Market update – 9th October 2026

Foreign exchange market developments

During the week, the Kwacha remained relatively stable against the USD, appreciating marginally by 0.01%. It appreciated against the EUR but depreciated against the GBP and ZAR, as shown by the TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	9-Oct-26	% Δ	2-Oct-26
USD	1750.4030	0.01%	1750.4966
GBP	2386.4903	-0.62%	2371.8095
EUR	2006.5320	1.08%	2028.5145
ZAR	109.0981	-0.89%	108.1354

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

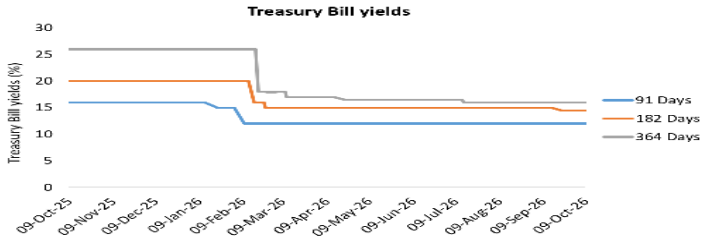
Cumulative tobacco sales statistics as at Week 23			
Date	Week 23 2026 (25 Sep 2026)	% Δ	Final 2025 (28 Nov, after 35 weeks)
Volume (million kg)	145.33	-34.32%	221.27
Value (USD'million)	287.09	-47.06%	542.31
Average price (USD/Kg)	1.98	-19.18%	2.45

Data source: Reserve Bank of Malawi (RBM)

Government securities

During the week, the Government raised K42.04b from the auction of Treasury Bills and K36.29b from the auction of a 2-year Treasury Note. Open Market Operations (OMO) repos amounted to K70.00b.

Government securities worth K5.27b matured during the week. These transactions resulted in a net market withdrawal of K143.06b, compared with a net withdrawal of K0.75b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	6, 8 & 9 Oct 2026	% pts Δ	29-Sep-26
Applied - cost value (K'm)	42,097.16	572.31%	6,261.55
Alloted - cost value (K'm)	42,041.80	571.43%	6,261.55
Overall rejection rate	0.13%	0.13%	0.00%
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%

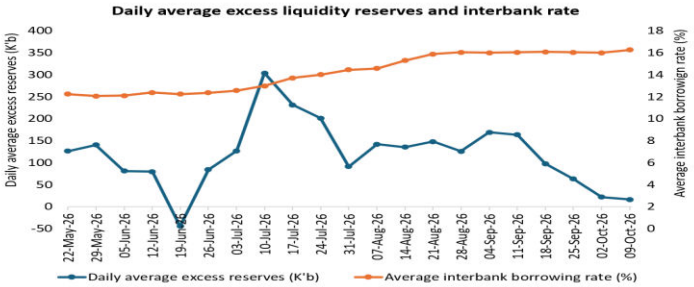
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year Treasury Note	18.00%	09-Oct-26	TBA
2-year Development Bond	28.75%	05-Aug-25	TBA
3-year Treasury Note	30.00%	18-Dec-25	TBA
3-year Development Bond	30.00%	18-Nov-25	TBA
5-year Treasury Note	32.00%	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	9-Oct-26	16-Oct-26	23-Oct-26
Treasury Bills, Promissory Notes & Treasury Notes (K'm)	5,269	85,475	196,996
Open Market Operations repos (K'm)	0	55,291	0
Open Market Operations reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Market liquidity tightened during the week, with average daily excess reserves declining to K16.15b from K21.61b in the previous week. Average interbank borrowing decreased to K60.60b per day from K173.90b per day, while average borrowing through the Lombard Standing Facility increased to K219.80b per day from K188.05b. The average interbank borrowing rate rose to 16.26% from 16.00%, while the Lombard rate remained unchanged 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			
	Oct-26	% pts Δ	Sep-26
Rate	21.40%	0.20%	21.20%

Inflation Rate			
	Aug-26	% pts Δ	Jul-26
Rate	20.00%	-0.80%	20.8%

Malawi Stock Exchange (MSE) trading activity

Stock market performance remained weak during the week, with the Malawi All Share Index (MASI) declining by 0.37% to close at 487,123.20 points, compared with 488,941.49 points in the previous week. Trading activity slowed, as 3,002,690 shares valued at K849.61m were traded in 517 trades, down from 8,024,460 shares valued at K2.40b in 521 trades in the previous week. The MASI recorded a year-to-date return of -18.55% at the end of the week, compared with 251.33% during the same period in 2025 (Source: MSE).

Stock market trading activity			
	09-Oct-26	% Δ	02-Oct-26
Malawi All Share Index (MASI)	487,123.20	-0.37%	488,941.49
Domestic Share Index (DSI)	363,183.50	-0.44%	364,785.53
Foreign Share Index (FSI)	89,485.87	-0.03%	89,515.62
Traded volume	3,002,690	-62.58%	8,024,460
Number of trades	517	-0.77%	521
Value of shares traded (K'm)	849.61	-64.64%	2,402.97
Market capitalisation (K'm)	27,128,741.53	-0.37%	27,230,005.39

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
MPICO	19.61	0.00%	19.61	3.32	0.58
Loser	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
OMU	3,699.99	0.00%	3,700.00	21.56	2.79
STANDARD	3,899.92	-0.002%	3,899.98	37.60	13.12
ILLOVO	3,501.93	-0.002%	3,501.99	32.36	11.60
NITL	3,288.82	0.00%	3288.88	2.20	1.62
FMBCH	1,788.37	-0.03%	1,788.98	22.47	8.74
PCL	312.66	-0.04%	312.77	9.06	2.55
NBM	9,119.90	-0.04%	9,123.99	20.99	10.44
FDHB	459.80	-0.09%	460.20	21.47	12.75
AIRTEL	101.75	-0.13%	101.88	21.84	18.24
NICO	1,335.19	-0.13%	1,336.93	8.30	4.65
CHL	208.46	-0.19%	208.85	15.60	8.27
NBS	621.83	-1.08%	628.61	12.03	8.18
SUNBIRD	3,399.99	-2.86%	3,499.97	71.27	6.47
TNM	21.66	-15.03%	25.49	11.75	2.43

Data source: MSE

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