



## Malawi Financial Market Update

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Week ending 16 January 2026



### Market Developments

#### What happened this week

Malawi's annual average year-on-year inflation declined to 28.4% in 2025, down from 32.2% 2024

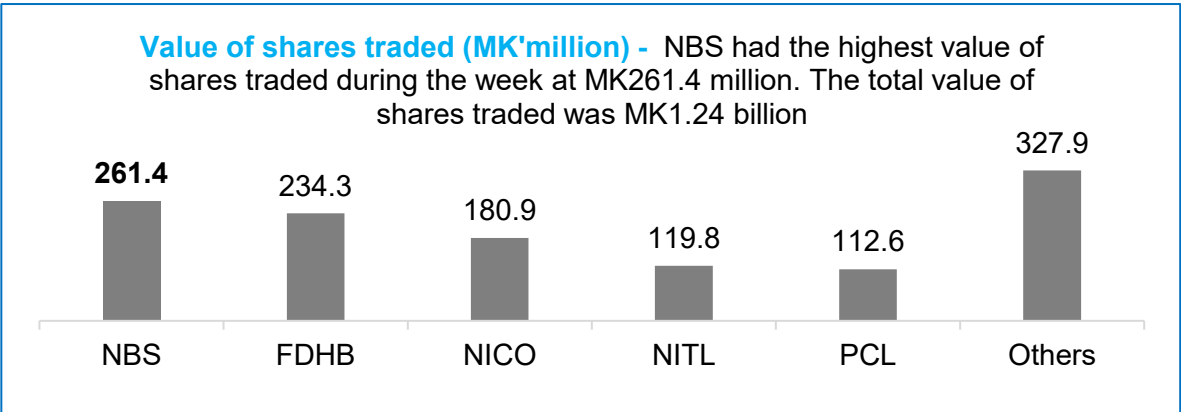
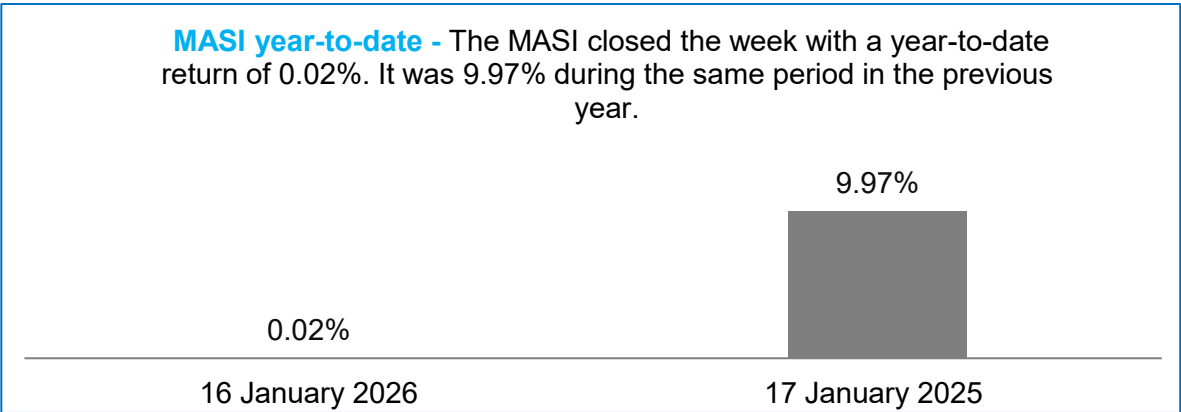
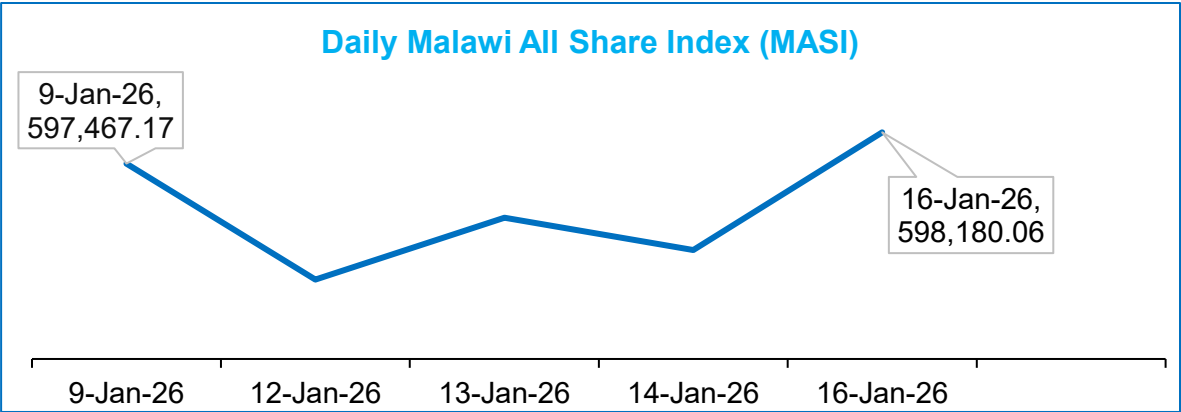
The US and Malawi sign a five-year USD936 million health cooperation Memorandum of Understanding

1. Malawi's total public debt surged to MK22.4 trillion by September 2025, an increase of MK800 billion from MK21.6 trillion in June 2025. The Ministry of Finance noted that interest payments alone are projected to reach MK2.27 trillion in the 2025-26 fiscal year, a figure that nearly exhausts all domestic revenue once government wages are factored in. Officials attributed the rising debt stock to the revaluation of external debt caused by exchange rate movements and increased domestic borrowing to respond to climate-related disasters. (*The Daily Times*, 12 January 2026)
2. The cost of living for an average urban household of six in Malawi surged by 20.57% during 2025, rising to MK968,165 by December 2025 from MK803,023 in January 2025. While maize prices fell by 26.67% over the year, the increase in cost of living was driven by spikes in other essentials, including both food items and non-food items. The year ended on a slightly positive note, with the cost of living declining marginally by 0.65% in December 2025 to MK968,165 from MK974,542 in November 2025. (*The Daily Times*, 13 January 2026)
3. The Malawi government has rejected calls from minority shareholders to reduce its 71% majority stake in Sunbird Hotels Limited, despite pressure to increase public participation in the profitable hotel chain. The Finance Minister stated that the government will not sell a profitable business that serves as a source of national pride, even as the Minority Shareholders Association of Listed Companies (MISALICO) argued that retaining such high stakes undermines capital market growth. Sunbird is rebounding strongly from pandemic-era losses, with projected 2025 profits between MK13 billion and MK15.1 billion, representing a potential 43% increase over the previous year. (*The Daily Times*, 14 January 2026)
4. The Higher Education Students Loans and Grants Board (HESLGB) reported a 54% increase in loan recovery, with collections rising to over MK893.8 million in 2025 from MK678.4 million in 2024. The board attributed the success to its integration into the national credit system, which prevents former beneficiaries from accessing commercial bank credit until their student loans are settled. During the 2024-25 financial year, the board disbursed over MK36 billion to more than 33,000 students, and officials are optimistic that improved recovery rates will enhance the sustainability of higher education financing. (*The Daily Times*, 14 January 2026)
5. The United States and Malawi signed a five-year, USD936 million bilateral health cooperation Memorandum of Understanding (MOU) to advance self-reliance and national ownership within the health sector. Under the deal, the U.S. intends to provide up to USD792 million to support efforts against HIV/AIDS, malaria, and other infectious diseases. Malawi will increase its overall annual health spending by USD143.8 million during the life of the MOU. The agreement marks a critical shift away from parallel NGO delivery systems, restoring responsibility for these resources to the national government. (*U.S. Department of State*, 14 January 2026)
6. In December 2025, year-on-year inflation eased to 26.0%, down from 27.9% in November 2025. Food inflation declined to 26.5% from 30.1%, while non-food inflation rose to 25.2% from 24.2% over the same period. The national month-to-month inflation rate for December 2025 was 3.0% (Food: 3.2%; Non-Food: 2.6%). Urban inflation in December 2025 was 2.1% (Food 2.4%, Non-Food 1.8%), and rural inflation was 3.4% (Food 3.6%, Non-Food 3.0%). The annual average year-on-year inflation for 2025 was 28.4%, down from 32.2% in 2024. (*NSO Report*, 13 January 2026)
7. The U.S. State Department announced a pause in immigrant visa processing for citizens of 75 countries, including 24 African nations, effective 21 January 2026. The freeze is intended to prevent the entry of foreign nationals who might become a public charge or exploit public benefits in the United States. U.S. Officials clarified that the suspension does not affect non-immigrant visas, such as those for tourists or business travellers. (*Nation Online*, 16 January 2026)
8. Mkango Resources Limited, which owns the Songwe Hill Rare Earth Project in Phalombe, stated that the launch of a rare earth magnet facility in the UK is a landmark development for rare earth supply. The facility is capable of recovering over 400 kilograms of rare earth alloy per batch and producing 100 metric tonnes of magnets per annum from recycled alloys. This development is expected to boost investor confidence in the Songwe Hill Rare Earth Project, which is currently at an advanced stage and signed a mining development agreement (MDA) with the Malawi Government in July 2025. Under the MDA, the government holds a 10% stake and will receive a 5% royalty of gross revenue from the project, which has an expected mine life of 18 years. (*The Nation*, 16 January 2026)

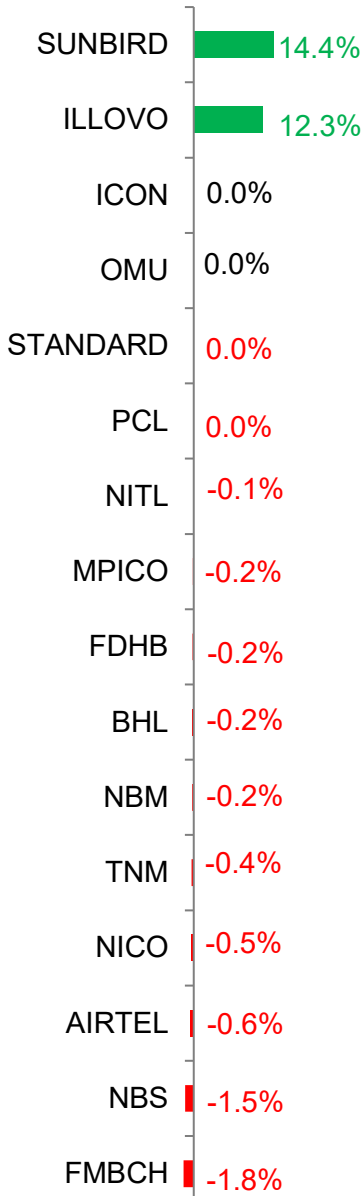


Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) rising by 0.12%, to close the week ending 16 January 2026 at 598,180.06 points, from 597,467.17 points on 9 January 2026. This upward movement in the index was primarily driven by the share price gains in SUNBIRD and ILLOVO.



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

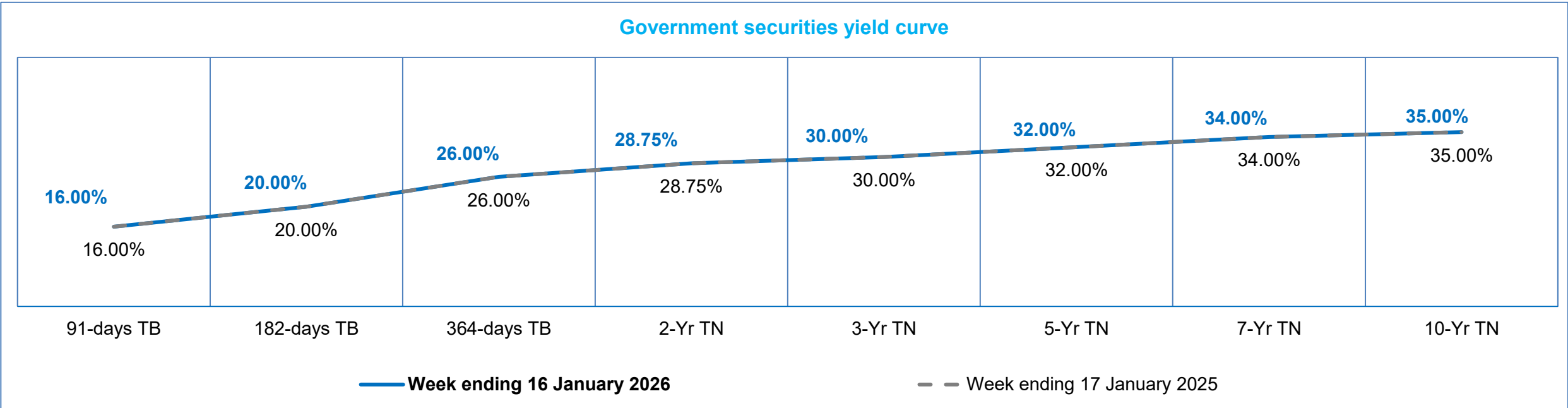
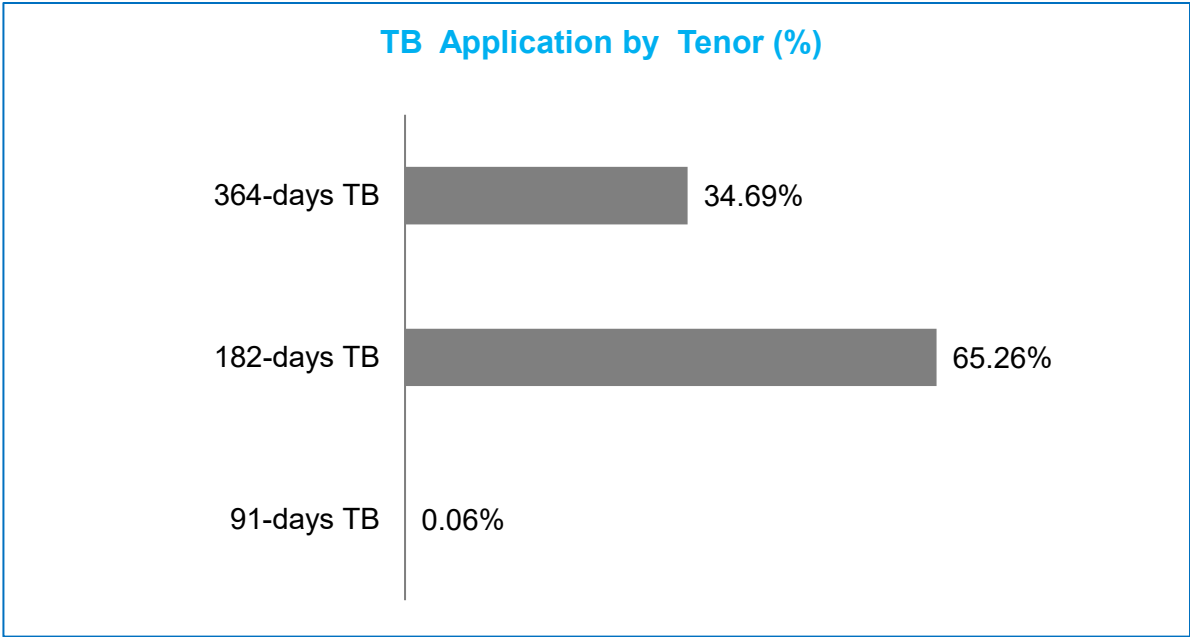
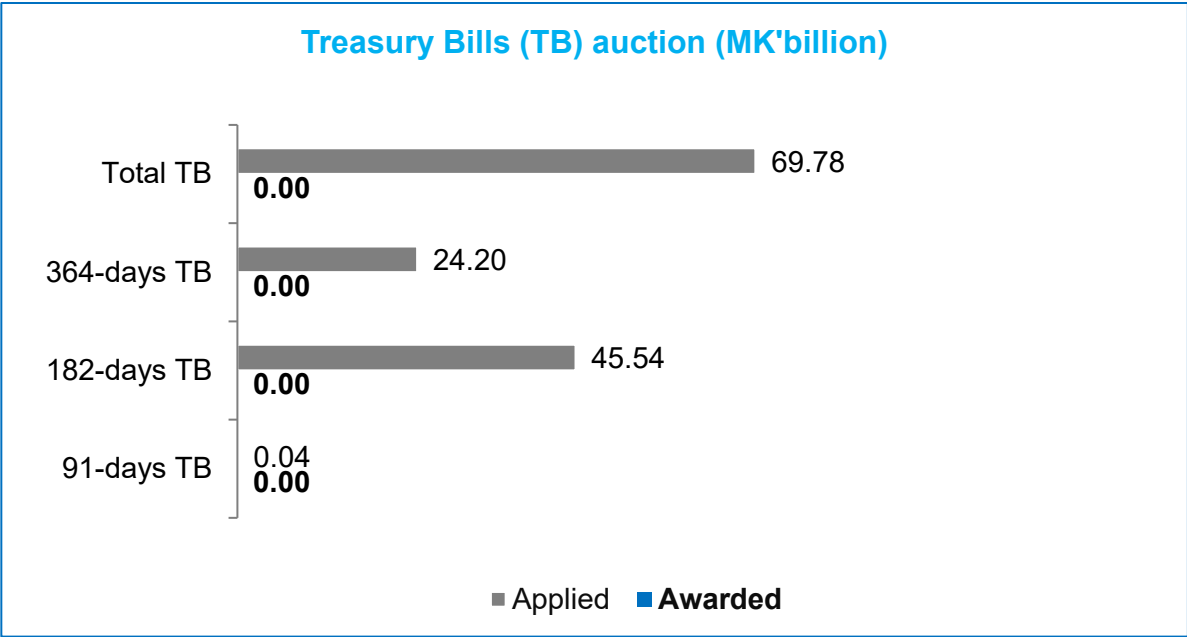


Symbol	Closing prices as of 16 January 2026 (MK/share)	Closing prices as of 9 January 2026 (MK/share)
AIRTEL	120.00	120.74
BHL	15.04	15.07
FDHB	597.89	599.07
FMBCH	3,129.96	3,187.07
ICON	16.00	16.00
ILLOVO	2,616.60	2,330.18
MPICO	19.49	19.52
NBM	11,958.13	11,987.59
NBS	893.13	906.92
NICO	1,727.80	1,735.62
NITL	3,934.94	3,938.88
OMU	3,790.04	3,790.04
PCL	7,827.00	7,828.64
STANDARD	4,248.32	4,248.44
SUNBIRD	1,700.01	1,486.66
TNM	31.28	31.41



Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) during the period under review. Applications totalled MK69.78 billion, but no bids were awarded in the auctions.



TB: Treasury Bill  
TN: Treasury Note



# Appendix 1: Historical Economic Indicators

	Jan-25	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	16-Jan-26
Exchange Rates (middle rates)													
MK/USD	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	1,750.07	1,749.00	<b>1,734.01</b>
MK/GBP	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	2,377.10	2,416.04	<b>2,389.35</b>
MK/EUR	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	2,087.24	2,107.54	<b>2,073.40</b>
MK/ZAR	97.11	97.04	98.15	96.28	100.76	100.57	100.34	101.77	103.60	103.58	103.68	107.63	<b>109.18</b>
Foreign Exchange Reserves													
Total Reserves (USD'mn)	570.60	569.5	536.0	530.0	521.0	555.9	607.7	523.9	511.8	526.8	N/A	N/A	<b>N/A</b>
Inflation													
Headline	28.5%	30.7%	30.5%	29.2%	27.7%	27.1%	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	<b>N/A</b>
Food	36.0%	38.5%	37.7%	35.8%	32.7%	31.6%	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	<b>N/A</b>
Non-food	16.9%	18.5%	19.2%	19.4%	20.0%	20.1%	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	<b>N/A</b>
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%	<b>26.00%</b>
Average Interbank Rate (Overnight)	23.19%	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	<b>23.98%</b>
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%	<b>26.20%</b>
Commercial Bank Reference Rate	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	<b>25.20%</b>
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%	<b>16.00%</b>
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%	<b>20.00%</b>
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%	<b>26.00%</b>
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%	<b>28.75%</b>
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%	<b>30.00%</b>
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%	<b>32.00%</b>
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%	<b>34.00%</b>
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%	<b>35.00%</b>
Year-to-date Return													
MASI	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	<b>0.02%</b>
DSI	32.35%	50.42%	56.52%	62.53%	62.41%	89.34%	120.03%	214.05%	236.40%	233.38%	217.65%	208.88%	<b>0.70%</b>
FSI	15.08%	152.62%	148.16%	103.82%	77.74%	106.49%	150.94%	195.28%	239.14%	348.11%	503.79%	470.87%	<b>-2.10%</b>

The 16 January 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.



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