



## Malawi Financial Market Update

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Week ending 19 September 2025



### Market Developments

#### What happened this week

*Malawi held its General Election on 16 September 2025 to elect the president, members of parliament, and local councilors.*

*The year-on-year headline inflation rate rose to 28.2% in August 2025 from 27.3% in July 2025.*

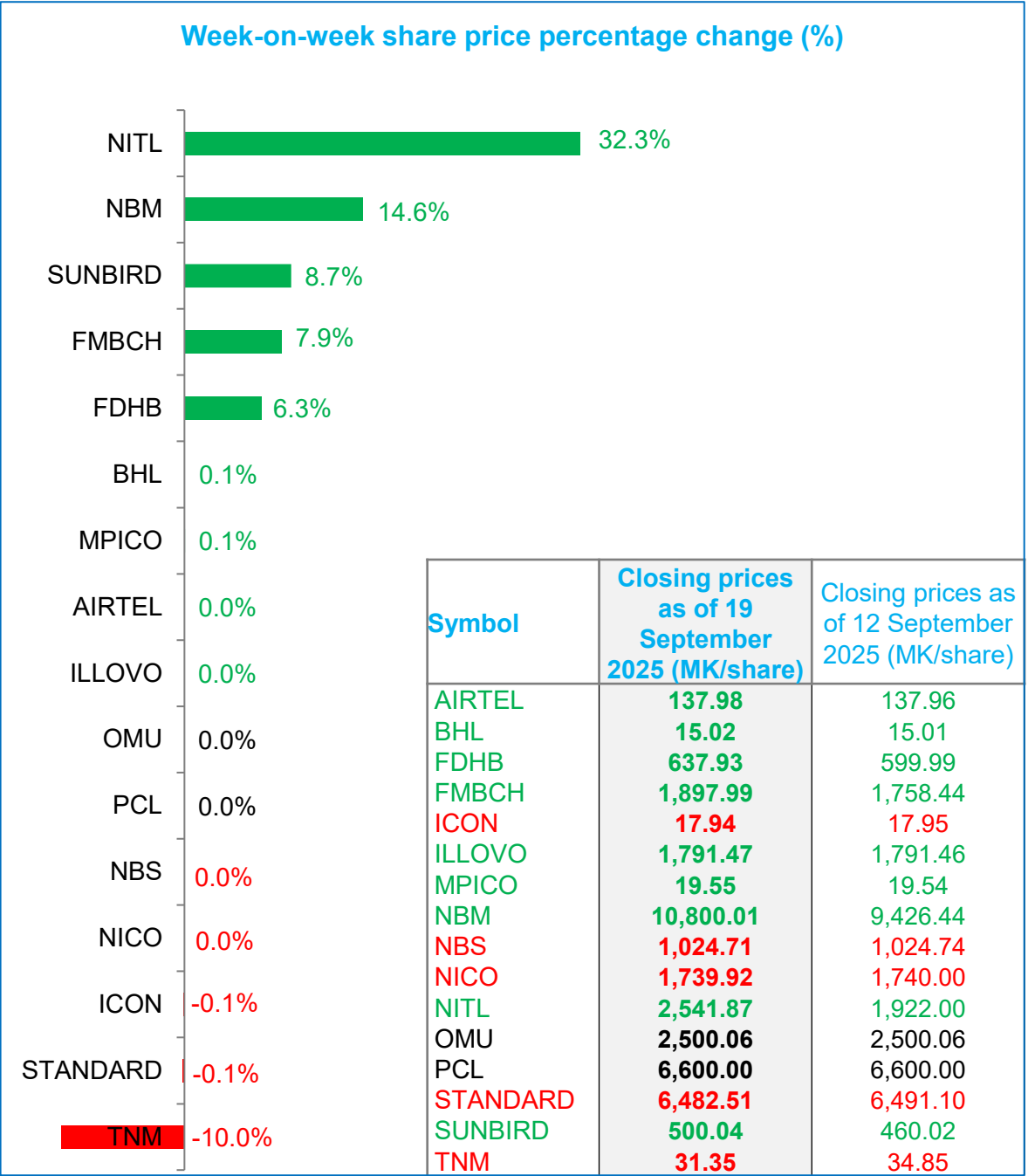
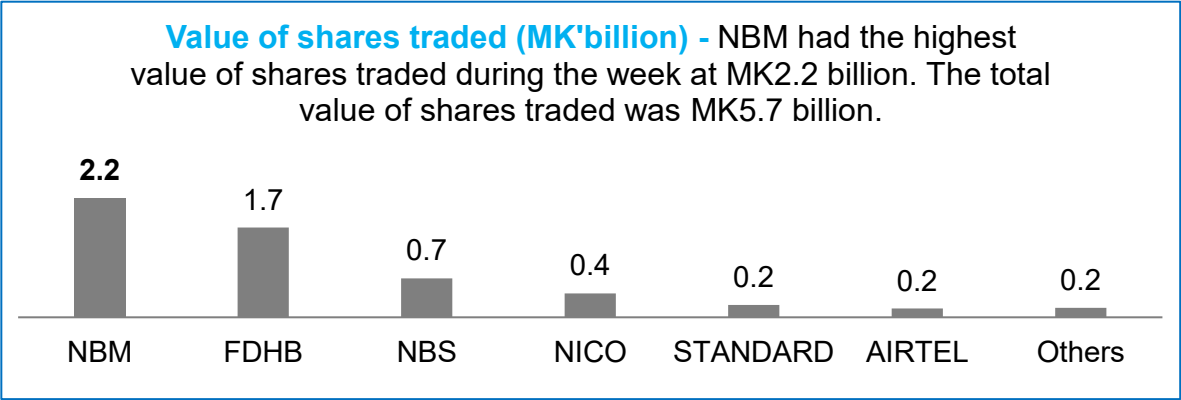
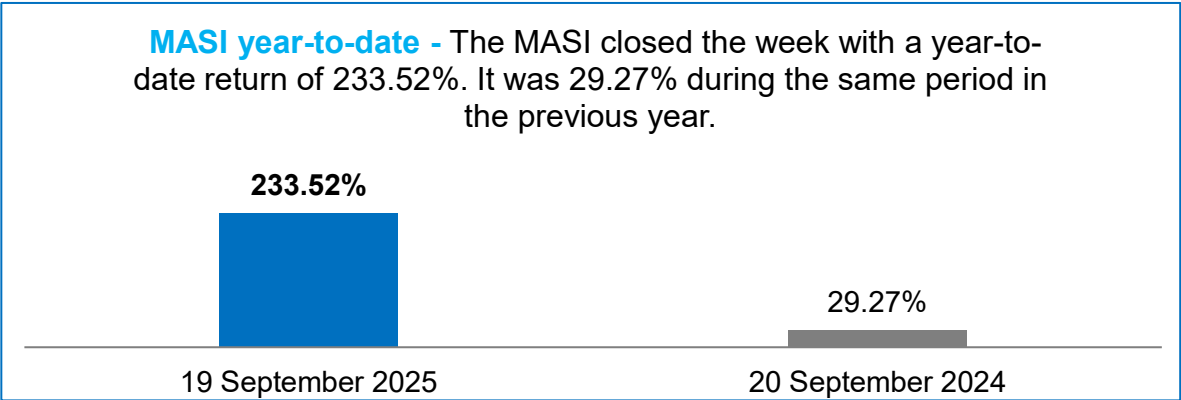
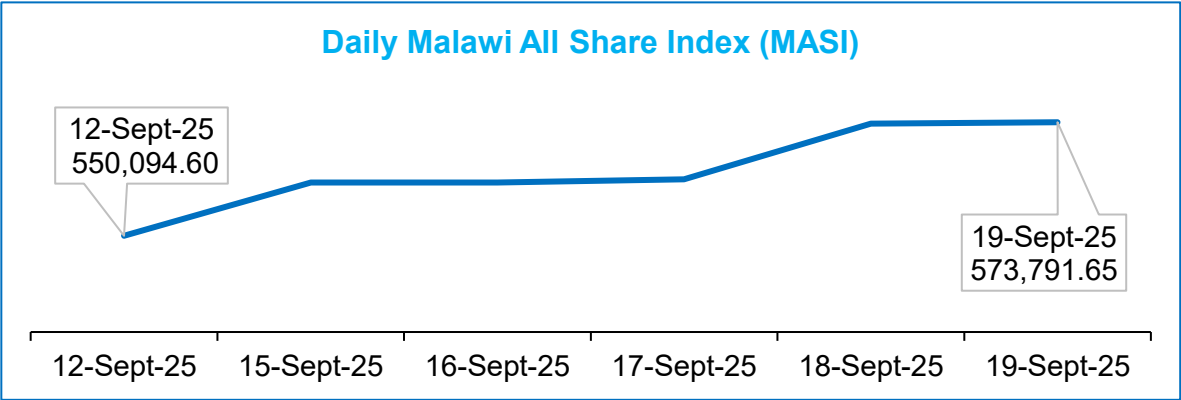
*The Government of Malawi has tasked the Smallholder Farmers Fertilizer Revolving Fund of Malawi (SFFRFM) to purchase the remaining tobacco from the 2024/25 season.*

1. Malawi held its General Election on 16 September 2025 to elect the president, members of parliament, and local councilors. Malawi Electoral Commission (MEC) Chairperson said she could not provide a specific date for when results would start being announced but assured stakeholders that the process remains within the legally required timeframe. By law, presidential results must be released within 8 days of polling, parliamentary results within 14 days, and local government results within 21 days. (*The Daily Times*, 19 September 2025)
2. The year-on-year headline inflation rate rose to 28.2% in August 2025 from 27.3% in July 2025, driven by the rise in both the food and non-food inflation. The food inflation rate rose to 33.7% from 32.4%, and the non-food inflation rate rose to 19.5% from 19.3%. (*National Statistical Office*, 18 September 2025)
3. The Ministry of Agriculture announced that the Government will purchase the remaining tobacco from the 2024/25 season after traditional buyers stopped purchases, having met their trade requirements. Recognizing tobacco's vital role in household livelihoods and the national economy, the Government has tasked the Smallholder Farmers Fertilizer Revolving Fund of Malawi (SFFRFM) to carry out these purchases, and operations have already begun at the auction floors. This move is intended to safeguard the industry, provide farmers with a reliable market, and ensure continued support for all stakeholders. The Government has pledged to supply the necessary resources for SFFRFM to complete the initiative. (*The Daily Times*, 15 September 2025)
4. Malawi's cotton production has dropped to just 6,000 metric tonnes (mt) this season, far below the Cotton Council of Malawi's medium-term target of 50,000mt and the 20,000mt goal set for 2025. The figure, nearly unchanged from last year's 6,147mt, reflects stagnation in the sector. Cotton Farmers Association President attributed the low output to germination problems and substandard seed, while the season was further strained by a new digital marketing system that caused payment delays for farmers despite improving levy collection and tonnage tracking. (*The Daily Times*, 19 September 2025)
5. As of 18 September 2025, a cumulative USD527.5 million (approximately MK923.4 billion) has been raised from tobacco sales. This amount corresponds to a total of 211.0 million kilograms (kgs) of tobacco sold at an average price of USD2.50/kg. As of 18 September 2024, a cumulative USD396.9 million (approximately MK694.9 billion) had been raised from the sale of 133.4 million kgs of tobacco at an average price of USD2.98/kg. (*Auction Holdings Limited*, 18 September 2025)
6. The Malawi Investment and Trade Centre (MITC) has signed a pact with Afreximbank, making it the official Africa Trade Gateway (ATG) agent in Malawi. The agreement enables Malawian exporters to trade across Africa without relying on the U.S. Dollar, using the Pan-African Payment and Settlement System (PAPSS) to settle transactions instantly in local currencies. By cutting transaction costs by up to 70% and eliminating multiple currency conversions, the system allows farmers and businesses to sell directly across borders – receiving payments in Kwacha while buyers pay in their own currencies. Already covering 16 countries and integrated with National Bank of Malawi and FDH Bank, PAPSS clears transactions within seven seconds. The MITC Director General hailed the deal as a turning point for Malawi's export sector, unlocking opportunities within the African Continental Free Trade Area (AfCFTA) and access to digital platforms. With Africa's cross-border payments projected to hit USD1 trillion by 2035, the initiative cements Malawi's deeper role in the continent's trade future. (*The Daily Times*, 18 September 2025)
7. The Government of Japan has launched a USD7 billion (about MK12 trillion) Nacala Corridor development initiative to strengthen critical mineral supply chains from Malawi, Zambia, and Mozambique. For Malawi, the initiative targets rutile from Kasiya as the lowest-cost to international markets via a deep-water port. The funding includes USD5.5 billion through a joint programme with the African Development Bank and USD1.5 billion in public-private impact investment through Japan's development agency. Japan's Toho Titanium Company confirmed that Kasiya's rutile meets high-performance titanium standards, aligning with Japan's push to secure critical minerals. Sovereign Metals chief executive officer (CEO) welcomed Japan's initiative, noting that it validates Kasiya's strategic importance and unlocks new development opportunities. (*The Nation*, 16 September 2025)
8. The National Investment Trust (NITL) Plc registered a profit after tax (PAT) of MK84.27 billion for the six months ended 30 June 2025, a 1,853% increase from the PAT of MK4.32 billion for the six months ended 30 June 2024. The significant growth in profit was primarily driven by the strong performance of the listed equities on the Malawi Stock Exchange (MSE). Fair value gains on equity investments grew to MK83.42 billion from MK3.94 billion. Dividend income increased to MK1.13 billion from MK593.50 million owing to higher dividends declared by the investee companies, and interest income rose to MK525.86 million from MK61.54 million as a result of new investments in government securities. (*National Investment Trust Plc*, 18 September 2025)



Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 19 September 2025 at 573,791.65 points from 550,094.60 points on 12 September 2025. The share price gains in NITL, NBM, SUNBIRD, FMBCH, and FDHB offset the share price loss in TNM, driving the index upward.





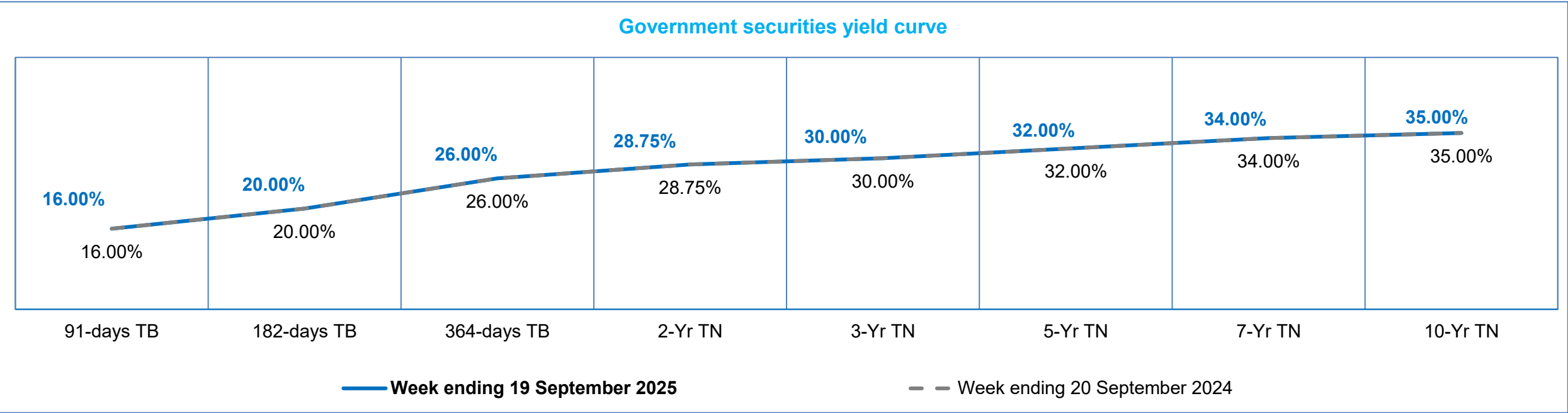
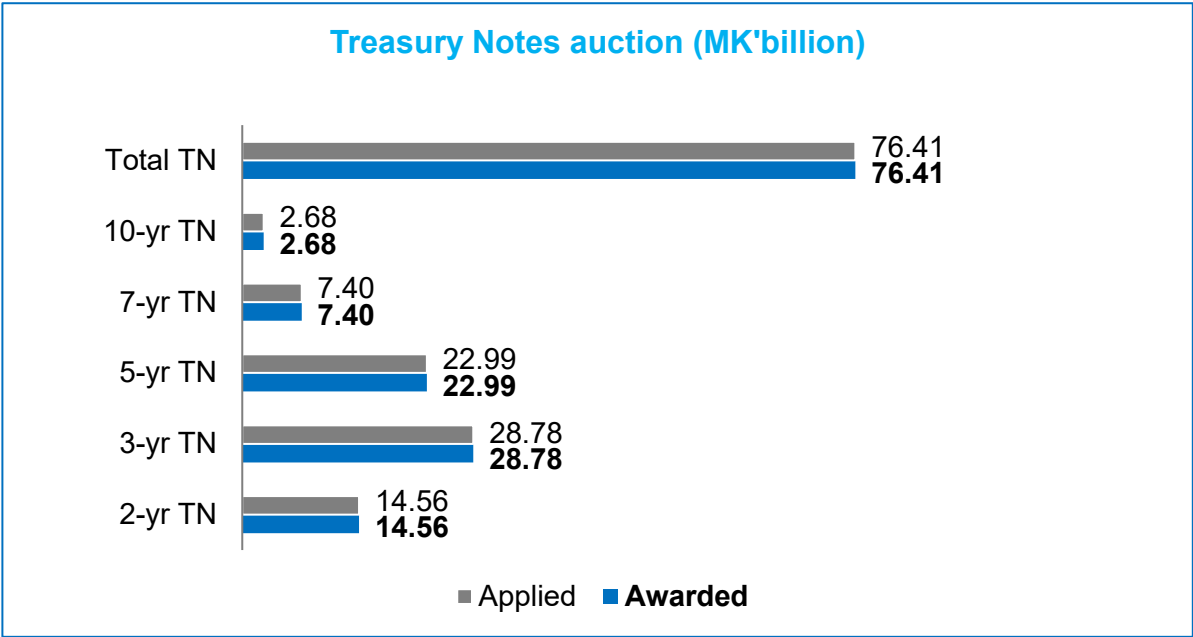
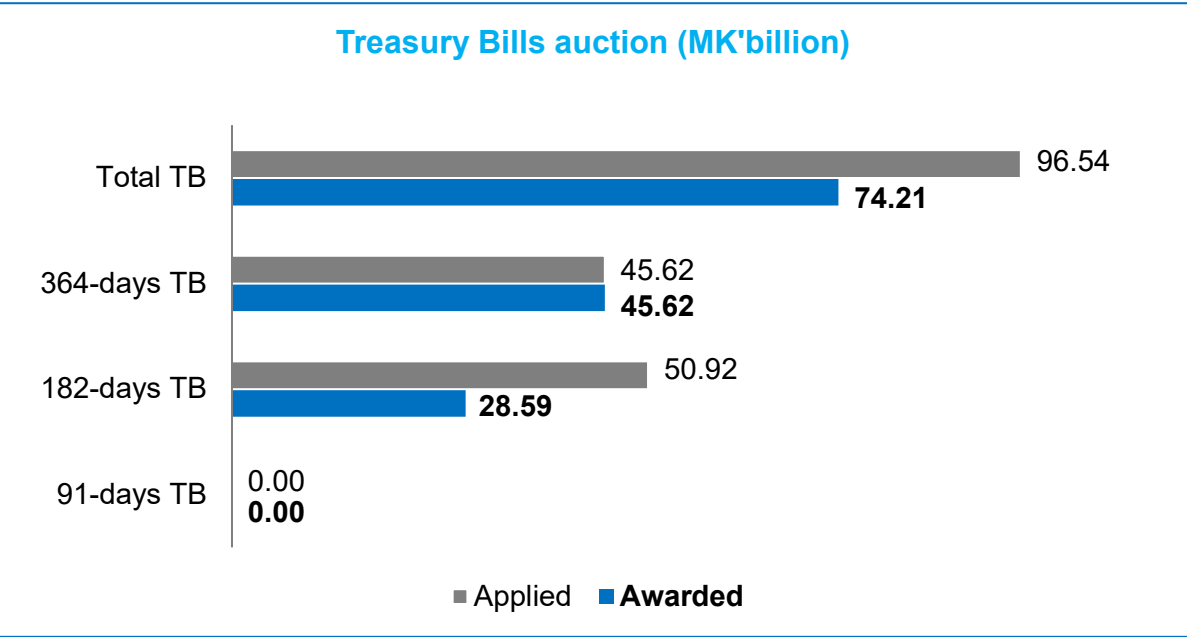
Government Securities (Source: RBM)

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 MK150.62 billion was raised from the auctions.

The total amount raised from the TBs auction was MK74.21 billion, primarily driven by the 364-days TB.

The total amount raised from the TNs auction was MK76.41 billion, primarily driven by the 3-yr and 5-yr 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

Table with 15 columns: Indicator, Aug-24, Sep-24, Oct-24, Nov-24, Dec-24, Jan-25, Feb-25, Mar-25, April-25, May-25, Jun-25, Jul-25, Aug-25, 19-Sep-25. Rows include Exchange Rates (middle rates), Foreign Exchange Reserves, Inflation, Interest Rates, Government Securities Yields, and Year-to-date Return.

The 19 September 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  
 1<sup>st</sup> 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](mailto:info@bridgepathcapitalmw.com)

Website: [www.bridgepathcapitalmw.com](http://www.bridgepathcapitalmw.com)

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