

Bridgepath Capital
Invest to Achieve

Malawi Monthly Economic Report and an Overview of the World Bank Africa Economic Update- Building AI readiness

October 2026

Bridgepath Capital
Invest to Achieve

Table of Contents

		Page
1.	Executive Summary and Outlook	3
2.	Economic Overview	4
	I. Economic Growth, Inflation and Monetary Policy	4
	II. Foreign Exchange and Trade Balance Position	5
	III. Stock Market	6
	IV. Fiscal Policy and Government Securities	7
3.	Market Developments	8
	I. Commodities Market Developments	8
	II. Other Market Developments	9
4.	An Overview of the World Bank Africa Economic Update - Building AI readiness	10
5.	Appendices	13
6.	Disclaimer	19
7.	Contact Information	19

Executive Summary and Outlook

Bridgepath Capital
Invest to Achieve

Malawi Economic Growth Outlook

Real GDP growth projections for 2027 range from 1.8% to 3.8%. Oxford Economics projects growth of 0.2%, citing currency devaluation and an El Niño-related agricultural shock. The EIU forecasts growth of 2.3%, reflecting persistent foreign exchange shortages and related external pressures. The AfDB projects growth of 3.3%, highlighting reduced aid flows, macro-fiscal pressures, the debt burden and financial sector vulnerabilities. Meanwhile, the World Bank forecasts growth of 2.8%.

Inflation

The year-on-year headline inflation rate eased to 19.4% in September 2026 from 20.0% in August 2026, driven by the decrease in both food and non-food inflation.

The latest inflation forecasts for 2027 vary across institutions, the African Development Bank (AfDB) projects an average of 18.7% due to monetary financing of persistent fiscal deficits. The International Monetary Fund (IMF) expects inflation to average around 22.0% during the year. Economist Intelligence Unit projects 24.1%, citing fiscal deficit financing and expected currency depreciation. Oxford Economics projects a higher average inflation rate of 40.2%, driven by higher import costs arising from Malawi Kwacha depreciation, which are expected to push up domestic prices, particularly for fuel, fertiliser and consumer goods.

Foreign Exchange Market and Reserves Position

Based on the closing middle rates, the Malawi Kwacha was stable, trading at MK1,749.50/USD as of 31 October 2026, from MK1,749.31/USD as of 30 September 2026.

According to the World Bank, the parallel market premium over the official rate has narrowed from a peak of 150% in early 2025 to approximately 130% as of June 2026.

Stock Market

The stock market was bearish in October 2026, with the Malawi All Share Index (MASI) decreasing by 1.42% to 483,326.63 points from 490,269.10 points in September 2026. This brought the MASI year-to-date return to negative 19.18% in October 2026. In October 2025, the MASI year-to-date return was 250.27%. Share price losses in OMU, CHL, SUNBIRD, NBM and NBS primarily drove this downward movement in the index in October 2026.

Stock Market (continued)

National Bank of Malawi Plc (NBM) announced that it is considering a subdivision of its shares (share split) to enhance liquidity and marketability of the company's shares.

Fiscal Policy, Regulatory Developments and Government Securities

In October 2026, a total of MK176.39 billion was raised from MK176.58 billion in applications for Treasury Bills and the 2-year Treasury Note, representing an overall acceptance rate of 99.90%. There were no auctions for the 3-, 5-, 7-, and 10-year TN tenors.

The RBM held Open Market Operation Repurchase Agreement (OMO Repo) auctions in the month of October 2026. A total of MK410.11 billion was withdrawn from the market.

As of 31 October 2026, the 91-, 182-, and 364-day TB yields were 12.00%, 14.50%, and 16.00%, respectively, while the 2-year Treasury Note yield was 18.00%.

Commodity Market

According to the International Food Policy Research Institute (IFPRI), the retail maize price in September 2026 decreased by 3% to MK966/kg (MK48,300.00 for a 50kg bag), from MK997/kg (MK49,850.00 for a 50kg bag) in August 2026.

Global oil prices increased, with the average OPEC reference basket increasing by 2.0% to USD112.56/barrel in October 2026 from USD110.59/barrel in September 2026.

An Overview of the World Bank Africa Economic Update – Building AI readiness

The World Bank's Africa Economic Update examines the near-term macroeconomic outlook for Sub-Saharan Africa, highlights key development challenges and outlines policy priorities to support sustainable and inclusive economic growth, with particular emphasis on the region's preparedness to harness the opportunities presented by Artificial Intelligence (AI).

The report projects regional economic growth to increase from 4.1% in 2025 to 4.3% in 2026, supported by stronger-than-expected economic performance, commodity-supported recoveries, agricultural rebounds, strengthening domestic demand and structural reforms.

However, downside risks remain elevated due to the ongoing conflict in the Middle East, geopolitical uncertainty, rising debt service burdens, declining foreign aid, climate shocks, and tighter external financing conditions. These challenges could exacerbate inflationary pressures, weaken fiscal and external balances, and constrain economic growth, particularly in net commodity-importing countries.

The report also identifies AI as a potential driver of productivity, economic growth and employment across the region. Under an ambitious full-adoption scenario, AI could contribute up to USD1 trillion to Africa's Gross Domestic Product (GDP) by 2035, create 35–40 million digital jobs and generate nearly USD150 billion in annual tax revenue. However, inadequate digital infrastructure, unreliable electricity, limited skills, data constraints and weak institutional capacity continue to hinder adoption. The World Bank recommends prioritising investments in connectivity, electricity, digital infrastructure, skills development, data ecosystems and governance, alongside regional cooperation and the scaling of proven AI applications to unlock inclusive and sustainable economic benefits.

Opportunities

Malawi and Mozambique have signed a Memorandum of Understanding (MoU) to harmonise procedures for the certification and inspection of agricultural products to reduce cross-border trade delays and costs. The agreement establishes a framework for joint action on sanitary and phytosanitary measures which protect human, animal and plant health.

Risks

The continued reduction in foreign aid poses significant fiscal pressure on Malawi, given the country's heavy reliance on external financing to support the national budget and development programmes.

The potential development of El Niño in 2026 poses risks to temperature and rainfall patterns, with potential adverse implications for agricultural production and food security, which could subsequently contribute to increased inflationary pressures.

Economic Overview

Economic growth, Inflation and Monetary Policy

The year-on-year headline inflation rate eased to 19.4% in September 2026 from 20.0% in August 2026, driven by the decrease in both food and non-food inflation.

The commercial bank reference rate for October 2026 was 21.40%, up from 21.20% in September 2026.

The latest inflation forecasts for 2027 vary across institutions, the AfDB projects an average of 18.7%, the IMF expects inflation to average around 22.0%, the EIU projects 24.1% and the Oxford Economics projects a higher average inflation rate of 40.2%

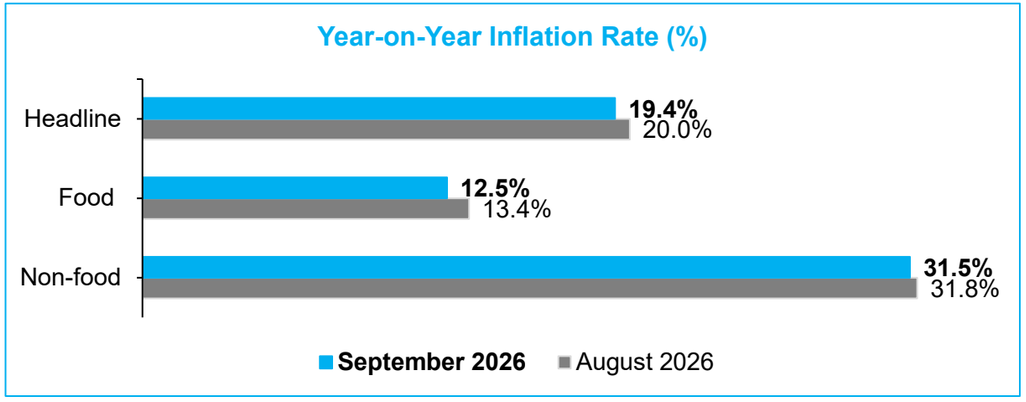
Malawi Economic Growth Outlook

Real GDP growth projections for 2027 range from 1.8% to 3.8%. Oxford Economics projects growth of 0.2%, citing currency devaluation and an El Niño-related agricultural shock. The EIU forecasts growth of 2.3%, reflecting persistent foreign exchange shortages and related external pressures. The AfDB projects growth of 3.3%, highlighting reduced aid flows, macro-fiscal pressures, the debt burden and financial sector vulnerabilities. Meanwhile, the World Bank forecasts growth of 2.8%.

Inflation (Source: NSO, WB, EIU, Oxford Economics, GoM)

The year-on-year headline inflation rate eased to 19.4% in September 2026 from 20.0% in August 2026, driven by the decrease in food and non-food inflation. The food inflation rate declined to 12.5% in October 2026 13.4% in August 2026, and the non-food inflation rate decreased to 31.5% in October 2026 from 31.8% in August 2026. Food remains the largest component of the Consumer Price Index (CPI), accounting for 53.7% of the total inflation basket, followed by Housing, Water and Electricity at 23.7%. Together, these two categories account for 77.4% of the CPI basket.

The latest inflation forecasts for 2027 vary across institutions, the African Development Bank (AfDB) projects an average of 18.7% due to monetary financing of persistent fiscal deficits. The International Monetary Fund (IMF) expects inflation to average around 22.0% during the year. Economist Intelligence Unit projects 24.1%, citing agricultural damage from a strong El Niño event in late 2026. Oxford Economics projects a higher average inflation rate of 40.2%, driven by higher import costs arising from Kwacha depreciation, which are expected to push up domestic prices, particularly for fuel, fertiliser and consumer goods.

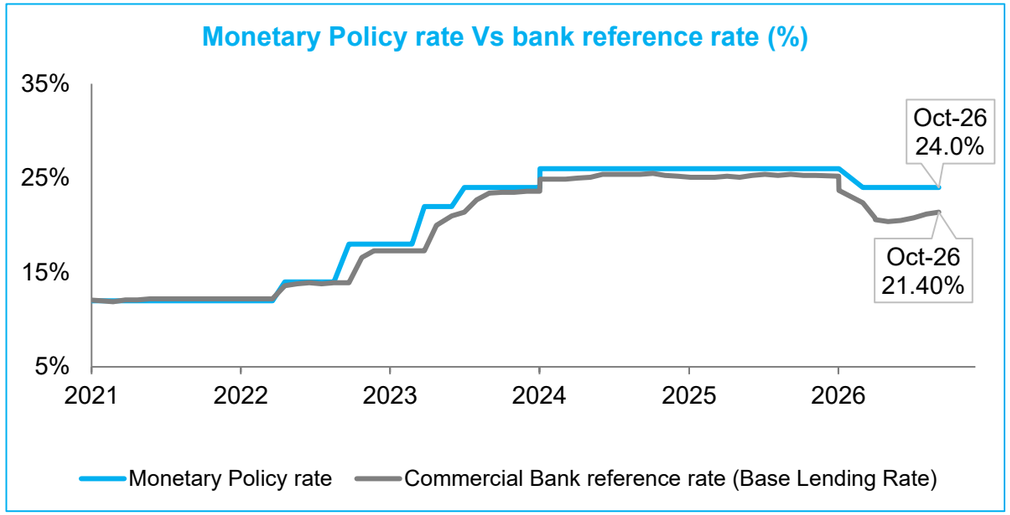


Monetary Policy (Source: RBM)

At its fourth meeting of 2026, held on 27 and 28 October 2026, the Monetary Policy Committee (MPC) decided to maintain the Policy Rate at 24.0%. The committee resolved to adjust the Lombard rate to 26% from 24.2% in order to strengthen liquidity management and the monetary policy implementation framework. The Liquidity Reserve Requirement (LRR) ratio for local and foreign currency deposits was maintained at 12% and 3.75%, respectively. The next MPC meeting is scheduled for 28 to 29 January 2027.

Annual broad money growth moderated to 19.7% in the third quarter of 2026 from 21.2% in the previous quarter, and from 51.0% a year earlier. Private sector credit growth slowed to 21.7% from 31.3%. Banking system liquidity tightened, with excess reserves averaging MK82.4 billion per day from MK191.3 billion per day, and recourse to the Lombard facility rising to an average of MK72.3 billion per day from MK25.3 billion per day. The interbank market rate while increased, remained outside the target corridor of +0.2/-4.0 percentage points around the Policy Rate.

The commercial bank reference rate for October 2026 was 21.40%, up from 21.20% in September 2026.



Economic Overview (Continued)

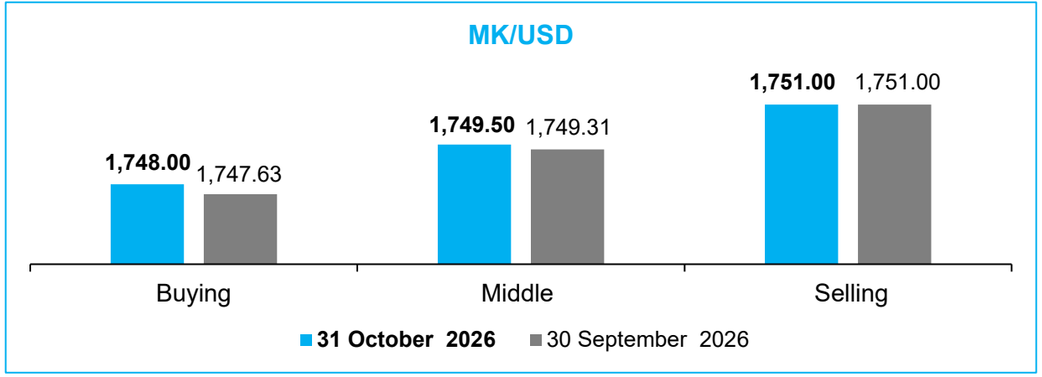
Foreign Exchange and Trade Balance Position

In September 2026, the country's total exports decreased by 30.7% to USD106.13 million from USD153.20 million in August 2026. The country's total imports decreased to USD337.42 million in September 2026 from USD350.79 million in August 2026

Foreign Exchange (Source: RBM and WB)

Based on the closing middle rates, the Malawi Kwacha was stable, trading at MK1,749.50/USD as of 31 October 2026, from MK1,749.31/USD as of 30 September 2026. During the same period last year, the Malawi Kwacha traded at MK1,749.95/USD, from MK1,750.37/USD as of September 2025.

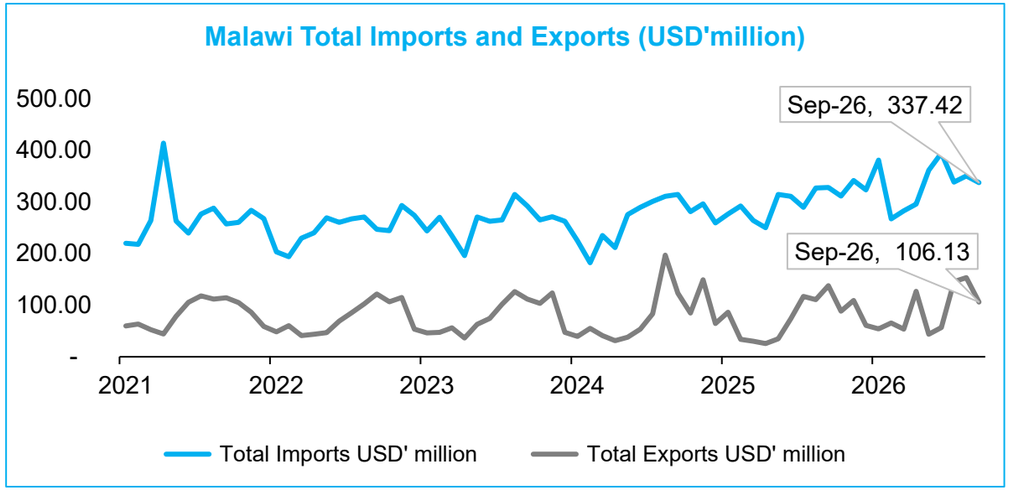
According to the World Bank, The parallel market premium over official rate has narrowed from a peak of 150% in early 2025 to approximately 130% as of June 2026. This persistent gap reflects a confluence of structural vulnerabilities, including deficit-driven money creation, elevated broad money supply growth, and chronic trade deficits.

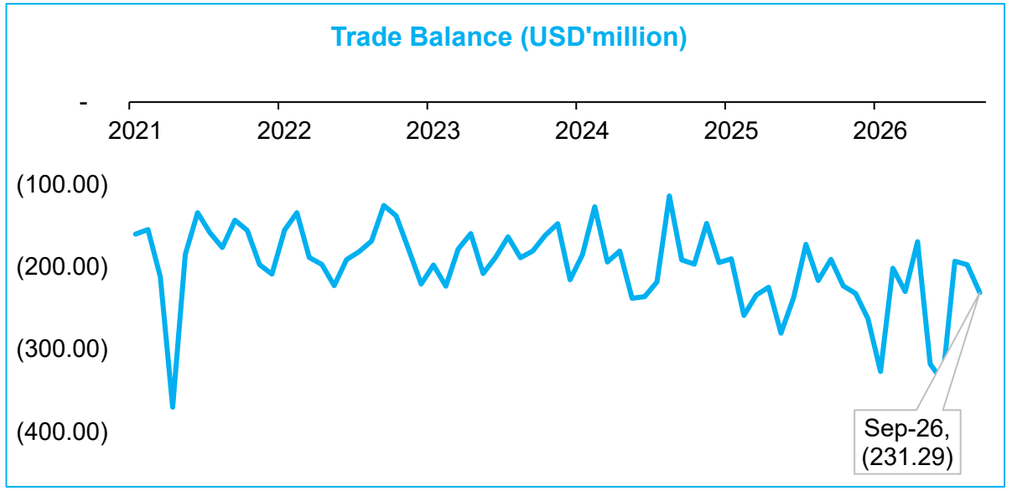


Trade Balance Position (Source: RBM)

In September 2026, the country's total exports decreased by 30.7% to USD106.13 million from USD153.20 million in August 2026. The country's total imports decreased to USD337.42 million in September 2026 from USD350.79 million in August 2026. This brought the trade deficit to USD231 million in September 2026 from USD197.50 million in August 2026. In September 2025 the trade deficit was USD190.68 million.

	September 2026	August 2026	Month-on-month change (%)
Total Imports (USD'millions)	337.42	350.70	-3.8%
Total Exports (USD'millions)	106.13	153.20	-30.7%





The stock market was bearish in October 2026, with the MASI decreasing by 1.42% to 483,326.63 points from 490,269.10 points in September 2026. This brought the MASI year-to-date return to negative 19.18% in October 2026. The downward movement in the MASI was due to share price losses in TNM, OMU, CHL, SUNBIRD, NBM, NBS, FDHB and STANDARD

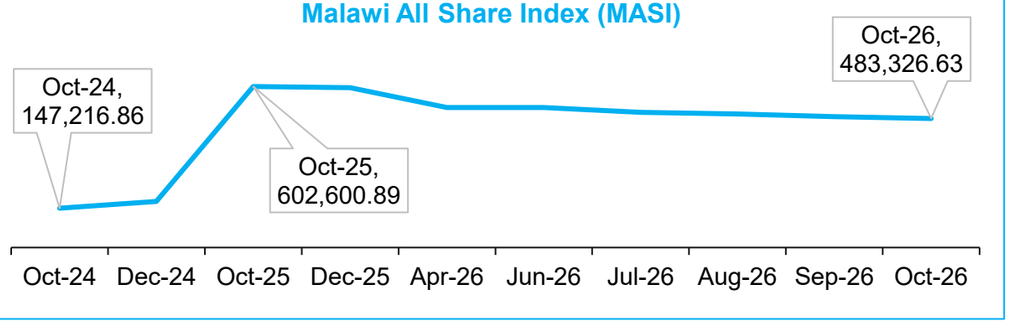
The total value of shares traded on the Malawi Stock Exchange in September 2026 was MK2.6 billion, with OMU leading in value at MK854.4 million

Stock Market Performance (Source: MSE)

The stock market was bearish in October 2026, with the Malawi All Share Index (MASI) decreasing by 1.42% to 483,326.63 points from 490,269.10 points in September 2026. This brought the MASI year-to-date return to negative 19.18% in October 2026. In October 2025, the year-to-date return was 250.27%.

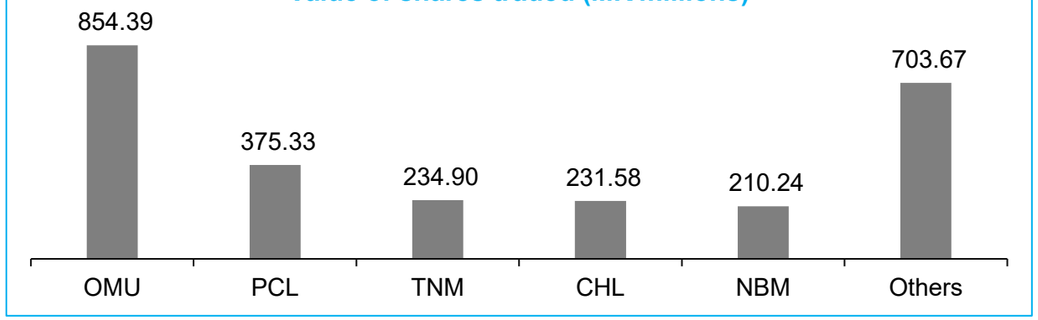
TNM had the highest share price loss in October 2026, falling by 18.0% to MK20.92 from MK25.50 in September 2026. There were also significant share price losses for OMU, CHL, SUNBIRD, NBM, NBS, FDHB and STANDARD recorded during the period under review.

Malawi All Share Index (MASI)

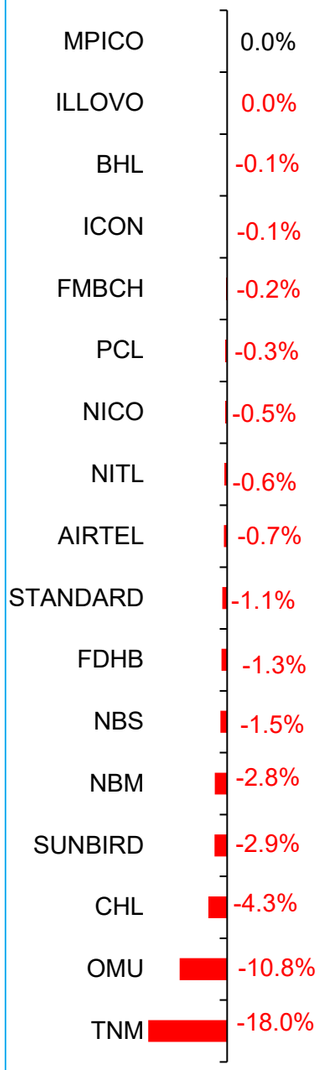


The number of trades on the MSE decreased by 26.74% to 2,143 in October 2026 from 2,925 in September 2026. The value of shares traded decreased by 75.00% to MK2.6 billion in October 2026, from MK10.4 billion in September 2026. OMU had the highest value of shares traded at MK854.4 million in October 2026.

Value of shares traded (MK'millions)



Month-on-month Share Price Percentage Change



Symbol	Closing prices (MK/share)	
	31 October 2026	30 September 2026
AIRTEL	**101.17**	101.89
BHL	**17.51**	17.52
CHL	**199.99**	208.93
FDHB	**459.11**	464.95
FMBCH	**1,785.96**	1,789.86
ICON	**16.99**	17.00
ILLOVO	**3,501.92**	3,502.01
MPICO	**19.61**	19.61
NBM	**8,869.80**	9,124.02
NBS	**619.25**	628.67
NICO	**1,330.55**	1,336.98
NITL	**3,268.76**	3,288.88
OMU	**3,300.48**	3,700.00
PCL*	**311.75**	312.78
STANDARD	**3,889.70**	3,932.56
SUNBIRD	**3,399.93**	3,499.98
TNM	**20.92**	25.50

The Government of Malawi called for comprehensive debt relief and restructuring to ease the debt burden undermining development and leaving government with limited resources for essential services

In October 2026, a total of MK176.58 billion was raised from MK176.39 billion in applications for Treasury Bills (TBs) and the 2-year Treasury Note (TN), representing an overall acceptance rate of 99.90%%

Fiscal Policy and Regulatory Developments (Source: GoM; Published Media)

In October 2026, the Government of Malawi called for comprehensive external debt relief and restructuring at the 81st United Nations General Assembly 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 represented the President at the 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.

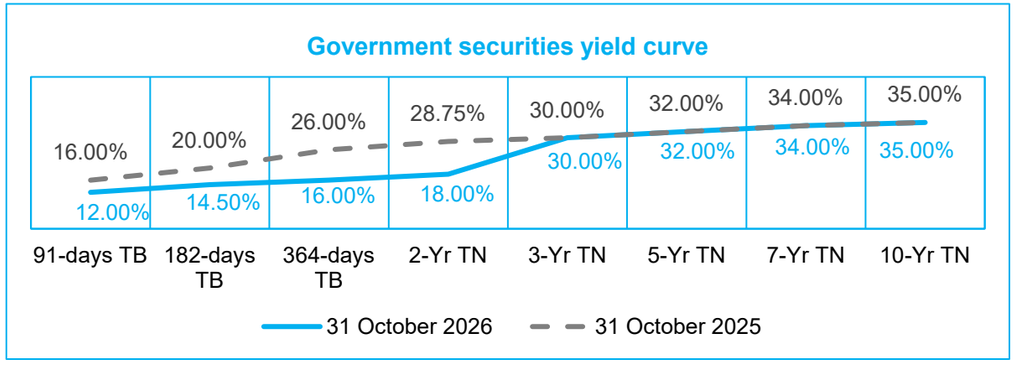
Government Securities (Source: RBM)

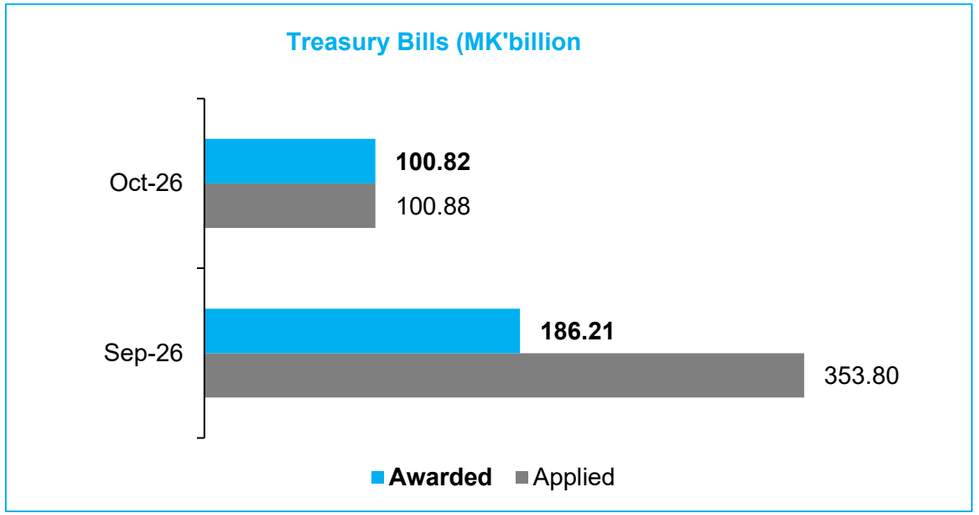
In October 2026, a total of MK176.39 billion was raised from MK176.58 billion in applications for Treasury Bills (TBs) and the 2-year Treasury Note (TN), representing an overall acceptance rate of 99.90%%. The total Treasury Bill applications were MK100.88 billion, and the total 2-year Treasury Note applications were MK75.70 billion. The Treasury Bills awarded were MK100.82 billion, and the Treasury Notes awarded were MK75.57 billion. There were no auctions for the 3-,5-, 7-, and 10-year TN tenors.

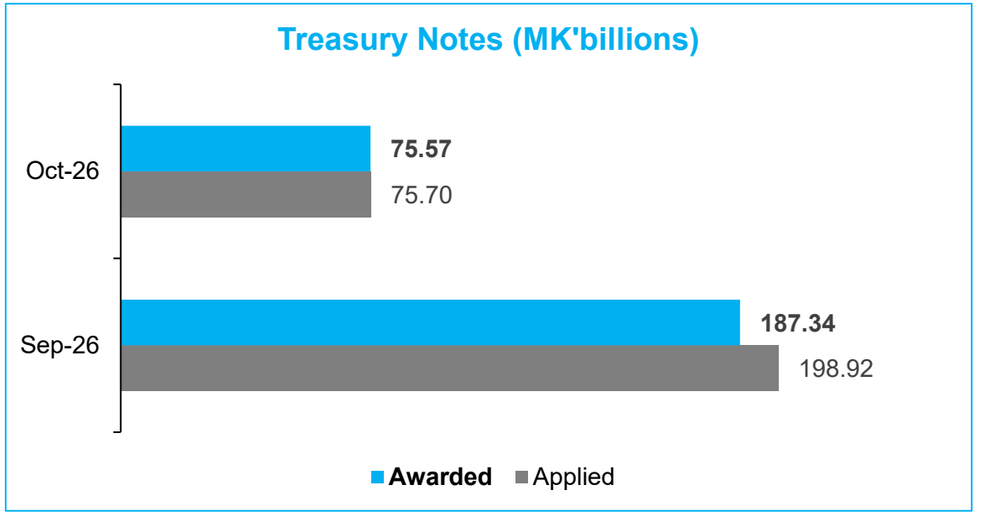
The RBM held Open Market Operation Repurchase Agreements (OMO Repo) in the month of October 2026. A total of MK410.11 billion was withdrawn from the market.

Government Securities Yield Curve (Source: RBM)

As of 31 October 2026, the 91-, 182- and 364-day TB yields remained unchanged from September 2026 at 12.00%, 14.50% and 16.00%, respectively. The monthly average TB yield in October 2026 was 14.17%, down from 14.27% in September 2026. The Treasury Note yields remained unchanged in October 2026, averaging 29.80%.







The average OPEC reference basket price increased by 2.0% to USD112.56/barrel in October 2026 from USD110.59/barrel in September 2026

Lotus Resources Limited announced that it is set to export its first shipment of 145,000 pounds (lbs) about 65,1770.89 Kilograms (Kgs) of uranium, nearly 12 years after production at the mine ceased in 2014.

Local Maize Price Developments (Source: IFPRI, RBM)

In September 2026, maize prices decreased to MK966.00/kg in the final week of September 2026 (equivalent to MK48,300.00 for a 50kg bag) from MK997/kg in the last week of August 2026 (equivalent to MK49,850.00 for a 50kg bag). The September 2026 price is 29.02% lower than September 2025, when maize sold for MK1,361.00/kg (MK68,050.00 for a 50kg bag).

At the end of September 2026, the Northern Region registered the lowest maize prices, averaging MK796.00/kg (MK39,800.00 per 50kg bag), followed by the Central Region at MK961.00/kg (MK48,050.00 per 50kg bag), while the Southern Region recorded the highest average price at MK1,088.00/kg (MK54,400.00/50kg bag)

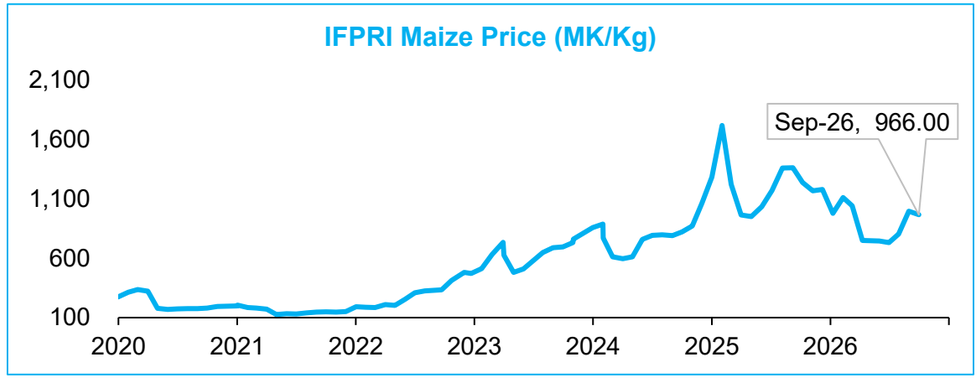
Oil Price Developments (Source: OPEC)

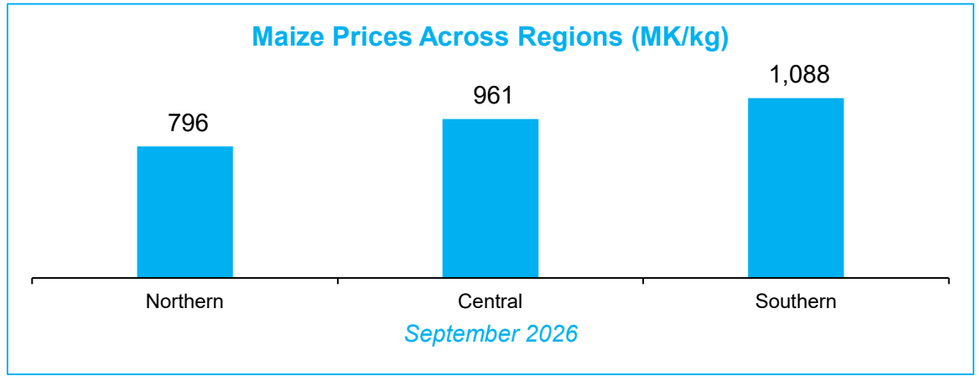
The average Organisation of Petroleum Exporting Countries (OPEC) reference basket price increased by USD1.97, representing a 2.0% month-on-month increase, to USD112.56/barrel in October 2026 from USD110.59/barrel in September 2026. Year-on-year, the price increased by 72.6% from USD65.20/barrel in September 2025.

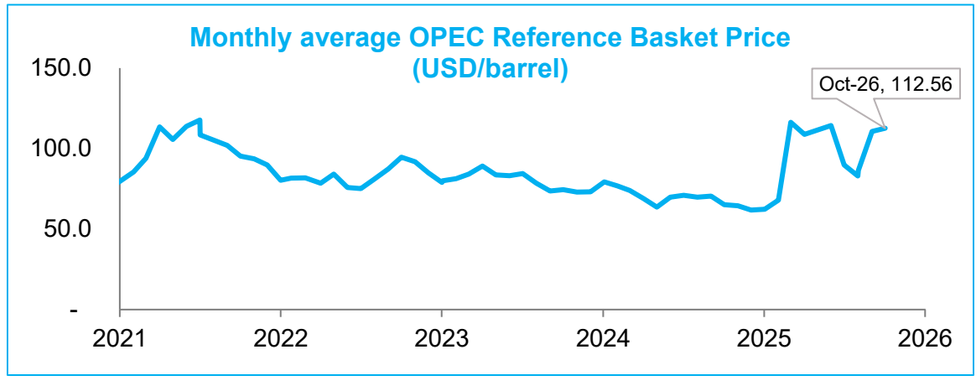
Mining Developments (Source: Published Media)

In October 2026, Lotus Resources Limited announced that it is set to export its first shipment of 145,000 pounds (lbs) about 65.77 tonnes of uranium, nearly 12 years after production at the mine ceased in 2014. At the prevailing price of USD90 per pound, the consignment is valued at approximately USD13.23 million (about MK23 billion). The company stated in a statement that it secured the final key approval required for the transportation and export of its first shipment of uranium product from Malawi through Zambia to Namibia, allowing dispatch to the market. The shipment marks the mine's first uranium export since its closure under Paladin Africa due to declining global uranium prices.

Globe Metals and Mining announced the start of early mining activities at its Kanyika Niobium Project in Mzimba District, marking progress towards the project's development. The programme involves the progressive development of a series of strategically located pits across the main Kanyika orebody. Niobium global supply remains constrained, with more than 90% sourced from a single Brazilian producer while demand continues to rise in aerospace, defence, batteries and advanced manufacturing, positioning Kanyika Niobium Project as a critical supplier.







In October 2026, National Bank of Malawi Plc (NBM) announced that it is considering a subdivision of its shares (share split) to enhance liquidity and marketability of the company's shares.

The Electricity Supply Corporation of Malawi (ESCOM) Limited signed transmission connection agreements with AZA Power Solutions Limited and Quantel Renewable Energy Limited, paving the way for the addition of 125MW to the national grid.

Tourism (continued) (Source: Published Media)

Malawi and Mozambique have signed a Memorandum of Understanding (MoU) to harmonise procedures for the certification and inspection of agricultural products to reduce cross-border rade delays and costs. The agreement establishes a framework for joint action on sanitary and phytosanitary measures which protect human, animal and plant health. The pact identifies joint pest-risk assessments and surveillance, harmonisation of certification procedures and training of border officers as priority areas for cooperation. The pact is valid for five years with provision for automatic renewal for a further five years. The agreement aligns with regional trade commitments under the Southern African Development Community (SADC) and complements the World Bank's Southern Africa Trade and Connectivity Project, as Malawi seeks to strengthen regional trade and advance its Malawi 2063 development agenda

Energy Developments (Source: Published Media)

In October 2026, the Electricity Supply Corporation of Malawi (ESCOM) Limited signed transmission connection agreements with AZA Power Solutions Limited and Quantel Renewable Energy Limited, paving the way for the addition of 125MW to the national grid. AZA Power Solutions will connect a 75MW multi-fuel thermal power plant through ESCOM's Nanjoka Substation in Salima, while Quantel Renewable Energy will integrate a 50MW solar photovoltaic plant at the New Bwengu Substation in Mzimba District. According to ESCOM, the thermal power project is expected to increase baseload generation capacity by 17% and reduce unserved energy by approximately 60%.

Foreign Aid (Source: Published Media)

In October 2026, the European Union (EU) stated that it is working with the Malawi Government to devise ways to country's growing socio-economic pressure and boost foreign exchange generation through targeted initiatives. The EU ambassador stated that the EU is currently implementing an EUR8 million (about MK16.8 billion) ecotourism programme called Taza, standing for Tikope Alendo ndi Zachilengedwe m'Malawi. The programme aims to promote Malawi as a tourist destination, support small and medium enterprises and strengthen tourism sector skills. The EU is also supporting agriculture and investing in electricity generation and transmission infrastructure to strengthen the economy and increase foreign exchange earnings. The EU's bilateral development cooperation envelope for Malawi stands at EUR497 million (approximately MK1 trillion), while the wider Team Europe portfolio is valued at EUR1.5 billion

The World Food Programme (WFP) scaled down its planned humanitarian assistance for the 2026-27 lean season by 33.3%, to 400,000 people from 600,000, due to funding constraints. The reduction leaves 200,000 people at risk of going without assistance

Foreign Aid (continued) (Source: Published Media)

between October 2026 and March 2027. WFP faces a funding shortfall of USD142.3 million (about MK249.17 billion), including a USD17 million gap for the lean-season response, forcing it to narrow its geographical coverage from four districts to three, targeting Chikwawa, Nsanje and Phalombe only. The funding constraints also threaten the continuity of emergency food assistance, nutrition support, school feeding and refugee assistance programmes. Meanwhile, the Malawi Vulnerability Assessment Committee (MVAC) projects that 2.6 million people will face acute food insecurity during the 2026-27 lean season, with an estimated 97,887 metric tonnes of maize, valued at MK124.3 billion, required to support affected households for three to four months.

Listed counter developments (Source: Published Media)

In October 2026, National Bank of Malawi Plc (NBM) announced that it is considering a subdivision of its shares (share split) to enhance liquidity and marketability of the company's shares. The proposed transaction may affect the bank's share price but will not change shareholders' percentage ownership interest in the company. The share split is subject to regulatory and shareholder approvals, with the bank expected to provide further details once the final terms and implementation arrangements have been determined.

Agriculture and Agribusiness Developments (Source: Published Media)

In October 2026, the Government of Malawi announced that it is seeking private-sector investment to help finance its 2026–2036 Forestry Sector Turnaround Strategy. The draft strategy indicates that Government budget releases averaged 40% of planned allocations over the past five years, while the country loses approximately 11,565 hectares of forest annually. Investment opportunities include commercial plantations, replanting, tree nurseries, timber processing, furniture manufacturing and other wood-based industries. However, tax policies, including value added tax on specialised forestry machinery and equipment have discouraged investment. The sector has yet to fully utilize emerging financing opportunities such as carbon markets, climate finance and green bonds.

The government launched the MK9.2 billion Malawi Digital Plant Health Services (MaDiPHS) National Client, a digital platform designed to help farmers diagnose and manage crop pests and diseases using digital technology. The five-year project, implemented in partnership with local and international institutions, will enable farmers to submit crop images for diagnosis, access agricultural advisories and receive weather-related information. The platform also aims to reduce post-harvest losses, estimated at 17% for maize and 5% for groundnuts, while addressing challenges such as aflatoxin contamination that has affected Malawi's access to the European Union groundnut market.

Bridgepath Capital
Invest to Achieve

An Overview of the World Bank Africa Economic Update – Building AI readiness

October 2026



An Overview of the World Bank Africa Economic Update – Building AI readiness

Bridgepath Capital
Invest to Achieve

According to the World Bank, Sub-Saharan Africa's regional growth is projected to increase to 4.3% in 2026 from 4.1% in 2025

Introduction

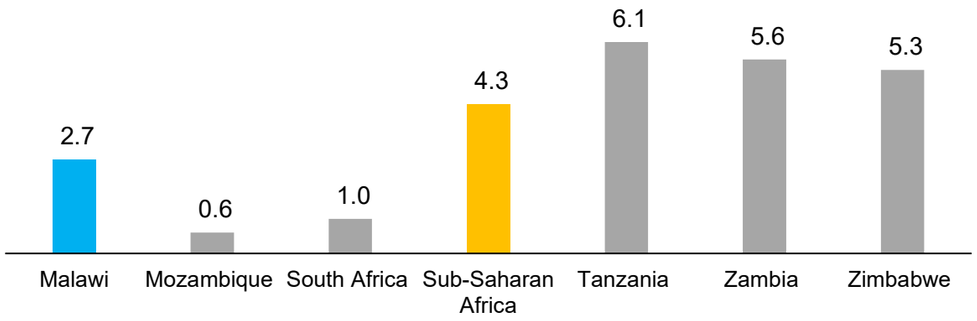
The Africa Economic Update analyzes the near-term macroeconomic outlook, key development challenges, and appropriate policy responses across the World Bank's Sub-Saharan African administrative region.

Recent economic developments

According to the World Bank, economic growth in Sub-Saharan Africa has remained broadly stable despite regional and domestic headwinds. The ongoing conflict in the Middle East continues to weigh on global economic activity, and trade policy uncertainty, financial market volatility, and foreign aid cuts undermine growth prospects. Within the region, rising debt service burdens and limited fiscal space restrict policy responses across many countries. Localized disruptions, including extreme climate shocks, the Ebola outbreak in the Democratic Republic of Congo, as well as political and security challenges disrupt economic activity and compound existing vulnerabilities.

Regional growth is projected to increase to 4.3% in 2026 from 4.1% in 2025 an upward revision of 0.2 percentage points for this year relative to the April 2026 edition of the Africa Economic Update. This upgrade reflects better-than-expected economic performance across many countries in the region. Growth projections have been upgraded for nearly three-quarters of Sub-Saharan African countries, including large economies such as Angola, Ethiopia, Nigeria, and Zambia. The upgrade is driven by a combination of cyclical and structural factors. Commodity-supported recoveries are boosting activity in some countries, particularly among oil exporters. Other countries are benefiting from agricultural rebounds, strengthening domestic demand, and structural reforms that are enhancing the business environment and supporting private sector–led growth.

Sub-Saharan Africa 2026 Real GDP Growth (%)



Risks to the outlook remain tilted to the downside

According to the World Bank, downside risks continue to dominate the region's growth outlook, particularly if the conflict in the Middle East escalates or the economic fallout proves to be more persistent than expected. If escalation of the conflict leads to renewed increases in global prices for fuel, food, and fertilizers, it will amplify inflationary pressures and deteriorate external and fiscal balances in net commodity importers across the region. Prolonged disruptions to key shipping routes including the Strait of Hormuz, could further raise transport costs and lengthen delivery times. Heightened geopolitical uncertainty could discourage capital flows including from the Gulf economies reducing financing for development. A shift in market expectations and risk pricing in global financial markets would further tighten external financing conditions, increase sovereign borrowing costs, and jeopardize debt refinancing efforts for countries already facing high debt service burdens.

A strong El Niño episode may also weigh on growth prospects in Sub-Saharan Africa as droughts, heatwaves, and flooding may disrupt agricultural output across broad swaths of the region particularly heightened risks of drought across Southern Africa and the Sahel and above-average rainfall in parts of Eastern Africa. This climate shock, which is expected to intensify through late 2026 and gradually weaken during the first half of 2027, would likely harm crop and livestock output, elevate food prices, and undermine food security especially in countries affected by conflict, displacement, and weak service delivery. Against a backdrop of limited fiscal space, the shock could also increase humanitarian and reconstruction needs, underscoring the importance of early action.

Major donors have significantly decreased international aid to Sub-Saharan Africa. The changing aid landscape requires reassessment of financing strategies and greater emphasis on identifying and mobilizing alternative sources of development finance. Building resilience to the inherent volatility of major sources of external financing in Sub-Saharan Africa will require sustainable, long-term solutions. These include developing domestic financial markets and establishing or strengthening sovereign wealth funds capable of generating stable resources to support social protection and development priorities. Strengthening domestic revenue mobilization will also be critical to enhancing fiscal sustainability and reducing dependence on external financing.

Building AI-Ready Economies

The World Bank reports that AI has emerged as a new wave of general-purpose technology that has the potential to enhance productivity, expand economic opportunities, and improve service delivery across Sub-Saharan African countries. However, reaping the benefits from this technology will depend on the broader ecosystem that facilitates widespread adoption and adaptation to address specific country challenges.

According to the World Bank, to scale AI, countries should move from strategy formulation to implementation by strengthening public institutions, regulatory bodies, procurement systems, and technical expertise

The World Bank reports that the challenge for the Sub-Saharan region is therefore not simply to adopt AI, but to create the conditions under which AI can translate into broad-based and inclusive development outcomes.

Building AI-Ready Economies (continued)

The gap between Africa's potential AI gains and its current preparedness is enormous. Under a highly ambitious "full activation" scenario, AI could add as much as USD1 trillion to African GDP by 2035, create 35 million to 40 million digital jobs, and generate almost USD150 billion in annual tax revenue. At current preparedness levels, however, AI integration in Sub-Saharan Africa is estimated to add only 0.2 to 4% of cumulative GDP over the next decade—and even that more conservative range assumes faster adoption than current infrastructure supports.

The developmental gains from AI will be shaped by efficient and inclusive investments in connectivity, electricity, skills, data, compute infrastructure, institutions, and governance. The challenge for the region is therefore not simply to adopt AI, but to create the conditions under which AI can translate into broad-based and inclusive development outcomes.

Policy Priorities on AI development for Sub-Saharan Africa

According to the World Bank, turning AI's promise into development in Sub-Saharan Africa requires strategic actions across six priority areas.

First, governments should focus on adopting/adapting and scaling applications whose operational performance, safeguards, and impact have been established, moving beyond repeated pilots toward phased expansion accompanied by monitoring and evaluation. This involves identifying where AI can best help to address specific development challenges, defining how to integrate AI solutions to achieve impact and scale in the country context, and building systems to monitor and evaluate AI-enabled initiatives to prevent scaling solutions that can waste resources.

Second, given the large internet usage gap in the continent, interventions are needed to ensure that unconnected and underserved communities go online and can benefit from AI-enabled solutions. Regulatory reforms to boost competition and reduce costs for data and devices should be complemented by innovative private sector products such as pay-as-you-go and fintech solutions for device affordability, coupled with public sector guarantees or targeted financing programs where needed to support AI diffusion in specific sectors or communities.

Third, realizing the benefits of AI adaptation requires investments and policy reforms to ensure that local conditions make solutions effective, including data ecosystems, digital public infrastructure, language resources, skills, and local innovation ecosystems. Governments should treat data readiness as a portfolio of investments: digitizing priority administrative and sector records; improving quality assurance and metadata; adopting common standards and interoperable identifiers; expanding representative local-language and domain data sets; establishing secure access and data-sharing arrangements; financing labeling, curation, maintenance, and independent evaluation; and eventually seeding a market for data wherein both public and private sector actors can become creators, sellers, buyers, and users of data to adopt data-driven business models that create economic value and jobs.

Fourth, frontier AI development should be treated as a selective, longer-term objective, pursued primarily in settings with the research capabilities, skilled workforce, compute infrastructure, and industrial base needed to operate and compete at the technological frontier. Identifying demonstrated workloads, utilization pathways, and anchor users is a key step before committing public investments into sovereign or national compute or data-center capacity.

Fifth, to scale AI, countries should move from strategy formulation to implementation by strengthening public institutions, regulatory bodies, procurement systems, and technical expertise. Particular attention should be paid to transparency, auditability, contestability, civic integrity, and safeguards against misuse of AI in public decision-making. Countries should enhance cross-sector coordination and implement existing data protection, cybersecurity, and sectoral regulations to minimize AI risks before adopting standalone AI rules.

Sixth, regional cooperation can help countries overcome scale constraints through pooled data storage and compute infrastructure based on integrated and reliable electricity systems, shared standards, cross-border data governance arrangements, specialized technical expertise, peer learning, and greater regulatory coherence.

These priorities need to be tailored to country circumstances. Countries with weaker foundations will require a more sequenced approach centered on three key things listed as follows;

1. Identifying the areas where AI solutions are more likely to achieve impact at scale;
2. Committing public and private sector efforts to relieve constraints on connectivity, AI-ready data sets, and digital public infrastructure in those areas
3. Investing in deploying or adapting (small) AI solutions.

Regional, shared, or cloud compute as well as smaller fit-for-purpose capacity may generate much better near-term returns in this context, while preserving the option to scale as demand develops. AI governance can be based on the implementation of existing frameworks and putting in place specific requirements for public procurement and the deployment of AI in the public sector.

Bridgepath Capital
Invest to Achieve

Appendices



Appendix 1: Historical Monthly Economic Indicators

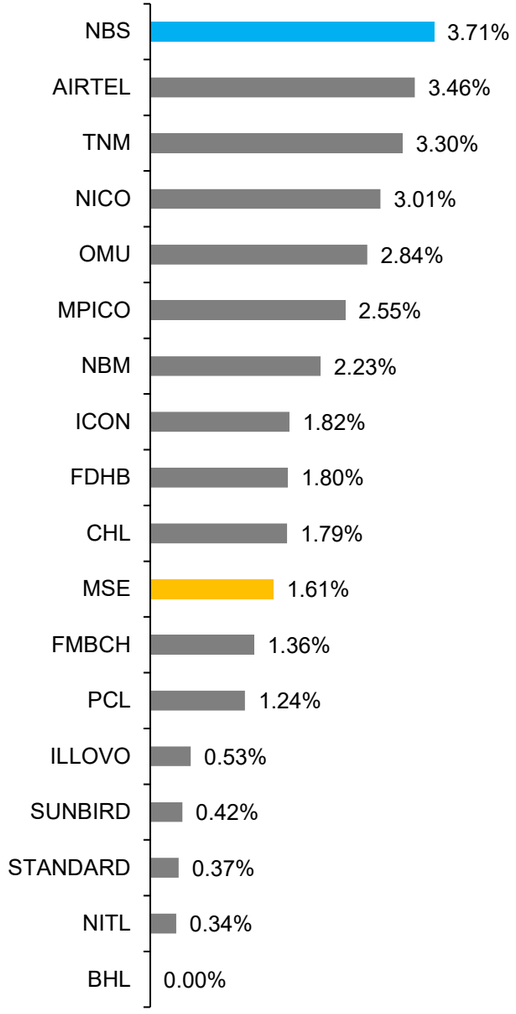
Bridgepath Capital
Invest to Achieve

	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	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	1749.46	1,749.93	1,750.55	1,747.56	1,749.31	**1,749.50**
MK/GBP	2,371.39	2,377.10	2,416.04	2,456.90	2,424.72	2,377.41	2,426.11	2,421.30	2,382.83	2,422.03	2,437.74	2,379.70	**2,408.16**
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	**2,013.00**
MK/ZAR	103.58	103.68	107.63	113.67	113.20	104.66	107.04	110.29	109.07	107.90	110.79	110.12	**107.47**
Foreign Exchange Reserves													
Total Reserves (USD'mn)	526.8	530.0	608.9	664.90	625.70	571.60	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%	19.4%	**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%	12.5%	**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%	31.5%	**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%	13.85%	12.86%	12.07%	12.20%	13.69%	15.44%	16.00%	**16.98%**
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	25.40%	25.30%	25.30%	25.20%	24.70%	22.40%	20.80%	20.80%	20.40%	20.50%	20.80%	21.20%	**21.20%**
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%	17.53%	16.83%	16.48%	16.50%	16.17%	16.00%	16.00%	**16.00%**
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	20.65%	18.87%	18.87%	18.87%	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%	**-19.18%**
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%	**-11.25%**
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%	**-43.72%**

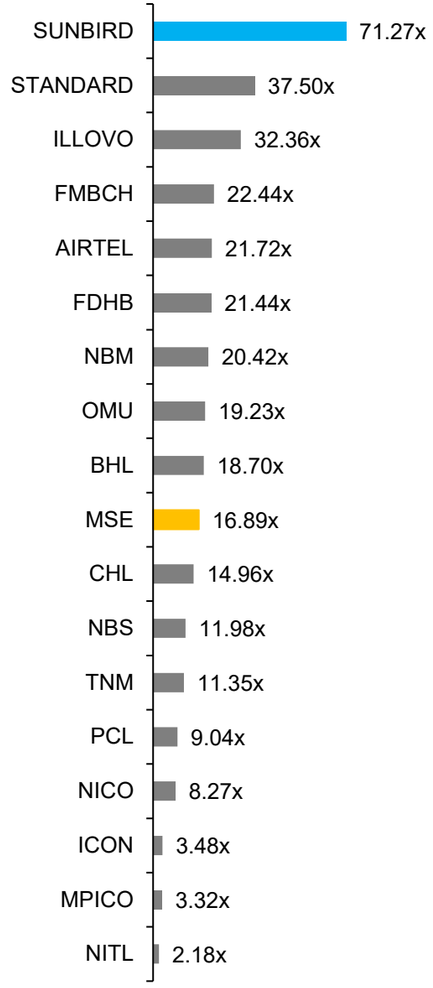
Appendix 2: Selected stock market statistics as of 31 October 2026

Bridgepath Capital
Invest to Achieve

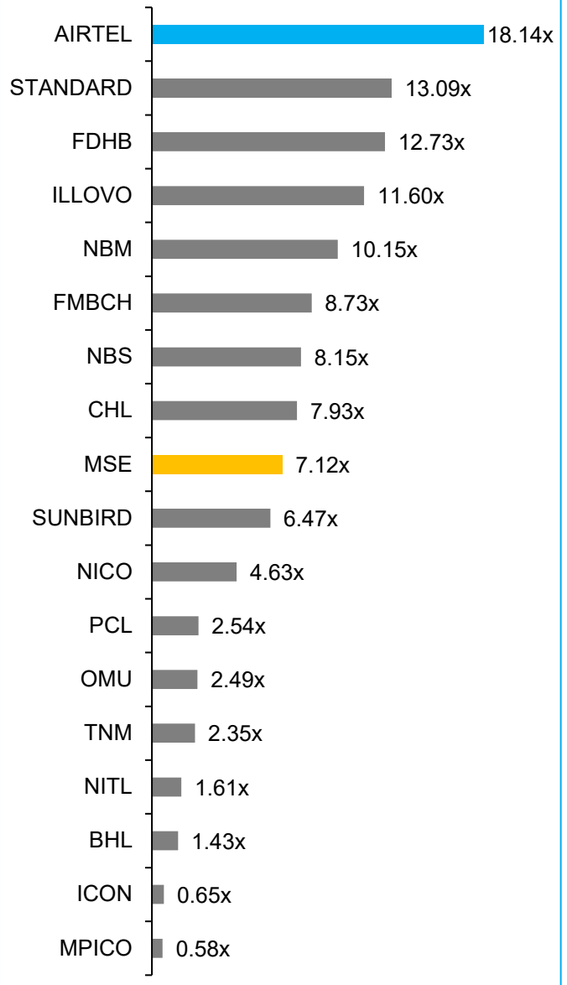
Dividend yield (%) - the weighted average dividend yield on the MSE was 1.61% in October 2026. The counter with the highest dividend yield was NBS at 3.71%



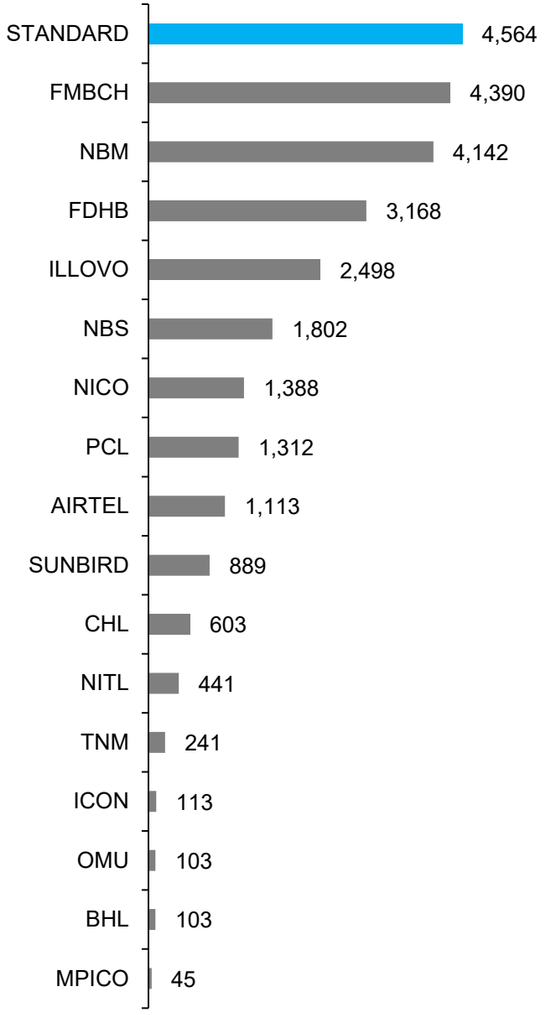
P/E Ratio - the weighted average price to earnings ratio on the MSE was 16.89x in October 2026. The counter with the lowest positive ratio was NITL at 2.18x.



P/BV Ratio - the weighted average price to book value ratio on the MSE was 7.12x in October 2026. The counter with the lowest positive ratio was MPICO at 0.58x.



Market Capitalisation (MK'billion) - STANDARD had the highest market capitalization at MK4.6 trillion in October 2026.



Appendix 3: Oxford Macroeconomic Projections (Annual Percentage Changes Unless Specified)

Bridgepath Capital
Invest to Achieve

Indicator	2024	2025	2026	2027	2028	2029
Real GDP growth	1.7	2.5	1.2	0.2	2.8	5.8
Consumer price index (CPI) inflation	32.2	28.4	24.8	40.2	21.5	14.2
Private consumption	4.6	3.7	1.3	-1.9	0.3	3.8
Government consumption	9.3	4.4	-0.8	-0.6	-0.3	2.8
Fixed Investment	-5.6	-5.0	-3.8	-0.7	13.2	11.1
Exports of goods and services	-12.2	-4.3	3.0	4.4	2.3	3.1
Imports of goods and services	7.0	5.3	2.9	-1.8	0.9	6.6
Current-account balance (% of GDP)	-14.6	-13.8	-15.1	-14.1	-10.7	-8.0
Government balance (% of GDP)	-11.0	-13.4	-15.3	-13.1	-10.7	-8.1
Government debt (% of GDP)	87.6	78.1	91.1	86.4	84.7	82.5
Exchange rate MK/USD (end-period)	1,734.1	1,732.4	2,557.3	2,843.5	3,035.1	3,281.4
Central bank policy rate (%, av)	25.8	26.0	26.5	32.0	27.0	21.5

Source: Oxford Economics, October 2026

Appendix 4: EIU Macroeconomic Projections

Bridgepath Capital
Invest to Achieve

Indicator	2024	2025	2026	2027	2028	2029	2030
Real GDP growth (%)	1.3	2.3	2.5	2.3	2.6	2.9	2.9
Industrial production incl construction (% change)	2.2	2.0	2.2	2.7	2.9	2.9	2.9
Consumer price inflation (av)	32.2	28.4	23.4	24.1	26.2	25.4	24.3
Short-term interest rate (av)	15.8	15.0	14.0	13.0	11.0	10.0	9.0
Government balance (% of GDP)	-9.2	-9.6	-8.8	-8.4	-7.8	-7.3	-7.0
Exports of goods fob (USD bn)	1.0	1.0	1.1	1.1	1.3	1.3	1.5
Imports of goods fob (USD bn)	-3.0	-3.5	-3.5	-3.6	-3.7	-3.6	-3.9
Current-account balance (USD bn)	-1.7	-2.1	-2.9	-2.9	-3.0	-2.9	-2.9
Current-account balance (% of GDP)	-15.0	-13.8	-16.4	-15.0	-14.7	-14.2	-13.2
Exchange rate MK/USD (av)	1,734	1,734	1,734	1,853	2,127	2,514	2,792
Exchange rate MK/USD (end-period)	1,734	1,734	1,734	2,007	2,324	2,690	2,966

Source: EIU Five-Year Forecast (Malawi), September 2026

Appendix 5: List of Acronyms and Abbreviations

AfDB	:	African Development Bank
AHL	:	Auction Holdings Limited
AI	:	Artificial Intelligence
Av	:	Average
BHL	:	Blantyre Hotels Plc
Bn	:	Billion
CDAs	:	Community Development Agreements
ECF	:	Extended Credit Facility
EIU	:	Economist Intelligence Unit
ESCOM	:	Electricity Supply Corporation of Malawi
EU	:	European Union
EUR	:	Euro
FDHB	:	FDH Bank Plc
FDI	:	Foreign Direct Investment
FMBCH	:	FMB Capital Holdings Plc
FY	:	Fiscal year
GBP	:	Great British Pound
GDP	:	Gross Domestic Product
IFPRI	:	International Food Policy Research Institute
IMF	:	International Monetary Fund
IPO	:	Initial Public Offering
Kg	:	Kilogram
LRR	:	Liquidity Reserve Requirement
MaDiPHS	:	Malawi Digital Plant Health Services
MASI	:	Malawi All Share Index
MK	:	Malawi Kwacha
Mn	:	Million
MoU	:	Memorandum of Understanding
MPC	:	Monetary Policy Committee
MSE	:	Malawi Stock Exchange
MT	:	Metric tons
MVAC	:	Malawi Vulnerability Assessment Committee
NBM	:	National Bank of Malawi Plc
NBS	:	NBS Bank Plc
NICO	:	NICO Holdings Plc
NITL	:	National Investment Trust Limited Plc
NSO	:	National Statistical Office
OMO Repo	:	Open Market Operation Repurchase Agreements
OMU	:	Old Mutual Limited Plc

Disclaimer

Although every effort was made to ensure the information in this report is authentic, the report should only be used for indicative purposes. Bridgepath Capital Limited accepts no responsibility or liability resulting from usage of information from this report. Every recipient using this report should make independent efforts to ascertain the accuracy of the information.

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

Our Financial Advisory Solutions

We have extensive financial advisory experience. Below are some transactions we have executed:

BLANTYRE HOTELS PLC	tnr always with	MyBucks BankingCorporation	Press Corporation Plc
MK62.4 billion Rights Issue	**Fairness Opinion on the MK30 billion issue for cash**	**Sell-side advisor on the disposal of the bank to an investor consortium**	**Valuation of Unlisted Equity Investments**
Joint Lead advisor	Independent expert	Lead advisor	Valuation expert
2024	2025	2021 - 2022	2022 - 2024

We provide a range of financial advisory solutions to meet your needs and challenges:

- **Valuations**
- **Business Plans/feasibility studies/Financial Projections**
- **Project Finance Advisory**
- **Business/Financial Modelling**
- **Capital Raising**
- **Independent Business Reviews**
- **Mergers and Acquisitions Transaction Services**
- **Equity/IPO Advisory**

Invest.
Achieve.
Be Different.