



Malawi Financial Market Update

Week ending 2 October 2026



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Market Developments

What happened this week

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The Government of Malawi has intensified plans to develop a north-bound railway linking the country to the Tanzania-Zambia Railway Authority (Tazara) network to reduce transport costs, which account for an estimated 60% of import and export expenses

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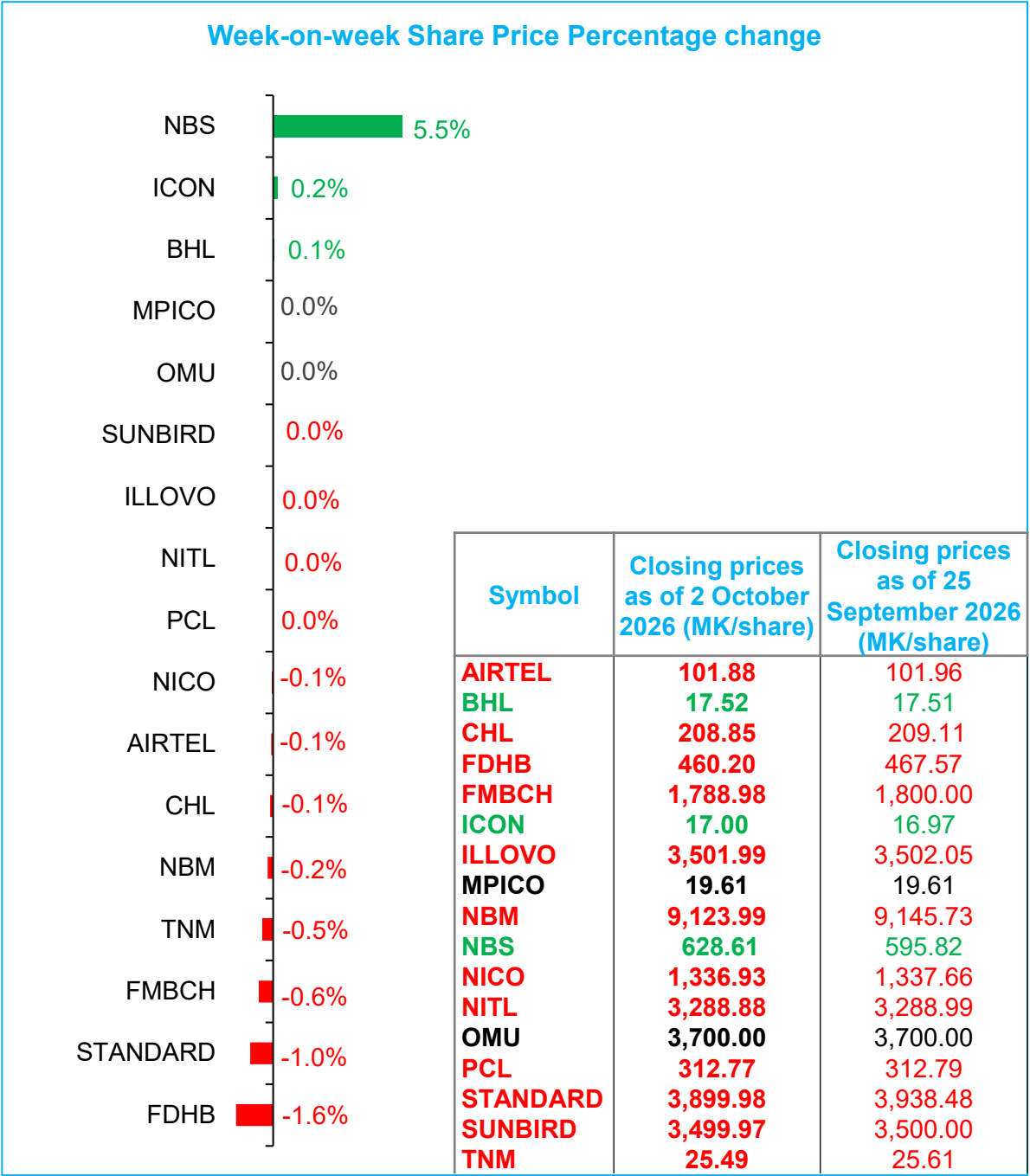
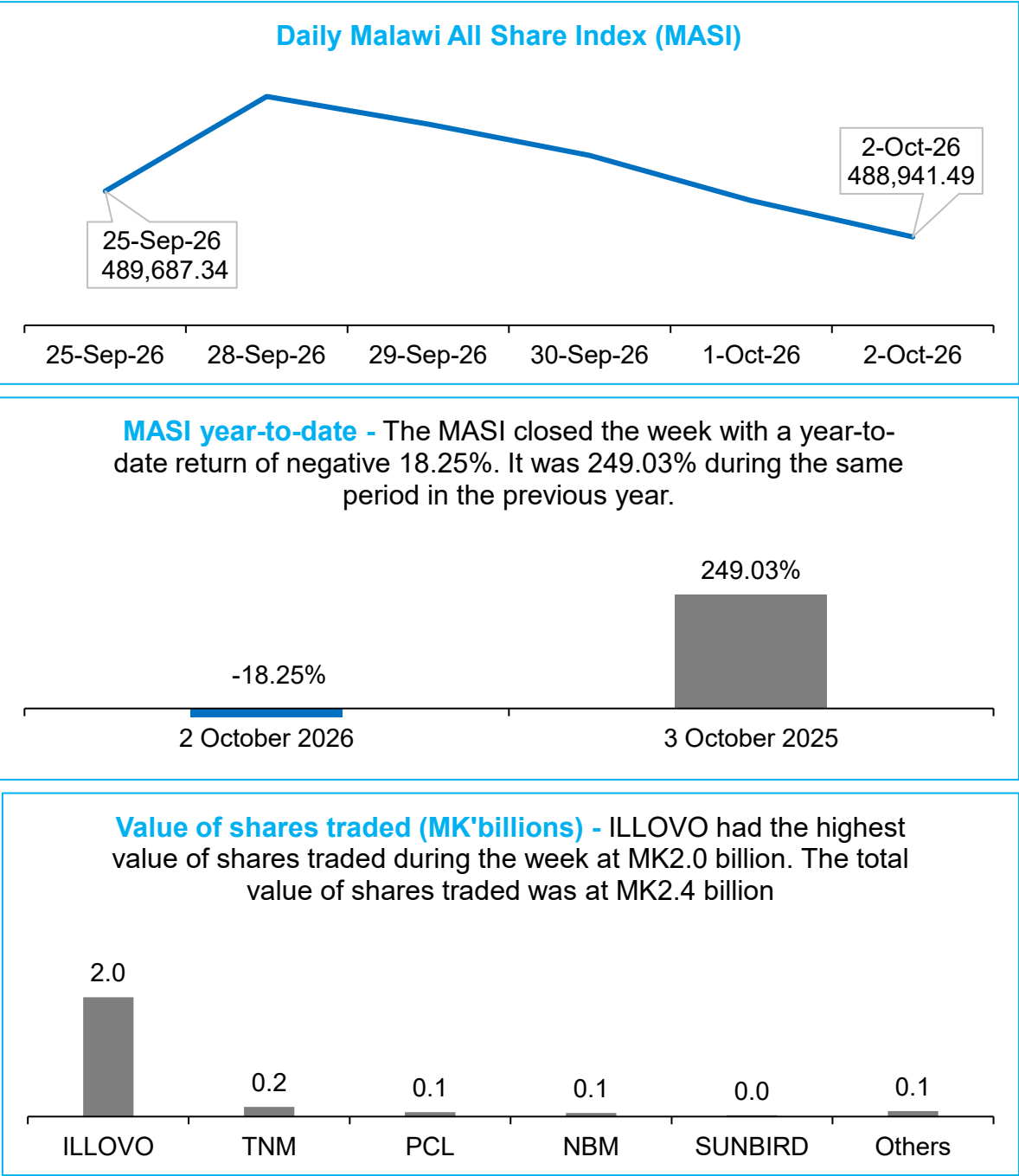
1. The Reserve Bank of Malawi (RBM) and Bankers Association of Malawi (BAM) have announced the phasing out of cheques as a payment instrument in Malawi. According to a joint public notice, banks will no longer issue new cheque books, while cheques presented for clearing on or before 29 September 2026 may continue to be processed during a transition period ending 11 March 2027. The move follows the publication of the Bills of Exchange (Amendment) Act of 2026, which provides for the cessation of the issuance and use of cheques. RBM and BAM have urged customers and businesses to shift to alternative payment channels, including internet and mobile banking, electronic funds transfers, cards and mobile money services and other approved digital payment solutions. *(RBM and BAM, 28 September 2026)*
2. The Government of Malawi has intensified plans to develop a north-bound railway linking the country to the Tanzania-Zambia Railway Authority (Tazara) network to reduce transport costs, which account for an estimated 60% of import and export expenses. According to the Secretary for Transport and Public Works, the railway is a flagship project under the Central Corridor Transit Transport Facilitation Agency and is currently at the feasibility study stage. The African Development Bank (AfDB) is expected to provide financing for the study. Malawi joined the Central Corridor in December 2023 as its sixth member state, gaining access to the Port of Dar es Salaam, which handles close to 70% of the country's cargo. The proposed Tazara connection is expected to complement existing routes through Nacala and Beira and support diversification of Malawi's trade corridors. *(The Nation, 2 October 2026)*
3. The Malawi Government has cleared MK205.4 billion in fuel importer under-recoveries and MK103.29 billion in statutory levy arrears over 12 months following the restoration of the Automatic Pricing Mechanism (APM). According to the Office of the President and Cabinet (OPC) data, importer under-recoveries declined by 21.6% to MK743.8 billion in August 2026 from MK949.2 billion in December 2025. On the other hand, levy arrears fell by 20.5% to MK401.08 billion in August 2026 from MK504.37 billion in December 2025. The OPC further stated that the Government has engaged a contractor for a 10-million-litre Mzuzu fuel storage facility, with construction to start imminently while similar expansion projects for Lilongwe and Blantyre are at contractor procurement stage. *(The Nation, 30 September 2026)*
4. ICON Plc released its abridged half-year financial statements for the six months ended 30 June 2026, reporting a 19% increase in profit after tax to MK15.11 billion from MK12.73 billion in the corresponding period in 2025. Total income increased by 23% to MK18.92 billion, compared to MK15.37 billion during the same period in the previous year. Total expenses grew by 26% to MK3.76 billion, from MK2.99 billion in the six months ended 30 June 2025. *(ICON Plc, 30 September 2026)*
5. Airtel Malawi Plc released its abridged half-year financial statements for the six months ended 30 June 2026, reporting a 54.2% decrease in profit after tax to MK10.26 billion from MK22.41 billion in the corresponding period in 2025. Voice revenue increased by 26.5% to MK109.54 billion, compared to MK86.57 billion during the same period in the previous year. Data revenue grew by 46.0% to MK88.71 billion, from MK60.75 billion in the six months ended 30 June 2025. *(Airtel Plc, 28 September 2026)*
6. The Government of Malawi has called for comprehensive debt relief and restructuring to ease the debt burden undermining development and leaving government with limited resources for essential services. The Minister of Foreign Affairs and International Cooperation, who is representing the President at the 81st United Nations General Assembly, advised the assembly to provide predictable climate financing to vulnerable countries. The Minister also called for reforms to the International Monetary Fund (IMF) and World Bank, arguing that the current global financial architecture contributes to debt pressures facing developing countries. *(The Nation, 30 September 2026)*
7. Malawi continues to experience fuel shortages, with motorists and transport operators spending long hours in queues, disrupting business activity and livelihoods. According to the Transporters Association of Malawi, shortages increase operating costs for transporters through additional driver allowances, wages, insurance, maintenance and financing costs. The Malawi Energy Regulatory Authority (MERA) has attributed the supply challenges partly to foreign exchange constraints and financing gaps affecting fuel procurement. Transport fares between Mzuzu and Lilongwe have risen to about MK80,000 from MK50,000, while fares between Mzuzu and Blantyre have increased to MK120,000 to MK140,000. *(The Daily Times, 29 September 2026)*
8. The World Bank has recommended that Malawi tighten fiscal and monetary policies and stabilise the parallel market rate before unifying exchange rates and moving towards a market-determined exchange rate. The World Bank has further argued that current system is undermining the country's ability to generate foreign currency stating that the exchange-rate continues to be overvalued, weakening export-oriented sectors, contributing to foreign exchange shortages and exacerbating external imbalances. *(The Nation, 30 September 2026)*
9. Rural Development Investment Initiative Trust (Rudevit) has started full-scale production of granulated organic fertiliser at its MK2 billion plant in Chileka, Blantyre. The facility currently produces about 3,000 kg of fertiliser per hour, equivalent to 60 bags of 50 kg, and currently operates one eight-hour shift. The Board Chairperson of Rudevit stated that the plant currently employs more than 60 people, with the manufacturing operation creating a market for the productive use of waste materials. *(The Nation, 29 September 2026)*



Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) decreasing to 488,941.49 points on 2 October 2026 from 489,687.34 points on 25 September 2026. This downward movement in the index was primarily driven by the share price losses in FDHB and STANDARD.

CHL plc declared a third interim dividend for the 2026 financial year amounting to MK4.5 billion, representing MK1.48 per share. The last day to register is 16 October 2026.





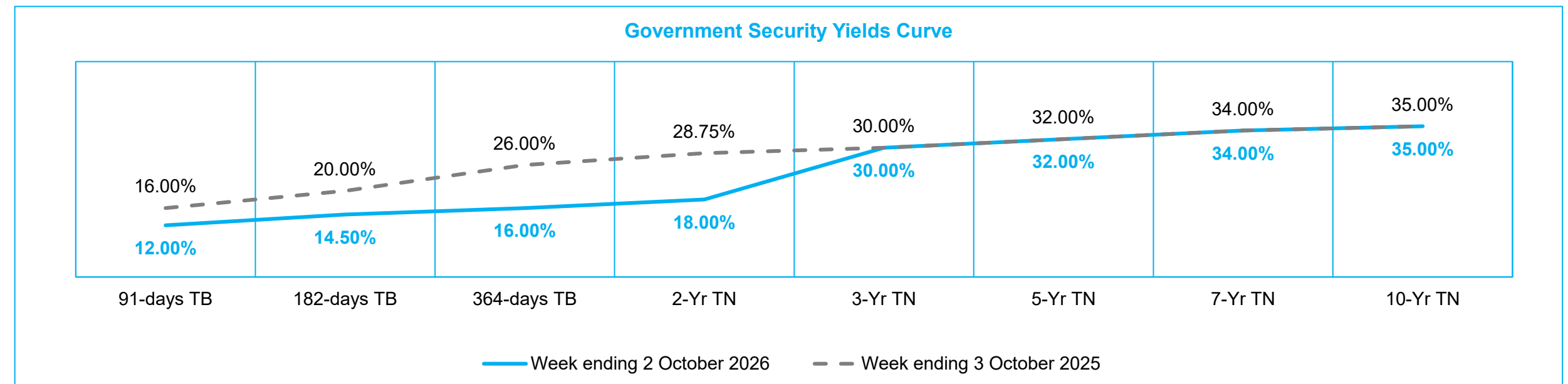
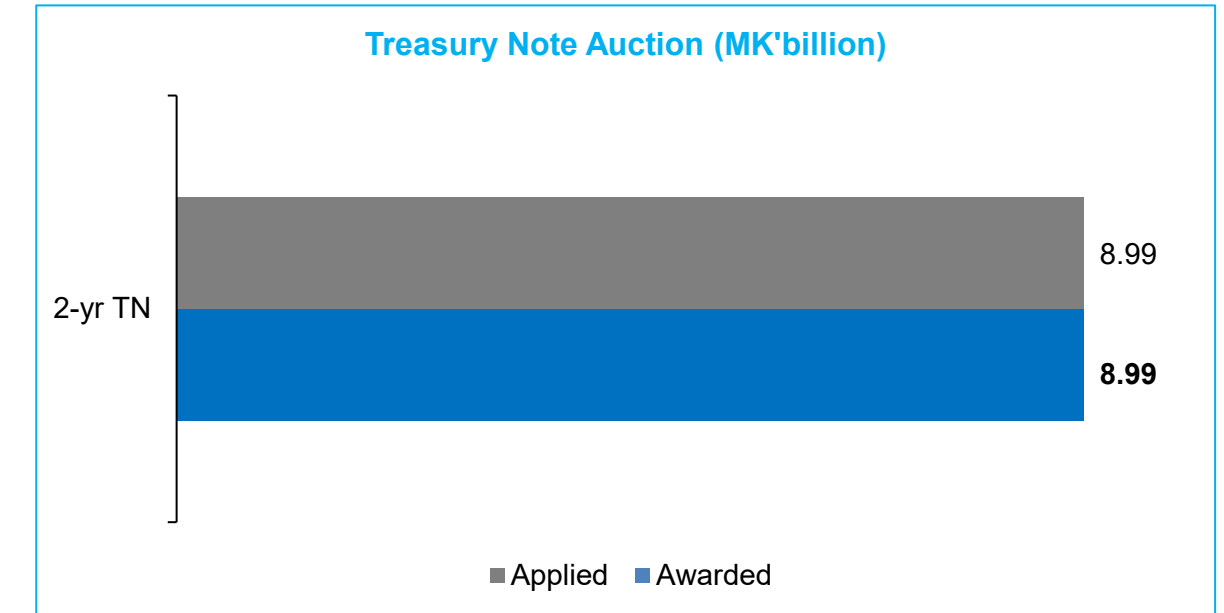
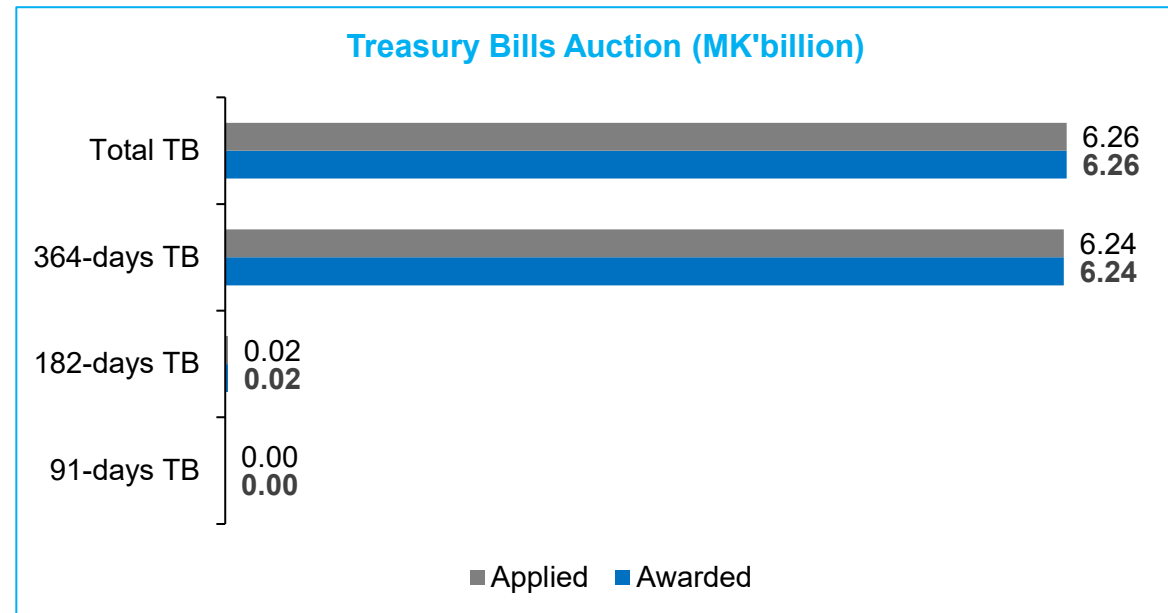
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Government Securities (Source: RBM)

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 MK15.25 billion was raised from MK15.25 billion in applications during the week ended 2 October 2026.

The RBM held an Open Market Operation Repurchase Agreement (OMO Repo) auction during the week ending 2 October 2026. A total of MK70 billion was withdrawn from the market.





Appendix 1: Historical Economic Indicators

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	2-Oct-26
Exchange Rates (middle rates)													
MK/USD	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	1,749.31	1,734.01
MK/GBP	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	2,379.70	2,360.06
MK/EUR	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	2,046.83	2,010.54
MK/ZAR	103.58	103.68	107.63	113.67	113.20	104.66	107.04	107.04	109.07	107.90	110.79	110.12	107.09
Foreign Exchange Reserves													
Total Reserves (USD'mn)	526.8	530.0	608.9	664.9	625.7	571.6	619.8	596.5	616.3	600.6	N/A	N/A	N/A
Inflation													
Headline	29.1%	27.9%	26.0%	24.9%	24.1%	23.8%	24.3%	23.4%	21.1%	20.8%	20.0%	N/A	N/A
Food	32.4%	30.1%	26.5%	22.1%	20.8%	20.0%	19.1%	17.6%	14.7%	14.3%	13.4%	N/A	N/A
Non-food	23.8%	24.2%	25.2%	29.8%	30.0%	30.7%	33.2%	33.0%	32.1%	32.2%	31.8%	N/A	N/A
Interest Rates													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	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%	16.50 %	13.38%	12.86%	12.07%	12.20%	13.69%	15.44%	16.00%	16.00%
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%
Commercial Bank Reference Rate	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.60%	20.40%	20.50%	20.80%	21.20%	21.40%
Government Securities Yields													
91-days Treasury Bill	16.00%	16.00%	16.00%	15.00%	12.00%	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%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	14.50%	14.50%
364-days Treasury Bill	26.00%	26.00%	26.00%	26.00%	17.90%	17.00%	16.50%	16.50%	16.50%	16.17%	16.00%	16.00%	16.00%
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	20.65%	18.00%	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	250.27%	259.98%	247.63%	-1.53%	-3.91%	-3.80%	-12.32%	-14.15%	-12.38%	-15.43%	-16.48%	-18.02%	-18.25%
DSI	233.38%	217.65%	208.88%	0.30%	-0.75%	-0.43%	-2.74%	-3.45%	-3.59%	-7.62%	-9.00%	-9.81%	-10.10%
FSI	348.11%	503.79%	470.87%	-7.19%	-13.69%	-14.21%	-41.89%	-47.16%	-39.55%	-39.55%	-39.60%	-43.44%	-43.47%

The 2 October 2026 exchange rates are the Middle (TT) opening exchange rates as reported by the Reserve Bank of Malawi.

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