



## Malawi Financial Market Update

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Week ending 29 May 2026



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### Market Developments

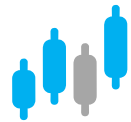
#### What happened this week

*The Cotton Council of Malawi opened this year's cotton marketing season on 25 May 2026 with output estimated at 22,894 metric tonnes (MT)*

*According to the Minister of Finance, Economic Planning and Decentralisation, the Malawi Government is seeking a "win-win" Extended Credit Facility (ECF) deal with the International Monetary Fund when negotiations begin next month*

*As of 28 May 2026, a cumulative 37.54 million kgs of tobacco have been sold at an average price of USD2.09/kg. The cumulative amount raised so far is USD78.53 million.*

1. According to the Minister of Finance, Economic Planning and Decentralisation, the Malawi Government is seeking a "win-win" Extended Credit Facility (ECF) deal with the International Monetary Fund (IMF) when negotiations begin in June 2026. The IMF mission is expected to hold engagements with Malawi Government officials from 9-18 June 2026 following the collapse of the four-year USD175 million ECF programme approved on 14 November 2023 and terminated in May 2025. The Minister further stated that discussions would focus on macroeconomic stabilisation, fiscal policy and structural reforms to support sustainable and inclusive growth. (*The Nation, 29 May 2026*)
2. The Vice President of the International Fund for Agricultural Development (IFAD) announced a USD30.9 million (about MK54.1 billion) grant package for Malawi to support agricultural productivity, rural livelihoods and bolster economic resilience. She also stated that USD28.7 million of the package is additional financing under IFAD 13 to cushion cost overruns on infrastructure interventions under the Transforming Agriculture through Diversification and Entrepreneurship (Trade) programme, while USD2.2 million will support implementation of the Farm Inputs Subsidy Programme (FISP) as part of a crisis response mechanism to lessen the impact of global economic shocks. (*The Nation, 27 May 2026*)
3. According to the Minister of Agriculture, Irrigation and Water Development, the President of Malawi has ordered early preparedness measures to protect Malawians from the potential impact of the El Niño weather phenomenon next season. The Minister further stated that the Ministry has been directed by the President to make sure it prepares very well so that no single person suffers or dies from hunger in this country. The Director of the Department of Climate Change and Meteorological Services indicated that forecasts show chances of below-normal rainfall, with possible warmer temperatures from June. The Department of Disaster Management Affairs (DoDMA) stated that it is collaborating with various stakeholders to prepare for possible humanitarian responses. (*The Nation, 27 May 2026*)
4. The Cotton Council of Malawi opened this year's cotton marketing season on 25 May 2026 with output estimated at 22,894 metric tonnes (MT), in line with the regulator's vision of achieving 50,000MT production next season. The Ministry of Agriculture, Irrigation and Water Development Deputy Director for Crop Development responsible for field crops urged buyers to observe the government-set minimum farm-gate price of MK1,500/kg. The President of the Cotton Farmers Association stated that some farmers faced rising input costs and technical challenges that delayed payments last season. The cotton market will run for 90 days in 50 designated outlets nationwide. (*The Nation, 27 May 2026*)
5. Sunbird Tourism plc has unveiled 60 new rooms at its flagship lakeside property Sunbird Livingstonia Beach, increasing the resort's capacity to 110 rooms and raising its combined inventory with Sunbird Waterfront to 156 rooms. The hotel chain stated that the MK10 billion expansion is part of its strategy to reposition its lakeside portfolio and sharpen its appeal to leisure and corporate travellers. The Chief Executive Officer stated that the new rooms complement the recently opened Livingstonia International Conference Centre, positioning the resort as a hub for meetings, incentives, conferences and exhibitions. (*The Nation, 28 May 2026*)
6. The Registrar General's Department has been transformed into a statutory corporation operating as Companies, Registrations and Intellectual Property Centre (CRIPC), formulated on 1 April 2026 following amendments to the Business Registration Act. The agency is mandated to administer business registration, intellectual property and civil registry services to enhance efficiency and service delivery. (*The Nation, 28 May 2026*)
7. Malawi and Zambia have intensified efforts to deepen tourism cooperation through joint destination marketing, cross-border tourism products and regional tourism promotion. Officials from both countries held bilateral discussions in Durban on the sidelines of Africa's Travel Indaba 2026, where they agreed to establish a Joint Technical Committee to coordinate tourism cooperation initiatives. The proposed collaboration will focus on destination marketing, tourism investment, transport connectivity and development of cross-border tourism products. (*The Nation, 28 May 2026*)
8. The African Development Bank (AfDB) has stated that Malawi's access to development financing is tightening, forcing the country to rely solely on grants amid deteriorating macroeconomic conditions and rising debt distress. The AfDB assessment on operational performance shows that Malawi has transitioned from a blend country eligible for loans and grants to an African Development Fund (ADF) grant-only country due to weak macroeconomic and debt sustainability indicators. The assessment further states that the International Monetary Fund has assessed Malawi as being in debt distress due to fiscal and external imbalances, currency depreciation, and high public debt. (*The Nation, 29 May 2026*)
9. As of 28 May 2026, a cumulative 37.54 million kgs of tobacco have been sold at an average price of USD2.09/kg. The cumulative amount raised so far is USD78.53 million. At this time last year, a cumulative 67.56 million kgs of tobacco had been sold at an average price of USD2.44/kg, and a cumulative USD165.05 million had been raised. (*Auction Holdings Limited, 28 May 2026*)



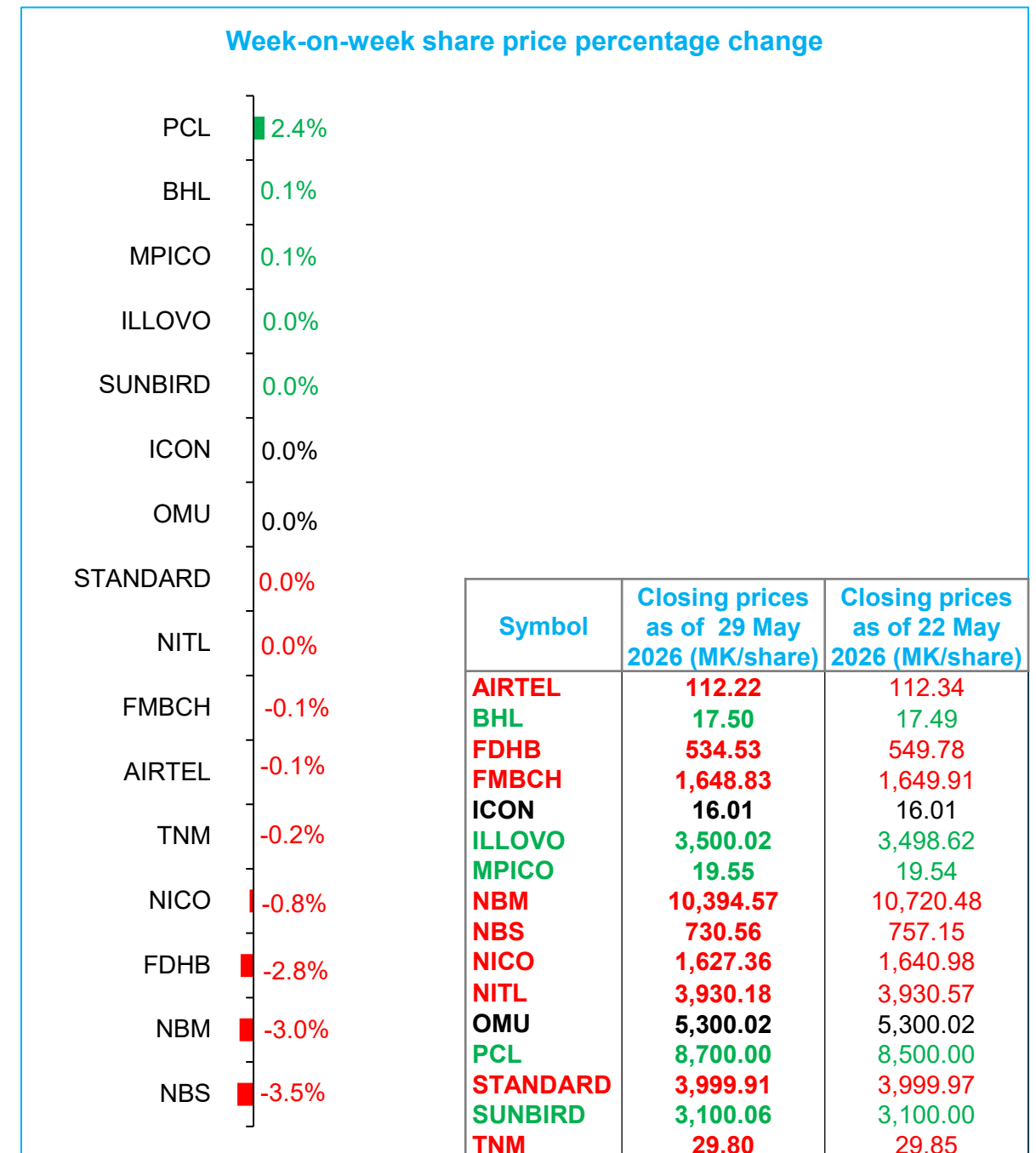
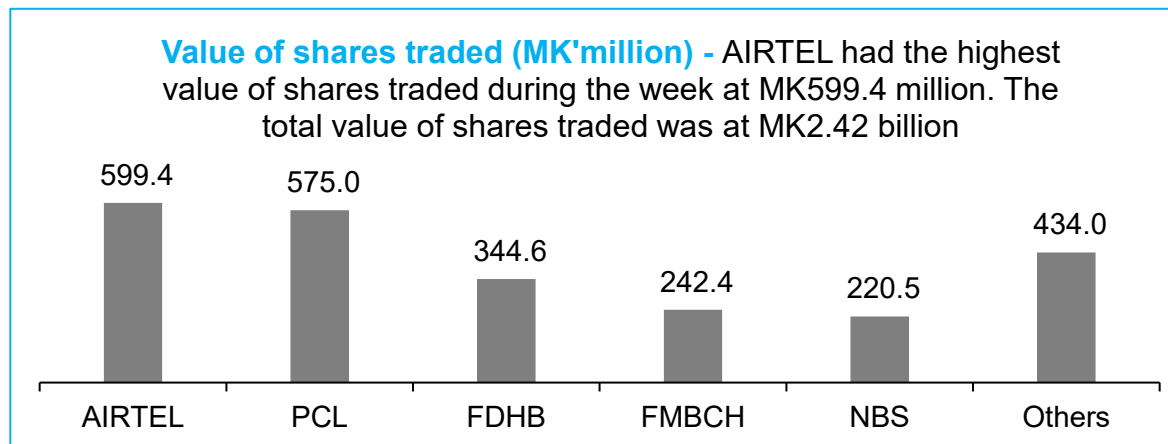
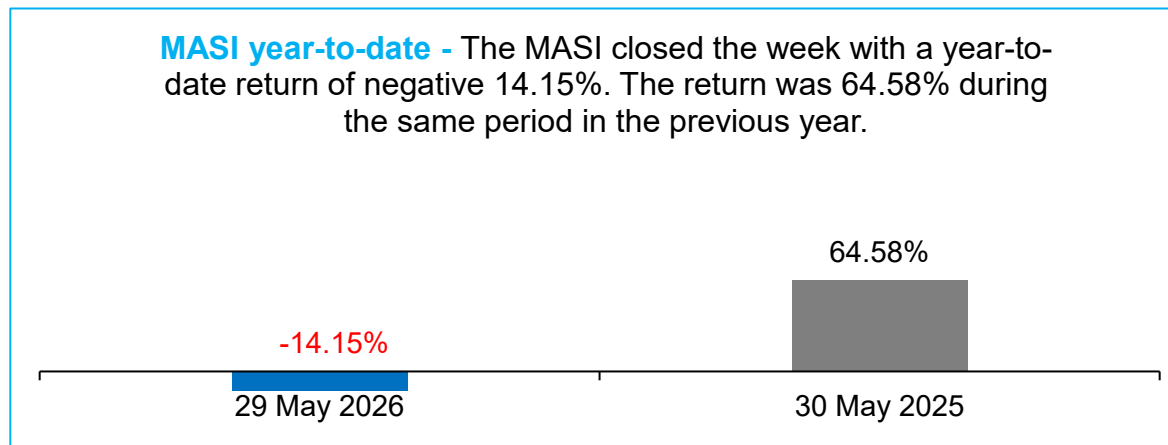
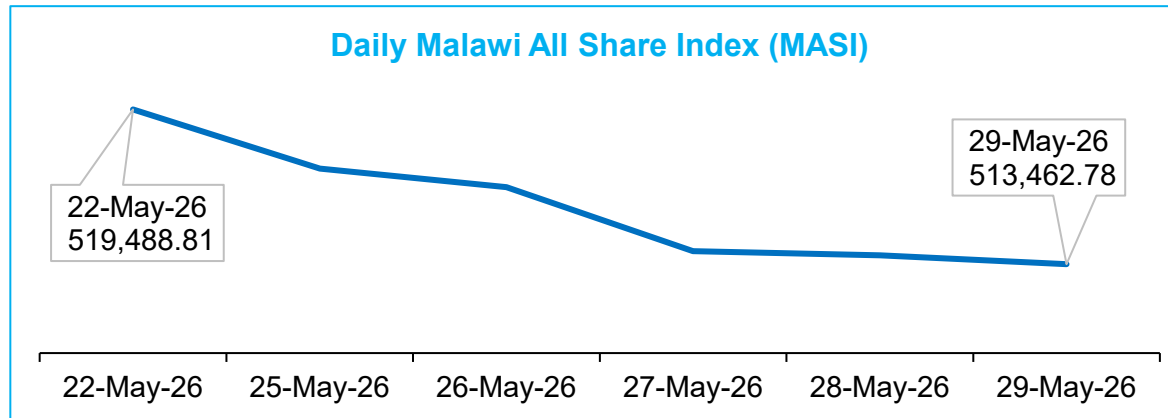
# Malawi Financial Market Update: Week ending 29 May 2026

Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 513,462.78 points on 29 May 2026 from 519,488.81 points on 22 May 2026. This downward movement in the index was primarily driven by the share price losses in NBS, NBM AND FDHB.

PCL recorded the highest share price gain in the week ending 29 May 2026, rising by 2.4% to close the week at MK8,700.00, having opened at MK8,500.00.

ILLOVO reported a profit after tax of MK58.1 billion in the half-year ending 28 February 2026, showing a 121% increase from MK26.3 billion in the half-year ending 28 February 2025.



Symbol	Closing prices as of 29 May 2026 (MK/share)	Closing prices as of 22 May 2026 (MK/share)
AIRTEL	112.22	112.34
BHL	17.50	17.49
FDHB	534.53	549.78
FMBCH	1,648.83	1,649.91
ICON	16.01	16.01
ILLOVO	3,500.02	3,498.62
MPICO	19.55	19.54
NBM	10,394.57	10,720.48
NBS	730.56	757.15
NICO	1,627.36	1,640.98
NITL	3,930.18	3,930.57
OMU	5,300.02	5,300.02
PCL	8,700.00	8,500.00
STANDARD	3,999.91	3,999.97
SUNBIRD	3,100.06	3,100.00
TNM	29.80	29.85



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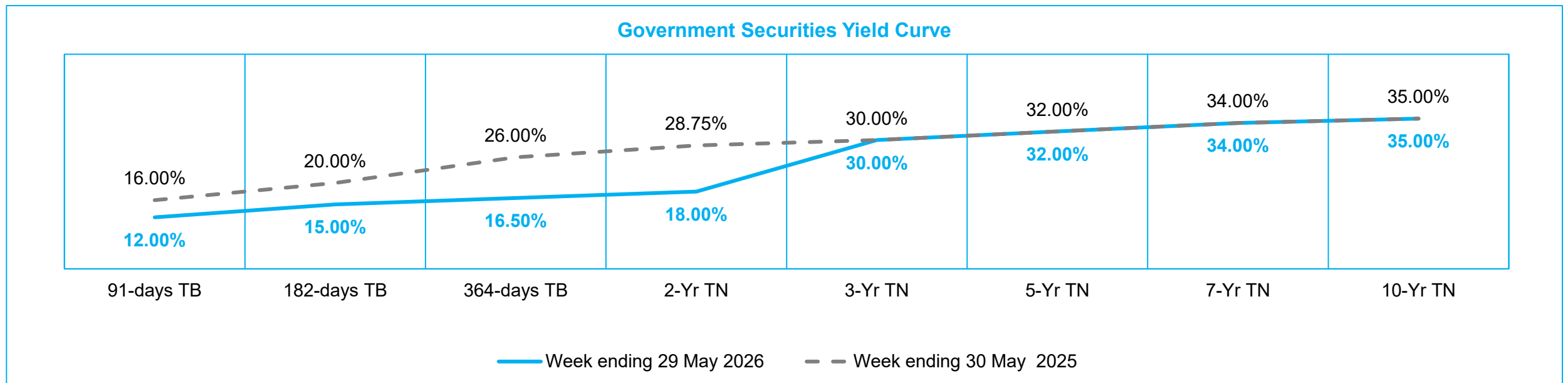
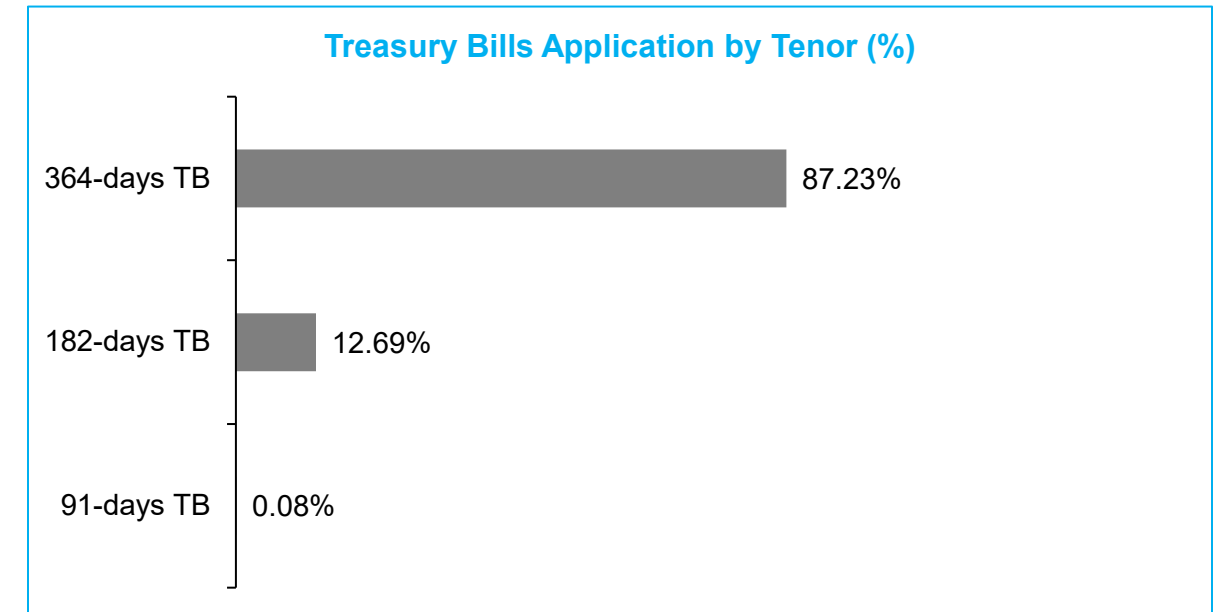
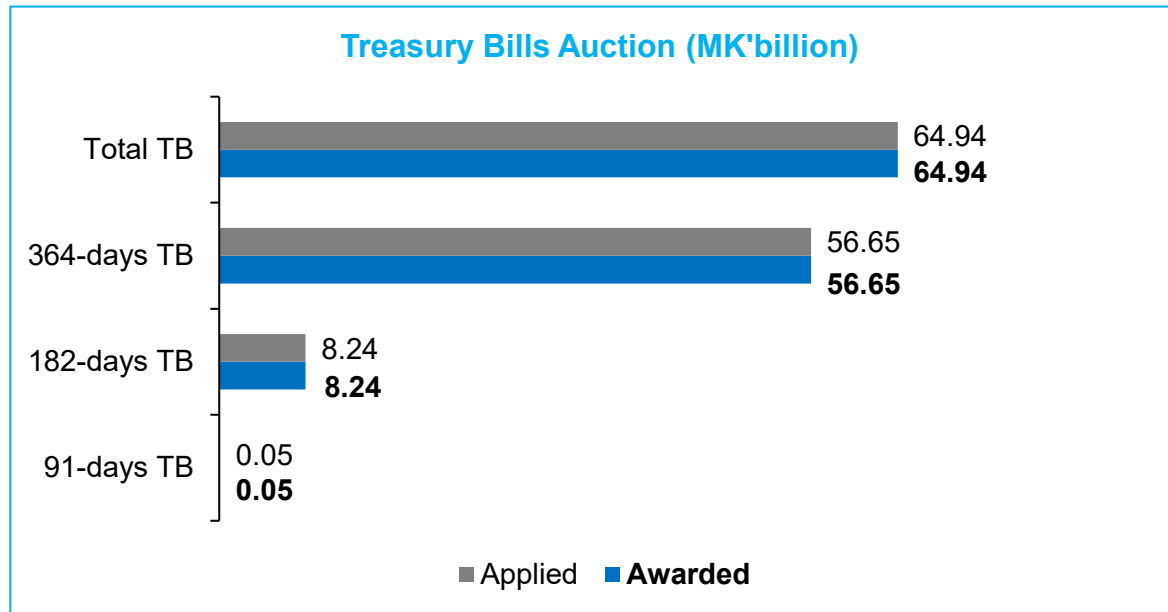
## Government Securities (Source: RBM)

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

A total of MK64.94 billion was raised from MK64.94 billion in applications across the initial auction and re-opening auctions in the week under review.

A total of MK49.99 billion was raised from a total of MK49.99 billion in applications during the initial auction held on 26 May 2026.

The RBM raised a total of MK14.95 billion from MK14.95 billion in applications from re-opening auctions held on all tenors of Treasury Bills on 25, 28 and 29 May 2026.





## 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	29-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>2,400.25</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>2,080.01</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>110.12</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	571.6	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>12.07%</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>16.50%</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>-14.15%</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>-3.45%</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>-47.16%</b>

The 29 May 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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