



Malawi Financial Market Update

Week ending 10 October 2025



Market Developments

What happened this week

On 4 October 2025, Professor Arthur Peter Mutharika was sworn in as the seventh president of the Republic of Malawi, and Dr Jane Ansah was sworn in as the Vice President.

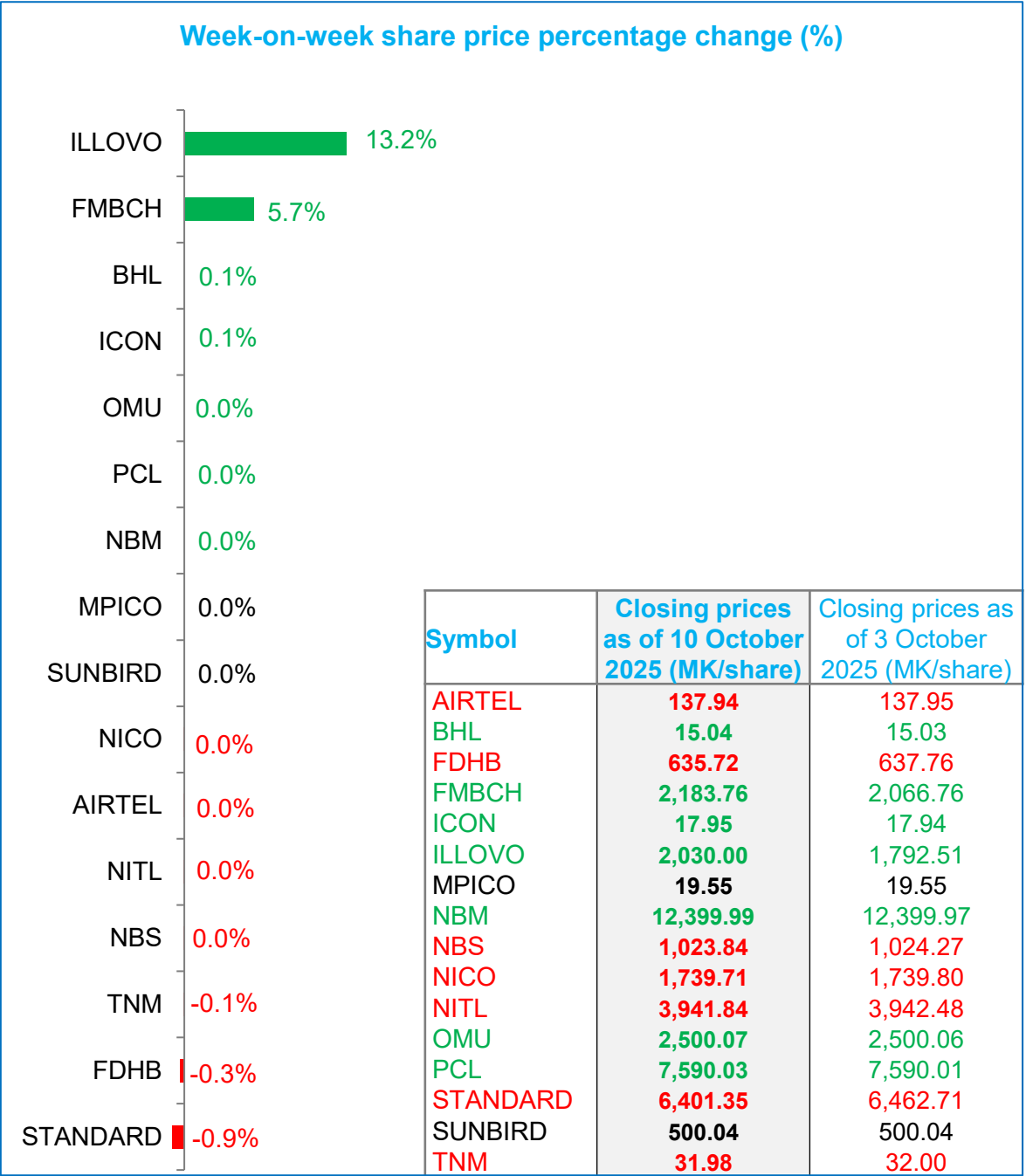
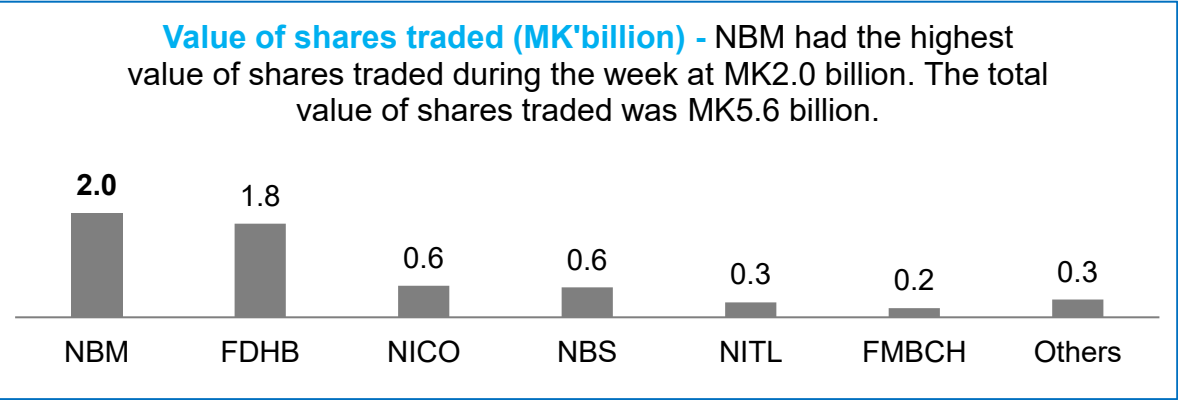
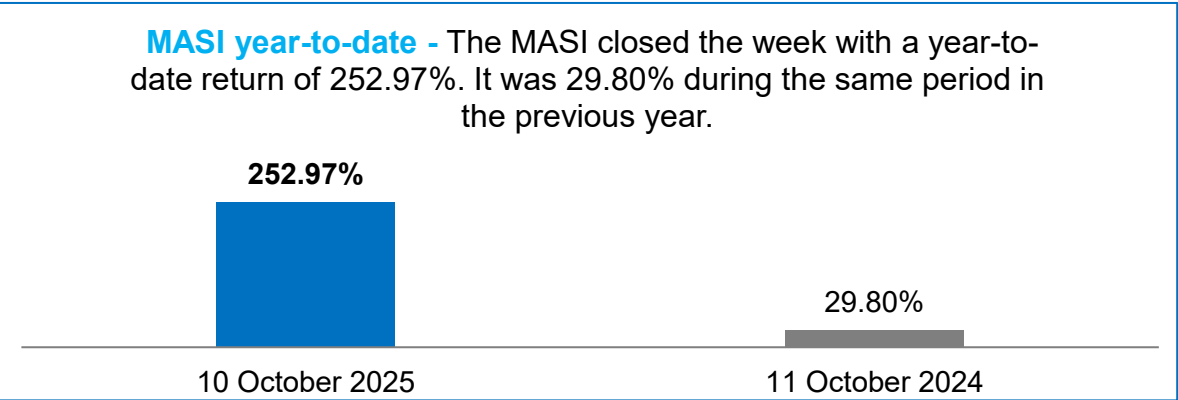
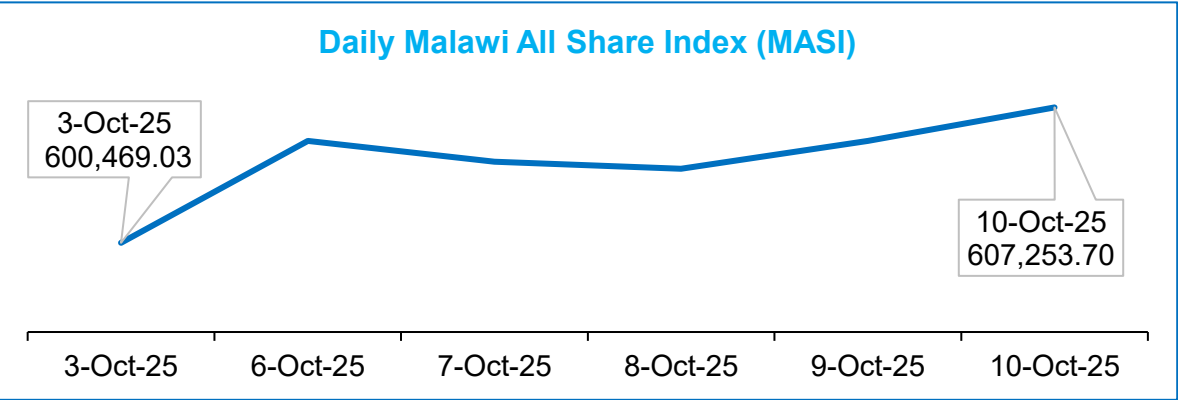
1. On 4 October 2025, Professor Arthur Peter Mutharika was sworn in as the seventh president of the Republic of Malawi, together with Dr Jane Ansah, who was sworn in as the Vice President. (*The Sunday Times*, 5 October 2025)
2. The economy's total foreign exchange reserve position was estimated to have declined to USD521.9 million (2.1 months of imports) in August 2025 from USD607.7 million (2.4 months of imports) in July 2025. The decline was noted in both gross official and private sector reserves. In August 2024, the total foreign exchange reserve position was estimated at USD544.8 million (2.3 months of imports). (*Reserve Bank of Malawi*, 9 October 2025)
3. The annual growth rate of money supply (M2) has risen for six consecutive months and was recorded at 52.1% in August 2025 from 49.1% in July 2025 and 43.4% in August 2024. This was mainly on account of net credit to the government. The contribution of net credit to the central government to the annual growth rate of money supply rose to 50.9% from 49.5% in July 2025. The contribution was 52.7% in August 2024. (*Reserve Bank of Malawi*, 9 October 2025)
4. Mkango Resources Limited has entered into a Project Development Funding Agreement with the U.S. International Development Finance Corporation (DFC), to secure USD4.6 million in reimbursable funding as part of the DFC's Project Development strategy for the Songwe Hill rare earth project in Malawi. The financing, to be equally matched by Mkango Resources' contributions over the next 18 months, will support front-end engineering design and value engineering studies and accelerate mine construction. Repayment to the DFC is required only if Mkango Resources secures full project financing within ten years. The funding follows the European Union's recent recognition of Songwe Hill as a priority project under its Critical Raw Materials Act. (*The Nation*, 10 October 2025)
5. As of 6 October 2025, a cumulative USD534.6 million (approximately MK935.8 billion) has been raised from tobacco sales. This amount corresponds to a total of 215.6 million kilograms (kgs) of tobacco sold at an average price of USD2.48/kg. As of 6 October 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*, 6 October 2025)
6. The Electricity Supply Corporation of Malawi (ESCOM) has announced that the Malawi-Mozambique Power Interconnection Project will roll out in December 2025 or early January 2026, following slight delays on the Mozambican side. The 218-kilometre, 400-kilovolt transmission line links Mozambique's Matambo substation to Malawi's Phombeya substation in Balaka and will supply 50 megawatts (MW) to Malawi's national grid. ESCOM completed its portion of the work in August, but final works in Mozambique are expected to conclude by November. Initially, Malawi planned to import 120MW, but the target was reduced to 50MW for the first five years to manage costs, estimated at USD4.5 million per month. Once operational, the project will enhance Malawi's energy supply and upgrade its status to a full member of the Southern African Power Pool. (*The Nation*, 9 October 2025)
7. The Electricity Supply Corporation of Malawi (ESCOM) has connected 180,752 new customers to the national grid under the World Bank-funded Malawi Electricity Access Project (MEAP), surpassing its target of 180,000 connections well ahead of the December 2025 deadline. Valued at USD71 million, the project has helped reduce ESCOM's connection backlog and supports Malawi's goal of achieving 50% electricity access by 2030 under the Malawi 2063 vision. The project seeks to fast-track electrification efforts. ESCOM chief executive officer (CEO) praised the milestone as a sign of progress toward universal access and reaffirmed the company's commitment to further expanding connections to drive socio-economic growth and improve living standards across Malawi. (*The Daily Times*, 7 October 2025)



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Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) rising by 1.1% and closing the week ending 10 October 2025 at 607,253.70 points from 600,469.03 points on 3 October 2025. This upward movement in the index was driven by the share price gains in ILLOVO and FMBCH.





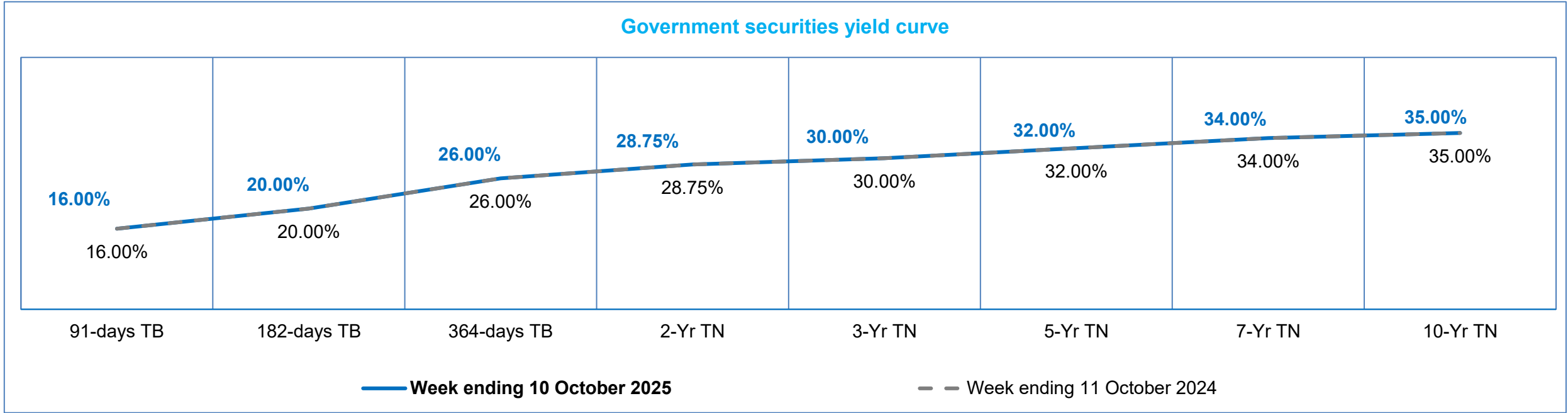
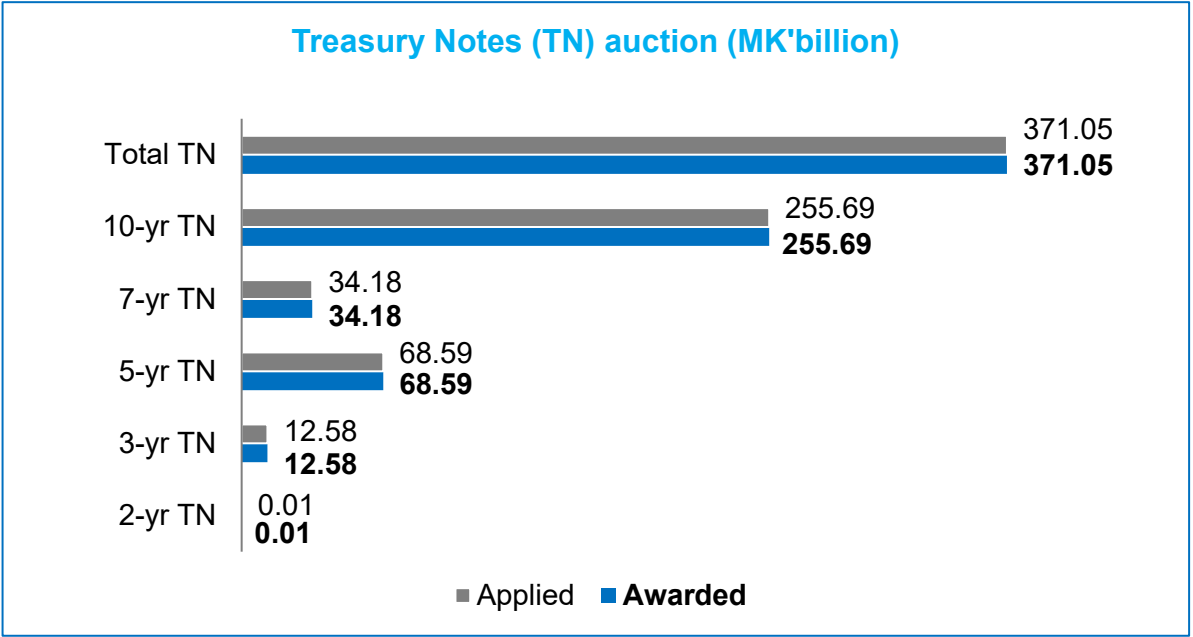
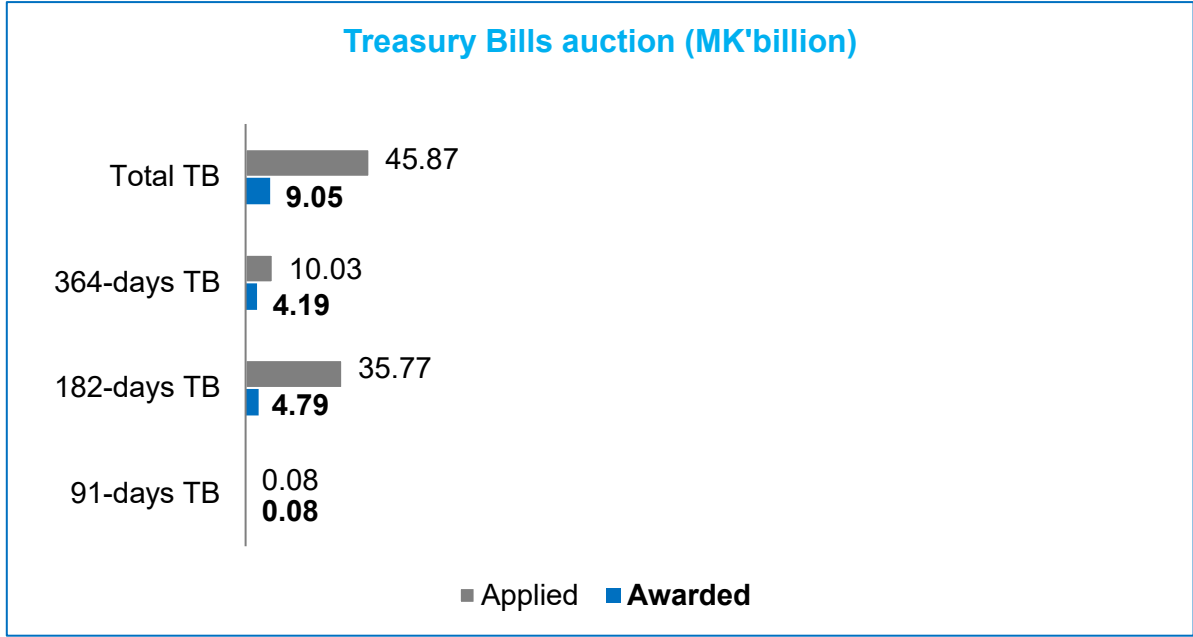
Government Securities (Source: RBM)

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 MK380.10 billion was raised from the auctions.

The total amount raised from the TBs auction was MK9.05 billion, primarily driven by the 364 and 182-days TBs.

The total amount raised from the TNs auction was MK371.05 billion, primarily driven by the 10-yr TN.

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

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	10-Oct-25
Exchange Rates (middle rates)													
MK/USD	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	1,749.95	1,750.37	1,734.01
MK/GBP	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	2,424.53	2,423.25	2,373.46
MK/EUR	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	2,103.70	2,103.32	2,066.62
MK/ZAR	101.15	99.29	95.82	97.11	97.04	98.15	96.28	100.76	100.57	100.34	101.77	103.60	103.46
Foreign Exchange Reserves													
Total Reserves (USD'mn)	519.0	516.9	530.9	570.60	569.5	536.0	530.0	521.0	555.9	607.7	521.9	N/A	N/A
Inflation													
Headline	32.4%	27.0%	28.1%	28.5%	30.7%	30.5%	29.2%	27.7%	27.1%	27.3%	28.2%	N/A	N/A
Food	40.3%	33.7%	35.6%	36.0%	38.5%	37.7%	35.8%	32.7%	31.6%	32.4%	33.7%	N/A	N/A
Non-food	21.2%	17.2%	16.8%	16.9%	18.5%	19.2%	19.4%	20.0%	20.1%	19.3%	19.5%	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%
Average Interbank Rate (Overnight)	24.20%	23.23%	23.22%	23.19%	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	23.98%	23.98%	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%
Commercial Bank Reference Rate	25.40%	25.50%	25.30%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	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%
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%
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%
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%
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%
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%
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%
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%
Year-to-date Return													
MASI	32.69%	47.08%	55.06%	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	252.97%
DSI	33.57%	47.71%	52.11%	32.35%	50.42%	56.52%	62.53%	62.41%	89.34%	120.03%	214.05%	236.40%	246.73%
FSI	26.51%	42.71%	75.65%	15.08%	152.62%	148.16%	103.82%	77.74%	106.49%	150.94%	195.28%	239.14%	289.71%

The 10 October 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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