Malawi Financial Market Update

Week ending 7 August 2026

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Market Developments

What happened this week

The Monetary Policy Committee (MPC) met on 5 and 6 August 2026 and decided to maintain the policy rate at 24.0%. The Committee also maintained the Liquidity Reserve Requirement (LRR) ratio at 12.0% for local currency deposits and 3.75% for foreign currency deposits.

The Malawi Energy Regulatory Authority (MERA) has reduced diesel prices to MK5,863 per litre from MK6,306, representing a 7.02% decrease, while petrol prices were maintained at MK5,619 per litre, effective 1 August 2026.

As of 6 August 2026, a cumulative USD258.40 million has been raised from tobacco sales, compared to USD478.00 million raised during the same period in the previous year.

1. The Monetary Policy Committee (MPC) met on 5 and 6 August 2026 and decided to maintain the policy rate at 24.0%. The Lombard Rate remains at 20 basis points above the policy rate. The Committee also maintained the Liquidity Reserve Requirement (LRR) ratio at 12.0% for local currency deposits and 3.75% for foreign currency deposits. The next MPC meeting is scheduled for 28 to 29 October 2026. *(Reserve Bank of Malawi, 6 August 2025)*
2. The Ministry of Finance, Economic Planning and Decentralisation has introduced new guidelines restricting government promissory notes to verified liabilities to strengthen debt management, fiscal discipline and transparency. The framework sets a minimum threshold of MK300 million for smaller promissory notes, with smaller obligations to be settled through normal budget appropriations, while prohibiting notes for unverified claims, ongoing court cases and new procurement contracts. Promissory notes below MK3 billion will mature within one year, those between MK3 billion and MK10 billion within two years, and those above MK10 billion within three years. No instrument will be allowed to mature beyond three years. *(The Nation, 4 August 2026)*
3. The Malawi Energy Regulatory Authority (MERA) has reduced diesel prices to MK5,863 per litre from MK6,306, representing a 7.02% decrease effective 1 August 2026. Petrol prices were maintained at MK5,619 per litre. MERA stated that the adjustments followed a review under the Automatic Pricing Mechanism (APM) after the average Free on Board (FOB) prices of diesel declined compared to June 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, 1 August 2026)*
4. Continental Holdings Plc's Initial Public Offering (IPO) achieved a subscription rate of 93.17%, with investors subscribing for 701.83 million of the 753.31 million shares on offer, raising MK135.45 billion out of the targeted MK146.90 billion. The remaining 51.47 million shares, valued at approximately MK10.04 billion, were allocated to the underwriter in accordance with the underwriting agreement, resulting in the full placement of the offer. All valid applications were allotted in full, with no refunds issued. Following the IPO, TransAfrica Holdings remained the largest shareholder with a 34.35% stake, followed by Press Trust (17.80%), the Employee Share Ownership Programme (9.98%), other pre-IPO minority shareholders (14.58%), and public shareholders, who acquired a 23.29% stake in the company. The uploading of all securities into the Central Securities Depository (CSD) is scheduled to be completed by 7 August 2026, with the company's listing on the Malawi Stock Exchange (MSE) expected on 10 August 2026. *(Continental Holdings Plc, 3 August 2026)*
5. The commercial bank reference rate for August 2026 is 20.80%, up from the July reference rate of 20.50%. The reference rate is effective from 5 August 2026. *(National Bank, 5 August 2026)*
6. The Parliament of Malawi has passed the Bills of Exchange (Amendment) Bill, paving the way for the phasing out of cheque payments as part of broader financial sector reforms to accelerate digitisation and modernise Malawi’s payment systems. The reform seeks to replace cheques with digital payment methods, which the government says are increasingly used across the region. Parliament also passed the Pension Amendment Bill and Insurance Amendment Bill to harmonise the management of unclaimed funds with the Public Finance Management Act. *(The Nation, 6 August 2026)*
7. Press Corporation Plc (PCL) shareholders have approved a 35-for-1 share split aimed at improving the affordability, marketability and liquidity of the company's shares. Under the arrangement, each existing ordinary share will be subdivided into 35 ordinary shares. PCL had 120.26 million issued and fully paid ordinary shares out of an authorised share capital of 2.51 billion ordinary shares with a par value of MK0.01 each. Under the approved subdivision, each existing ordinary share will be split into 35 ordinary shares, increasing the number of issued shares to approximately 4.21 billion through the creation of about 4.09 billion additional shares, while preserving shareholders' proportional ownership and rights. The additional shares are scheduled to be listed on the Malawi Stock Exchange (MSE) on 31 August 2026. *(The Nation, 3 August 2026)*
8. Standard Bank plc has revised its profit after tax (PAT) forecast for the six months ended 30 June 2026. The bank now expects PAT to increase by 35%–45% to between MK65.3 billion and MK70.2 billion, compared with MK48.4 billion in the corresponding period in 2025. This is an upward revision from its June 2026 guidance of a 20%–35% increase, which implied PAT of MK58.1 billion to MK65.3 billion. The summarised financial results are expected to be published in August 2026. *(Standard Bank Plc, 7 August 2026)*
9. As of 6 August 2026, a cumulative USD258.40 million has been raised from tobacco sales, compared to USD478.00 million raised during the same period in the previous year. The earnings were generated from the sale of a cumulative 128.96 million kgs of tobacco at an average price of USD2.00/kg, compared to 187.69 million kgs sold at an average price of USD2.55/kg during the same period in the previous year. *(Auction Holdings Limited, 6 August 2026)*

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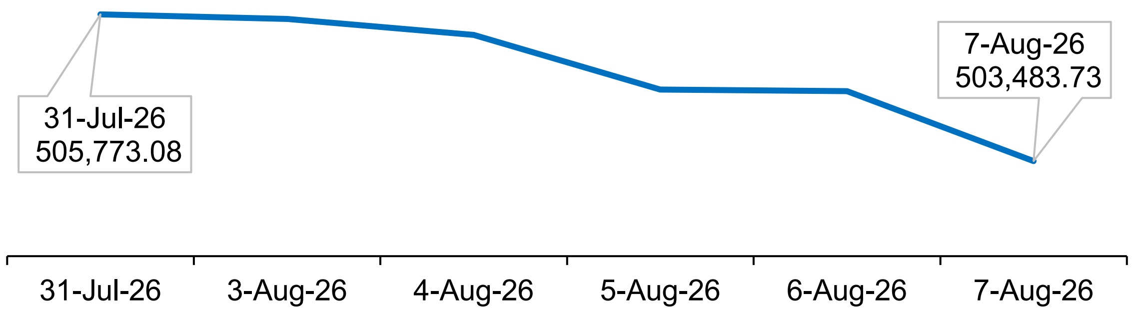
Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 503,483.73 points on 7 August 2026 from 505,773.08 points on 31 July 2026. This downward movement in the index was primarily driven by the share price losses in NITL, NBS and NBM.

PCL Plc announced a final dividend of MK8.00 billion, representing MK66.52 per share in respect of the financial year ending 31 December 2025. The last day of registration is 14 August 2026.

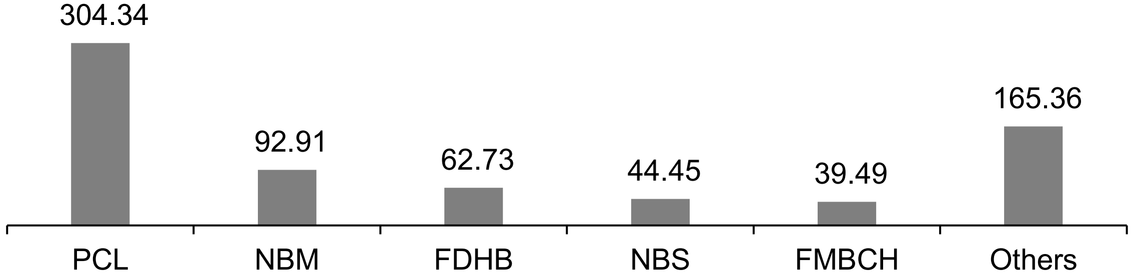
ICON Plc announced a final dividend of MK1.07 billion, representing MK0.16 per share in respect of the financial year ending 31 December 2025. The last day of registration is 11 September 2026.

Daily Malawi All Share Index (MASI)

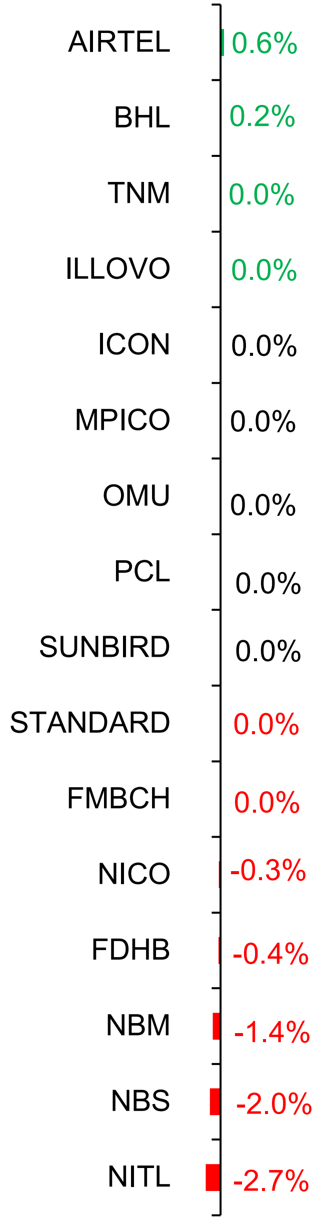


MASI year-to-date - The MASI closed the week with a year-to-date return of negative 15.81%. The return was 147.35% during the same period in the previous year.

Value of shares traded (MK'millions) - PCL had the highest value of shares traded during the week at MK304.34 million. The total value of shares traded was MK709.29 million



Week-on-week share price percentage change



Symbol	Closing prices as of 7 August 2026 (MK/share)	Closing prices as of 31 July 2026 (MK/share)
AIRTEL	102.92	102.33
BHL	17.51	17.48
FDHB	498.11	499.88
FMBCH	1,895.71	1,895.79
ICON	17.00	17.00
ILLOVO	3,501.99	3,501.95
MPICO	19.59	19.59
NBM	9,413.89	9,548.83
NBS	659.86	673.07
NICO	1,344.87	1,348.83
NITL	3,599.99	3,699.73
OMU	5,300.02	5,300.02
PCL	9,521.77	9,521.77
STANDARD	3,995.73	3,995.87
SUNBIRD	3,550.00	3,550.00
TNM	28.57	28.56

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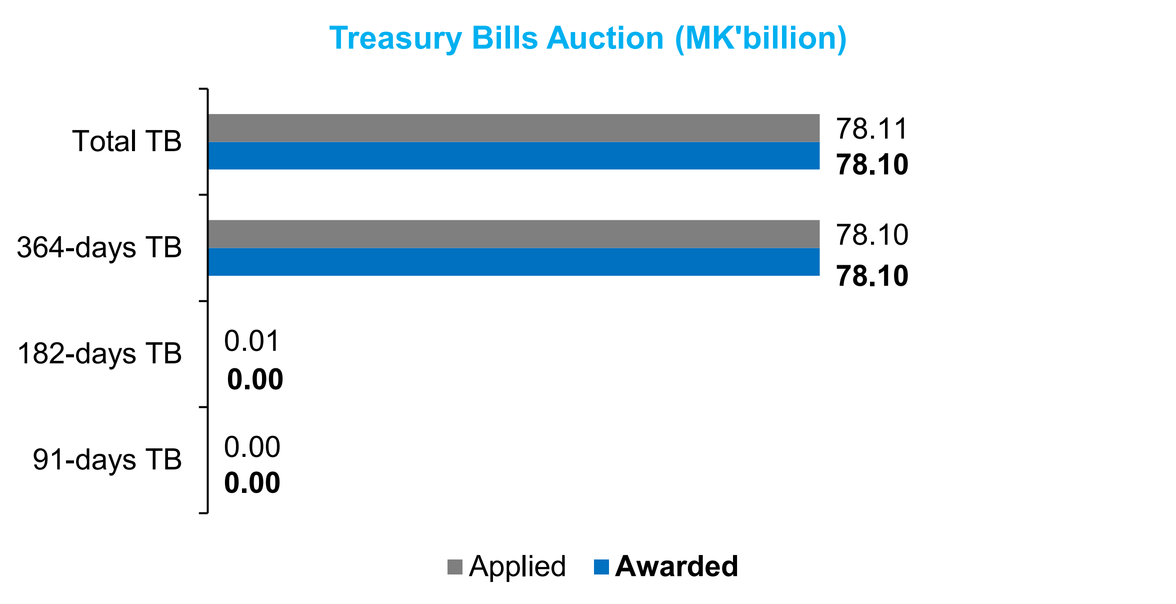
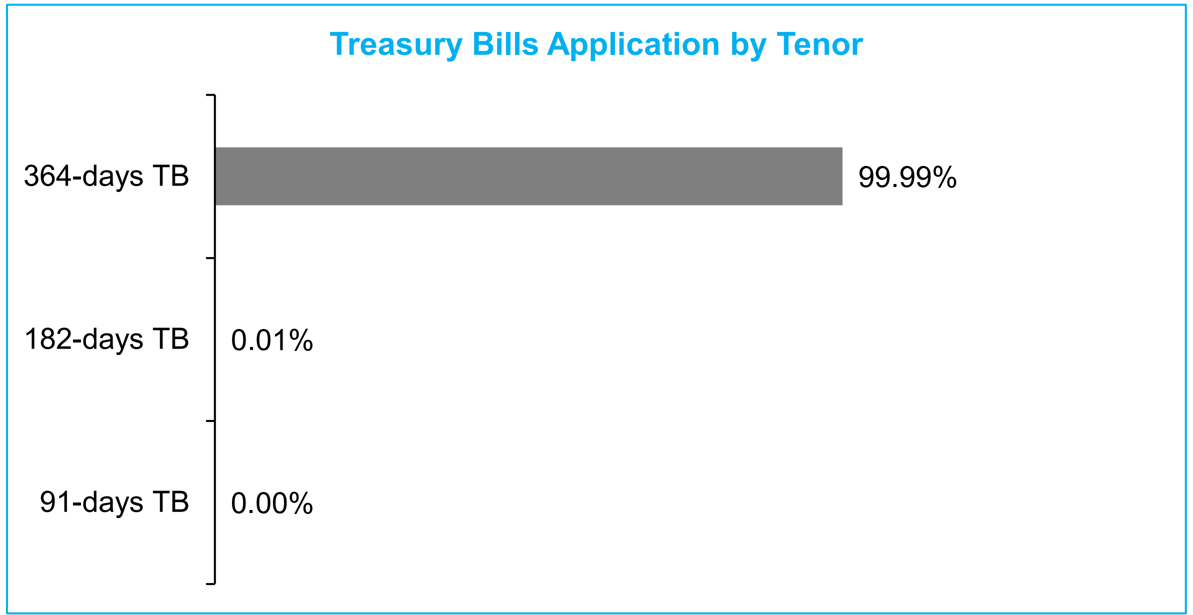
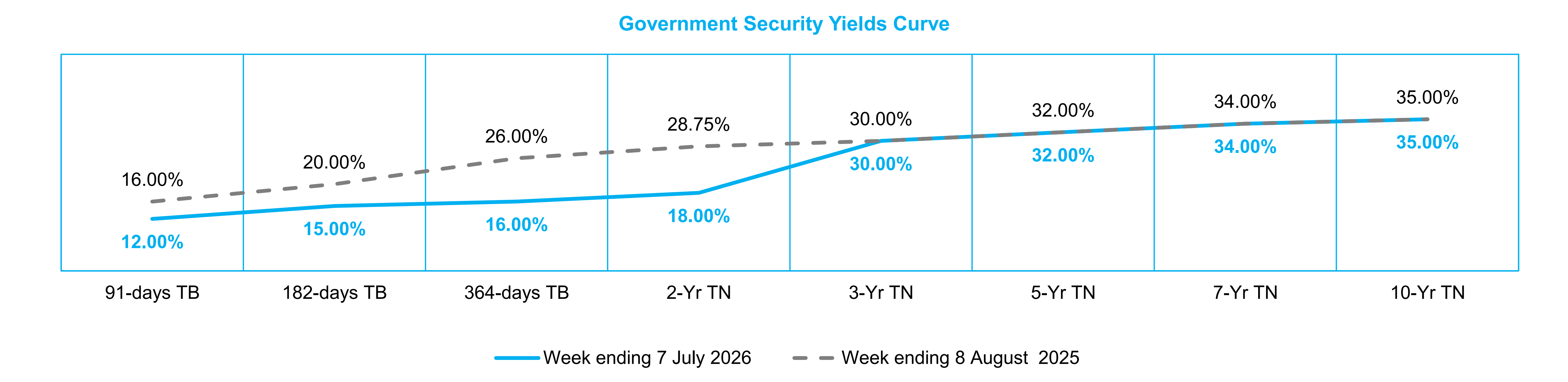
Government Securities (Source: RBM)

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

A total of MK78.10 billion was raised from MK78.11 billion in applications during the initial auction held on 4 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	7-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	**2,402.21**
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	**2,057.87**
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	**109.43**
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	N/A	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%	N/A	**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%	N/A	**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%	N/A	**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%	**14.52%**
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%	**-15.81%**
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%	**-8.13%**
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%	**-39.56%**

The 7 August 2026 exchange rates are the Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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Contact Information

Head Office – Blantyre
Bridgepath Capital Limited
1st Floor (106), Development House
Corner Henderson Street Road
P.O. Box 2920
Blantyre

Lilongwe Office
Bridgepath Capital Limited
Taurus House, Off Presidential Drive
City Center
Lilongwe

Tel No: +265 111 828 355

Email: info@bridgepathcapitalmw.com

Website: www.bridgepathcapitalmw.com

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Press Corporation Plc	Valuation of Unlisted Equity Investments	Valuation expert	2022 - 2024

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