



**Foreign exchange market developments**

During the week, the Kwacha was generally stable against the USD, registering a marginal appreciation of 0.01%. The Kwacha also appreciated against the EUR but depreciated against the GBP 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   | 22-May-26 | % Δ      | 15-May-26 |  |
| USD  | 1750.2925 | ↑ -0.01% | 1750.4294 |  |
| GBP  | 2411.3509 | ↓ 0.32%  | 2403.7339 |  |
| EUR  | 2092.1181 | ↑ -0.35% | 2099.3789 |  |
| ZAR  | 108.7962  | ↓ 0.72%  | 108.0238  |  |

| Foreign exchange reserves position                                 |           |           |           |
|--|-----------|-----------|-----------|
|  | 31-Mar-26 | 28-Feb-26 | 31-Jan-26 |
| Total foreign exchange reserves (Aggregate of RBM, Banks & FCDA's) | 571.60    | 625.70    | 664.90    |
| Total import cover (months)  | 2.30      | 2.50      | 2.70      |

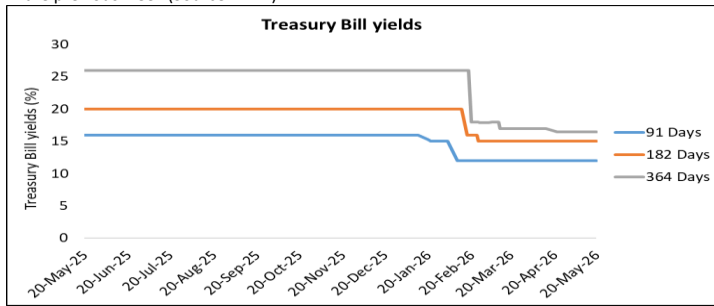
| Cumulative tobacco sales statistics as at Week 5 |                           |           |                          |
|--|---------------------------|-----------|--------------------------|
| Date   | Week 5 2026 (22 May 2026) | % Δ       | Week 5 2025 (9 May 2025) |
| Volume (million kg)                              | 29.01                     | ↓ -15.29% | 34.24                    |
| Value (USD'million)                              | 61.02                     | ↓ -24.51% | 80.83                    |
| Average price (USD/Kg)                           | 2.10                      | ↓ -11.02% | 2.36                     |

Data source: Reserve Bank of Malawi (RBM)

**Government securities**

The Government raised K45.03b from the auction of Treasury Bills during the week, representing a decrease of 68.02% when compared to K140.81b that was raised in the previous week. No application was rejected during the auction. There was no auction for Treasury Notes during the week.

Maturities of Government securities for the week amounted to K107.80b, resulting in a net injection of K62.77b into the market during the week, compared to a net injection of K45.26b in the previous week (Source: RBM).



| Treasury Bill auctions      |           |            |            |  |
|-----------------------------|-----------|------------|------------|--|
| Auction date                | 20-May-26 | % pts Δ    | 13-May-26  |  |
| Applied - cost value (K'm)  | 45,028.05 | ↓ -68.02%  | 140,812.68 |  |
| Allotted - cost value (K'm) | 45,028.05 | ↓ -68.02%  | 140,812.68 |  |
| Overall rejection rate      | 0.00%     | → 0.00     | 0.00%      |  |
| 91 days yield               | 12.0000%  | → 0.0000%  | 12.0000%   |  |
| 182 days yield              | 15.0000%  | → 0.0000%  | 15.0000%   |  |
| 364 days yield              | 16.4473%  | ↓ -0.0527% | 16.5000%   |  |
| All-type yield              | 14.4824%  | ↓ -0.0176% | 14.5000%   |  |

| Treasury Note and Bond auctions   |                      |                      |                      |  |
|-----------------------------------|----------------------|----------------------|----------------------|--|
| Auction dates                     | 30 & 31 Mar 2026     | 24, 25 & 27 Mar 2026 | 16 & 19 Mar 2026     |  |
| Tenor                             | 2-year Treasury Note | 2-year Treasury Note | 2-year Treasury Note |  |
| Coupon rate                       | 10.00%               | 10.00%               | 10.00%               |  |
| Total applied - cost value (K'b)  | 34.73                | 36.73                | 67.65                |  |
| Total allotted - cost value (K'b) | 34.73                | 27.14                | 67.65                |  |
| Overall rejection rate            | 0.00%                | 26.11%               | 0.00%                |  |
| Allotted - weighted average ytm   | 18.00%               | 18.00%               | 18.50%               |  |

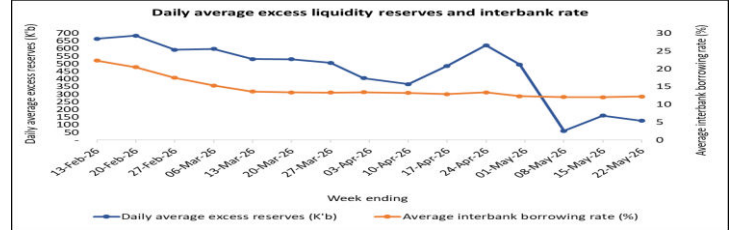
| Current yields for Treasury Notes and Bonds |                      |              |              |
|---|----------------------|--------------|--------------|
| Tenor                                       | Last auction's yield | Last auction | Next auction |
| 2-year Treasury Note                        | 18.00%               | 31-Mar-26    | TBA          |
| 2-year Development Bond                     | 28.75%               | 05-Aug-25    | TBA          |
| 3-year Treasury Note                        | 30.00%               | 18-Dec-25    | TBA          |
| 3-year Development Bond                     | 30.00%               | 18-Nov-25    | TBA          |
| 5-year Treasury Note                        | 32.00%               | 18-Dec-25    | TBA          |
| 5-year Development Bond                     | 32.00%               | 02-Dec-25    | TBA          |
| 7-year Treasury Note                        | 34.00%               | 18-Dec-25    | TBA          |
| 7-Year Development Bond                     | 34.00%               | 07-Jan-25    | TBA          |
| 10-year Treasury Note                       | 35.00%               | 18-Dec-25    | TBA          |
| 10-year Development Bond                    | 35.00%               | 20-Jun-24    | TBA          |

| Projected maturities                                    |           |           |          |
|---|-----------|-----------|----------|
| Week ending   | 22-May-26 | 29-May-26 | 5-Jun-26 |
| Treasury Bills, Promissory Notes & Treasury Notes (K'm) | 107,800   | 16,810    | 58,988   |
| Open Market Operations repos (K'm)                      | 0         | 0         | 0        |
| Open Market Operations reverse repos (K'm)              | 0         | 0         | 0        |

Data source: RBM

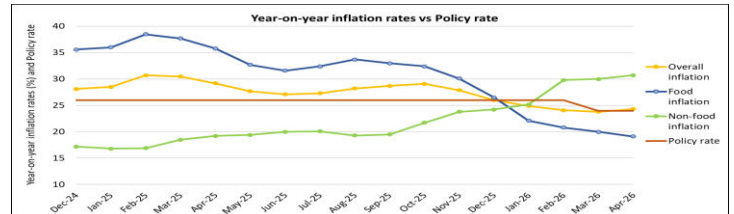
**Market liquidity and interbank market activity**

During the week, daily excess liquidity reserves averaged K126.25b, decreasing from an average of K160.91b in the previous week. The interbank borrowing averaged K83.40b per day from an average of K138.75b per day in the previous week. Borrowing on the Lombard Standing Facility amounted to K480.00b during the week, increasing from K357.00b in the previous week. The average interbank borrowing rate increased to 12.25% from 12.06% in the previous week. The Lombard rate remained fixed at 24.20% (Source: RBM).



**Inflation**

The year-on-year headline inflation rate increased to 24.3% in April 2026 from 23.8% in March 2026 as non-food inflation rate increased to 33.2% in April 2026 from 30.7% in March 2026 while food inflation rate decreased to 19.1% in April 2026 from 20.0% in March 2026 (Source: NSO).



| Policy Rate |           |         |           |  |
|-------------|-----------|---------|-----------|--|
| Rate        | 30-Apr-26 | % pts Δ | 05-Mar-26 |  |
|             | 24.00%    | → 0.00  | 24.00%    |  |

| Market Reference Rate |        |         |        |
|-----------------------|--------|---------|--------|
| Rate                  | May-26 | % pts Δ | Apr-26 |
|                       | 20.60% | ↓ -0.20 | 20.80% |

| Inflation Rate |        |         |        |
|----------------|--------|---------|--------|
| Rate           | Apr-26 | % pts Δ | Mar-26 |
|                | 24.30% | ↑ 0.50  | 23.8%  |

**Malawi Stock Exchange (MSE) trading activity**

The Malawi All Share Index (MASI) registered a gain of 0.30% to close the week at 519,488.81 points from 517,941.30 points in the previous week. The market traded 11,267,974 shares at a consideration of K2.06b in 910 trades, compared to 4,836,643 shares traded at a consideration of K1.57b in 658 trades in the previous week. The year-to-date return on MASI stood at -13.14% as at the end of the week, compared to 65.05% during the same period in 2025 (Source: MSE).

| Stock market trading activity |               |           |               |  |  |  |
|-------------------------------|---------------|-----------|---------------|--|--|--|
|                               | 22-May-26     | % Δ       | 15-May-26     |  |  |  |
| MASI                          | 519,488.81    | ↑ 0.30%   | 517,941.30    |  |  |  |
| DSI                           | 397,104.56    | ↑ 0.35%   | 395,712.09    |  |  |  |
| FSI                           | 83,725.57     | ↓ -0.003% | 83,728.49     |  |  |  |
| Traded volume                 | 11,267,974    | ↑ 132.97% | 4,836,643     |  |  |  |
| Number of trades              | 910           | ↑ 38.30%  | 658           |  |  |  |
| Value of shares traded (K'm)  | 2,062.55      | ↑ 31.19%  | 1,572.20      |  |  |  |
| Market capitalisation (K'm)   | 28,323,009.84 | ↑ 0.30%   | 28,238,638.28 |  |  |  |

| Gainers | Closing price (K) | % Δ      | Opening price (K) | P/E ratio | P/BV ratio |
|---------|-------------------|----------|-------------------|-----------|------------|
| SUNBIRD | 3,100.00          | ↑ 19.91% | 2,585.27          | 64.98     | 5.90       |
| ILLOVO  | 3,498.62          | ↑ 18.65% | 2,948.67          | 32.33     | 11.59      |
| BHL     | 17.49             | ↑ 6.00%  | 16.50             | 18.68     | 1.43       |
| ICON    | 16.01             | ↑ 0.13%  | 15.99             | 3.28      | 0.61       |
| MPICO   | 19.54             | ↑ 0.05%  | 19.53             | 3.31      | 0.58       |

| No movement | Closing price (K) | % Δ     | Opening price (K) | P/E ratio | P/BV ratio |
|-------------|-------------------|---------|-------------------|-----------|------------|
| OMU         | 5,300.02          | → 0.00% | 5,300.02          | 30.53     | 3.95       |
| PCL         | 8,500.00          | → 0.00% | 8,500.00          | 7.04      | 1.98       |

| Loser    | Closing price (K) | % Δ       | Opening price (K) | P/E ratio | P/BV ratio |
|----------|-------------------|-----------|-------------------|-----------|------------|
| NITL     | 3,930.57          | ↓ -0.002% | 3930.64           | 2.63      | 1.94       |
| FMBCH    | 1,649.91          | ↓ -0.004% | 1,649.97          | 20.73     | 8.06       |
| AIRTEL   | 112.34            | ↓ -0.09%  | 112.44            | 24.11     | 20.14      |
| NICO     | 1,640.98          | ↓ -0.16%  | 1,643.56          | 10.20     | 5.71       |
| TNM      | 29.85             | ↓ -0.17%  | 29.90             | 16.20     | 3.36       |
| NBS      | 757.15            | ↓ -0.70%  | 762.52            | 14.65     | 9.96       |
| NBM      | 10,720.48         | ↓ -2.53%  | 10,999.21         | 24.67     | 12.27      |
| FDHB     | 549.78            | ↓ -3.32%  | 568.64            | 25.67     | 15.25      |
| STANDARD | 3,999.97          | ↓ -3.46%  | 4,143.28          | 38.57     | 13.46      |

Data source: MSE

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