Market update – 30th October 2026

Foreign exchange market developments

During the week, the Kwacha remained relatively stable against the USD, appreciating marginally by 0.06%. It also appreciated against the GBP and ZAR but depreciated against the 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	**30-Oct-26**	**% Δ**	**23-Oct-26**
USD	1749.5000	0.06%	1750.6314
GBP	2408.1618	0.13%	2411.3374
EUR	2012.9989	-0.51%	2002.8466
ZAR	107.4705	1.14%	108.7079

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

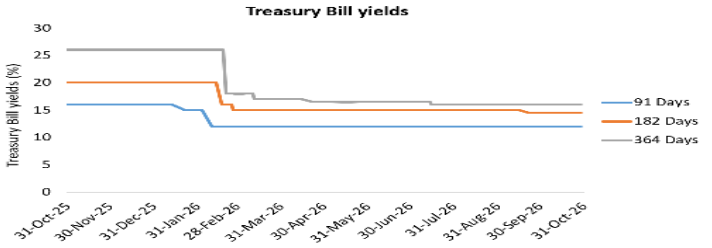
Cumulative tobacco sales statistics			
Date	**Final 2026 (25 Sep 2026, after 23 weeks)**	**% Δ**	**Final 2025 (28 Nov, after 35 weeks)**
Volume (million kg)	145.33	-34.32%	221.27
Value (USD'million)	287.09	-47.06%	542.31
Average price (USD/Kg)	1.98	-19.18%	2.45

Data source: Reserve Bank of Malawi (RBM)

Government securities

During the week, the Government raised K18.35b through auction of Treasury Bills and K30.29b through auction of a 2-year Treasury Note. Meanwhile, Open Market Operations (OMO) repos totalled K101.99b.

Government securities maturities totalled K50.12b, while OMO repo maturities amounted to K196.73b. Overall, government securities and OMO repo transactions resulted in a net market liquidity injection of K96.22b, down from K177.59b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	**27 & 29 Oct 2026**	**% pts Δ**	**13-Oct-26**
Applied - cost value (K'm)	18,354.64	-54.60%	40,426.76
Alloted - cost value (K'm)	18,354.64	-54.60%	40,426.76
Overall rejection rate	0.00%	0.00%	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	**29-Oct-26**	**8 & 9 Oct 2026**	**01-Oct-26**
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)	30.29	36.29	8.99
Total allotted - cost value (K'b)	30.29	36.29	8.99
Overall rejection rate	0.00%	0.00%	0.00%
Allotted - weighted average ytm	18.00%	18.00%	18.00%

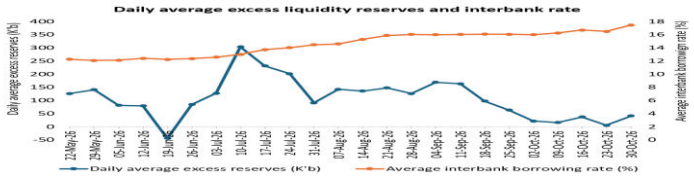
Current yields for Treasury Notes and Bonds			
Tenor	**Last auction's yield**	**Last auction**	**Next auction**
2-year Treasury Note	18.00%	29-Oct-26	TBA
2-year Development Bond	28.75%	05-Aug-25	TBA
3-year Treasury Note	30.00%	18-Dec-25	TBA
3-year Development Bond	30.00%	18-Nov-25	TBA
5-year Treasury 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	**30-Oct-26**	**6-Nov-26**	**13-Nov-26**
Treasury Bills, Promissory Notes & Treasury Notes (K'm)	50,119	38,778	32,727
Open Market Operations repos (K'm)	196,733	4,155	14,196
Open Market Operations reverse repos (K'm)	0	0	0

Data source: RBM

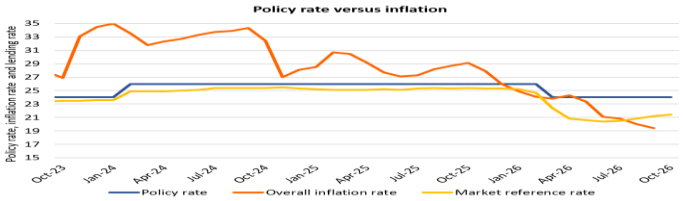
Market liquidity and interbank market activity

Market liquidity remained tight during the week, although average daily excess reserves increased to K41.36b from K5.25b in the previous week, indicating some improvement. Average daily interbank borrowing increased to K103.20b from K19.80b, while average daily borrowing through the Lombard Standing Facility increased to K334.40b from K317.90b. The interbank rate increased to 17.46% from 16.50%. The Lombard rate increased to an average of 24.56% during the week from 24.20% in the previous week, following the Monetary Policy Committee's decision to raise the Lombard rate from 24.2% to 26.00% on 28th October 2026 (Source: RBM).



Monetary policy

The Monetary Policy Committee (MPC) held its fourth meeting of 2026 on 27th and 28th October 2026. During the meeting, the Committee decided to maintain the Policy Rate at 24.0%, the Liquidity Reserve Requirement (LRR) ratio for local currency deposits at 12.0%, and the LRR ratio for foreign currency deposits at 3.75%. However, the Committee adjusted the Lombard Rate to 2.0 percentage points above the Policy Rate (26.0%) from 0.2 percentage points above the Policy Rate (24.2%) in order to strengthen liquidity management and the monetary policy implementation framework (Source: RBM).



Policy Rate			
	28-Oct-26	**% pts Δ**	**06-Aug-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 0.23% to 483,326.63 points from 484,422.99 points in the previous week. Trading volume increased to 2,539,714 shares from 1,025,316 shares, while the traded value increased to K821.73m from K220.56m and the number of trades increased to 512 from 460. The MASI recorded a year-to-date return of -19.18%, compared with 252.81% over the corresponding period in 2025 (Source: MSE).

Stock market trading activity			
	30-Oct-26	**% Δ**	**23-Oct-26**
Malawi All Share Index (MASI)	483,326.63	-0.23%	484,422.99
Domestic Share Index (DSI)	360,084.09	-0.21%	360,849.99
Foreign Share Index (FSI)	89,120.42	-0.30%	89,385.44
Traded volume	2,539,714	147.70%	1,025,316
Number of trades	512	11.30%	460
Value of shares traded (K'm)	821.73	272.57%	220.56
Market capitalisation (K'm)	26,917,303.88	-0.23%	26,978,361.95

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**
MPICO	19.61	0.00%	19.61	3.32	0.58
Losers	**Closing price (K)**	**% Δ**	**Opening price (K)**	**P/E ratio**	**P/BV ratio**
ILLOVO	3,501.92	-0.0003%	3,501.93	32.36	11.60
SUNBIRD	3,399.93	-0.001%	3,399.98	71.27	6.47
STANDARD	3,889.70	-0.002%	3,889.79	37.50	13.09
FMBCH	1,785.96	-0.02%	1,786.31	22.44	8.73
NBS	619.25	-0.05%	619.53	11.98	8.15
FDHB	459.11	-0.05%	459.33	21.44	12.73
BHL	17.51	-0.06%	17.52	18.70	1.43
ICON	16.99	-0.06%	17.00	3.48	0.65
PCL	311.75	-0.09%	312.03	9.04	2.54
AIRTEL	101.17	-0.12%	101.29	21.72	18.14
NICO	1,330.55	-0.20%	1,333.28	8.27	4.63
NBM	8,869.80	-0.34%	8,899.99	20.42	10.15
NITL	3,268.76	-0.61%	3288.79	2.18	1.61
CHL	199.99	-2.41%	204.93	14.96	7.93
TNM	20.92	-3.24%	21.62	11.35	2.35
OMU	3,300.48	-10.80%	3,699.99	19.23	2.49

Data source: MSE

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