CDH INVESTMENT BANK

Market update – 17th July 2026

Foreign exchange market developments

During the week, the Kwacha was generally stable against the USD, registering a marginal depreciation of 0.001%. The Kwacha also depreciated against the GBP but appreciated against EUR and ZAR during the week, as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	**17-Jul-26**	**% Δ**	**10-Jul-26**
USD	1750.3208	0.001%	1750.3077
GBP	2422.2178	0.51%	2409.9815
EUR	2059.9916	-0.15%	2063.0696
ZAR	108.9227	-0.92%	109.9296

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

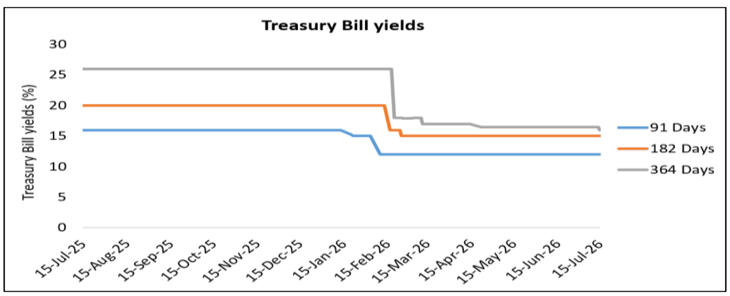
Cumulative tobacco sales statistics as at Week 13			
Date	**Week 13 2026 (17 July 2026)**	**% Δ**	**Week 13 2025 (4 July 2025)**
Volume (million kg)	106.95	-22.88%	138.68
Value (USD'million)	217.32	-38.12%	351.21
Average price (USD/Kg)	2.03	-19.76%	2.53

Data source: Reserve Bank of Malawi (RBM)

Government securities

During the auction of Treasury Bills conducted during the week, applications amounted to K143.88b and successful bids amounted to K95.76b, resulting in a rejection rate of 33.43%. There was no auction of Treasury Notes during the week.

Maturities of Government securities amounted to K25.70b, resulting in a net withdrawal of K70.06b from the market during the week, compared to a net injection of K89.80b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	**14 & 15 Jul 2026**	**% pts Δ**	**7-Jul-26**
Applied - cost value (K'm)	143,881.01	1842.43%	7,407.28
Alloted - cost value (K'm)	95,775.50	1337.89%	6,660.83
Overall rejection rate	33.43%	23.36	10.08%
91 days yield	12.0000%	0.0000%	12.0000%
182 days yield	15.0000%	0.0000%	15.0000%
364 days yield	16.2500%	-0.2500%	16.5000%
All-type yield	14.4167%	-0.0833%	14.5000%

Treasury Note and Bond auctions			
Auction dates	**22, 24 & 26 June 2026**	**15, 17 & 18 June 2026**	**11 & 12 June 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)	12.15	7.76	26.294
Total allotted - cost value (K'b)	12.15	6.01	26.294
Overall rejection rate	0.00%	22.59%	0.00%
Allotted - weighted average ytm	18.00%	18.00%	18.00%

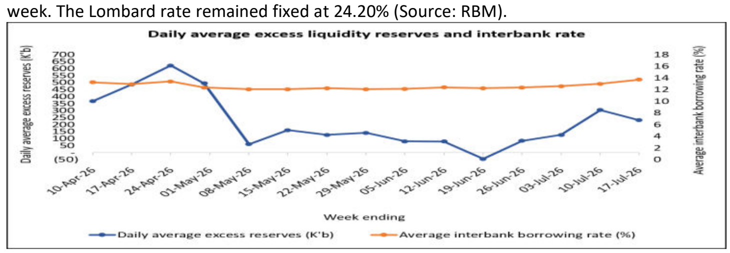
Current yields for Treasury Notes and Bonds			
Tenor	**Last auction's yield**	**Last auction**	**Next auction**
2-year Treasury Note	18.00%	26-Jun-26	TBA
2-year Development Bond	28.75%	05-Aug-25	TBA
3-year Treasury Note	30.00%	18-Dec-25	TBA
3-year Development Bond	30.00%	18-Nov-25	TBA
5-year Treasury 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	**17-Jul-26**	**24-Jul-26**	**31-Jul-26**
Treasury Bills, Promissory Notes & Treasury Notes (K'm)	25,703	19,773	68,928
Open Market Operations repos (K'm)	0	0	0
Open Market Operations reverse repos (K'm)	0	0	0

Data source: RBM

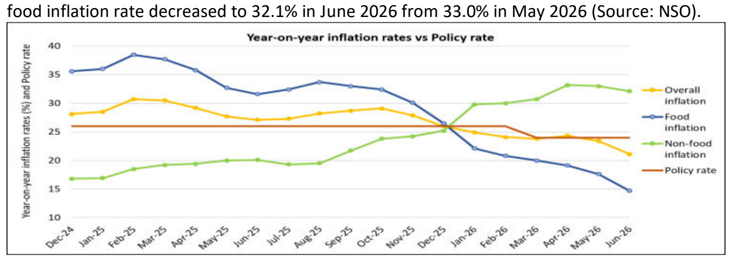
Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K231.33b, increasing from an average of K303.67b in the previous week. The interbank borrowing averaged K135.40b per day from an average of K77.25b per day in the previous week. Borrowing on the Lombard Standing Facility amounted to K30b during the week, down from K520.00b in the previous week. The average interbank borrowing rate increased to 13.72% from 12.99% in the previous week. The Lombard rate remained fixed at 24.20% (Source: RBM).



Inflation

The year-on-year headline inflation rate decreased to 21.1% in June 2026 from 23.4% in May 2026 as food inflation rate decreased to 14.7% in June 2026 from 17.6% in May 2026 and non-food inflation rate decreased to 32.1% in June 2026 from 33.0% in May 2026 (Source: NSO).



Policy Rate			
	30-Apr-26	**% pts Δ**	**05-Mar-26**
Rate	24.00%	0.00	24.00%
Market Reference Rate			
	Jul-26	**% pts Δ**	**Jun-26**
Rate	20.50%	0.10	20.40%
Inflation Rate			
	Jun-26	**% pts Δ**	**May-26**
Rate	21.10%	-2.30	23.4%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.36% to close the week at 512,808.58 points from 514,646.95 points in the previous week. The market traded 3,440,776 shares at a consideration of K5.28b in 435 trades, compared to 4,055,829 shares traded at a consideration of K11.27b in 393 trades in the previous week. The year-to-date return on MASI stood at -14.26% as at the end of the week, compared to 113.59% during the same period in 2025 (Source: MSE).

Stock market trading activity					
	17-Jul-26	**% Δ**	**10-Jul-26**		
MASI	512,808.58	-0.36%	514,646.95		
DSI	381,145.07	-0.43%	382,795.17		
FSI	95,719.03	-0.002%	95,720.48		
Traded volume	3,440,776	-15.16%	4,055,829		
Number of trades	435	10.69%	393		
Value of shares traded (K'm)	5,277.38	-53.16%	11,267.63		
Market capitalisation (K'm)	27,958,797.70	-0.36%	28,059,027.23		
Gainers	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
MPICO	19.59	0.05%	19.58	3.31	0.58
ILLOVO	3,501.87	0.001%	3,501.83	32.36	11.6
OMU	5,300.04	0.0004%	5,300.02	30.53	3.95
PCL	9,521.77	0.0002%	9,521.75	7.89	2.22
No movement	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
BHL	17.44	0.00%	17.44	18.62	1.42
SUNBIRD	3,550.01	0.00%	3,550.01	74.42	6.75
Loser	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
NITL	3,699.95	-0.001%	3700.00	2.47	1.82
FMBCH	1,895.81	-0.002%	1,895.84	23.82	9.27
STANDARD	3,999.13	-0.003%	3,999.23	38.56	13.46
ICON	17.01	-0.06%	17.02	3.48	0.65
FDHB	513.61	-0.07%	513.97	23.98	14.25
AIRTEL	104.80	-0.11%	104.92	22.49	18.79
NICO	1,494.93	-0.23%	1,498.42	9.29	5.20
TNM	28.57	-0.87%	28.82	15.50	3.21
NBS	693.08	-0.99%	699.99	13.41	9.12
NBM	9,649.99	-1.52%	9,799.00	22.21	11.04

Data source: MSE

CDH House, 5 independence Drive, PO Box 1444, Blantyre, Malawi I http://www.cdh-malawi.com I Email: ckamamkhudza@cdh-malawi.com I Tel: +265 (0) 1 821 300; Fax: +265 (0) 1 822 826