Market update – 16th October 2026

Foreign exchange market developments

During the week, the Kwacha remained relatively stable against the USD, appreciating marginally by 0.04%. It appreciated against the ZAR but depreciated against the GBP and EUR, as shown by the TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	16-Oct-26	% Δ	9-Oct-26
USD	1749.6861	0.04%	1750.4030
GBP	2397.4771	-0.46%	2386.4903
EUR	2023.9761	-0.87%	2006.5320
ZAR	108.8464	0.23%	109.0981

Foreign exchange reserves position			
	31-Jul-26	30-Jun-26	31-May-26
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs) (USD'm)	600.60	616.30	596.50
Total import cover (months)	2.40	2.50	2.40

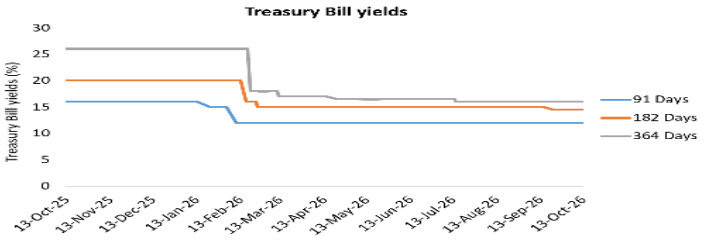
Cumulative tobacco sales statistics as at Week 23			
Date	Week 23 2026 (25 Sep 2026)	% Δ	Final 2025 (28 Nov, after 35 weeks)
Volume (million kg)	145.33	-34.32%	221.27
Value (USD'million)	287.09	-47.06%	542.31
Average price (USD/Kg)	1.98	-19.18%	2.45

Data source: Reserve Bank of Malawi (RBM)

Government securities

During the week, the Government raised K40.43b through Treasury bill auctions, while no bids for the 2-year Treasury Note were successful. Open Market Operations (OMO) repos amounted to K89.00b.

Government securities and OMO repo maturities totalled K85.48b and K55.29b, respectively. Overall, these transactions resulted in a net liquidity injection of K11.34b, compared with a net withdrawal of K143.06b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	13-Oct-26	% pts Δ	6, 8 & 9 Oct 2026
Applied - cost value (K'm)	40,426.76	-3.97%	42,097.16
Alloted - cost value (K'm)	40,426.76	-3.84%	42,041.80
Overall rejection rate	0.00%	-0.13%	0.13%
91 days yield	12.0000%	0.00%	12.0000%
182 days yield	14.5000%	0.00%	14.5000%
364 days yield	16.0000%	0.00%	16.0000%
All-type yield	14.1667%	0.00%	14.1667%

Treasury Note and Bond auctions			
Auction dates	8 & 9 Oct 2026	1-Oct-26	22 & 24 Sep 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)	36.29	8.99	114.13
Total allotted - cost value (K'b)	36.29	8.99	114.13
Overall rejection rate	0.00%	0.00%	0.00%
Allotted - weighted average ytm	18.00%	18.00%	18.00%

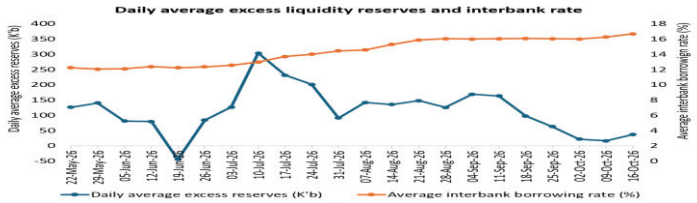
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year Treasury Note	18.00%	09-Oct-26	TBA
2-year Development Bond	28.75%	05-Aug-25	TBA
3-year Treasury Note	30.00%	18-Dec-25	TBA
3-year Development Bond	30.00%	18-Nov-25	TBA
5-year Treasury Note	32.00%	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	16-Oct-26	23-Oct-26	30-Oct-26
Treasury Bills, Promissory Notes & Treasury Notes (K'm)	85,475	194,596	50,269
Open Market Operations repos (K'm)	55,291	15,049	101,691
Open Market Operations reverse repos (K'm)	0	0	0

Data source: RBM

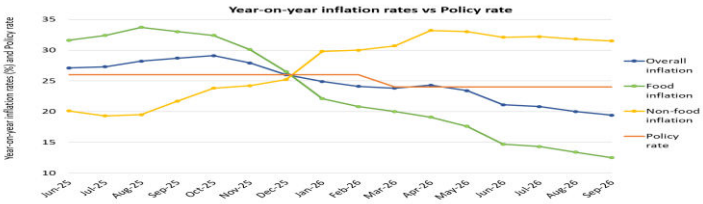
Market liquidity and interbank market activity

Market liquidity remained tight during the week. Average daily excess reserves increased to K37.11b from K16.15b, while average daily interbank borrowing rose to K70.50b from K60.60b. Average daily borrowing through the Lombard Standing Facility increased to K292.00b from K219.80b. The interbank rate rose to 16.69% from 16.26%, while the Lombard rate remained unchanged at 24.20% (Source: RBM).



Inflation

The year-on-year headline inflation rate decreased to 19.4% in September 2026 from 20.0% in August 2026 as food inflation rate decreased to 12.5% in September 2026 from 13.4% in August 2026 and non-food inflation rate decreased to 31.5% in September 2026 from 31.8% in August 2026 (Source: NSO).



Policy Rate			
	06-Aug-26	% pts Δ	30-Apr-26
Rate	24.00%	0.00%	24.00%

Market Reference Rate			
	Oct-26	% pts Δ	Sep-26
Rate	21.40%	0.20%	21.20%

Inflation Rate			
	Sep-26	% pts Δ	Aug-26
Rate	19.40%	-0.60%	20.0%

Malawi Stock Exchange (MSE) trading activity

Stock market performance remained weak during the week, with the Malawi All Share Index (MASI) declining by 0.19% to 486,186.25 points from 487,123.20 points in the previous week. Trading volume increased to 5,678,115 shares from 3,002,690 shares, while the traded value declined to K479.18m from K849.61m and the number of trades fell to 472 from 517. The MASI recorded a year-to-date return of -18.71%, compared with 252.61% over the corresponding period in 2025 (Source: MSE).

Stock market trading activity			
	16-Oct-26	% Δ	09-Oct-26
Malawi All Share Index (MASI)	486,186.25	-0.19%	487,123.20
Domestic Share Index (DSI)	362,422.56	-0.21%	363,183.50
Foreign Share Index (FSI)	89,390.80	-0.11%	89,485.87
Traded volume	5,678,115	89.10%	3,002,690
Number of trades	472	-8.70%	517
Value of shares traded (K'm)	479.18	-43.60%	849.61
Market capitalisation (K'm)	27,076,561.33	-0.19%	27,128,741.53

Gainers	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
None					
No movement	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
BHL	17.52	0.00%	17.52	18.71	1.43
ICON	17.00	0.00%	17.00	3.48	0.65
ILLOVO	3,501.93	0.00%	3,501.93	32.36	11.60
MPICO	19.61	0.00%	19.61	3.32	0.58
OMU	3,699.99	0.00%	3,699.99	21.56	2.79
Losers	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
SUNBIRD	3,399.98	-0.0003%	3,399.99	71.27	6.47
NITL	3,288.79	-0.001%	3288.82	2.20	1.62
NBS	621.63	-0.03%	621.83	12.03	8.18
FDHB	459.59	-0.05%	459.80	21.46	12.75
TNM	21.64	-0.09%	21.66	11.74	2.43
NICO	1,333.95	-0.09%	1,335.19	8.29	4.64
FMBCH	1,786.42	-0.11%	1,788.37	22.44	8.73
PCL	312.31	-0.11%	312.66	9.05	2.54
CHL	208.08	-0.18%	208.46	15.57	8.25
STANDARD	3,889.88	-0.26%	3,899.92	37.50	13.09
AIRTEL	101.41	-0.33%	101.75	21.77	18.18
NBM	9,064.89	-0.60%	9,119.90	20.86	10.37

Data source: MSE

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