



Malawi Financial Market Update

Week ending 27 February 2026



Market Developments

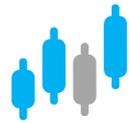
What happened this week

The Minister of Finance presented the 2026/27 National Budget on 27 February 2026.

TNM announced plans to invest over USD 30 million in capital expenditures in 2026.

The World Bank Malawi has released the 22nd edition of the Malawi Economic Monitor report, projecting GDP growth at 2.3% and headline inflation at 22% for 2026.

1. The Minister of Finance, Economic Planning and Decentralisation presented the 2026/27 Budget Policy Statement to Parliament on 27 February 2026 under the theme: *Driving Economic Recovery and Sustainable Growth through Impactful Reforms and Fiscal Consolidation*. Total expenditure is projected at MK10.98 trillion (34.8% of GDP, up from 27.8%), with recurrent expenditure at MK7.58 trillion (69.1% of total expenditure) and development expenditure at K3.40 trillion (30.9% of total expenditure). The budget assumes a projected fiscalised GDP growth rate of 4.1%, end-period inflation at 15%, nominal GDP at MK31.50 trillion, and a policy rate of 18%. Total revenue and grants are assumed at MK8.13 trillion (25.8% of GDP, up to 48.8% from MK5.46 trillion in 2025), with domestic revenue at MK6.45 trillion (20.5% of GDP). (*Malawi Government, 27 February 2026*).
2. The National Working Group on Trade and Policy has urged Malawi to establish a comprehensive export strategy to take advantage of China's zero-tariff treatment for imports from 53 African countries, which include Malawi. Malawi could potentially increase its export volumes and obtain better prices amid shrinking traditional markets. The bilateral trade between Malawi and China was recorded at USD259 million (approximately MK454 billion) in 2024. (*The Nation, 25 February 2026*)
3. Telecom Networks Malawi (TNM) Plc has announced plans to invest over USD 30 million (approximately MK52.5 billion) in capital expenditures in 2026. The typical capital expenditure levels ranged between USD15 million and USD20 million annually, making 2026 the highest investment level. This investment aims to expand network capacity and coverage, increasing population coverage from 85% to over 90%. The expansion is a response to the growing demand for voice, data, and mobile money services. (*The Daily Times, 26 February 2026*)
4. Illovo Sugar (Malawi) plc has secured a loan of USD36 million (approximately MK 63 billion) from the International Finance Corporation (IFC). The funds will be used to upgrade the irrigation infrastructure at Nchalo Estate, connecting it to the Shire Valley Transformation Programme canal. Illovo aims to increase sugar production to over 200,000 metric tonnes annually, conserve 34 million cubic meters of water each year, and reduce plant energy consumption by 91%. (*The Nation, 23 February 2026*)
5. Standard Bank Malawi plc issued a revised trading statement on 27 February 2026, updating its guidance for the year ending 31 December 2025. The bank now projects profit after tax growth of between 35% and 45% compared to the previous year, which translates to an expected profit after tax of between MK116.6 billion and MK125.3 billion, up from MK86.4 billion in 2024. This is an upward revision from the earlier December 2025 guidance of 30% to 40% growth, or an expected profit range of MK112.3 billion to MK120.9 billion. (*Standard Bank, 27 February 2026*)
6. The government of Malawi and the People's Republic of China have signed a grant agreement worth USD43 million (approximately MK75.29 billion). This agreement will fund the upgrade of the M1 road to a dual carriageway from Kanengo to the junction at Kamuzu International Airport in Lilongwe. Additionally, it will support the digitalization of government systems. This initiative aligns with the Belt and Road Initiative and the Forum on China-Africa Cooperation. Notes from the feasibility study will be exchanged soon as part of ongoing bilateral cooperation, which includes previously completed major infrastructure projects. (*The Daily Times, 27 February 2026*)
7. Sovereign Metals Limited signed a non-binding off-take Memorandum of Understanding (MoU) with Traxys North America for marketing of its graphite concentrate from its Kasiya Rutile and Graphite Project in Lilongwe. The MOU targets initial volumes of about 40,000 metric tonnes (MT) per annum for years one to five (rising to up to 80,000 MT per annum thereafter). The focus is on high-value flake graphite for refractory markets with potential inclusion in battery anode supply chains. Traxys will receive an indicative 6% commission for its services. (*The Nation, 27 February 2026*)
8. The World Bank Malawi released the 22nd edition of the Malawi Economic Monitor (MEM) on 24 February 2026, titled "Getting Reforms Right." The report projects a real GDP growth of 1.9% for 2025, with forecasts of 2.3% in 2026 and 2.7% in 2027. Headline inflation averaged 28.4% in 2025 and is expected to ease to 22% in 2026. The report highlights a decade-long decline in Malawi's exports as a percentage of GDP, which has been ongoing since 2014. The MEM calls for coordinated reforms to restore stability, enhance private-sector dynamism, improve service delivery, build resilience, and reverse the decline in exports through incentives, reduced trade costs, and investments in high-potential sectors. (*World Bank, 24 February 2026*)



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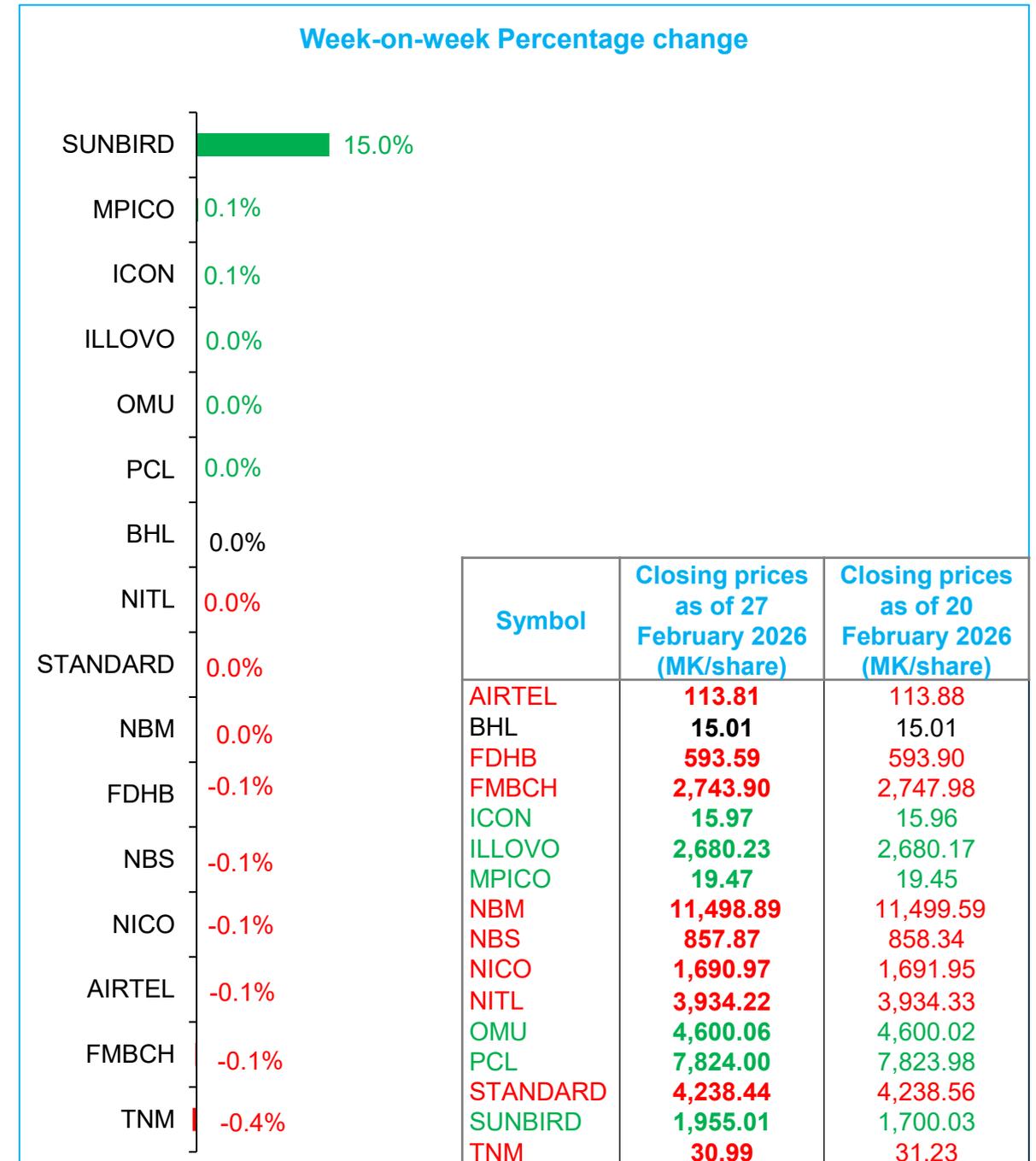
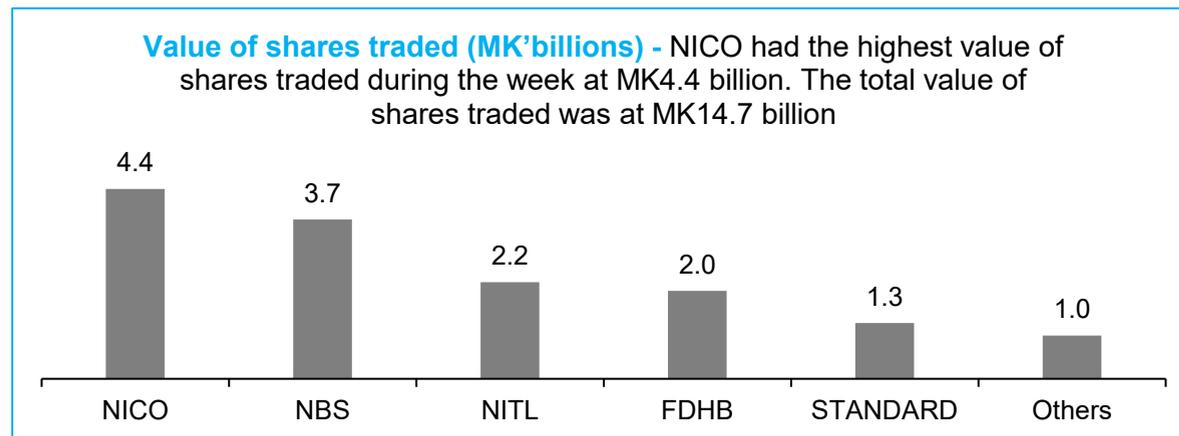
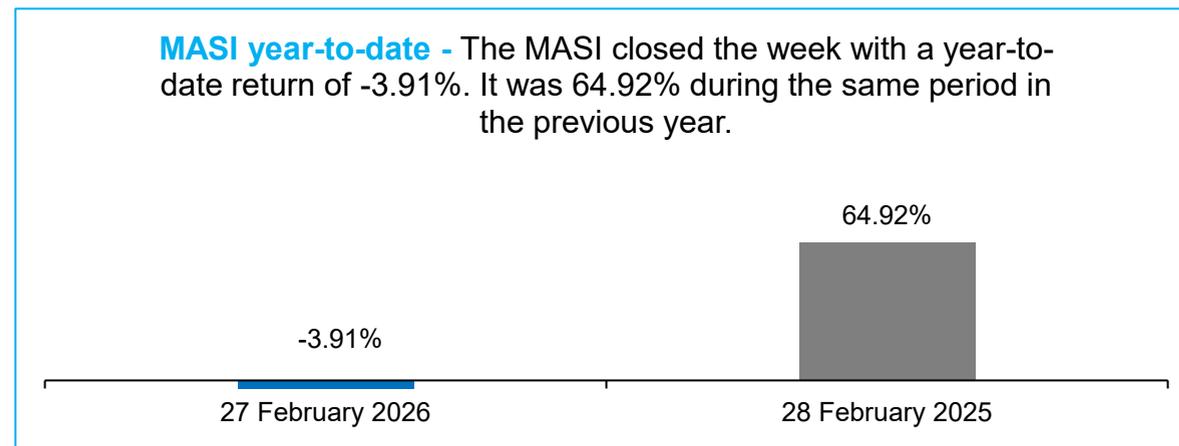
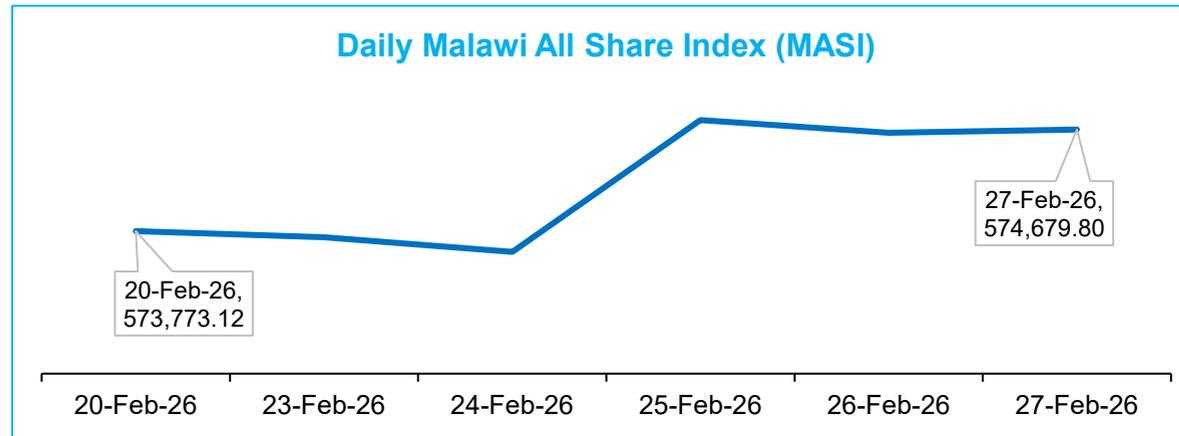
Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) increasing to 574,679.80 points on 27 February 2026 from 573,773.12 points on 20 February 2026.

During the period under review, Sunbird's share price increased by 15%.

The total value of shares traded was MK14.7 billion. NICO had the highest value of shares traded at MK4.4 billion.

ILLOVO Sugar Malawi plc held its Annual General Meeting on 25 February 2026.



Symbol	Closing prices as of 27 February 2026 (MK/share)	Closing prices as of 20 February 2026 (MK/share)
AIRTEL	113.81	113.88
BHL	15.01	15.01
FDHB	593.59	593.90
FMBCH	2,743.90	2,747.98
ICON	15.97	15.96
ILLOVO	2,680.23	2,680.17
MPICO	19.47	19.45
NBM	11,498.89	11,499.59
NBS	857.87	858.34
NICO	1,690.97	1,691.95
NITL	3,934.22	3,934.33
OMU	4,600.06	4,600.02
PCL	7,824.00	7,823.98
STANDARD	4,238.44	4,238.56
SUNBIRD	1,955.01	1,700.03
TNM	30.99	31.23



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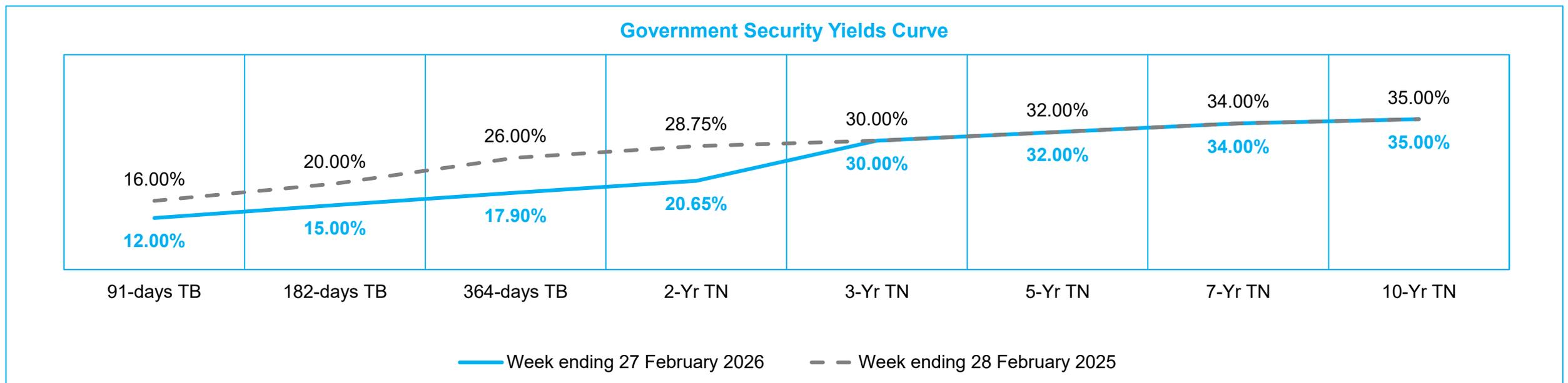
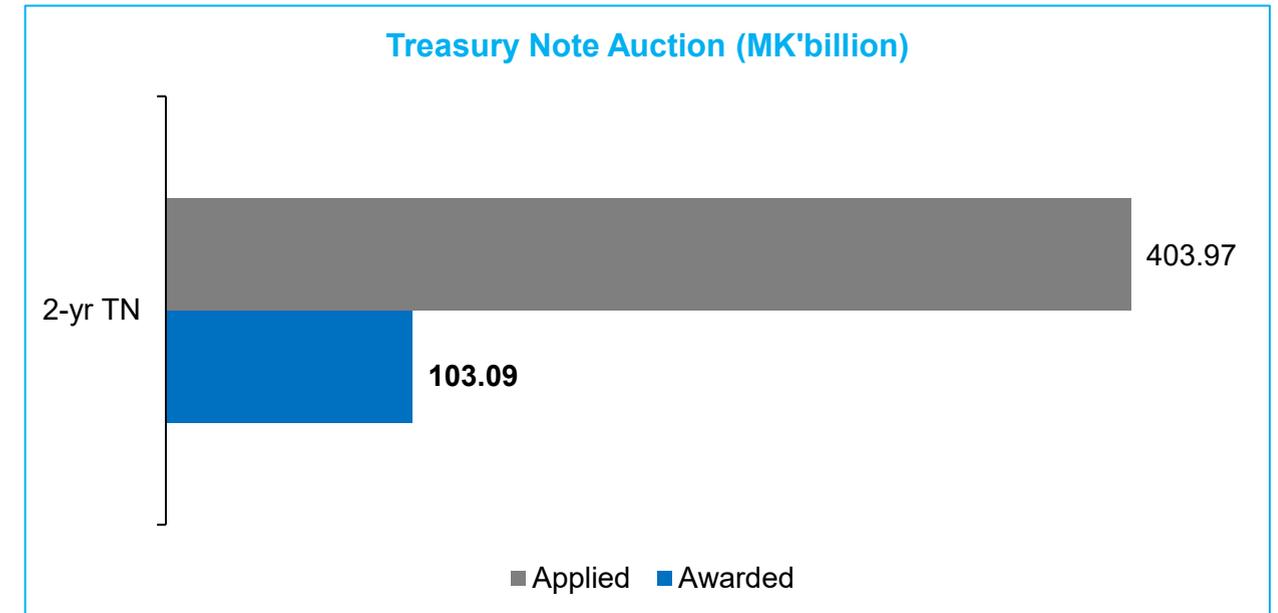
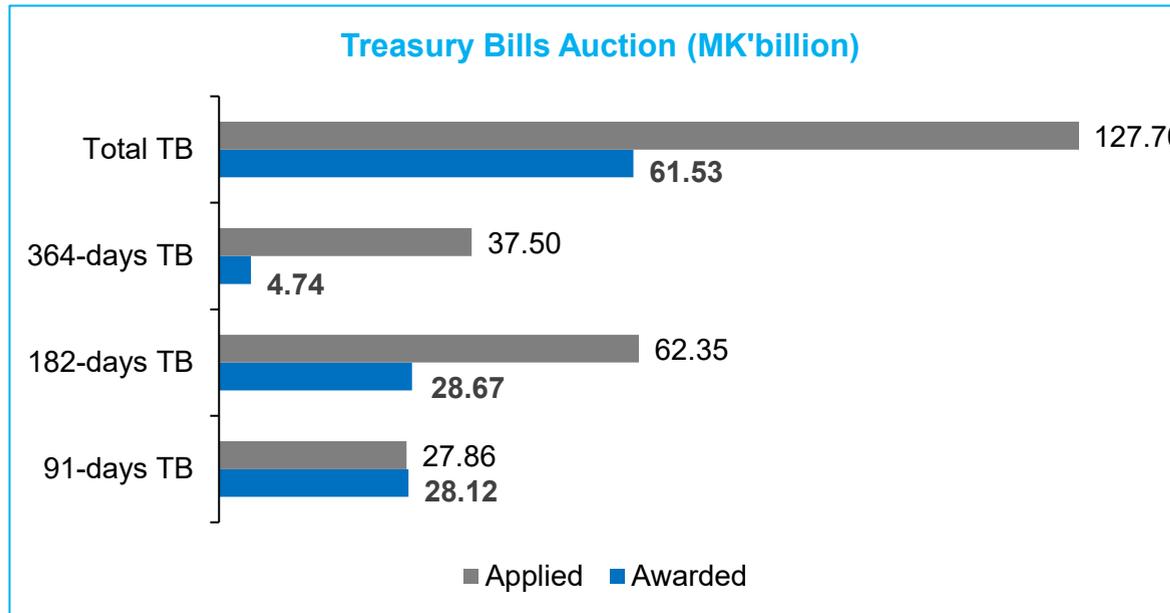
Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) and 2-year Treasury Notes (TN) during the period under review.

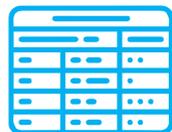
A total of MK61.53 billion was raised from MK127.70 billion in TB applications received across initial and reopening auctions.

A total of MK103.09 billion was raised from MK403.97 billion in 2-year TN applications received across initial and reopening auctions.

During the period under review, the 91-day TB yield remained at 12.00%, the 182-day TB declined to 15.00% from 16.00%, and the 364-day TB declined to 17.90% from 18.00%. The 2-year TN yield declined to 20.65% from 20.75%.



TB: Treasury Bill
TN: Treasury Note



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	27-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	2,405.96
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	2,108.23
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	112.37
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%	16.50 %
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%	15.00%
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%	17.90%
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%	20.65%
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%	-3.91%
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%	-0.75%
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%	-13.69%

The 27 February 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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