



Malawi Financial Market Update

Week ending 14 November 2025



Market Developments

What happened this week

The President of Malawi has extended the State of Disaster declaration to all districts in the country.

According to the fourth monetary policy report of 2025, the government recorded a deficit of MK754.6 billion in the second quarter of the 2025-26 fiscal year.

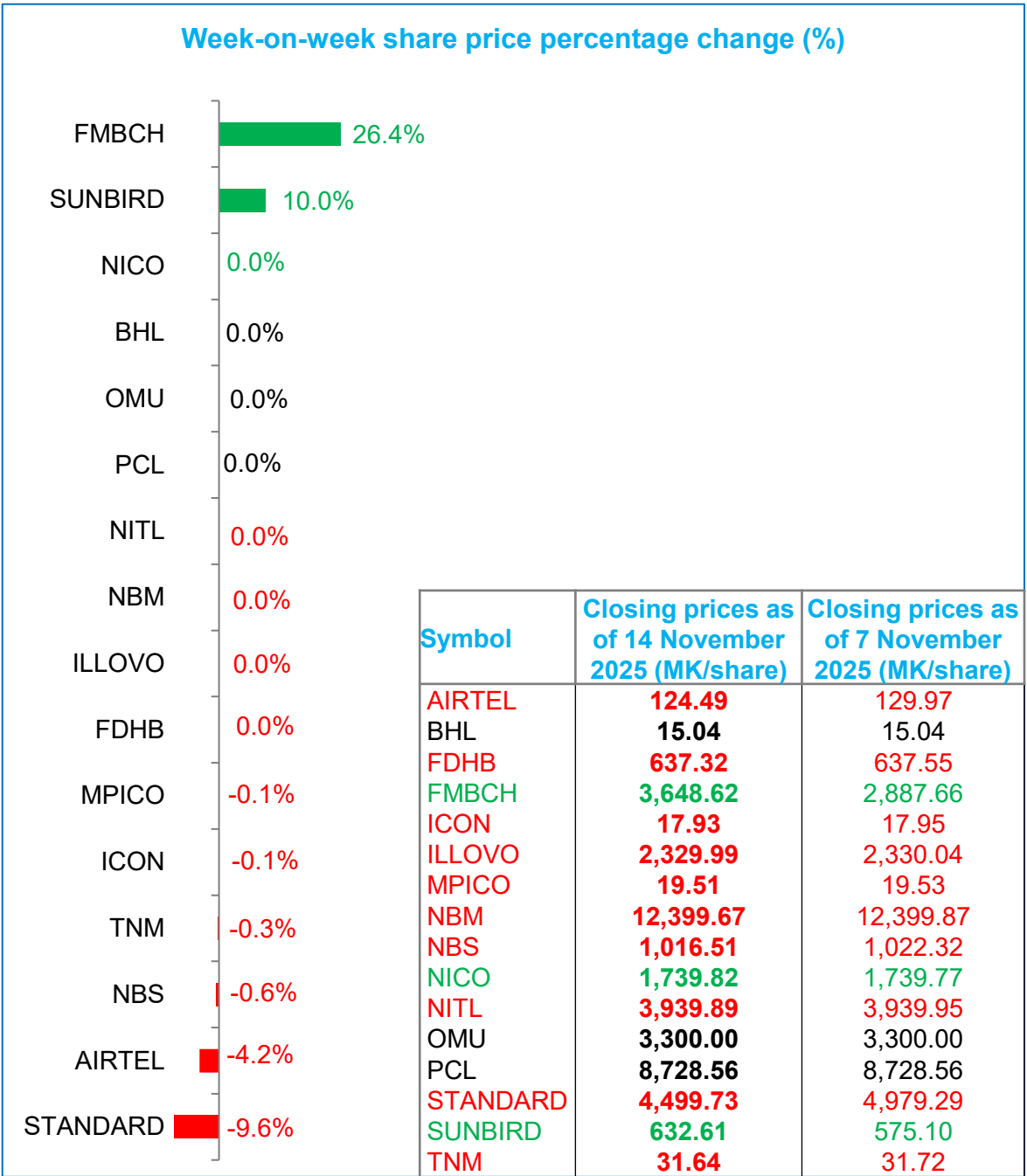
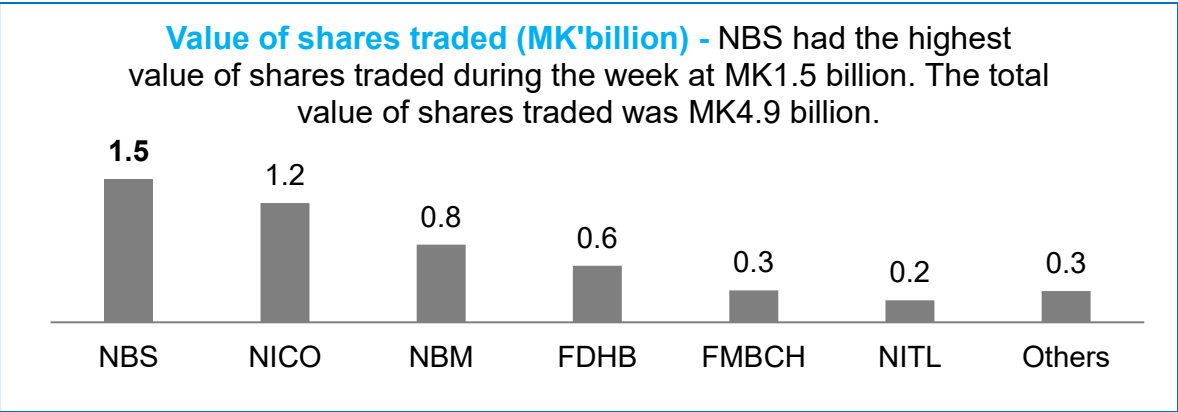
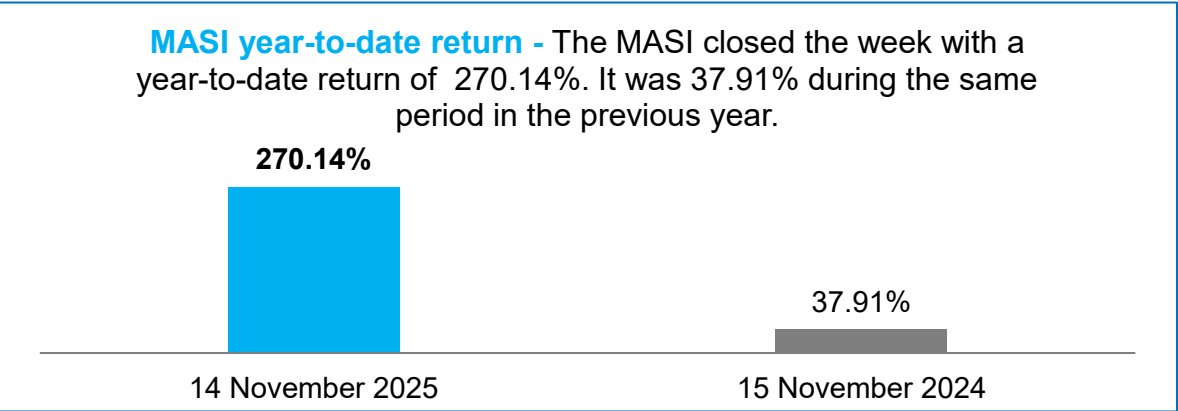
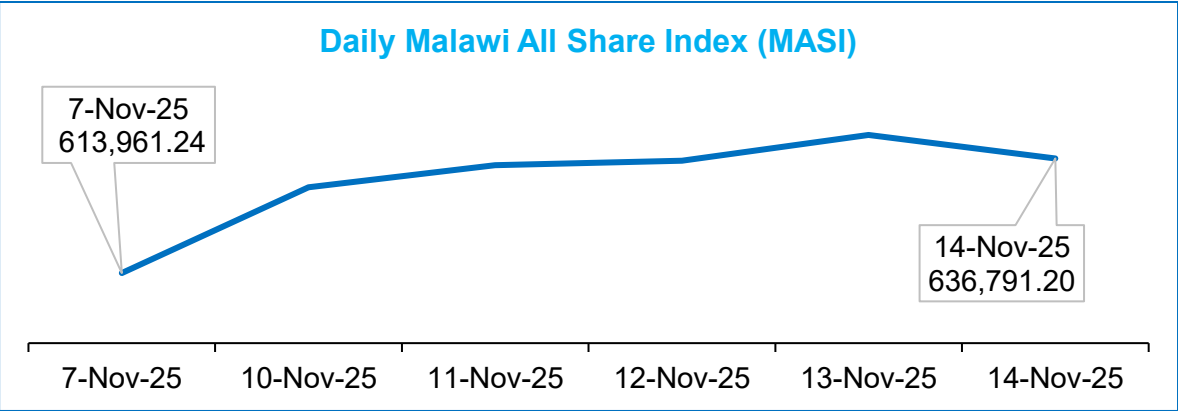
The World Bank has pledged budgetary support if Malawi restores its program with the International Monetary Fund (IMF).

1. The President of Malawi has extended the State of Disaster declaration to all districts in Malawi, with about four million people at risk of hunger between October 2025 and March 2026. Government says the declaration will help mobilise more local and international support, with the Department of Disaster Management Affairs (DODMA) noting that all districts now require urgent assistance and the national MK209 billion response plan still faces a MK147 billion deficit. Consumer rights groups have welcomed the move as timely, given that over 20% of the population is projected to be food insecure. (*The Nation*, 14 November 2025)
2. According to the Reserve Bank of Malawi's fourth Monetary Policy Report for 2025, government spending rose to MK2.2 trillion in the second quarter of the 2025–26 fiscal year, up from MK1.8 trillion in the first quarter. This resulted in a wider fiscal deficit of MK754.6 billion, although total revenue increased to MK1.5 trillion in the second quarter from MK1.2 trillion in the first quarter. The RBM attributed the surge in expenditure to higher recurrent costs, including election-related spending and increased debt servicing, with the deficit largely financed through domestic borrowing. (*The RBM Fourth Monetary Policy Report*, 14 November 2025)
3. In its staff visit to Malawi on 3 to 7 November 2025, the IMF commended the recent expenditure controls and fuel pricing reforms and urged the government to tighten spending and monetary policy to restore macroeconomic stability. The Minister of Finance highlighted that the talks laid the groundwork for renewed IMF engagement. Economists have noted that austerity measures may strain some sectors but are vital for rebuilding. (*The Daily Times*, 10 November 2025)
4. In an exclusive interview, the World Bank Vice President for Eastern and Southern Africa highlighted that the World Bank will resume direct budgetary support to Malawi only after the country restores its program with the IMF, calling this key to rebuilding donor confidence. He stressed that support depends on reforms and fiscal discipline. He also added that the Bank is already giving emergency help for food shortages, and full financial support will resume once Malawi proves it is managing its economy responsibly. The previous USD175 million Extended Credit Facility expired in May without a single review, leaving Malawi without a policy anchor. (*The Nation*, 13 November 2025)
5. The Financial Market Dealers Association (FIMDA) has warned that Malawi's rapid money supply growth of 52.1% must be controlled to curb soaring inflation, which stood at 28.7% in September 2025. FMDA President attributed the surge to rising government spending and borrowing, which pushed the fiscal deficit to MK1.44 trillion between January and August 2025. Economists have cautioned that excessive money circulation without matching production fuels inflation, especially amid forex shortages and supply constraints. Experts have urged tighter fiscal management and productivity growth to restore price stability. (*The Nation*, 12 November 2025)
6. Malawi's maize imports from Zambia are being delayed because the government has yet to make the first payment (about MK53.9 billion) on the 200,000 metric tonnes maize deal signed on 22 October 2025. Authorities, including the Ministries of Agriculture, Justice, and Treasury, are finalizing paperwork, logistics, and funding with partners such as the World Bank to enable deliveries. (*The Nation*, 10 November 2025)
7. NICO Group has donated MK400 million, National Bank of Malawi plc MK300 million, Standard Bank Malawi plc MK200 million, and First Capital Bank MK210 million toward Malawi's hunger-relief effort following the government's declaration of a State of Disaster amid food shortages affecting about four million people. The institutions stated that their support reflects a commitment to assisting vulnerable communities, with funds going toward maize purchases and coordinated aid distribution. The Minister of Finance welcomed the contributions, emphasizing collaboration, transparency and the need for more corporate partners to help close the significant funding gap. (*The Nation*, 11-14 November 2025)
8. In its 2025 September Monthly Economic Review, the Reserve Bank of Malawi reported that the country's total foreign exchange reserves fell to USD511.8 million in September 2025 from USD523.9 million in August 2025. This corresponded to 2.0 months of import cover in September 2025, slightly lower than the 2.1 months recorded in August 2025. The decline resulted from decreases in both official government reserves and private sector reserves. The report highlights that the September 2025 reserves were lower than the USD560.3 million recorded in September 2024. (*Reserve Bank of Malawi*, 14 November 2025)



Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) rising by 3.72% to close the week ending 14 November 2025 at 636,791.20 points, from 613,961.24 points on 7 November 2025. This upward movement in the index was primarily driven by the share price gains in FMBCH and SUNBIRD, which offset the share price losses in STANDARD and AIRTEL.





Government Securities (Source: RBM)

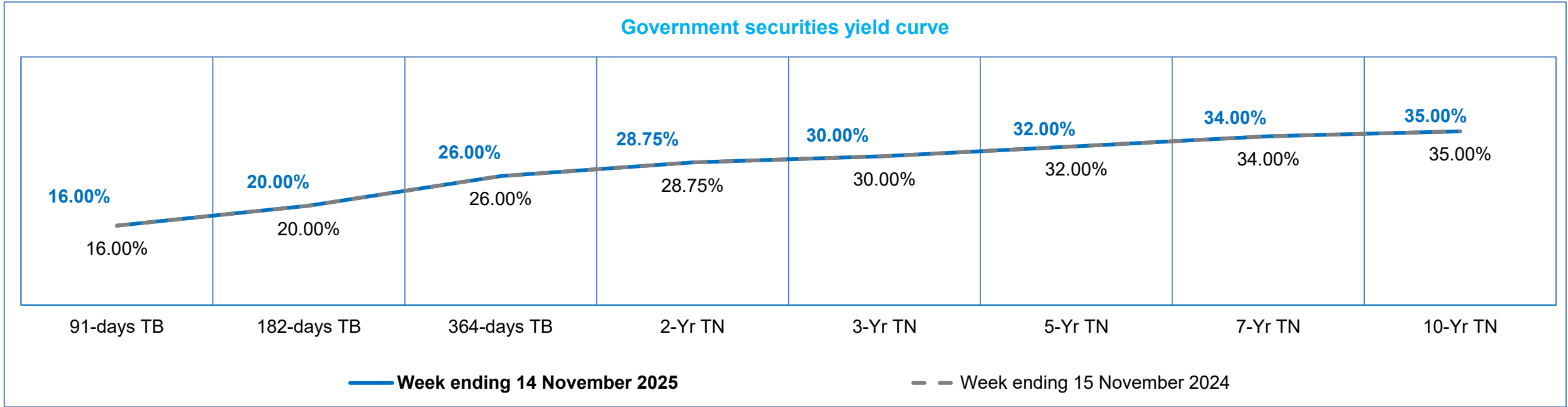
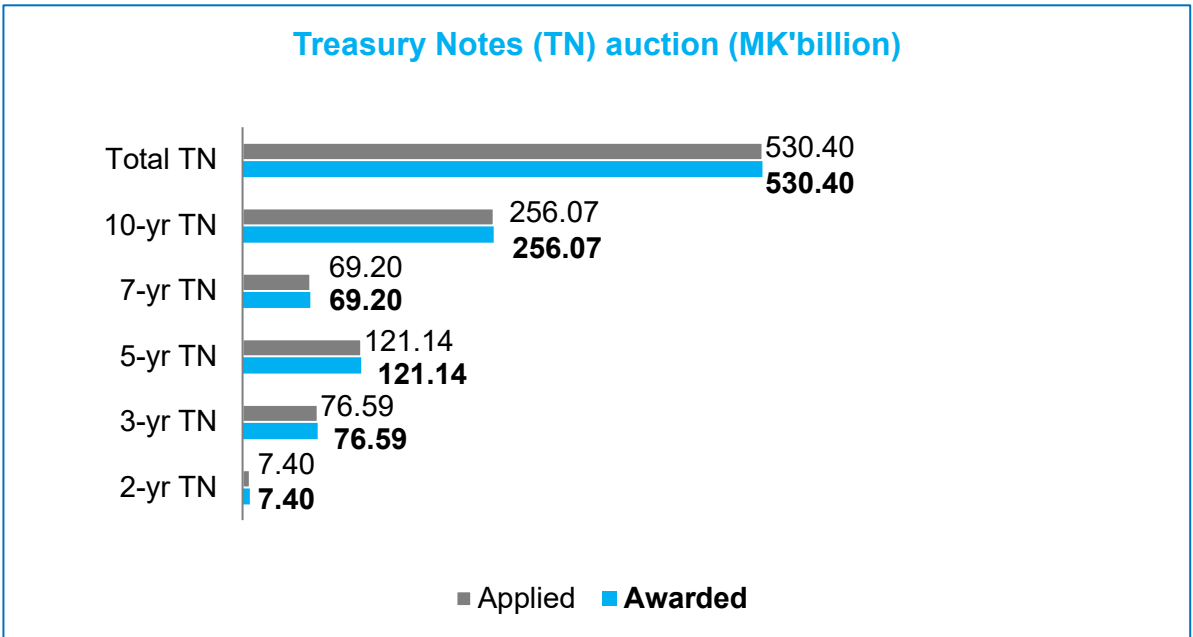
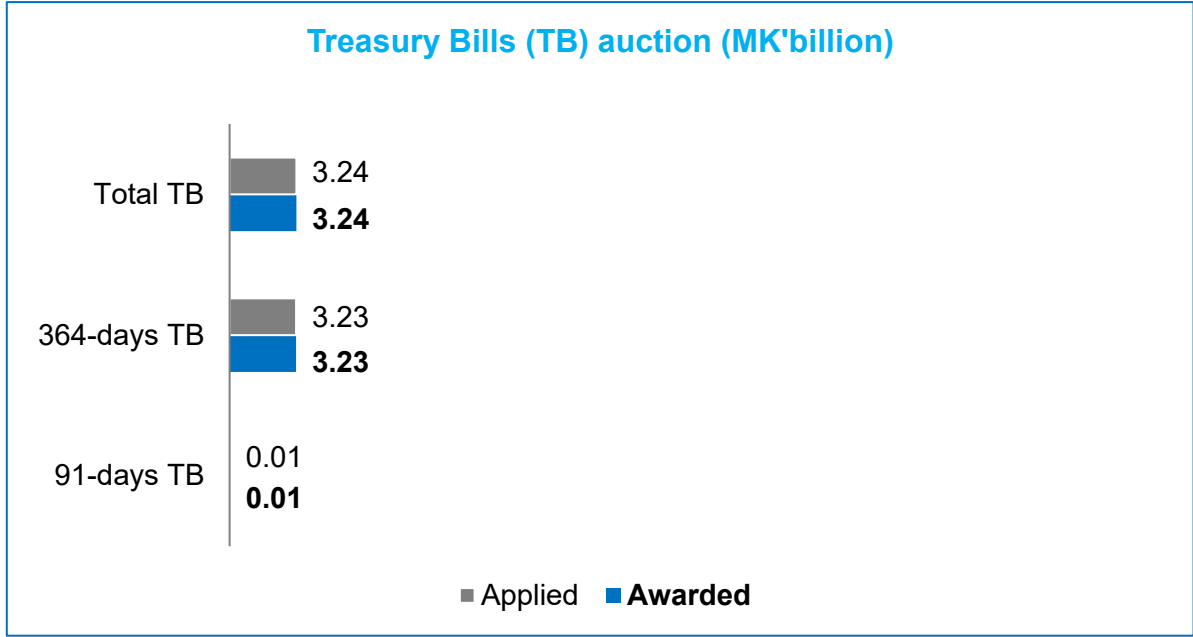
The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) and Treasury Notes (TN) during the period under review. A total of MK533.64 billion was raised from the auctions.

The total amount raised from the TB auctions was MK3.24 billion.

The total amount raised from the TN auctions was MK530.40 billion.

The average yields for Treasury Bills and Treasury Notes remained at 20.67% and 31.95%, respectively, during the period under review.

The RBM conducted an Open Market Operation (OMO) Repo auction on 12 November 2025, and MK75 billion was withdrawn from the market.



TB: Treasury Bill
TN: Treasury Note



Appendix 1: Historical Economic Indicators

	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	14-Nov-25
Exchange Rates (middle rates)													
MK/USD	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	1,749.95	1734.01
MK/GBP	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	2,371.39	2,348.63
MK/EUR	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	2,078.57	2,078.76
MK/ZAR	99.29	95.82	97.11	97.04	98.15	96.28	100.76	100.57	100.34	101.77	103.60	103.58	104.75
Foreign Exchange Reserves													
Total Reserves (USD'mn)	516.9	530.9	570.60	569.5	536.0	530.0	521.0	555.9	607.7	523.9	511.8	N/A	N/A
Inflation													
Headline	27.0%	28.1%	28.5%	30.7%	30.5%	29.2%	27.7%	27.1%	27.3%	28.2%	28.7%	N/A	N/A
Food	33.7%	35.6%	36.0%	38.5%	37.7%	35.8%	32.7%	31.6%	32.4%	33.7%	33.0%	N/A	N/A
Non-food	17.2%	16.8%	16.9%	18.5%	19.2%	19.4%	20.0%	20.1%	19.3%	19.5%	21.7%	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)	23.23%	23.22%	23.19%	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	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	25.50%	25.30%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%
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	47.08%	55.06%	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	270.14%
DSI	47.71%	52.11%	32.35%	50.42%	56.52%	62.53%	62.41%	89.34%	120.03%	214.05%	236.40%	233.38%	221.55%
FSI	42.71%	75.65%	15.08%	152.62%	148.16%	103.82%	77.74%	106.49%	150.94%	195.28%	239.14%	348.11%	549.91%

The 14 November 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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