



Foreign exchange market developments

During the week, the Kwacha depreciated against the USD and ZAR but appreciated against the GBP and EUR as indicated by TT middle exchange rates below (Source: RBM).

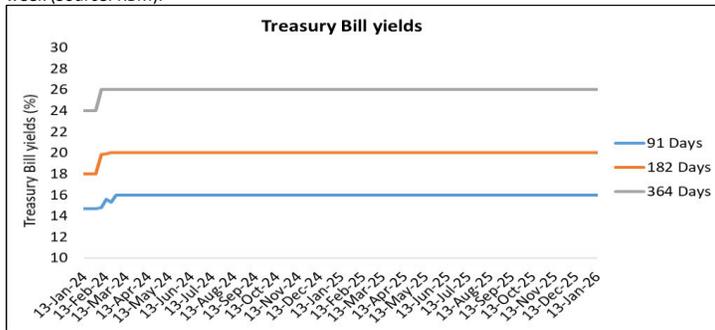
Closing TT middle exchange rates as at the end of the week			
Currency	16-Jan-26	% Δ	9-Jan-26
USD	1750.7462	↓ 0.05%	1749.7890
GBP	2402.4114	↑ -0.79%	2421.4721
EUR	2086.1629	↑ -0.49%	2096.4852
ZAR	109.5151	↓ 1.34%	108.0627

Foreign exchange reserves position			
	30-Nov-25	31-Oct-25	30-Sep-25
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs)	530.00	526.80	511.80
Total import cover (months)	2.10	2.10	2.00

Data source: Reserve Bank of Malawi (RBM)

Government securities

During the auction of Treasury Bills held during the week, total applications amounted to K89.78b of which no amount was allotted, resulting in a rejection rate of 100%. There was no auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K85.61b, maturities of OMO repos amounted to K62.61b and maturities of OMO reverse repos amounted to K3.96b. These transactions resulted in a net injection of K144.26b into the market during the week compared to a net injection of K239.12b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	13-Jan-26	% pts Δ	7-Jan-26
Applied - cost value (K'm)	69,777.73	↑ 42.54%	48,954.48
Allotted - cost value (K'm)	0.00	↓ -100.00%	48,954.48
Overall rejection rate	100.00%	↑ 100.00	0.00%
91 days yield	16.0000%	↑ 0.0000%	16.0000%
182 days yield	20.0000%	→ 0.0000%	20.0000%
364 days yield	26.0000%	→ 0.0000%	26.0000%
All-type yield	20.6667%	→ 0.0000%	20.6667%

Treasury Note and Bond auctions			
Auction dates	31-Dec-25	18-Dec-25	16-Dec-25
Tenor	5-yr IDB	2, 3, 5, 7, & 10-yr TNs	3-yr TN
Coupon rate	13.50%	10.0%, 11.0%, 12.5%, 13.5% & 15.0%	11.00%
Amount offered - cost value (K'b)	11.00		81.85
Total applied - cost value (K'b)	21.61	61.26	36.26
Total allotted - cost value (K'b)	0.00	61.26	36.26
Allotted - weighted average ytm	32.00%	28.75%, 30.0%, 32.0%, 34.0% & 35.0%	30.00%

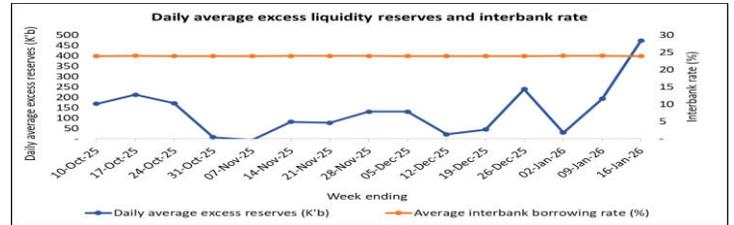
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	18-Dec-25	TBA
2-year Development Bond	28.75%	05-Aug-25	TBA
3-year TN	30.00%	18-Dec-25	TBA
3-year Development Bond	30.00%	18-Nov-25	TBA
5-year TN	32.00%	18-Dec-25	TBA
5-year Development Bond	32.00%	02-Dec-25	TBA
7-year TN	34.00%	18-Dec-25	TBA
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	18-Dec-25	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

Projected maturities			
Week ending	16-Jan-26	23-Jan-26	30-Jan-26
TBs, PNs & TNs (K'm)	85,605	43,246	45,494
OMO repos (K'm)	62,607	0	0
OMO reverse repos (K'm)	3,956	0	0

Data source: RBM

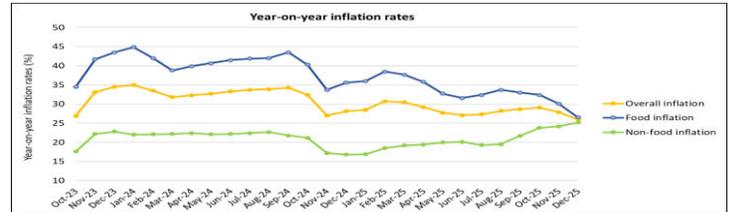
Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K474.09b, increasing from an average of K193.12b in the previous week. The daily interbank borrowing averaged K90.00b during the week, from K128.15b in the previous week. There was no borrowing on the Lombard facility during the week compared to K119.00b borrowed in the previous week. The average interbank borrowing rate decreased to 23.98% from 24.08% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Inflation

The year-on-year headline inflation rate decreased to 26.0% in December 2025 from 27.9% in November 2025 as food inflation rate decreased to 26.5% in December 2025 from 30.1% in November 2025 while non-food inflation rate increased to 25.2% in December 2025 from 24.2% in November 2025. The headline inflation rate averaged 28.4% in the year 2025, decreasing from an annual average of 32.3% in 2024 (Source: NSO).



Policy Rate			
Rate	30-Oct-25	% pts Δ	31-Jul-25
Rate	26.00%	→ 0.00	26.00%

Market Reference Rate			
Rate	Jan-26	% pts Δ	Dec-25
Rate	25.20%	↓ -0.10	25.30%

Inflation Rate			
Rate	Dec-25	% pts Δ	Nov-25
Rate	26.00%	↓ -1.90	27.9%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.12% to close the week at 598,180.06 points from 597,467.17 points in the previous week. The market traded 3,266,885 shares at a consideration of K1.24b in 905 trades, compared to 5,386,241 shares traded at a consideration of K1.46b in 992 trades in the previous week. The year-to-date on the MASI stood at 0.02% as at the end of the week, compared to 8.83% during the same period in 2025 (Source: MSE).

Stock market trading activity					
	16-Jan-26	% Δ	09-Jan-26		
MASI	598,180.06	↑ 0.12%	597,467.17		
DSI	408,604.18	↑ 0.73%	405,651.73		
FSI	155,019.41	↓ -1.78%	157,821.13		
Traded volume	3,266,885	↓ -39.35%	5,386,241		
Number of trades	905	↓ -8.77%	992		
Value of shares traded (K'm)	1,236.93	↓ -15.16%	1,457.93		
Market capitalisation (K'm)	32,568,960.13	↑ 0.12%	32,530,145.38		

Gainers					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
SUNBIRD	1,700.01	↑ 14.35%	1,486.66	41.85	6.36
ILLOVO	2,616.60	↑ 12.29%	2,330.18	24.18	8.67

No movement					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ICON	16.00	→ 0.00%	16.00	4.38	0.73
OMU	3,790.04	→ 0.00%	3,790.04	28.35	3.78

Loser					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
STANDARD	4,248.32	↓ -0.003%	4,248.44	57.72	19.19
PCL	7,827.00	↓ -0.02%	7,828.64	14.55	2.69
NITL	3,934.94	↓ -0.10%	3,938.88	17.85	7.20
MPICO	19.49	↓ -0.15%	19.52	5.24	0.69
FDHB	597.89	↓ -0.20%	599.07	55.71	42.36
BHL	15.04	↓ -0.20%	15.07	(64.53)	1.36
NBM	11,958.13	↓ -0.25%	11,987.59	54.59	20.80
TNM	31.28	↓ -0.41%	31.41	35.89	6.96
NICO	1,727.80	↓ -0.45%	1,735.62	25.03	11.58
AIRTEL	120.00	↓ -0.61%	120.74	30.90	41.10
NBS	893.13	↓ -1.52%	906.92	35.61	23.19
FMBCB	3,129.96	↓ -1.79%	3,187.07	65.06	23.38

Data source: MSE

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