



## Malawi Financial Market Update

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Week ending 19 June 2026



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### Market Developments

#### What happened this week

According to the NSO, the year-on-year inflation rate eased to 23.4% in May 2026 from 24.3% in April 2026.

MERA has reduced petrol prices to MK5,619 per litre from MK6,209, representing a 9.50% decrease, and diesel prices to MK6,306 per litre from MK6,687, representing a 5.70% decrease, effective 19 June 2026.

As of 18 June 2026, a cumulative USD145.15 million has been raised from tobacco sales, compared to USD276.46 million raised during the same period in the previous year.

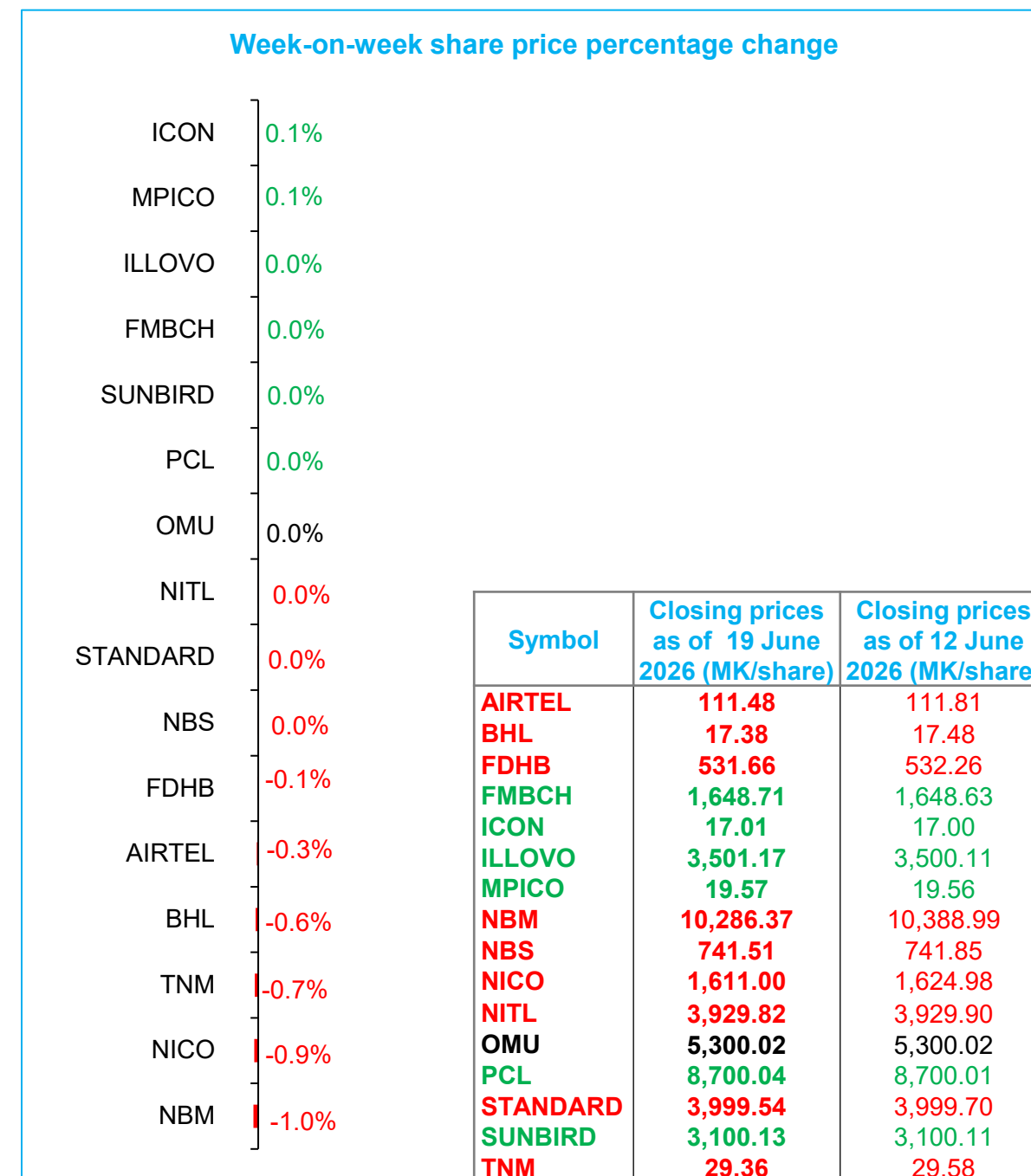
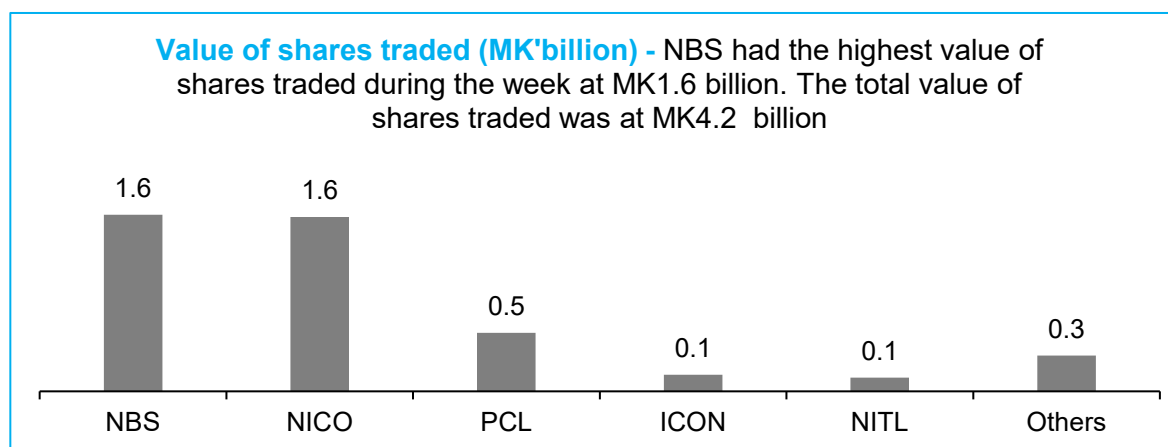
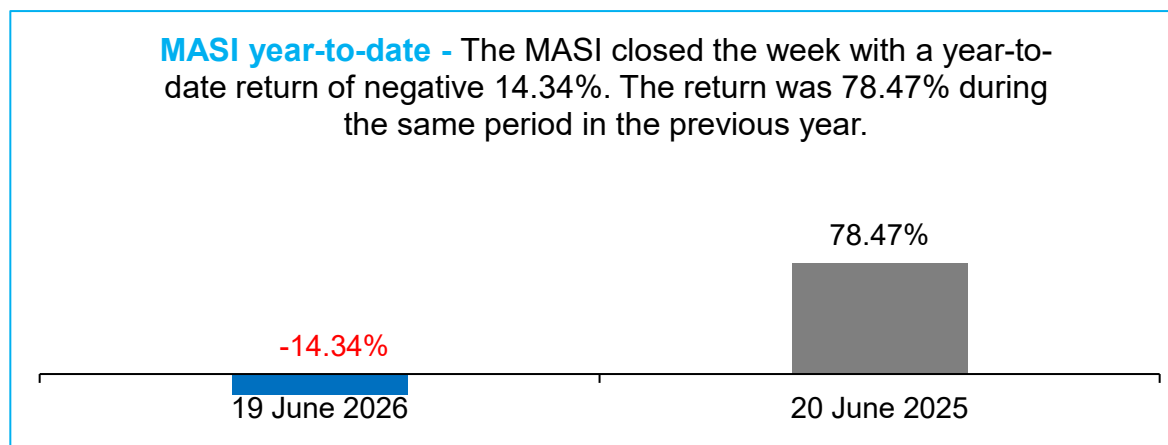
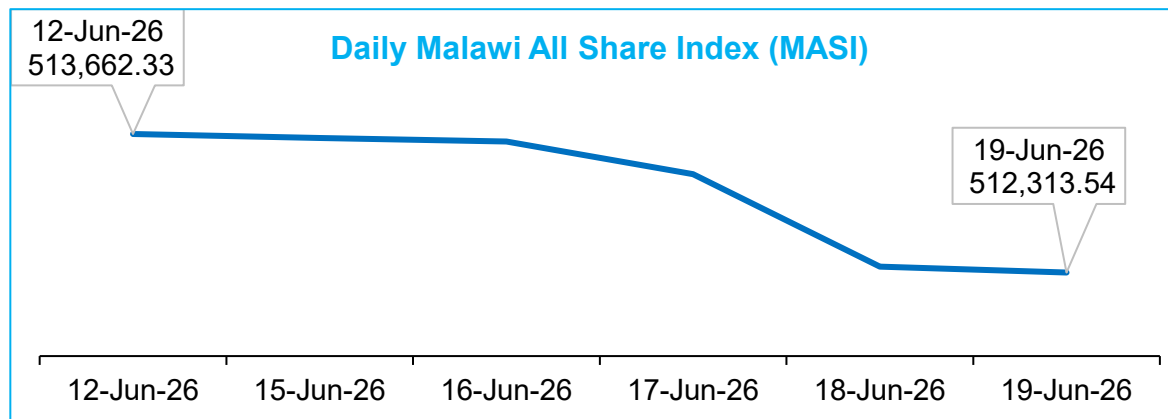
1. According to the National Statistical Office (NSO), the year-on-year inflation rate eased to 23.4% in May 2026 from 24.3% in April 2026. Food inflation declined to 17.6% in May 2026 from 19.1% in April 2026, while non-food inflation also eased to 33.0% in May 2026 from 33.2% in April 2026. Month-on-month inflation stood at 0.2%, with food inflation recorded at negative 0.1% and non-food inflation at 1.0%. Urban month-on-month inflation was 0.3%, while rural month-on-month inflation was recorded at -0.5%. *(National Statistical Office, 18 June 2026)*
2. The Malawi Energy Regulatory Authority (MERA) has reduced petrol prices to MK5,619 per litre from MK6,209, representing a 9.50% decrease, and diesel prices to MK6,306 per litre from MK6,687, representing a 5.70% decrease, effective 19 June 2026. MERA stated that the adjustments followed a review under the Automatic Pricing Mechanism (APM) after the average Free on Board (FOB) prices of petrol and diesel declined compared to May 2026. The authority stated that inbound landed costs, including road freight rates, railage, insurance, handling, in-transit losses, levies and margins, informed the approved prices. MERA further noted that both products qualified for a price reduction as the decline in inbound landed costs exceeded the threshold of  $\pm 5\%$  trigger band under the APM. *(MERA, 18 June 2026)*
3. The European Union (EU) has launched a EUR100 million (about USD108 million) Regional Responses to Climate Displacement Programme, with Malawi receiving EUR17 million (MK34 billion) to support efforts aimed at minimising climate displacements. The EU Ambassador stated that the programme also covers Mozambique, Madagascar, Comoros, Mauritius and Seychelles. The International Organisation of Migration (IOM) Malawi reported that Malawi currently has about 45,000 internally displaced households, with some still living in camps. *(The Nation, 16 June 2026)*
4. The Auditor General's report for the year ended 31 March 2024 identified financial irregularities amounting to MK158 billion across government ministries, departments and agencies. The report identified missing audit documents, procurement breaches, expenditure irregularities, stalled projects, revenue management failures and underutilised funds as key weaknesses in public financial management. It was further reported that government institutions failed to submit audit documents linked to more than MK8 billion, while payment vouchers worth over MK233 million lacked adequate supporting documentation. The Auditor General stated that the persistent failure by some institutions to provide audit documents could indicate attempts to conceal fraudulent activities, although further investigations are required to confirm this. *(The Daily Times, 16 June 2026)*
5. FMB Capital Holdings Plc (FMBCH) has announced that the Bank of Mauritius has conveyed in-principle approval for FMBCH to establish a new bank in Mauritius. FMBCH stated that the proposed bank will be created as a 50:50 joint venture between FMBCH and Rogers Global Financial Holdings Ltd (RGFHL). Further to that, FMBCH reported that the new institution will combine FMBCH's regional banking expertise, developed through its First Capital Bank operations across five SADC markets. FMBCH also reported that the aim of the proposed bank is to serve the growing trade, investment and financial flows between Mauritius, Africa and the wider region. FMBCH noted that the approval is subject to the fulfilment of certain terms and conditions to the satisfaction of the Bank of Mauritius. Shareholders of FMBCH are accordingly advised to exercise caution when dealing in the securities of the Company and to consult their professional advisers if in doubt. *(FMBCH Plc, 18 June 2026)*
6. According to the International Food Policy Research Institute (IFPRI) market report, the national average retail maize prices decreased by 2% in May 2026 to MK736/kg (MK36,800/50kg bag) from MK750/kg (MK37,500/50kg bag) in the final week of April 2026. Overall, in the final week of May 2026, the Northern Region registered the lowest maize prices averaging MK707/kg (MK35,350 per 50kg bag), followed by the Central Region at MK727/kg (MK36,350 per 50kg bag), while the Southern Region recorded the highest average price at MK747/kg (MK37,350/50kg bag). *(IFPRI, 17 June 2026)*
7. A World Bank Group report titled Country Private Sector Diagnostic (CPSD) has stated that Malawi could create over 100,000 jobs across three sectors, namely tourism, agribusiness, and mining. The report further stated that tourism and mango production and processing have the potential to attract around USD100 million and USD290 million respectively in private investment and generate over USD100 million in annual exports. Additionally, the report stated that tourism and mango production can each generate about 60,000 direct and indirect jobs. The report also noted that rutile and graphite mining could generate over USD1.9 billion in annual exports over the medium term by 2033, potentially doubling current export earnings by 2033. *(World Bank, 17 June 2026)*
8. As of 18 June 2026, a cumulative USD145.15 million have been raised from tobacco sales, compared to USD276.46 million raised during the same period in the previous year. The earnings were generated from the sale of a cumulative 69.92 million kgs of tobacco at an average price of USD2.08/kg, compared to 110.27 million kgs sold at an average price of USD2.51/kg during the same period in the previous year. *(Auction Holdings Limited, 18 June 2026)*



# Malawi Financial Market Update: Week ending 19 June 2026

Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 512,313.54 points on 19 June 2026 from 513,662.33 points on 12 June 2026. This downward movement in the index was primarily driven by the share price losses in NBM, NICO and TNM.





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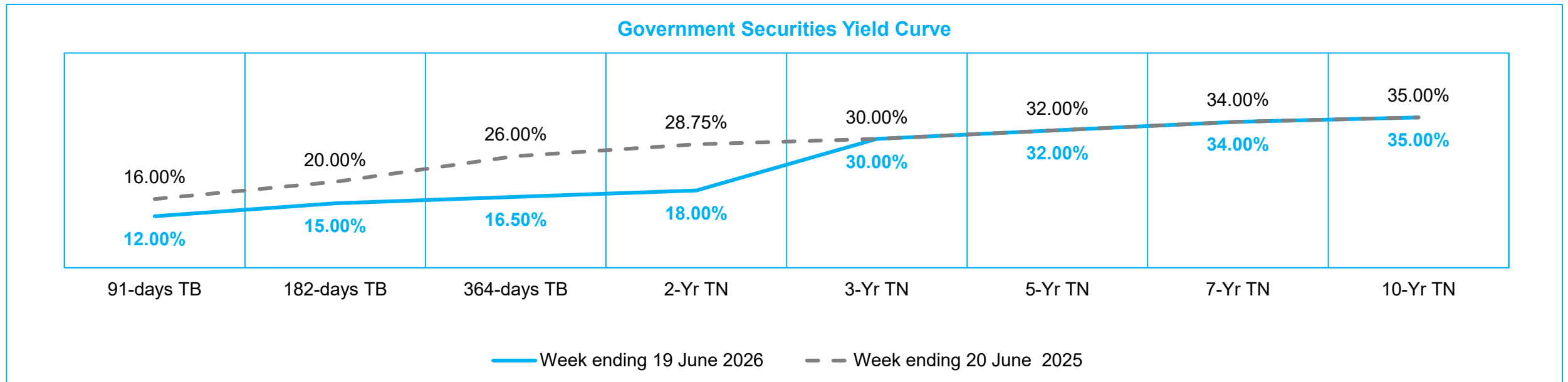
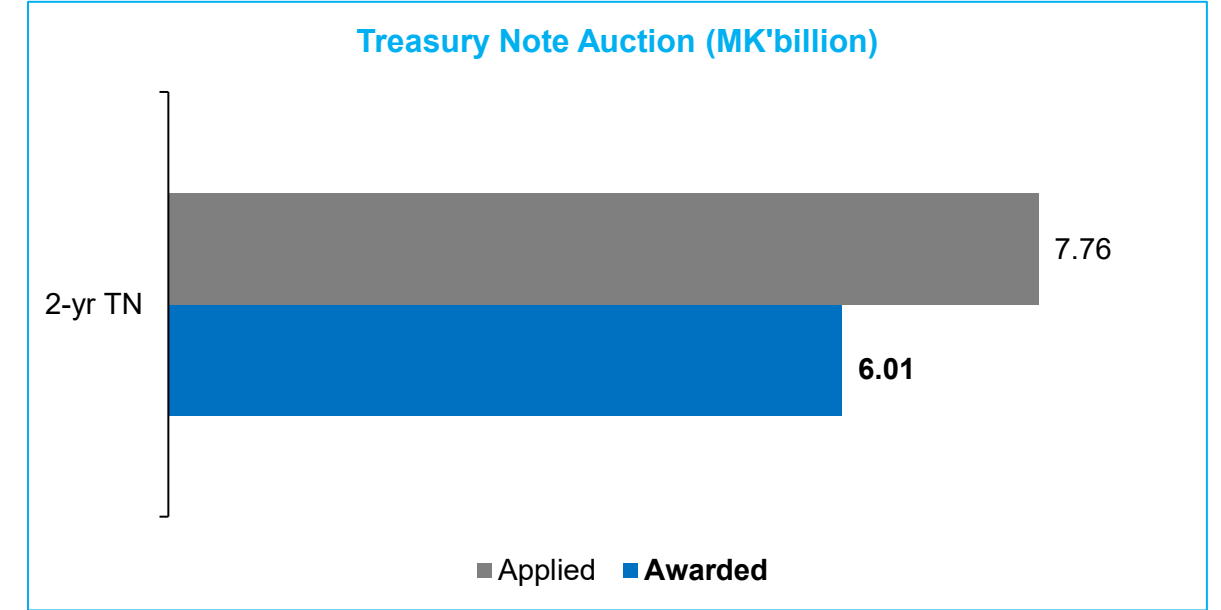
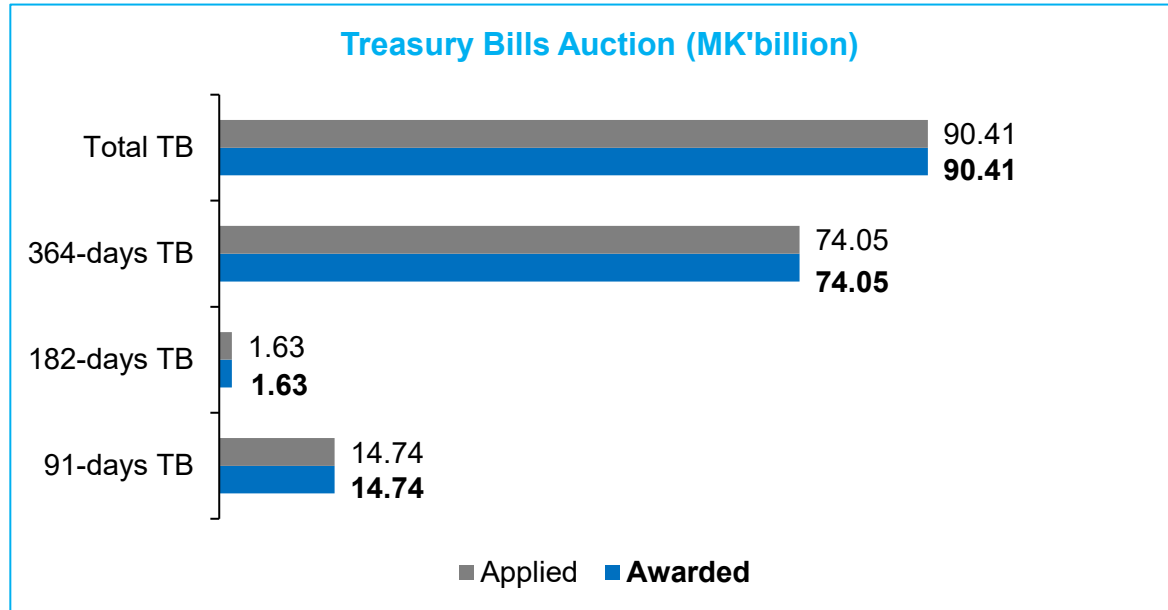
## Government Securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) and the 2-year Treasury Note (TN) during the period under review. A total of MK90.41 billion was raised from the auctions.

The total raised from the 2-Year TN re-opening auction was MK7.76 billion

A total of MK90.41 billion was raised during the TB initial and re-opening auctions in the week under review.

The RBM held Open Market Operation Repurchase Agreements (OMO Repos) on 15 June 2026. No liquidity was withdrawn from the market.





## 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	19-Jun-26
<b>Exchange Rates (middle rates)</b>													
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	<b>1,734.01</b>
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	<b>2,356.67</b>
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	<b>2,041.97</b>
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	<b>108.29</b>
<b>Foreign Exchange Reserves</b>													
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	<b>N/A</b>
<b>Inflation</b>													
Headline	27.1%	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	23.4%	<b>N/A</b>
Food	31.6%	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	17.6%	<b>N/A</b>
Non-food	20.1%	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	33.0%	<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%	24.00%	24.00%	24.00%	<b>24.00%</b>
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%	<b>12.10%</b>
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%	<b>24.20%</b>
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%	<b>20.40%</b>
<b>Government Securities Yields</b>													
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%	<b>12.00%</b>
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%	<b>15.00%</b>
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%	<b>16.50%</b>
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%	<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	91.77%	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-14.15%	<b>-14.34%</b>
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%	<b>-3.41%</b>
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%	<b>-47.16%</b>

The 19 June 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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