



Malawi Financial Market Update

Week ending 3 October 2025



Market Developments

What happened this week

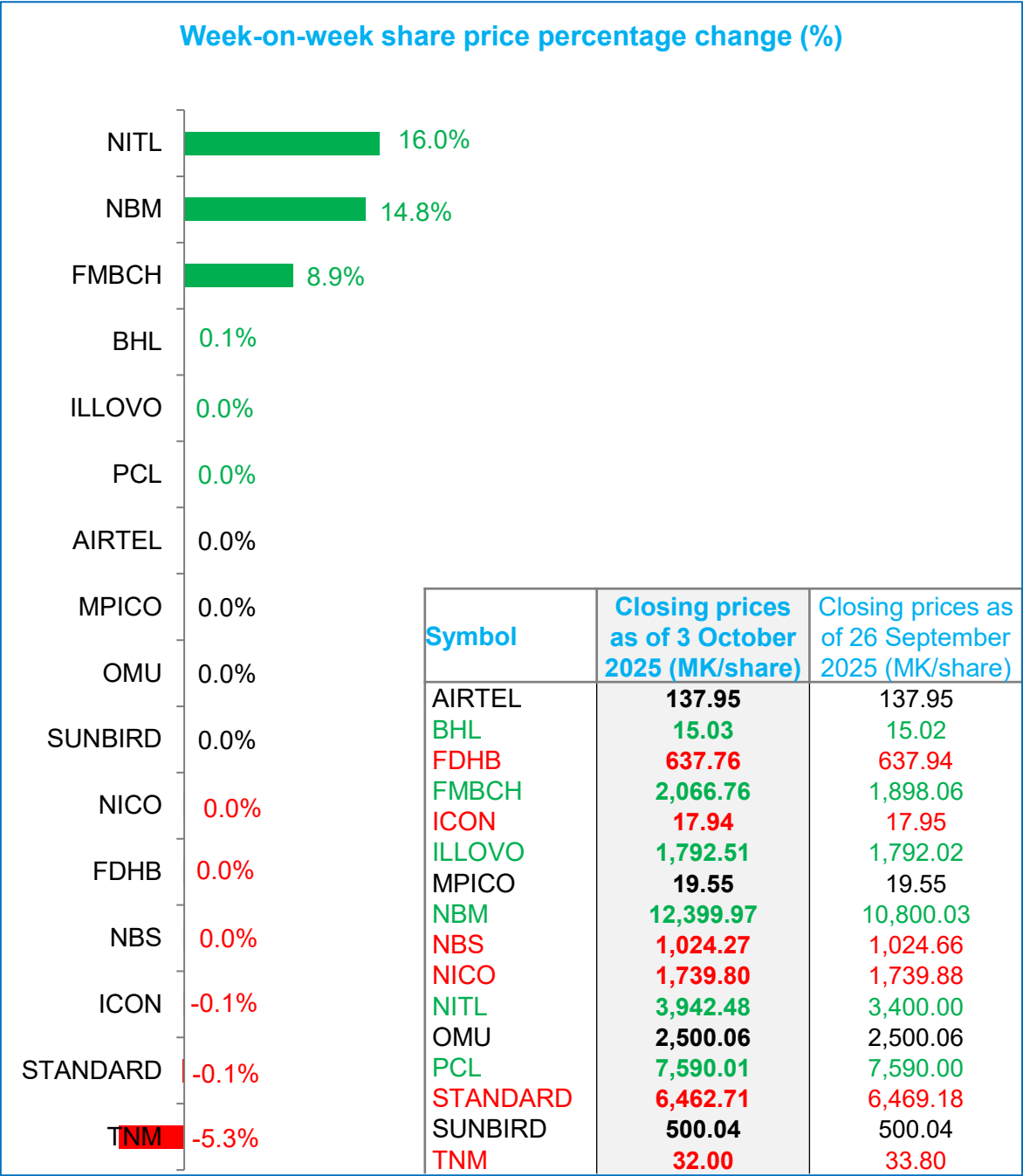
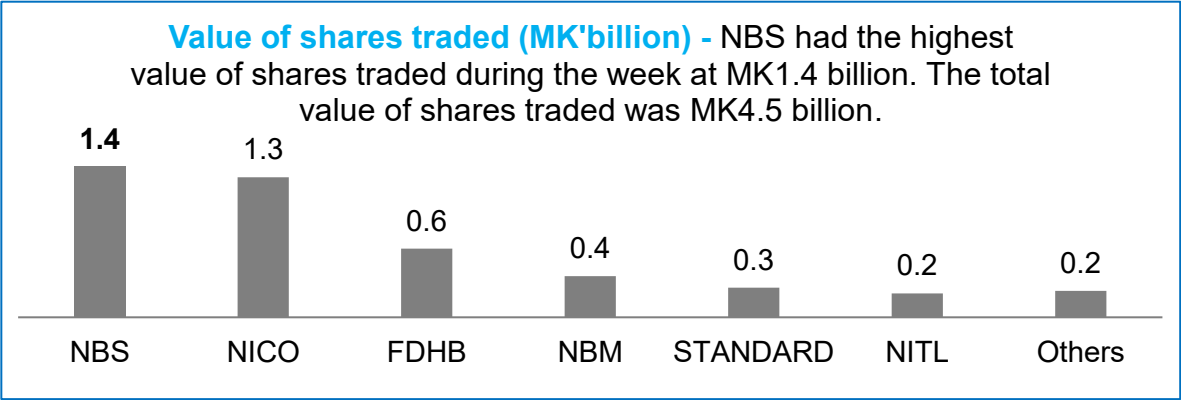
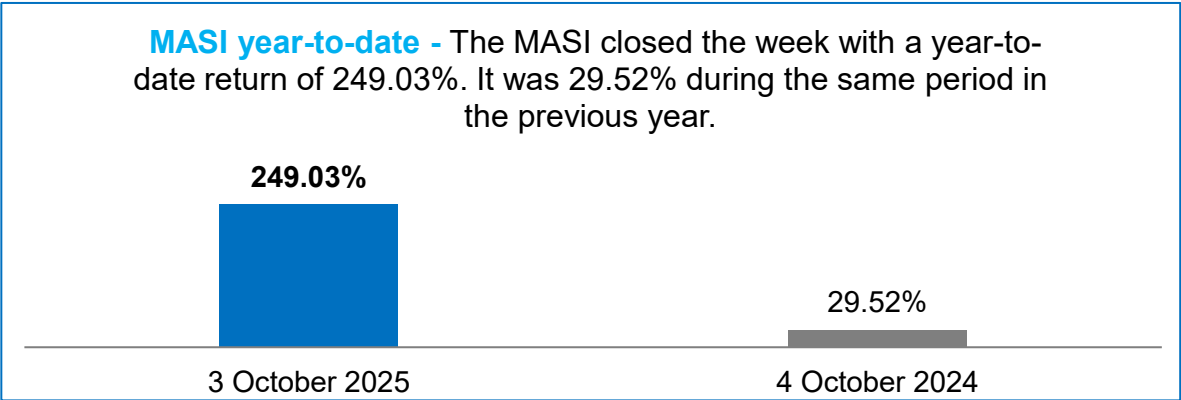
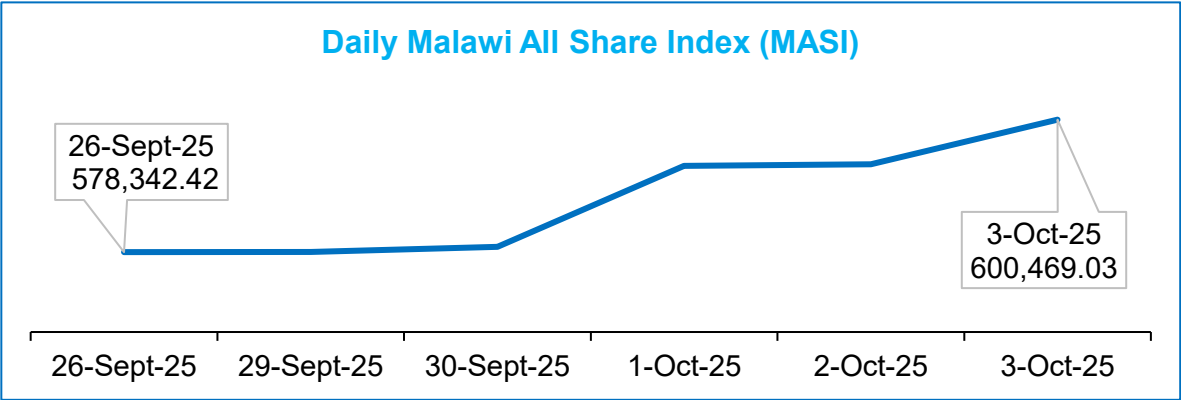
Malawi Energy Regulatory Authority (MERA) announced that pump prices of petrol and diesel have been adjusted upwards, effective 1 October 2025.

1. In a press release dated 30 September 2025, the Malawi Energy Regulatory Authority (MERA) announced that pump prices of petrol and diesel have been adjusted upwards, effective 1 October 2025. The upward adjustment has moved the pump price of petrol to MK3,499/litre from MK2,530/litre, representing a 38.30% increase, and the pump price of diesel to MK3,500/litre from MK2,734/litre, representing a 28.02% increase. The increase is aimed at ensuring sustained fuel supply and achieving cost-reflective pricing. The adjustment follows rising landed costs driven by higher freight, insurance, and exchange rate pressures despite lower international fuel prices. MERA's decision comes amid heavy arrears to fuel importers and government levies, which had accumulated under the abandoned Automatic Pricing Mechanism. (*The Nation*, 1 October 2025)
2. The Government of Malawi announced that the Swearing-in and Inauguration of the 7th President, Professor Arthur Peter Mutharika, alongside Vice President Justice Dr. Jane Ansah, will take place on Saturday, 4 October 2025 at Kamuzu Stadium in Blantyre. The ceremony will feature the official oath-taking, presentation of symbols of office, military honours, and an inaugural address. Invitations have been extended to regional and international dignitaries, while public viewing points will be set up in Lilongwe, Mzuzu, and Mangochi to enable wider citizen participation. (*The Republic of Malawi*, 30 September 2025)
3. The reference rate for October 2025 has been set at 25.40%, effective 3 October 2025, up from 25.30% in September. (*Standard Bank Plc*, 2 October 2025)
4. The Competition and Fair Trading Commission (CFTC) has authorised the acquisition of Shoprite Trading Limited assets by Karson Investment Trust following its 74th meeting held on 12 September 2025. The regulator determined that the transaction will not substantially lessen competition in the retail grocery and property markets. While approving the deal, the Commission attached conditions to address public interest concerns, including the requirement for Karson to retain all Shoprite employees who wish to remain, pay full terminal benefits to those exiting, and maintain Shoprite's operational standards. Karson will also be required to submit compliance reports every 90 days for the next two years, with any restructuring to be conducted in line with Malawi's employment laws. (*The Nation*, 30 September 2025)
5. As of 29 September 2025, a cumulative USD531.8 million (approximately MK931.2 billion) has been raised from tobacco sales. This amount corresponds to a total of 213.8 million kilograms (kgs) of tobacco sold at an average price of USD2.49/kg. As of 29 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*, 29 September 2025)
6. FDH Bank Plc has announced the completion of its acquisition of Ecobank Mozambique SA from Ecobank Transnational Incorporated, effective September 5, 2025. Following the transaction, FDH Bank Plc now holds a 98.87% stake in the subsidiary, with the remaining 1.13% retained by Fundo Para O Fomento De Habitação (FFH), a housing development fund in Mozambique. A transition process, including rebranding and a name change, is underway to ensure smooth continuity for customers, staff, and stakeholders. The acquisition marks a key milestone in FDH Bank's regional growth strategy and is expected to deliver market expansion, revenue diversification, operational synergies, and long-term value creation. (*FDH Bank Plc*, 26 September 2025)
7. The Institute of Chartered Accountants in Malawi (ICAM) has reaffirmed that Malawi does not yet meet the full criteria of a hyperinflationary economy under IAS 29, despite cumulative three-year inflation rising to 120.61% as of 31 August 2025, above the 100% threshold. While the quantitative threshold is breached, qualitative indicators are still absent. The December 2024 directive remains in force, with ICAM continuing to monitor developments ahead of year-end. (*ICAM*, Notice No. PN2025-02, September 2025)
8. The Department of Climate Change and Meteorological Services (MET) has forecast reliable rains to begin in December for the 2025/26 season, cautioning against false onsets in November and projecting dry spells in January and February. Farmers have been advised to plant early maturing and drought-resistant crops to mitigate risks. (*The Nation*, 3 October 2025)



Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 3 October 2025 at 600,469.03 points from 578,342.42 points on 26 September 2025. This upward movement in the index was driven by the share price gains in NITL, NBM, and FMBCH that offset a share price decrease in TNM.





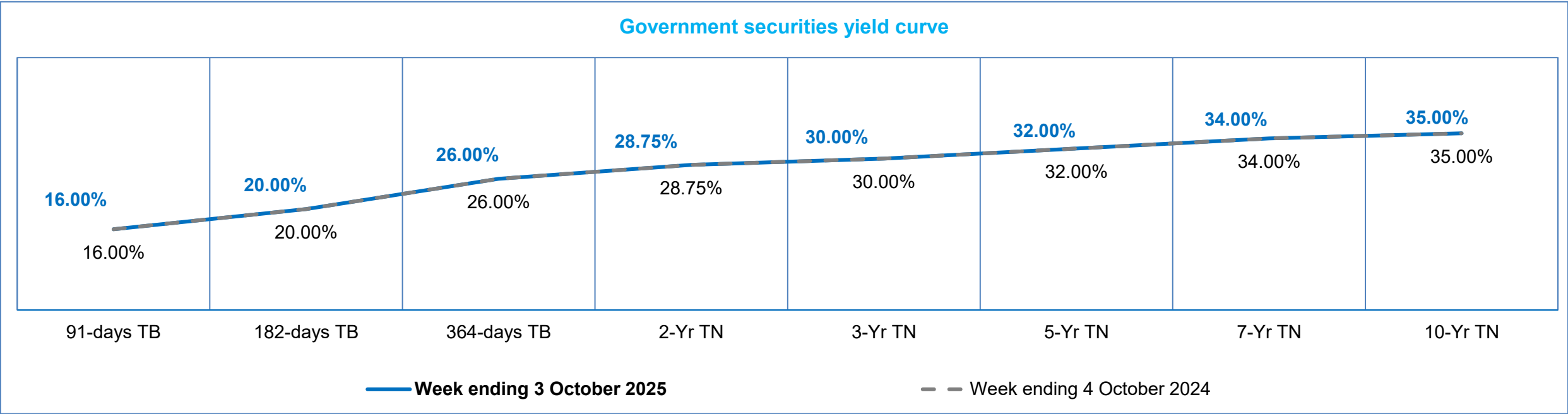
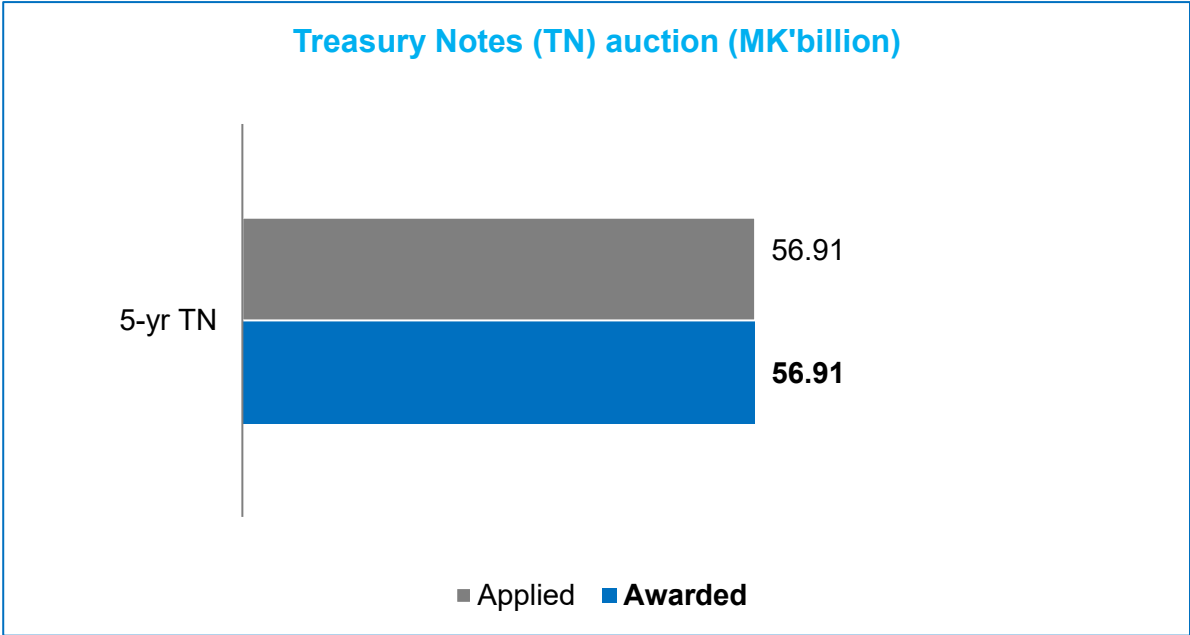
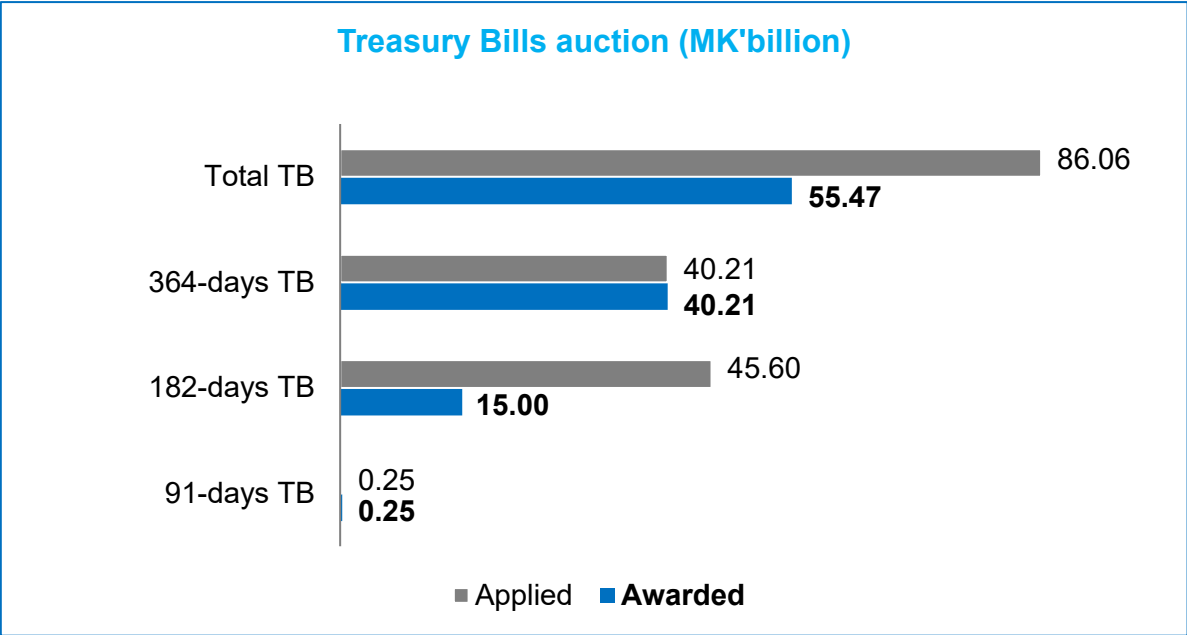
Government Securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and the 5-yr Treasury Note (TN) during the period under review. A total of MK112.38 billion was raised from the auctions.

The total amount raised from the TBs auction was MK55.47 billion, primarily driven by the 364-days TB.

The total amount raised from the TN auction was MK56.91 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	3-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	2,399.36
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	2,092.87
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	103.34
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	N/A	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%	249.03%
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%	245.71%
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%	269.00%

The 3 October 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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