INVESTMENT BANK

Market update – 27th February 2026

Foreign exchange market developments

During the week, the Kwacha marginally appreciated against the USD but depreciated 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	**27-Feb-26**	**% Δ**	**20-Feb-26**
USD	1750.4527	-0.02%	1750.7306
GBP	2424.7205	0.48%	2413.2552
EUR	2127.3667	0.31%	2120.8979
ZAR	113.1963	1.92%	111.0676
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

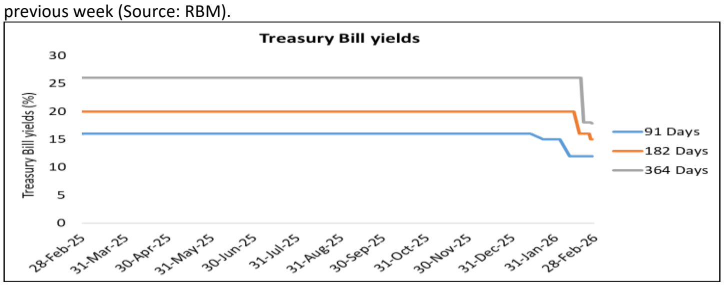
Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised a total of K164.36b from auctions of Treasury securities held during the week. Of this amount, K61.27b was the value of total successful bids for Treasury bills (TB) against total applications of K127.70b, representing a rejection rate of 52.02%; and K103.09b was the value of successful bids for a 2-year Treasury Note against total applications of K403.97b, representing a rejection rate of 74.48%.

The all-type average TB yield decreased to 15.10% during the week from 15.33% in the previous week as the 182-day and 364-day TB yields decreased. The yield for the 2-year TN averaged 20.65%, decreasing from 28.75% as of the previous last auction held in December 2025.

Maturities of Government securities for the week amounted to K98.15b and maturities of OMO reverse repos amounted to K13.09b. These transactions resulted in a net withdrawal of K79.30b from the market during the week compared to a net injection of K13.31b in the previous week (Source: RBM).

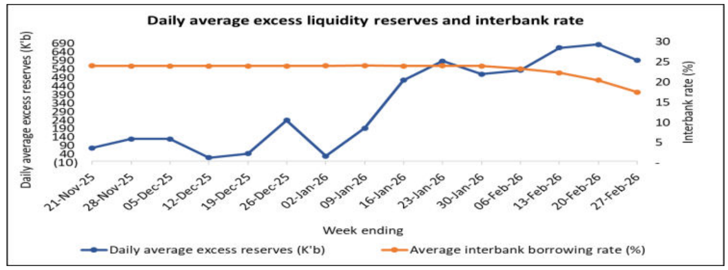


Treasury Bill auctions			
Auction date	**24, 25 & 26 Feb 2026**	**% pts Δ**	**17, 18 & 20 Feb 2026**
Applied - cost value (K'm)	127,700.16	-47.93%	245,261.58
Alloted - cost value (K'm)	61,269.34	-46.01%	113,475.78
Overall rejection rate	52.02%	-1.71	53.73%
91 days yield	12.0000%	0.0000%	12.0000%
182 days yield	15.3333%	-0.6667%	16.0000%
364 days yield	17.9651%	-0.0349%	18.0000%
All-type yield	15.0995%	-0.2339%	15.3333%
Treasury Note and Bond auctions			
Auction dates	**23, 24, 26 & 27 Feb 2026**	**31-Dec-25**	**18-Dec-25**
Tenor	2-yr TN	5-yr IDB	2, 3, 5, 7, & 10-yr TNs
Coupon rate	10.00%	13.50%	10.0%, 11.0%, 12.5%, 13.5% & 15.0%
Amount offered -cost value (K'b)		11.00	
Total applied - cost value (K'b)	403.97	21.61	61.26
Total allotted - cost value (K'b)	103.09	0.00	61.26
Overall rejection rate	74.48%	100.00%	0.00%
Allotted - weighted average ytm	20.65%	32.00%	28.75%, 30.0%, 32.0%, 34.0% & 35.0%
nt yields for Treasury Notes and Bonds			
Tenor	**Last auction's yield**	**Last auction**	**Next auction**
2-year TN	20.65%	27-Feb-26	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
30-Dec-25	5-yr IDB	11.00	13.50%
Projected maturities			
Week ending	**27-Feb-26**	**6-Mar-26**	**13-Mar-26**
TBs, PNs & TNs (K'm)	98,145	56,729	98,247
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	13,086	2,612	0

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K591.90b, decreasing from an average of K684.06b in the previous week. The daily interbank borrowing amounted to K45.00b during the week, from K90.50b 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 17.50% from 20.50% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
	30-Oct-25	**% pts Δ**	**31-Jul-25**
Rate	26.00%	0.00	26.00%
Market Reference Rate			
	Feb-26	**% pts Δ**	**Jan-26**
Rate	24.70%	-0.50	25.20%
Inflation Rate			
	Jan-26	**% pts Δ**	**Dec-25**
Rate	24.90%	-1.10	26.0%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.16% to close the week at 574,679.80 points from 573,773.12 points in the previous week. The market traded 15,429,587 shares at a consideration of K14.70b in 818 trades, compared to 5,358,661 shares traded at a consideration of K1.11b in 849 trades in the previous week. The year-to-date return on the MASI stood at -3.91% as at the end of the week, compared to 61.86% during the same period in 2025 (Source: MSE).

Stock market trading activity					
	27-Feb-26	**% Δ**	**20-Feb-26**		
MASI	574,679.80	0.16%	573,773.12		
DSI	402,723.18	0.24%	401,743.59		
FSI	136,674.36	-0.15%	136,873.40		
Traded volume	15,429,587	187.94%	5,358,661		
Number of trades	818	-3.65%	849		
Value of shares traded (K'm)	14,697.93	1227.47%	1,107.21		
Market capitalisation (K'm)	31,330,225.29	0.16%	31,280,858.69		
Gainers	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
SUNBIRD	1,955.01	15.00%	1,700.03	48.13	7.31
MPICO	19.47	0.10%	19.45	5.24	0.69
ICON	15.97	0.06%	15.96	4.37	0.73
ILLOVO	2,680.23	0.002%	2,680.17	24.76	8.88
OMU	4,600.06	0.001%	4,600.02	54.27	7.23
PCL	7,824.00	0.0003%	7,823.98	14.55	2.69
No movement	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
BHL	15.01	0.00%	15.01	(64.40)	1.36
Loser	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
NITL	3,934.22	-0.003%	3934.33	17.85	7.20
STANDARD	4,238.44	-0.003%	4,238.56	57.58	19.14
NBM	11,498.89	-0.01%	11,499.59	52.49	20.00
FDHB	593.59	-0.05%	593.90	55.31	42.05
NBS	857.87	-0.05%	858.34	34.21	22.27
NICO	1,690.97	-0.06%	1,691.95	24.49	11.33
AIRTEL	113.81	-0.06%	113.88	29.30	38.98
FMBCH	2,743.90	-0.15%	2,747.98	57.04	20.50
TNM	30.99	-0.45%	31.13	35.55	6.90

Data source: MSE

Corporate news

Standard Bank Plc revised its trading statement in respect of the year ended 31 December 2025 to announce that it is now expecting its profit after tax (PAT) for the year to be higher than the previous year by between 35% and 45% which represents a PAT of between K116.6b and K125.3b. In the previous trading statement released in December 2025, the bank had announced that it was expecting an increase in PAT of between 30% and 40% from the PAT of K86.4b registered in 2025 (Source: MSE).

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