



Foreign exchange market developments

During the week, the Kwacha was generally stable against the USD, registering a marginal depreciation of 0.01%. The Kwacha, however, 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	6-Mar-26		% Δ	27-Feb-26
USD	1750.7040	↓	0.01%	1750.4527
GBP	2409.4683	↑	-0.63%	2424.7205
EUR	2092.4967	↑	-1.64%	2127.3667
ZAR	108.0488	↑	-4.55%	113.1963

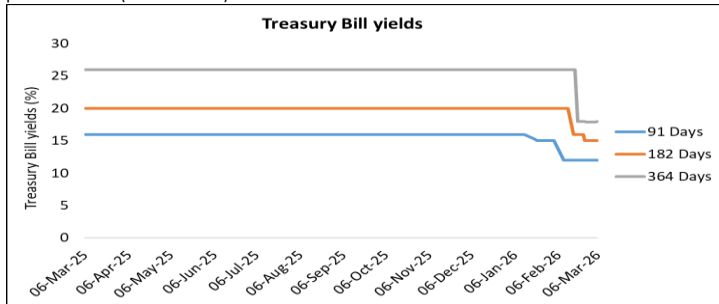
Data source: Reserve Bank of Malawi (RBM)

Government securities

During the week, the Government raised K30.18b from the auction of Treasury bills during which total applications amounted to K60,26b, representing a rejection rate of 49.91%. There was also an auction of a 2-year Treasury note during which total applications amounted to K60.26b with no successful bids, resulting in a rejection rate of 100%.

The all-type average TB yield decreased to 14.98% during the week from 15.10% in the previous week as the 182-day and 364-day TB yields decreased.

Maturities of Government securities for the week amounted to K56.73b and maturities of OMO reverse repos amounted to K2.61b. These transactions resulted in a net injection of K23.94b into the market during the week, compared to a net withdrawal of K79.30b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	2, 4 & 6 Mar 2026		% pts Δ	24, 25 & 26 Feb 2026
Applied - cost value (K'm)	60,257.19	↓	-52.81%	127,700.16
Allotted - cost value (K'm)	30,182.12	↓	-50.74%	61,269.34
Overall rejection rate	49.91%	↓	-2.11	52.02%
91 days yield	12.0000%	→	0.0000%	12.0000%
182 days yield	15.0000%	↓	-0.3333%	15.3333%
364 days yield	17.9302%	↓	-0.0349%	17.9651%
All-type yield	14.9767%	↓	-0.1227%	15.0995%

Treasury Note and Bond auctions				
Auction dates	6-Mar-26	23, 24, 26 & 27 Feb 2026		31-Dec-25
Tenor	2-yr TN	2-yr TN		5-yr IDB
Coupon rate	10.00%	10.00%		13.50%
Amount offered - cost value (K'b)				11.00
Total applied - cost value (K'b)	26.55	403.97		21.61
Total allotted - cost value (K'b)	0.00	103.09		0
Overall rejection rate	100.00%	74.48%		100.00%
Allotted - weighted average ytm		20.65%		32.00%

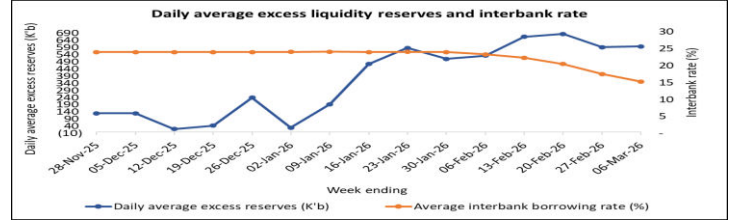
Yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	20.65%	27-Feb-26	TBA	
2-year Development Bond	28.75%	05-Aug-25	TBA	
3-year TN	30.00%	18-Dec-25	TBA	
3-year Development Bond	30.00%	18-Nov-25	TBA	
5-year TN	32.00%	18-Dec-25	TBA	
5-year Development 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	
10-year Development Bond	35.00%	20-Jun-24	TBA	

Projected maturities			
Week ending	6-Mar-26	13-Mar-26	20-Mar-26
TBs, PNs & TNs (K'm)	56,729	98,275	83,828
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	2,612	0	2,625

Data source: RBM

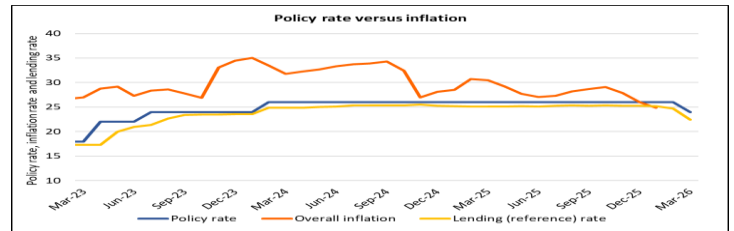
Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K597.64b, decreasing from an average of K591.90b in the previous week. The daily interbank borrowing amounted to K451.00b during the week, from K45.00b 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 15.31% from 17.50% in the previous week. The Lombard rate decreased to 24.20% from 26.20% in the previous week, following a reduction in the Policy rate to 24.0% from 26.0% on 5th March 2026 (Source: RBM).



Monetary policy

The Monetary Policy Committee (MPC) held its first meeting of 2026 on 4th and 5th March 2026 during which they decided to reduce the Policy rate by 200 basis points to 24.0% from 26.0%, stating that this is a cautious and measured adjustment reflecting the improving inflation outlook. Lombard rate was maintained at 20 basis points above the policy rate (24.2%). The Liquidity Reserve Requirement Ratio (LRR) was maintained at 10.0% for local currency deposits and 3.75% for foreign currency deposits (Source: RBM).



Policy Rate			
Rate	05-Mar-26	% pts Δ	30-Oct-25
Rate	24.00%	↓ -2.00	26.00%
Market Reference Rate			
Rate	Mar-26	% pts Δ	Feb-26
Rate	22.40%	↓ -2.30	24.70%
Inflation Rate			
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 0.56% to close the week at 577,889.15 points from 574,679.80 points in the previous week. The market traded 4,891,159 shares at a consideration of K4.23b in 802 trades, compared to 15,429,587 shares traded at a consideration of K14.70b in 818 trades in the previous week. The year-to-date return on the MASI stood at -3.37% as at the end of the week, compared to 64.08% during the same period in 2025 (Source: MSE).

Stock market trading activity					
	06-Mar-26	% Δ	27-Feb-26		
MASI	577,889.15	↑ 0.56%	574,679.80		
DSI	405,611.47	↑ 0.72%	402,723.18		
FSI	136,667.52	↓ -0.01%	136,674.36		
Traded volume	4,891,159	↓ -68.30%	15,429,587		
Number of trades	802	↓ -1.96%	818		
Value of shares traded (K'm)	4,225.12	↓ -71.25%	14,697.93		
Market capitalisation (K'm)	31,505,191.60	↑ 0.56%	31,330,225.29		
Gainers					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ILLOVO	2,948.35	↑ 10.00%	2,680.23	27.24	9.77
TNM	31.05	↑ 0.19%	30.99	35.62	6.91
BHL	15.02	↑ 0.07%	15.01	(64.44)	1.36
SUNBIRD	1,955.03	↑ 0.001%	1,955.01	48.13	7.31
No movement					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ICON	15.97	→ 0.00%	15.97	4.37	0.73
MPICO	19.47	→ 0.00%	19.47	5.24	0.69
PCL	7,824.00	→ 0.00%	7,824.00	14.55	2.69
Loser					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
OMU	4,600.05	↓ -0.0002%	4,600.06	54.27	7.23
NITL	3,934.14	↓ -0.002%	3,934.22	17.85	7.20
STANDARD	4,238.26	↓ -0.004%	4,238.44	57.58	19.14
FMBCB	2,743.76	↓ -0.01%	2,743.90	57.04	20.50
FDHB	593.49	↓ -0.02%	593.59	55.30	42.05
NICO	1,690.49	↓ -0.03%	1,690.97	24.49	11.33
NBS	857.29	↓ -0.07%	857.87	34.19	22.26
AIRTEL	113.67	↓ -0.12%	113.81	29.27	38.93
NBM	11,472.99	↓ -0.23%	11,498.89	52.38	19.95

Data source: MSE

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