



Malawi Financial Market Update

Week ending 05 June 2026



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Market Developments

What happened this week

NBS Bank has secured a USD5 million line of credit from African Export-Import Bank (Afreximbank) to finance commercially viable and export-oriented manufacturing projects in Malawi.

The Agricultural Development and Marketing Corporation (ADMARC) has been allocated MK60 billion to purchase 65,000 metric tonnes of maize during the current farm marketing season.

As of 04 June 2026, a cumulative 49.16 million kgs of tobacco have been sold at an average price of USD2.07/kg. The cumulative amount raised so far is USD101.95 million.

1. Malawi is in discussions with Afreximbank on debt restructuring and a proposed USD120 million (about MK210 billion) fuel importation facility aimed at easing fuel shortages and foreign exchange constraints. Reserve Bank of Malawi data show that gross official reserves declined to USD625.7 million in February from USD664.9 million in January, reducing import cover to 2.5 months from 2.7 months. Malawi's public debt is estimated at MK23 trillion, while interest payments are projected to reach MK2.79 trillion in the 2026/27 financial year, equivalent to 43% of domestic revenues. Treasury data show that Afreximbank is Malawi's largest commercial creditor. (*The Nation, 01 June 2026*)
2. The Agricultural Development and Marketing Corporation (Admarc) has been allocated MK60 billion to purchase 65,000 metric tonnes of maize during the current farm marketing season. According to the Admarc spokesperson, maize purchases commenced on 1 June 2026 at the government-approved price of MK900 per kilogramme through designated markets nationwide. In addition to maize, Admarc will also purchase rice, pigeon peas, cotton, and groundnuts. Further to that, the Spokesperson stated that Admarc had put in place necessary logistical arrangements to facilitate smooth and transparent purchasing operations during the 2026-27 marketing season. (*The Daily Times, 01 June 2026*)
3. NBS Bank has secured a USD5 million line of credit from African Export-Import Bank (Afreximbank) to finance commercially viable and export-oriented manufacturing projects in Malawi. The financing window is aimed at boosting the country's export base. According to the Chief Finance Officer of NBS Bank, several projects are at an advanced stage, and the financing will help move projects to bankable levels. The bank indicated that, amid reduced government borrowing, the financial sector is exploring other avenues to sustain high profitability. NBS Bank has already financed the Kangankunde Rare Earth Mine with a USD11.6 million facility. In addition, the bank signed a USD100 million line of credit with Afreximbank in September 2025 to support trade finance activities. (*The Daily Times, 01 June 2026*)
4. According to The Malawi Enterprise Development Fund (MEDF), the institution has resumed loan disbursements and streamlined its portfolio from 26 loan products to 9 comprehensive products. For the 2026/27 financial year, MEDF has set a nationwide loan disbursement target of MK100 billion and will also administer Constituency Development Fund (CDF) loans of MK200 million per constituency. Under the programme, youth and women groups comprising 5–10 members will be eligible for loans ranging from MK2.5 million to MK5 million at an interest rate of 3%, backed by social collateral and mandatory financial literacy training. (*MEDF, 01 June 2025*)
5. According to the AfDB, governors have endorsed the New African Financial Architecture for Development (Nafad), a framework aimed at unlocking African savings, strengthening regional financial institutions, and reducing dependence on traditional donors. Malawi is among the countries expected to benefit from the initiative as it faces public debt exceeding MK23 trillion and interest payments projected at MK2.79 trillion in the fiscal year that ends 31 March 2027. The AfDB President emphasized the need for Africa to mobilise more domestic resources, guard against fragmentation and process its raw materials locally to create value, jobs and economic growth. The meetings also highlighted growing African participation in development financing, with Angola pledging EUR6.5 million towards the 17th replenishment of the African Development Fund, bringing African contributions to over USD190 million from 25 countries. (*The Nation, 2 June 2026*)
6. The construction of the 180-bed golf estate Protea Hotels Lilongwe Ryalls, a project being undertaken by Blantyre Hotels Plc (BHL) in partnership with other institutional investors through Oasis Hospitality Limited, has reached 90% completion, with contractors expecting to hand over the project later this year. The four-star hotel, being developed at an estimated cost of USD60 million (approximately MK107 billion), is expected to strengthen Lilongwe's hospitality infrastructure and enhance its capacity to host international conferences, business travellers, and tourists. The Managing Director of Nico Holdings plc described the progress as a significant milestone, noting that part of the project's financing was raised through a rights issue that generated MK62.4 billion from the public. Despite delays caused by foreign exchange shortages and fuel supply challenges, major construction works have been completed, with only furniture installation and final finishing works remaining. (*The Nation, 03 June 2026*)
7. The commercial bank reference rate for June 2026 is 20.40%, down from the May reference rate of 20.60%. The reference rate is effective from 3 June 2026. (*First Capital Bank, 02 June 2026*)
8. As of 04 June 2026, a cumulative 49.16 million kgs of tobacco have been sold at an average price of USD2.07/kg. The cumulative amount raised so far is USD101.95 million. At this time last year, a cumulative 81.01 million kgs of tobacco had been sold at an average price of USD2.46/kg, and a cumulative USD199.69 million had been raised. (*Auction Holdings Limited, 04 June 2026*)



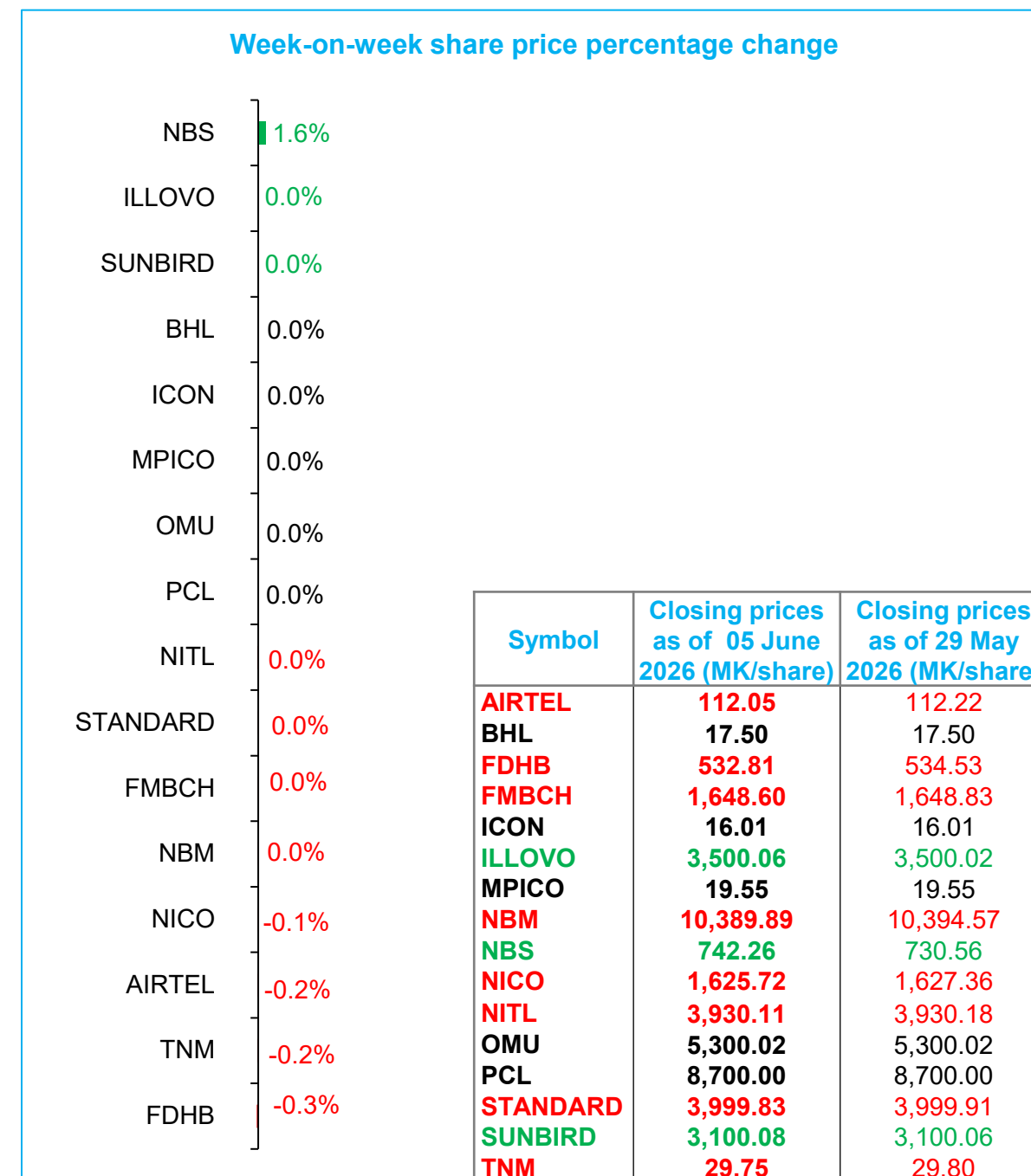
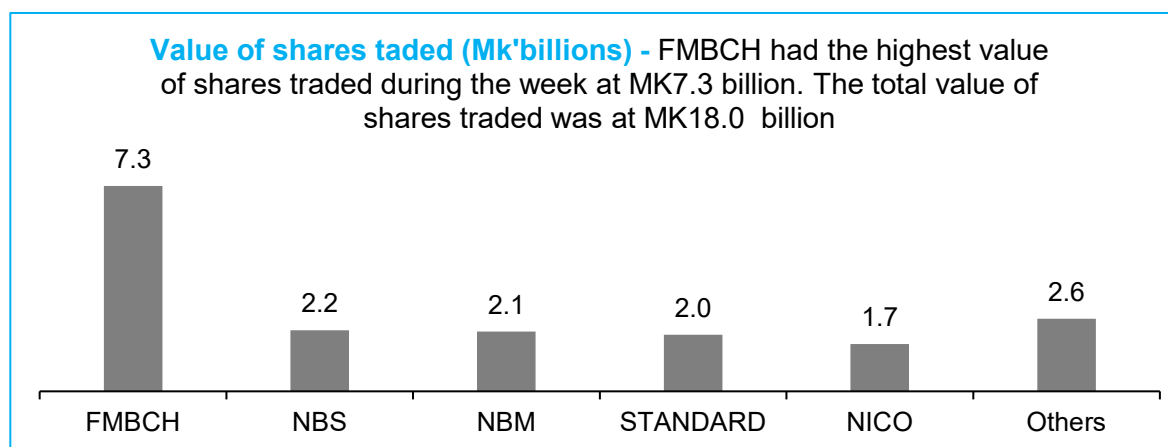
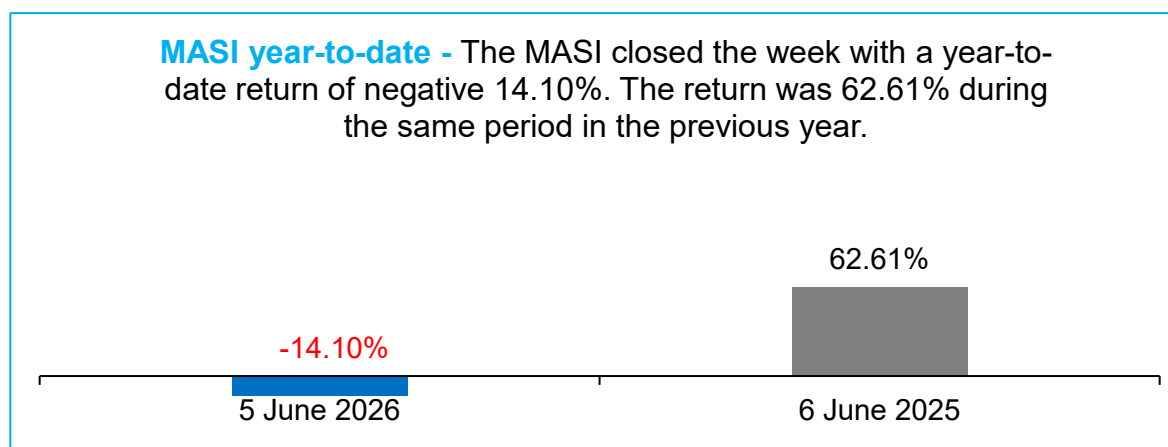
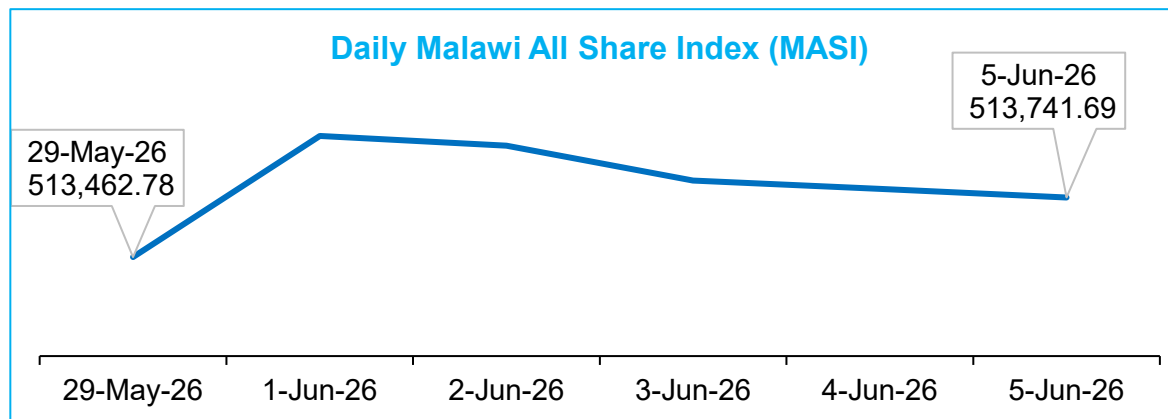
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Stock market (Source: MSE)

The stock market was marginally bullish, with the Malawi All Share Index (MASI) increasing to 513,741.69 points on 05 June 2026 from 513,462.78 points on 29 May 2026. This upward movement in the index was primarily driven by the share price gains in NBS.

FMBCH Plc announced a final dividend of USD16.47 million for the financial year ended 31 December 2025, equivalent to MK11.62 per share.

ILLOVO Plc announced a first interim dividend of MK5.7 billion for the six months ended 28 February 2026, equivalent to MK8.00 per share.





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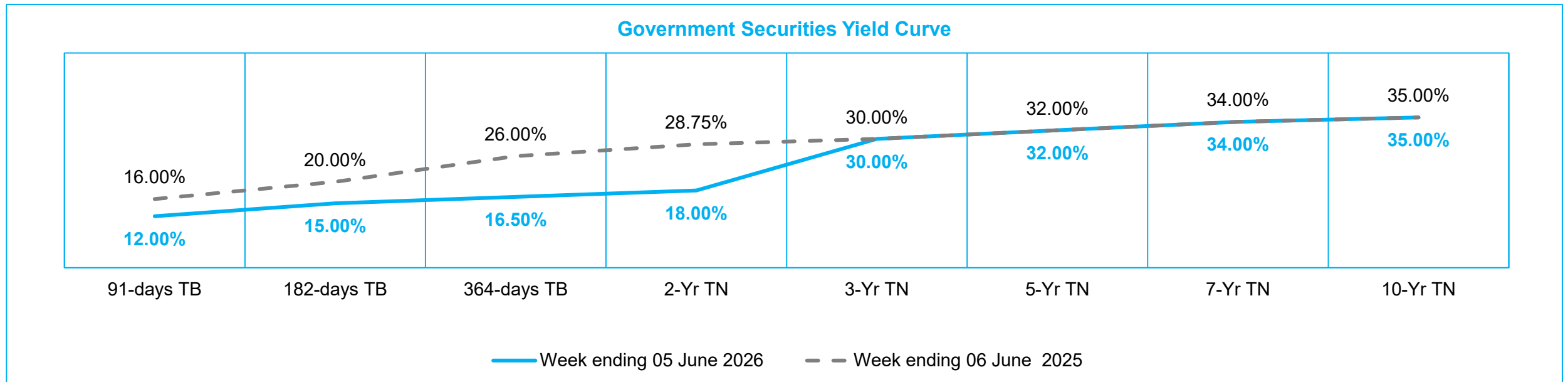
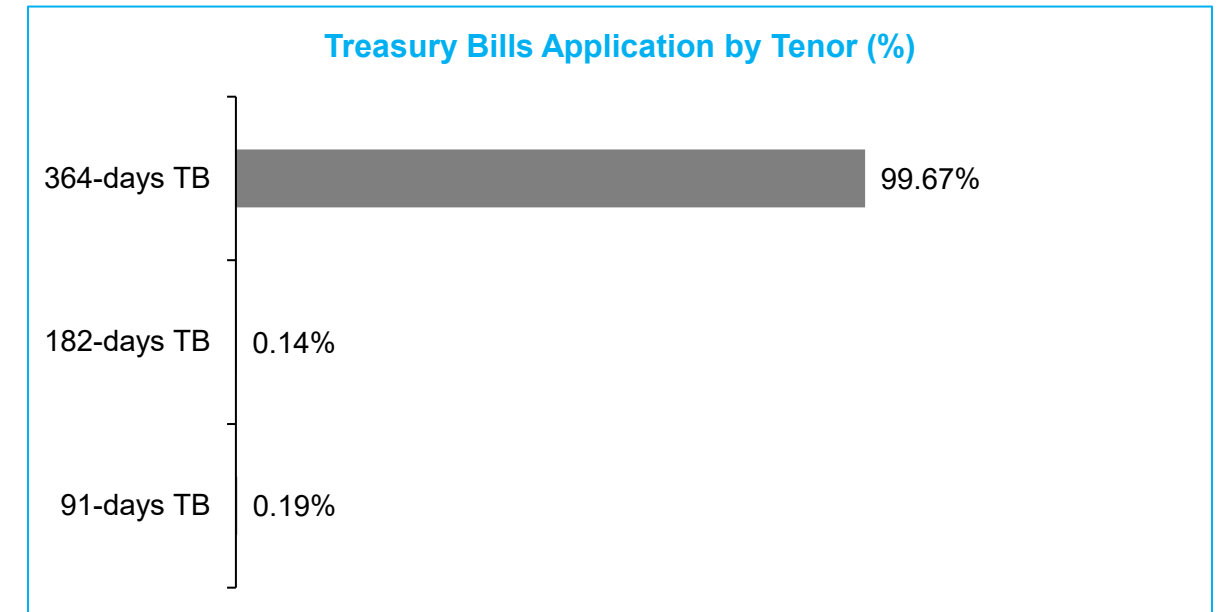
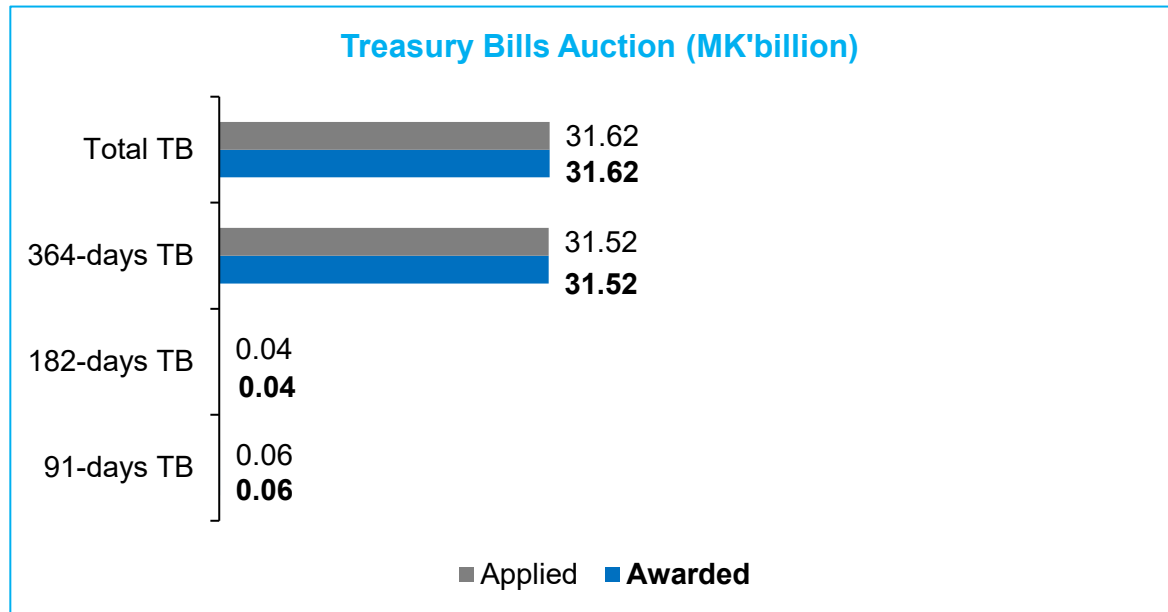
Government Securities (Source: RBM)

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

A total of MK31.62 billion was raised from MK31.62 billion in applications across the initial auction and re-opening auctions in the week under review.

A total of MK31.27 billion was raised from a total of MK31.27 billion in applications during the initial auction held on 02 June 2026.

The RBM raised a total of MK351.01 million from MK351.01 million in applications from a reopening auctions held on all tenors of Treasury Bills on 03 June 2026.





Appendix 1: Historical Economic Indicators

	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	05-Jun-26
Exchange Rates (middle rates)													
MK/USD	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	1,749.46	1,734.01
MK/GBP	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	2,421.11	2,397.75
MK/EUR	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	2,099.68	2,074.30
MK/ZAR	100.57	100.34	101.77	103.60	103.58	103.68	107.63	113.67	113.20	104.66	107.04	107.04	109.38
Foreign Exchange Reserves													
Total Reserves (USD'mn)	555.9	607.7	523.9	511.8	526.8	530.0	608.9	664.9	625.7	571.6	N/A	N/A	N/A
Inflation													
Headline	27.1%	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	N/A	N/A
Food	31.6%	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	N/A	N/A
Non-food	20.1%	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	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%	24.00%	24.00%	24.00%	24.00%
Average Interbank Rate (Overnight)	23.99%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	16.50 %	13.38%	12.86%	12.07%	12.10%
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	24.20%	24.20%	24.20%	24.20%
Commercial Bank Reference Rate	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.60%	20.40%
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	15.00%	12.00%	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%	15.00%	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%	17.90%	17.00%	16.50%	16.50%	16.50%
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	20.65%	18.00%	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	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-14.15%	-14.10%
DSI	89.34%	120.03%	214.05%	236.40%	233.38%	217.65%	208.88%	0.30%	-0.75%	-0.43%	-2.74%	-3.45%	-3.39%
FSI	106.49%	150.94%	195.28%	239.14%	348.11%	503.79%	470.87%	-7.19%	-13.69%	-14.21%	-41.89%	-47.16%	-47.17%

The 05 June 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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We have extensive financial advisory experience. Below are some transactions we have executed:

 <p>BLANTYRE HOTELS PLC</p> <p>MK62.4 billion Rights Issue</p> <hr/> <p>Joint Lead advisor</p> <p>2024</p>	 <p>Fairness Opinion on the MK30 billion issue for cash</p> <hr/> <p>Independent expert</p> <p>2025</p>	 <p>Sell-side advisor on the disposal of the bank to an investor consortium</p> <hr/> <p>Lead advisor</p> <p>2021 - 2022</p>	 <p>Press Corporation Plc</p> <p>Valuation of Unlisted Equity Investments</p> <hr/> <p>Valuation expert</p> <p>2022 - 2024</p>
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