Malawi Financial Market Update

Week ending 24 July 2026

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Market Developments

What happened this week

The European Union (EU) has extended its Generalised Scheme of Preferences (GSP) for another ten years from 2026 to 2036, with the Everything But Arms (EBA) arrangement taking effect from 1 January 2027.

The Budget and Finance Committee of Parliament has called for the enactment of a Debt Management Bill as Malawi's public debt reaches MK24 trillion, equivalent to 90% of GDP

As of 23 July 2026, a cumulative USD230.25 million has been raised from tobacco sales, compared to USD429.44 million raised during the same period in the previous year.

1. The Tobacco Commission (TC) launched a Know Your Grower project, which introduces a grower tracking system designed to boost international market confidence and safeguard the country's position in the global tobacco trade. The system, which will be implemented during the 2026/27 grower licensing exercise, will establish a comprehensive database containing growers' personal details, farm locations, land size, household information and production data. Participation will be mandatory for all growers intending to sell tobacco during the 2026/27 marketing season. The initiative is expected to improve value chain management, policymaking and production forecasting. *(The Nation, 24 July 2026)*
2. The European Union (EU) has extended its Generalised Scheme of Preferences (GSP) for another ten years from 2026 to 2036, with the Everything But Arms (EBA) arrangement taking effect from 1 January 2027. The extension will continue to provide access for Malawi and 45 other countries to the EU export market. Malawi recorded a 19% increase in GSP utilisation between 2022 and 2024, contributing to a 13% increase in its exports to the EU. Malawi ranked second in growth of use of GSP preferences between 2022 and 2024. Agricultural products continue to account for approximately 99% of Malawi's exports to the EU, with tobacco accounting for the bulk. *(The Nation, 21 July 2026)*
3. According to the Minister of Finance, Economic Planning and Decentralisation, the Government of Malawi has released MK100 billion to the National Food Reserve Agency (NFRA) to procure 108,000 metric tonnes (MT) of maize as part of efforts to strengthen the country's food security ahead of a forecast El Niño weather pattern. The procurement, combined with NFRA's existing stock of approximately 62,000MT, is expected to increase the Strategic Grain Reserve (SGR) to about 170,000MT. However, this remains below the recommended minimum reserve of 217,000MT, leaving a deficit of approximately 47,000MT. Government is mobilising additional resources and engaging development partners to close the gap. *(The Nation, 22 July 2026)*
4. The Budget and Finance Committee of Parliament has called for the enactment of a Debt Management Bill as Malawi's public debt reaches MK24 trillion, at least 90% of Gross Domestic Product (GDP). The committee chairperson stated that the legislation would provide clear laws on debt reporting and borrowing thresholds. The proposed Bill would strengthen transparency and accountability through parliamentary oversight, independent debt sustainability analysis, and regular debt audits by the National Audit Office. Treasury is expected to pay MK2.7 trillion in interest on public debt during the 2026/27 fiscal year. The World Bank has classified Malawi as being in debt distress, with debt restructuring efforts launched in mid-2022 stalled following the lapse of the IMF programme. *(The Nation, 20 July 2026)*
5. Lindian Resources Limited has stated that the completion of its first production blast strengthened its pathway to achieve first production in the fourth quarter of this year. The blast fragmented approximately 13,100 tonnes of material, including an estimated 5,500 tonnes of ore. This marks the transition from mine development to active mining ahead of plant commissioning expected in October 2026. The company secured USD100 million (approximately MK180 billion) earlier in the year to finance project development through the sale of 133.33 million shares to Australian and offshore investors. The project is expected to support Malawi's foreign exchange generation, diversify the country's mineral exports, and position Malawi as a potential contributor to global rare earth supply chains as major economies seek alternative sources outside China. *(The Nation, 21 July 2026)*
6. The Kingdom of Morocco has donated an additional 500 metric tonnes (MT) of fertiliser to Malawi as part of efforts to support food security and improve agricultural productivity among smallholder farmers. The donation forms part of a 1,000MT fertiliser commitment by Morocco, with the first consignment of 500MT delivered in February 2026. The fertiliser will be distributed through the Department of Disaster Management Affairs (DoDMA) to vulnerable households, particularly for winter cropping, following the declaration of a State of Disaster in 11 districts affected by food insecurity during the 2025/26 lean season. *(The Daily Times, 20 July 2026)*
7. Cotton stakeholders expect production to fall below the projected 22,800 metric tonnes (MT) for the 2026 marketing season, with current estimates placing output between 6,000MT and 7,000MT. Most cotton markets have closed after purchasing 4,100MT valued at MK6.1 billion, with only Karonga and Mchinji districts remaining active. The Cotton Farmers Association stated that over 75% of the available output has already been sold, with prices averaging the government-set minimum price of MK1,500 per kilogramme. Two major cotton buyers did not participate in the season due to low production levels, while stakeholders highlighted reduced farmer participation and unresolved technical challenges as factors affecting output. Malawi's cotton production has averaged around 10,000MT over the past decade, compared to 100,000MT recorded in 2010. *(The Nation, 23 July 2026)*
8. As of 23 July 2026, a cumulative USD230.25 million has been raised from tobacco sales, compared to USD429.44 million raised during the same period in the previous year. The earnings were generated from the sale of a cumulative 114.00 million kgs of tobacco at an average price of USD2.02/kg, compared to 168.51 million kgs sold at an average price of USD2.55/kg during the same period in the previous year. *(Auction Holdings Limited, 23 July 2026)*

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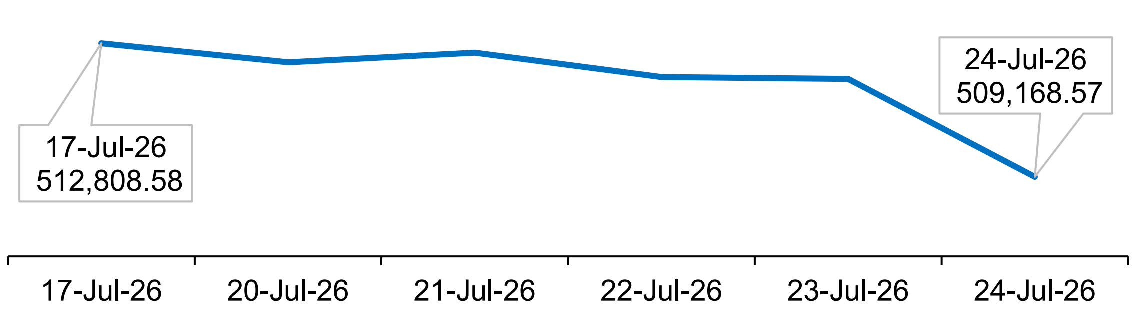
Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 509,168.57 points on 24 July 2026 from 512,808.58 points on 17 July 2026. This downward movement in the index was primarily driven by the share price loss in NICO.

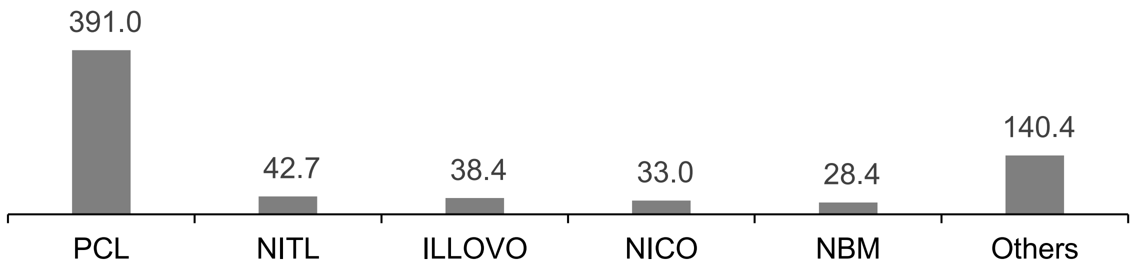
TNM announced a first interim dividend of MK5.19 billion, representing MK0.45 per share in respect of the financial year ending 31 December 2026. The last day of registration is 2 October 2026.

Daily Malawi All Share Index (MASI)

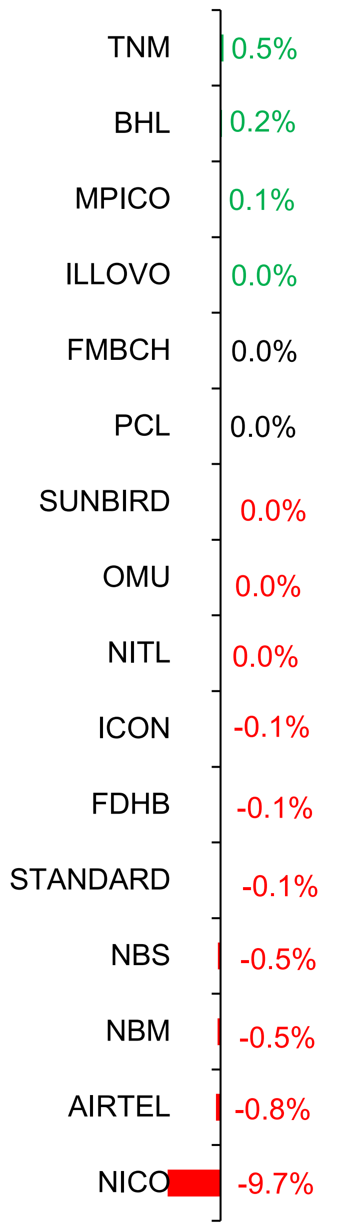


MASI year-to-date - The MASI closed the week with a year-to-date return of negative 14.86%. The return was 92.86% during the same period in the previous year.

Value of shares traded (MK'millions) - PCL had the highest value of shares traded during the week at MK391 million. The total value of shares traded was MK674 billion



Week-on-week share price percentage change



Symbol	Closing prices as of 24 July 2026 (MK/share)	Closing prices as of 17 July 2026 (MK/share)
AIRTEL	103.93	104.80
BHL	17.48	17.44
FDHB	513.25	513.61
FMBCH	1,895.81	1,895.81
ICON	17.00	17.01
ILLOVO	3,501.90	3,501.87
MPICO	19.60	19.59
NBM	9,598.96	9,649.99
NBS	689.78	693.08
NICO	1,350.00	1,494.93
NITL	3,699.78	3,699.95
OMU	5,300.02	5,300.04
PCL	9,521.77	9,521.77
STANDARD	3,995.96	3,999.13
SUNBIRD	3,550.00	3,550.01
TNM	28.72	28.57

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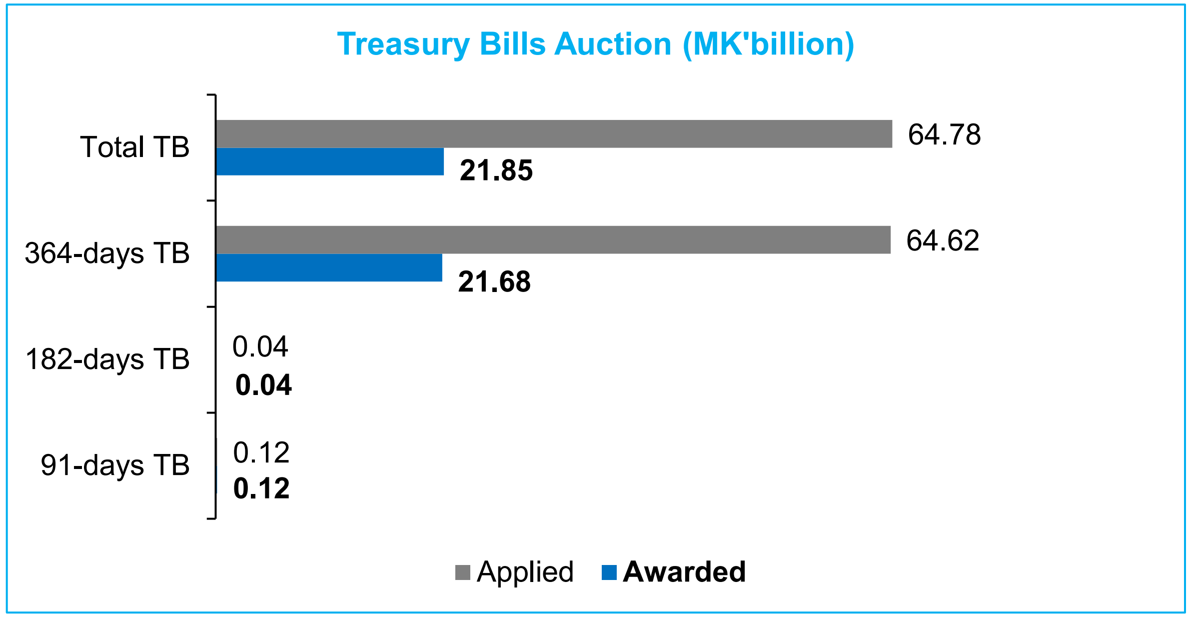
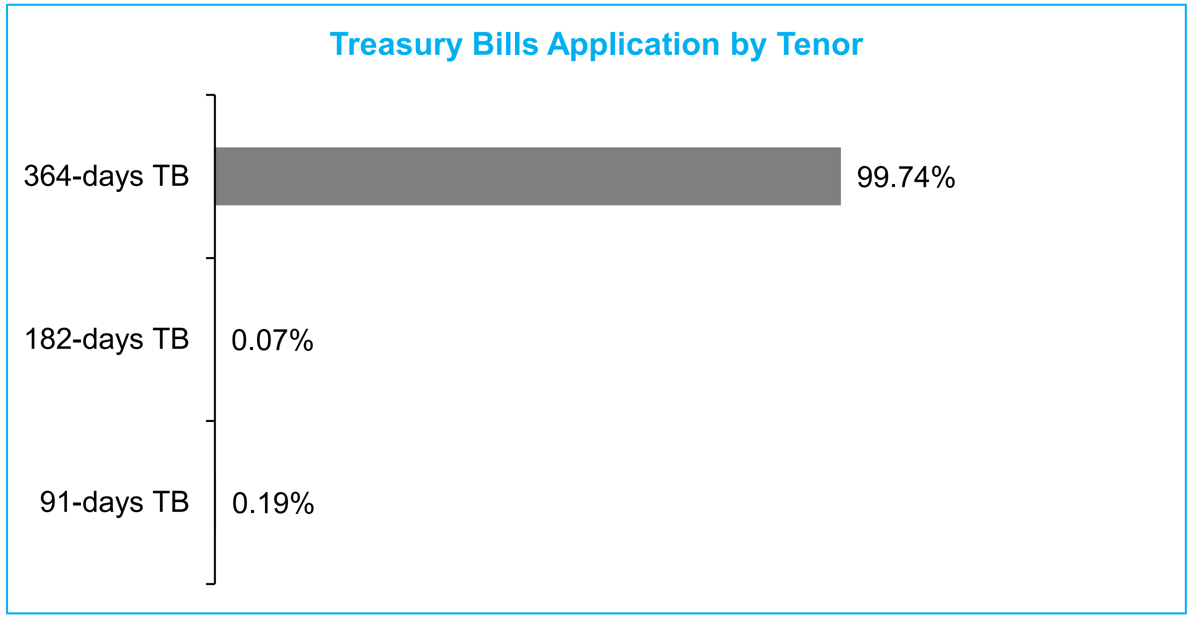
Government Securities (Source: RBM)

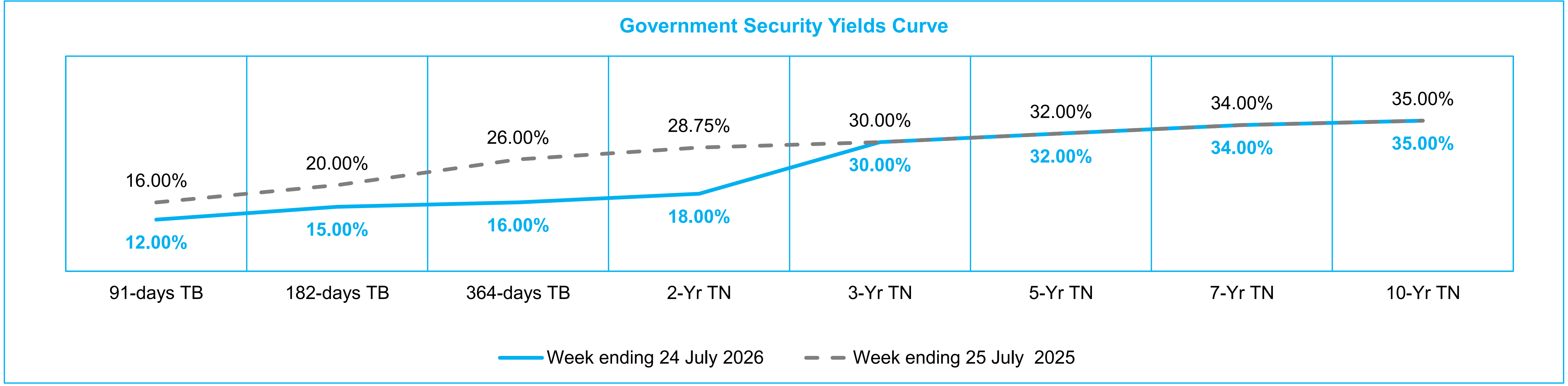
The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) during the period under review.

A total of MK21.85 billion was raised from MK64.78 billion in applications during the initial and re-opening auction held in the week ending 24 July 2026.

The Reserve Bank of Malawi held Open Market Repurchase agreements (OMO Repos) in the week ending 24 July 2026. A total of MK180 billion was withdrawn from the market.







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	24-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	**2,378.64**
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	**2,033.40**
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	**106.53**
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%	**14.00%**
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%	**-14.86%**
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%	**-6.87%**
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 24 July 2026 exchange rates are Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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