



INVESTMENT BANK

# Quarterly economic review

# 2025

3rd quarter



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# Quarterly economic review 2025

## 1. Executive summary

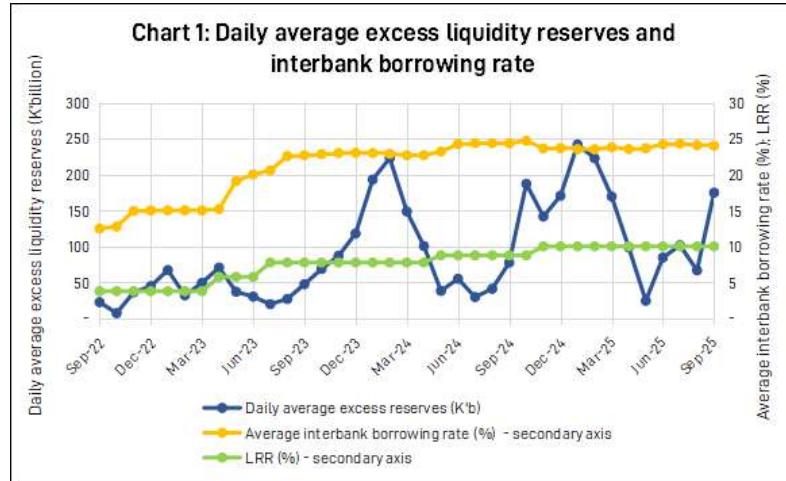
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- 1.1 The Monetary Policy Committee maintained the Policy rate at 26.0%, the Lombard rate at 20 basis points above the Policy rate (26.2%), Liquidity Reserve Requirement (LRR) ratio on domestic currency deposits at 10.0% and the LRR on foreign currency deposits at 3.75%, during the third quarter of 2025 (Q3 2025) under review.
- 1.2 Market interest rates and yields on government securities remained broadly stable in Q3 2025 in line with the stable Policy rate.
- 1.3 The level of liquidity on the interbank market increased in the third quarter of 2025 (Q3 2025) compared to the second quarter of 2025 (Q2 2025) and the third quarter of 2024 (Q3 2024).
- 1.4 The Kwacha was relatively stable against the United States Dollar (USD) during the quarter, with the USD/MWK exchange rate for Telegraphic Transfers (TT) closing at K1,750.37 per USD on 30<sup>th</sup> September 2025, from K1,750.48 per USD as of 30<sup>th</sup> June 2025.
- 1.5 Foreign exchange supply remained subdued relative to demand during the quarter. Total forex reserves stood at USD511.80m (2.00 months of imports) at the end of September 2025.
- 1.6 Inflation pressure picked up in Q3 2025, with the headline inflation rate increasing to an average of 28.1% in Q3 2025 from 28.0% in Q2 2025, mainly on account of an increase in non-food inflation rate. The headline inflation rate closed at 28.7% in September 2025 from 27.1% in June 2025. The Reserve Bank of Malawi (RBM) projects an annual average inflation rate of 28.9% for 2025 from an average of 32.2% in 2024.
- 1.7 The RBM projects an annual real GDP growth rate of 2.8% for 2025, higher than an annual average of 1.7% registered in 2024. The World Bank, the International Monetary Fund (IMF) and the Economist Intelligence Unit (EIU) project growth rates of 2.0%, 2.4% and 1.6%, respectively, for 2025.
- 1.8 The stock market registered a positive return of 75.56% on the Malawi All Share Index (MASI) in Q3 2025, higher than the return of 13.12% in Q2 2025 and 17.82% in Q3 2024.
- 1.9 The September 2025 general elections ushered in a change of government in favour of the Democratic Progressive Party (DPP).

## 2. Interbank market

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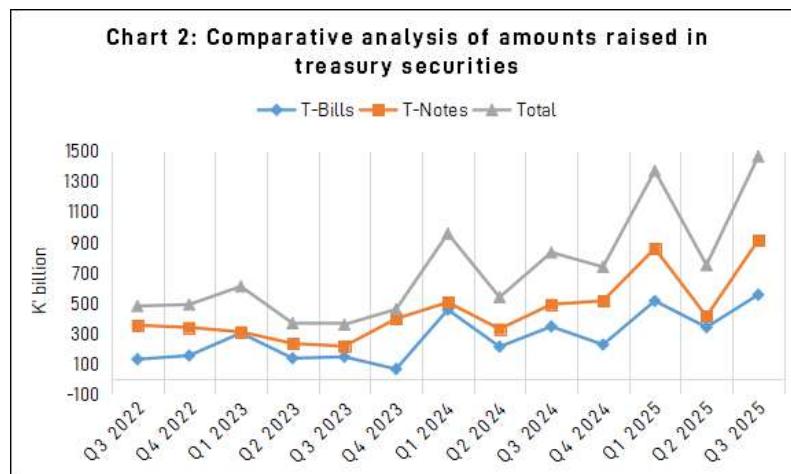
- 2.1 Liquidity conditions in the banking system increased in Q3 2025 compared to the levels registered in Q2 2025 and Q3 2024. The banks' daily excess liquidity reserves held with RBM averaged K114.23 billion in Q3 2025 compared to an average of K69.01 billion in Q2 2025 and K49.19 billion in Q3 2024.
- 2.2 The volume traded among banks on the interbank market decreased in nominal terms to an average of K64.97 billion per day in Q3 2025 from a daily average of K79.82 billion per day in Q2 2025 and K70.17 billion per day in Q3 2024. Funds accessed through the Lombard Facility of the RBM decreased to an average of K61.58 billion per day in Q3 2025 from K78.61 billion per day in Q2 2025 and K65.78 billion per day in Q3 2024.
- 2.3 The interbank borrowing rate averaged 24.13% in Q3 2025 compared to an average of 23.81% in Q2 2025 and 24.35% in Q3 2024. The Lombard rate was stable at 26.20% in Q3 2025 and Q2 2025 (26.20% in Q3 2024). The stability in the Lombard rate followed a stable Policy rate at 26.00% during the period.
- 2.4 Chart 1 shows the increase in liquidity levels in Q3 2025 compared to the previous quarter. The chart also shows that the interbank borrowing rate was largely stable during the quarter.



(Data source: Reserve Bank of Malawi)

### 3. Government securities

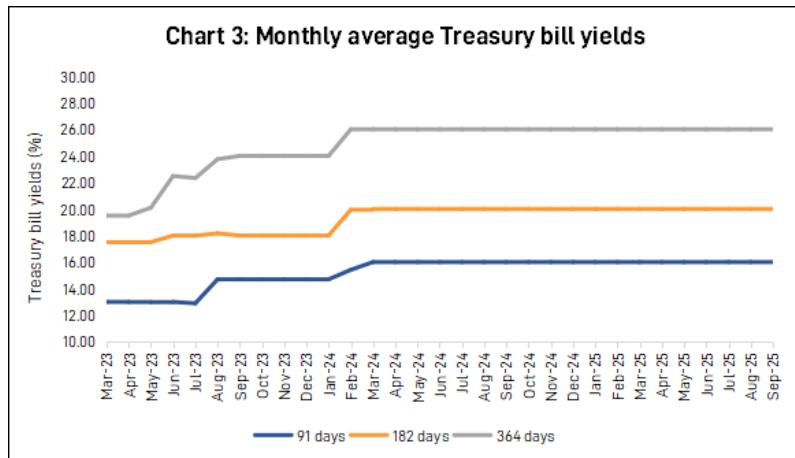
- 3.1 The government raised K553.03 billion in auctions of Treasury Bills (TB) during Q3 2025, representing an increase of 63.32% from K338.62 billion raised in Q2 2025, and an increase of 61.19% when compared to K343.09 billion that was raised in Q3 2024. Rejection rate was 14.94% during the quarter.
- 3.2 K913.56 billion was raised in auctions of Treasury Notes (TNs) and Development Bonds (IDBs) in Q3 2025, representing a nominal increase of 122.52% when compared to K410.56 billion raised in Q2 2025, and an increase of 86.60% from K489.57 billion that was raised in Q3 2024.
- 3.3 Overall, the total amount raised by government in the domestic market through issuance of Treasury securities (TBs, TNs and IDBs combined) increased to K1.467 trillion in Q3 2025 from K749.18 billion in Q2 2025 (representing an increase of 95.67%), and compared to K832.66 billion in Q3 2024 (representing an increase of 76.13%) as shown in Chart 2:



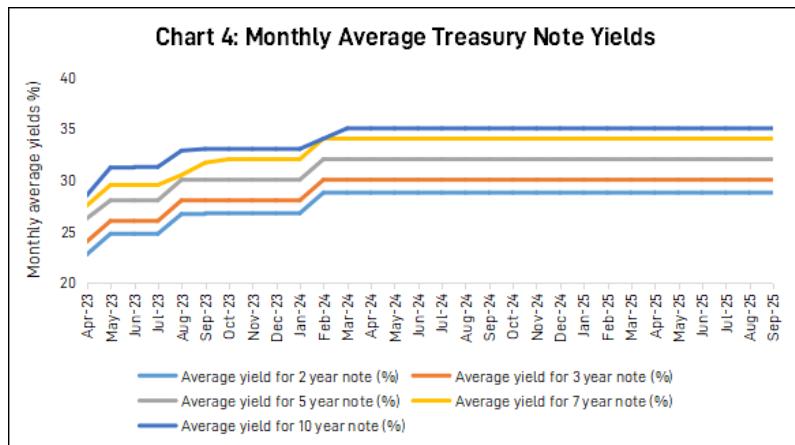
(Data source: Reserve Bank of Malawi)

- 3.4 Yields to maturity (ytm) of government securities remained stable during the quarter, with the 91-day, 182-day and 364-day TB yields at 16.00%, 20.00% and 26.00%, respectively, giving an all-type average TB yield of 20.67%. Yields of Treasury Bills, Treasury Notes and

Development Bonds have been stable since March 2024, as shown in Charts 3 and 4 and Table 1 below. The stability reflects a stable Policy rate.



(Data source: Reserve Bank of Malawi)



(Data source: Reserve Bank of Malawi)

**Table 1: Quarterly average yields of Treasury Notes**

Description	2 years	3 years	5 years	7 years	10 years
Q3 2025 average yield	28.75%	30.00%	32.00%	34.00%	35.00%
Q2 2025 average yield	28.75%	30.00%	32.00%	34.00%	35.00%
Q1 2025 average yield	28.75%	30.00%	32.00%	34.00%	35.00%
Q4 2024 average yield	28.75%	30.00%	32.00%	34.00%	35.00%
Q3 2024 average yield	28.75%	30.00%	32.00%	34.00%	35.00%
2024 average yield	28.58%	29.83%	31.83%	33.83%	34.75%
2023 average yield	24.90%	26.17%	28.23%	29.72%	30.91%
2022 average yield	19.60%	21.65%	23.80%	24.39%	25.69%
%pt. increase: Q3 2025 vs Q2 2025	0	0	0	0	0
%pt. increase: Q3 2025 vs Q3 2024	0	0	0	0	0

(Data source: Reserve Bank of Malawi)

- 3.5 Looking ahead, government securities' yields to maturity (ytm) are expected to remain elevated in the short to medium term on account of still tight monetary policy and prevailing inflationary pressures. The yields are expected to remain stable within current levels in Q4 2025 as no major Policy rate changes are expected during the quarter.

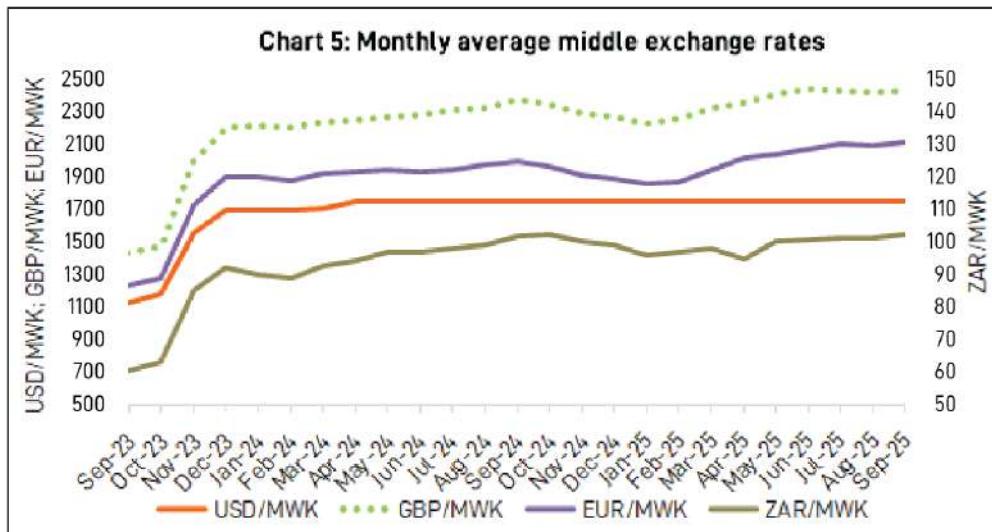
## 4. Foreign exchange market

- 4.1 The Kwacha remained relatively stable against the USD, appreciated against GBP and EUR and depreciated against ZAR during Q3 2025.
- 4.2 The Malawi Kwacha to USD telegraphic transfer (TT) exchange rate closed the quarter at K1,750.37 per USD, decreasing marginally from K1,750.48 per USD as at the end of Q2 2025, representing a marginal appreciation of 0.01% of the Kwacha. The bureau cash rate was at K1,937.41 per US dollar as of 30<sup>th</sup> September 2025.
- 4.3 During the same period, the Kwacha appreciated against GBP and EUR by 2.01% and 0.42%, respectively, and depreciated against ZAR by 2.04%, as shown in Table 2a below.
- 4.4 In terms of TT quarterly averages, as Table 2b indicates, in Q3 2025 the Kwacha marginally appreciated against the USD by 0.01% but depreciated against GBP, EUR and ZAR by 0.89%, 2.79% and 3.09%, respectively, compared to averages for Q2 2025.

Table 2a: End period TT middle exchange rates							
						Sep 2025 - Jun 2025	Sep 2025 - Jun 2024
Currency	Sep-25	Jun-25	Mar-25	Dec-24	Sep-24	Change	Change
USD/MWK	1750.37	1750.48	1750.25	1749.93	1750.37	↑ -0.01%	↑ 0.00%
GBP/MWK	2523.25	2473.04	2329.61	2250.25	2411.29	↑ -2.01%	↓ 0.50%
EUR/MWK	2103.32	2112.11	1945.35	1869.77	2003.14	↑ -0.42%	↓ 5.00%
ZAR?MWK	103.37	101.31	98.15	95.89	105.69	↓ 2.04%	↑ -2.19%

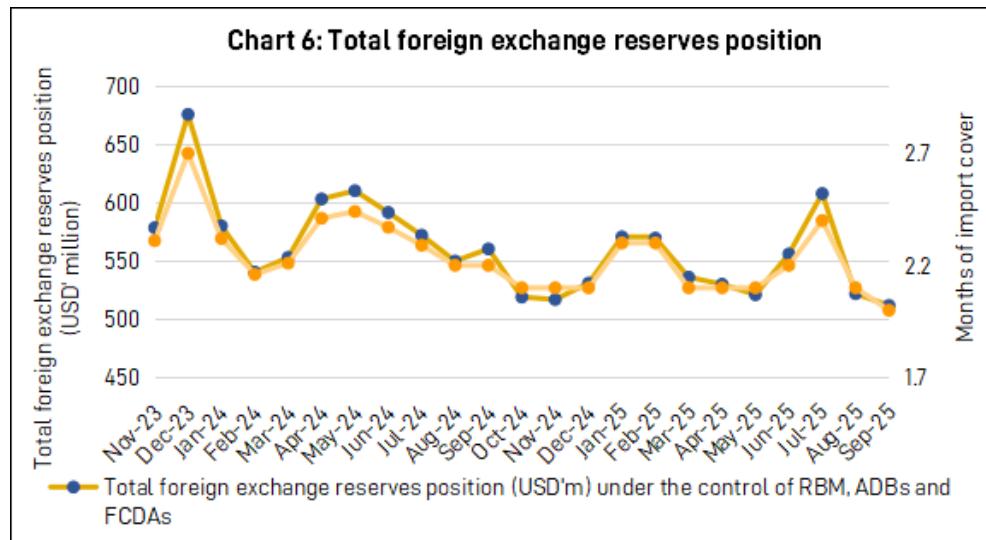
Table 2b: End period TT middle exchange rates							
						Q3 2025 - Q2 2025	Q3 2025 - Q3 2024
Currency	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Change	Change
USD/MWK	1750.39	1750.58	1749.95	1750.11	1750.05	↑ -0.01%	↓ 0.02%
GBP/MWK	2427.25	2405.02	2269.74	2307.98	2338.81	↓ 0.89%	↓ 3.78%
EUR/MWK	2104.31	2047.13	1896.15	1922.60	1977.01	↓ 2.79%	↓ 6.44%
ZAR?MWK	101.76	98.71	97.00	100.50	99.78	↓ 3.09%	↓ 1.98%

(Data source: Reserve Bank of Malawi)  
(Downward and upward arrows represent depreciation and appreciation of the Kwacha, respectively)



(Data source: Reserve Bank of Malawi)

- 4.5** Foreign exchange supply remained subdued relative to demand during the quarter. Total (official and private sector) foreign exchange reserves stood at USD511.80m (2.00 months of imports) at the end of September 2025, a decrease from USD555.90m (2.20 months of imports) at the end of June 2025.



(Data source: Reserve Bank of Malawi)

- 4.6** As at the end of Week 26 of the 2025 tobacco selling season on 3<sup>rd</sup> October 2025, the country had realised USD533.62m from the sale of 215.05m kgs of tobacco at an average price of USD2.48/kg, representing an increase of 61.23% in volume and 34.43% in value, and a decrease of 16.78% in price, when compared to the final figures registered in 2024.

**Table 2c: Cumulative tobacco sales at the end of week 26**

Date	Week 26 2025 (3 Oct 2025)	%	Final 2024 (18 Sep 2024)
Volume (million kg)	215.05	61.23%	133.38
Value (USD'million)	533.62	34.43%	396.94
Average price (USD/Kg)	2.48	-16.78%	2.98

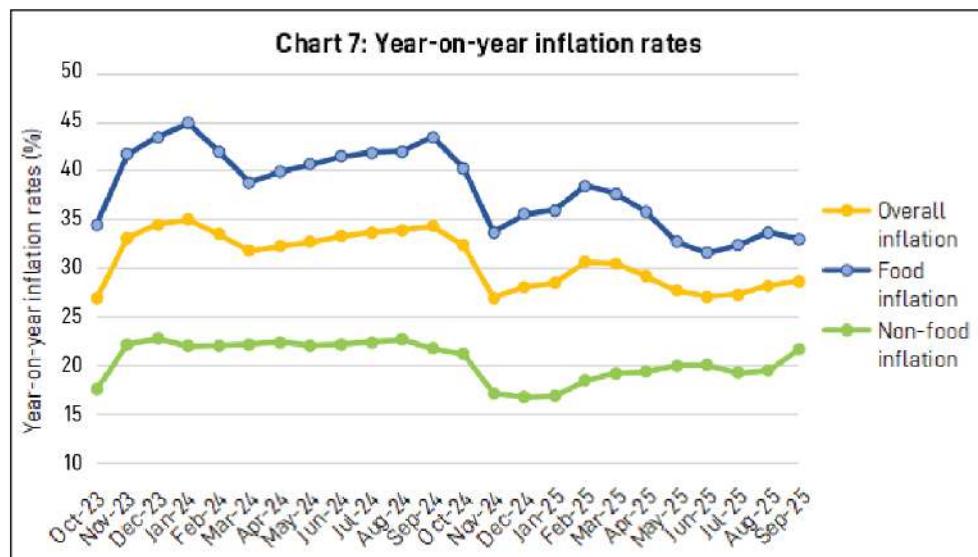
- 4.7 Looking forward, the Kwacha is expected to remain generally stable against the USD as the authorities strive to maintain stability. However, depreciation risks are expected to remain elevated for the rest of the year 2025 into 2026 as the imbalance between demand and supply of forex remains high.
- 4.8 The EIU expects the USD/Kwacha exchange rate to remain around K1750 per USD to the end of the year 2025.

Table 2d: EIU exchange rate projections						
Year	2024	2025	2026	2027	2028	2029
USD/MWK annual average	1734	1736	2142	2470	2754	3162
USD/MWK end-period	1734	1750	2438	2497	2986	3250

*Source: EIU Malawi country report - September 2025*

## 5. Inflation

- 5.1 Inflation pressures increased during the quarter under review compared to the previous quarter. The year-on-year overall inflation rate averaged 28.1% during Q3 2025, representing an increase of 0.1 percentage points from an average of 28.0% during Q2 2025 and a decrease of 5.9 percentage points when compared to an average of 34.0% during Q3 2024.
- 5.2 The increase in overall inflation in Q3 2025 relative to Q2 2025 was on account of an increase in the average year-on-year non-food inflation rate to 20.2% during Q3 2025 from an average of 19.8% in Q2 2025 (22.3% in Q3 2024), while the average year-on-year food inflation rate decreased to 33.0% in Q3 2025 from an average of 33.4% in Q2 2025 (42.5% in Q3 2024).
- 5.3 At the end of the quarter, the year-on-year overall inflation rate stood at 28.7% in September 2025, from 27.1% in June 2025 and 34.3% in September 2024.
- 5.4 Chart 7 depicts the trend of inflation rate in the past three years.



*(Data source: National Statistical Office)*

- 5.5 Looking ahead, inflation is expected to increase in Q4 of 2025 following an upward adjustment in fuel prices which is expected to push up prices of other goods and services. On 30<sup>th</sup> September 2025, the Malawi Energy Regulatory Authority (MERA) raised the pump price of petrol by 38.3% to K3,499.00/litre and the price of diesel by 28.02% to K3,500.00/litre.
- 5.6 The RBM projects an annual average headline inflation rate of 28.9% for 2025, from an average of 32.2% in 2024. The EIU and the International Monetary Fund (IMF) project an annual average of 27.6% and 29.0%, respectively, in 2025.
- 5.7 In 2026 and 2027, a general gradual decline in inflation is expected to continue as food and global energy prices dip and as forex inflows improve supported by investments in agriculture and mining. The EIU projects an annual average of 23.9% in 2026 and 17.4% in 2027.

Table 3: Projected annual average inflation rates						
	2023	2024	2025f	2026f	2027f	2028f
Reserve Bank of Malawi (RBM)	28.8%	32.2%	28.9%			
International Monetary Fund (IMF)			29.0%			
Economist Intelligence Unit (EIU)	28.8%	32.2%	27.6%	23.9%	17.4%	13.9%

**Sources:**

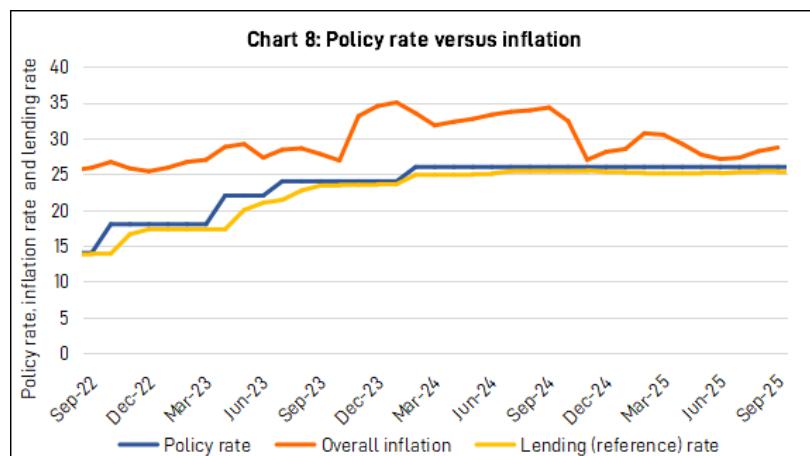
RBM: Fourth 2025 Monetary Policy Statement

IMF: Press release upon completion of staff mission to Malawi - June 2025

EIU: Malawi Country Report, September 2025

## 6. Monetary policy

- 6.1 The Monetary Policy Committee (MPC) held its third meeting of 2025 on 30<sup>th</sup> and 31<sup>st</sup> July 2025 during which they decided to maintain the Policy rate at 26.0%, the Lombard rate at 20 basis points above the Policy rate and the Liquidity Reserve Requirement (LRR) ratio at 10% for local currency deposits and 3.75% for foreign currency deposits.
- 6.2 In arriving at this decision, the MPC observed that the decline in inflation observed during that time was not sufficient, hence maintaining the monetary policy stance was necessary to sustain the downward trend in inflation.
- 6.3 Chart 8 depicts the trend of the Policy rate in relation to inflation rate over the past 2 years. The Policy rate has been below inflation rate since January 2022. The increase in inflation in Q3 2025 resulted in an increase in the spread between overall inflation rate and the Policy rate to 2.7 percentage points as of June 2025 from 1.1 percentage points as of June 2025.



(Data source: Reserve Bank of Malawi, National Statistical Office)

- 6.4 The Market Reference Rate (MRR) slightly increased in Q3 2025 to average of 25.3% in Q3 2025 from an average of 25.1% in Q2 2025 and compared to an average of 25.4% in Q3 2024.
- 6.5 During the fourth meeting of 2025 held on 29<sup>th</sup> and 30<sup>th</sup> October 2025, the Monetary Policy Committee (MPC) also maintained its monetary policy stance, holding the Policy rate at 26.0%. Although risks to inflation outlook remain, the MPC decided to maintain the current monetary policy stance in anticipation of supportive initiatives on the food supply front and fiscal consolidation focusing on enhancing domestic revenue mobilization.
- 6.6 The next MPC meeting is scheduled for 28<sup>th</sup> and 29<sup>th</sup> January 2026. The decision will be announced on 29<sup>th</sup> January 2026.

## 7. Economic growth

- 7.1 According to the October 2025 World Economic Outlook (WEO) update by the IMF, global growth is projected at 3.2% in 2025, up from 3.0% projected in July 2025. Advanced economies are expected to grow by 1.6% in 2025 from 1.8% in 2024, while growth in emerging markets and developing economies is expected to decline to 4.0% in 2025 from 4.3% in 2024. In sub-Saharan Africa, growth is expected to remain unchanged at 4.1% in 2025.
- 7.2 In Malawi, the RBM projects a GDP growth rate of 2.8% in 2025, compared to 1.7% in 2024, supported by a relatively better agricultural harvest in the 2024/25 season, scaling up of infrastructure activities in the construction sector, including initiatives and investments towards key growth sectors agriculture, manufacturing, mining, and tourism.
- 7.3 The IMF expects real GDP growth for Malawi to be 2.4% in 2025 and gradually increase to 3.4% over the medium term. The EIU projects a growth rate of 1.6% for 2025. The World Bank projects a growth rate of 2.0% for 2025 and 2.4% for 2026.
- 7.4 The World Bank expects Malawi's GDP growth to remain weak in 2025 due to a weak agricultural season, the suspension of some bilateral foreign assistance and the continued difficulties faced by the private sector to import critical inputs.

Table 4a: IMF projections		
	2024	2025f
Real GDP growth	1.8	2.4

*Source: IMF Press release upon completion of staff mission to Malawi - June 2025*

	2023	2024	2025p	2026p	2027p
<b>GDP at constant market prices (% change)</b>	<b>1.9</b>	<b>1.8</b>	<b>2.0</b>	<b>2.4</b>	<b>3.2</b>
Agriculture	0.7	-0.2	2.2	3.0	3.9
Industry	2.5	2.1	2.2	2.2	2.7
Services	1.8	2.6	1.8	2.2	3.1

*Source: Malawi Economic Monitor - July 2025*

Table 4c: Projections by the Economist Intelligence Unit							
	2023	2024e	2025f	2026f	2027f	2028f	2029f
<b>Real GDP growth</b>	<b>1.6</b>	<b>1.3</b>	<b>1.6</b>	<b>2.3</b>	<b>2.5</b>	<b>2.8</b>	<b>3.0</b>
Agriculture	1.0	-1.0	1.3	1.6	1.6	2.3	2.0
Industry	1.4	2.2	2.0	2.2	2.7	2.9	2.9
Services	2.0	2.2	1.6	2.6	2.9	3.0	3.5

*Source: Malawi One-click Report - September 2025*

## 8. Social and political environment

- 8.1** Malawi held its presidential, parliamentary and local government elections on the 16<sup>th</sup> September 2025. President Professor Arthur Peter Mutharika of the Democratic Progressive Party (DPP) won the presidential vote, ushering in a change in government administration.
- 8.2** The DPP 2025 – 2030 Manifesto highlights the following:
- 8.2.1** Vision: To make Malawi a self-reliant, inclusive and industrialised upper-middle-income country by the year 2063
  - 8.2.2** Development pillars:
    - i. Agricultural productivity & commercialization
    - ii. Industrialisation: 5 special economic zones, agro-processing, textiles, mining, technology & renewable energy
    - iii. Urbanisation: development of secondary cities and rural growth centres, improved housing, water, digital infrastructure
    - iv. Decentralisation: K5 billion per constituency annually
  - 8.2.3** Economic strategy:
    - i. Reduce inflation
    - ii. Achieve high GDP growth rates
    - iii. Cut excessive borrowing.
    - iv. Mobilise domestic resources and control public debt.

## 9. Stock market performance

- 9.1** The Malawi Stock Exchange (MSE) registered a positive return on the Malawi All Share Index of 75.56% (75.56% in USD terms) in Q3 2025 compared to a return of 13.12% (13.12% in USD terms) in Q2 2025 and 17.82% (17.82% in USD terms) in Q3 2024.
- 9.2** The Domestic Share Index (DSI) registered a positive return of 77.67% and the Foreign Share Index (FSI) registered a positive return of 64.24% during the quarter.
- 9.3** The year-to-date return on the MASI stood at 236.67% at the end of September 2025, higher than 28.60% as at the end of September 2024.
- 9.4** The market registered a quarter-on-quarter decrease in both total volume and total value of shares traded. The market transacted a total of 191.21 million shares at a total consideration of K113.33 billion (USD65.36 million) in 14,056 trades in Q3 2025 compared to a total of 241.70 million shares traded at a total consideration of K132.98 billion (USD76.69 million) in 8,786 trades in Q2 2025, representing a decrease of -20.89% in volume and -14.76% in value traded. In the corresponding period in 2024 (Q3 2024), the market transacted a total of 192.61 million shares at a total consideration of K29.13m billion (USD16.80 million) in 4,378 trades, reflecting a -0.73% year-on-year decrease in terms of share volume traded and a 289.04% (289.04% increase in USD terms) year-on-year increase in share value traded in Q3 2025.

9.5 Table 6 shows performance of individual companies in Q3 2025.

Table 5: Share trading summary								
Company	30-Sep-25	30-Jun-25	30-Sep-24	30 Jun 2025 (quarterly) price change (%)	30 Sep 2024 (year-on- year) price change (%)	P/E ratio as at 30 Sep 2025	P/BV ratio as at 30 Sep 2025	
<b>Market indices</b>								
<b>MASI</b>	579,212.79	329,922.87	142,686.97	↑ 75.56%	↑ 305.93%			
<b>DSI</b>	441,898.89	248,718.38	111,316.63	↑ 77.67%	↑ 296.97%			
<b>FSI</b>	94,071.23	57,277.29	19,983.22	↑ 64.24%	↑ 370.75%			
<b>Galners</b>								
<b>NITL</b>	3,551.02	830.00	411.08	↑ 327.83%	↑ 763.83%	16.11	6.50	
<b>STANDARD</b>	6,468.90	2,355.51	1,067.01	↑ 174.63%	↑ 506.26%	87.89	29.22	
<b>NICO</b>	1,739.85	865.00	198.70	↑ 101.14%	↑ 775.62%	25.20	11.66	
<b>FDHB</b>	637.89	350.11	149.22	↑ 82.20%	↑ 327.48%	59.44	45.19	
<b>NBM</b>	10,904.73	6,200.37	3,449.94	↑ 75.872%	↑ 216.08%	49.70	18.97	
<b>FMBCH</b>	1,898.08	1,149.83	398.68	↑ 65.07%	↑ 376.09%	39.46	14.18	
<b>PCL</b>	7,590.00	5,100.00	2,499.83	↑ 48.82%	↑ 203.62%	14.11	2.61	
<b>NBS</b>	1,024.50	699.91	149.58	↑ 46.38%	↑ 584.92%	40.85	26.60	
<b>SUNBIRD</b>	500.04	350.01	225.05	↑ 42.86%	↑ 122.19%	12.31	1.87	
<b>TNM</b>	52.00	29.00	18.49	↑ 10.34%	↑ 73.07%	36.71	7.12	
<b>AIRTEL</b>	137.95	127.43	45.00	↑ 8.26%	↑ 206.56%	35.52	47.25	
<b>BHL</b>	15.02	14.55	13.51	↑ 3.230%	↑ 11.18%	(64.44)	1.36	
<b>MPICO</b>	19.55	19.02	14.92	↑ 2.79%	↑ 31.03%	5.26	0.69	
<b>ICON</b>	17.95	17.92	14.90	↑ 0.17%	↑ 20.47%	4.91	0.82	
<b>ILLOVO</b>	1,792.02	1,791.29	1,300.00	↑ 0.04%	↑ 37.85	56.49	8.59	
<b>OMU</b>	2,500.06	2,500.03	1,866.00	↑ 0.001%	↑ 33.98%	16.33	2.17	
<b>Losers</b>								
<b>None</b>								

(Data source: Malawi Stock Exchange)

- 9.6 Standard Bank Malawi plc listed an additional 938,672,648 ordinary shares following a stock split, increasing its total issued shares to 1,173,340,810 ordinary shares. As a result of the split, the share price was adjusted from K12,050.00 to K2,410.00 on 21<sup>st</sup> July 2025, reflecting the revised share structure while maintaining overall shareholder value.
- 9.7 Most listed companies and unlisted financial institutions registered significant profits in the half year ended 30<sup>th</sup> June 2025 as indicated in Table 7 below:

Table 6: Published bank financial results for the half year ended 30th June 2025			
Company	H1 2025 profit after tax (K'm)	Change (%)	H1 2024 profit after tax (K'm)
<b>Listed banks</b>			
FDH Bank Plc	60,279	↑ 116%	27,936
First Capital Bank Plc	50,501	↑ 201%	16,777
NBS Bank Plc	73,247	↑ 124%	32,643
Standard Bank Malawi Plc	48,394	↑ 14%	42,374
<b>Unlisted banks</b>			
Airtel Malawi Plc	22,409	↑ 5%	21,331
Blantyre Hotels Plc	3,326	↑ 526%	(781)
FMB Capital Holdings Plc (USD'000)	72,885	↑ 56%	46,824
NICO Holdings Plc	124,909	↑ 153%	49,284
Press Corporation Plc	94,386	↑ 108%	45,277
Sunbird Tourism Plc	5,457	↑ 1%	5,422
Telekom Networks Malawi Plc	7,970	↑ 253%	2,260
<b>Unlisted non-bank financial institutions</b>			
First Discount House Ltd	8,251	37%	6,040

(Source: MSE, newspapers and websites of the companies)

## 10. Conclusions

- 10.1 Headline inflation rate picked up in Q3 2025 on account of an increase in non-food inflation and is expected to remain elevated in Q4 2025 following an upward adjustment of fuel prices.
- 10.2 Market interest rates were relatively stable in Q3 2025 as the Policy rate was unchanged during the quarter. It is expected that the interest rates will remain stable in the short term as the Policy rate remains stable.
- 10.3 The Kwacha was also relatively stable against the USD during the quarter. However, generally, exchange rate depreciation pressures are expected to remain prevalent during the rest of the year as the supply of forex remains subdued relative to demand.
- 10.4 The overall performance of the MSE in Q3 2025 was better than that of the corresponding period in 2024. The stock market registered a positive return on the Malawi All Share Index of 75.56% during the quarter, and the year-to-date return stood at 236.67% as of 30<sup>th</sup> September 2025.
- 10.5 The Reserve Bank of Malawi projects an annual real GDP growth rate of 2.8% in 2025 from 1.7% in 2024, supported by investments in sectors such as agriculture, mining, tourism and construction. The World Bank, IMF and EIU project growth rates of 2.0%, 2.4% and 1.6%, respectively, in 2025.
- 10.6 The September 2025 general elections ushered in a change of government, following the success of the Democratic Progressive Party's President, Professor Arthur Peter Munthalika.



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