



Malawi Financial Market Update

Week ending 08 May 2026



What happened this week

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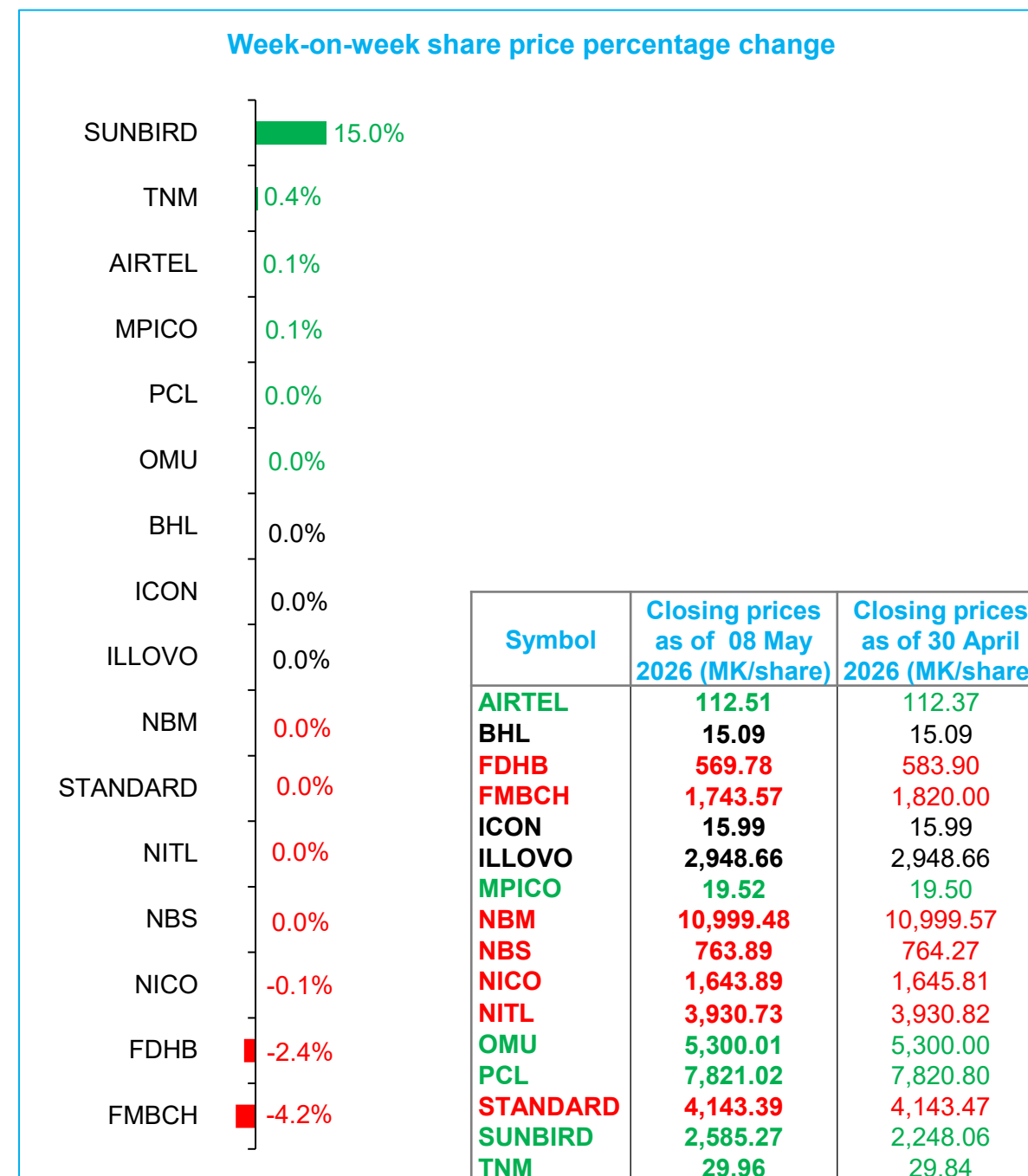
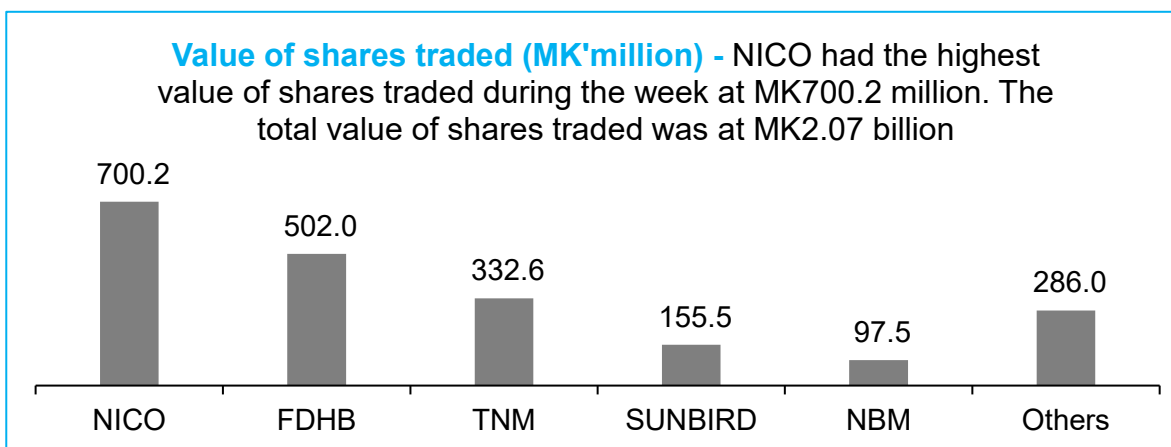
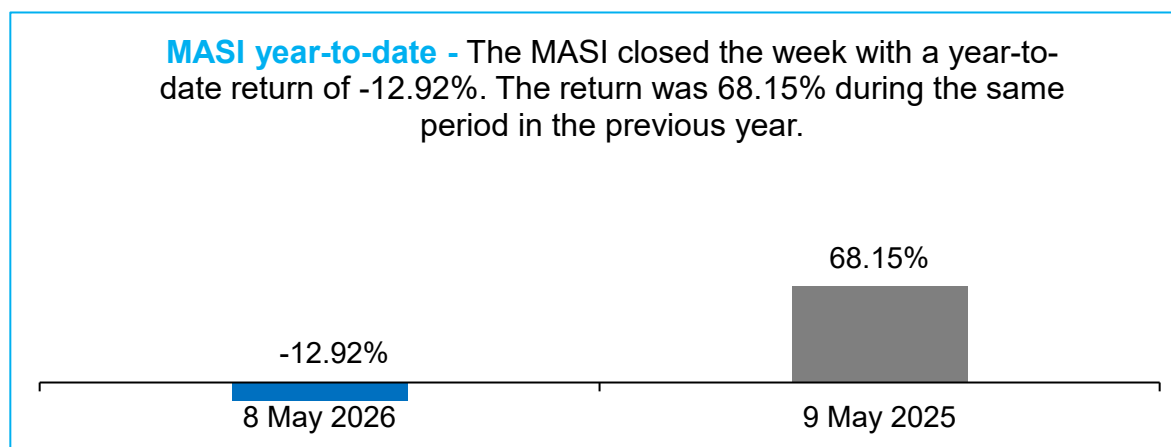
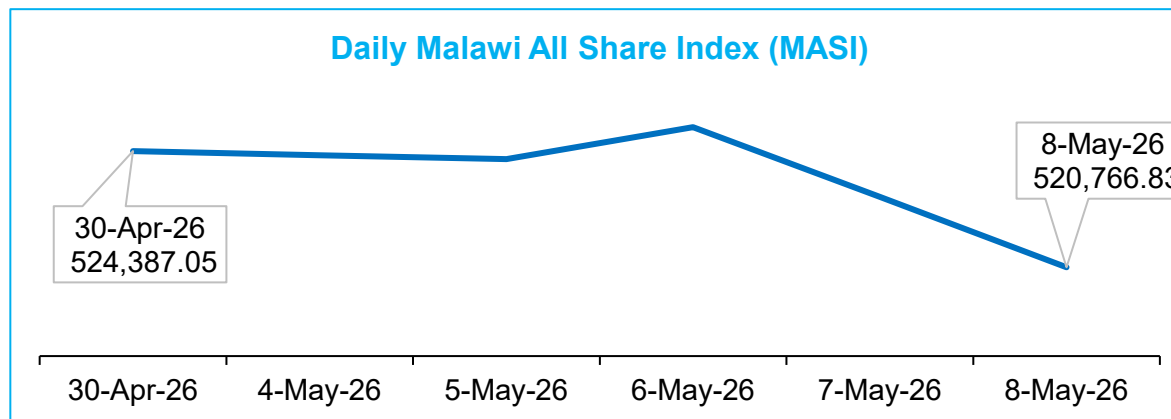
1. The Malawi Energy Regulatory Authority (MERA) has reduced petrol prices to MK6,209 per litre from MK6,672, representing a 6.94% decrease, while diesel prices have been maintained at MK6,687 per litre, effective 8 May 2026. MERA stated that the adjustment followed a review under the Automatic Pricing Mechanism (APM) after the average Free on Board (FOB) price of petrol decreased, while diesel prices increased compared to average prices in April 2026. The authority stated that inbound landed costs, including freight, railage, insurance, handling, in-transit losses, levies and margins, informed the approved prices. MERA further noted that although diesel qualified for a 7.56% upward adjustment under the APM, the Price Stabilisation Fund had sufficient buffer to cushion the increase for May 2026. (MERA, 7 May 2026)
2. The Mzuzu Floors have opened for the 2026 tobacco marketing season on 5 May 2026 as the fourth and final tobacco market for the 2026 marketing season. According to the Tobacco Commission, the rejection rate at Mzuzu Floors stood at 69% or 304 auction bales, down from 90% recorded in Lilongwe when the market opened. The Minister of Agriculture, Irrigation and Water Development stated that the government would ensure farmers are protected from unfair prices and would not allow tobacco to be sold below production costs. Further to that, the Minister highlighted that global overproduction, carryover stocks and delayed international orders had contributed to the challenges affecting the market. (The Nation, 6 May 2026)
3. As of 7 May 2026, a cumulative 10.10 million kgs of tobacco have been sold at an average price of USD2.14/kg. The cumulative amount raised so far is USD23.29 million. At this time last year, a cumulative 29.44 million kgs of tobacco had been sold at an average price of USD2.34/kg, and a cumulative USD68.85 million had been raised. (Auction Holdings Limited, 07 May 2026).
4. The Reserve Bank of Malawi (RBM) is expected to meet with the pension industry this month to assess progress on compliance with the September 2025 directive requiring pension funds to invest at least 5% of assets in infrastructure development. The Pensions Industry Chief Examiner articulated that the industry has 36 months to comply with the directive, which aims at reducing concentration risk and supporting economic transformation. RBM's Financial Stability Report showed that pension assets grew to MK8.4 trillion in 2025 from MK3.5 trillion in 2024, although investments remained heavily concentrated in listed equities. (The Daily Times, 6 May 2026).
5. According to the Executive Director of Centre for Democracy and Economic Development Initiatives (Cdedi), Malawi is losing millions of dollars due to weak gemstone valuation systems and failure to fully capitalise on its mineral resources. The executive director urged authorities to quantify the losses arising from improper gemstone valuation, noting that the country possesses high-value minerals. A mining expert and Chief Executive Officer of Yami Gemstone Lab and Exports stated that Malawi produces more than 25 types of gemstones, including rubies, sapphires, spinels, and aquamarine, but lacks accredited gemologists, certified laboratories, and investment in value addition. The expert indicated that properly beneficiated gemstones could generate over USD1 billion annually. (The Nation, 5 May 2026)
6. The Malawi Revenue Authority (MRA) stated that new customs and domestic tax measures for the 2026/27 fiscal year became effective on 14 April 2026 following publication of amendments in the Government Gazette. The reforms include the introduction of the Authorised Economic Operator programme, taxation of digital services, a 15% final tax on residential rental income and a 3% levy on motor vehicle insurance premiums. MRA also introduced a 15% withholding tax on betting and gambling winnings, a 10% withholding tax on casino gaming winnings and a 2% withholding tax on disposal of listed shares. MRA stated that the reforms are aimed at enhancing revenue collection, improving tax administration and aligning the tax system with evolving economic activities. (MRA, 6 May 2026)
7. The commercial bank reference rate for May 2026 is 20.60%, down from the April reference rate of 20.80%. The reference rate is effective from 6 May 2026. (National Bank of Malawi plc, 6 May 2026)
8. China has removed tariffs on imports from all African countries, excluding Eswatini. The policy grants tariff-free access to Africa's 20 largest economies including South Africa, Egypt, Nigeria, Algeria and Kenya exports into the Chinese market for the next two years. China had already removed tariffs for 33 lower-income African countries in 2024. China's Commerce Ministry stated that the move would benefit products such as cocoa, coffee, avocados, citrus fruits, and wine, which previously faced tariffs ranging from 8% to 30%. During the implementation period, China is also expected to pursue a China-Africa economic partnership for shared development with relevant African countries. (The Nation, 4 May 2026)



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Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 520,766.83 points on 8 May 2026 from 524,387.05 points on 30 April 2026. This downward movement in the index was primarily driven by the share price losses in FMBCH and FDHB.





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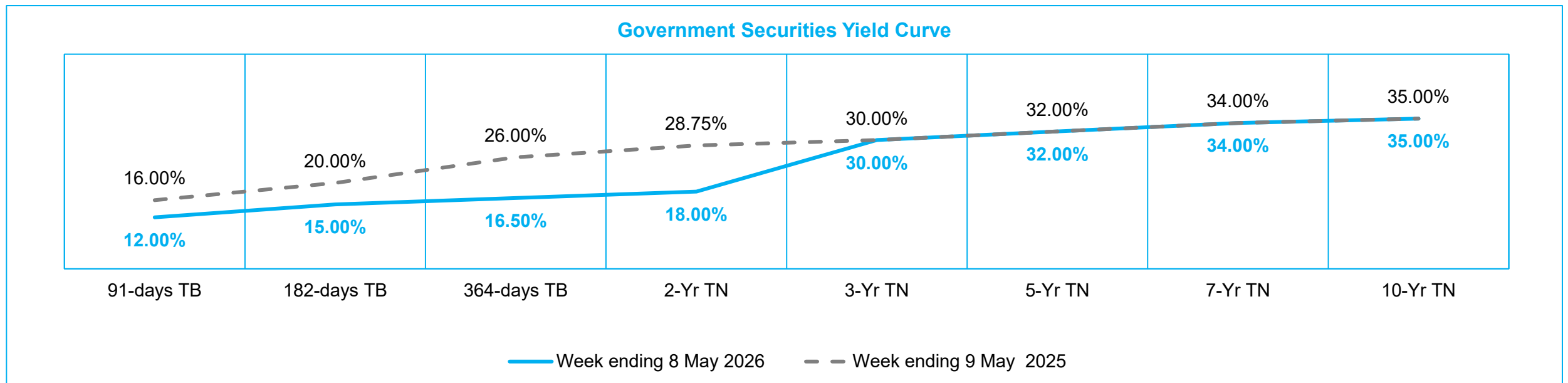
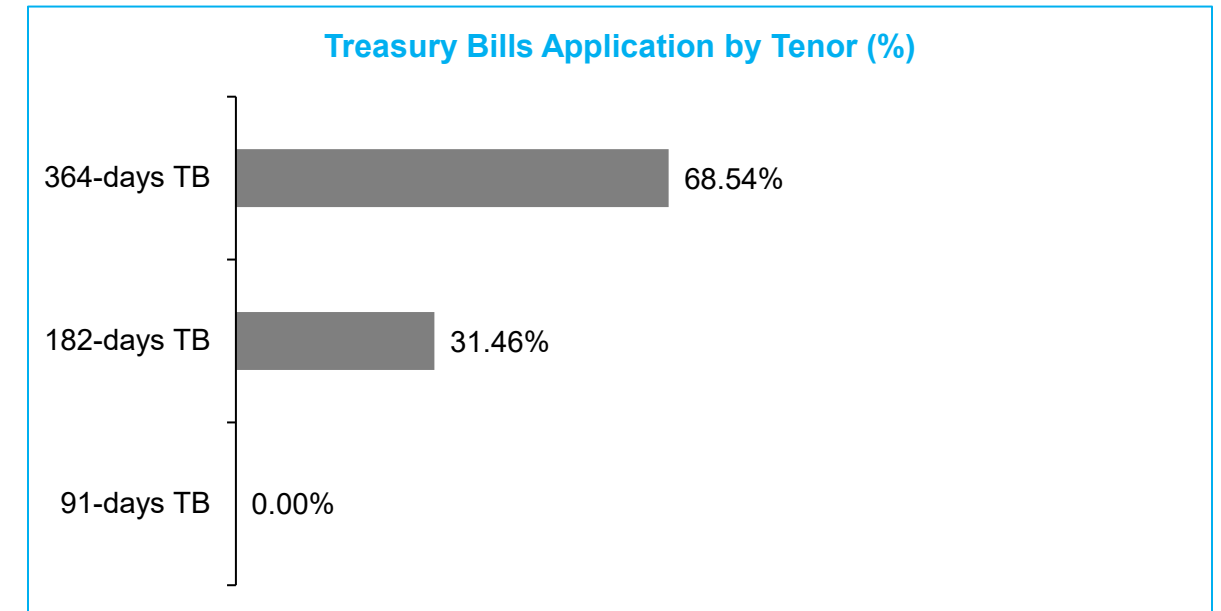
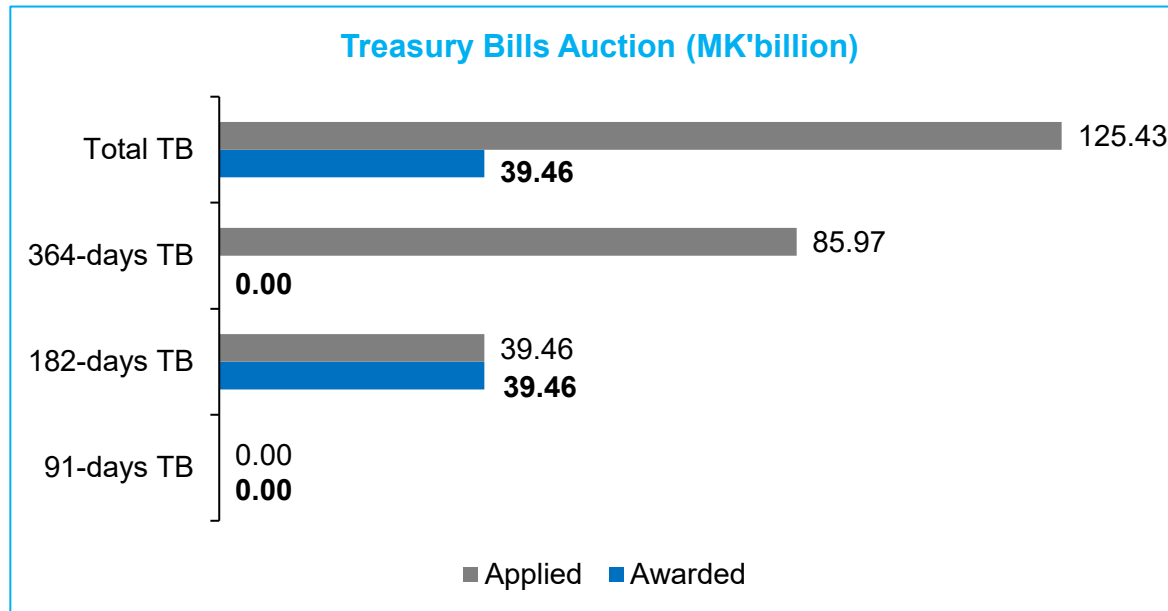
Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) during the period under review.

A total of MK39.46 billion was raised from a total of MK125.43 billion applications during the auction held on 6 May 2026.

The RBM held an Open Market Operation Repurchase Agreement (OMO Repo) auction for the 15-, 30-, and 63-day tenors on 5 May 2026. No liquidity was withdrawn from the market.

The RBM held an OMO Repo auction for the 15-day, 32-day, and 61-day tenors on 7 May 2026. A total of MK17.45 billion was withdrawn from the market.





Appendix 1: Historical Economic Indicators

	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	08-May-26
Exchange Rates (middle rates)													
MK/USD	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	1750.37	1,749.68	1,734.01
MK/GBP	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	2,377.41	2,426.11	2,425.43
MK/EUR	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	2068.11	2,099.68	2,096.80
MK/ZAR	100.76	100.57	100.34	101.77	103.60	103.58	103.68	107.63	113.67	113.20	104.66	107.04	108.81
Foreign Exchange Reserves													
Total Reserves (USD'mn)	521.0	555.9	607.7	523.9	511.8	526.8	530.0	608.9	N/A	N/A	N/A	N/A	N/A
Inflation													
Headline	27.7%	27.1%	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	N/A	N/A
Food	32.7%	31.6%	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	N/A	N/A
Non-food	20.0%	20.1%	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	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%	24.00%	24.00%	24.00%
Average Interbank Rate (Overnight)	23.82%	23.99%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	16.50 %	13.38%	12.86%	12.00%
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	24.20%	24.20%	24.20%
Commercial Bank Reference Rate	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.60%
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	15.00%	12.00%	12.00%	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%	15.00%	15.00%	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%	17.90%	17.00%	16.50%	16.50%
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	20.65%	18.00%	18.00%	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	64.58%	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-12.92%
DSI	62.41%	89.34%	120.03%	214.05%	236.40%	233.38%	217.65%	208.88%	0.30%	-0.75%	-0.43%	-2.74%	-2.78%
FSI	77.74%	106.49%	150.94%	195.28%	239.14%	348.11%	503.79%	470.87%	-7.19%	-13.69%	-14.21%	-41.89%	-44.24%

The 08 May 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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