Market update – 7th August 2026

Foreign exchange market developments

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

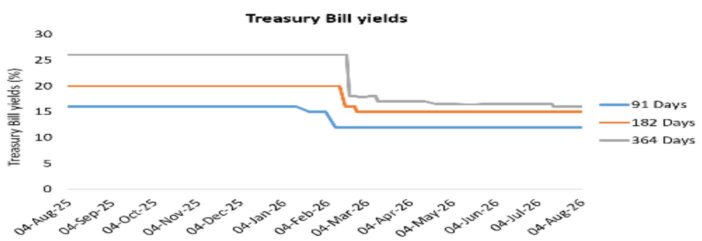
Closing TT middle exchange rates as at the end of the week			
Currency	**31-Jul-26**	**% Δ**	**24-Jul-26**
USD	1750.5544	-0.01%	1750.6752
GBP	2422.0281	1.21%	2393.1141
EUR	2072.0357	1.51%	2041.1603
ZAR	108.9168	1.89%	106.8920
Foreign exchange reserves position			
	31-May-26	**30-Apr-26**	**31-Mar-26**
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs) (USD'm)	596.50	619.80	571.60
Total import cover (months)	2.40	2.50	2.30
Cumulative tobacco sales statistics as at Week 16			
Date	**Week 16 2026 (7**	**% Δ**	**Week 16 2025 (25 July 2025)**
Volume (million kg)	130.29	-24.69%	173.00
Value (USD'million)	260.83	-40.87%	441.13
Average price (USD/Kg)	2.00	-21.57%	2.55

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised a total of K78.10b during the auction of Treasury Bills conducted during the week, with a rejection rate of 0.01%. There was no auction of Treasury Notes during the week.

Maturities of Government securities amounted to K17.30b, resulting in a net withdrawal of K60.80b from the market during the week, compared to a net injection of K49.78b in the previous week (Source: RBM).

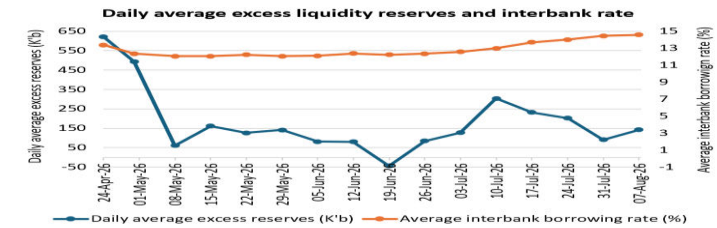


Treasury Bill auctions			
Auction date	**4-Aug-26**	**% pts Δ**	**28-Jul-26**
Applied - cost value (K'm)	78,107.02	283.98%	20,341.37
Alloted - cost value (K'm)	78,095.86	283.93%	20,341.37
Overall rejection rate	0.01%		0.00%
91 days yield	12.0000%	0.00%	12.0000%
182 days yield	15.0000%	0.00%	15.0000%
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	**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%
Amount offered -cost value (K'b)			
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	**7-Aug-26**	**14-Aug-26**	**21-Aug-26**
Treasury Bills, Promissory Notes & Treasury Notes (K'm)	17,302	30,739	127,105
Open Market Operations repos (K'm)	0	0	65,834
Open Market Operations reverse repos (K'm)	0	0	0

Data source: RBM

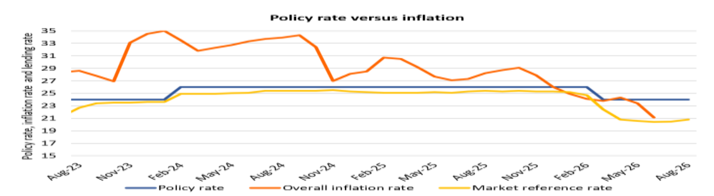
Market liquidity and interbank market activity

Daily excess liquidity reserves averaged K142.05b during the week, increasing from an average of K90.95b in the previous week. Interbank borrowing averaged K135.42b per day from an average of K112.20b per day in the previous week. Borrowing on the Lombard Standing Facility amounted to K718.40b during the week, up from K324.00b in the previous week. The average interbank borrowing rate increased to 14.58% from 14.46% in the previous week. The Lombard rate remained fixed at 24.20% (Source: RBM).



Monetary policy

The Monetary Policy Committee (MPC) held its third meeting of 2026 on 5th and 6th August 2026. During the meeting, MPC decided to maintain the Policy rate at 24.0%, the Lombard rate at 20 basis points above the Policy rate (24.2%), and the Liquidity Reserve Requirement (LRR) ratio at 12.0% for local currency deposits and 3.75% for foreign currency deposits. The MPC decided to maintain the current monetary policy stance after assessing that the current stance remains appropriate to support the ongoing disinflation process while preserving the progress made towards restoring macroeconomic stability (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			
	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 -0.45% to close the week at 503,483.73 points from 505,773.08 points in the previous week. The market traded 1,693,922 shares at a consideration of K709.29m in 591 trades, compared to 1,689,496 shares traded at a consideration of K1.03b in 594 trades in the previous week. The year-to-date return on MASI stood at -15.81% as at the end of the week, compared to 140.62% during the same period in 2025 (Source: MSE).

Stock market trading activity					
	07-Aug-26	**% Δ**	**31-Jul-26**		
MASI	503,483.73	-0.45%	505,773.08		
DSI	372,773.14	-0.55%	374,826.29		
FSI	95,714.14	-0.004%	95,718.04		
Traded volume	1,693,922	0.26%	1,689,496		
Number of trades	591	-0.51%	594		
Value of shares traded (K'm)	709.29	-30.97%	1,027.52		
Market capitalisation (K'm)	27,450,399.47	-0.45%	27,575,216.71		
Gainers	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
AIRTEL	102.92	0.58%	102.33	22.09	18.45
BHL	17.51	0.17%	17.48	18.70	1.43
TNM	28.57	0.04%	28.56	15.50	3.21
ILLOVO	3,501.99	0.001%	3,501.95	32.36	11.60
No movement	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
ICON	17.00	0.00%	17.00	3.48	0.65
MPICO	19.59	0.00%	19.59	3.31	0.58
OMU	5,300.02	0.00%	5,300.02	30.53	3.95
PCL	9,521.77	0.00%	9,521.77	7.89	2.22
SUNBIRD	3,550.00	0.00%	3,550.00	74.42	6.75
Loser	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
STANDARD	3,995.73	-0.004%	3,995.87	38.52	13.44
FMBCH	1,895.71	-0.004%	1,895.79	23.82	9.27
NICO	1,344.87	-0.29%	1,348.83	8.36	4.68
FDHB	498.11	-0.35%	499.88	23.26	13.82
NBM	9,413.89	-1.41%	9,548.83	21.67	10.77
NBS	659.86	-1.96%	673.07	12.77	8.68
NITL	3,599.99	-2.70%	3699.73	2.40	1.77

Data source: MSE

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