



Malawi Financial Market Update

Week ending 23 January 2026



Market Developments

What happened this week

Petrol and diesel pump prices increased by an average of 41.6% on 20 January 2026, following the reinstatement of the Automatic Pricing Mechanism.

ESCOM implemented a 12% increase in the electricity tariff, effective 20 January 2026, under the MERA-approved 2023–2027 base tariff framework.

MERA accumulated MK1.29 trillion in under-recoveries owed to fuel importers and MK593 billion in unremitted levies to government institutions between 2022 and December 2025

1. The Malawi Energy Regulatory Authority (MERA) raised petrol prices to MK4,965 per litre from MK3,499 and diesel prices to MK4,945 from MK3,500, effective 20 January 2026. This represents increases of 41.90% for petrol and 41.29% for diesel. MERA stated that the adjustment followed the reinstatement of the Automatic Pricing Mechanism after landed fuel costs breached the $\pm 5\%$ trigger band. The authority cited losses under the fixed pricing regime, fuel supply disruptions, reduced levy remittances, increased smuggling, and depletion of Strategic Fuel Reserves as key drivers of the policy shift. *(MERA Press Release, 19 January 2026)*
2. The Reserve Bank of Malawi (RBM) data show that the fiscal deficit rose by 607% month-on-month to MK76.4 billion in November from MK10.8 billion in October. Government expenditure stood at MK498.5 billion against revenue of MK422.1 billion, driven by a 25.6% decline in domestic revenues, including a 37.8% drop in tax collections. Cumulatively, the fiscal deficit reached MK1.45 trillion between April and November 2025, covering the first eight months of the 2025/26 fiscal year. *(RBM, 19 January 2026)*
3. ESCOM implemented a 12% electricity tariff increase following MERA approval under the 2023–2027 base tariff framework on 20 January 2026. The adjustment is the third tranche after earlier increases of 18% and 16% since 2023. The increase was originally scheduled for September 2025 but was delayed. ESCOM cited funding gaps in power procurement, transmission, and distribution. It also stated that the increase will support fault resolution and operational sustainability. *(ESCOM Press Release, 20 January 2026)*
4. FDH Bank Plc approved a second interim dividend of MK50.03 billion, equivalent to MK7.25 per share, in respect of 2025 profits. This represents a 232.6% increase from the second interim dividend of MK15.04 billion, or MK2.18 per share, paid in 2024. The dividend will be paid on 12 February 2026 to shareholders on the register as of 6 February 2026, with shares trading ex-dividend from 4 February 2026. *(FDH Bank Plc Dividend Notice, 23 January 2026)*
5. IFPRI data show national average maize prices rose marginally to MK1,178 per kilogram in late December 2025 from MK1,169 per kilogram in late November 2025. Prices were broadly stable compared to the same period in December 2024. The Northern Region recorded the lowest average price at MK1,007 per kilogram, followed by the Central Region at MK1,157 and the Southern Region at MK1,244. Mangochi recorded the highest monthly increase at 12%. *(IFPRI Report, 16 January 2026)*
6. NFRA resumed maize buying on 21 January 2026 using the ADMARC depot at Chilambula in Lilongwe. The Kanengo depot will no longer receive maize until further notice. The buying price remains MK1,100 per kilogram, equivalent to MK55,000 per 50 kg bag. Purchases are open to farmers and traders on a first-come, first-served basis. Other depots remain operational, subject to funding availability. *(NFRA Public Notice, 20 January 2026)*
7. The Ministry of Finance stated that MERA accumulated MK1.29 trillion in under-recoveries owed to fuel importers and MK593 billion in unremitted levies to government institutions between 2022 and December 2025. The arrears followed the suspension of the Automatic Pricing Mechanism in favour of the fixed pricing regime of 2022. Authorities indicated that the January fuel price increase will enable the gradual recovery of losses and repayment of outstanding obligations. *(The Nation, 23 January 2026)*
8. Bakhresa Malawi Limited reported difficulties sourcing sufficient soya beans locally for its MK175 billion cooking oil refinery in Blantyre, commissioned six months ago. The plant has a crushing capacity of 500 metric tonnes per day and requires about 150,000 metric tonnes of soya beans per harvest season, while national production is estimated at 197,000 metric tonnes. The firm warned that continued shortages could disrupt production or force reliance on imported crude soya oil, undermining import substitution and foreign exchange savings. *(The Nation, 23 January 2026)*

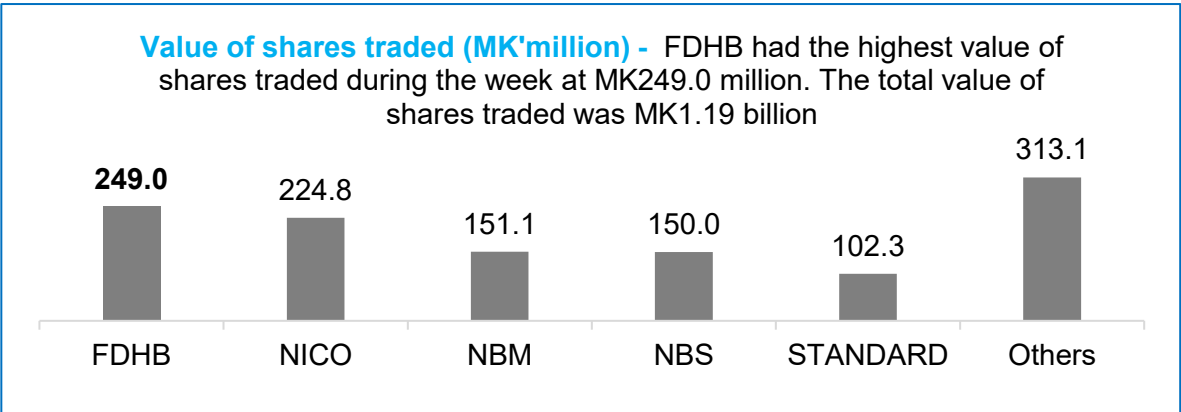
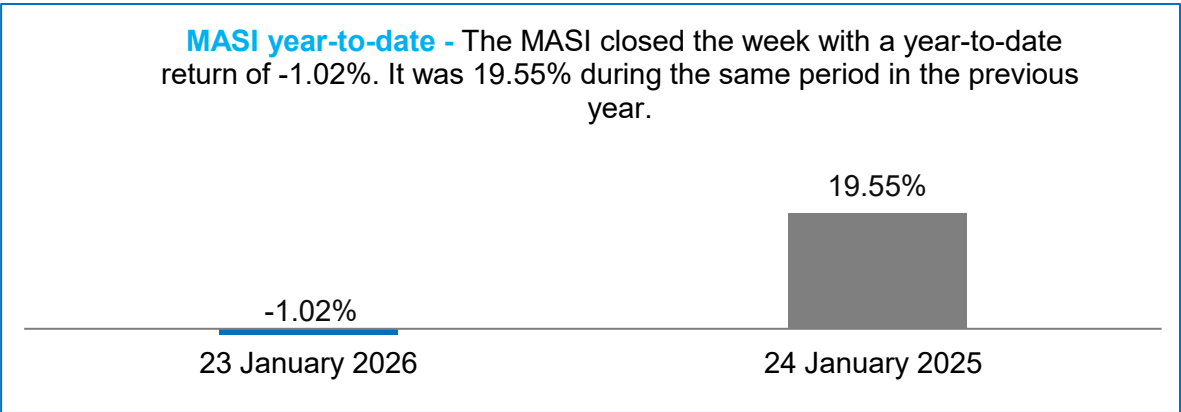
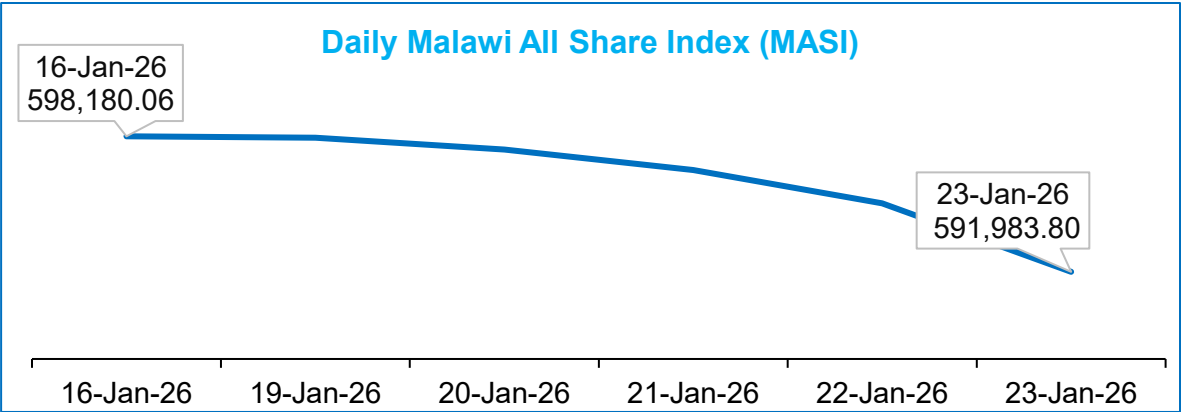


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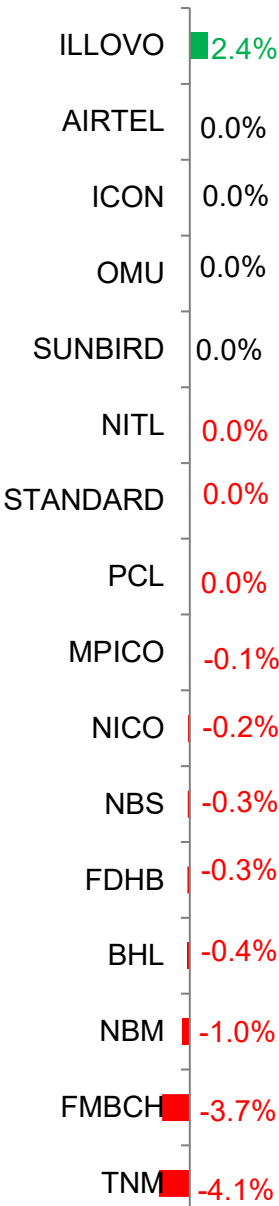
Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) return week-on-week declining by 1.04%.

The market came to close the week ending 23 January 2026 at 591,983.80 points, from 598,180.06 points on 16 January 2026. This downward movement in the index was primarily driven by the share price losses in TNM and FMBCH.



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

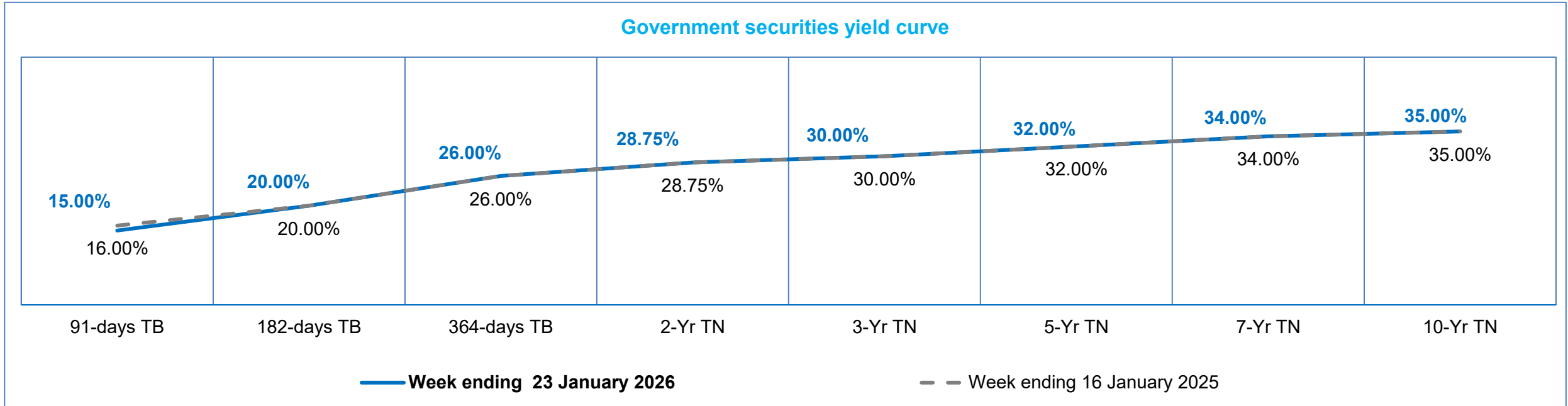
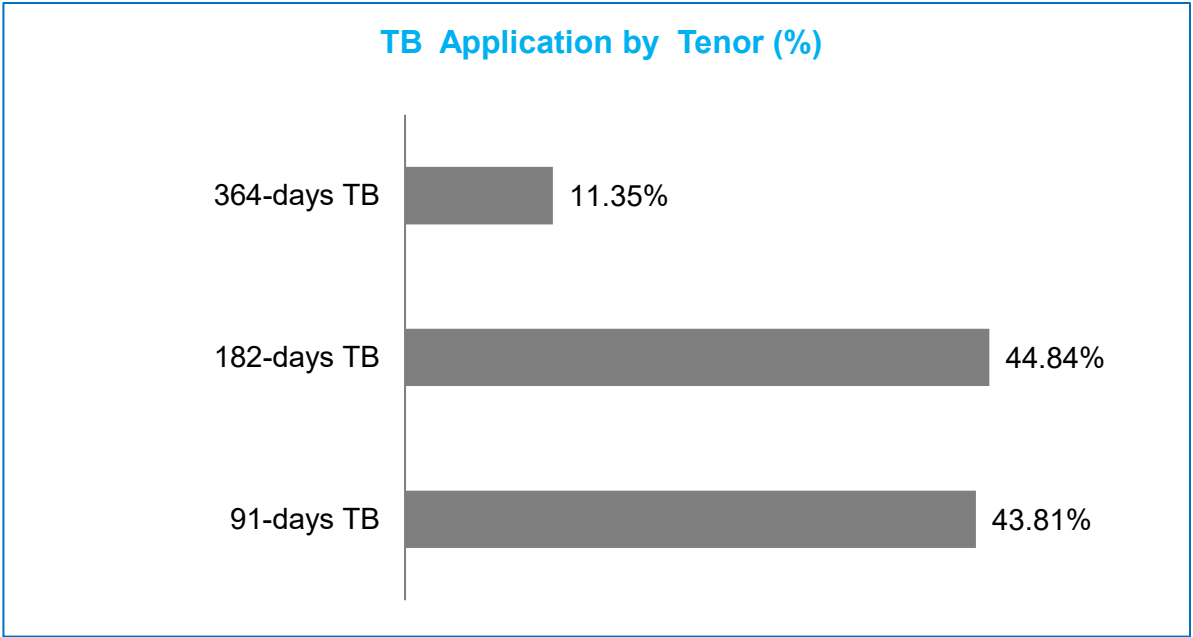
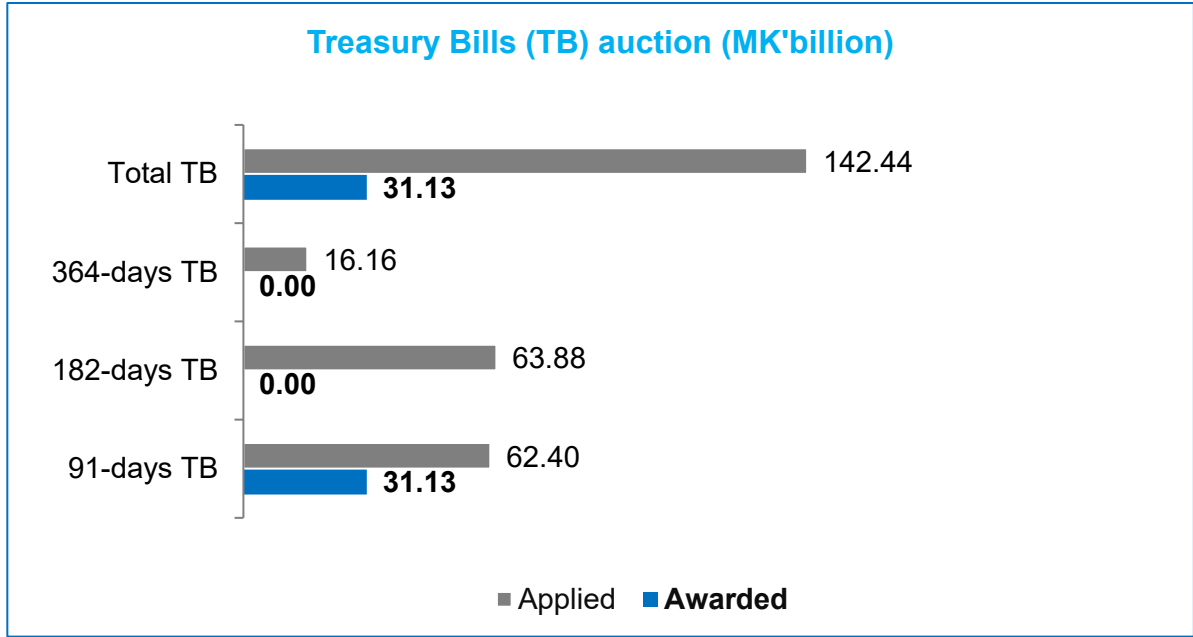


Symbol	Closing prices as of 23 January 2026 (MK/share)	Closing prices as of 16 January 2026 (MK/share)
AIRTEL	120.00	120.00
BHL	14.98	15.04
FDHB	595.86	597.89
FMBCH	3,013.39	3,129.96
ICON	16.00	16.00
ILLOVO	2,679.86	2,616.60
MPICO	19.47	19.49
NBM	11,840.00	11,958.13
NBS	890.55	893.13
NICO	1,724.97	1,727.80
NITL	3,934.79	3,934.94
OMU	3,790.04	3,790.04
PCL	7,824.00	7,827.00
STANDARD	4,247.40	4,248.32
SUNBIRD	1,700.01	1,700.01
TNM	29.99	31.28



Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) during the period under review. A total of MK31.13 billion was raised across the three auctions, including two reopenings on 22 and 23 January 2026, with the 91 TB yield declining to 15% from 16% in the week.



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	23-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	1734.01
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	2,409.00
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	2,097.16
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	110.82
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	530.00	N/A	N/A
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%	N/A
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%	N/A
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%	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)	23.19%	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	23.98%	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	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%
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%	15.00%
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	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.02%
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%	0.50%
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%	-5.70%

The 23 January 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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Contact Information

Head Office – Blantyre

Bridgepath Capital Limited
1st Floor (106), Development House
Corner Henderson Street Road
P.O. Box 2920
Blantyre

Lilongwe Office

Bridgepath Capital Limited
Taurus House, Off Presidential Drive
City Center
Lilongwe

Tel No: + 265 111 828 355

Email: info@bridgepathcapitalmw.com

Website: www.bridgepathcapitalmw.com

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