

## Malawi Financial Market Update

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Week ending 29 August 2025



### Market Developments

#### What happened this week

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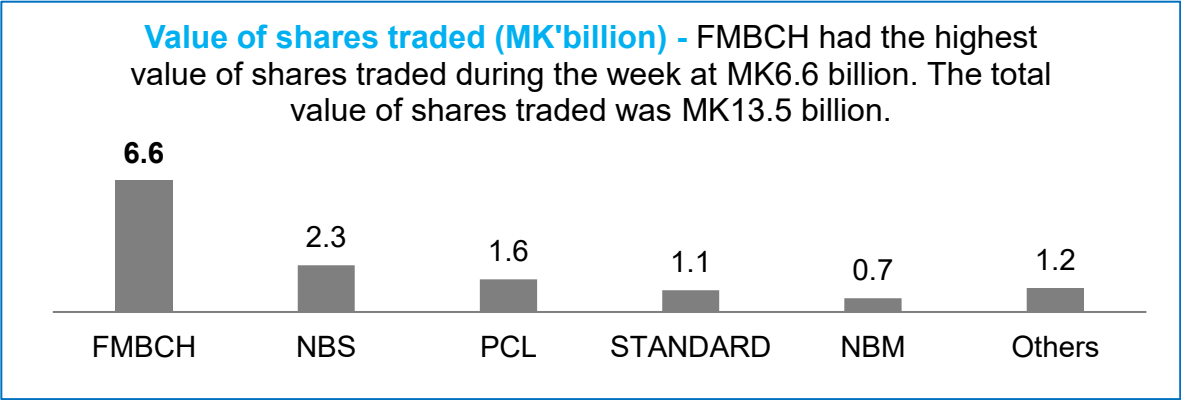
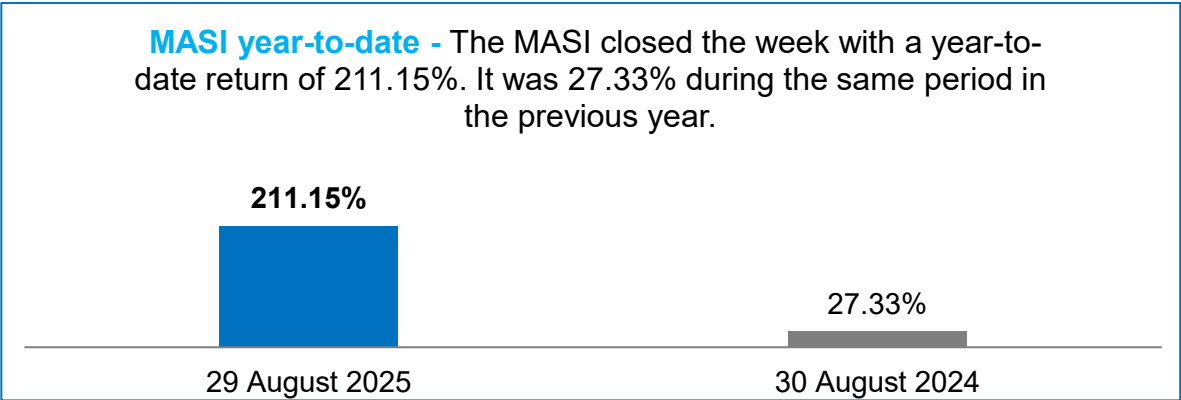
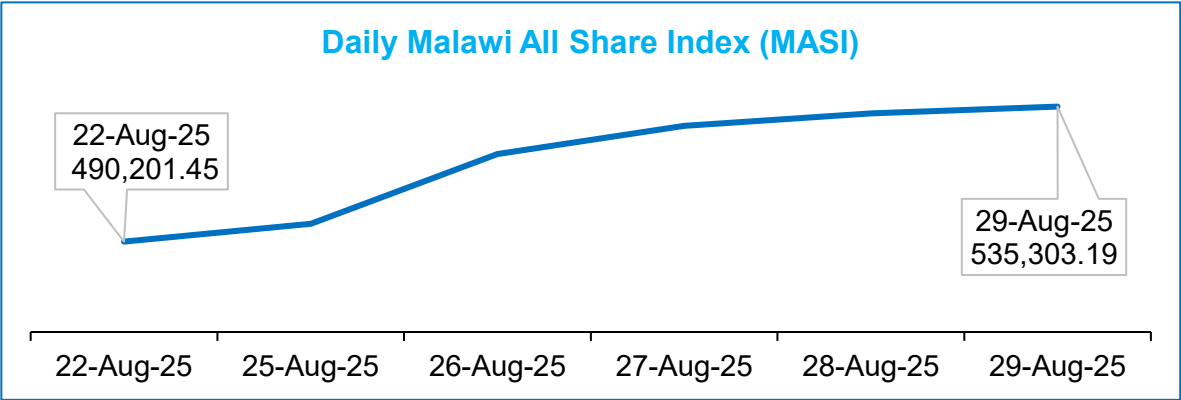
1. The financing agreement between Malawi and the International Development Association (IDA) for the 358.5 megawatts (MW) Mpatamanga Hydropower Storage project has officially taken effect. The agreement follows the World Bank's approval of a USD 350 million grant from IDA in May 2025. Once completed, the facility is expected to add 1,544 gigawatt-hours of clean energy annually, powering over one million new households. Located on the Shire River, the project is viewed as a game-changer for Malawi's energy security and economic growth, with officials emphasising its role in poverty reduction, attracting investment, and fostering long-term development. (*The Daily Times*, 25 August 2025)
2. Malawi and South Sudan have agreed to revive a USD295 million annual agricultural commodity export deal. A joint task force has been established, with South Sudan issuing a commitment letter outlining demand for maize flour, rice, beans, groundnuts, cooking oil, and other crops. The agreement builds on a 2021 Memorandum of Understanding (MoU) valid through 2026 and set to renew automatically. The Malawi Investment and Trade Centre (MITC) is urging farmers, cooperatives, and traders to prepare, promising transparent supply calls and strict quality assurance measures backed by the Malawi Bureau of Standards and independent labs. (*The Daily Times*, 25 August 2025)
3. Kamuzu University of Health Sciences (KUHeS) announced the establishment of a new holding company as part of its initiative to set up a medical drug manufacturing plant. This plant aims to enhance Malawi's self-reliance in medicine supply. The university will maintain full ownership to promote financial independence. The Vice Chancellor reported that 150 hectares of land have been secured for this project, and the World Bank has allocated USD608,000 for feasibility studies. The planned facility will include a quality control laboratory and will focus on producing medicines and vaccines, with the goal of manufacturing up to 95% of medical products locally. This initiative aims to reduce import costs and ensure that all products meet international quality standards. (*The Daily Times*, 28 August 2025)
4. NBS Bank Plc registered a profit after tax of MK73.25 billion for the half year ended 30 June 2025, a rise of 124% from a profit after tax of MK32.64 billion achieved over the half year ended 30 June 2024. Net Interest Income has gone up by 81% to MK122.77 billion, and noninterest income has increased by 208% to MK69.94 billion. (*NBS Bank Plc*, 25 August 2025)
5. FMB Capital Holdings Plc registered a profit after tax of USD72.89 million for the half year ended 30 June 2025, a rise of 56% from a profit after tax of USD46.82 million achieved over the half year ended 30 June 2024. Net Interest Income has gone up by 46% to USD106.88 million, and non-interest income has increased by 27% to USD69.61 million. (*FMB Capital Holdings*, 27 August 2025)
6. Illovo Sugar Malawi Plc released a trading statement advising that the profit after tax for the year ending 31 August 2025 is expected to be between MK74.6 billion and MK79.2 billion, representing an increase of between 230% and 250% from the prior year profit after tax of MK22.6 billion. (*Illovo Sugar Malawi Plc*, 27 August 2025)
7. The African Export-Import Bank (Afreximbank) has secured an A credit rating with a stable outlook from Japan Credit Rating Agency (JCR), underscoring its strong fundamentals, prudent risk management, and vital role in supporting trade across Africa and the Caribbean. The rating affirms the bank's credibility in global markets, bolsters investor confidence, and strengthens its capacity to diversify funding sources, including tapping into Japan's capital markets. Afreximbank stated that the recognition highlights its resilience and strategic focus in mobilising resources to drive trade and development, despite global economic challenges. (*The Daily Times*, 29 August 2025)
8. As of 28 August 2025, a cumulative USD515.1 million has been raised from tobacco sales. This amount corresponds to a total of 204.3 million kilograms (kgs) of tobacco sold at an average price of USD2.52/kg. As of 28 August 2024, a cumulative USD396.8 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*, 28 August 2025)



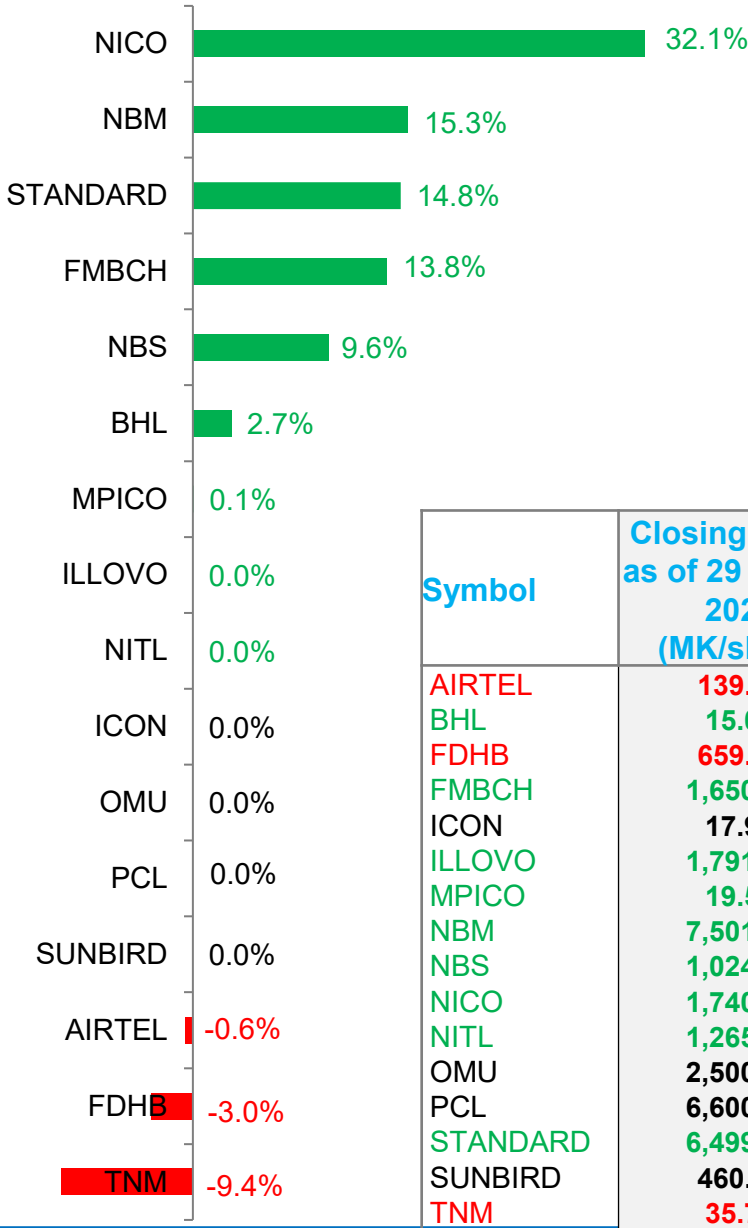
Malawi Financial Market Update: Week ending 29 August 2025

Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 29 August 2025 at 535,303.19 points from 490,201.45 points on 22 August 2025. The share price gains in NICO, NBM, STANDARD, FMBCH, NBS, and BHL drove the index's upward movement, offsetting the share price losses of TNM and FDHB.



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



Symbol	Closing prices as of 29 August 2025 (MK/share)	Closing prices as of 22 August 2025 (MK/share)
AIRTEL	139.18	139.95
BHL	15.00	14.60
FDHB	659.99	680.14
FMBCH	1,650.40	1,450.06
ICON	17.95	17.95
ILLOVO	1,791.40	1,791.27
MPICO	19.51	19.50
NBM	7,501.02	6,506.22
NBS	1,024.94	934.79
NICO	1,740.01	1,317.01
NITL	1,265.04	1,265.00
OMU	2,500.06	2,500.06
PCL	6,600.00	6,600.00
STANDARD	6,499.09	5,661.86
SUNBIRD	460.01	460.01
TNM	35.79	39.49



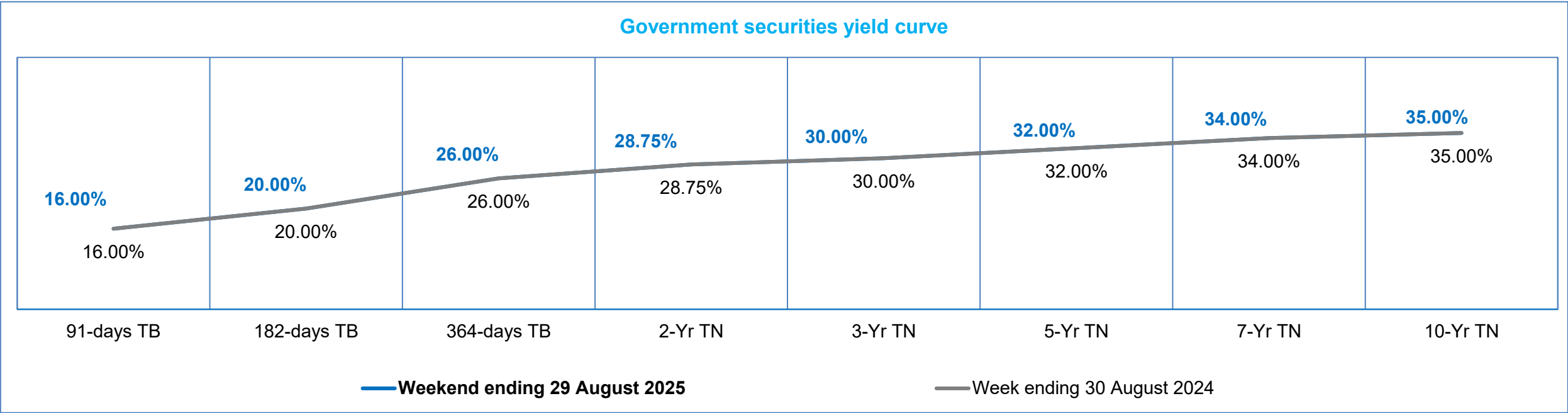
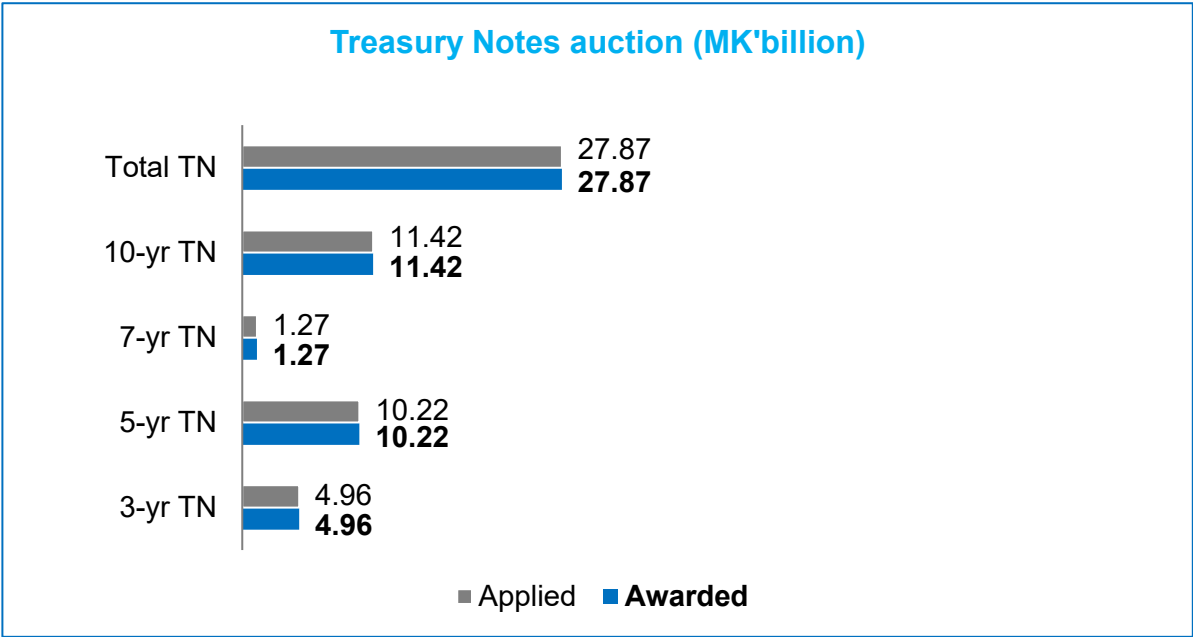
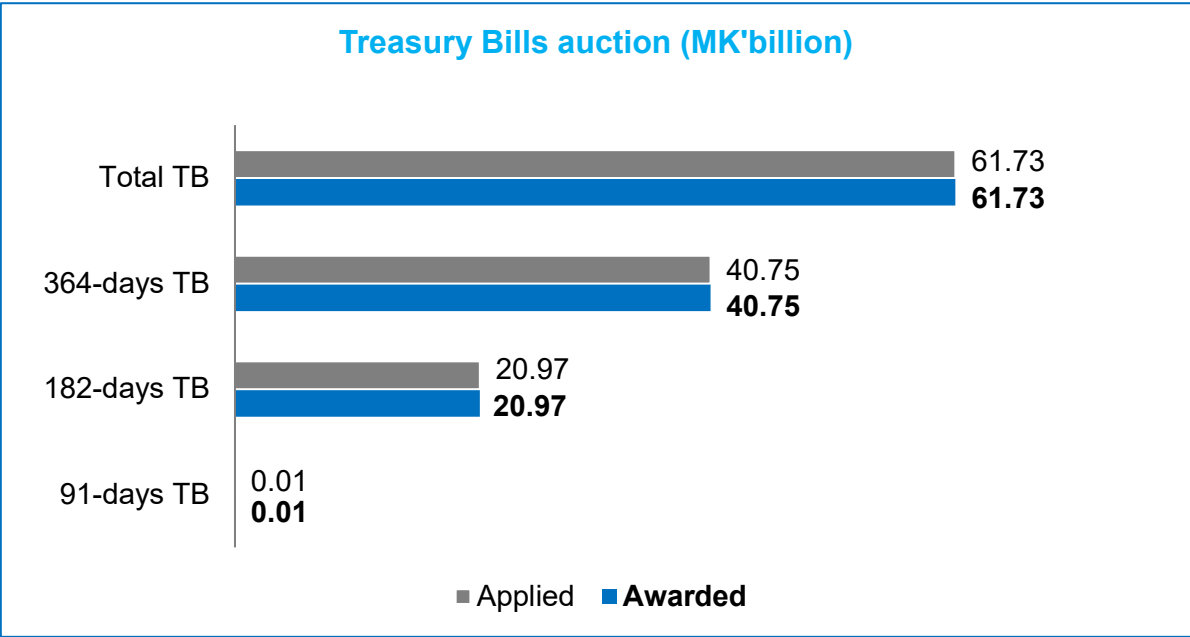
Government Securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and Treasury Notes (TNs) during the period under review. A total of MK89.60 billion was raised from the auctions.

The total amount raised from the TBs auction was MK61.73 billion, primarily driven by the 365-days TB.

The total amount raised from the TNs auction was MK27.87 billion, primarily driven by the 5-year and 10-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

	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	29-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	<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>2,410.07</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>2,083.05</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>100.78</b>
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	<b>N/A</b>
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%	27.3%	<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%	32.4%	<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%	19.3%	<b>N/A</b>
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%	<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>23.98%</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	25.40%	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>25.40%</b>
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%	<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>
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%	<b>211.15%</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>214.05%</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>195.28%</b>

The 29 August 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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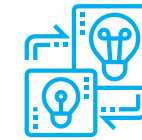
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