



## Malawi Financial Market Update

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Week ending 22 May 2026



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### Market Developments

#### What happened this week

According to the National Statistical Office (NSO), the year-on-year inflation rate rose to 24.3% in April 2026 from 23.8% in March 2026.

As of 22 May 2026, a cumulative 29.01 million kgs of tobacco have been sold at an average price of USD2.10/kg. The cumulative amount raised so far is USD61.02 million.

1. According to the National Statistical Office (NSO), the year-on-year inflation rate rose to 24.3% in April 2026 from 23.8% in March 2026. Food inflation declined to 19.1% from 20.0%, while non-food inflation increased to 33.2% from 30.7%. Month-to-month inflation declined to -2.5% in April from 0.6% in March, with food inflation dropping to -5.6% and non-food inflation standing at 2.6%. Urban month-to-month inflation was -0.6%, while rural inflation was recorded at -3.5%. (*National Statistical Office, 19 May 2026*)
2. According to the Reserve Bank of Malawi (RBM), strategic gold purchases and expansion of the mining sector stand to ease the country's worsening foreign exchange shortages amid mounting pressure on the kwacha and shrinking import cover. The RBM Deputy Governor reported that forex shortages reflect structural imbalances between imports and exports, adding that Malawi's annual fuel import bill now exceeds USD700 million while tobacco earnings remain below USD400 million. RBM data show that foreign exchange reserves declined to USD625.7 million in February 2026 from USD664.9 million in January 2026, representing 2.5 months of import cover. (*The Nation, 20 May 2026*)
3. According to the Department of Disaster Management Affairs (Dodma), the department is yet to raise MK46.17 billion for the implementation of a three-month Flood Response Plan targeting 81,842 households affected by floods. The department indicated that only MK2.67 billion is available out of the required MK48.84 billion and warned that failure to mobilise resources could lead to hunger, malnutrition, worsening poverty, and outbreaks of waterborne and communicable diseases. Dodma's Commissioner reported that it is continuing to appeal for support despite improvements in food availability and affordability, while also expecting close to USD2 million from the World Bank under the Repair programme. (*The Nation, 20 May 2026*)
4. The Parliamentary Committee on Agriculture will meet representatives of tobacco buying companies next week, following a 93% rejection rate at Lilongwe Floors. The Committee Chairperson reported that contract tobacco recorded almost zero rejections compared to auction tobacco and commended farmers for remaining patient during the marketing season. The Tobacco Commission chairperson stated that stakeholders are looking into farmers' concerns and worries, and reported that buyers are prioritising contract tobacco to recover investments made under contract arrangements. (*The Nation, 21 May 2026*)
5. According to the Malawi Enterprise Development Fund (MEDF) Chief Executive Officer, the institution will resume loan disbursements at the end of the month with about MK100 billion budgeted for distribution within the first 12 months. A legislator in Dedza Mayani expressed disappointment with the MK100 billion allocation, stating the amount is not enough to reach out to everyone in need. (*The Nation, 22 May 2026*)
6. Wait Holdings, a Malawian-owned fertiliser blending firm, has started operations in Blantyre with a production capacity of 50MT per hour under its MlimiFert brand. The Managing Director of Wait Holdings stated that the project was established to reduce Malawi's dependence on imported fertilisers and meet demand for crop- and soil-specific nutrient solutions. Further to that, the Managing Director also reported that the company is committing USD5 million towards expanding blending capacity and distribution, with regional outlets in Lilongwe and Mzuzu expected to open this year. An agriculture policy expert described the development as important for Malawi's agro-based economy, while the Civil Society Agriculture Network chairperson stated that local fertiliser initiatives are critical amid foreign exchange shortages. The Fertiliser Association of Malawi estimates national annual fertiliser demand at 450,000MT to 475,000MT. (*The Nation, 20 May 2026*)
7. The Malawi Bureau of Standards (MBS) launched the Management Information System (MBS-MIS), a digital platform aimed at improving efficiency, transparency, and service delivery. The Minister of Defense stated that the system aligns with the Malawi 2063 agenda and reported that it will digitise manual processes, improve transparency, and allow businesses to track applications in real time. The Minister also reported that the World Bank, through the Southern Africa Trade and Connectivity Project, invested about USD2.5 million in transforming MBS ICT systems. The MBS Director General described the platform as a new way of doing business and stated that it was developed following stakeholder complaints over delays in certification processes and poor communication. The system introduces online applications, real-time tracking, automated notifications, and faster processing of certifications and inspections. (*The Daily Times, 18 May 2026*)
8. As of 22 May 2026, a cumulative 29.01 million kgs of tobacco have been sold at an average price of USD2.10/kg. The cumulative amount raised so far is USD61.02 million. At this time last year, a cumulative 56.06 million kgs of tobacco had been sold at an average price of USD2.42/kg, and a cumulative USD135.73 million had been raised. (*Auction Holdings Limited, 20 May 2026*)

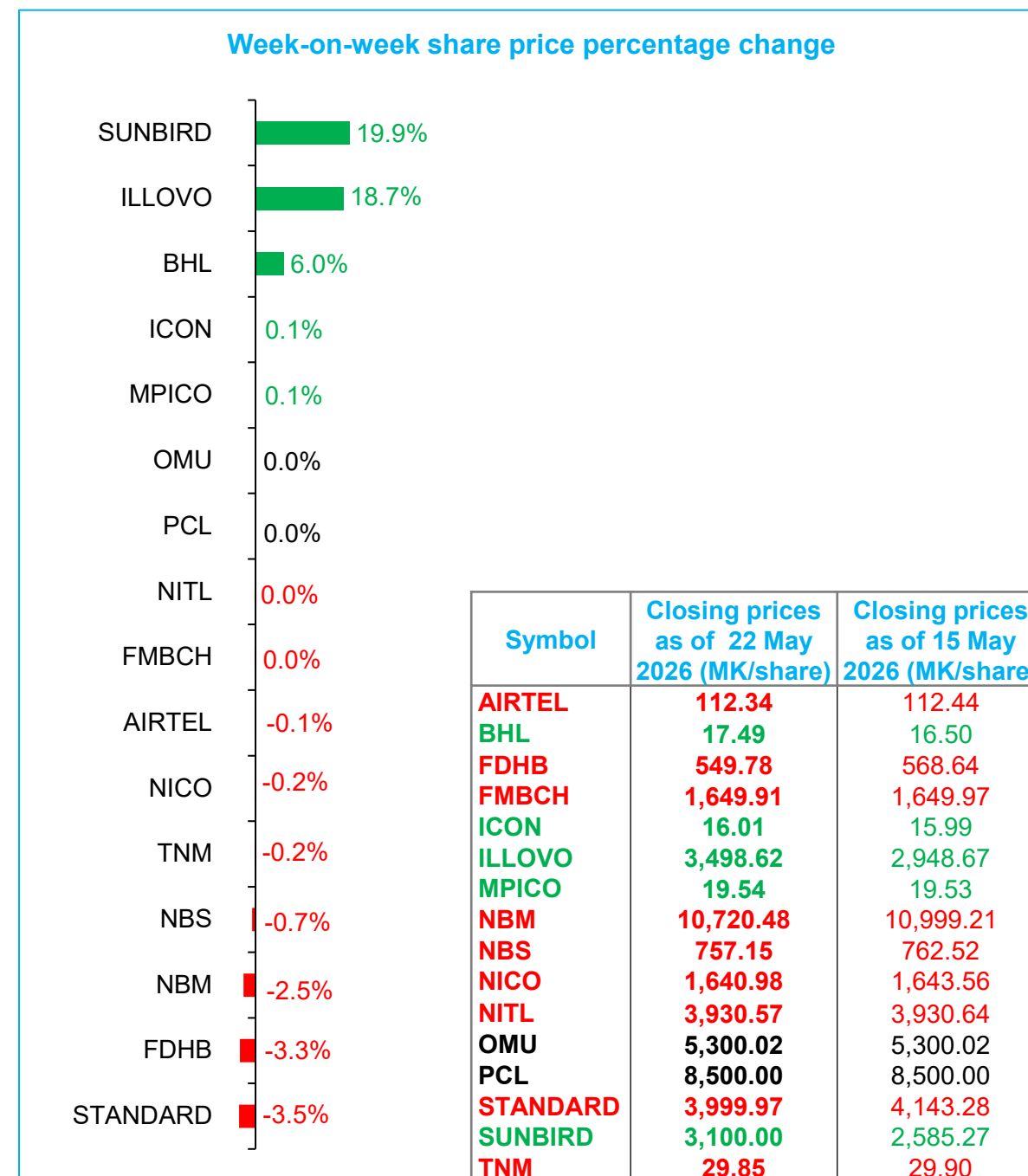
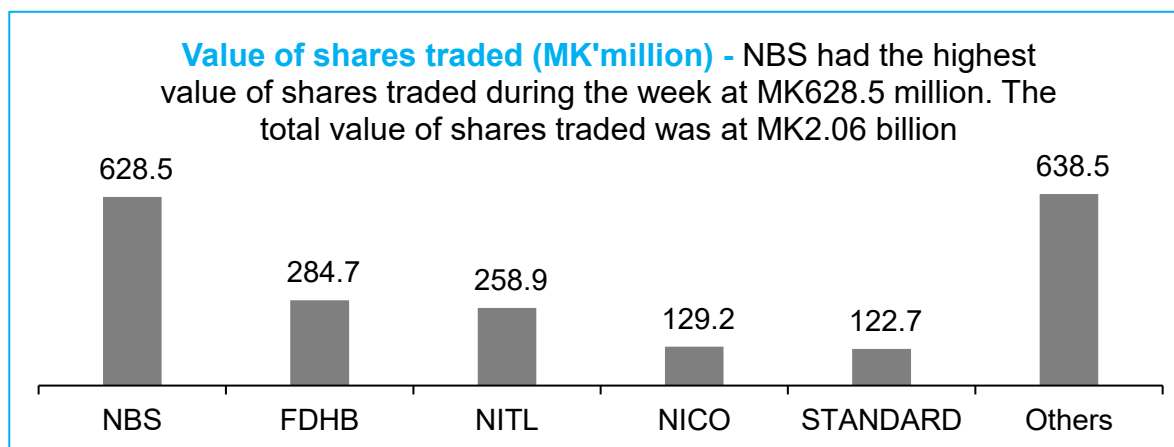
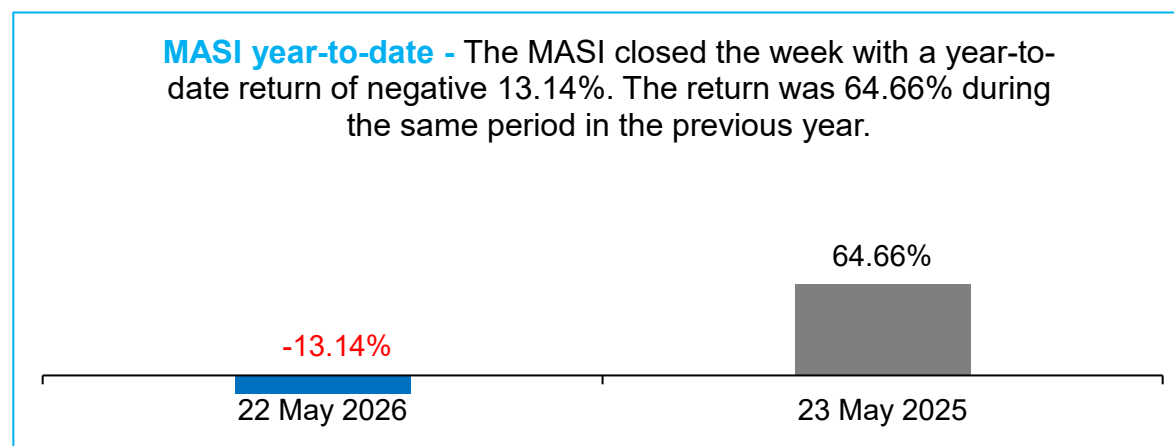
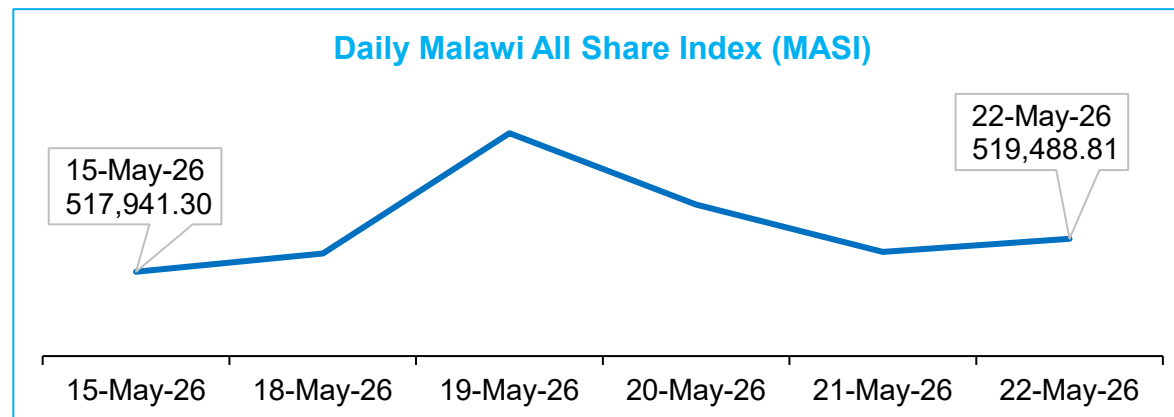


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Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 519,488.81 points on 22 May 2026 from 517,941.30 points on 15 May 2026. This downward movement in the index was primarily driven by the share price losses in STANDARD, FDHB and NBM.

SUNBIRD recorded the highest share price gain in the week ending 22 May 2026, rising by 19.9% to close the week at MK3,100.00, having opened at MK2,585.27. ILLOVO and BHL recorded a 18.7% and 6.0% gain in share price, respectively, during the week.





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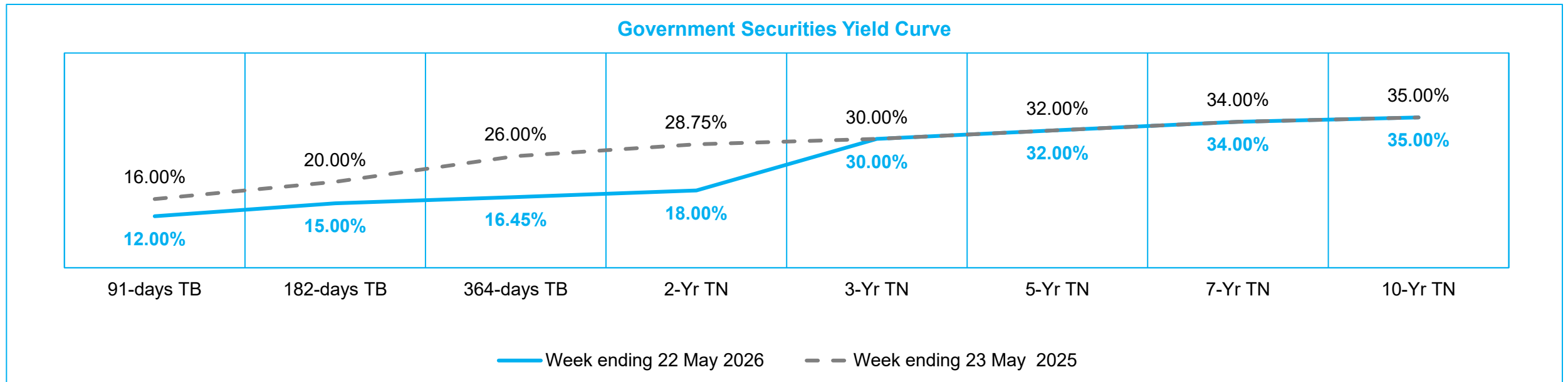
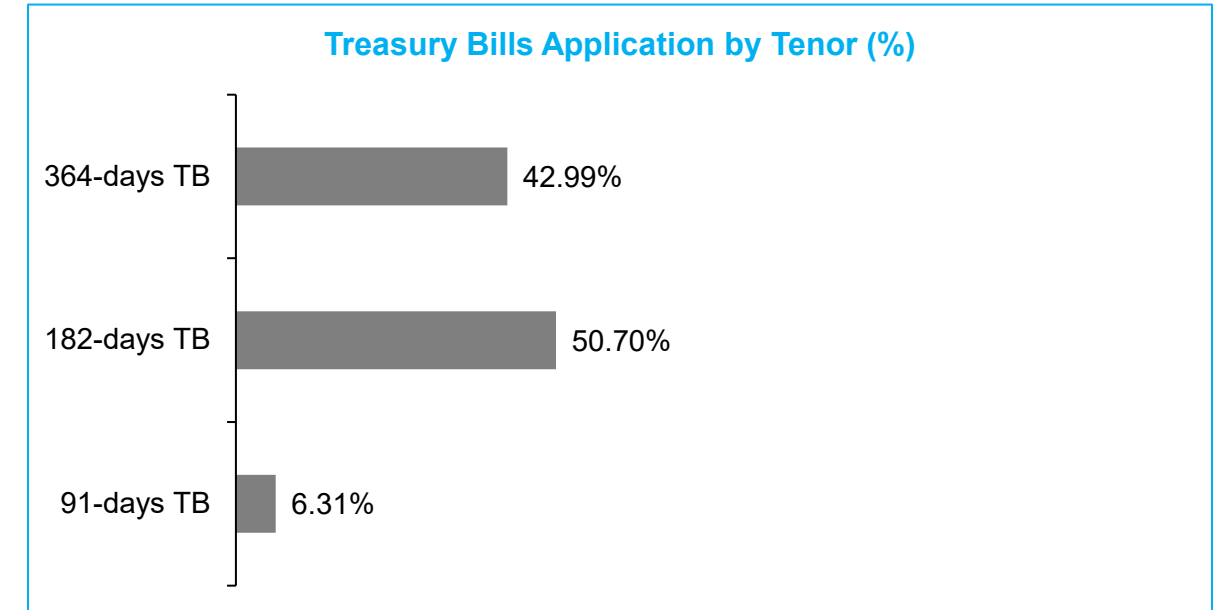
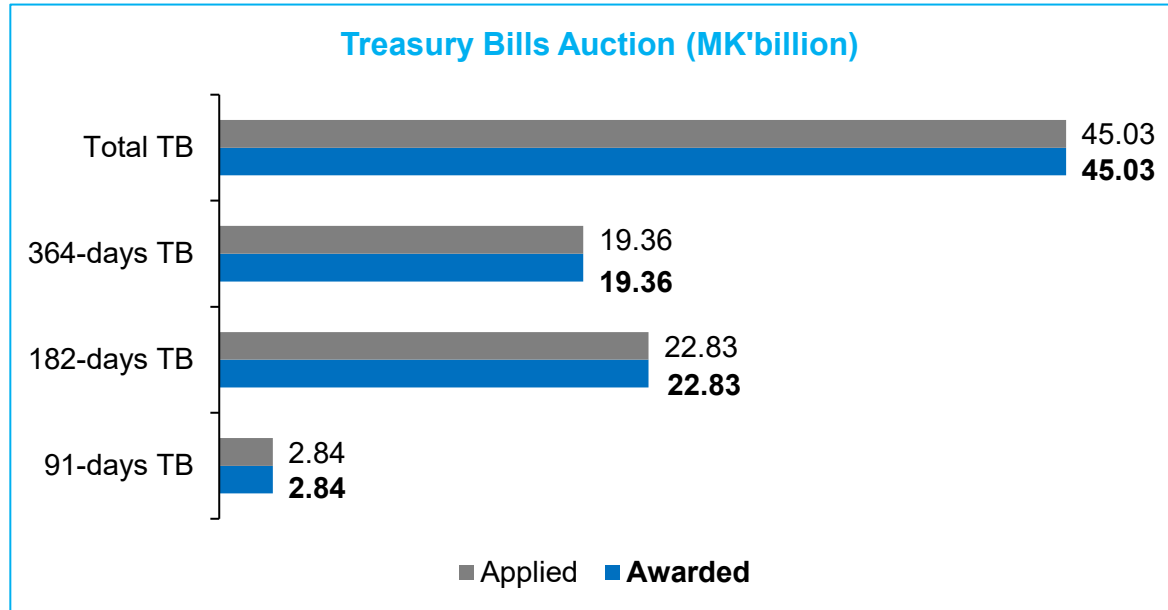
## Government Securities (Source: RBM)

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

A total of MK45.03 billion was raised from a total of MK45.03 billion applications during the auction held on 20 May 2026.

The RBM held a Reopening auction on all tenors of Treasury bills on 22 May 2026. No liquidity was withdrawn from the market.

The RBM held Open Market Operation Repurchase Agreements (OMO Repos) daily in the week ending 22 May 2026. No liquidity 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	22-May-26
<b>Exchange Rates (middle rates)</b>													
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	<b>1,734.01</b>
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	<b>2,397.93</b>
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	<b>2,073.76</b>
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	<b>108.49</b>
<b>Foreign Exchange Reserves</b>													
Total Reserves (USD'mn)	521.0	555.9	607.7	523.9	511.8	526.8	530.0	608.9	664.9	625.7	N/A	N/A	<b>N/A</b>
<b>Inflation</b>													
Headline	27.7%	27.1%	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	<b>N/A</b>
Food	32.7%	31.6%	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	<b>N/A</b>
Non-food	20.0%	20.1%	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	<b>N/A</b>
<b>Interest Rates</b>													
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%	<b>24.00%</b>
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%	<b>12.10%</b>
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%	<b>24.20%</b>
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%	<b>20.60%</b>
<b>Government Securities Yields</b>													
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%	<b>12.00%</b>
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%	<b>15.00%</b>
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%	<b>16.45%</b>
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%	<b>18.00%</b>
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%	<b>30.00%</b>
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%	<b>32.00%</b>
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%	<b>34.00%</b>
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%	<b>35.00%</b>
<b>Year-to-date Return</b>													
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%	<b>-13.14%</b>
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%	<b>-2.13%</b>
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%	<b>-47.13%</b>

The 22 May 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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