



Malawi Financial Market Update

Week ending 2 January 2026



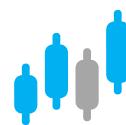
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The Malawi Revenue Authority announced new tax measures effective 30 December 2025.

Market Developments

What happened this week

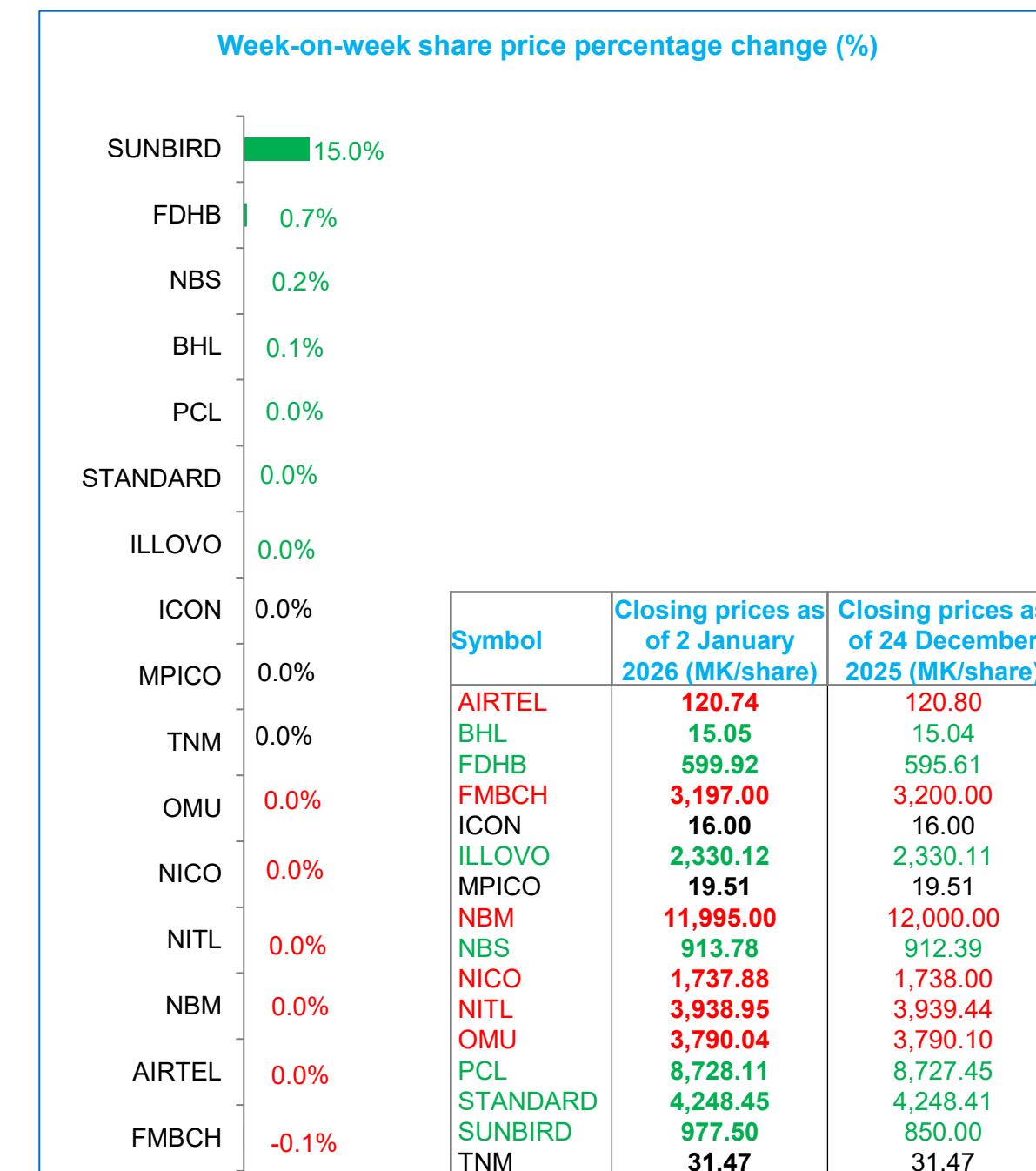
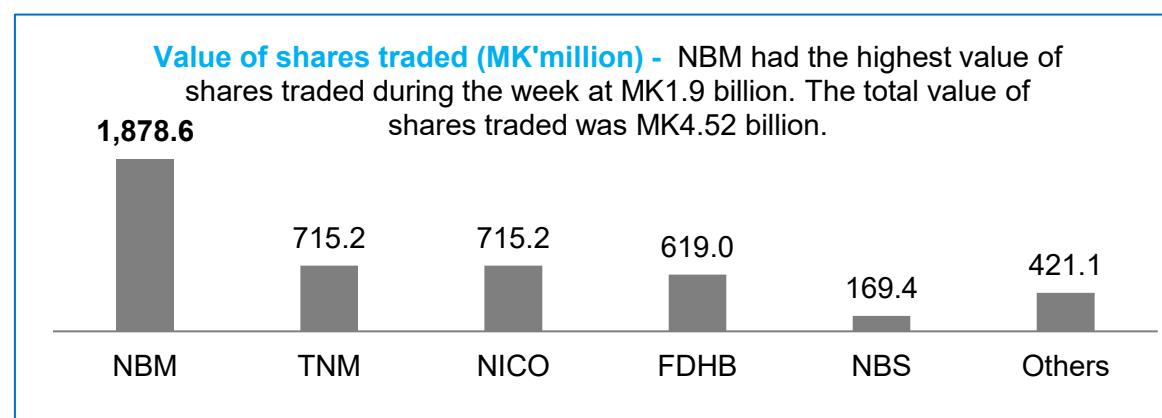
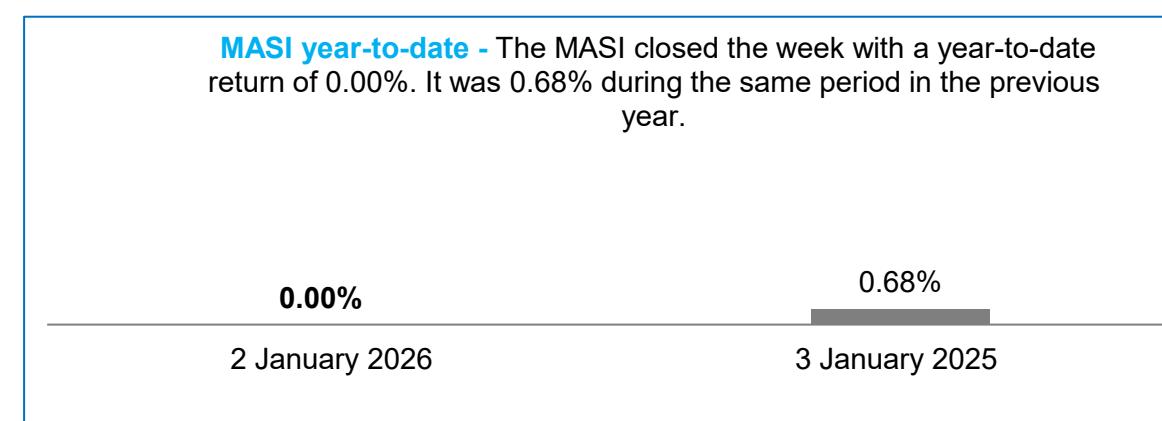
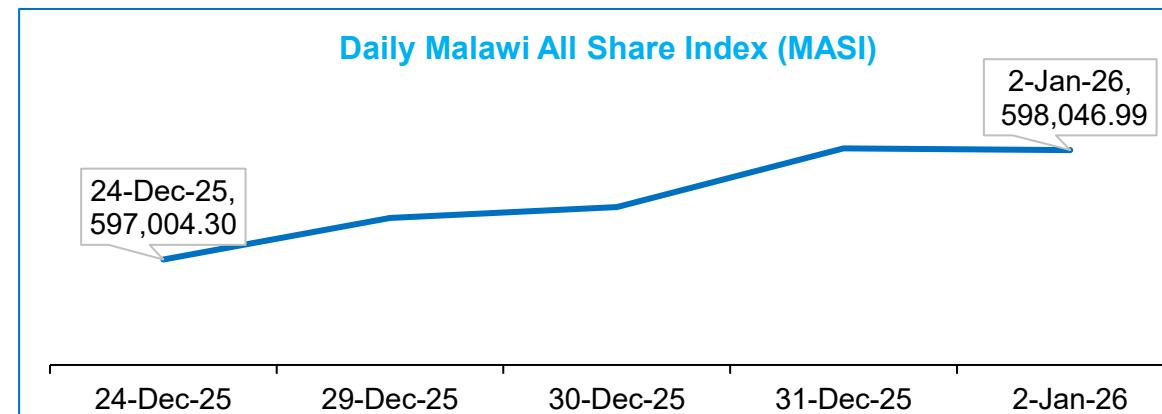
1. The Malawi Revenue Authority (MRA) announced new tax measures effective 30 December 2025 following the 2025/26 Mid-Year Budget Review. Key changes include: a 0.05% levy on all bank transfers and mobile money transfers above MK100,000; revised Pay As You Earn (PAYE) brackets with the zero-rate threshold raised to MK170,000 from MK150,000, removal of the 25% bracket, and new rates of 30% (from MK170,000 up to MK1.57m), 35% (MK1.57m to MK10m), and 40% (above MK10m); a lower threshold for supernormal profit tax, from a taxable income above MK10 billion to MK5 billion where taxable income below MK5 billion is taxed at 30% and income above MK5 billion is taxed at 40%; gambling and lottery winnings now subject to a flat 15% withholding tax with no exemptions; introduction of a Minimum Alternative Tax (MAT) of 0.5% of turnover for companies with turnover above MK5 billion and operating more than 3 years; removal of exemptions on capital gains tax for shares based on holding period; reinstatement of a 20% surcharge on imported cement; and an increase in Value Added Tax (VAT) from 16.5% to 17.5%. (*The Malawi Revenue Authority, 31 December 2025*)
2. National Statistical Office (NSO) data show that Malawi's cumulative trade deficit for the 11 months to November 2025 increased by 20% to USD2.4 billion (about MK4.2 trillion), up from USD2 billion (about MK3.5 trillion) in 2024. Imports rose to USD3.27 billion (about MK5.7 trillion) from USD2.91 billion (about MK5 trillion), while exports declined slightly to USD875.4 million from USD882.8 million (about MK1.5 trillion). In November, the deficit widened to USD238.9 million (about MK418 billion) from USD 228.7 million (about MK400.6 billion) in October, as imports continued to outpace exports. While foreign exchange reserves improved slightly to USD526.8 million (about MK921 billion) in October from USD511.8 million (about MK894 billion) in September. Economists note this does not signal a recovery in export performance and stress the need for diversification and value addition. (*The Nation, 30 December 2025*)
3. The Reserve Bank of Malawi projects manufacturing sector growth of 1.8% in 2025, up from 0.2% in 2024 but below the 2.4% forecast made in May earlier in the year, constrained by foreign exchange shortages, electricity disruptions, and high input costs. Modest sector growth was supported by better agricultural output, but foreign exchange scarcity remains the main risk limiting raw material imports and industrial expansion. Meanwhile, Ministry of Finance, Economic Planning and Decentralisation has revised Gross Domestic Product (GDP) growth rate for 2025 from the earlier estimate of 2.8% to 2.7% due to weaker-than-expected performance in key sectors. (*The Nation, 31 December 2025*)
4. In their trading statement, Press Corporation Plc advises that its profit after tax (PAT) for the year ending 31 December 2025 will be in the range of MK245.25 billion and MK269.28 billion, compared to MK126.35 billion in the prior year. (*The Malawi Stock Exchange, 30 December 2025*)
5. NICO Holdings Plc advises that its PAT for the year ending 31 December 2025 will be in the range of MK318 billion and MK332 billion, representing an increase between 137% and 148% from profit after tax of MK134 billion reported in the previous year. (*The Malawi Stock Exchange, 31 December 2025*)
6. NBS Bank Plc advises that its PAT for the year ending 31 December 2025 will be in the range of MK145.5 billion and MK150.5 billion, representing an increase between 99.3% and 106.2% from profit after tax of MK72.99 billion reported in the previous year. (*The Malawi Stock Exchange, 30 December 2025*)
7. National Bank Plc advises that its PAT for the year ending 31 December 2025 will be in the range of MK189.9 billion and MK211 billion, representing an increase between 83% and 107% from profit after tax of MK101.7 billion reported in the previous year. (*The Malawi Stock Exchange, 29 December 2025*)
8. MPICO Plc advises that its total consolidated PAT for the year ending 31 December 2025 will be in the range of MK18.45 billion and MK20.25 billion, representing an increase between 51% and 66% from the profit after tax of MK12.2 billion reported in the previous year. (*The Malawi Stock Exchange, 29 December 2025*)
9. National Investment Trust Plc advises that its total consolidated PAT for the year ending 31 December 2025 will be in the range of MK200 billion and MK203.5 billion, representing an increase between 571% and 583% from the profit after tax of MK29.8 billion reported in the previous year. (*The Malawi Stock Exchange, 31 December 2025*)
10. Standard Bank Plc advises that its total consolidated PAT for the year ending 31 December 2025 is expected to be higher than the previous year by between 30% and 40%. This represents a profit after tax of between MK112.3 billion and MK120.9 billion. (*The Malawi Stock Exchange, 30 December 2025*)



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Stock market (Source: MSE)

The stock market was marginally bullish, with the Malawi All Share Index (MASI) rising by 0.17%, to close the week ending 2 January 2026 at 598,046.99 points, from 597,004.30 points on 24 December 2025. This upward movement in the index was primarily driven by the share price gain in SUNBIRD.





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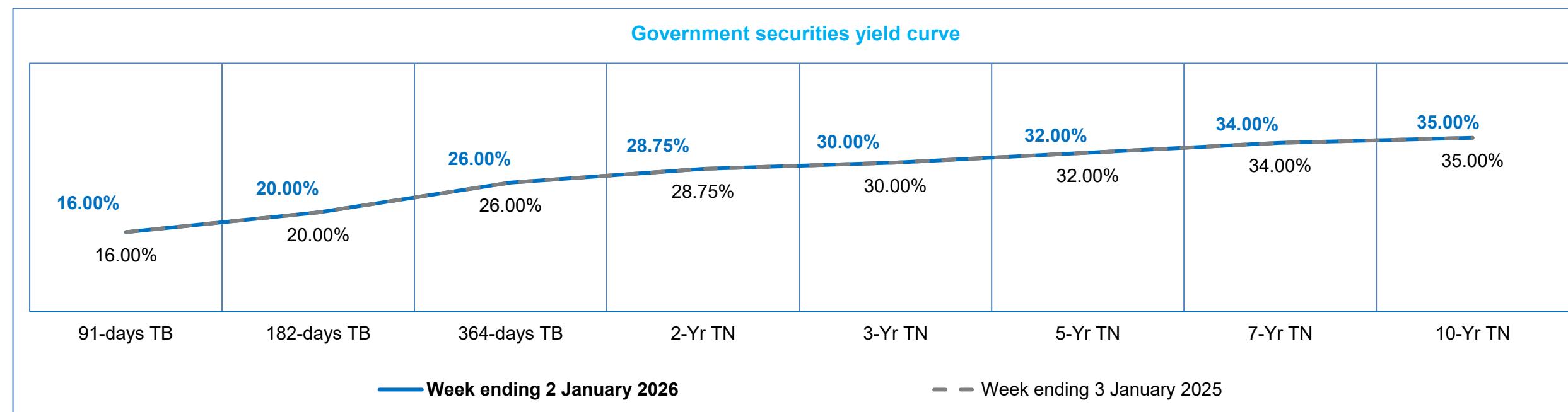
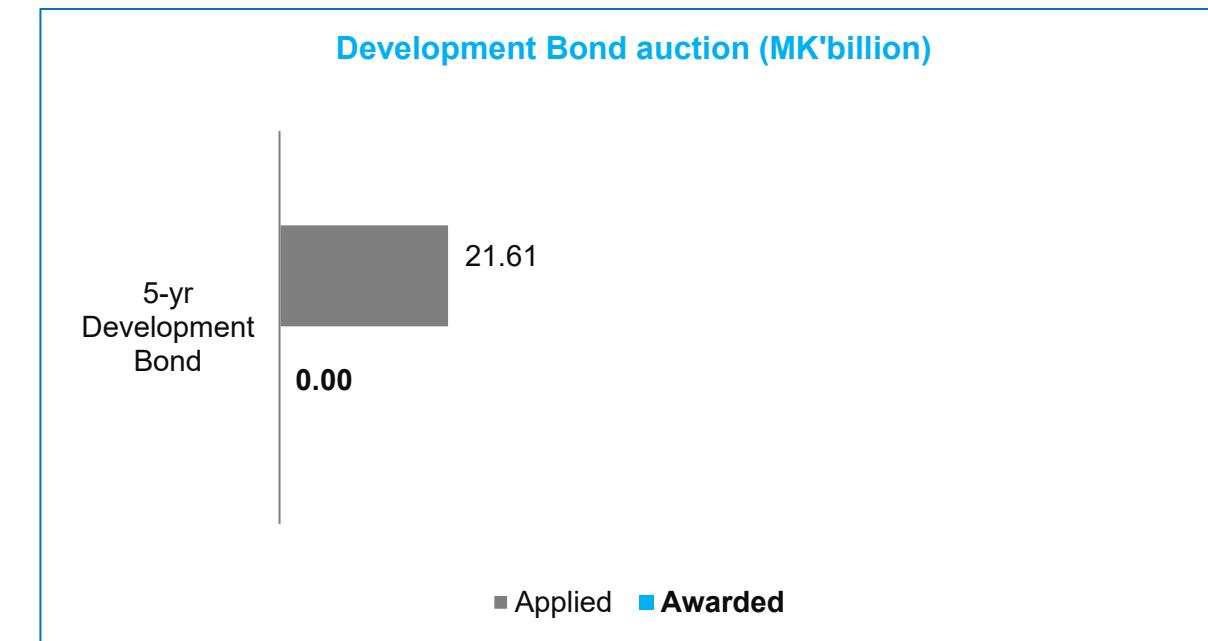
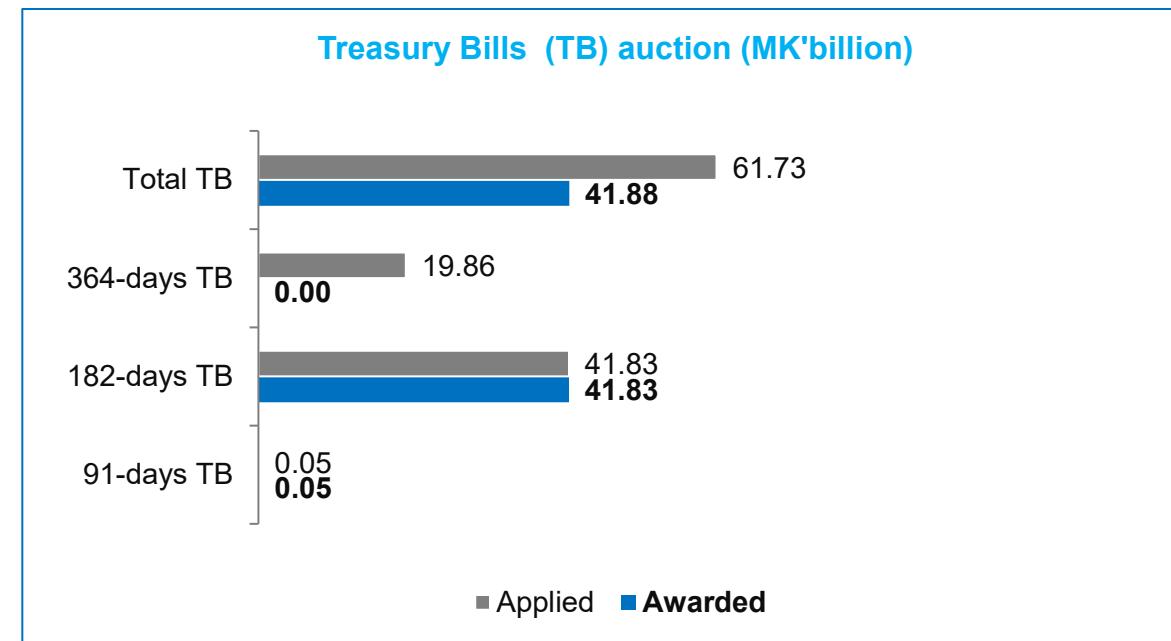
Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) and a 5-year Development Bond during the period under review. A total of MK41.88 billion was raised from the auctions.

The total amount raised from the TB auctions was MK41.88 billion.

No funds were raised from the development bond auction.

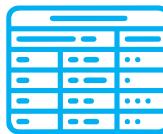
The RBM held an OMO Repo auction for a 7-day tenor on 31 December 2025. A total of MK80 billion was withdrawn from the market.



TB: Treasury Bill

TN: Treasury Note

OMO Repo: Open Market Repurchase Agreement



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	2-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	1,734.01	1,734.01	1,734.01
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	2,359.88	2,413.82	2,405.07
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	2,068.76	2,106.62	2,097.52
MK/ZAR	97.11	97.04	98.15	96.28	100.76	100.57	100.34	101.77	103.60	103.58	104.06	107.24	108.02
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	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%	N/A	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%	N/A	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%	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)	23.19%	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%	N/A
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	29.90%	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	0.00%
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%	0.01%
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%	-0.03%

The 2 January 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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