Bridgepath Capital
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Malawi Financial Market Update

Week ending 21 November 2025

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Market Developments

What happened this week

The Malawi national budget has been revised upward by MK512.6 billion to MK8.60 trillion during the 2025/26 mid-year budget review.

Malawi's inflation rose to 29.1% in October 2025 from 28.7% in September 2025.

1. The 2025/26 Mid-Year Budget Review shows Malawi is facing major fiscal pressures, with a 3.8% shortfall in domestic revenue, 43% underperformance in grants, and 4.1% overspending driven by wage costs, debt interest, and election-related expenses. As a result, the national budget has been revised upward by MK512.6 billion to MK8.60 trillion, pushing the fiscal deficit to MK3.13 trillion (11.9% of GDP), to be financed mainly through domestic borrowing. To address the widening gap, the government has introduced new revenue measures, including levies on bank and mobile money transactions, adjustments to PAYE and corporate taxes, and an increase in VAT to 17.5%, while enforcing strict expenditure controls to restore fiscal discipline and stabilise the economy. *(Government of Malawi, 21 November 2025)*

2. The National Statistical Office, in its October Consumer Price Index report, stated that Malawi's inflation rose to 29.1% in October 2025 from 28.7% in September, driven mainly by higher non-food inflation, which increased to 23.8% from 21.7%, while food inflation eased slightly to 32.4% from 33%. *(The NSO CPI Report, 11 November 2025)*

3. The Malawi Trade Report 2025 revealed a USD2.4 billion (MK4.3 trillion) trade deficit and a 6.8% drop in exports, while imports fell only 0.6% from USD3.33 billion in 2023 to USD3.31 billion in 2024. Exports fell 6.8% to USD0.96 billion, despite tobacco earnings hitting USD69.9 million (MK970 billion), showing heavy reliance on a single crop. Services exports, led by telecommunications and IT, grew from USD42 million (MK75.6 billion) in 2019 to USD54 million (MK277 billion) in 2023 but remain under-supported. The report urges a focus on regional markets, with Malawi holding a 0.3% African export share versus 0.0004% globally, unlocking USD208 million (MK374 billion) in potential exports. Financial leaders called for banks to prioritize export-oriented SMEs over government securities to strengthen foreign exchange and drive economic transformation. *(The Export Development Fund, 18 November 2025)*

4. The World Bank has cut Malawi's 2025 growth forecast to 1.9%, deepening a four-year decline in GDP per capita, now down to USD503 from USD655 in 2021 in an USD11 billion economy supporting over 22 million people. Although the government projects 2.8% growth, the 2025 Malawi Trade Report warns this is threatened by rising debt, estimated at MK21.6 trillion, debt servicing absorbing 30% of the budget, a 26% policy rate, falling donor support, higher input costs, and weather risks. (*The Daily Times, 20 November 2025)*

5. Norway has donated USD8.3 million (MK14.4 billion) to the World Food Programme (WFP) to support Malawi's 2025–26 lean season response and home-grown school feeding. The funding will finance school meals and provide 6,000 metric tonnes of maize for 520,000 people in three food-insecure districts. The support responds to findings that over four million Malawians are at risk of food insecurity. Norwegian officials stated that the aid aims to save lives while promoting sustainability and climate adaptation. *(The Daily Times, 20 November 2025)*

6. According to a report released by the Employers Consultative Association of Malawi (Ecam), the cost of living for an average urban household fell modestly in October 2025, mainly due to lower food prices. The report highlights the cost of basic basket declined from MK908,071 in September to MK895,268, with food prices dropping by 1.79% as tomatoes and chicken became cheaper, while maize and beans remained stable. Non-food items were mostly unchanged, but transport costs rose by 25% because of fuel shortages. Economists attribute the lower food costs to government efforts to increase maize supply and the release of hoarded stocks, though they caution that forex constraints and Kwacha instability may keep overall living costs from falling further. *(The Daily Times, 18 November 2025)*

7. The IMF has welcomed Malawi's new austerity measures as a necessary step to address ongoing fiscal pressures and promote long-term fiscal sustainability. The measures unveiled for the 2025/26 fiscal year include a freeze on staff recruitment, suspension of promotions, cuts to fuel entitlements, restrictions on foreign travel, and a moratorium on new government vehicles, aimed at reducing public spending and creating fiscal space. IMF representatives stressed that effectiveness will depend on strict adherence and strong political leadership, noting past austerity efforts have often failed to materialize. They also highlighted the importance of integrating these measures into a comprehensive framework to stabilize the macroeconomy, control the growing budget deficit, and support broader development goals. (*The Nation, 20 November 2025)*

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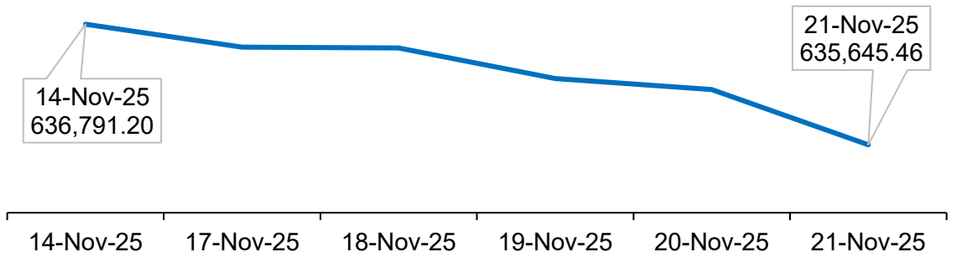
Stock market (Source: MSE)

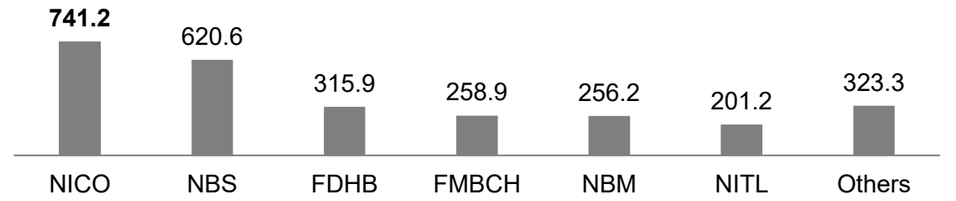
The stock market was bearish, with the Malawi All Share Index (MASI) falling by 0.18% to close the week ending 21 November 2025 at 635,645.46 points, from 636,791.20 points on 14 November 2025. This downward movement in the index was primarily driven by the share price loss in NBS.

Daily Malawi All Share Index (MASI)

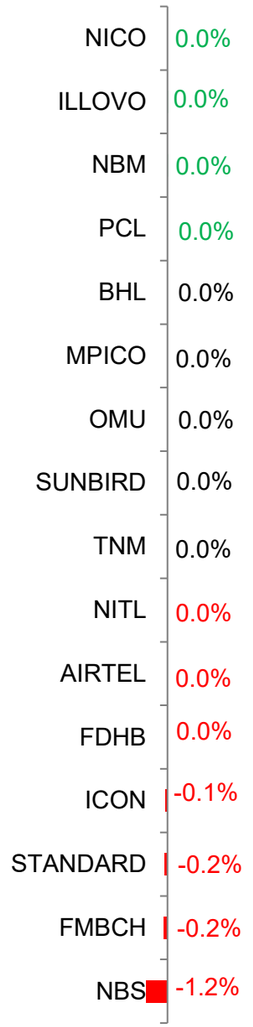


MASI year-to-date - The MASI closed the week with a year-to-date return of 269.48%. It was 40.67% during the same period in the previous year.

Value of shares traded (MK'million) – NICO had the highest value of shares traded during the week at MK741.2 million. The total value of shares traded was MK2.7 billion.



Week-on-week share price percentage change (%)



Symbol	Closing prices as of 21 November 2025 (MK/share)	Closing prices as of 14 November 2025 (MK/share)
AIRTEL	**124.47**	124.49
BHL	**15.04**	15.04
FDHB	**637.13**	637.32
FMBCH	**3,641.53**	3,648.62
ICON	**17.91**	17.93
ILLOVO	**2,330.00**	2,329.99
MPICO	**19.51**	19.51
NBM	**12,399.70**	12,399.67
NBS	**1,004.29**	1,016.51
NICO	**1,740.00**	1,739.82
NITL	**3,939.81**	3,939.89
OMU	**3,300.00**	3,300.00
PCL	**8,728.57**	8,728.56
STANDARD	**4,492.98**	4,499.73
SUNBIRD	**632.61**	632.61
TNM	**31.64**	31.64

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Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) and a 3-year Treasury Note (TN) during the period under review. A total of MK14.21 billion was raised from the auctions.

The total amount raised from the TB auctions was MK2.60 billion.

The total amount raised from the 3-year TN auction was MK11.61 billion.

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

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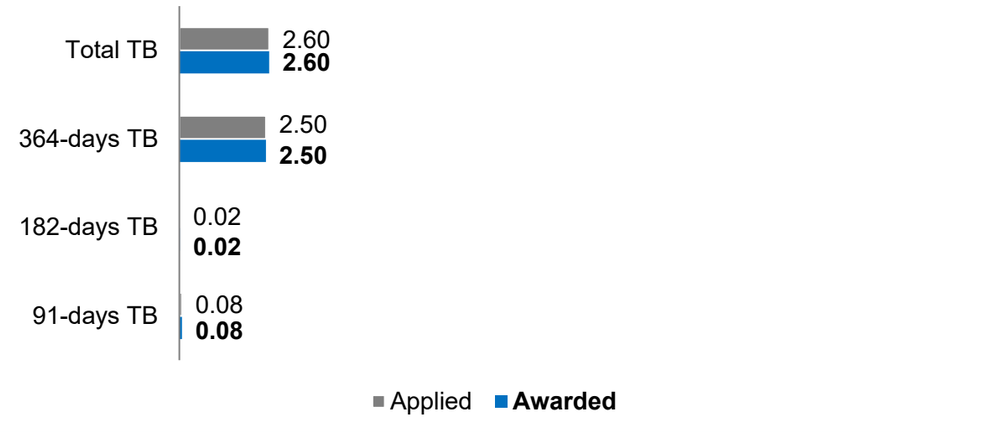
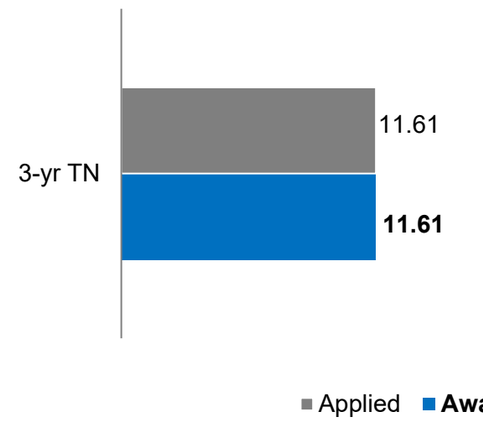
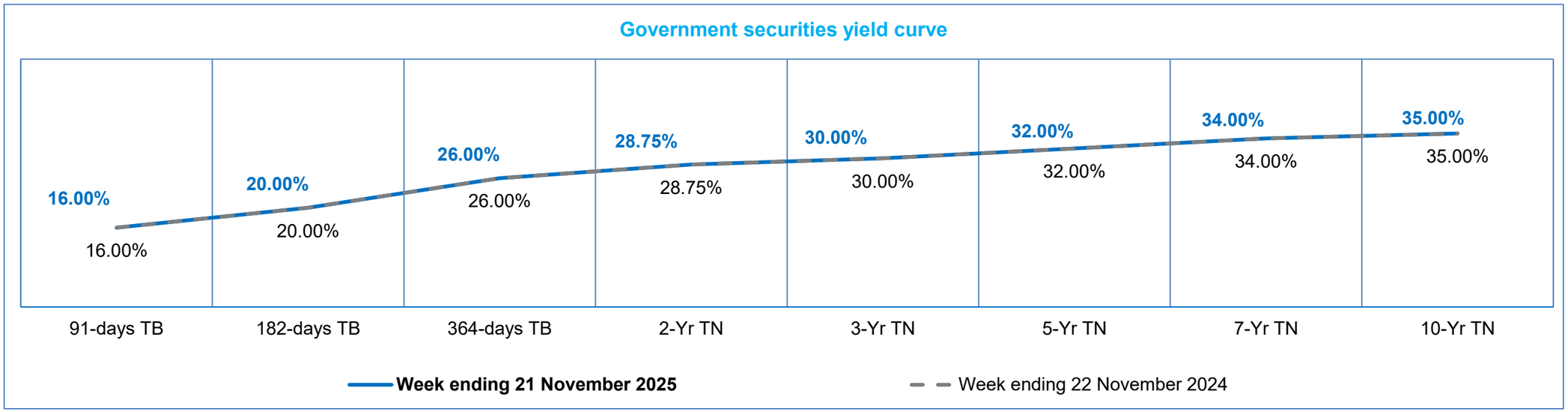
Treasury Bills (TB) auction (MK'billion)



Treasury Notes (TN) auction (MK'billion)



Government securities yield curve



TB: Treasury Bill
TN: Treasury Note

Appendix 1: Historical Economic Indicators

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	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	21-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	**1,734.01**
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	**2,337.56**
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	**2,061.26**
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	**103.55**
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%	29.1%	**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%	32.4%	**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%	23.8%	**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%	**269.48%**
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%	**220.98%**
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%	**548.65%**

The 21 November 2025 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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Joint Lead advisor	Independent expert	Lead advisor	Valuation expert
2024	2025	2021 - 2022	2022 - 2024

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