Bridgepath Capital
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Malawi Financial Market Update

Week ending 21 August 2026

Malawi Financial Market Update: Week ending 21 August 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 20.8% in July 2026 from 21.1% in June 2026.

The European Union (EU) has committed EUR143 million (about MK287 billion) to support Malawi's agriculture, energy, education, skills development and social protection sectors, alongside an additional EUR13 million (about MK26 billion) in direct budgetary support.

As of 20 August 2026, a cumulative USD276.90 million has been raised from tobacco sales, compared to USD505.29 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 20.8% in July 2026 from 21.1% in June 2026. Food inflation declined to 14.3% in July 2026 from 14.7% in June 2026, while non-food inflation increased slightly to 32.2% in July 2026 from 32.1% in June 2026. Month-on-month inflation stood at 2.0%, with food inflation recorded at 2.9% and non-food inflation at 0.7%. Urban month-on-month inflation was 1.4%, while rural month-on-month inflation was recorded at 2.6%. *(National Statistical Office, 18 August 2026)*
2. The European Union (EU) has committed EUR143 million (about MK287 billion) to support Malawi's agriculture, energy, education, skills development and social protection sectors, alongside an additional EUR13 million (about MK26 billion) in direct budgetary support. The development financing includes EUR35 million for the Agricatalyst Programme to help transform agriculture from subsistence farming into competitive, sustainable and climate-resilient agri-food systems, EUR40 million for the Malawi Energy Efficiency Enhancing Programme, and EUR68 million for youth empowerment, school feeding and social protection. The energy programme will also leverage EUR85 million in co-financing from the European Investment Bank to rehabilitate hydropower plants affected by climate shocks and strengthen critical electricity infrastructure. *(The Nation, 21 August 2026)*
3. Malawi's total exports increased by 24.4% to USD145.7 million in July 2026 from USD117.2 million in July 2025, while imports rose by 16.9% to USD338.9 million in July 2026 from USD289.9 million in July 2025. Consequently, the trade deficit widened by 11.8% to USD193.2 million from USD172.7 million. On a month-on-month basis, exports increased by 157.8% to USD145.7 million in July 2026 from USD56.5 million in June 2026, while imports declined by 14.2% to USD338.9 million in July 2026 from USD394.9 million in June 2026. Trade deficit reduced by 42.9% to USD193.2 million in July 2026 from USD338.4 million in June 2026. *(National Statistical Office,17 August 2026)*
4. According to the International Food Policy Research Institute (IFPRI) market report, the national average retail maize prices increased by 8% in July 2026 to MK791/kg (MK39,550/50kg bag) from MK731/kg (MK36,550/50kg bag) in the final week of June 2026. Overall, in the final week of July 2026, the Northern Region registered the lowest maize prices, averaging MK618/kg (MK30,900 per 50kg bag), followed by the Central Region at MK773/kg (MK38,650 per 50kg bag), while the Southern Region recorded the highest average price at MK866/kg (MK43,300/50kg bag). *(IFPRI, 17 August 2026).*
5. The Government has signed an agreement with Nyasa Tobacco for the sale of more than 10 million kilogrammes of tobacco owned by the Smallholder Farmers Fertiliser Revolving Fund of Malawi (SFFRFM), following a High Court ruling confirming the institution as the lawful owner of the commodity. The tobacco, which had been held in warehouses during a legal dispute with Eastbridge Estate, is undergoing quality assessment by the Tobacco Commission before the sale. The agreement is expected to unlock the value of the tobacco and generate foreign exchange for the country, with the Government expressing satisfaction that the commodity can now be sold. *(The Daily Times, 19 August 2026)*
6. The National Food Reserve Agency (NFRA) has purchased 26,663 metric tonnes (MT) of maize against its 108,000MT target, spending MK23.99 billion so far. NFRA is buying maize at MK900 per kilogramme and aims to complete procurement before the onset of the rains. NFRA is accessing a second MK20 billion tranche from the Government's MK100 billion allocation. However, competition from vendors and agro dealers has made it difficult to secure supplies at the current price, with traders calling for the buying price to be increased to MK1,000 per kilogramme. NFRA's procurement is aimed at strengthening strategic grain reserves ahead of the forecast El Niño weather pattern, with stocks expected to reach about 170,000MT if the target is achieved, still below the estimated annual national requirement of 217,000MT. *(The Nation, 18 August 2026)*
7. FDH Bank Plc released its abridged half-year financial statements for the six months ended 30 June 2026, reporting a 43% increase in profit after tax to MK86.42 billion, up from MK60.28 billion in the corresponding period in 2025. Net interest income also increased to MK140.00 billion, compared to MK81.43 billion during the same period in the previous year. Customer deposits grew by 48% to MK1.29 trillion, from MK870.05 billion in the six months ended 30 June 2025. *(FDH Plc, 21 August 2026)*
8. As of 20 August 2026, a cumulative USD276.90 million has been raised from tobacco sales, compared to USD505.29 million raised during the same period in the previous year. The earnings were generated from the sale of a cumulative 139.32 million kgs of tobacco at an average price of USD1.99/kg, compared to 199.52 million kgs sold at an average price of USD2.53/kg during the same period in the previous year. *(Auction Holdings Limited, 20 August 2026)*

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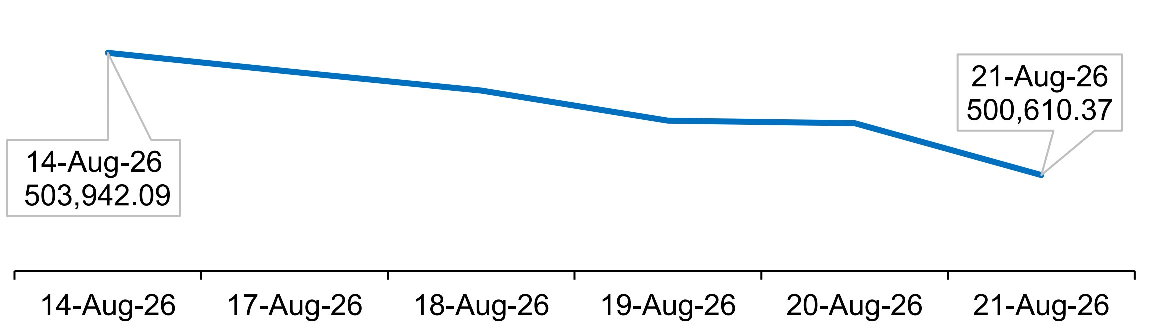
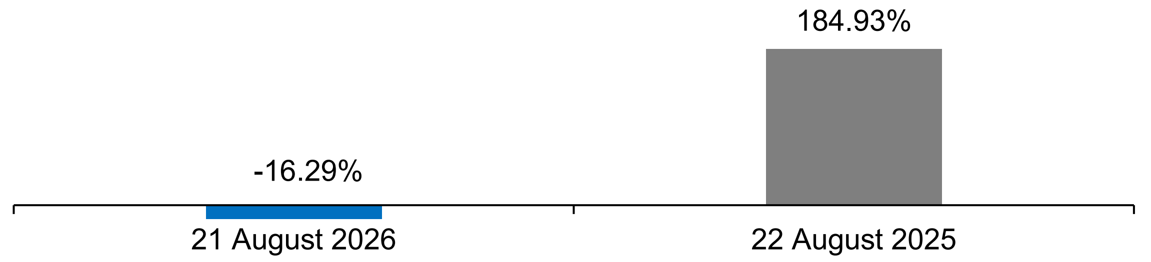
Stock market (Source: MSE)

The stock market was marginally bullish, with the Malawi All Share Index (MASI) increasing to 500,610.37 points on 21 August 2026 from 503,942.09 points on 14 August 2026. This downward movement in the index was primarily driven by the share price losses in CHL and NBS.

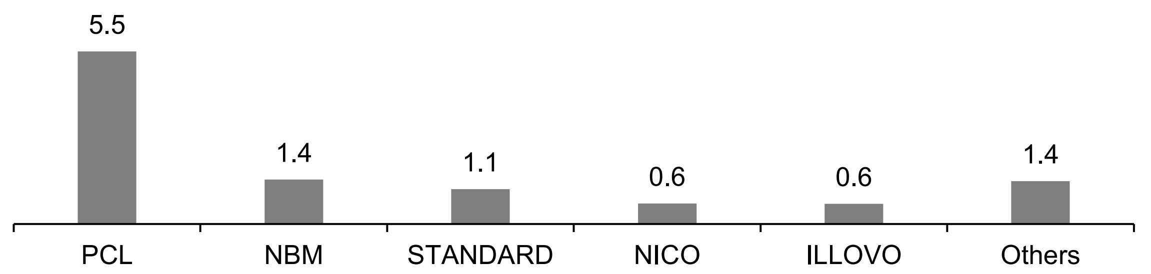
Daily Malawi All Share Index (MASI)



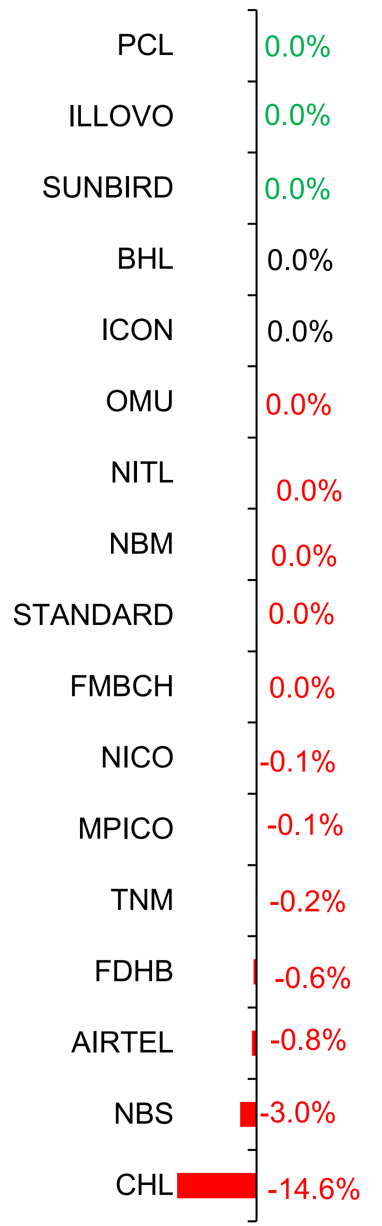
MASI year-to-date - The MASI closed the week with a year-to-date return of -16.29%. It was 184.93% during the same period in the previous year.



Value of shares traded (Mk'billions) - PCL had the highest value of shares traded during the week at MK5.5 billion. The total value of shares traded was at MK10.62 billion



Week-on-week share price percentage change



Symbol	Closing prices as of 21 August 2026 (MK/share)	Closing prices as of 14 August 2026 (MK/share)
AIRTEL	102.00	102.86
BHL	17.51	17.51
CHL	185.00	216.63
FDHB	491.88	494.70
FMBCH	1,894.49	1,895.38
ICON	17.00	17.00
ILLOVO	3,502.13	3,502.12
MPICO	19.59	19.61
NBM	9,399.64	9,399.80
NBS	639.97	659.67
NICO	1,343.37	1,344.21
NITL	3,599.91	3,599.95
OMU	5,300.01	5,300.02
PCL	9,521.89	9,521.84
STANDARD	3,989.89	3,989.98
SUNBIRD	3,550.02	3,550.00
TNM	28.49	28.55

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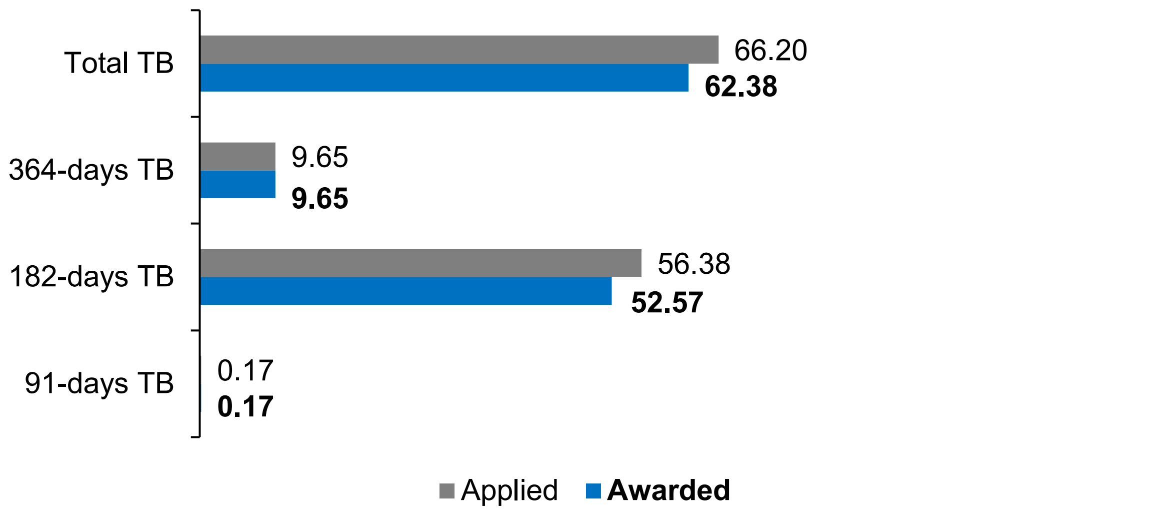
Government Securities (Source: RBM)

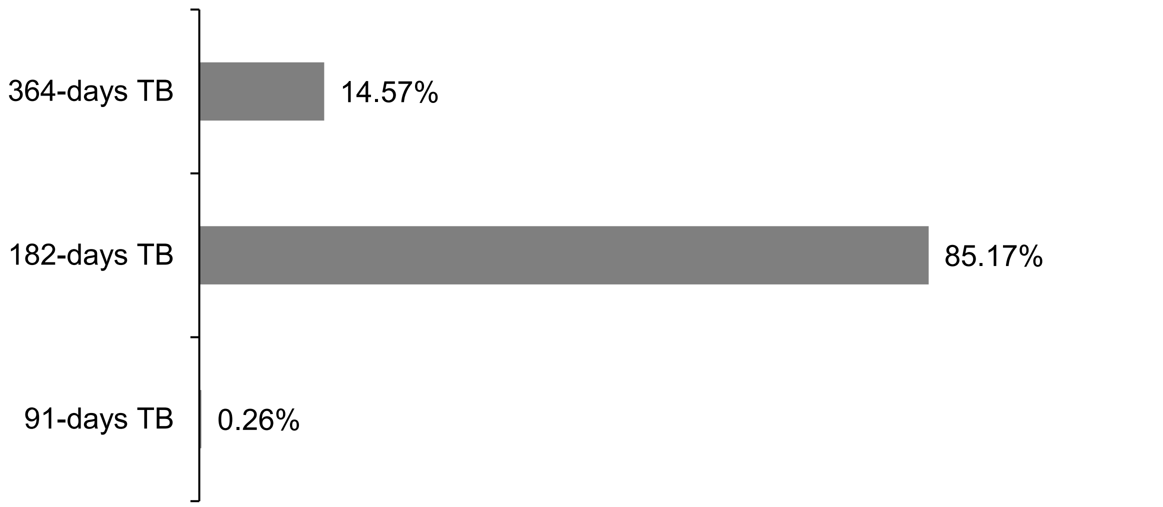
The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TB) during the period under review.

A total of MK62.38 billion was raised from MK66.20 billion in applications during the week ended 21 August 2026.

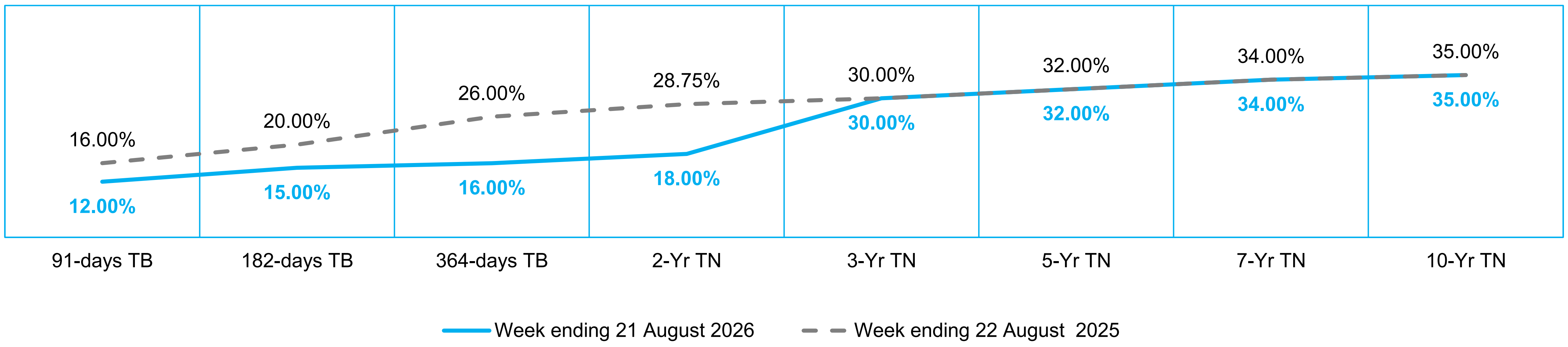
Treasury Bills Auction (MK'billion)



Treasury Bills Applicarion by Tenor (%)



Government Security Yields Curve



Appendix 1: Historical Economic Indicators

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	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	21-Aug-26
Exchange Rates (middle rates)													
MK/USD	1,749.95	1,750.37	1,749.95	1,750.07	1,749.00	1,749.55	1,750.45	1,750.37	1,749.68	1,749.46	1,749.93	1,750.55	**1,734.01**
MK/GBP	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	2,422.03	**2,437.04**
MK/EUR	2,103.70	2,103.32	2,078.57	2,087.24	2,107.54	2,148.87	2,127.37	2,068.11	2,099.68	2,099.68	2,054.62	2,072.04	**2,088.94**
MK/ZAR	101.77	103.60	103.58	103.68	107.63	113.67	113.20	104.66	107.04	107.04	109.07	107.90	**110.25**
Foreign Exchange Reserves													
Total Reserves (USD'mn)	523.9	511.8	526.8	530.0	608.9	664.9	625.7	571.6	619.8	596.5	616.3	N/A	**N/A**
Inflation													
Headline	28.2%	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	23.4%	21.1%	20.8%	**N/A**
Food	33.7%	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	17.6%	14.7%	14.3%	**N/A**
Non-food	19.5%	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	33.0%	32.1%	32.2%	**N/A**
Interest Rates													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	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%	16.50 %	13.38%	12.86%	12.07%	12.20%	13.69%	**15.86%**
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	24.20%	24.20%	24.20%	24.20%	24.20%	**24.20%**
Commercial Bank Reference Rate	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.60%	20.40%	20.50%	**20.80%**
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	15.00%	12.00%	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%	15.00%	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%	17.90%	17.00%	16.50%	16.50%	16.50%	16.17%	**16.00%**
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	20.65%	18.00%	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	211.15%	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-14.15%	-12.38%	-15.43%	**-16.29%**
DSI	214.05%	236.40%	233.38%	217.65%	208.88%	0.30%	-0.75%	-0.43%	-2.74%	-3.45%	-3.59%	-7.62%	**-8.75%**
FSI	195.28%	239.14%	348.11%	503.79%	470.87%	-7.19%	-13.69%	-14.21%	-41.89%	-47.16%	-39.55%	-39.55%	**-39.59%**

The 21 August 2026 exchange rates are the 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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