



Foreign exchange market developments

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

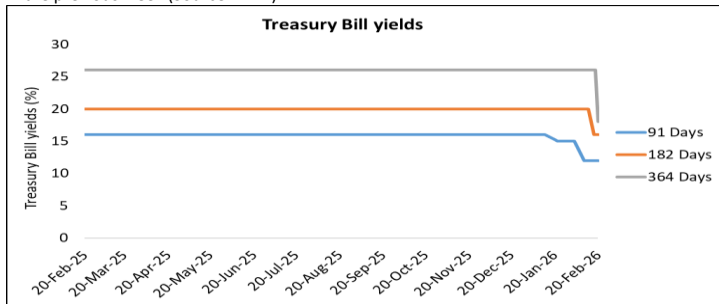
Closing TT middle exchange rates as at the end of the week			
Currency	20-Feb-26	% Δ	13-Feb-26
USD	1750.7306	↓ 0.13%	1748.4686
GBP	2413.2552	↑ -1.49%	2449.6399
EUR	2120.8979	↑ -0.87%	2139.4227
ZAR	111.0676	↑ -1.25%	112.4696

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 (TB) held during the week, total applications amounted to K245.26b, of which successful bids amounted to K113.48b, resulting in a rejection rate of 53.73%. TB yields declined, with the 91-day, 182-day and 364-day yields closing at 12.00%, 16.00% and 18.00%, respectively. There was no auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K126.79b, resulting in a net injection of K13.31b into the market during the week compared to a net injection of K96.48b in the previous week (Source: RBM).



Treasury Bill auctions			
	17, 18 & 20 Feb 2026		10, 11 & 13 Feb 2026
Auction date	2026	% pts Δ	Feb 2026
Applied - cost value (K'm)	245,261.58	↓ -6.54%	262,432.81
Allotted - cost value (K'm)	113,475.78	↑ 205.68%	37,122.57
Overall rejection rate	53.73%	↓ -32.12%	85.85%
91 days yield	12.0000%	↓ 12.0000%	12.0000%
182 days yield	16.0000%	↓ -4.0000%	20.0000%
364 days yield	18.0000%	↓ -8.0000%	26.0000%
All-type yield	15.3333%	↓ -4.0000%	19.3333%

Treasury Note and Bond auctions			
	31-Dec-25	18-Dec-25	16-Dec-25
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%

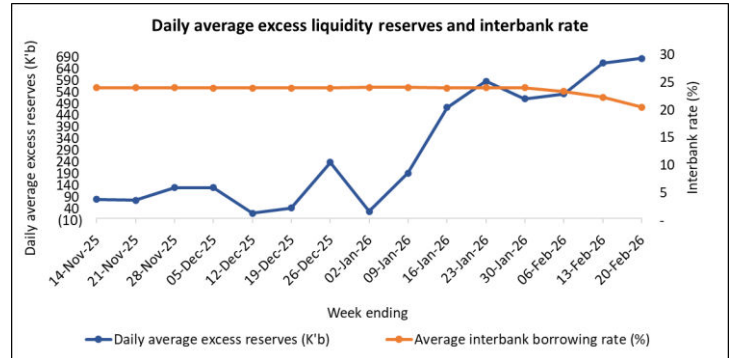
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	18-Dec-25	TBA
2-year Development Bond	28.75%	05-Aug-25	TBA
3-year TN	30.00%	18-Dec-25	TBA
3-year Development Bond	30.00%	18-Nov-25	TBA
5-year TN	32.00%	18-Dec-25	TBA
5-year Development 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	20-Feb-26	27-Feb-26	6-Mar-26
TBs, PNs & TNs (K'm)	126,789	98,145	55,922
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	13,086	2,612

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K684.06b, increasing from an average of K664.14b in the previous week. The daily interbank borrowing amounted to K90.50b during the week, from K172.00b in the previous week. There was no borrowing on the Lombard facility during the week as was the case in the previous week. The average interbank borrowing rate decreased to 20.50% from 22.30% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



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

Market Reference Rate			
Rate	Feb-26	% pts Δ	Jan-26
	24.70%	↓ -0.50	25.20%

Inflation Rate			
Rate	Jan-26	% pts Δ	Dec-25
	24.90%	↓ -1.10	26.0%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.66% to close the week at 573,773.12 points from 577,574.44 points in the previous week. The market traded 5,358,661 shares at a consideration of K1.11b in 849 trades, compared to 9,262,304 shares traded at a consideration of K7.94b in 930 trades in the previous week. The year-to-date return on the MASI stood at -4.06% as at the end of the week, compared to 49.04% during the same period in 2025 (Source: MSE).

Stock market trading activity					
	20-Feb-26	% Δ	13-Feb-26		
MASI	573,773.12	↓ -0.66%	577,574.44		
DSI	401,743.59	↓ -0.45%	403,556.82		
FSI	136,873.40	↓ -1.39%	138,802.24		
Traded volume	5,358,661	↓ -42.15%	9,262,304		
Number of trades	849	↓ -8.71%	930		
Value of shares traded (K'm)	1,107.21	↓ -86.05%	7,939.68		
Market capitalisation (K'm)	31,280,858.69	↓ -0.66%	31,488,098.09		

Winner	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
OMU	4,600.02	↑ 15.00%	4,000.00	54.29	7.23
MPICO	19.45	↑ 0.05%	19.44	5.23	0.69
ILLOVO	2,680.17	↑ 0.001%	2,680.13	24.76	8.88

Loser	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
BHL	15.01	→ 0.00%	15.01	(64.40)	1.36
SUNBIRD	1,700.03	→ 0.00%	1,700.03	41.86	6.36

Data source: MSE

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