



# Malawi Financial Market Update

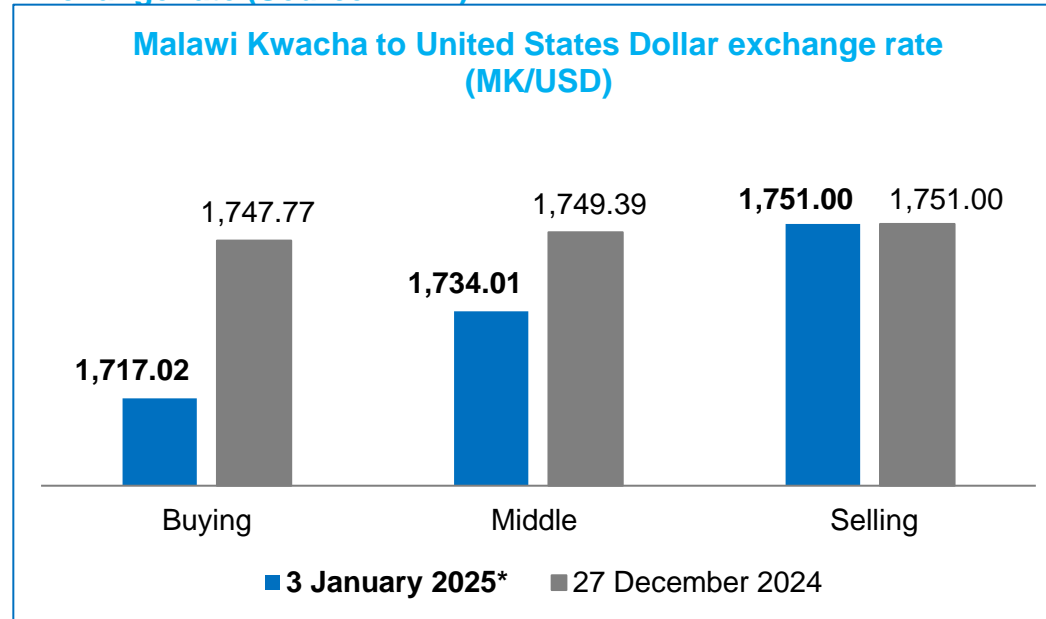
Week ending 3 January 2025



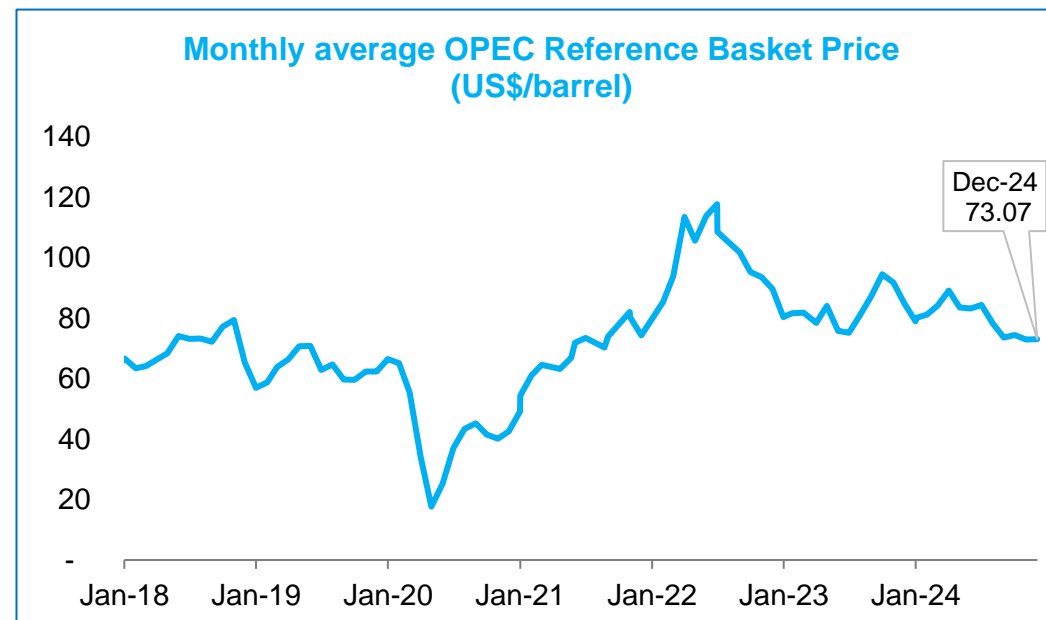
# Malawi Financial Market Update: Week ending 3 January 2025

## Exchange rate and other market developments

### Exchange rate (Source: RBM)



### Reference Basket Price(Source: OPEC)



Blantyre Hotels Limited (BHL) has listed its fully subscribed rights issue shares on the Malawi Stock Exchange (MSE), raising K62.4 billion for its Lilongwe Ryalls Hotel project.

FDH Bank Plc has issued a cautionary statement advising that it is exploring the acquisition of a controlling stake in another bank within the African region, as part of its regional growth strategy.

### What Happened This Week

- Blantyre Hotels Limited (BHL) has listed its fully subscribed rights issue shares on the Malawi Stock Exchange (MSE), raising K62.4 billion for its Lilongwe Ryalls Hotel project. The rights issue has expanded BHL's shareholder base from 270 to over 4,700, representing a 1,640% growth. According to MSE, a diverse group of investors, including foreign and local institutions, pension funds, and retail investors, participated in the rights issue (*The Daily Times, 31 December 2024*).
- FDH Bank Plc has issued a cautionary statement advising that it is exploring the acquisition of a controlling stake in another bank within the African region as part of its regional growth strategy. Shareholders are cautioned to exercise caution when dealing in the company's shares until the outcome of the negotiations is known (*FDH Cautionary Statement, 2 January 2024*).
- The Government of Malawi has received USD2.12 million (approximately K3.8 billion) from the European Union and the United Nations Children's Fund (UNICEF) to enhance resilience for one million individuals affected by climate-induced shocks. This project will target 10 districts impacted by El Nino weather in 2023, focusing on addressing food and nutrition insecurity within these communities (*The Daily Times, 31 December 2024*).
- The Reserve Bank of Malawi (RBM) has indicated that it has procured over 295 kilograms of gold, valued at approximately USD0.77 million. President Lazarus Chakwera announced in February 2024 that the gold reserves will not be sold until substantial stocks are accumulated and international gold prices rise beyond the current level. Instead, the gold will be purified and held by RBM as gold bullion (*The Daily Times, 2 January 2025*).
- National Economic Empowerment Fund (Neef) has distributed K20 billion in farm inputs across Malawi through loans. These agricultural loans come with interest rates ranging from 2.2% to 4.8% per month. To help farmers navigate climate change uncertainties, Neef has partnered with CIC Insurance Company to provide comprehensive insurance coverage. The partnership provides comprehensive insurance coverage protecting crops and farmers through group life insurance (*The Nation, 30 December 2024*).
- In their trading statement, NBS Bank plc advises that its profit after tax (PAT) for the year ending 31 December 2024 is expected to fall in the range of MK68.6 billion and MK72.5 billion, representing an increase of between 113% and 147% compared to profit after tax of MK29.4 billion reported in the previous corresponding period (*The Malawi Stock Exchange, 31 December 2024*).
- In their trading statement, National Bank of Malawi plc advises that its consolidated profit after tax for the year ending 31 December 2024 is expected to be within the range of K92.97 billion and K98.25 billion. This represents an increase of between 29% and 37% from the previous corresponding period, ended 31 December 2023 where the Bank reported a profit after tax of K71.96 billion (*The Malawi Stock Exchange, 30 December 2024*).

\*: Reserve Bank of Malawi opening exchange rates as of 3 January 2025

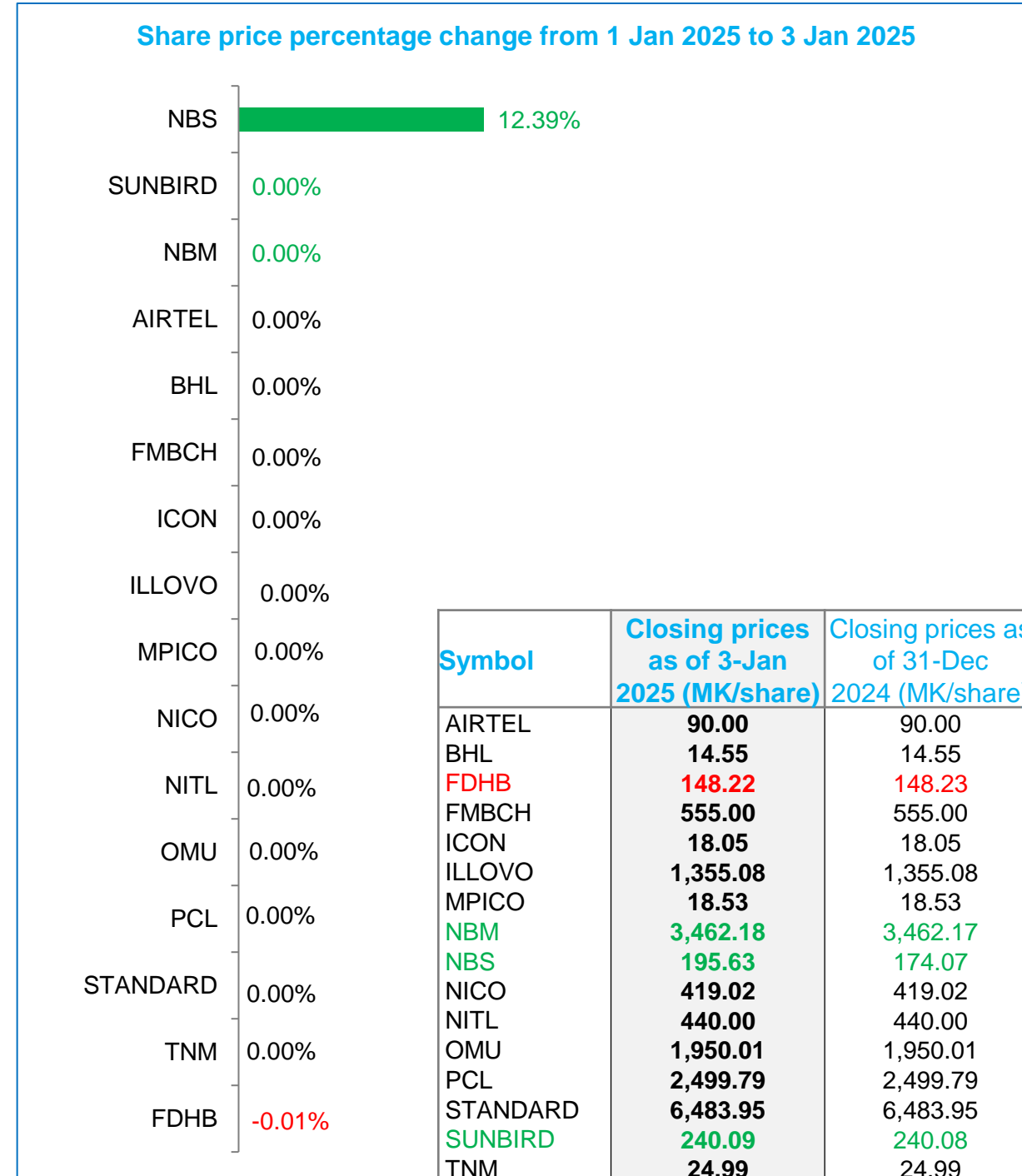
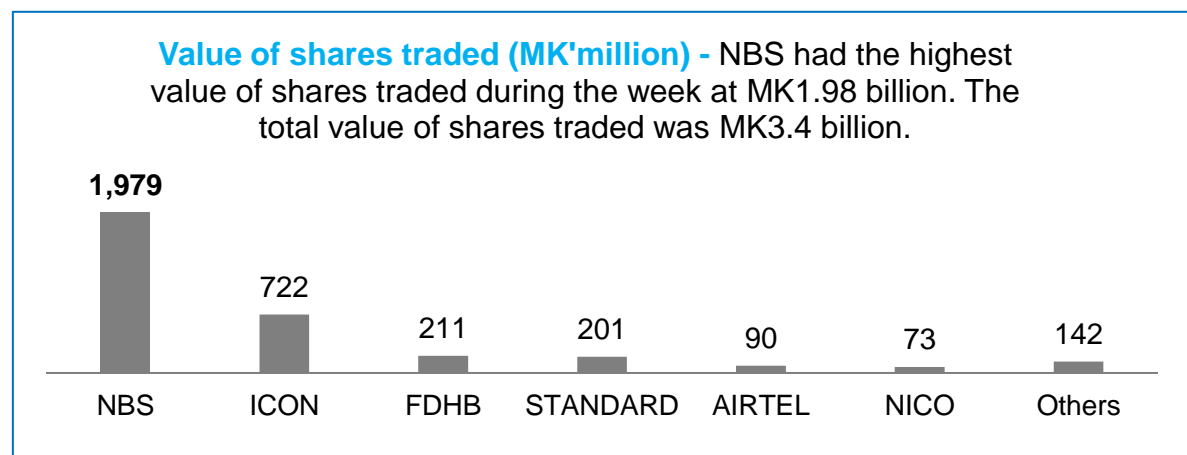
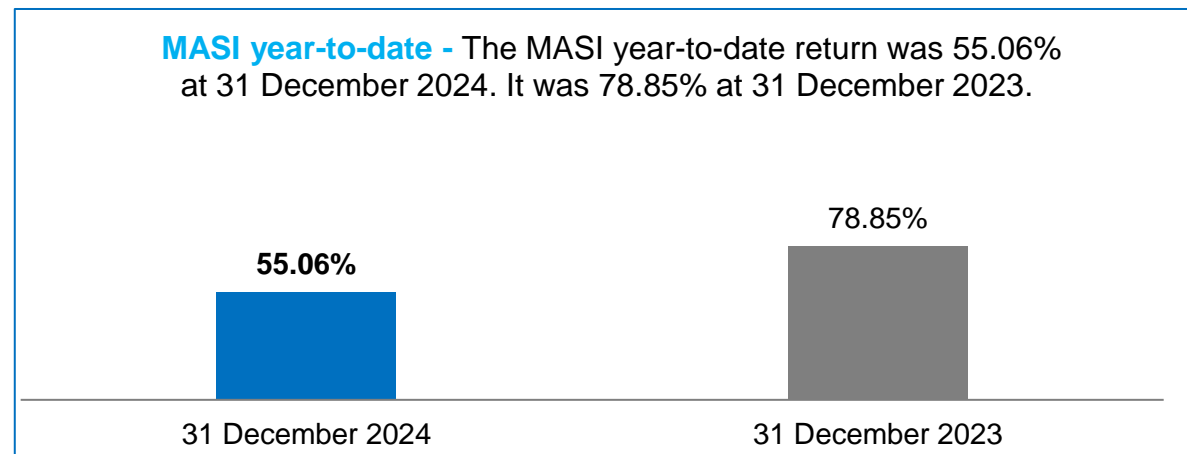
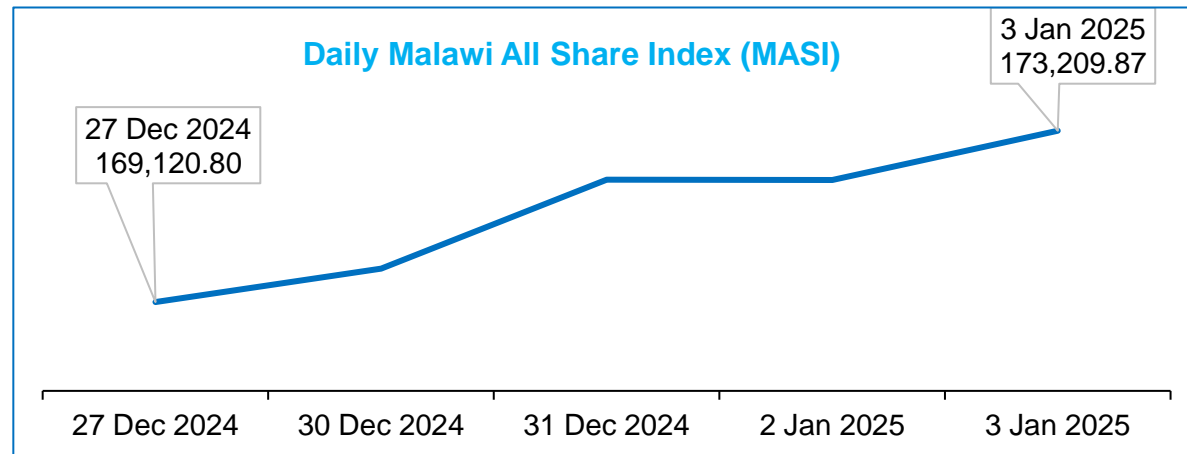


The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 3 January 2025 at 173,209.87 points from 172,039.93 points on 31 December 2024.

This was primarily driven by NBS which increased by 12.39%.

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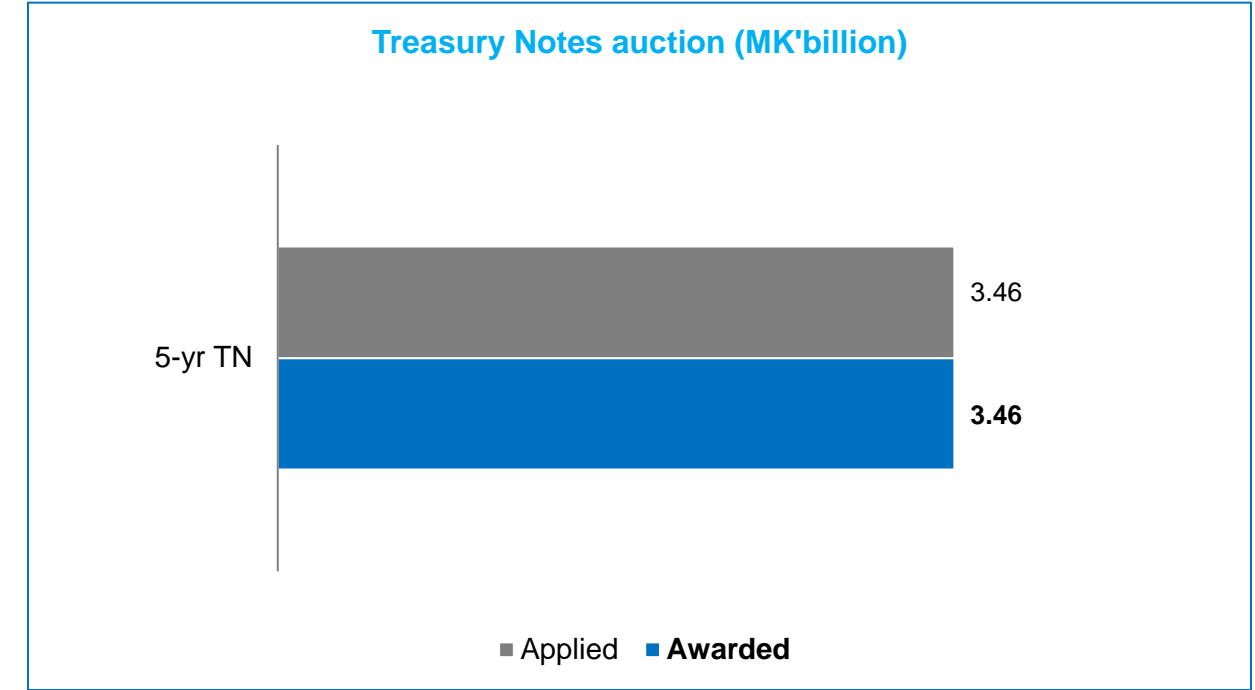
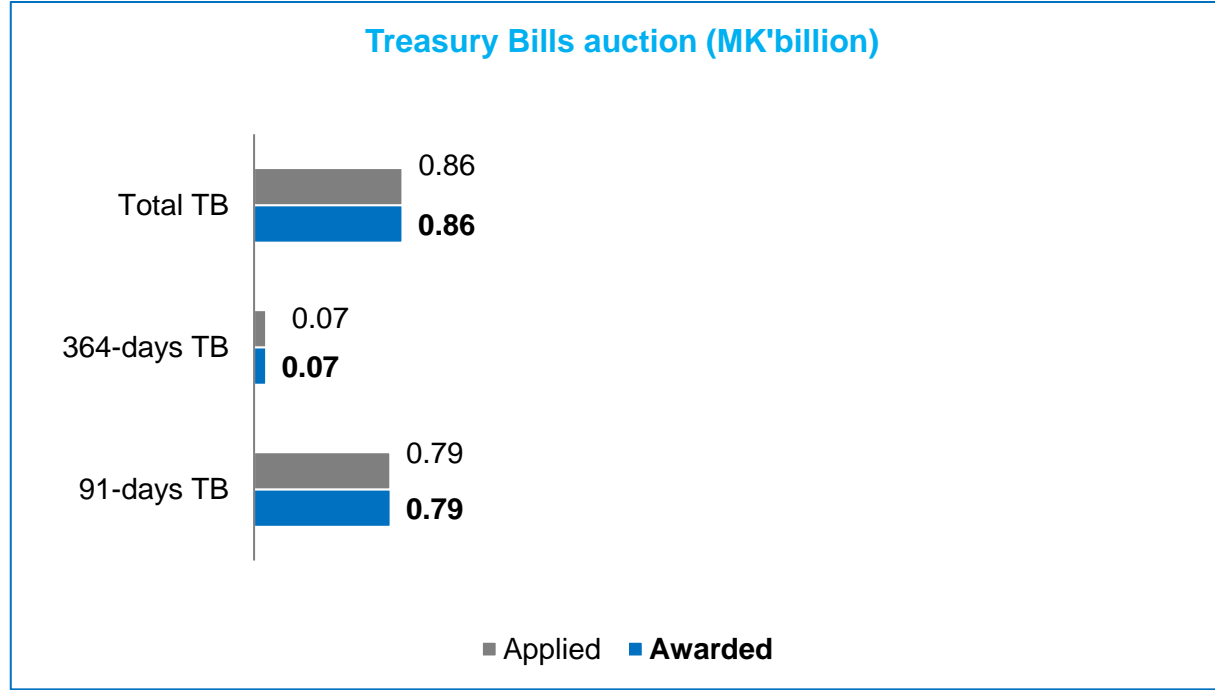
### Stock market (Source: MSE)





# Malawi Financial Market Update: Week ending 3 January 2025

## Government securities (Source: RBM)



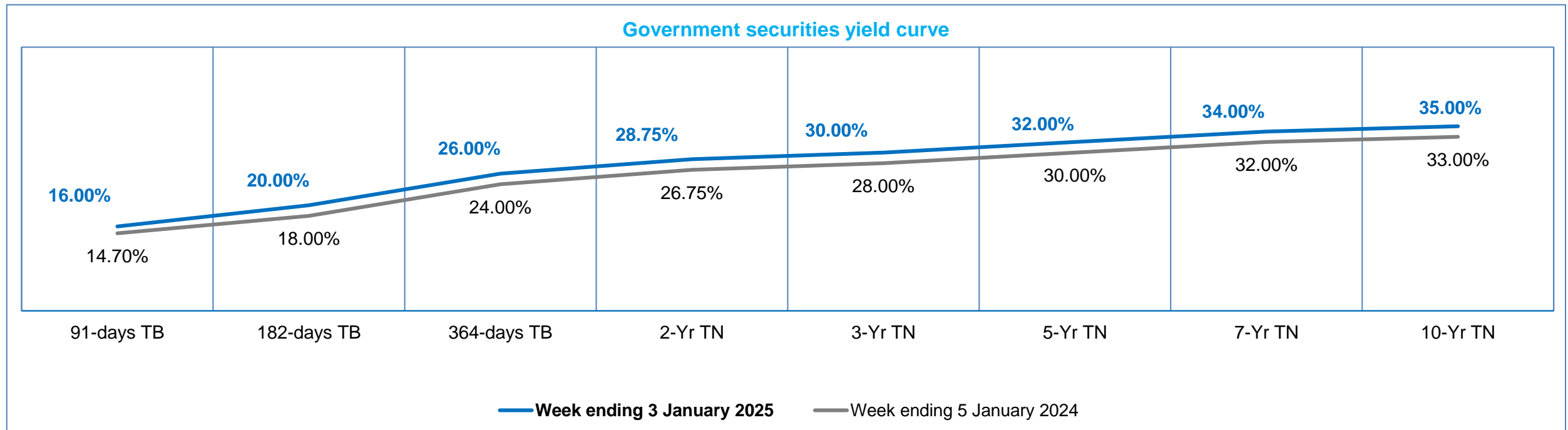
The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs), OMO Repos and a 5-year Treasury Note (TN) during the period under review.

The total amount raised from the TB auction was MK855.88 million primarily driven by the 91-days TB.

The total amount raised on the TN auction was MK3.46 billion

No funds were raised on the OMO Repo auction.

The average TB and TN yields maintained at 20.67% and 31.95%, respectively, during the period under review.



TB: Treasury Bill  
TN: Treasury Note



## Appendix 1: Historical Economic Indicators

	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	3-Jan-25
<b>Exchange Rates (middle rates)</b>														
MK/USD	1,697.98	1,697.80	1,698.50	1,750.38	1,745.70	1,750.76	1,749.51	1,749.95	1,750.31	1,750.37	1,749.95	1,750.11	1,749.93	<b>1,734.01*</b>
MK/GBP	2,224.30	2,221.35	2,217.83	2,268.77	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,411.29	2,338.28	2,290.94	2,250.25	<b>2,213.61*</b>
MK/EUR	1,917.45	1,888.43	1,887.38	1,949.34	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	2,003.14	1,953.49	1,904.40	1,861.87	<b>1,834.61*</b>
MK/ZAR	94.17	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	99.29	95.82	<b>95.53*</b>
<b>Foreign Exchange Reserves</b>														
Total Reserves (USD'mn)	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	549.85	560.3	519.0	N/A	N/A	<b>N/A</b>
<b>Inflation</b>														
Headline	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	27.0%	N/A	<b>N/A</b>
Food	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	33.7%	N/A	<b>N/A</b>
Non-food	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	17.2%	N/A	<b>N/A</b>
<b>Interest Rates</b>														
Monetary Policy Rate	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
Average Interbank Rate (Overnight)	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.23%	23.22%	<b>23.20%</b>
Lombard Rate	24.20%	24.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	<b>26.20%</b>
Commercial Bank Reference Rate	23.60%	23.60%	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	<b>25.30%</b>
<b>Government Securities Yields</b>														
91-days Treasury Bill	14.70%	14.70%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	<b>16.00%</b>
182-days Treasury Bill	18.00%	18.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	<b>20.00%</b>
364-days Treasury Bill	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
2-year Treasury Note	26.75%	26.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	<b>28.75%</b>
3-year Treasury Note	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	<b>30.00%</b>
5-year Treasury Note	30.00%	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	<b>32.00%</b>
7-year Treasury Note	32.00%	32.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	<b>34.00%</b>
10-year Treasury Note	33.00%	33.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	<b>35.00%</b>
<b>Year-to-date Return</b>														
MASI	78.85%	4.25%	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%	55.06%	<b>0.68%</b>
DSI	69.99%	0.03%	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%	52.11%	<b>0.79%</b>
FSI	181.28%	33.77%	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%	75.65%	<b>0.00%</b>

\*: Reserve Bank of Malawi opening exchange rates (middle) as of 3 January 2025

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