Bridgepath Capital
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Malawi Financial Market Update

Week ending 28 November 2025

Malawi Financial Market Update: Week ending 28 November 2025

Market Developments

What happened this week

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1. The Finance Minister has prioritised securing the Extended Credit Facility (ECF) from the International Monetary Fund (IMF), but acknowledges that Malawi's tight fiscal space and low foreign reserves make it difficult to obtain the programme in the immediate term. He emphasized that the government is developing its own policies and pursuing debt restructuring deals, particularly with commercial lenders like Afreximbank and the Trade and Development Bank, to improve the country's position. Given the current public debt and domestic revenue stance, experts stress the need for a clear reform matrix focused on spending discipline, debt transparency, and governance of state-owned enterprises. IMF officials have expressed support but are waiting to assess domestic policies before advancing the program. *(The Daily Times, 25 November 2025)*

2. The World Bank has hailed the Malawi Government for outlining key reforms aimed at restoring macroeconomic stability in its 2025/26 Mid-Term Budget Statement. The World Bank Country manager for Malawi welcomed proposed measures on debt management, civil service reform, and growth strategies, urging the Treasury to reinforce these plans to place Malawi on a sustainable fiscal path. This endorsement comes shortly after Malawi's President asked the Bank for an additional USD220 million to revive the struggling economy. Local Economists also commended the budget's direction but warned that its success depends on disciplined implementation. *(The Nation, 24 November 2025)*

3. The Economics Association of Malawi (ECAMA), in its recently released analysis of the 2025/2026 mid-year budget of the Government of Malawi, noted that although the proposed tax and non-tax measures aim to boost government revenue, they run the risk of raising inflation, discouraging business investment, increasing household costs, and slowing sectors like construction and tourism. With fiscal deficits exceeding targets and public debt at 86% of GDP, with half of domestic revenue going to debt servicing, productive investment is being crowded out. ECAMA therefore stresses the need for careful implementation to balance fiscal consolidation with safeguarding economic stability and growth. *(The Economics Association of Malawi, 27 November 2025)*

4. According to a report from the Budget and Finance Committee of Parliament, Statutory and mandatory expenditures are consuming nearly 99.74% of Malawi's domestic revenue, up from 93% over the past four years. These rigid expenditures now account for 32.34% of the revised MK8.6 trillion budget and 41.7% of recurrent spending (MK6.7 trillion). Debt servicing alone is projected at MK2.27 trillion, crowding out resources for sectors like health, education, agriculture, and social protection. Economists warn that this imbalance limits fiscal space for growth and social services. The government has imposed a recruitment moratorium and plans a payroll audit to control spending. *(The Nation, 28 November 2025)*

5. The National Statistical Office (NSO), in its Malawi Labour Force Survey, shows that 91.5% of the country's 8.3 million labour force works in the informal sector, up from 88.7% in 2013, leaving only 8.5% in formal employment. Out of the working-age population (10.9 million), just 4.2 million are employed, resulting in a low employment-to-population ratio of 38.8% (45.2% for men and 33.4% for women). Economists warn that this growing informality limits tax revenue, reduces productivity, and prevents Malawi from benefiting from its large labour force. They call for stronger job creation, investment promotion, and support for Micro, Small and Medium Enterprises (MSMEs) to reduce unemployment and dependence on informality. *(The Nation, 26 November 2025)*

6. The rollout of the 2025/26 Farm Inputs Subsidy Programme (FISP) has shown mixed progress, with some districts already redeeming subsidised fertiliser, while many areas are yet to receive inputs. Reports of irregularities have surfaced, including cases where beneficiaries are being asked to pay additional fees to access the inputs. The government relaunched FISP targeting 2 million smallholder farmers, requiring 110,000 metric tonnes of fertilizer. 30,000 tonnes have already arrived from Zambia, and SeedCo has supplied 3,000 metric tonnes of seed. Officials attribute some delays to procurement disruptions following the change of government in September 2025. *(The Daily Times, 28 November 2025)*

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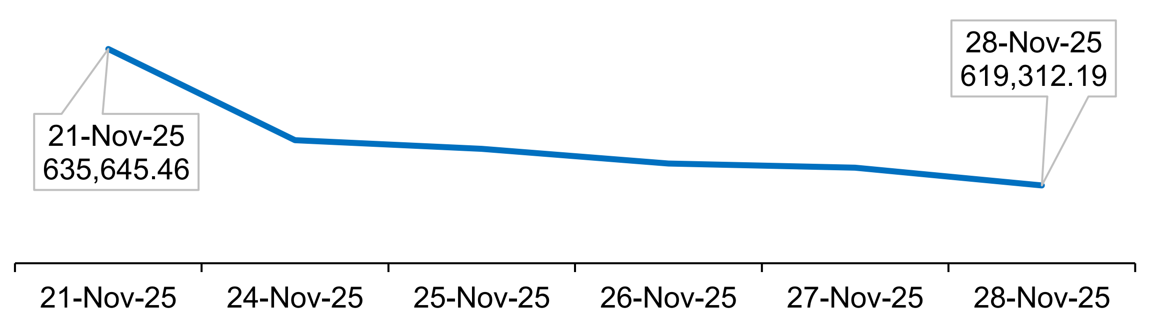
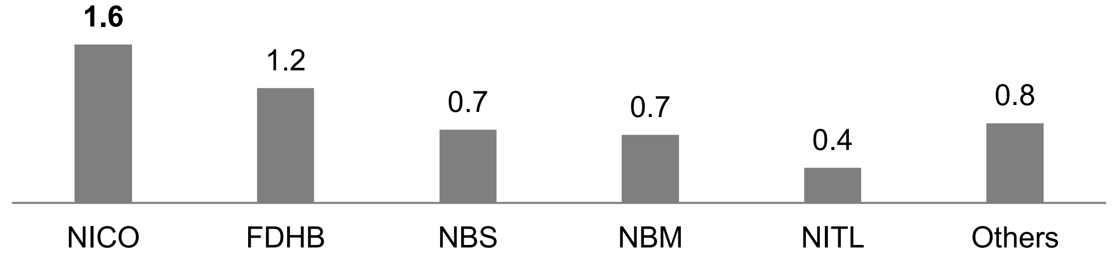
Stock market (Source: MSE)

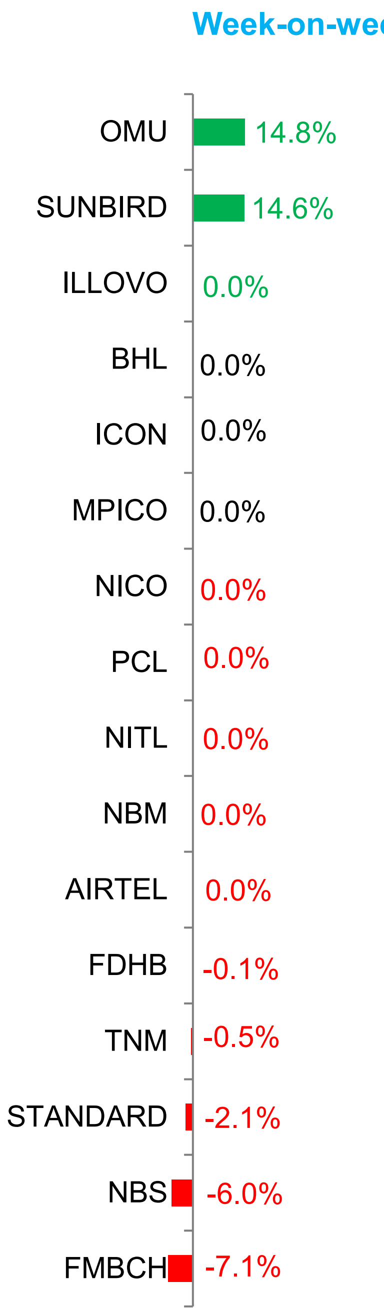
The stock market was bearish, with the Malawi All Share Index (MASI) falling by 2.57% to close the week ending 28 November 2025 at 619,312.19 points, from 635,645.46 points on 21 November 2025. This downward movement in the index was primarily driven by the share price losses in FMBCH, NBS and STANDARD.



MASI year-to-date - The MASI closed the week with a year-to-date return of 259.98%. It was 47.08% during the same period in the previous year.

Value of shares traded (MK'billion) - NICO had the highest value of shares traded during the week at MK1.6 billion. The total value of shares traded was MK5.3 billion.





Symbol	Closing prices as of 28 November 2025 (MK/share)	Closing prices as of 21 November 2025 (MK/share)
AIRTEL	**124.44**	124.47
BHL	**15.04**	15.04
FDHB	**636.74**	637.13
FMBCH	**3,383.99**	3,641.53
ICON	**17.91**	17.91
ILLOVO	**2,330.02**	2,330.00
MPICO	**19.51**	19.51
NBM	**12,398.99**	12,399.70
NBS	**943.93**	1,004.29
NICO	**1,739.99**	1,740.00
NITL	**3,939.70**	3,939.81
OMU	**3,790.00**	3,300.00
PCL	**8,728.49**	8,728.57
STANDARD	**4,399.99**	4,492.98
SUNBIRD	**725.01**	632.61
TNM	**31.49**	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 2-year Treasury Note (TN) during the period under review. A total of MK30.95 billion was raised from the auctions.

The total amount raised from the TB auctions was MK6.52 billion.

The total amount raised from the 2-year TN auction was MK24.43 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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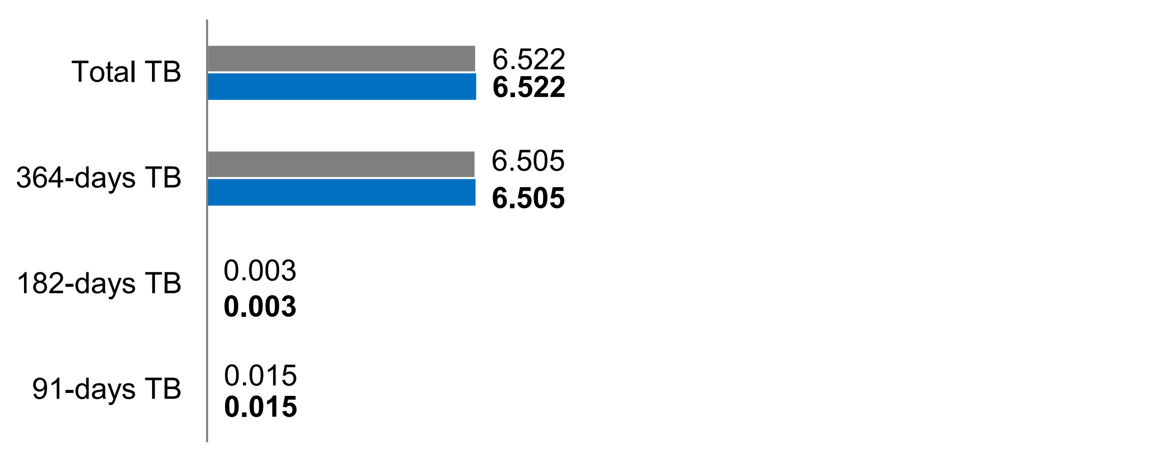
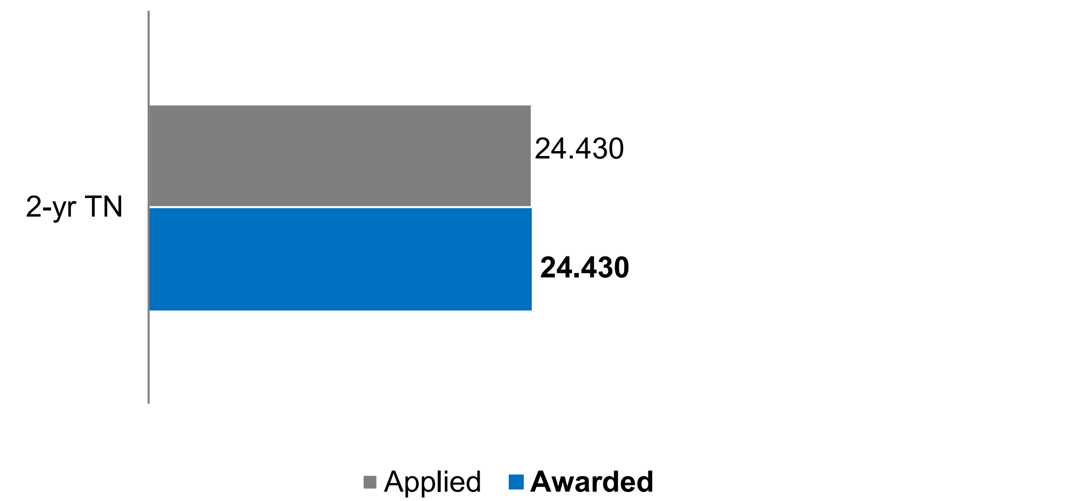
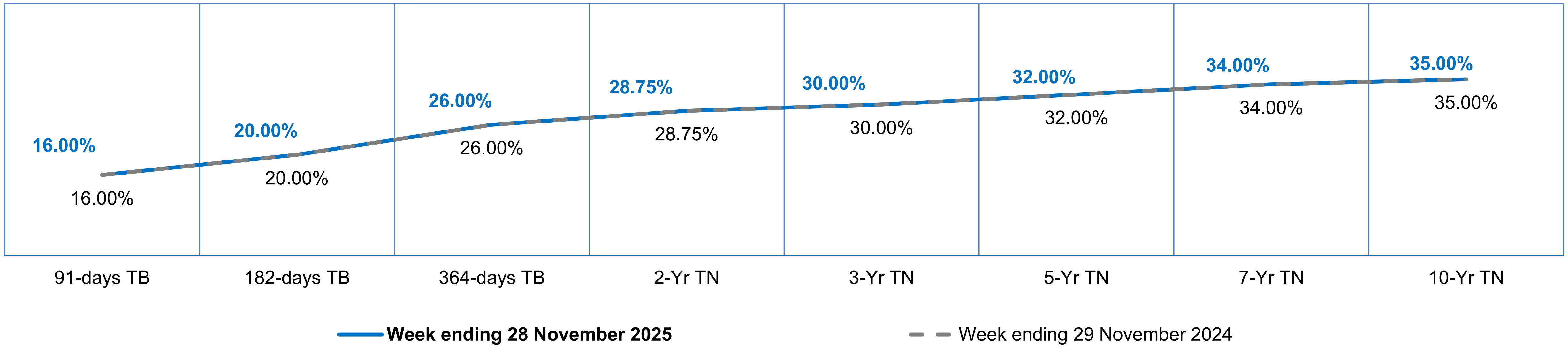
Treasury Bills (TB) auction (MK'billion)



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	28-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	**2,359.88**
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	**2,068.76**
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	**104.06**
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%	**259.98%**
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%	**217.65%**
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%	**503.79%**

The 28 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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