



Malawi Financial Market Update

Week ending 24 October 2025



Market Developments

What happened this week

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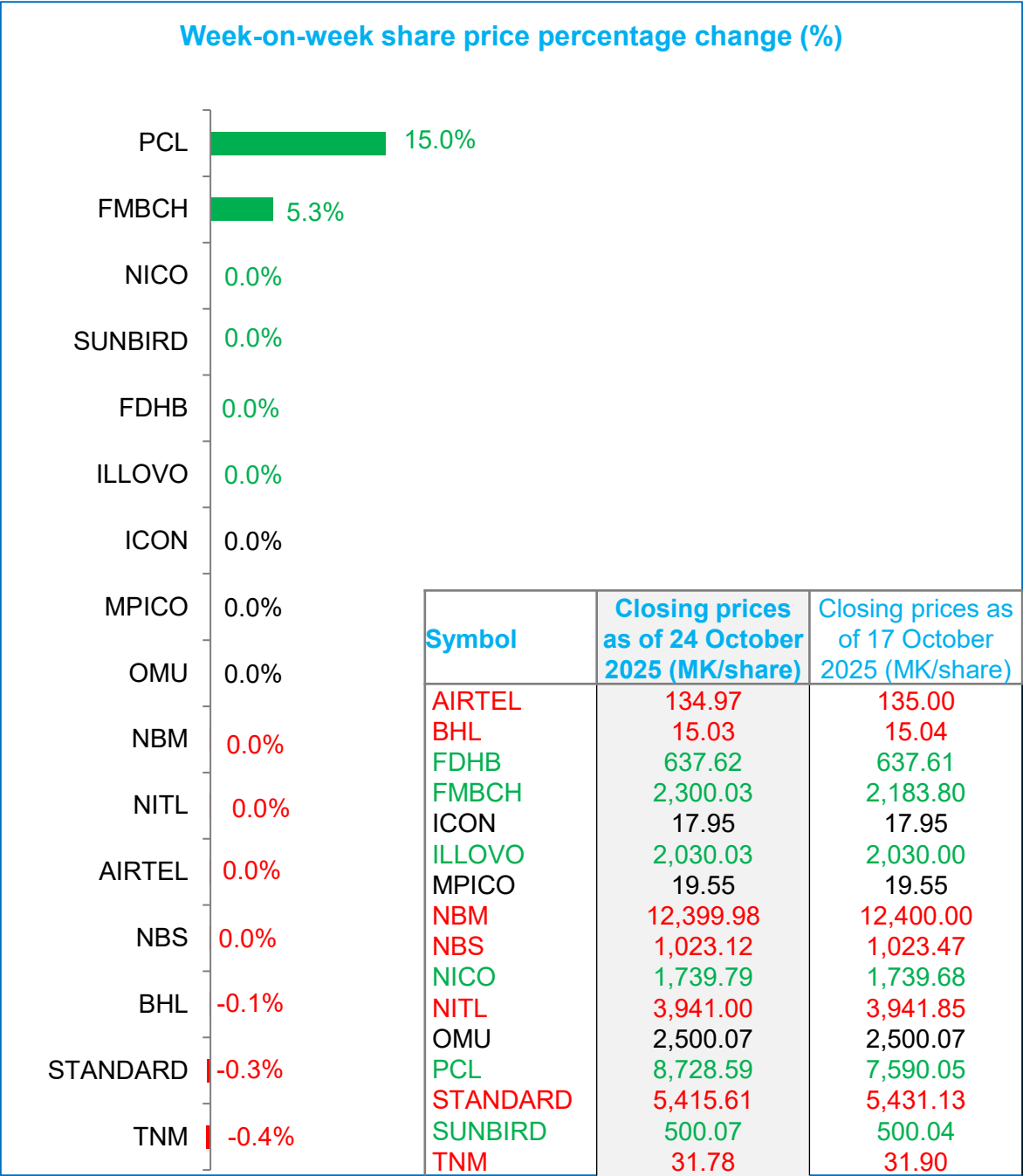
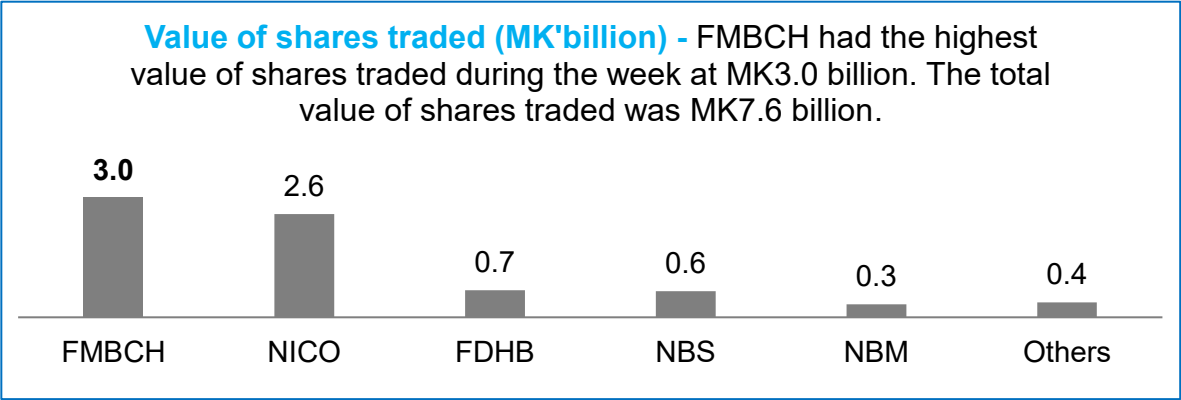
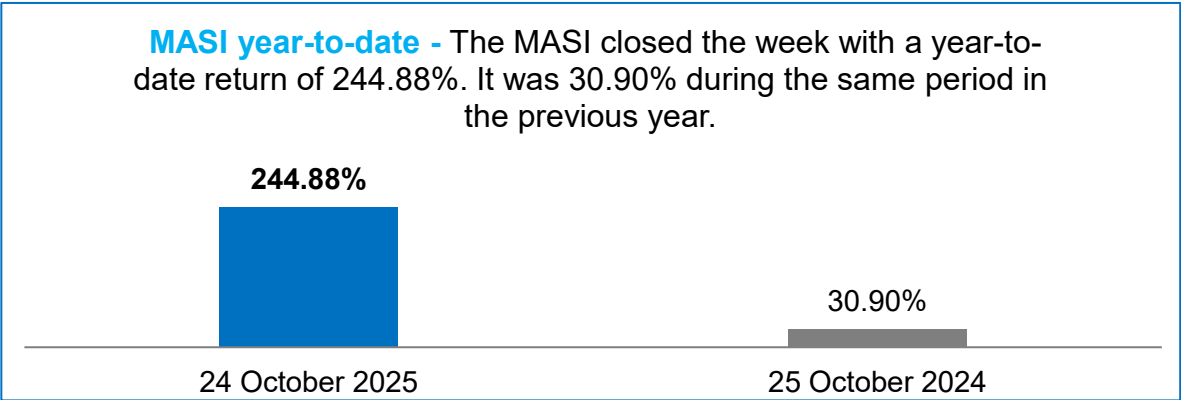
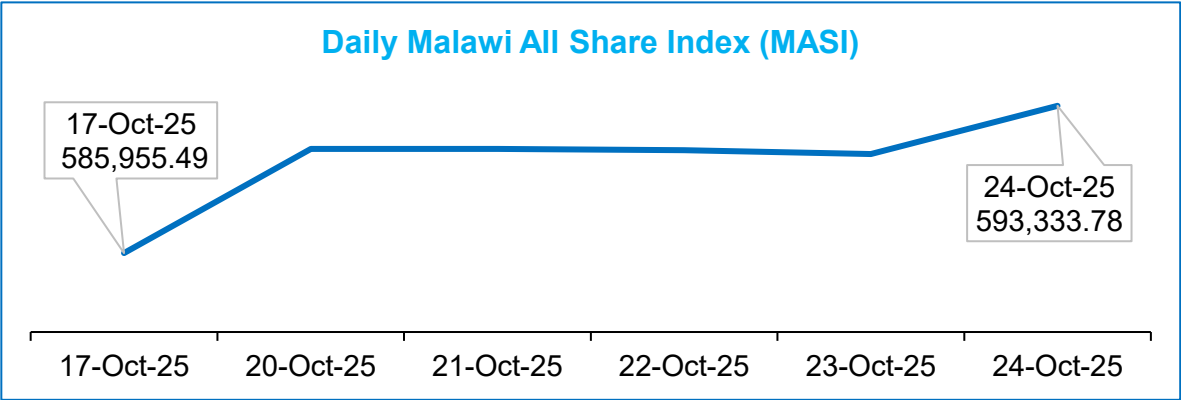
1. The President of Malawi announced that beginning in January 2026, primary and secondary education in Malawi's public schools will be free. He said the policy aims to promote equal access to education and empower young Malawians regardless of their economic background. Emphasizing the role of education in national development, the President urged parents and students to take learning seriously, stressing that discipline and education are essential for the country's progress. (*The Nation*, 21 October 2025)
2. Malawi and Zambia have signed an agreement for Malawi to purchase 200,000 metric tonnes (MT) of maize to strengthen local stocks and ease shortages of the staple grain. The deal was concluded between Malawi's Minister of Agriculture, Irrigation and Water Development and her Zambian counterpart. Malawi's minister said the imports will enable the government to sell maize locally at below MK50,000 per 50-kilogram bag, helping to keep prices affordable. Although she did not specify when deliveries would begin, the Zambian minister confirmed that Malawi will be allowed to pay in instalments and that shipments will start once the first payment is made. He added that Zambia offered the maize at a favourable price as a gesture of solidarity between the two neighbouring countries and invited Malawi to consider purchasing more, noting that Zambia still has 500,000 MT available. (*The Nation*, 23 October 2025)
3. China has announced it will write off two debts owed by Malawi, totalling USD20 million, in addition to a USD206 million debt restructuring package granted last year to ease the country's financial pressures. The Chinese Ambassador said the support comes as Malawi faces multiple challenges, including food insecurity, fertilizer shortages, fuel and foreign exchange constraints, and limited medical supplies. She noted that China has already provided emergency food aid and offered preferential fertilizer prices to help stabilize food security. The debt relief and related interventions are expected to offer Malawi short-term relief while creating opportunities for long-term economic recovery. (*The Daily Times*, 21 October 2025)
4. Lotus Resources Limited expects to begin earning foreign exchange from uranium exports at the Kayelekera Mine in early 2026, with shipments set to start this quarter through Tanzania's Dar es Salaam Port. The Managing Director and Chief Executive Officer (CEO) stated that uranium will be exported to three converters in France, the United States, and Canada. The company achieved its first production in the third quarter of 2025. He also stated that the Dar es Salaam route was chosen over Beira, Mozambique, and Walvis Bay, Namibia, due to its proximity and cost efficiency. (*The Nation*, 22 October 2025)
6. The Electricity Generation Company (EGENCO) will begin producing 10 megawatts (MW) of electricity from its Nanjoka Solar Power Plant in Salima by December 2025. EGENCO CEO said the USD13 million project aims to diversify Malawi's energy sources beyond hydropower, which has been increasingly affected by climate-related disruptions. The project will be implemented in three phases: 10MW in the first, followed by 10MW and 30MW in subsequent phases. He noted that EGENCO is prioritizing new power stations outside the flood-prone Lower Shire region to enhance system stability. EGENCO's senior operations engineer added that the plant will feature a modern digital control system with remote monitoring and billing, as well as a battery storage unit to ensure a consistent power supply. Once fully completed, the Nanjoka plant will feed up to 50MW into the national grid. (*The Nation*, 23 October 2025)
7. The Ministry of Industrialization, Business, Trade and Tourism has announced that the Micro, Small and Medium Enterprises (MSMEs) Act of 2024 is expected to become operational in April 2026. The law establishes the Small and Medium Enterprises Development Corporation (SMEDCO) as the regulatory body for MSMEs in Malawi. It introduces a registration and accreditation framework for sector stakeholders and business development service providers, while also outlining incentives to promote enterprise growth, training, and innovation. The Act further includes measures for regulation, support, and penalties for non-compliance. Director of SMEs and Cooperatives said the implementation process will incorporate feedback from grassroots stakeholders nationwide, emphasizing that the Act should serve as a practical tool for job creation, economic growth, and self-reliance. (*The Daily Times*, 20 October 2025)
8. As of 24 October 2025, a cumulative USD539.5 million (approximately MK944.5 billion) has been raised from tobacco sales. This amount corresponds to a total of 219.0 million kilograms (kgs) of tobacco sold at an average price of USD2.46/kg. By the same time in 2024, a cumulative USD396.9 million (approximately MK693.6 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*, 24 October 2025)



Malawi Financial Market Update: Week ending 24 October 2025

Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) rising by 1.3% and closing the week ending 24 October 2025 at 593,333.78 points from 585,955.49 points on 17 October 2025. This upward movement in the index was primarily driven by the share price gains in PCL and FMBCH.





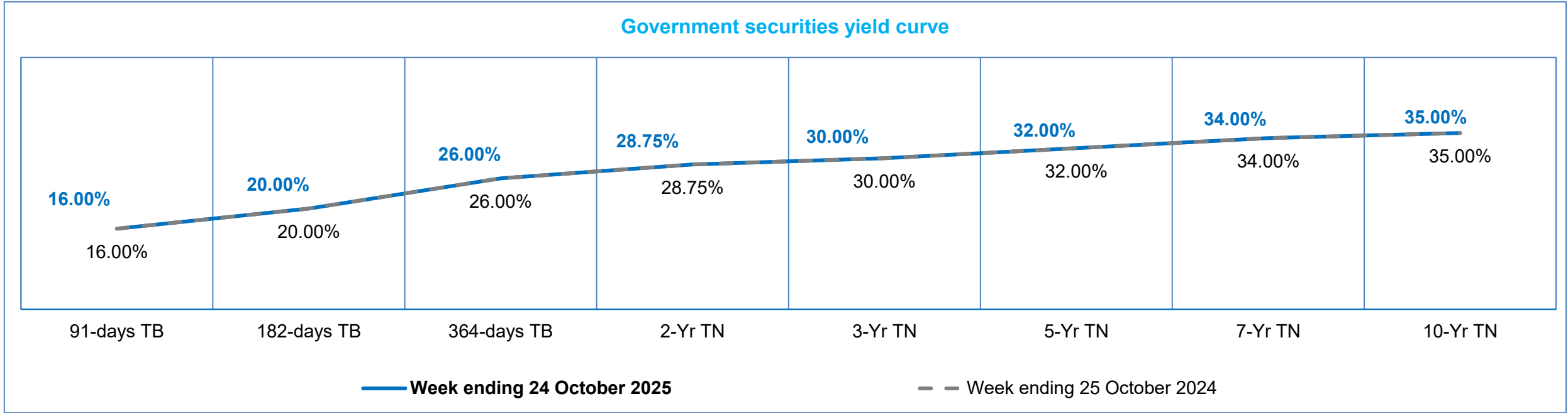
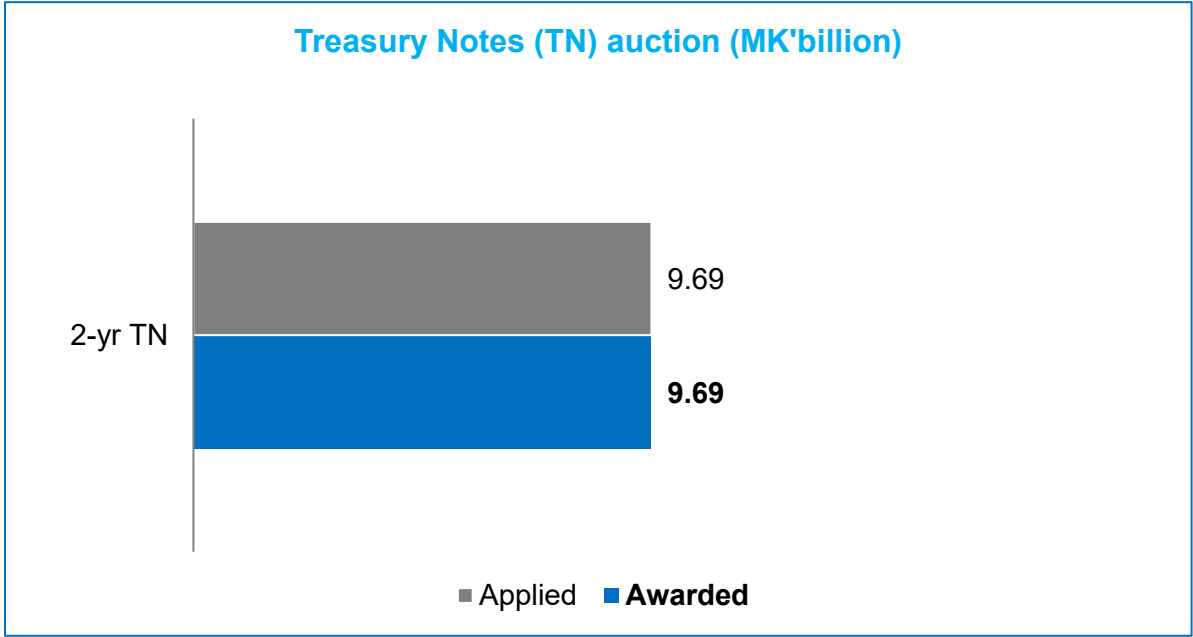
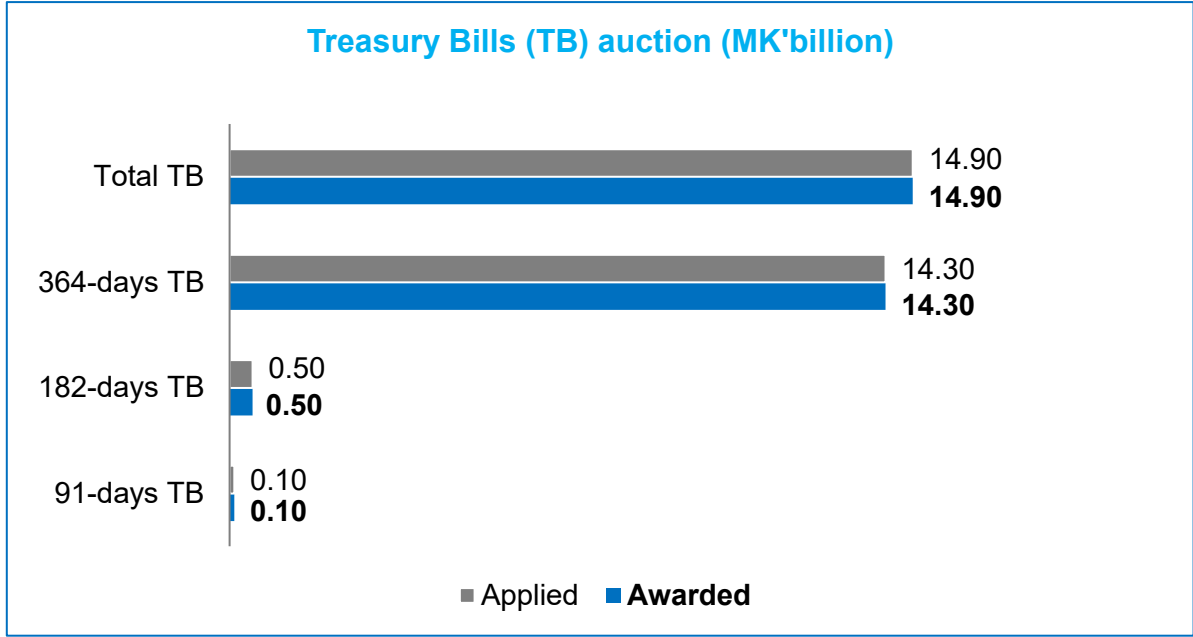
Government Securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and the 2-year Treasury Note (TN) during the period under review. A total of MK24.59 billion was raised from the auctions.

The total amount raised from the TBs auction was MK14.90 billion, primarily driven by the 364-days TB.

The total amount raised from the 2-year TN auction was MK9.69 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

	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	24-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	2,379.17
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	2,072.51
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	103.10
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%	28.7%	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%	33.0%	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%	21.7%	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%	244.88%
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%	233.64%
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%	310.28%

The 24 October 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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