



Malawi Financial Market Update

Week ending 27 March 2026



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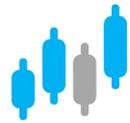
Market Developments

What happened this week

Parliament has approved the MK10.98 trillion 2026/27 National Budget following detailed scrutiny and debate.

Chilwa Minerals Limited has discovered niobium deposits in Mpyupyu Hill around Lake Chilwa.

1. Parliament has passed the MK10.98 trillion 2026/27 National Budget following scrutiny and approval of allocations across ministries, departments and agencies. The approval followed a vote-by-vote process in the Committee of Supply. The Minister of Finance and Economic Planning and Decentralization also tabled a series of subsidiary legislations which include measures to strengthen tax administration, such as amendments to customs and excise regulations and introduction of VAT electronic invoicing. (*The Daily Times, 25 March 2026*).
2. Chilwa Minerals Limited has reported the discovery of niobium in Mpyupyu Hill around Lake Chilwa. The discovery adds to previously identified heavy mineral sands and other mineral elements within the project area. The company stated that the nature and consistency of niobium grades confirms the presence of a niobium-enriched intrusive phase over 120 metres downhole thickness in extent. Chilwa Minerals indicated that it will undertake further drilling to define the extent of the niobium resource. (*The Nation, 25 March 2026*)
3. A United Nations (UN) brief has warned that rising global oil prices linked to the US-Israel conflict with Iran could affect Malawi's inflation and increase foreign exchange pressure. The UN projects inflation could rise to between 32% and 35% in the short run due to higher fuel, fertiliser and transport costs. A 15% increase in global oil prices would add USD 6 million to USD8 million to Malawi's monthly fuel import bill. (*The Nation, 26 March 2026*)
4. A collaborative study by the International Food Policy Research Institute (IFPRI) and the National Planning Commission (NPC) has recommended adoption of a unified, market-determined exchange rate in Malawi. The study estimates that consumer prices would increase by 5.3% following alignment, while food prices would only rise by 2.3% following exchange rate unification. Economists have expressed mixed views on the proposal. The President of the Economics of Association of Malawi (ECAMA) argues that previous devaluations of 25% and 44% did not narrow the gap and instead increased inflationary pressures. Others note that exchange rate alignment may not resolve forex shortages due to underlying supply constraints. (*The Daily Times, 27 March 2026*)
5. The Parliamentary Cluster Committee has proposed reforms to Malawi's mining regulations, including higher fees and mandatory USD-denominated payments for foreign investors. The reforms are aimed at increasing government revenue and boosting foreign exchange inflows. The committee recommended raising local mining fees to at least MK1 million from MK10,000. It further proposed allocating MK1.3 billion to the Malawi Mining and Minerals Regulatory Authority (MMRA) and MK43.9 billion for the Geological Survey Department. The reforms are part of the 2026/27 budget review and align with efforts to strengthen the mining sector's contribution to the economy. (*The Daily Times, 24 March 2026*)
6. Motor vehicle registrations in Malawi rose to 27,004 in 2025 from 20,427 in 2024, reflecting rising import demand despite foreign exchange constraints. Active vehicles reached 381,945 while motorcycle registrations increased to 40,695 in 2025 from 31,167 in 2024. Meanwhile, other statistics show that Malawi's trade deficit widened by 15% to USD2.67 billion in 2025 from USD2.2 billion in 2024. The government has introduced a moratorium on procurement of new government vehicles and other high value assets in an effort to reduce expenditure and ease pressure on foreign exchange. (*The Daily Times, 24 March 2026*)
7. The Ministry of Agriculture has reported progress in the implementation of the 2025/26 Farm Inputs Subsidy Programme (FISP), which had a beneficiary coverage increased to 1.1 million households from 530,000 households. The government was tasked to procure 110,000 metric tonnes (MT) of fertiliser intended for the beneficiaries. As of 13 March, 2026, a total of 925,428 beneficiaries, comprising 577,261 female-headed households and 348,161 male-headed households redeemed 1,850,855 bags of fertilizer, which is 91,118.65 metric tonnes representing an 84% success rate. Regional performance ranged between 83% and 86%. (*Ministry of Agriculture, 26 March 2026*)
8. NICO Holding Plc released its preliminary unaudited financial statement results which show their consolidated profit after tax for the year ended 31 December 2025 at MK323.5 billion up from MK134.4 billion for the year ended 31 December 2024, representing 141% year-on-year increase. (*NICO Holdings Plc, 27 March 2026*).
9. NICO Holdings Plc announced a third interim dividend of MK20.86 billion for the financial year ended 31 December 2025, equivalent to MK20.00 per share. (*NICO, 27 March 2026*)

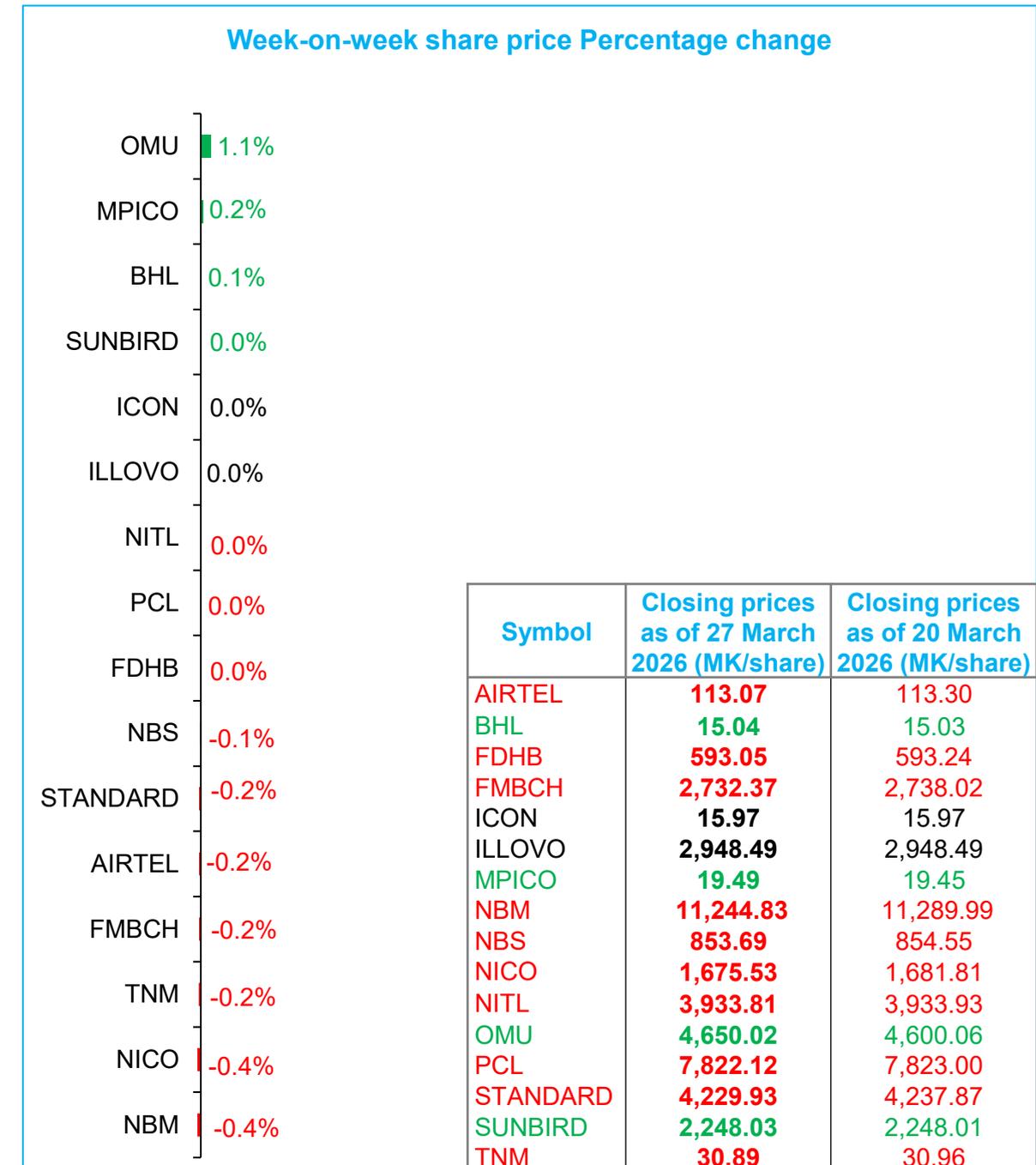
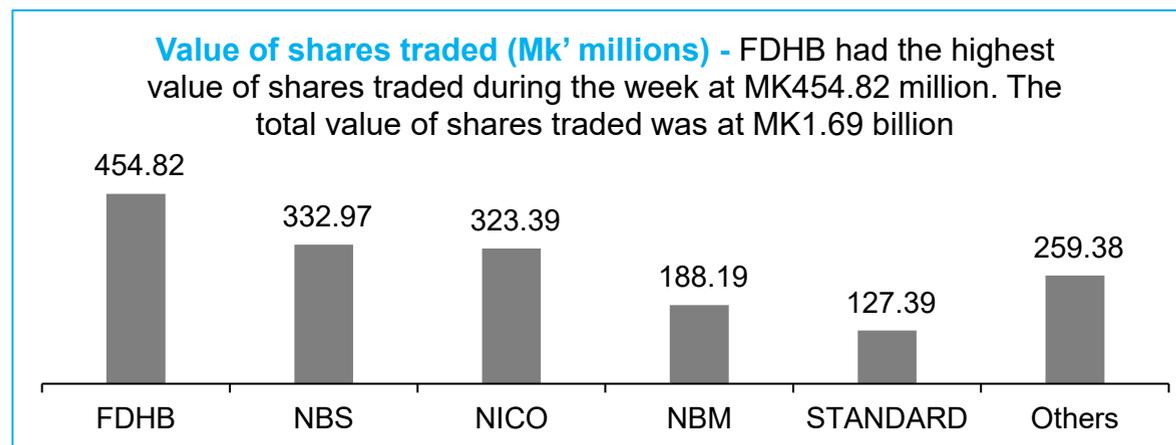
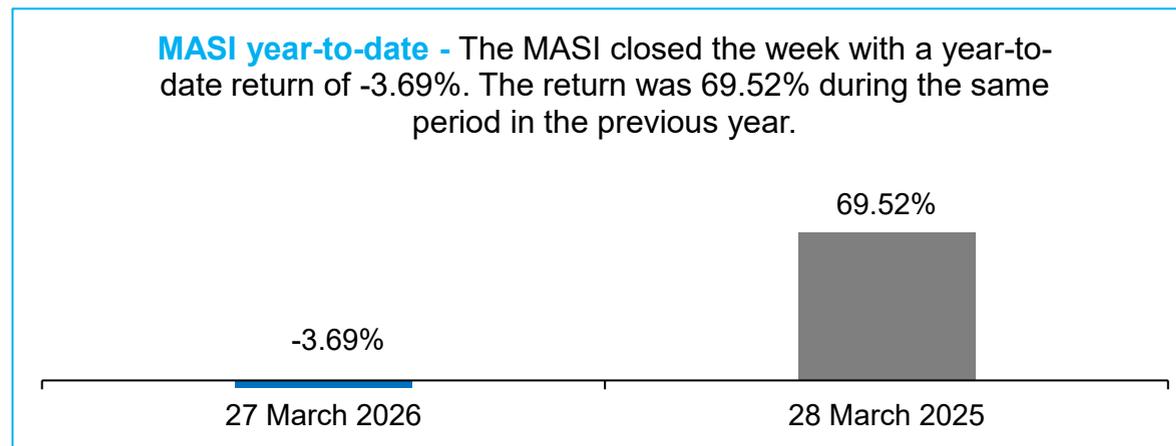
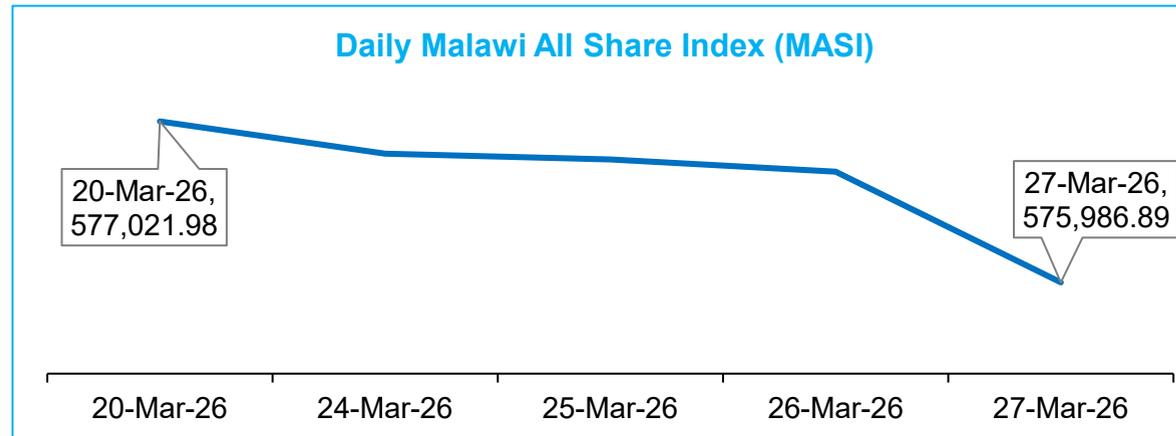


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Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 575,986.89 points on 27 March 2026 from 577,021.98 points on 20 March 2026. This downward movement in the index was primarily driven by the share price losses in NBM and NICO.

The total value of shares traded was MK1.69 billion. FDHB had the highest value of shares traded at MK454.82 million.





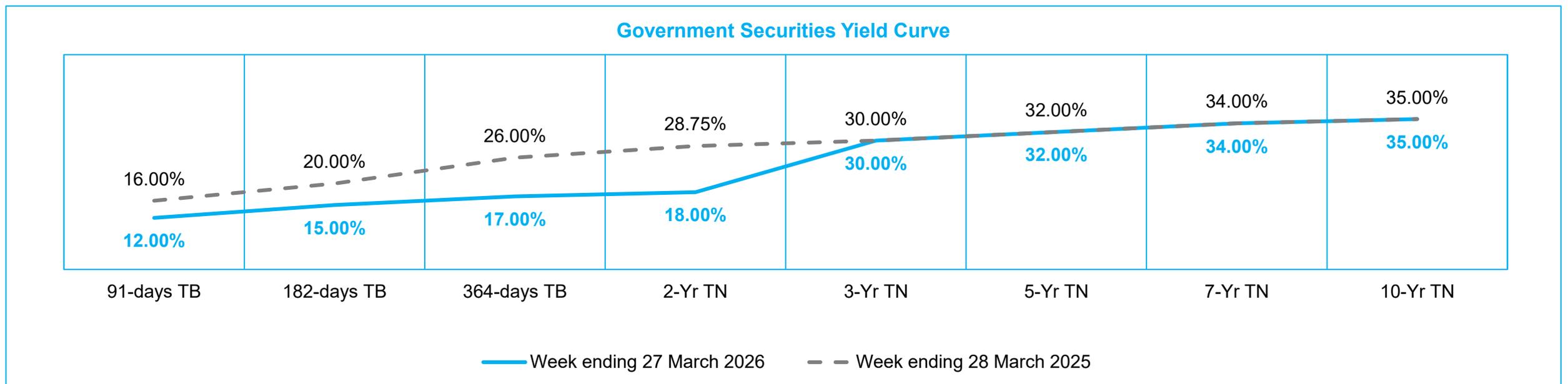
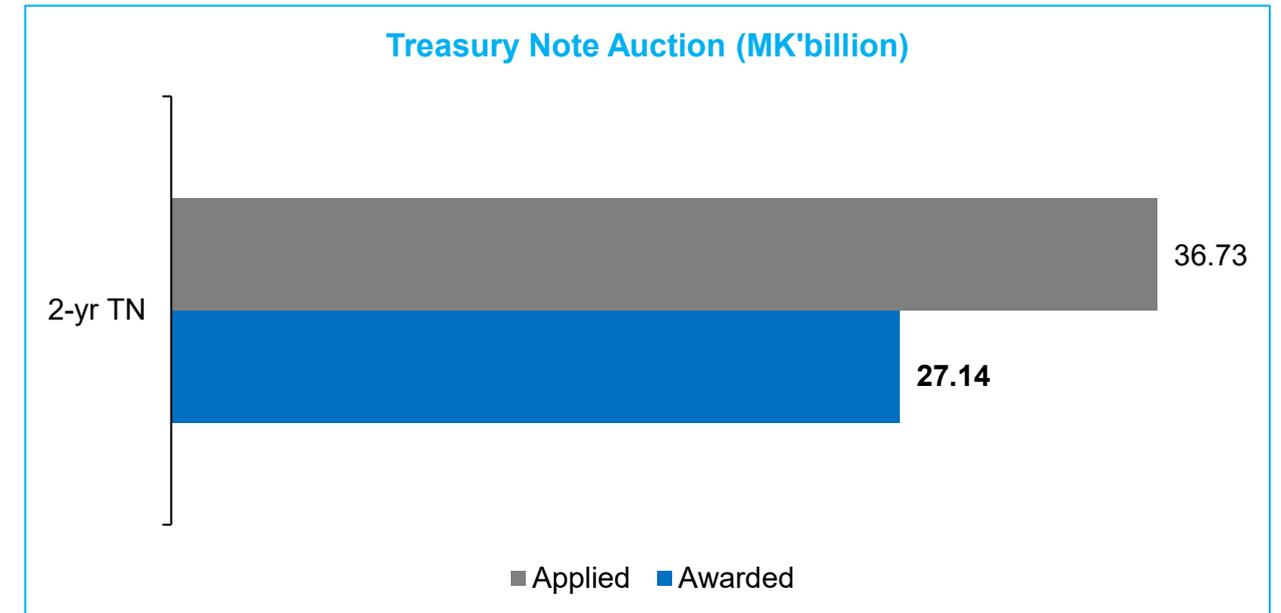
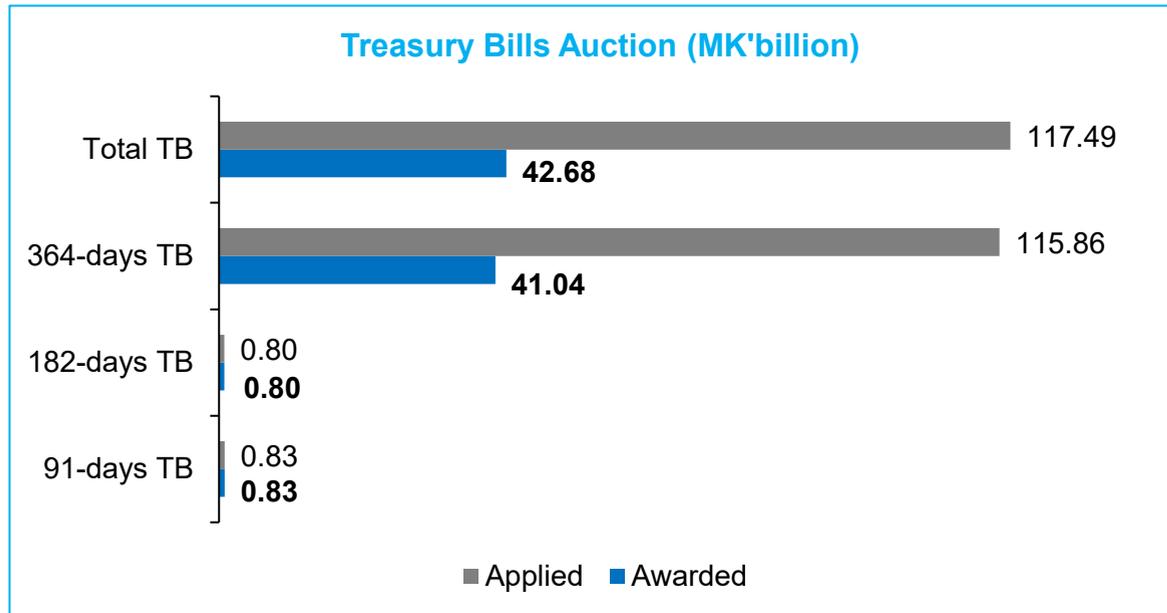
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Government Securities (Source: RBM)

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

A total of MK69.82 billion was raised from MK154.22 billion applications received across initial and reopening auctions.

During the period under review, the 2-yr TN yield decreased to 18.00% from 18.50%.



TB: Treasury Bill
TN: Treasury Note



Appendix 1: Historical Economic Indicators

| | Mar-25 | April-25 | May-25 | Jun-25 | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | 27-Mar-26 |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------------|
| Exchange Rates (middle rates) | | | | | | | | | | | | | |
| MK/USD | 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 | 1,750.45 | 1,734.01 |
| MK/GBP | 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 | 2,424.72 | 2,381.85 |
| MK/EUR | 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 | 2,127.37 | 2,060.37 |
| MK/ZAR | 98.15 | 96.28 | 100.76 | 100.57 | 100.34 | 101.77 | 103.60 | 103.58 | 103.68 | 107.63 | 113.67 | 113.20 | 104.59 |
| Foreign Exchange Reserves | | | | | | | | | | | | | |
| Total Reserves (USD'mn) | 536.0 | 530.0 | 521.0 | 555.9 | 607.7 | 523.9 | 511.8 | 526.8 | 530.0 | N/A | N/A | N/A | N/A |
| Inflation | | | | | | | | | | | | | |
| Headline | 30.5% | 29.2% | 27.7% | 27.1% | 27.3% | 28.2% | 28.7% | 29.1% | 27.9% | 26.0% | 24.9% | 24.1% | N/A |
| Food | 37.7% | 35.8% | 32.7% | 31.6% | 32.4% | 33.7% | 33.0% | 32.4% | 30.1% | 26.5% | 22.1% | 20.8% | N/A |
| Non-food | 19.2% | 19.4% | 20.0% | 20.1% | 19.3% | 19.5% | 21.7% | 23.8% | 24.2% | 25.2% | 29.8% | 30.0% | 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% | 24.00% |
| Average Interbank Rate (Overnight) | 23.19% | 23.18% | 23.82% | 23.99% | 23.98% | 23.98% | 23.98% | 23.98% | 23.98% | 23.98% | 23.98% | 16.50 % | 13.38% |
| 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% | 24.20% |
| Commercial Bank Reference Rate | 25.10% | 25.10% | 25.20% | 25.10% | 25.30% | 25.40% | 25.30% | 25.40% | 25.30% | 25.30% | 25.20% | 24.70% | 22.40% |
| 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% | 15.00% | 12.00% | 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% | 15.00% | 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% | 17.90% | 17.00% |
| 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% | 20.65% | 18.00% |
| 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 | 69.52% | 68.39% | 64.58% | 91.77% | 124.53% | 211.15% | 236.67% | 250.27% | 259.98% | 247.63% | -1.53% | -3.91% | -3.69% |
| DSI | 56.52% | 62.53% | 62.41% | 89.34% | 120.03% | 214.05% | 236.40% | 233.38% | 217.65% | 208.88% | 0.30% | -0.75% | -0.35% |
| FSI | 148.16% | 103.82% | 77.74% | 106.49% | 150.94% | 195.28% | 239.14% | 348.11% | 503.79% | 470.87% | -7.19% | -13.69% | -14.02% |

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

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