Malawi Financial Market Update

Week ending 28 August 2026

Malawi Financial Market Update: Week ending 28 August 2026

Market Developments

What happened this week

The Reserve Bank of Malawi (RBM) stated that negotiations to restructure MK1.27 trillion in public debt owed to TDB and Afreximbank remain ongoing, with completion of the restructuring critical to securing a new IMF ECF programme.

Malawi's total foreign reserves increased to USD616.3 million (2.5 months of import cover) as at 30 June 2026 from USD596.5 million (2.4 months of import cover) as at 3i May 2026.

1. According to the Reserve Bank of Malawi (RBM), negotiations to restructure approximately MK1.27 trillion in public debt owed to the Trade and Development Bank (TDB) and African Export-Import Bank are ongoing, with completion of the restructuring remaining a key prerequisite for Malawi to secure a new International Monetary Fund (IMF) Extended Credit Facility (ECF) programme. According to RBM's report and accounts for the year ended 31 December 2025, MK652.1 billion relating to a USD307 million revolving TDB facility was in arrears, while MK616.6 billion under an Afreximbank note facility was overdue. *(The Nation, 27 August 2026)*
2. The International Monetary Fund (IMF) has indicated that sustained reform efforts will be required to stabilise Malawi's economy as discussions continue on a possible new Extended Credit Facility (ECF) programme. According to IMF Country Representative, a potential ECF would align with the National Economic Recovery Plan (NERP), particularly on macroeconomic stability and inclusive growth. The IMF also emphasised the need to narrow the gap between the official and parallel-market exchange rates, noting that a broadly unified rate would improve foreign exchange availability and reduce market distortions. *(The Daily Times, 24 August 2026)*
3. According to the Reserve Bank of Malawi, total foreign exchange reserves increased to USD616.3 million (2.5 months of import cover) as at 30 June 2026, from USD596.5 million (2.4 months of import cover) as at 31 May 2026 and USD555.9 million (2.2 months of import cover) in June 2025. The improvement was driven by increases in both gross official and private sector reserves. *(Reserve Bank of Malawi Monthly Economic Review, June 2026).*
4. Following the commissioning of Portland Cement Malawi Limited's MK175 billion (USD100 million) Balaka cement factory in 2025, national cement imports have declined by 8% over seven months, contributing to a stabilisation of local cement prices. According to MRA, cement customs revenue collected at the Mchinji One-Stop Border Post has declined by 22%, resulting from the surge in domestic supply. Subsequently, local cement prices have eased to between MK16,000 and MK42,000 per 50kg bag, from a peak of MK52,000 per 50 kg bag in mid-2025. *(The Nation, 27 August 2026)*
5. Malawi's tobacco sector has recorded its lowest sales volume and average price in four years during the current marketing season. In the first 17 weeks of sales, farmers earned USD272.2 million (about MK476.6 billion) from 136.5 million kgs of tobacco at an average price of USD1.99/kg (about MK3,484.5/kg), compared to USD464.8 million from 182.4 million kgs at USD2.6/kg (about MK4,465.1/kg) during the corresponding period in 2025. According to the Tobacco Association of Malawi (TAMA) Trust, the decline is attributed to high leaf rejection rates resulting from poor leaf management by farmers and vendors. To address quality and traceability concerns, the Tobacco Commission (TC) has introduced a mandatory geo-tagging grower tracking system under the "Know Your Grower" Project to map the farmers' tobacco fields. *(The Daily Times, 26 August 2026)*
6. PressCane Limited has officially commissioned its organic fertiliser plant in Chikwawa, marking a major milestone in its waste-to-value green initiatives following its operational resumption in June 2026. The newly established facility has a daily production capacity of 100 metric tonnes (MT) of organic fertiliser, which is equivalent to 600 bags of 50 kg per day. PressCane expects the product to hit the commercial market during this year's farming season to provide smallholder farmers with a highly affordable alternative to imported chemical inputs. *(The Nation, 28 August 2026)*
7. The Malawi Revenue Authority (MRA) has launched its five-year Corporate Strategic Plan covering 2026 to 2031, targeting an increase in the country's tax-to-GDP ratio to 20% from 16.83%. According to MRA, the plan targets domestic revenue collections of MK6.1 trillion in the 2026-27 financial year, rising to MK22.5 trillion by 2030-31. MRA also aims to digitise 100% of its core processes by 2031, up from 15% currently, while increasing on-time tax filing rates from 71% to 90%. MRA further plans to fully operationalise its in-house Integrated Tax Administration System by 2031. MRA has reported collecting MK1.4 trillion in tax revenue during the first quarter of the current financial year. *(The Nation, 25 August 2026)*
8. Lindian Resources Limited has announced progress at its Kangankunde Rare Earths Project in Balaka, with first monazite concentrate production targeted for the fourth quarter (Q4) of 2026. Front-end commissioning is expected in late October 2026, with practical completion targeted for November 2026. Active mining operations, including production drilling and blasting, are already underway, with ore being mined and stockpiled ahead of plant commissioning. According to Executive Director, the project has entered an important phase as construction, mining, and operational preparations are progressing simultaneously. *(The Daily Times, 25 August 2026)*

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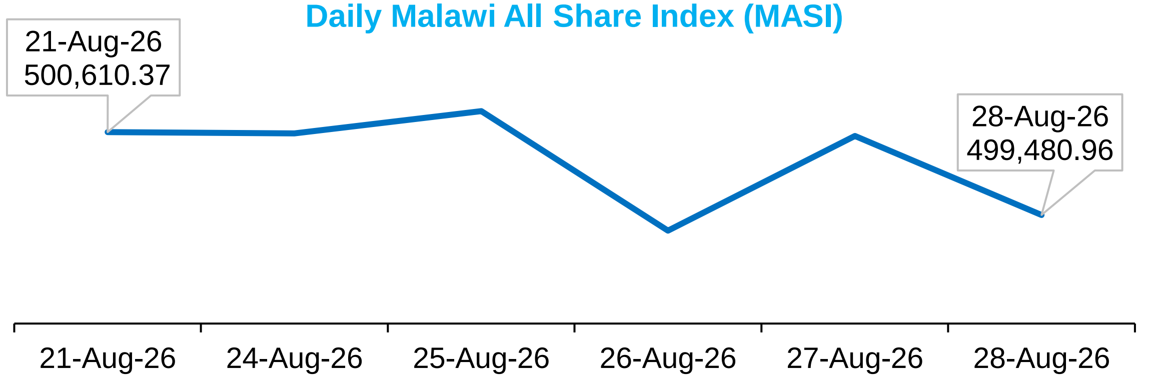
Stock market (Source: MSE)

The stock market was marginally bearish, with the Malawi All Share Index (MASI) decreasing to 499,480.96 points on 28 August 2026 from 500,610.37 points on 21 August 2026.

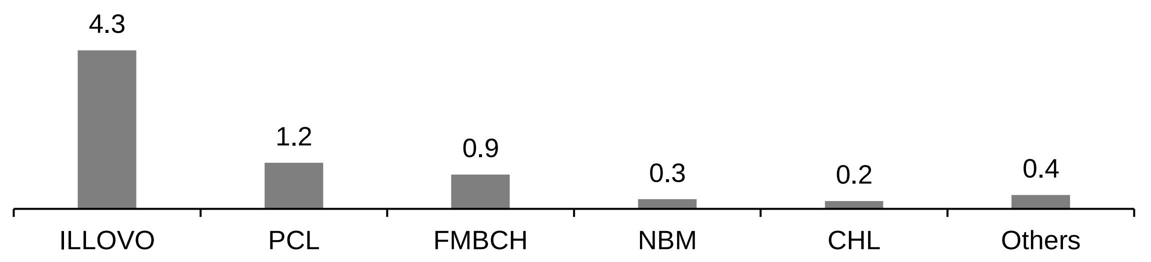
FMB Capital Holdings plc (FMBCH) declared an interim dividend of USD10.8 million, equivalent to USD0.4 cents per share, payable on 2 October 2026 to shareholders registered as at 18 September 2026

Daily Malawi All Share Index (MASI)

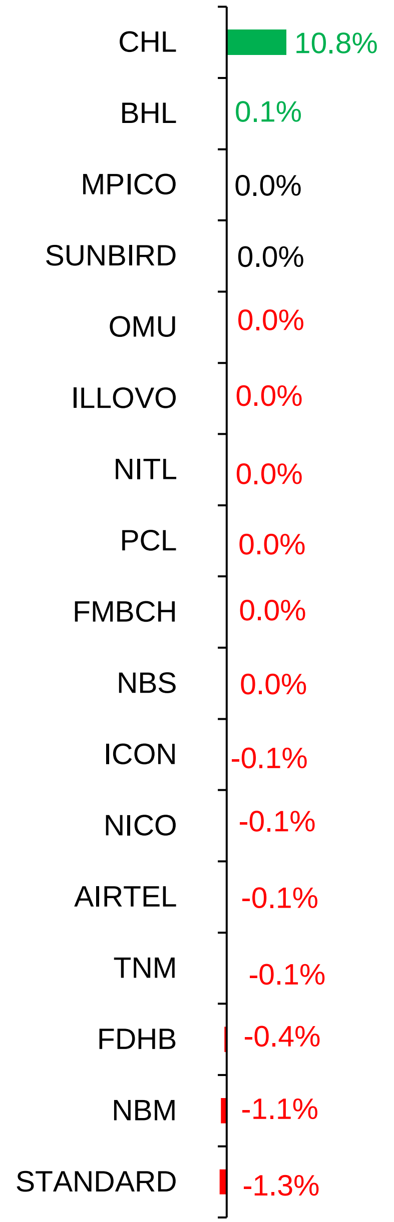


MASI year-to-date - The MASI closed the week with a year-to-date return of -16.48%. It was 211.15% during the same period in the previous year.

Value of shares traded (Mk'billions) - ILLOVO had the highest value of shares traded during the week at MK4.3 billion. The total value of shares traded was at MK7.3 billion



Week-on-week share price percentage change



Symbol	Closing prices as of 28 August 2026 (MK/share)	Closing prices as of 21 August 2026 (MK/share)
AIRTEL	101.86	102.00
BHL	17.52	17.51
CHL	205.07	185.00
FDHB	489.91	491.88
FMBCH	1,894.44	1,894.49
ICON	16.99	17.00
ILLOVO	3,502.11	3,502.13
MPICO	19.59	19.59
NBM	9,299.98	9,399.64
NBS	639.73	639.97
NICO	1,342.38	1,343.37
NITL	3,599.88	3,599.91
OMU	5,300.00	5,300.01
PCL	9,521.69	9,521.89
STANDARD	3,939.32	3,989.89
SUNBIRD	3,550.02	3,550.02
TNM	28.45	28.49

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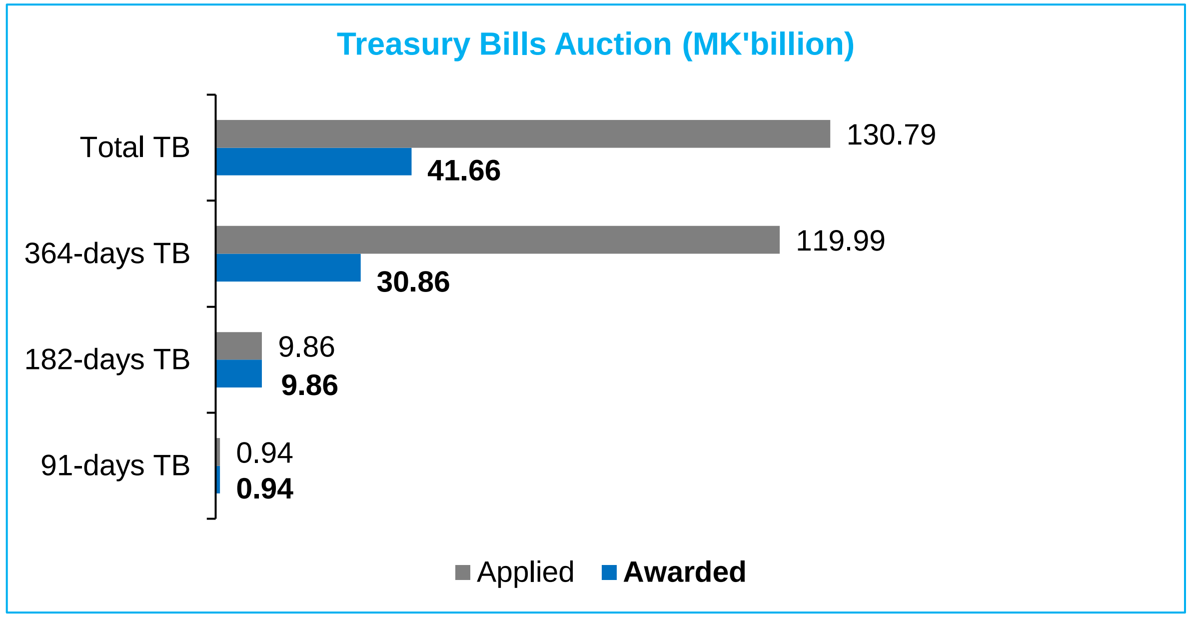
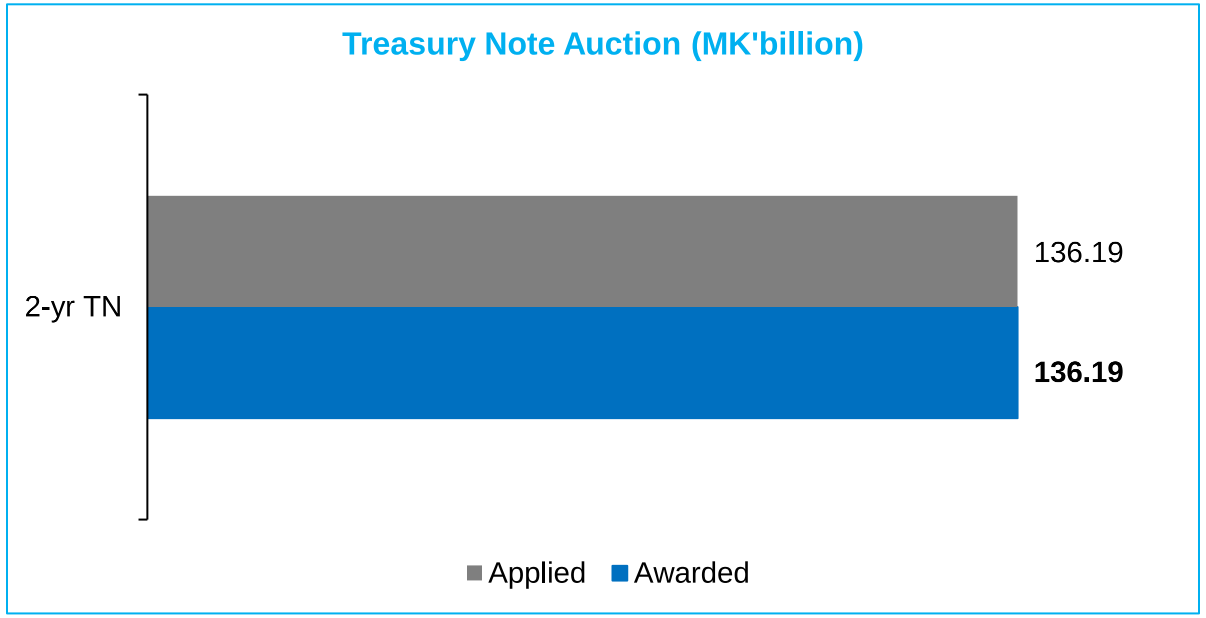
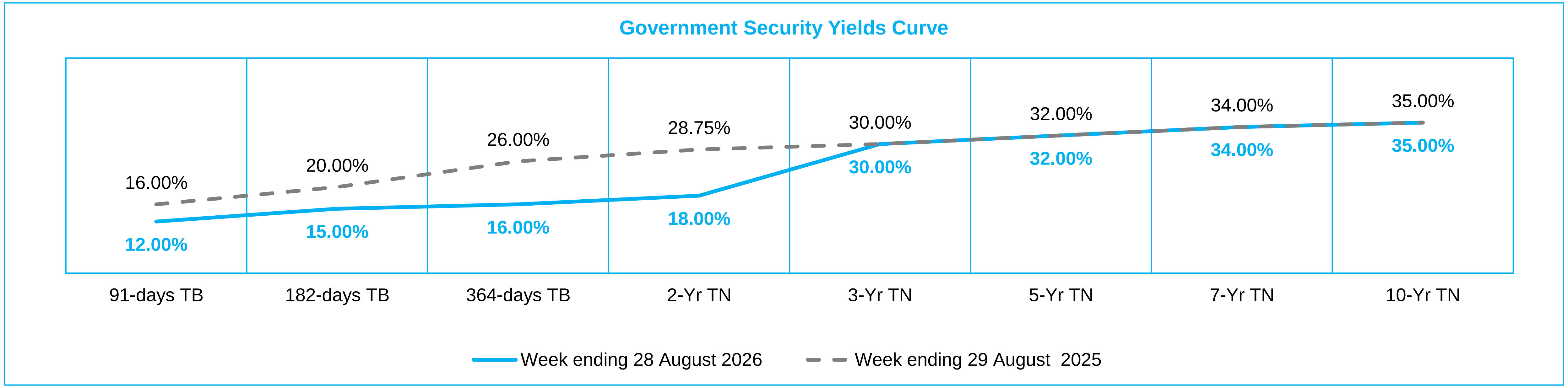
Government Securities (Source: RBM)

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 MK177.85 billion was raised from MK266.98 billion in applications during the week ended 28 August 2026.







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	28-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	**2,427.04**
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	**2,079.83**
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	**111.69**
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%	**16.00%**
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%	**-16.48%**
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%	**-9.00%**
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 28 August 2026 exchange rates are the Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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