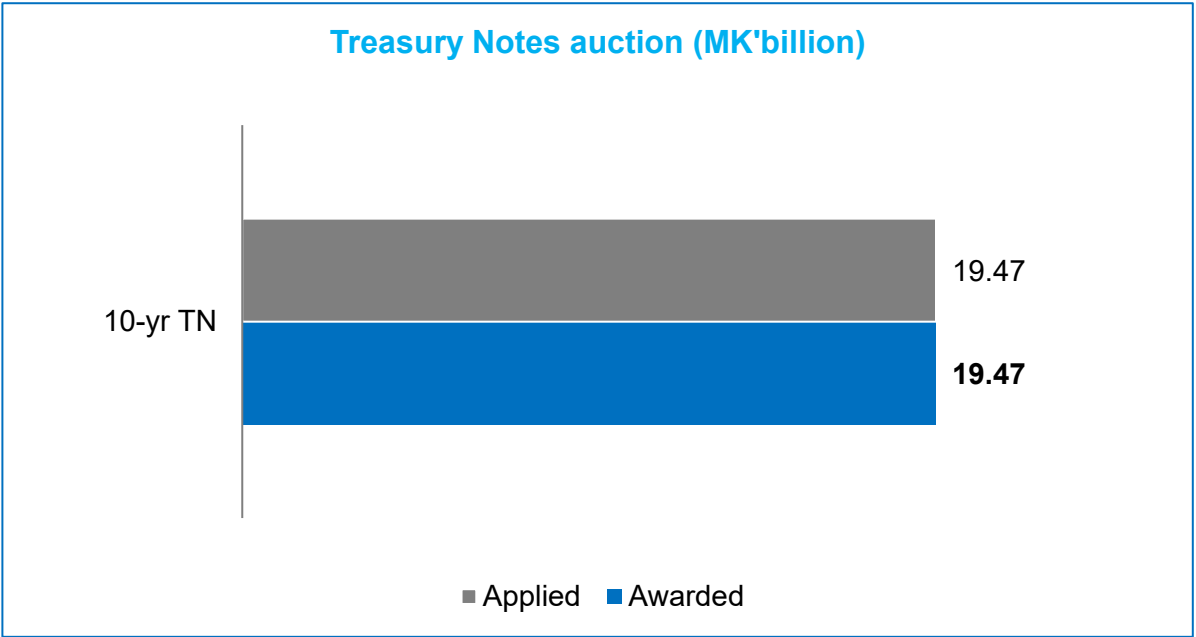
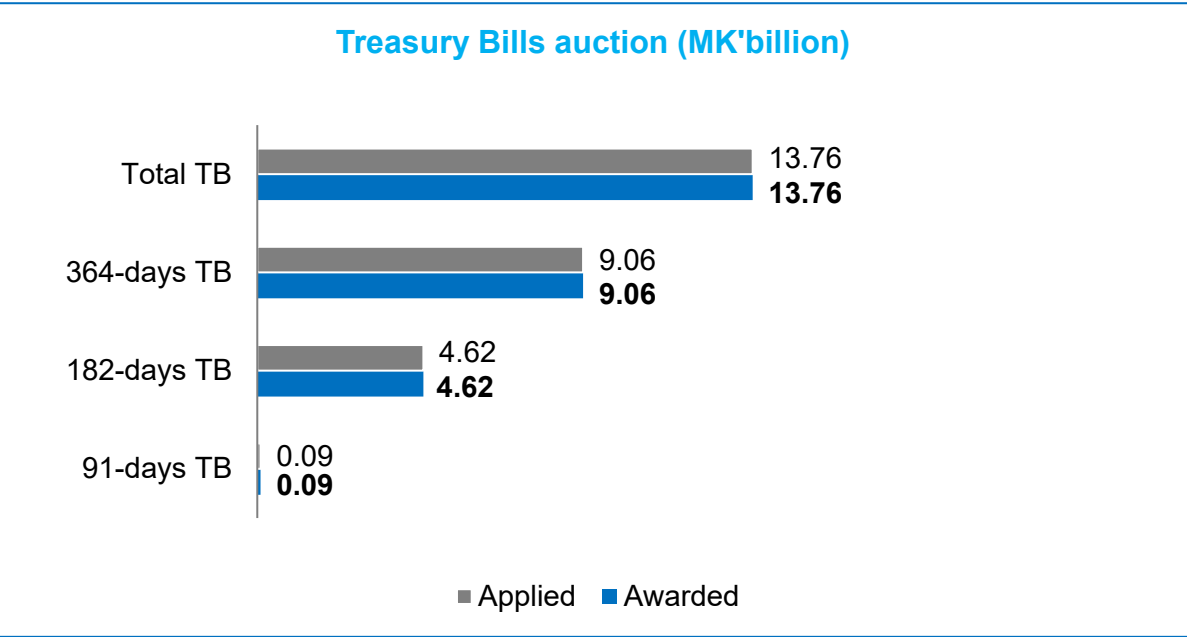
Government Securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and the 10-year Treasury Note (TN) during the period under review. A total of MK33.23 billion was raised from the auctions.

The total amount raised from the TBs auction was MK13.76 billion.

The total amount raised from the TN auction was MK19.47 billion.

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

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	15-Aug-25
Exchange Rates (middle rates)														
MK/USD	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	1,750.58	1,734.01
MK/GBP	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	2,408.88	2,419.18
MK/EUR	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	2,082.69	2,083.94
MK/ZAR	97.91	101.09	105.69	101.15	99.29	95.82	97.11	97.04	98.15	96.28	100.76	100.57	100.34	101.70
Foreign Exchange Reserves														
Total Reserves (USD'mn)	572.02	549.85	560.3	519.0	516.9	530.9	570.60	569.5	536.0	530.0	521.0	555.9	N/A	N/A
Inflation														
Headline	33.7%	33.9%	34.3%	32.4%	27.0%	28.1%	28.5%	30.7%	30.5%	29.2%	27.7%	27.1%	N/A	N/A
Food	41.9%	42.0%	43.5%	40.3%	33.7%	35.6%	36.0%	38.5%	37.7%	35.8%	32.7%	31.6%	N/A	N/A
Non-food	22.4%	22.7%	21.8%	21.2%	17.2%	16.8%	16.9%	18.5%	19.2%	19.4%	20.0%	20.1%	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)	24.20%	24.37%	24.20%	24.20%	23.23%	23.22%	23.19%	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	24.01%
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	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%
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	16.26%	27.33%	28.60%	32.69%	47.08%	55.06%	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	161.37%
DSI	14.76%	27.45%	28.90%	33.57%	47.71%	52.11%	32.35%	50.42%	56.52%	62.53%	62.41%	89.34%	120.03%	161.76%
FSI	26.76%	26.48%	26.54%	26.51%	42.71%	75.65%	15.08%	152.62%	148.16%	103.82%	77.74%	106.49%	150.94%	159.80%

The 15 August 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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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

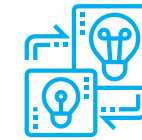
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