



Malawi Financial Market Update

Week ending 6 March 2026



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Market Developments

What happened this week

The Monetary Policy Committee reduced the policy rate to 24.0% from 26.0%.

The Malawi Revenue Authority has collected MK4.06 trillion in revenue from April 2025 to February 2026 (11 months).

PressCane Limited is set to roll out a MK17 billion bio-fertilizer plant in April 2026.

The commercial bank reference rate for February 2026 is 23.70%

1. The Monetary Policy Committee has reduced the Policy Rate by 200 basis points from 26.0% to 24.0%. The decline follows a gradual decline in inflation. The Lombard Rate remains at 20 basis points above the Policy Rate, while Liquidity Reserve Requirement ratios remain at 10.0% for local currency deposits and 3.75% for foreign currency deposits. Headline inflation declined to 27.7% in the fourth quarter of 2025 from 28.1% in the previous quarter and further to 24.9% in January 2026. The central bank projects economic growth to rise to 3.8% in 2026 from 2.7% in 2025. *(Reserve Bank, 5 March 2026)*
2. The Malawi Revenue Authority (MRA) has collected MK4.06 trillion in revenue between April 2025 and February 2026, representing 94% of its annual target of MK4.32 trillion. In February 2026, collections reached MK313.66 billion against a target of MK304.74 billion, representing a 103% performance and a 42% increase compared to the same period last year. Domestic taxes accounted for MK3.05 trillion, equivalent to 95% of the annual target. Customs and excise contributed MK1.01 trillion, representing 90% performance against the annual target. The authority has set the March 2026 collection target at MK350.59 billion to close the MK263.00 billion gap to meet the annual target. *(The Daily Times, 5 March 2026)*
3. The Malawi Rural Electrification Programme (MAREP) Phase 9 has reached 80% completion. The government expects to commence Phase 10 within the next two months as procurement preparations progress. Authorities say Phase 10 will carry forward unfinished works from Phase 9 as part of ongoing rural electrification efforts. More than 186,000 households have been connected to electricity through MAREP and the Malawi Electricity Access Project. *(The Daily, 3 March 2026)*
4. PressCane Limited plans to roll out a USD10 million (about MK17.5 billion) bio-fertilizer production plant in April 2026, once commissioning is completed in March 2026. The facility will produce 10,000 metric tonnes of fertilizer annually using ethanol waste. The project experienced delays due to foreign exchange shortages, which affected the importation of final equipment. Malawi requires about 450,000 metric tonnes of fertiliser annually, most of which is imported. *(The Nation, 6 March 2026)*
5. The National Food Reserve Agency (NFRA) requires an additional MK130 billion from the MK60 billion allocated in the proposed 2026/27 budget to replenish Strategic Grain Reserves. The agency plans to procure 170,000 metric tonnes of food commodities this year at an estimated cost of MK194 billion. Officials said the K60 billion allocation can only purchase about 54,000 metric tonnes. The Strategic Grain Reserves are expected to hold at least 217,000 metric tonnes annually for food security. *(The Nation, 6 March 2026)*
6. Maize traders and farmers have refused to sell maize to the NFRA at MK840/kg, citing higher parallel market prices averaging MK1,100.00/kg. Farmers say production costs were estimated at MK938.24/kg while the farm-gate price was around MK1,050.00/kg. Traders say they are opting to sell on the open market where prices are more favourable. *(The Nation, 3 March 2026)*
7. The Malawi Government faces a USD32.6 million (about MK57 billion) payment ultimatum from Romanian firm East Bridge Estate SRL to be settled by 10 March 2026. The company has initiated arbitration proceedings at the International Chamber of Commerce in Nairobi over a fertiliser supply dispute. East Bridge claims it delivered 28,075 metric tonnes of fertiliser worth USD23.12 million in May 2024 that remains unpaid. Authorities in Malawi say they are not aware of the alleged sovereign guarantees linked to the claim. *(The Nation, 2 March 2026)*
8. Rising tensions in the Middle East have raised concerns over higher fuel import costs for Malawi. The fears follow a blockade of the Strait of Hormuz, a key route used by Gulf exporters such as the United Arab Emirates, Saudi Arabia and Kuwait. Global oil prices have already increased to over USD84.5 per barrel (about MK145,088.19) from around USD60 (about MK103,021.20), raising fears of increased foreign exchange demand and inflationary pressure on transport, manufacturing and essential goods. Malawi consumes about one million litres of petrol and one million litres of diesel daily, equivalent to about 720 million litres annually. *(The Nation, 3 March 2026)*
9. The commercial bank reference rate for March 2026 is 23.70%, down from the February reference rate of 24.70%. The reference rate is effective from 5 March 2026. *(First Capital Bank, 3 March 2026)*



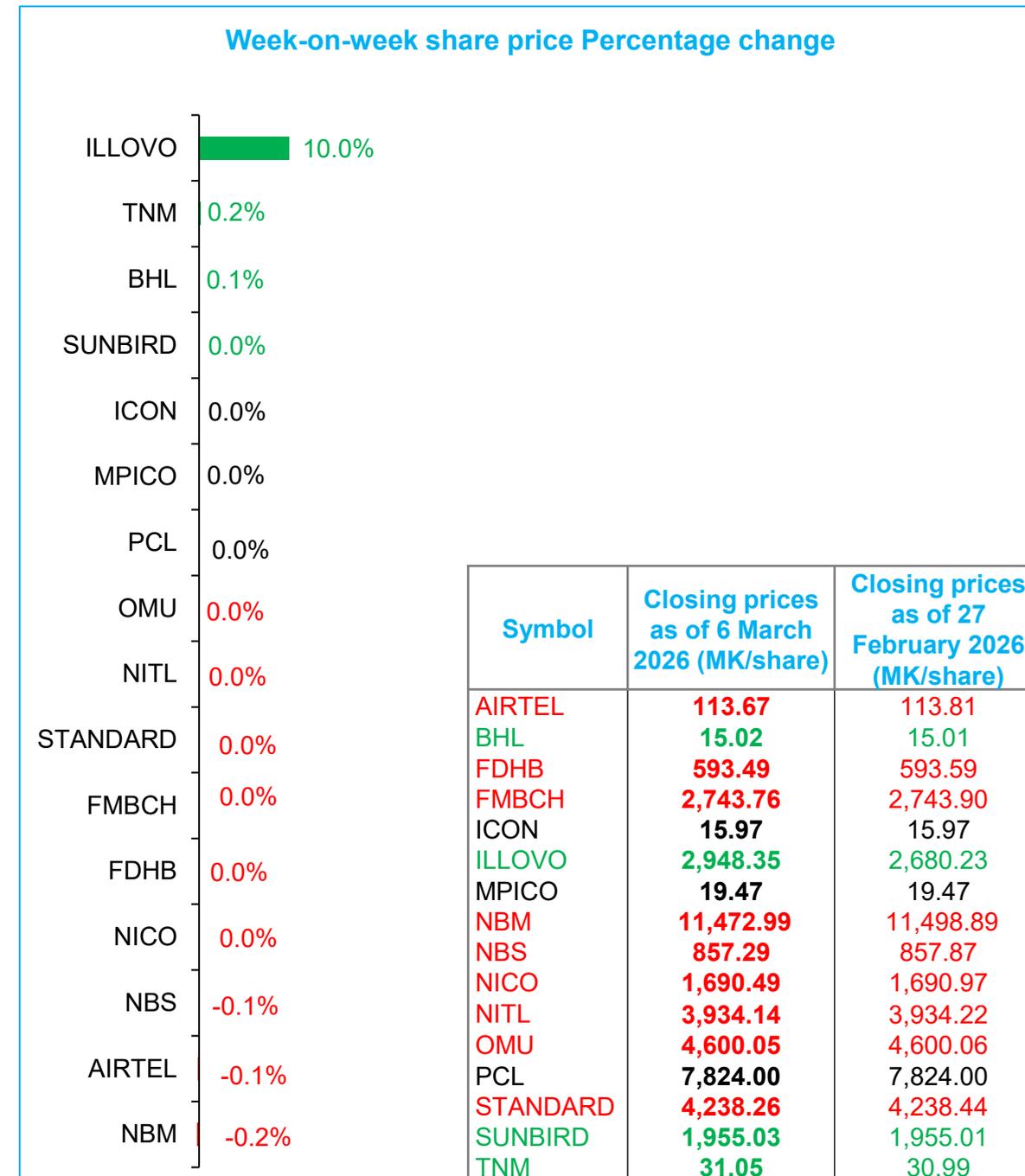
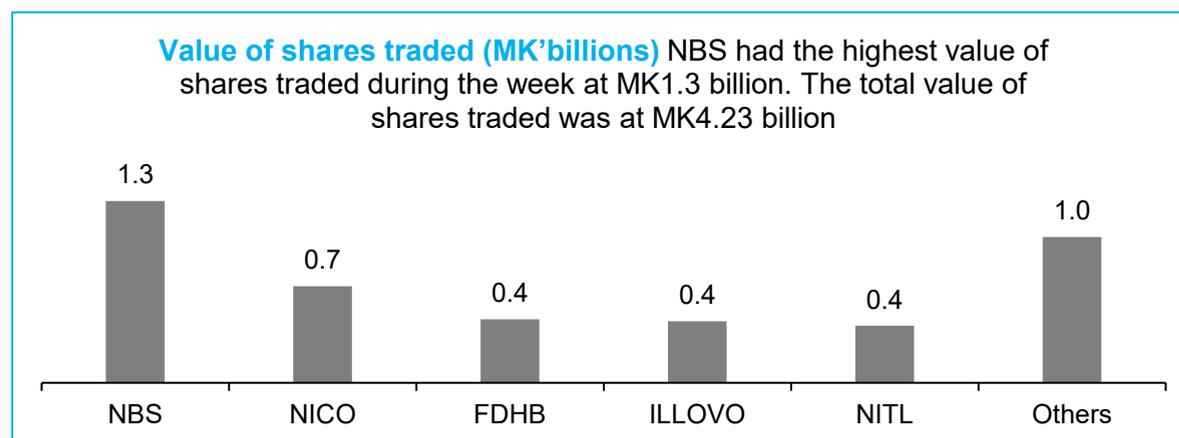
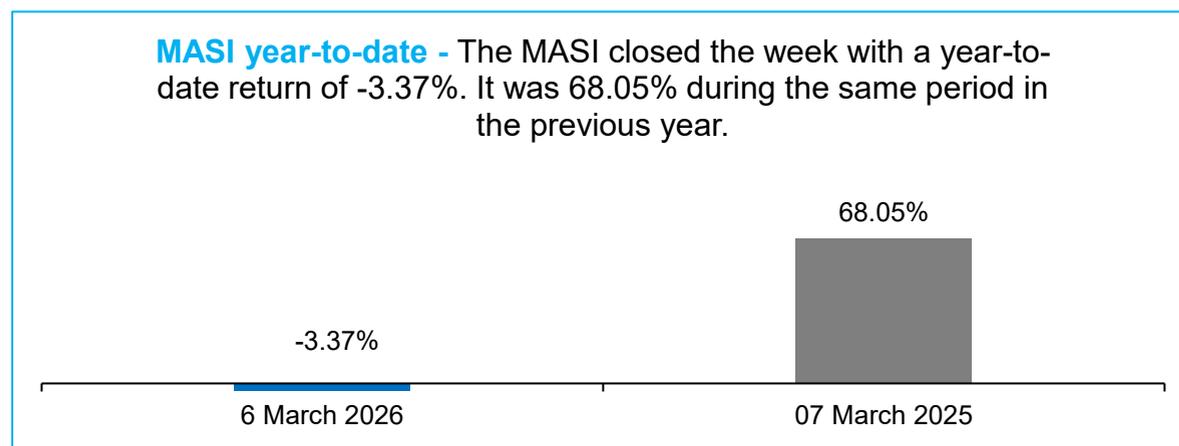
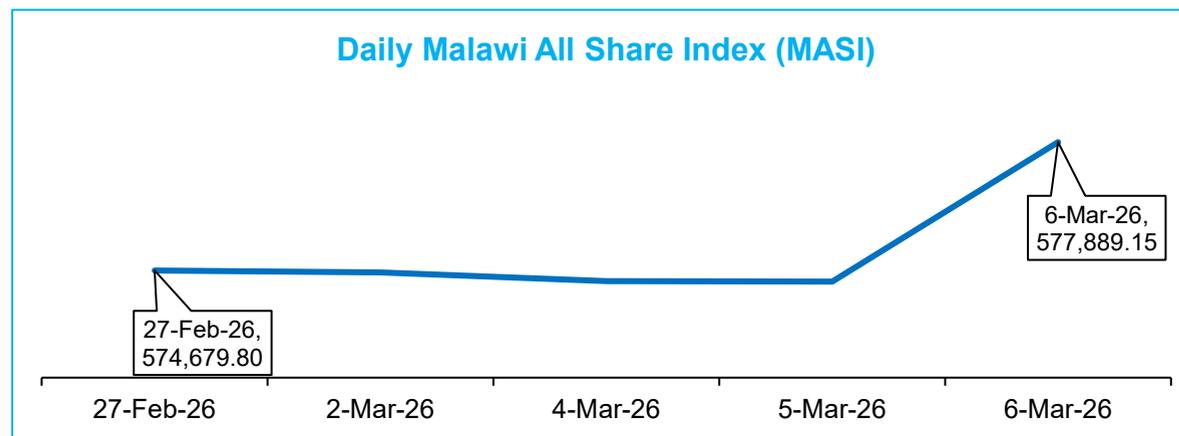
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Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) increasing to 577,889.15 points on 6 March 2026 from 574,679.80 points on 27 February 2026.

During the period under review, ILLOVO's share price increased by 10.0%.

The total value of shares traded was MK4.23 billion. NBS had the highest value of shares traded at MK1.3 billion.





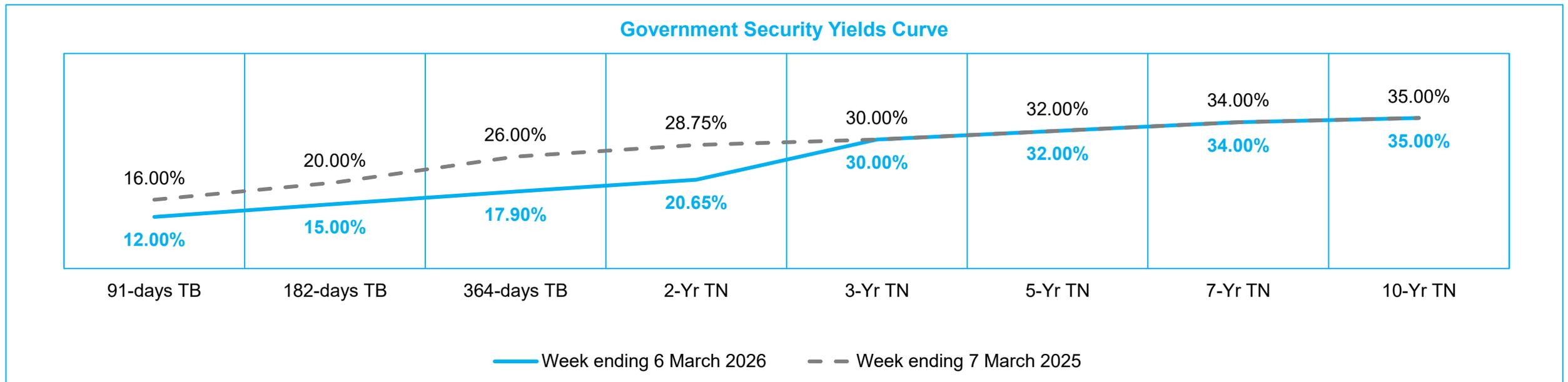
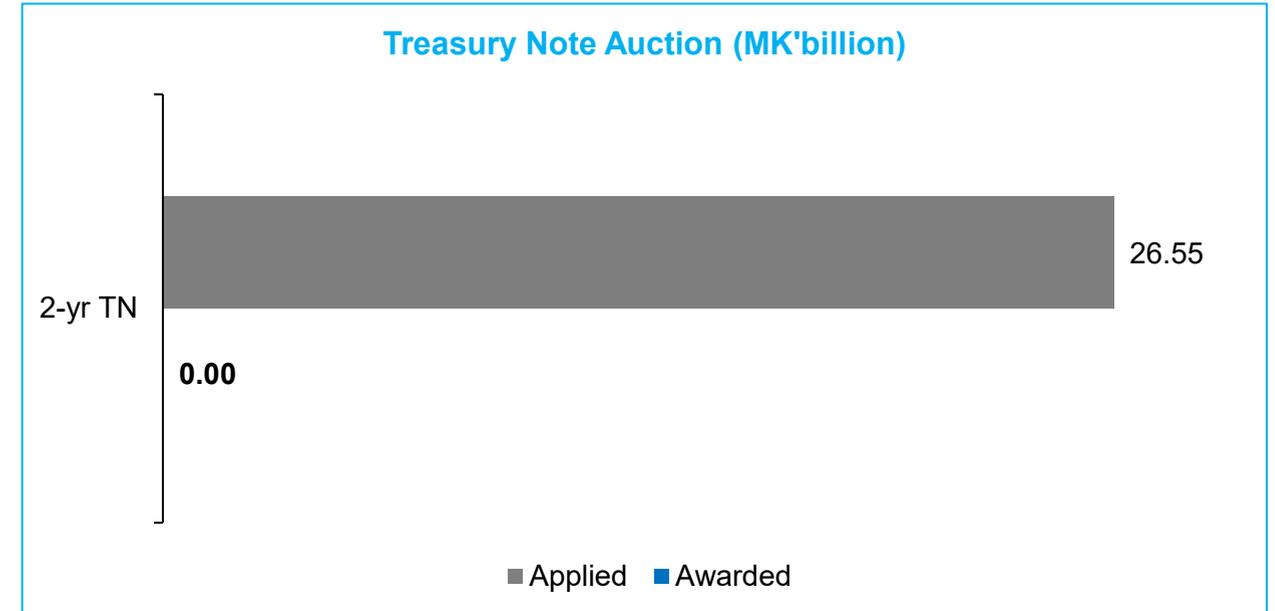
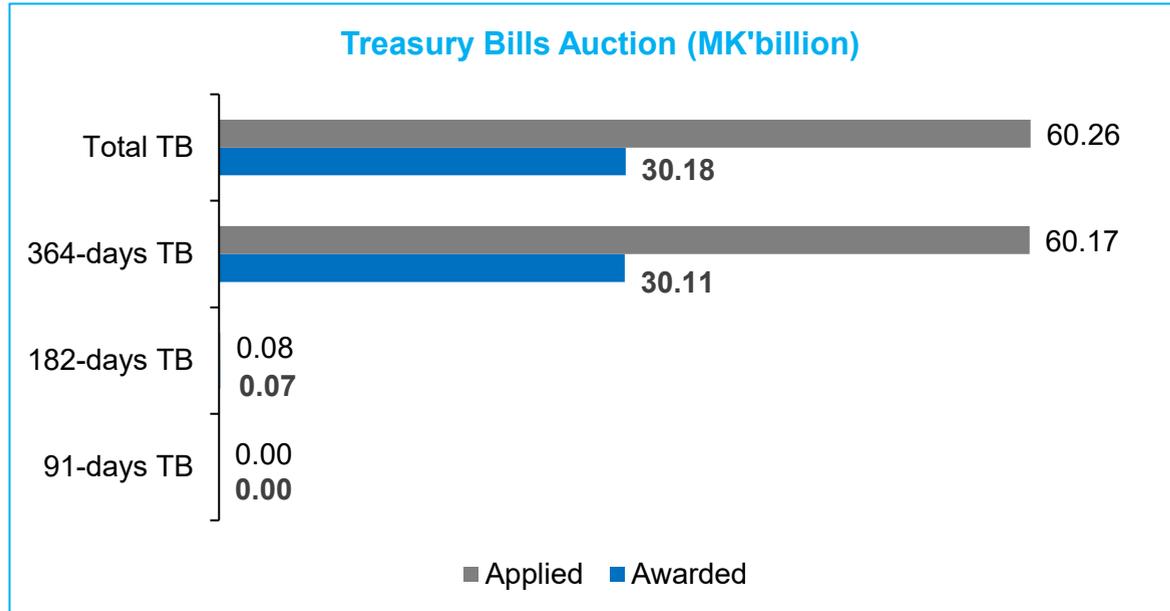
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Government Securities (Source: RBM)

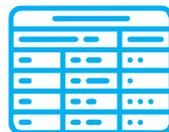
The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) and the 2-year Treasury Note (TN) during the period under review.

A total of MK30.18 billion was raised from MK86.81 billion in TB and 2-yr TN applications received across initial and reopening auctions.

During the review period, there were no changes in yields across all tenors.



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	06-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	1,734.01	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	2,405.96	2,386.67
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	2,108.23	2,073.40
MK/ZAR	98.15	96.28	100.76	100.57	100.34	101.77	103.60	103.58	103.68	107.63	113.67	112.37	107.79
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%	N/A	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%	N/A	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%	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%	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 %	15.32%
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%	23.70%
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%	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%	17.90%
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%	20.65%	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	69.52%	68.39%	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.37%
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%	-0.03%
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%	-13.69%

The 6 March 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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