CDH INVESTMENT BANK

Market update – 21st August 2026

Foreign exchange market developments

The Kwacha was generally stable against the USD, registering a marginal depreciation of 0.01% during the week. The Kwacha also depreciated against the ZAR but appreciated against the GBP and EUR, as indicated by TT middle exchange rates below (Source: RBM).

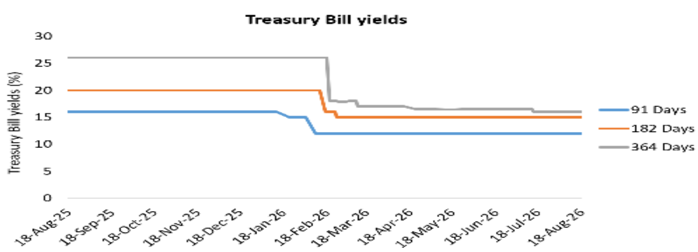
Closing TT middle exchange rates as at the end of the week			
Currency	**21-Aug-26**	**% Δ**	**14-Aug-26**
USD	1750.0215	-0.01%	1750.2160
GBP	2451.8280	0.69%	2435.0241
EUR	2109.4370	1.32%	2081.9752
ZAR	110.4501	-0.16%	110.6280
Foreign exchange reserves position			
	30-Jun-26	**31-May-26**	**30-Apr-26**
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs) (USD'm)	616.30	596.50	619.80
Total import cover (months)	2.50	2.40	2.50
Cumulative tobacco sales statistics as at Week 18			
Date	**Week 18 2026 (21 August 2026)**	**% Δ**	**Week 18 2025 (8 August 2025)**
Volume (million kg)	140.00	-26.83%	191.35
Value (USD'million)	278.11	-42.87%	486.84
Average price (USD/Kg)	1.99	-21.65%	2.54

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised a total of K62.38b during the auction of Treasury Bills conducted during the week, with a rejection rate of 5.76%. There was no auction of Treasury Notes during the week.

Maturities of Government securities amounted to K66.30b and maturities of Open Market Operations (OMO) repos amounted to K65.83b. These transactions resulted in a net injection of K69.75b into the market during the week, compared to a net withdrawal of K49.59b in the previous week (Source: RBM).

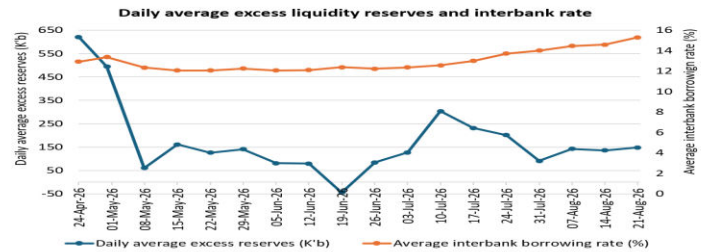


Treasury Bill auctions			
Auction date	**18-Aug-26**	**% pts Δ**	**11-Aug-26**
Applied - cost value (K'm)	66,196.27	-19.60%	82,328.67
Alloted - cost value (K'm)	62,381.59	-24.23%	82,328.67
Overall rejection rate	5.76%	5.76%	0.00%
91 days yield	12.0000%	0.00%	12.0000%
182 days yield	15.0000%	0.00%	15.0000%
364 days yield	16.0000%	0.00%	16.0000%
All-type yield	14.3333%	0.00%	14.3333%
Treasury Note and Bond auctions			
Auction dates	**11-Aug-26**	**22, 24 & 26 June 2026**	**15, 17 & 18 June 2026**
Tenor	2-year Treasury Note	2-year Treasury Note	2-year Treasury Note
Coupon rate	10.00%	10.00%	10.00%
Amount offered -cost value (K'b)			
Total applied - cost value (K'b)	1.95	12.15	7.757
Total allotted - cost value (K'b)	0.00	12.15	6.005
Overall rejection rate	100.00%	0.00%	22.59%
Allotted - weighted average ytm		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	**21-Aug-26**	**28-Aug-26**	**4-Sep-26**
Treasury Bills, Promissory Notes & Treasury Notes (K'm)	66,300	70,307	22,794
Open Market Operations repos (K'm)	65,834	0	5,132
Open Market Operations reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Daily excess liquidity reserves averaged K147.83b during the week, increasing from an average of K135.52b in the previous week. Interbank borrowing averaged K190.80b per day from an average of K276.60b per day in the previous week. Borrowing on the Lombard Standing Facility amounted to K29.00b during the week, down from K362.10b in the previous week. The average interbank borrowing rate increased to 15.88% from 15.30% in the previous week. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate			
	06-Aug-26	**% pts Δ**	**30-Apr-26**
Rate	24.00%	0.00%	24.00%
Market Reference Rate			
	Aug-26	**% pts Δ**	**Jul-26**
Rate	20.80%	0.30%	20.50%
Inflation Rate			
	Jul-26	**% pts Δ**	**Jun-26**
Rate	20.80%	-0.30%	21.1%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of 0.66% to close the week at 500,610.37 points from 503,942.09 points in the previous week. The market traded 8,764,153 shares at a consideration of K10.62b in 634 trades, compared to 934,165 shares traded at a consideration of K2.25 in 553 trades in the previous week. The year-to-date return on MASI stood at -16.29% as at the end of the week, compared to 184.14% during the same period in 2025 (Source: MSE).

Stock market trading activity					
	21-Aug-26	**% Δ**	**14-Aug-26**		
MASI	500,610.37	-0.66%	503,942.09		
DSI	370,251.64	-0.79%	373,195.95		
FSI	95,654.64	-0.05%	95,698.05		
Traded volume	8,764,153	838.18%	934,165		
Number of trades	634	14.65%	553		
Value of shares traded (K'm)	10,616.20	372.55%	2,246.56		
Market capitalisation (K'm)	27,878,569.13	-0.66%	28,064,109.63		
Gainers	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
PCL	9,521.89	0.001%	9,521.84	7.89	2.22
ILLOVO	3,502.13	0.0003%	3,502.12	32.36	11.6
SUNBIRD	3,550.02	0.0003%	3,550.01	74.42	6.75
No movement	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
BHL	17.51	0.00%	17.51	18.70	1.43
ICON	17.00	0.00%	17.00	3.48	0.65
Loser	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
OMU	5,300.01	-0.0002%	5,300.02	30.65	3.97
NITL	3,599.91	-0.001%	3599.95	2.40	1.77
NBM	9,399.64	-0.002%	9,399.80	21.63	10.76
STANDARD	3,989.89	-0.002%	3,989.98	38.47	13.42
FMBCH	1,894.49	-0.05%	1,895.38	23.80	9.26
NICO	1,343.37	-0.06%	1,344.21	8.35	4.68
MPICO	19.59	-0.10%	19.61	3.31	0.58
TNM	28.49	-0.21%	28.55	15.46	3.20
FDHB	491.88	-0.57%	494.70	22.97	13.64
AIRTEL	102.00	-0.84%	102.86	21.89	18.28
NBS	639.97	-2.99%	659.67	12.38	8.42
CHL	185.00	-14.60%	216.63	13.84	7.33

Data source: MSE

Corporate news

- FDH Bank Plc reported a profit after tax of K86.42b for the half year ending 30th June 2026. This represents an increase of 43% from the profit after tax of K60.28b that was registered in the previous corresponding period (Source: FDH Bank).
- Standard Bank Plc reported a profit after tax of K67.47b for the half year ending 30th June 2026. This represents an increase of 39% from the profit after tax of K48.39b that was registered in the previous corresponding period (Source: Standard Bank).

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