

# Malawi Financial Market Update

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Week ending 1 August 2025





## Malawi Financial Market Update: Week ending 1 August 2025

### Market Developments

#### What happened this week

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*African Minerals and Steel Limited, a subsidiary of Rukuru Holdings, has secured a 15-year license to mine limestone in Karonga, with operations expected to create over 200 jobs.*

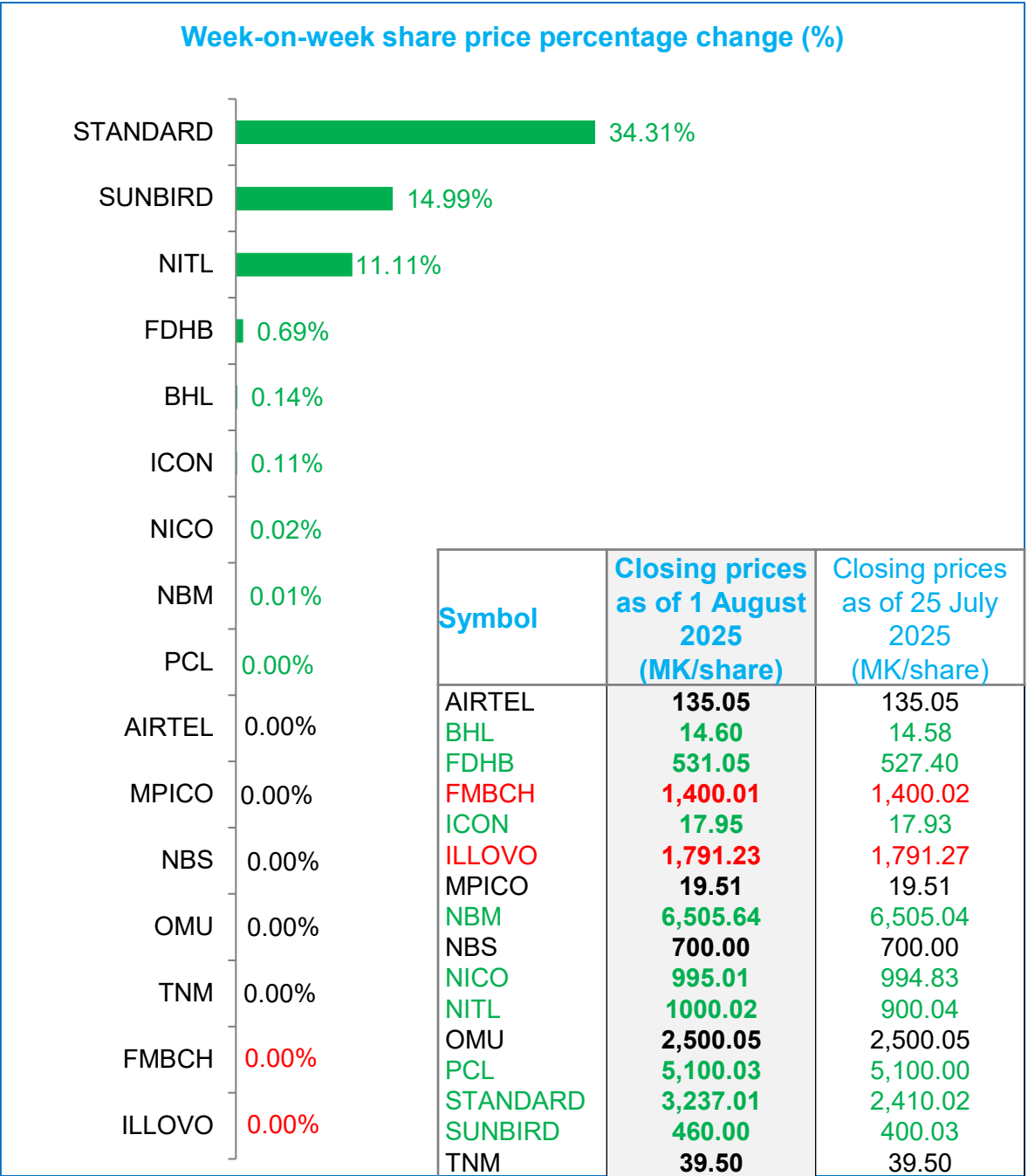
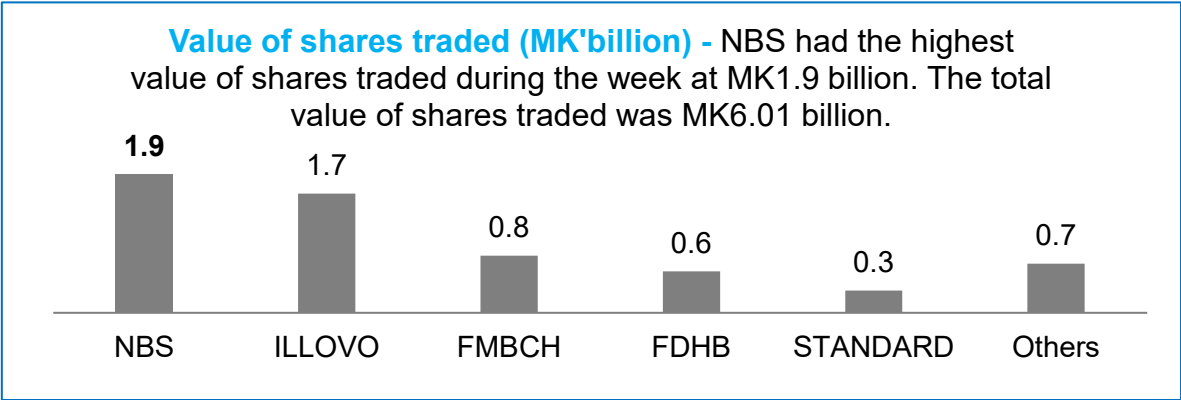
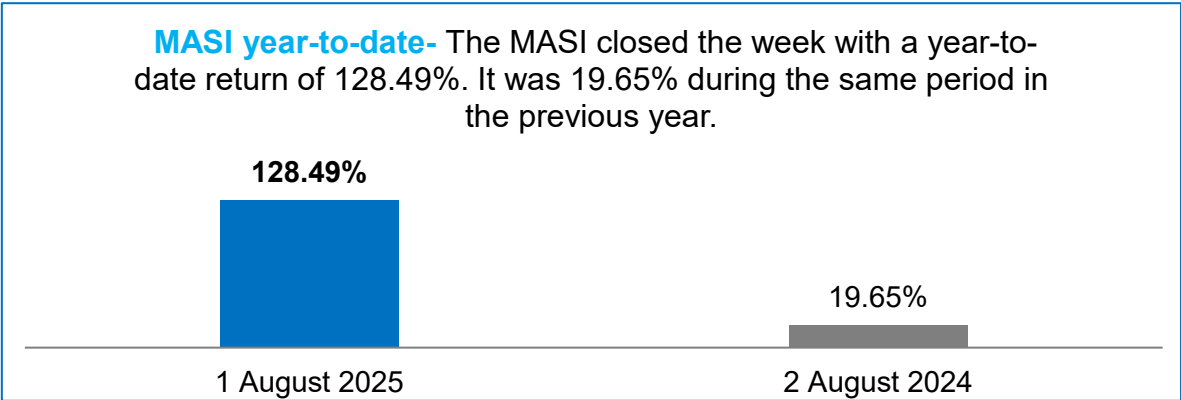
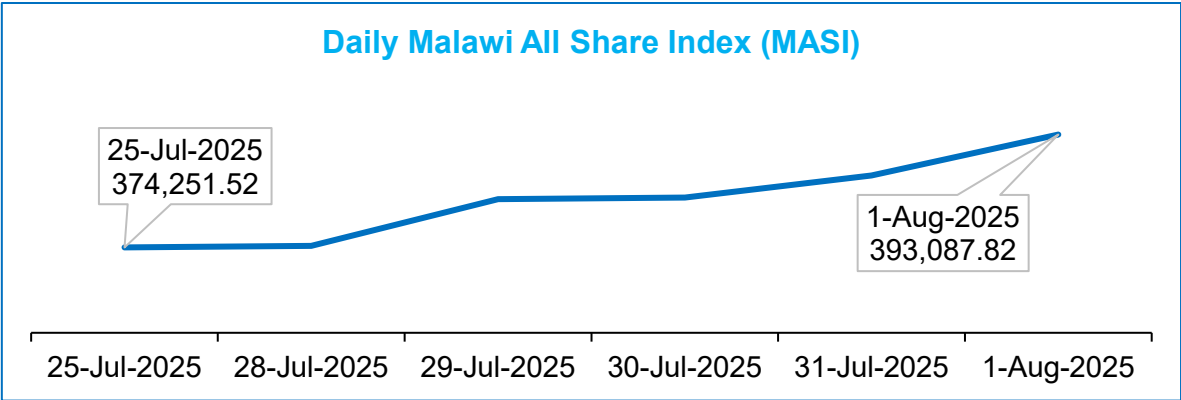
1. African Minerals and Steel Limited, a subsidiary of Rukuru Holdings, has secured a 15-year medium-scale mining licence to extract limestone at Uliwa in Karonga. The rollout, pending final clearance from the Malawi Environmental Protection Authority (Mepa), is expected to create over 200 jobs across the mine site and a new processing facility in Mzuzu. The company has already procured a modern plant from China and plans to produce construction and agricultural lime locally, reducing Malawi's dependence on imports. The investment aligns with the government's ATM+M strategy, which focuses on value addition and economic recovery. Malawi's limestone and iron ore output surged in 2024 amid growing demand, and this project is expected to further boost local beneficiation in the cement and agriculture industries. (*The Nation*, 29 July 2025)
2. The Monetary Policy Committee (MPC) has maintained the Policy Rate at 26.0%, the Lombard Rate at 20 basis points above the Policy Rate, and the Liquidity Reserve Requirement (LRR) at 10.0% for local currency deposits and 3.75% for foreign currency deposits. The decision follows a decline in inflation from 30.7% in February to 27.1% in June. The MPC noted that the current stance is necessary to sustain disinflation and called for complementary support to the productive and export sectors to reinforce policy effectiveness. (*The Reserve Bank of Malawi*, 1 August 2025)
3. Sovereign Metals Limited has completed a critical geotechnical study at its Kasiya Rutile Project in Lilongwe, confirming favourable conditions for mine development. The work, part of the definitive feasibility study (DFS), assessed infrastructure components including the process plant, tailings facility, and water storage dam. Over 400 tests were conducted under the oversight of the Sovereign–Rio Tinto Technical Committee. The milestone follows successful test results by Japan's Toho Titanium and German firms validating the project's rutile and graphite quality. Kasiya is regarded as a potential Tier-1 asset and a strategic contributor to Malawi's mining ambitions. (*The Nation*, 30 July 2025)
4. Malawi's tea industry continues to face export market setbacks due to low production volumes and quality challenges, according to the Tea Association of Malawi (Taml). Despite this year's output exceeding 45 million kilogrammes (Kgs), prices remain stagnant at USD1.15 – USD1.20 per kg as competitors like Kenya expand their dominance. As a landlocked country, high transport costs further undermine Malawi's competitiveness. Tea is the country's second-largest export crop, contributing 8% to export earnings and 11% to employment. Experts stress the need for quality improvement, investment in irrigation, and standardisation to meet global market requirements. (*Daily Times*, 31 July 2025)
4. UNICEF has raised alarm over the decline in official development assistance (ODA), warning it threatens access to essential safety nets in Malawi, where 75% of ODA supports social sectors. The agency urged the government to explore innovative financing to maintain the delivery of health, education, and social protection services. With debt servicing now absorbing 50% of domestic revenues, more than education and health combined, the sustainability of donor-funded programmes like the Social Cash Transfer Programme is under strain. This comes amid a 61.8% shortfall in aid disbursements and the suspension of major US funding initiatives, placing further pressure on already constrained public finances. (*The Nation*, 30 July 2025)
5. The Malawi Bureau of Standards (MBS) has attained international certification in 150 testing scopes, enabling local certification of key agro-exports such as macadamia, groundnuts, soya beans, and honey. Previously, exporters had to send samples to South Africa or Kenya at an average cost of USD300 (approximately MK525,300) per sample and a turnaround time of at least 17 days. With MBS now offering accredited testing locally, costs have dropped to between MK10,000 and MK250,000 per sample, with a shorter downtime of 10 days. The move is expected to ease pressure on foreign exchange reserves and enhance the competitiveness of local exporters. (*The Nation*, 28 July 2025)
6. Press Corporation plc has acquired a 10% equity stake in Liberia Merchant Capital Limited, marking its entry into the Liberian financial services market. The conglomerate also signed a revenue-sharing deal with Senegal's Africa Fortesa Corporation, extending its reach into oil and gas. At its annual general meeting, the board highlighted diversification as a key pillar of its strategy, with plans to establish a solar plant and revive its fisheries operations. In the financial year ended 31 December 2024, The company recorded a 42% increase in turnover to MK559.6 billion and a 68% jump in profit after tax to MK126.3 billion. Progress was also made on exiting MTL, which moved from a MK5.1 billion loss in 2023 to a MK1.1 billion profit before tax in 2024. Discussions are ongoing regarding potential listings of subsidiaries to unlock further value. (*The Nation*, 28 July 2025)
7. As of 24 July 2025, a cumulative USD460.1 million has been raised from tobacco sales. This amount corresponds to a total of 180.5 million kilograms (kg) of tobacco sold at an average price of USD2.55/kg. As of 31 July 2024, a cumulative USD394.9 million had been raised from 132.7 million kgs of tobacco sold at an average price of USD2.98/kg. (*Auction Holdings Limited*, 31 July 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 1 August 2025 at 393,087.82 points from 374,251.52 points on 25 July 2025. The share price gains in STANDARD, SUNBIRD, and NITL primarily drove the upward movement of the index.





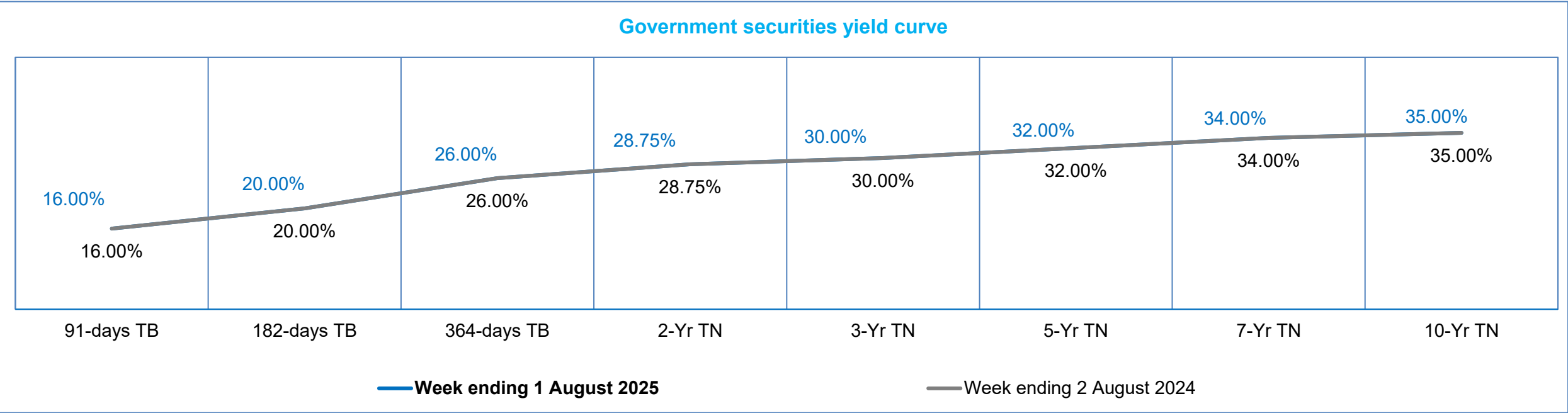
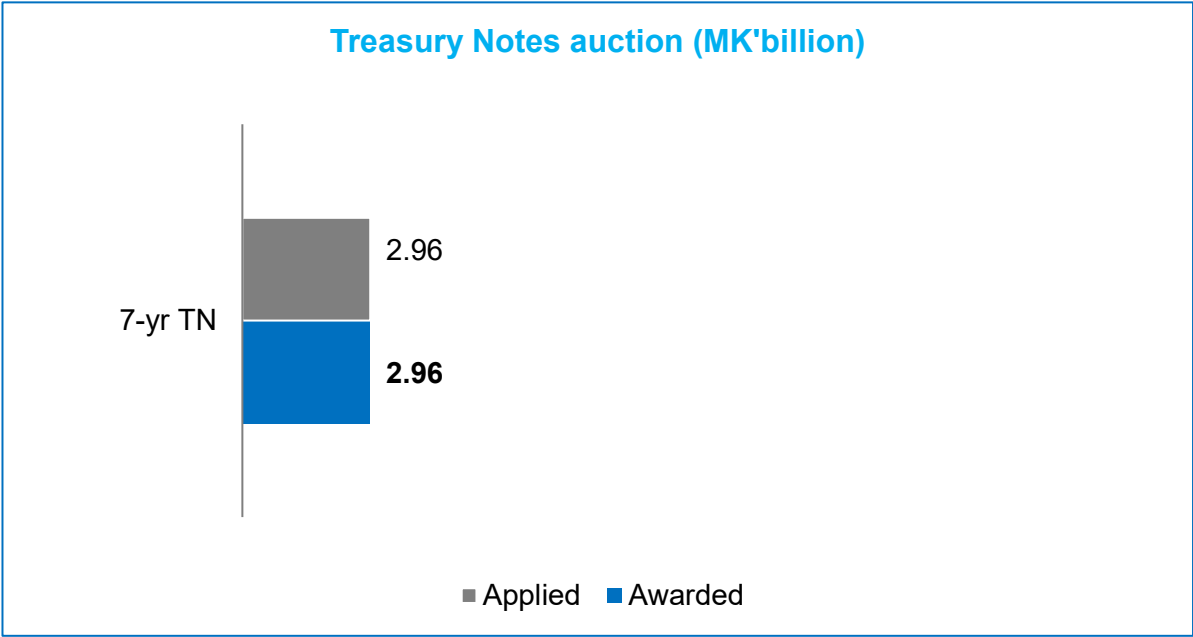
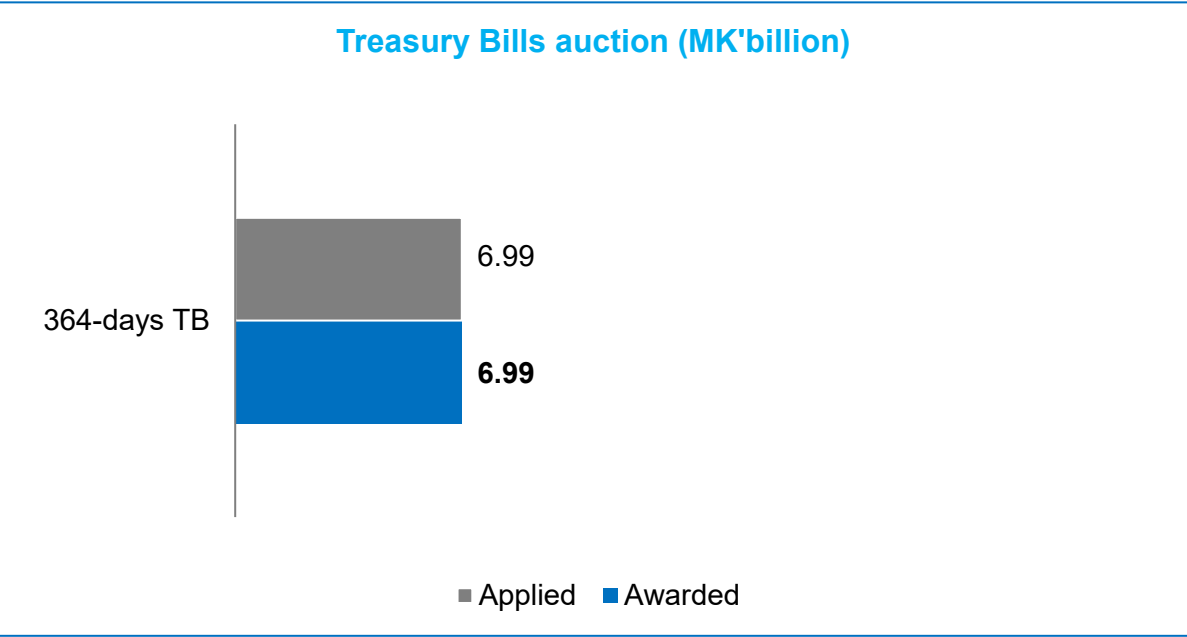
Government Securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and the 7-year Treasury Note (TN) during the period under review. A total of MK9.95 billion was raised from the auctions.

The total amount raised from the TBs auction was MK6.99 billion.

The total amount raised from the TN auction was MK2.96 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	1-Aug-25
<b>Exchange Rates (middle rates)</b>														
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	<b>1,734.01</b>
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	<b>2,358.28</b>
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	<b>2,042.51</b>
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	<b>98.07</b>
<b>Foreign Exchange Reserves</b>														
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	N/A	N/A	<b>N/A</b>
<b>Inflation</b>														
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	<b>N/A</b>
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	<b>N/A</b>
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	<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)	24.20%	24.37%	24.20%	24.20%	23.23%	23.22%	23.19%	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	<b>23.99%</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	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	<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	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%	<b>128.49%</b>
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%	<b>124.68%</b>
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%	<b>150.95%</b>

The 1 August 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.



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