



## Malawi Financial Market Update

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Week ending 9 January 2026



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### Market Developments

#### What happened this week

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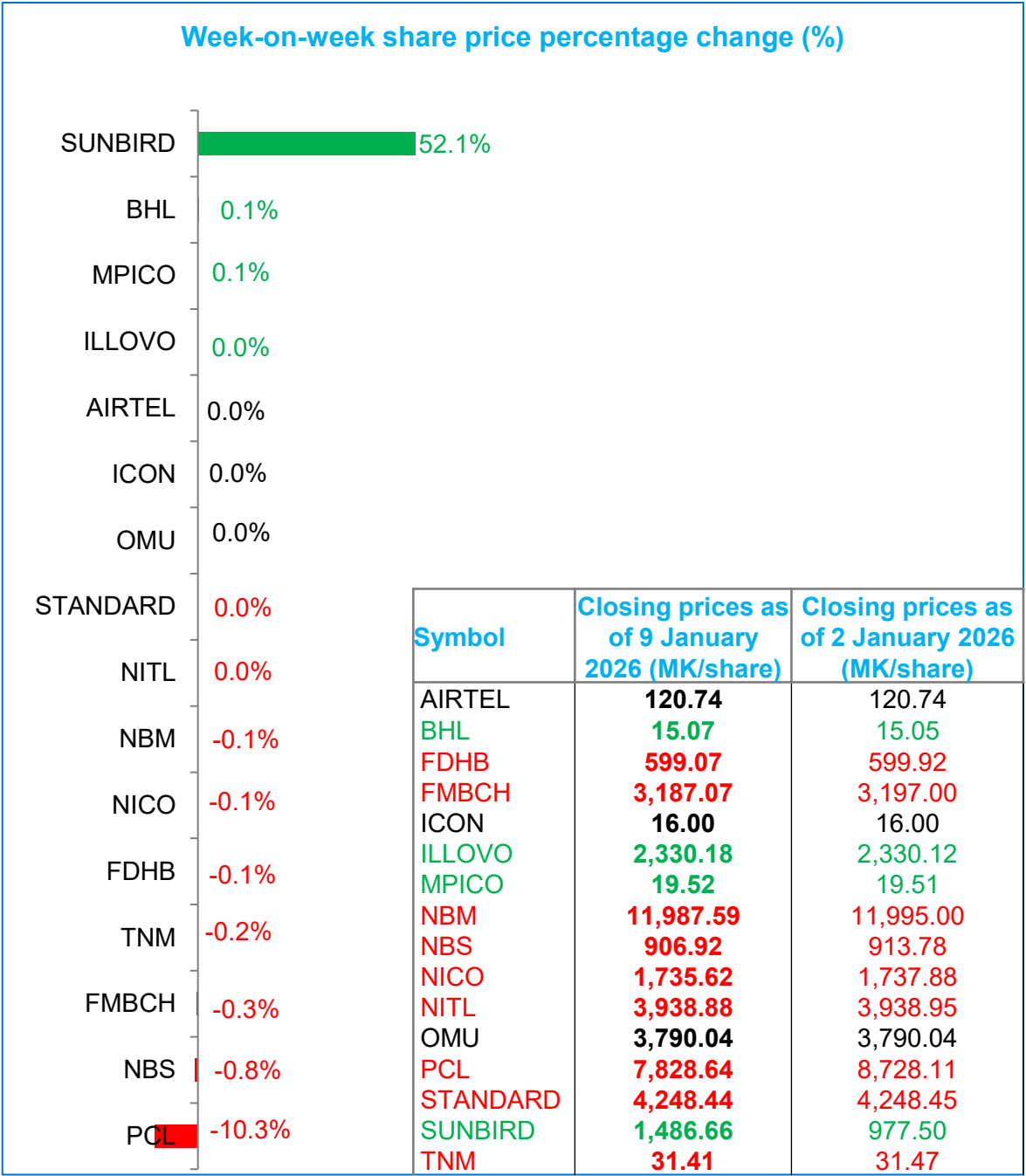
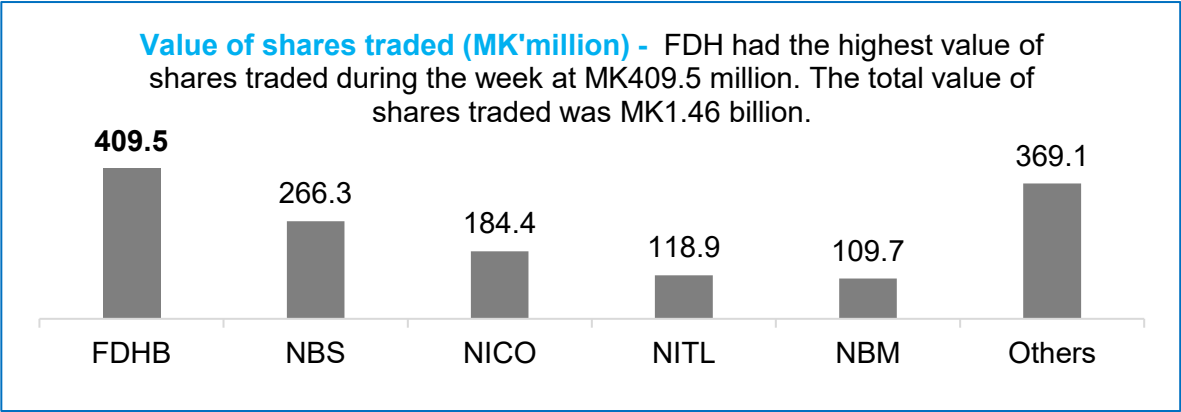
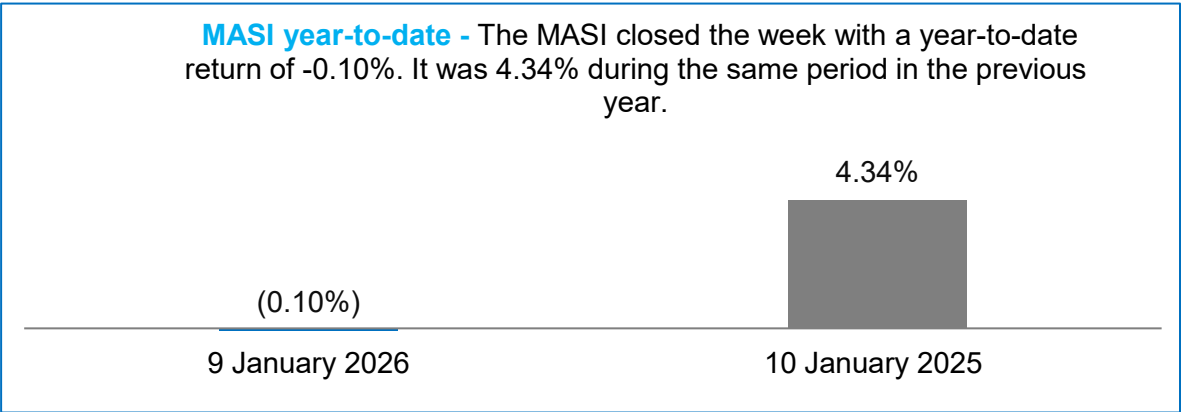
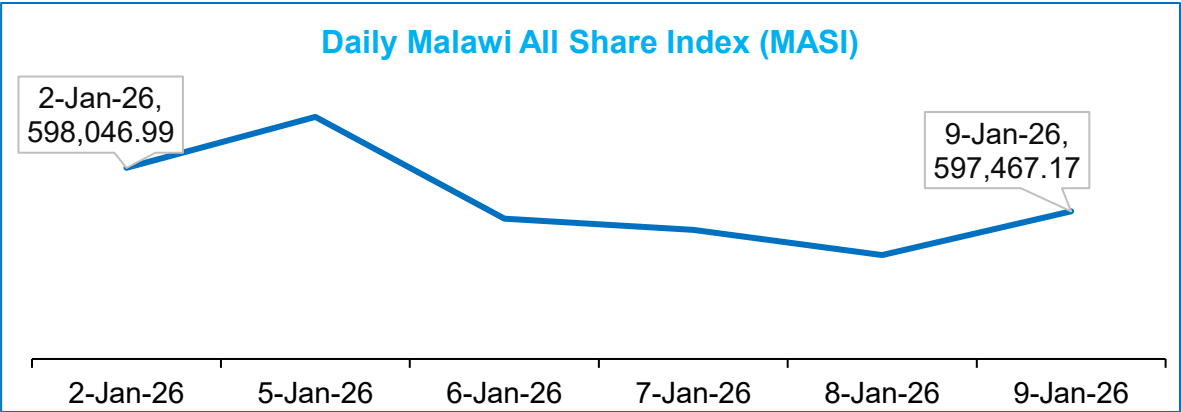
1. Damage to key roads, particularly the M1, disrupted fuel deliveries last week and caused mild fuel shortages in some parts of the country, according to the Malawi Energy Regulatory Authority (Mera). The situation has since improved following increased fuel inflows from Beira and the reopening of the Mpasadzi section of the M1 in Kasungu, which restored continuity in fuel transportation and helped ease shortages reported in areas such as Blantyre and Zomba. Malawi has faced persistent fuel supply challenges over the past three years, largely due to foreign exchange shortages, with the country requiring an estimated USD600 million annually to import fuel. In response, the previous administration adopted a government-to-government fuel procurement system in late 2024, but the current administration has announced a return to the open tender fuel procurement system. (*The Daily Times*, 9 January 2026)
2. The Ministry of Education has allocated about MK3.8 billion for free secondary education in the second term of the 2025–26 academic year, as part of the MK10 billion needed to operate schools until the new financial year on April 1, with funds being disbursed in February and March. While the Civil Society Education Coalition (Csec) has warned that partial disbursement may affect school preparedness and quality, spot checks in Blantyre showed that schools have reopened and received funding. Malawi Secondary School Headteachers Association president reported normal student attendance. The Minister of Finance, Economic Planning and Decentralisation estimates the free secondary education programme, including the abolition of examination fees, will cost MK32.5 billion in the first quarter of the 2025–26 financial year. (*The Nation*, 6 January 2026)
3. Zimbabwe has donated 1,000 metric tonnes of grain along with blankets, clothing, tents, medical supplies, and transportation of the items to Malawi to assist communities affected by devastating floods that have killed 36 people and displaced thousands. The donation, handed over by Zimbabwe's Vice-President to Malawi's High Commissioner General, was praised as a timely humanitarian gesture also reflecting the strong bond between the two countries. Since the onset of the rainy season, 35,758 households (over 160,000 people) across 29 districts have been affected. The Department of Disaster Management Affairs (Dodma) said the support eases government burdens. Dodma is also implementing the Lean Season Food Insecurity Response to support four million people at risk of hunger during the 2025/26 consumption period. (*The Nation*, 9 January 2026)
4. Profits for the State-owned microlender National Economic Empowerment Fund (NEEF) fell by 49% in 2025, dropping to MK408 million from MK814 million in 2024. The decline was driven by a sharp rise in operating costs from MK13.6 billion to MK32.4 billion, despite total revenue more than doubling to MK38.9 billion in 2025 from MK16.5 billion in 2024. The report highlights that 2025 was focused on expansion rather than profits, with NEEF scaling up the Farm Input Loan Programme, revising disbursement targets from MK50 billion to MK200 billion, and receiving a government equity injection of MK81.5 billion. Loan growth, including agricultural loans affected by drought, increased loan losses. However, loan recovery improved to 81.6% in 2025 from 73% in 2024. (*The Daily Times*, 6 January 2026)
5. The commercial bank reference rate for January 2026 is 25.2%, down from the December reference rate of 25.3%. The reference rate is effective from 6 January 2026. (*Standard Bank*, 6 January 2026)
6. Fortuna Metals, an Australian Securities Exchange-listed company, reported positive rutile exploration results from its Mkanda Rutile-Graphite project in Mchinji, Malawi, with four drill holes ending in mineralisation above one percent rutile. Scanning electron microscopy confirmed rutile as the dominant titanium mineral, accounting for 80%, highlighting the potential for a world-class rutile discovery. The Ministry of Energy and Mining has called for further geological surveys before drawing conclusions, while experts emphasize the importance of early exploration to reduce investment costs and enable local participation. Mining, alongside agriculture, tourism, and manufacturing, is part of Malawi's ATMM strategy to drive economic growth under the Malawi 2063 development plan. (*The Nation*, 7 January 2026)
7. As of 6 January 2026, at least 583,485 farmers (about 53% of the 1.1 million) targeted under the Farm Inputs Subsidy Programme (FISP) have redeemed their inputs, including seeds and subsidised bags of NPK and Urea fertilisers. This includes 223,931 male-headed and 359,554 female-headed households. Agriculture policy analysts warn that delays in fertiliser access, particularly NPK, could reduce maize yields, stressing that late application limits fertiliser effectiveness and may affect overall harvests. Launched in November 2025 by the Minister of Agriculture, FISP aims to support national food security by providing subsidised inputs to smallholder farmers. (*The Daily Times*, 9 January 2026)



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Stock market (Source: MSE)

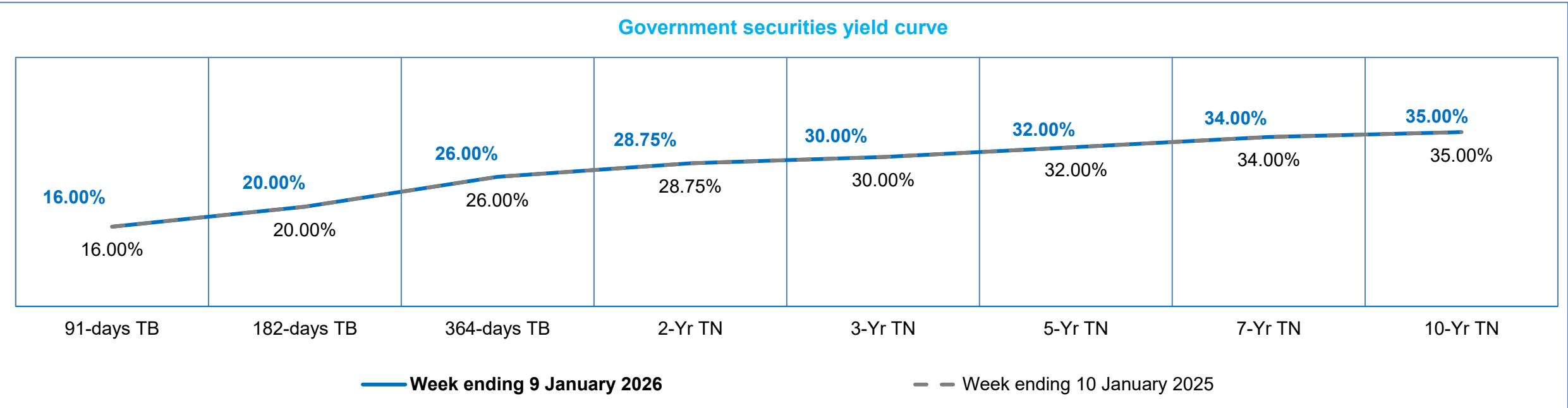
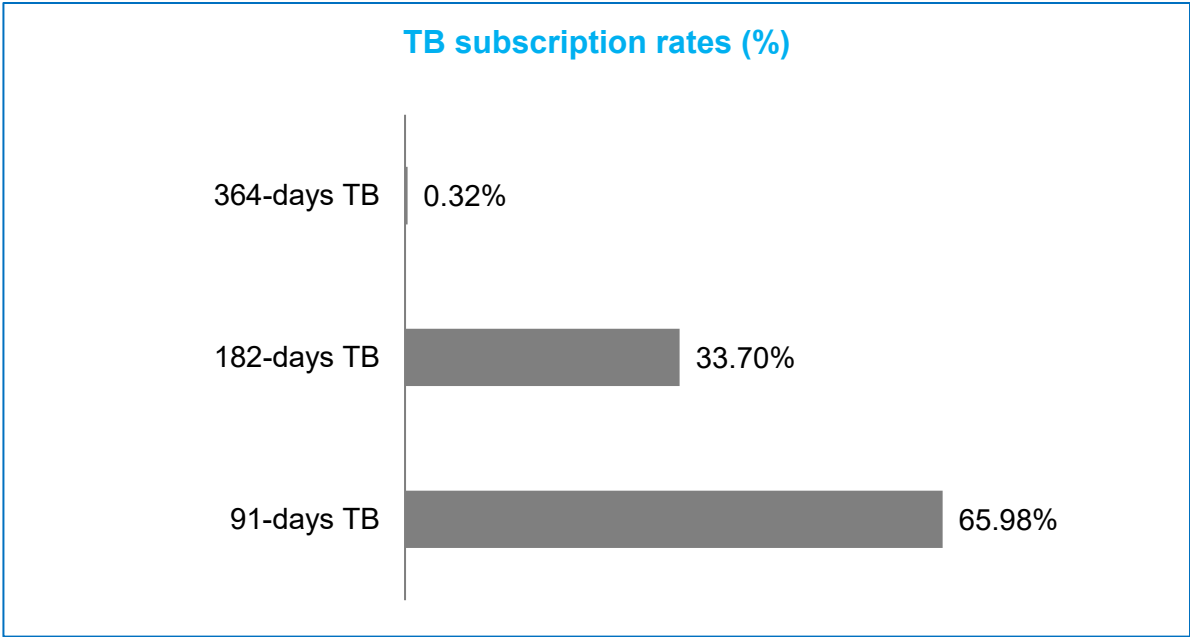
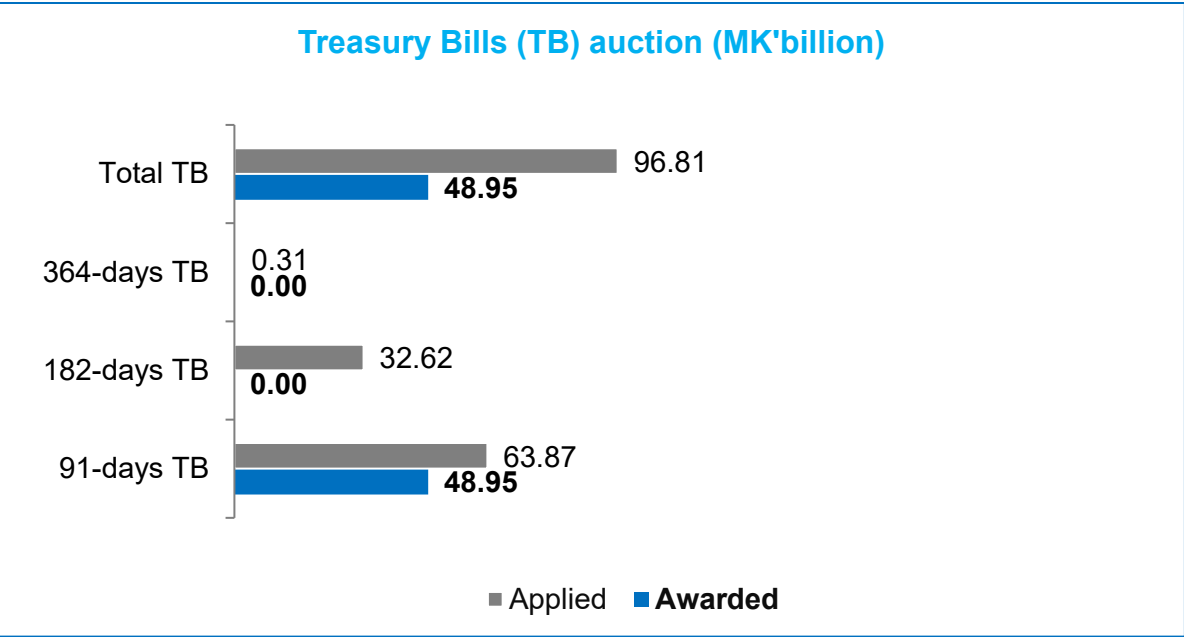
The stock market was bearish, with the Malawi All Share Index (MASI) falling by 0.10%, to close the week ending 9 January 2026 at 597,467.17 points, from 598,046.99 points on 2 January 2026. This downward movement in the index was primarily driven by the share price loss in PCL.





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 MK48.95 billion was raised from 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	9-Jan-26
<b>Exchange Rates (middle rates)</b>													
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>2,397.21</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>2,080.37</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>107.99</b>
<b>Foreign Exchange Reserves</b>													
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>
<b>Inflation</b>													
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	<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%	N/A	<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%	N/A	<b>N/A</b>
<b>Interest Rates</b>													
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%	25.20%
<b>Government Securities Yields</b>													
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>
<b>Year-to-date Return</b>													
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%	-0.10%
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%	-0.02%
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%	-0.33%

The 9 January 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.



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