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Malawi Financial Market Update

Week ending 17 July 2026

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Market Developments

What happened this week

According to the National Statistical Office (NSO), the year-on-year inflation rate eased to 21.1% in June 2026 from 23.4% in May 2026.

The Government of Malawi is in the final stages of restructuring its domestic debt and is conducting stress tests to assess the potential impact of the exercise on the local financial sector.

The United Kingdom (UK) Government has announced plans to cut its international development budget to Malawi for the 2026/27 fiscal year by 60% and further reduce it to 90% by the 2028/29 fiscal year.

1. According to the National Statistical Office (NSO), the year-on-year inflation rate eased to 21.1% in June 2026 from 23.4% in May 2026. Food inflation declined to 14.7% in June 2026 from 17.6% in May 2026, while non-food inflation moderated slightly to 32.1% in June 2026 from 33.0% in May 2026. Month-on-month inflation stood at 0.1%, with food inflation recorded at negative 0.3% and non-food inflation at 0.7%. Urban month-on-month inflation was negative 0.2%, while rural month-on-month inflation was recorded at 1.1%. *(National Statistical Office, 15 July 2026)*
2. The Government of Malawi is in the final stages of restructuring its domestic debt and is conducting stress tests to assess the potential impact of the exercise on the local financial sector. According to the Minister of Finance, the tests are intended to ensure banks remain adequately capitalised and able to meet depositor obligations following the restructuring. As of June 2026, Malawi's public debt is estimated to between MK22 trillion and MK24 trillion (approximately USD10.3 billion), equivalent to around 91% of GDP, with domestic debt accounting for roughly MK16 trillion. The debt restructuring forms part of broader efforts to restore debt sustainability and support negotiations for a new IMF Extended Credit Facility (ECF) programme. *(The Daily Times, 15 July 2026)*
3. The International Monetary Fund (IMF) has reaffirmed that any new Extended Credit Facility (ECF) programme for Malawi will prioritise restoring economic stability and reviving economic growth while protecting government spending on vulnerable households. According to the IMF spokesperson, negotiations on the new programme are progressing following recent discussions between IMF officials and Malawian authorities in The Gambia. The Government of Malawi has expressed optimism that an agreement will be reached soon, after Malawi's previous four-year IMF programme, valued at USD175 million (about MK306 billion), expired in May 2025 without completing its first programme review. *(The Nation, 13 July 2026)*
4. The United Kingdom (UK) Government has announced plans to cut its international development budget to Malawi for the 2026/27 fiscal year by 60% and further reduce to 90% by the 2028/29 fiscal year. Funding is projected to decrease to GBP20 million (approximately MK46.8 billion) in 2026/27, GBP10 million (approximately MK23.4 billion) in 2027/28, and GBP5 million (approximately MK11.7 billion) by 2028/29, down from GBP50.2 million (approximately MK117.6 billion) in 2025/26. *(The Nation, 17 July 2026)*.
5. According to the International Food Policy Research Institute (IFPRI) market report, the national average retail maize prices decreased by 2% in June 2026 to MK727/kg (MK36,350/50kg bag) from MK745/kg (MK37,250/50kg bag) in the final week of May 2026. Overall, in the final week of June 2026, the Northern Region registered the lowest maize prices, averaging MK628/kg (MK31,400 per 50kg bag), followed by the Central Region at MK738/kg (MK36,900 per 50kg bag), while the Southern Region recorded the highest average price at MK750/kg (MK37,500/50kg bag). (IFPRI, July 2026)
6. According to the Reserve Bank of Malawi (RBM), the country possesses significant potential for gold mining. Current efforts aim to confirm gold deposits to a bankable standard before moving forward with large-scale mining operations, establishing a local refinery, and increasing gold exports. The RBM has ramped up its gold purchases from artisanal miners, increasing from approximately 2 kilogrammes (kg) per day to around 15 kg. So far, the bank has acquired 590 kg of gold through the Export Development Fund (EDF), generating around USD78 million in export revenue. However, a substantial amount of gold is still believed to be traded through informal channels, with illegal exports estimated at approximately USD500 million annually. To address this, initiatives are underway to formalize the sector, enhance gold traceability, and capture more value within the domestic economy. *(The Daily Times, 15 July 2026)*
7. The European Union (EU) has approved a EUR143 million (about MK283 billion) financing package for Malawi to support agricultural value chains, electricity transmission and generation, secondary and vocational education and training, and social protection programmes. The funding forms part of the EU's broader development cooperation portfolio in Malawi, valued at approximately EUR497 million, while total Team Europe investments, including the EU, its member states, and European investment banks, amount to around EUR1.5 billion. *(The Daily Times, 17 July 2026)*.
8. As of 16 July 2026, a cumulative USD213.73 million has been raised from tobacco sales, compared to USD400.58 million raised during the same period in the previous year. The earnings were generated from the sale of a cumulative 157.34 million kgs of tobacco at an average price of USD2.03/kg, compared to 144.34 million kgs sold at an average price of USD2.55/kg during the same period in the previous year. *(Auction Holdings Limited, 9 July 2026)*

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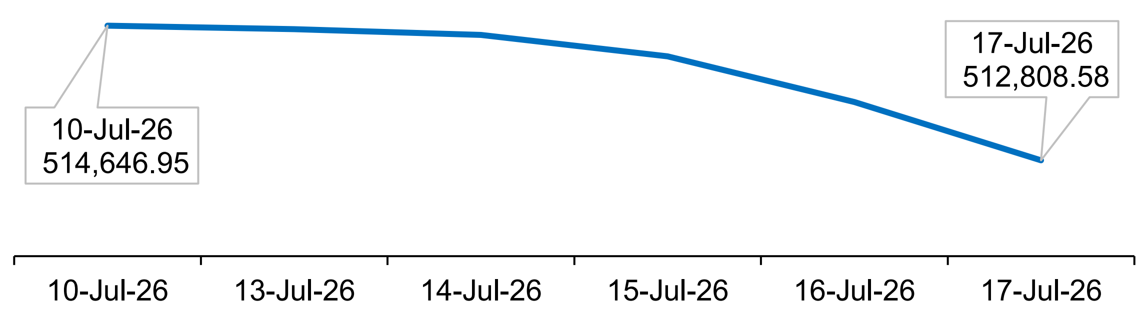
Stock market (Source: MSE)

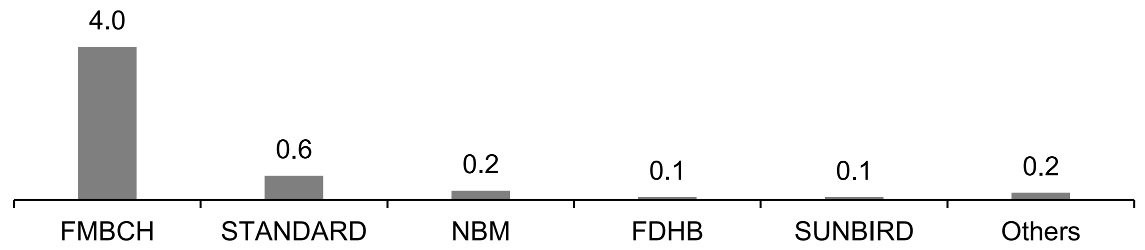
The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 512,808.58 points on 17 July 2026 from 514,646.95 points on 10 July 2026. This downward movement in the index was primarily driven by the share price losses in NBM, NBS and TNM.

Daily Malawi All Share Index (MASI)

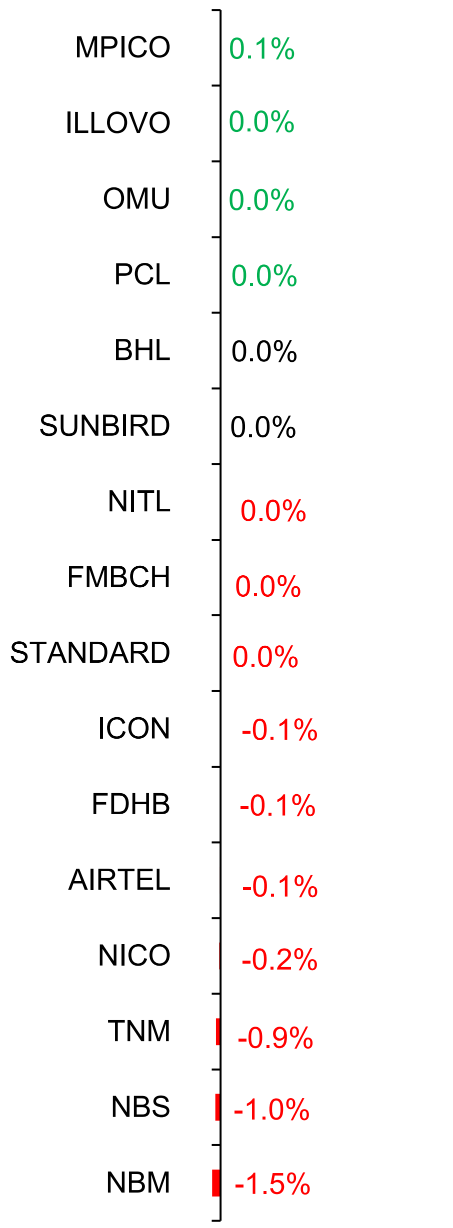


MASI year-to-date - The MASI closed the week with a year-to-date return of negative 14.26%. The return was 113.59% during the same period in the previous year.

Value of shares traded (MK'billions) - FMBCH had the highest value of shares traded during the week at MK4.0 billion. The total value of shares traded was at MK5.3 billion



Week-on-week share price percentage change



Symbol	Closing prices as of 17 July 2026 (MK/share)	Closing prices as of 10 July 2026 (MK/share)
AIRTEL	104.80	104.92
BHL	17.44	17.44
FDHB	513.61	513.97
FMBCH	1,895.81	1,895.84
ICON	17.01	17.02
ILLOVO	3,501.87	3,501.83
MPICO	19.59	19.58
NBM	9,649.99	9,799.00
NBS	693.08	699.99
NICO	1,494.93	1,498.42
NITL	3,699.95	3,700.00
OMU	5,300.04	5,300.02
PCL	9,521.77	9,521.75
STANDARD	3,999.13	3,999.23
SUNBIRD	3,550.01	3,550.01
TNM	28.57	28.82

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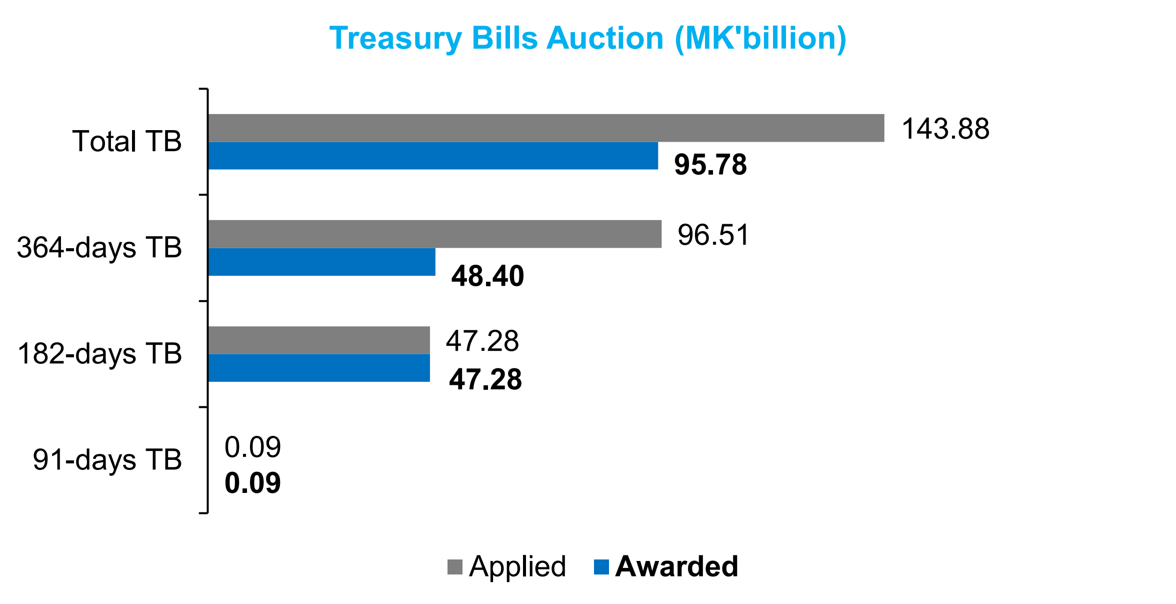
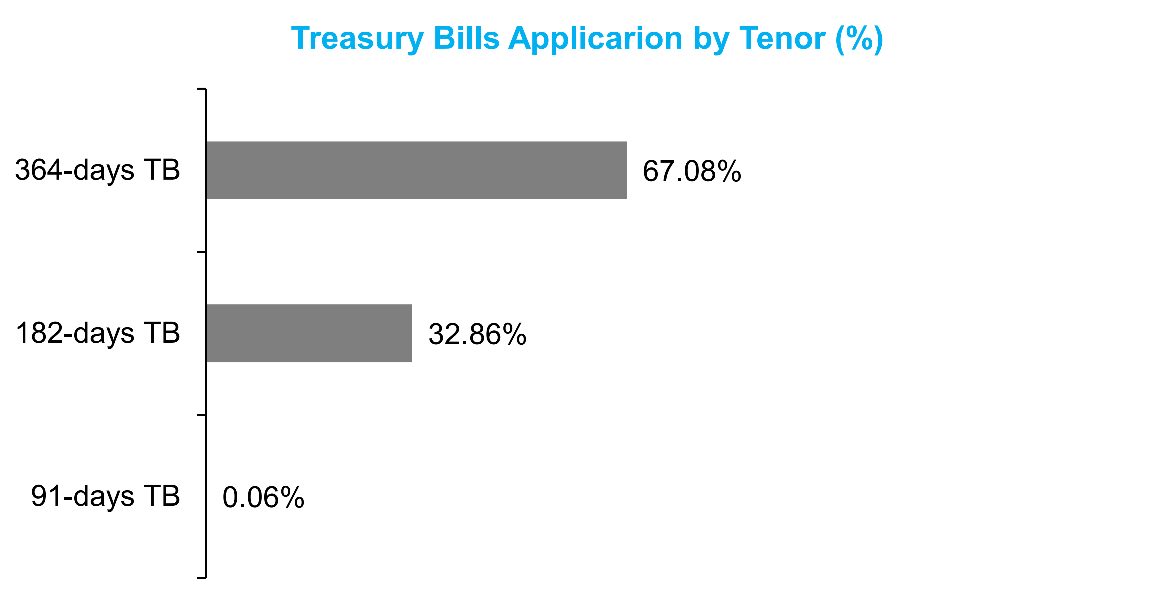
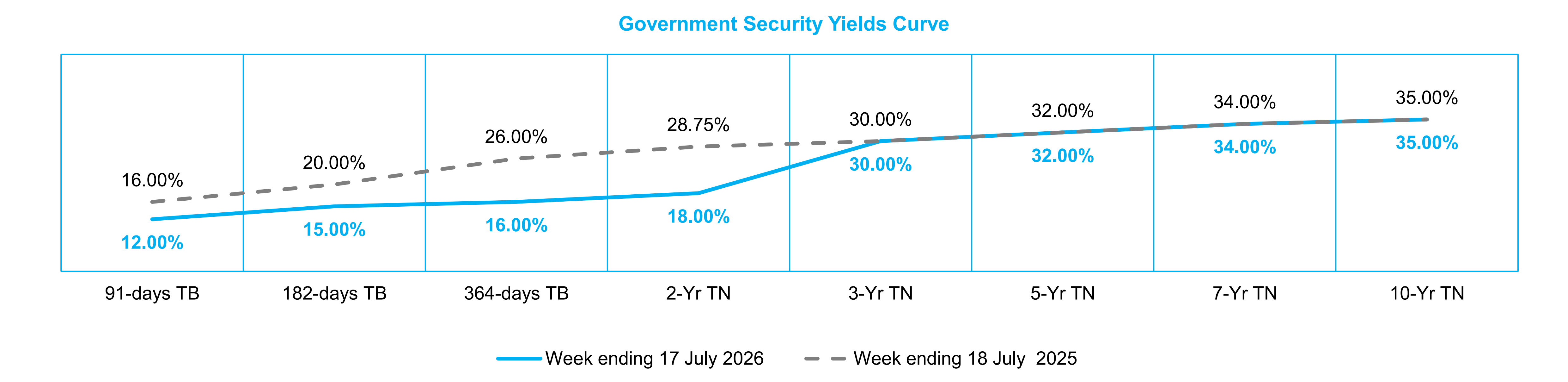
Government Securities (Source: RBM)

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

A total of MK95.78 billion was raised from MK143.88 billion in applications during the initial and re-opening auction held in the week ending 17 July 2026.







Appendix 1: Historical Economic Indicators

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	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	17-Jul-26
Exchange Rates (middle rates)													
MK/USD	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	1,749.93	**1,734.01**
MK/GBP	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	2,382.83	**2,405.61**
MK/EUR	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	2,054.62	**2,044.29**
MK/ZAR	100.34	101.77	103.60	103.58	103.68	107.63	113.67	113.20	104.66	107.04	107.04	109.07	**95.53**
Foreign Exchange Reserves													
Total Reserves (USD'mn)	607.7	523.9	511.8	526.8	530.0	608.9	664.9	625.7	571.6	N/A	N/A	N/A	**N/A**
Inflation													
Headline	27.3%	28.2%	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	23.4%	21.1%	**N/A**
Food	32.4%	33.7%	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	17.6%	14.7%	**N/A**
Non-food	19.3%	19.5%	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	33.0%	32.1%	**N/A**
Interest Rates													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	24.00%	24.00%	24.00%	**24.00%**
Average Interbank Rate (Overnight)	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	16.50 %	13.38%	12.86%	12.07%	12.20%	**13.72%**
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	24.20%	24.20%	24.20%	24.20%	**24.20%**
Commercial Bank Reference Rate	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.60%	20.40%	**20.50%**
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	15.00%	12.00%	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%	15.00%	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%	17.90%	17.00%	16.50%	16.50%	16.50%	**16.00%**
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	20.65%	18.00%	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	124.53%	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-14.15%	-12.38%	**-14.26%**
DSI	120.03%	214.05%	236.40%	233.38%	217.65%	208.88%	0.30%	-0.75%	-0.43%	-2.74%	-3.45%	-3.59%	**-6.06%**
FSI	150.94%	195.28%	239.14%	348.11%	503.79%	470.87%	-7.19%	-13.69%	-14.21%	-41.89%	-47.16%	-39.55%	**-39.55%**

The 17 July 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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Joint Lead advisor	Independent expert	Lead advisor	Valuation expert
2024	2025	2021 - 2022	2022 - 2024

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