



Malawi Financial Market Update

Week ending 20 February 2026



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Market Developments

What happened this week

The Minister of Finance is set to present the 2026/27 National Budget on 27 February 2026.

The President of Malawi issued an Executive Order prohibiting public health personnel from soliciting payments from patients or operating private clinics.

The year-on-on year inflation eased to 24.9% in January 2026 from 26.0% in December 2026.

1. The President of Malawi issued an Executive Order No. 1 on 16 February 2026 prohibiting public health personnel from soliciting, demanding or accepting payments from patients for services and restricting them from owning, operating, or holding shares in a private health clinic or pharmacy. Failure to comply shall result in dismissal and further legal action as appropriate. (*The Government of Malawi, 16 February 2026*)
2. The year-on-year inflation eased to 24.9% in January 2026 from 26.0% in December 2025, driven by food inflation falling to 22.1% from 26.5%, while non-food inflation rose to 29.8% from 25.2%. Month-to-month inflation stood at 3.7%, with food prices up 2.4% and non-food prices up 6.2%. (*NSO, 14 February 2026*)
3. The Medical Doctors Union of Malawi (MDUM) and the Society of Medical Doctors (SMD) issued a press release on 20 February 2026 supporting the prohibition of bribery and informal payments in public health facilities under Presidential Executive Order No. 1 of 2026. However, they expressed concerns over the blanket restriction on government-employed health workers owning or holding shares in private health facilities or pharmacies, citing potential infringement of economic rights, implementation challenges, and risks of disrupting essential health services. The professional bodies announced urgent engagement with the Ministry of Health to seek clarification on the order's intent, scope, and implementation framework. (*MDUM, SMD Press Release, 20 February 2026*)
4. The Speaker of Parliament announced that the Minister of Finance, Economic Planning and Decentralization will present the 2026/27 National Budget in the National Assembly on 27 February 2026. (*The Nation, 17 February 2026*)
5. The World Bank has urged Malawi to implement deep fiscal and structural reforms to restore debt sustainability, citing chronic revenue shortfalls, wage bill overruns consuming nearly 40% of domestic revenue, and heavy reliance on high-cost domestic borrowing at 26% policy rate that has made domestic debt exceed external debt and created a vicious cycle of rising interest costs. (*The Nation, 20 February 2026*)
6. The commissioning of the Mozambique-Malawi (MOMA) Power Interconnector project has been delayed to mid-March 2026 from the earlier February target. The delay is attributed to ongoing final works despite arrival of the last equipment consignment. (*The Nation, 14 February 2026*)
7. The governments of Malawi and Tanzania signed a Simplified Trade Regime (STR) agreement allowing small-scale cross-border traders to import or export goods worth up to USD2,000 (about MK3.5 million) duty-free. The agreement is aimed at reducing administrative barriers, formalizing informal trade, and supporting women and youth who depend on cross border trade. Malawi already has STR agreements with Mozambique, Zambia and Zimbabwe. (*The Nation, 17 February 2026*)
8. The government of Malawi has transported 51,000MT of maize imported from Zambia out of a contracted 200,000MT which is aimed to address the national food deficit. The National Food Reserve Agency expects the remainder by 31 March 2026 while transporters project completion by April. The maize is to support over four million people facing severe food insecurity during the lean season from October 2025 to March 2026. (*The Nation, 18 February 2026*)
9. The government of Malawi received 500MT out of 1,000MT of fertiliser donated by the Moroccan government. The donation was announced in November 2025 to support the Farm Input Subsidy Programme. (*The Nation, 20 February 2026*)
10. According to the International Food Policy Research Institute (IFPRI), the national average retail maize prices declined by 16% in January 2026, to MK978/kg (MK48,900 per 50kg bag) from MK1,161/kg (MK58,050 per 50kg bag) in December 2025. Overall, in the final week of January 2026 the Northern Region registered the lowest maize prices averaging MK923/kg (MK46,150 per 50kg bag) followed by the Central and Southern Regions, averaging MK950/kg (MK47,500 per 50kg bag) and MK1,022/kg (MK51,100 per 50 kg bag) respectively. The decline was driven by cheap informal imports dominating cross-border trade. Prices were below government minimum farmgate price of MK1,050/kg in 2025 and contrary to typical lean-season price increase. (*IFPRI, 12 January 2026*)



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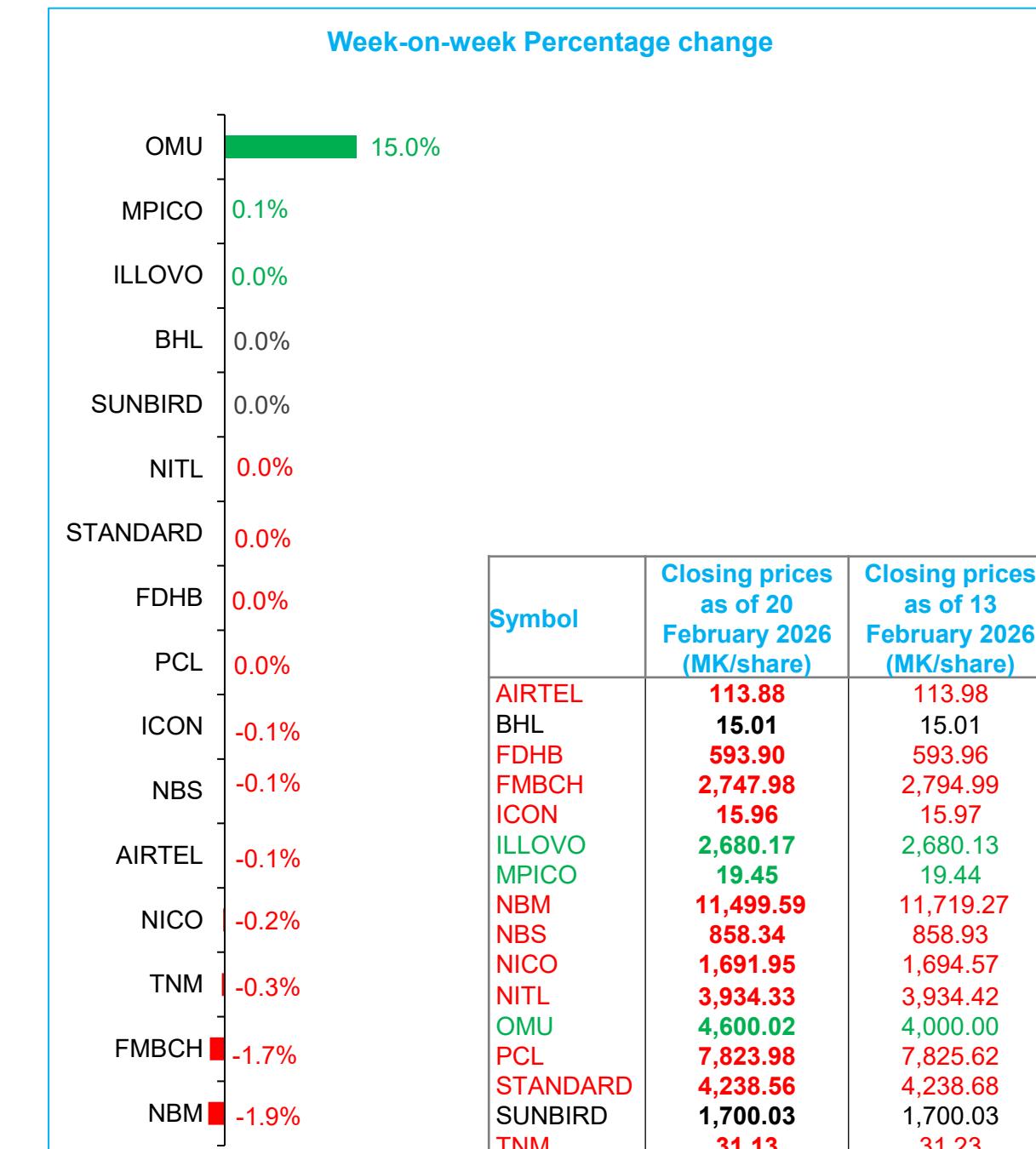
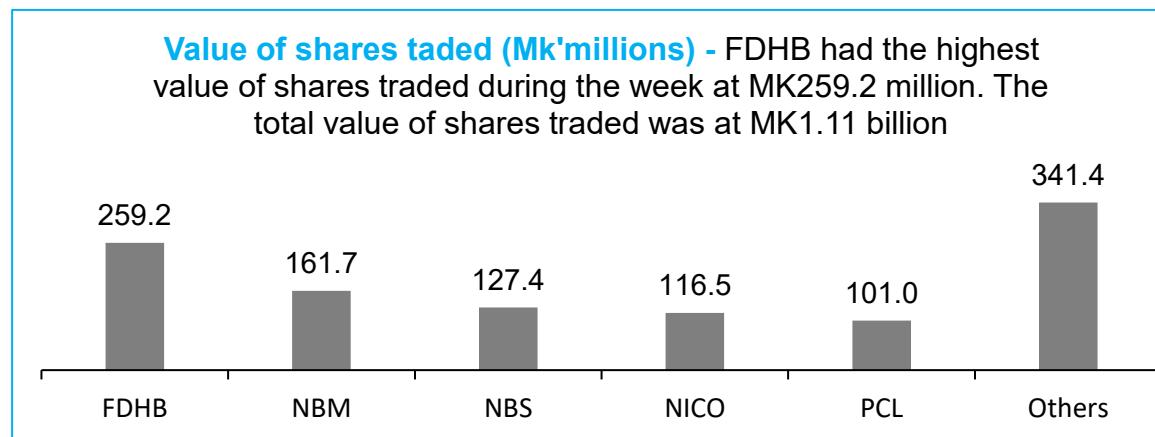
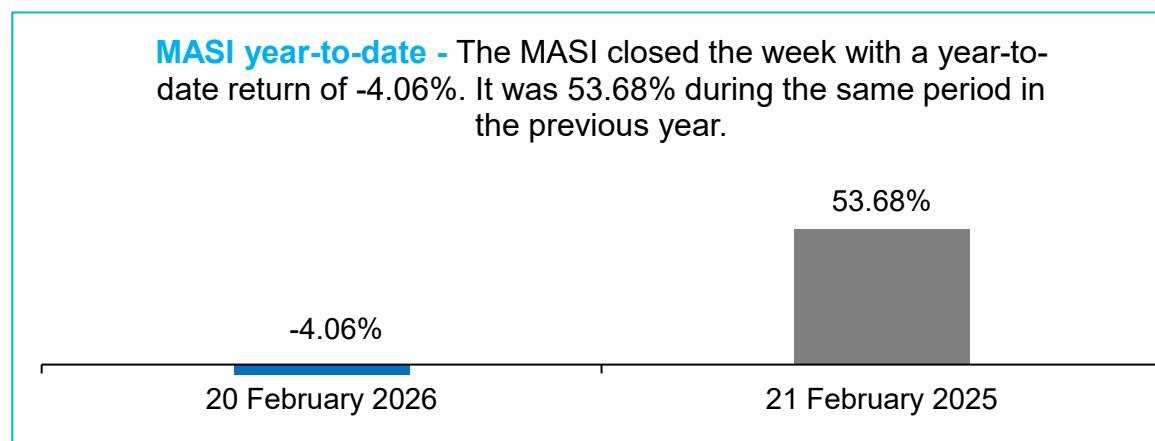
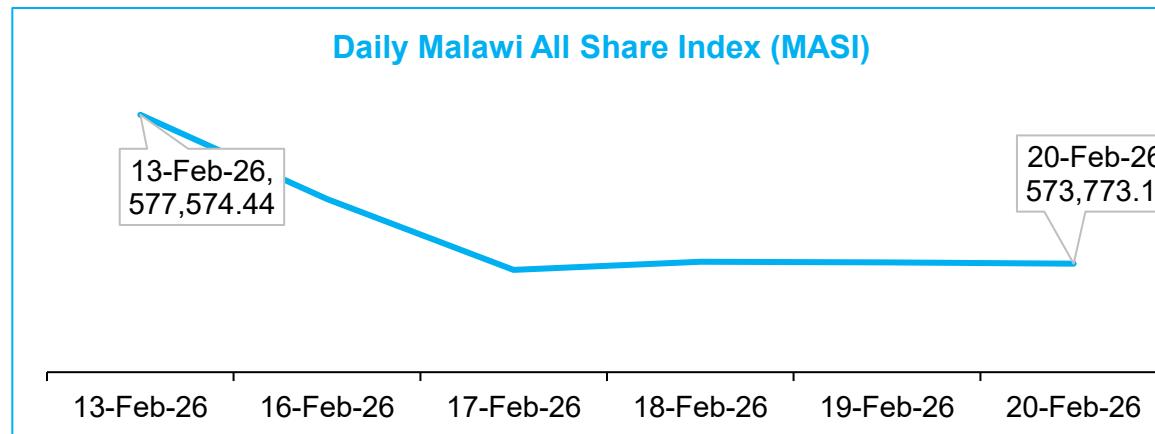
Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) declining to 573,773.12 points on 20 February 2026 from 577,574.44 points on 13 February 2026.

The total value of shares traded was MK1.11 billion. FDHB had the highest value of shares traded at MK259.2 million.

ILLOVO Sugar Malawi advises that its profit after tax for the six-month period ending 28 February 2026 will be in the range of MK56.6 billion and MK61.8 billion.

NBS Bank announced third interim dividend of MK24.16 billion representing a dividend of MK8.0 per share

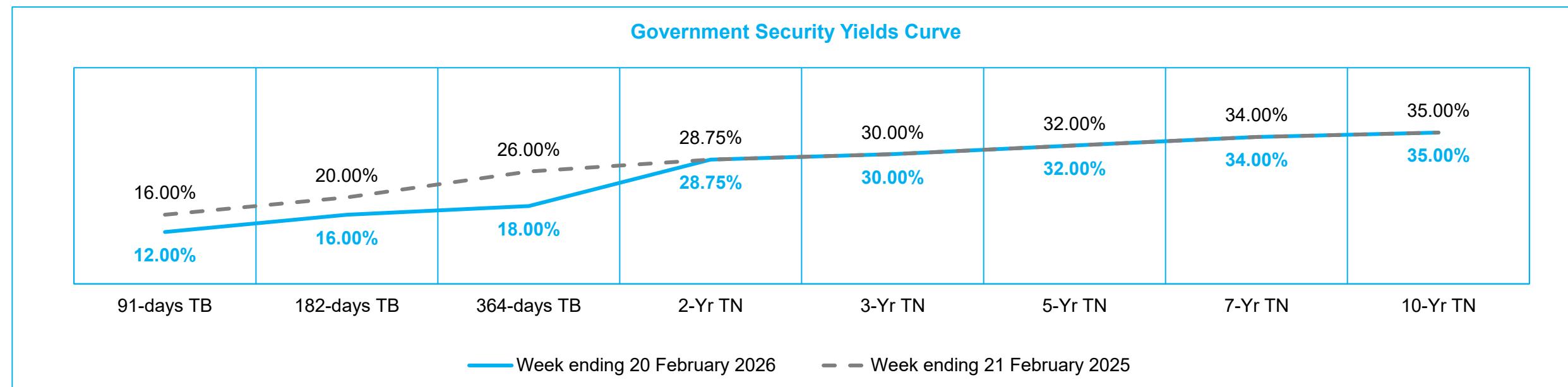
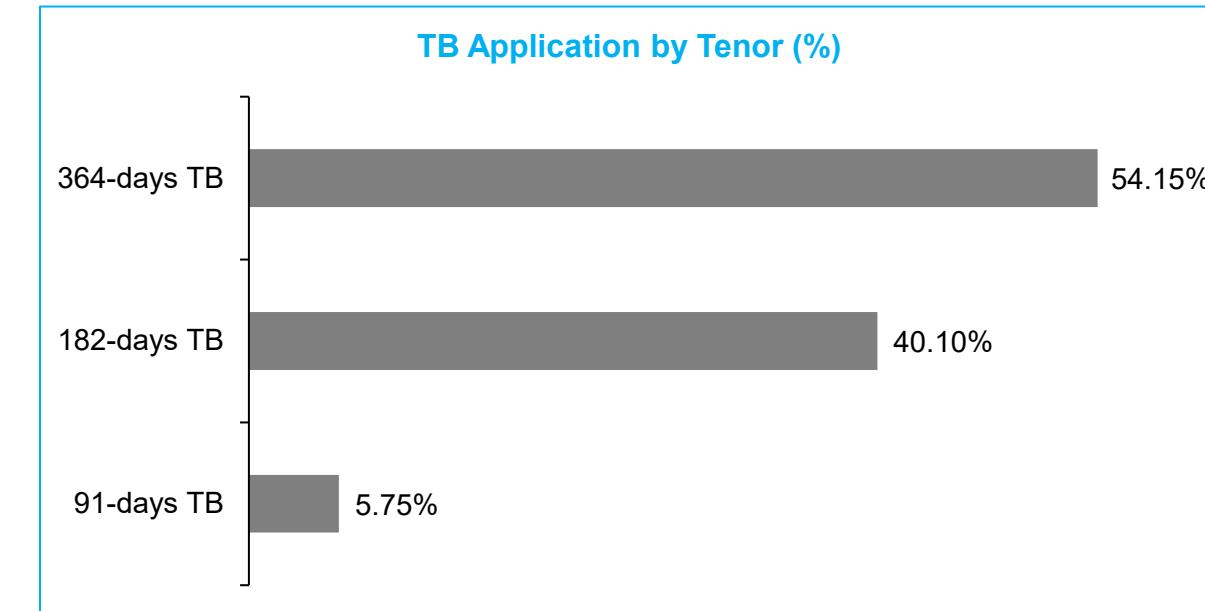
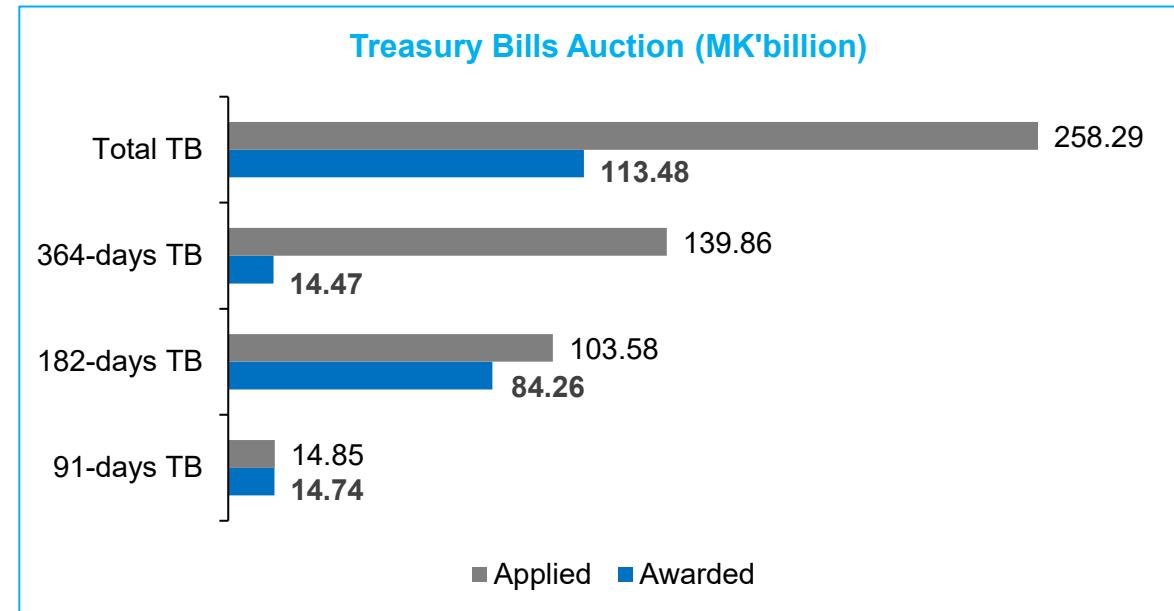


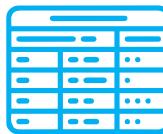


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Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) during the period under review. A total of MK113.48 billion was raised from MK258.29 billion in total applications received from initial and reopening auctions.





Appendix 1: Historical Economic Indicators

	Feb-25	Mar-25	April-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	20-Feb-26
Exchange Rates (middle rates)													
MK/USD	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	1,749.55	1,734.01
MK/GBP	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	2,456.90	2,403.64
MK/EUR	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	2,148.87	2,099.84
MK/ZAR	97.04	98.15	96.28	100.76	100.57	100.34	101.77	103.60	103.58	103.68	107.63	113.67	110.64
Foreign Exchange Reserves													
Total Reserves (USD'mn)	569.5	536.0	530.0	521.0	555.9	607.7	523.9	511.8	526.8	530.0	N/A	N/A	N/A
Inflation													
Headline	30.7%	30.5%	29.2%	27.7%	27.1%	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	N/A	N/A
Food	38.5%	37.7%	35.8%	32.7%	31.6%	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	N/A	N/A
Non-food	18.5%	19.2%	19.4%	20.0%	20.1%	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	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)	23.18%	23.19%	23.18%	23.82%	23.99%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	21.75 %
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	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	24.70%
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%	15.00%	12.00%
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%	16.00%
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%	18.00%
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	64.92%	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-4.06%
DSI	50.42%	56.52%	62.53%	62.41%	89.34%	120.03%	214.05%	236.40%	233.38%	217.65%	208.88%	0.30%	-0.99%
FSI	152.62%	148.16%	103.82%	77.74%	106.49%	150.94%	195.28%	239.14%	348.11%	503.79%	470.87%	-7.19%	-13.56%

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