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Malawi Financial Market Update

Week ending 4 September 2026

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Market Developments

What happened this week

The Malawi Government is seeking USD2.4 billion (about MK4 trillion) from private sector investors and development partners to develop 470,000 irrigable hectares under its Mega Farm Legacy Investment Programme.

The Tobacco Commission has reported that the 2026 tobacco marketing season will close on 10 September 2026 across Malawi's four tobacco markets

As of 3 September 2026, a cumulative USD284.83 million has been raised from tobacco sales, compared to USD519.38 million raised during the same period in the previous year

1. The Malawi Government is seeking USD2.4 billion (about MK4 trillion) from private sector investors and development partners to develop 470,000 irrigable hectares under its Mega Farm Legacy Investment Programme. The initiative aims to boost agricultural productivity, strengthen food security, expand exports and create 389,476 direct jobs. The government highlighted significant untapped export opportunities in groundnuts, soybeans and rice, where current export earnings remain far below their potential. The programme is expected to utilise idle arable land and accelerate the commercialisation and transformation of Malawi's agriculture sector. *(The Nation, 2 September 2026)*
2. National cotton sales have closed with a record 99% supply deficit, as farmers supplied only 4,000 metric tonnes against installed ginning capacity of over 400,000 metric tonnes. Despite cotton prices increasing to MK1,500 per kg, high production costs and limited access to seed continue to constrain output. Industry stakeholders are exploring a MK10 billion financing window for farmers and local seed multiplication to reduce reliance on costly imported seed. The industry targets increasing cotton production to 100,000 metric tonnes by the 2027/28 season, with local seed supply targeted at 600 metric tonnes next season. *(The Daily Times, 3 September 2026)*
3. The UK has provided approximately USD3 million (about MK5.3 billion) to support Malawi's preparedness and response for the forecast El Niño during the 2026/27 rainfall season. The British High Commissioner stated that the funding will support efforts to turn climate forecasts into early action and help communities and the agricultural sector prepare for the anticipated dry conditions. The Department of Climate Change and Meteorological Services has forecast a drier and more erratic 2026/27 rainfall season, particularly in southern and central Malawi, with below-normal rainfall, delayed onset and prolonged dry spells expected. *(The Nation, 4 September 2026)*
4. The Ministry of Energy has reported that the Mozambique-Malawi (MOMA) 400kV Electricity Interconnector, a strategic project that will connect Malawi to the Southern African Power Pool (SAPP) through Mozambique, has reached a key milestone. This follows the completion and hot commissioning of the transmission line from Matambo Substation in Mozambique to Phombeya Substation in Malawi. The line was energised on 8 August 2026, with 5 megawatts (MW) imported from Mozambique to test the commercial metering equipment at Matambo Substation. Commercial power trading is yet to commence as the Ministry, Electricity Supply Corporation of Malawi (ESCOM), Power Market Limited (PML) and Electricidade de Moçambique (EDM) are finalising tariff and other operational arrangements. Once concluded, the Ministry will announce the start of commercial electricity trading through the interconnector. *(The Ministry of Energy, 31 August 2026)*
5. NBS Bank Plc released its abridged half-year financial statements for the six months ended 30 June 2026, reporting a 23% increase in profit after tax to MK90.23 billion, up from MK73.25 billion in the corresponding period in 2025. Total operating income increased by 11% to MK213.93 billion, compared to MK192.71 billion during the same period in the previous year. Customer deposits grew by 33% to MK1.15 trillion, from MK863.68 billion in the six months ended 30 June 2025. *(NBS Plc, 31 August 2026)*
6. National Bank Plc released its abridged half-year financial statements for the six months ended 30 June 2026, reporting a 59% increase in profit after tax to MK133.97 billion, up from MK84.11 billion in the corresponding period in 2025. Net revenue increased by 37% to MK290.30 billion, compared to MK212.24 billion during the same period in the previous year. Customer deposits grew by 32% to MK2.12 trillion, from MK1.60 trillion in the six months ended 30 June 2025. *(NBM Plc, 31 August 2026)*
7. NBS Bank has launched the NBS Visa Infinite Card, the first Visa Infinite debit and credit card proposition in Malawi, aimed at meeting the needs of affluent and family banking customers. The card provides global transaction capabilities, access to more than 1,290 airport lounges, selected premium airport spas, a dedicated Visa Infinite Concierge service and exclusive global lifestyle experiences. NBS Bank highlighted the importance of innovation in supporting financial inclusion and generational wealth creation, while Visa described the launch as a milestone for Malawi's payments landscape and reaffirmed its commitment to developing innovative financial solutions. *(The Daily Times,31 August 2026)*
8. The commercial bank reference rate for September 2026 is 21.20%, up from the August 2026 reference rate of 20.80%. The reference rate is effective 3 September 2026. (First Capital Bank, 3 September 2026)
9. The Tobacco Commission has reported that the 2026 tobacco marketing season will close on 10 September 2026 across Malawi's four tobacco markets. This follows an assessment indicating that most of the crop has been sold. The season opened on 20 April and will have run for 21 weeks by the time trading closes. *(Tobacco Commission, 1 September 2026)*
10. As of 3 September 2026, a cumulative USD284.83 million has been raised from tobacco sales, compared to USD519.38 million raised during the same period in the previous year. The earnings were generated from the sale of a cumulative 143.66 million kgs of tobacco at an average price of USD1.98/kg, compared to 206.59 million kgs sold at an average price of USD2.51/kg during the same period in the previous year. *(Auction Holdings Limited, 3 September 2026)*

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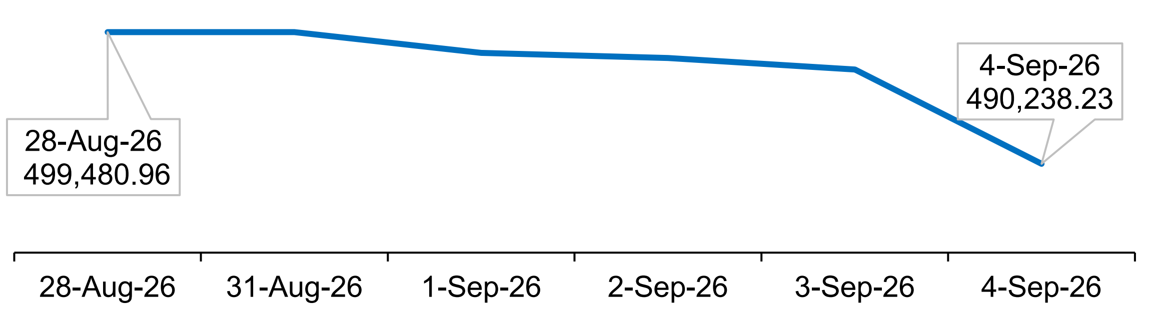
Stock market (Source: MSE)

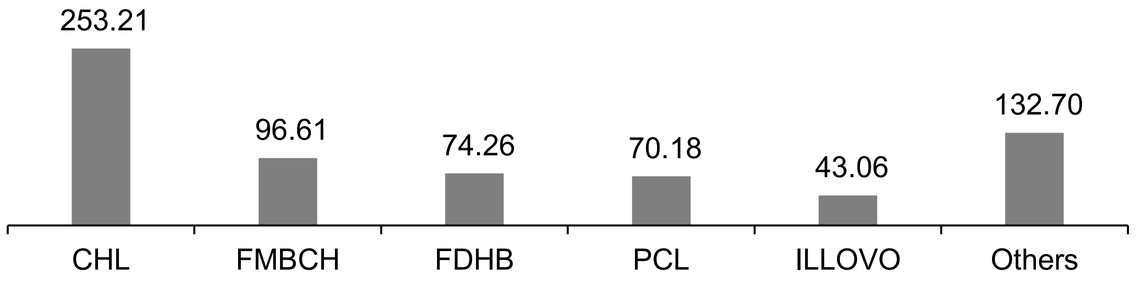
The stock market was marginally bearish, with the Malawi All Share Index (MASI) decreasing to 490,238.23 points on 4 September 2026 from 499,480.96 points on 28 August 2026. This downward movement in the index was primarily driven by the share price losses in FMBCH, FDHB and SUNBIRD.

Daily Malawi All Share Index (MASI)

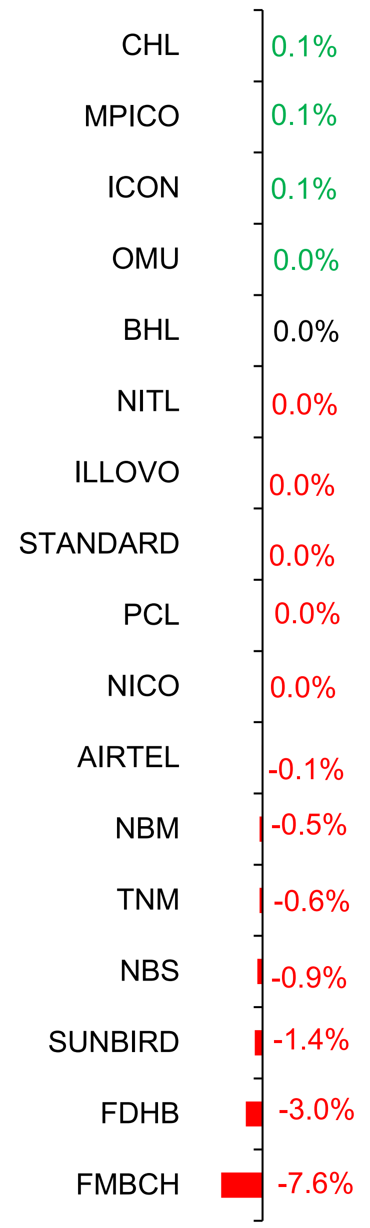


MASI year-to-date - The MASI closed the week with a year-to-date return of negative 18.03%. It was 211.89% during the same period in the previous year.

Value of shares traded (MK'million) - CHL had the highest value of shares traded during the week at MK253.21 million. The total value of shares traded was at MK670.02 million



Week-on-week share price percentage change



Symbol	Closing prices as of 4 September 2026 (MK/share)	Closing prices as of 28 August 2026 (MK/share)
AIRTEL	101.75	101.86
BHL	17.52	17.52
CHL	205.33	205.07
FDHB	474.97	489.91
FMBCH	1,750.31	1,894.44
ICON	17.00	16.99
ILLOVO	3,502.06	3,502.11
MPICO	19.61	19.59
NBM	9,250.00	9,299.98
NBS	633.74	639.73
NICO	1,342.00	1,342.38
NITL	3,599.86	3,599.88
OMU	5,300.01	5,300.00
PCL	9,520.00	9,521.69
STANDARD	3,938.76	3,939.32
SUNBIRD	3,500.00	3,550.02
TNM	28.29	28.45

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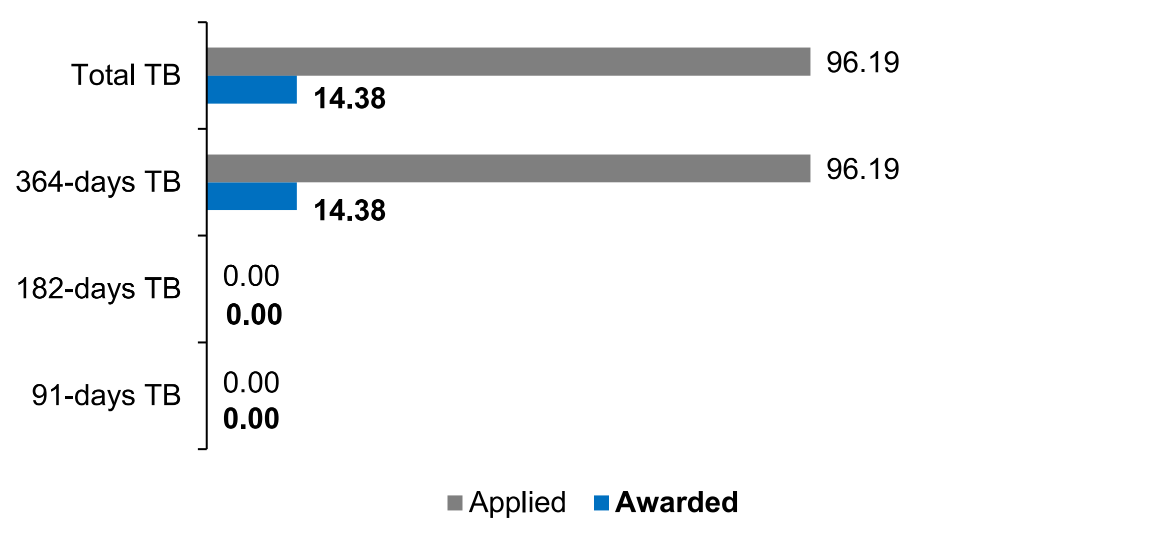
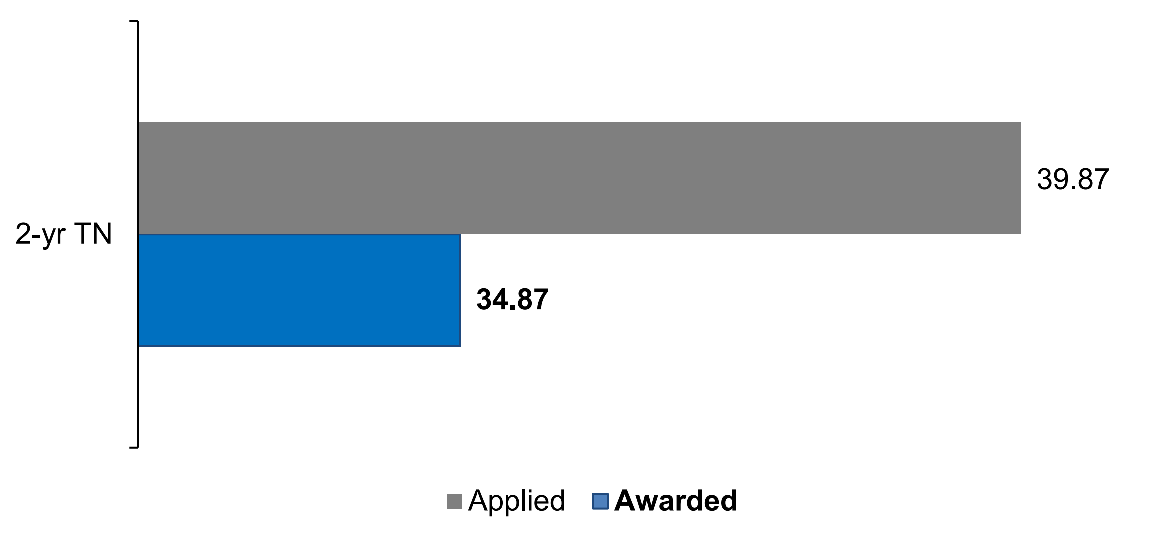
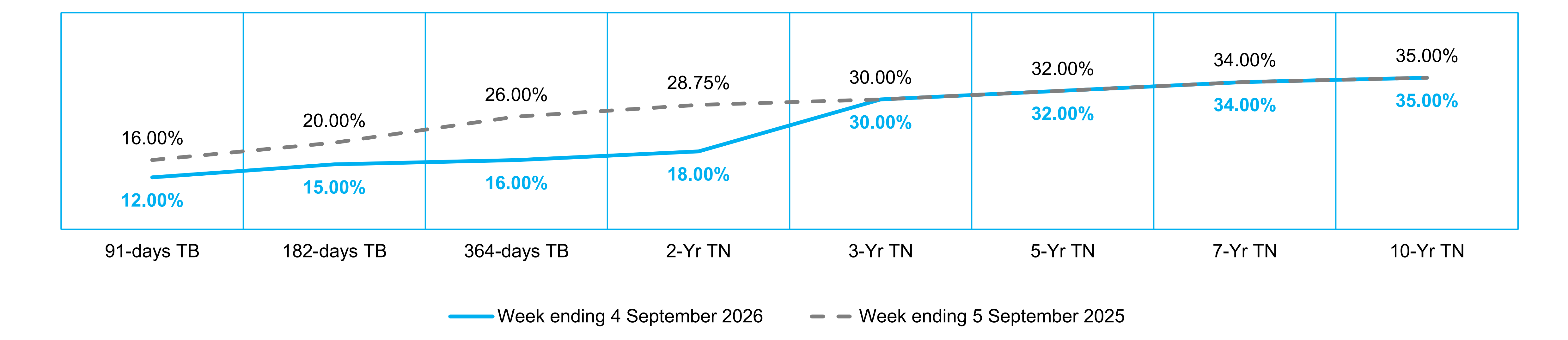
Government Securities (Source: RBM)

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 MK49.25 billion was raised from MK136.06 billion in applications during the week ended 4 September 2026.







Appendix 1: Historical Economic Indicators

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	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	4-Sep-26
Exchange Rates (middle rates)													
MK/USD	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	1,747.56	**1,734.01**
MK/GBP	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	2,437.74	**2,418.11**
MK/EUR	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	2,083.82	**2,076.80**
MK/ZAR	103.60	103.58	103.68	107.63	113.67	113.20	104.66	107.04	107.04	109.07	107.90	110.79	**111.85**
Foreign Exchange Reserves													
Total Reserves (USD'mn)	511.8	526.8	530.0	608.9	664.9	625.7	571.6	619.8	596.5	616.3	N/A	N/A	**N/A**
Inflation													
Headline	28.7%	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	23.4%	21.1%	20.8%	N/A	**N/A**
Food	33.0%	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	17.6%	14.7%	14.3%	N/A	**N/A**
Non-food	21.7%	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	33.0%	32.1%	32.2%	N/A	**N/A**
Interest Rates													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	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%	16.50 %	13.38%	12.86%	12.07%	12.20%	13.69%	15.44%	**16.00%**
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	**24.20%**
Commercial Bank Reference Rate	25.30%	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.60%	20.40%	20.50%	20.80%	**21.20%**
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	15.00%	12.00%	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%	15.00%	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%	17.90%	17.00%	16.50%	16.50%	16.50%	16.17%	16.00%	**16.00%**
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	20.65%	18.00%	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	236.67%	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-14.15%	-12.38%	-15.43%	-16.48%	**-18.03%**
DSI	236.40%	233.38%	217.65%	208.88%	0.30%	-0.75%	-0.43%	-2.74%	-3.45%	-3.59%	-7.62%	-9.00%	**-9.63%**
FSI	239.14%	348.11%	503.79%	470.87%	-7.19%	-13.69%	-14.21%	-41.89%	-47.16%	-39.55%	-39.55%	-39.60%	**-44.03%**

The 4 September 2026 exchange rates are the Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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MyBucks Banking Corporation	Sell-side advisor on the disposal of the bank to an investor consortium	Lead advisor	2021 - 2022
Press Corporation Plc	Valuation of Unlisted Equity Investments	Valuation expert	2022 - 2024

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