

Malawi Economic Insights: March 2026 Report

Inflation and Monetary Policy



Headline inflation eases to 24.1%

Dropped from 24.9% in January 2026, primarily driven by a decline in food inflation to 20.8%.

Commercial bank reference rate at 22.4%

decreased from 23.7% in February 2026



Policy Rate reduced to 24.0%

Monetary Policy Committee cut the rate by 200 basis points from 26.0%.

Equity Market



0.11%

Gain in March 2026

Reached 575,320.68 from 574,679.80 in February 2026.

▲ March 2026 highest gainer

SUNBIRD gained by 15% to MK2,248.03 per share from MK1,955.01

▼ March 2026 loser

NBM lost by 1.8% to MK11,289.89 from MK11,498.89

Govt. Securities Market



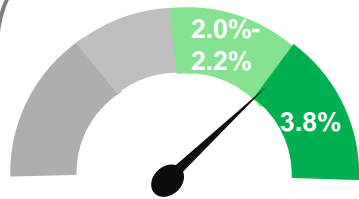
MK572.58b raised

through Treasury Bill (TB) and Treasury Note (TN) auctions in March 2026 from MK964.63b in applications.

In March 2026, 364-day TB and 2-year TN yields dropped to 17.00% from 17.90% and 18.00% from 20.65%, respectively.

There were auctions held for the 3-,5-,7-, and 10-year TNs in March 2026.

Fiscal and Growth Outlook



Real GDP growth projections: 2.0% to 3.8%

Government optimistic at 3.8%; EIU & Oxford Economics project 2.0% to 2.2%



MK10.98t

2026/27 budget approved



Domestic Debt restructuring

In advanced stages, public debt is currently estimated to be above 90% of GDP (approximately **MK24t**).

Commodity Market Developments



35%

Average increase in fuel pump prices

Effective 1 April 2026, Petrol MK6,672/litre from MK4,964/litre
Diesel MK6,687/litre from MK4,945/litre

Global oil prices surge 74.1%

OPEC reference basket increased to USD116.36/barrel in March 2026 from USD67.90/barrel in February 2026.

Maize production projected to 33.3 million MT

13% increase from 2025 but remains 200,000 MT below the requirement.

Source: RBM

Middle East Conflict



Impacts



Fuel price shocks



LNG/Energy Shocks



Shipping rerouting (10 – 14 days longer)



Fertiliser supply interruptions

Impacted groups



Smallholder farmers



Urban low-income households



Health sector (pharmaceutical delays)

Middle East Conflict Scenario Estimates For Malawi (as per the UN)

Indicator	Baseline (2026)	Short-term shock (1 month)	Medium-term Shock (12 months)
Headline Inflation	~26 – 28%	32 – 36%	35 – 45%
GDP Growth	~2.3%	1.8 – 2.0%	0.5 – 1.0%
Fx Reserves (months)	~1 month	~0.5 – 0.7 months	< 0.5 months
Fiscal Deficit	~9.2% of GDP	~10 – 10.5% GDP	~12 – 14% of GDP

Source: UN Malawi, Middle East Conflict – Macro-Fiscal and Socio-Economic Impact on Malawi