

Malawi Financial Market Update

Week ending 7 March 2025





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Market developments

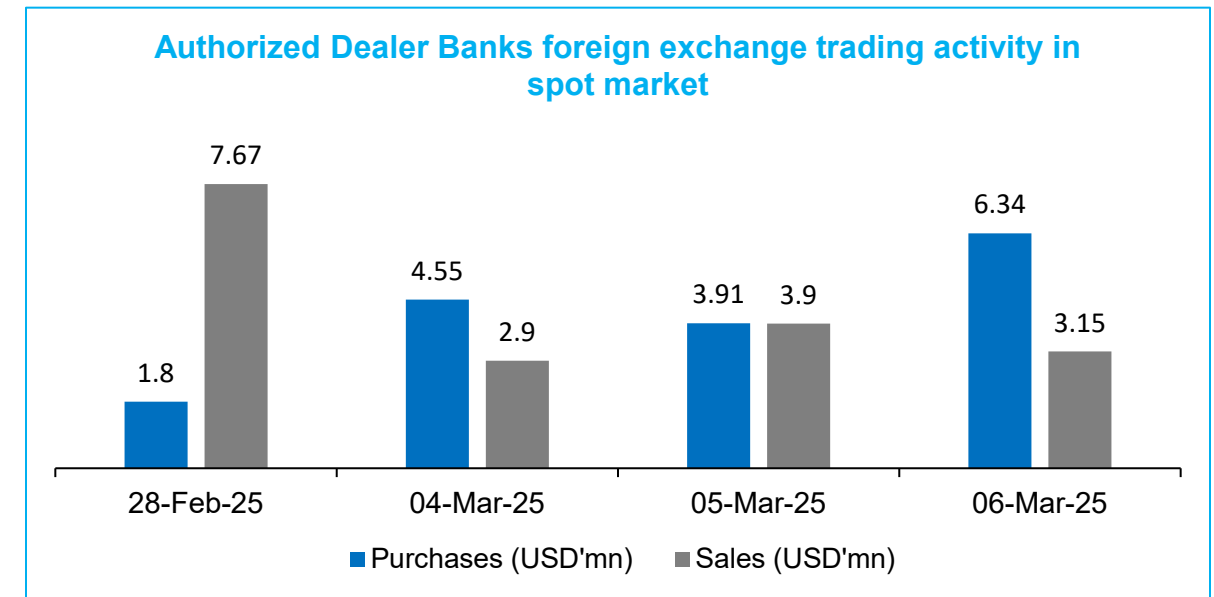
What Happened This Week

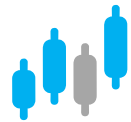
Aspin Energy Limited is investing USD210 million in developing a 142 megawatts natural gas power plant to generate electricity in the country. The power plant is expected to start operating in March 2026.

FMB Capital Holdings (FMBCH), the Mauritian based parent company of First Capital Bank (FCB), continues to see its share price increase to exceed MK3 trillion market capitalization on the Malawi Stock Exchange (MSE).

- Aspin Energy Limited is investing USD210 million in developing a 142 megawatts natural gas power plant to generate electricity in the country. The power plant is expected to start operating in March 2026. The company also plans to develop another gas power plant with a capacity of 158 megawatts in 2 years. (*The Sunday Times*, 2 March 2025)
- Following the signing of the USD250.8 million grant with the World Bank in January 2025, the government has set out to meet all necessary conditions under the Accelerating Sustainable and Clean Energy Access Transformation (ASCENT) initiative by the end of April and commence project activities in May this year. The project aims to increase access to sustainable and clean energy in the country by 2030. (*The Daily Times*, 4 March 2025)
- FMB Capital Holdings (FMBCH), the Mauritian based parent company of First Capital Bank (FCB), continues to see its share price increase to exceed MK3 trillion market capitalization on the Malawi Stock Exchange (MSE). The positive trend is driven by improved performances in three of the five countries where the group operates, namely Botswana, Mozambique and Zimbabwe. First Capital Bank Group's regional business has allowed the group to offset economic weaknesses in certain countries with strength in others, effectively spreading the country-specific risks. (*The Nation*, 4 March 2025)
- The European Union (EU) has pumped EUR17 million (approximately MK31.4 billion) into the four-year Chilungamo Project Phase II. The project aims to help reform the country's justice system by tackling problems such as expensive legal fees, confusing processes, and corruption that stop ordinary people from getting fair treatment. The EU Ambassador said the project will focus on empowering people to demand justice, increasing their motivation to engage with institutions and ensuring effective responses from duty bearers. (*The Nation*, 7 March 2025)
- According to Malawi Investment and Trade Centre (MITC) the country is expected to attract about USD1.1 billion in foreign direct investments (FDI) at the end of the current fiscal year. The inflows are projected to marginally grow to USD1.2 billion in 2026. This is an improvement from the USD841.3 million worth of investments in 2023. This year's investments have the potential to bring in USD160 million in export earnings once they are actualized, adding to the current export capacity. MITC Director General has expressed optimism that in the next nine months, some investments would materialize at Magwero Industrial Park, which is under the Special Economic Zone Framework. (*The Daily Times*, 7 March 2025)

Foreign exchange trading activity (Source: RBM)



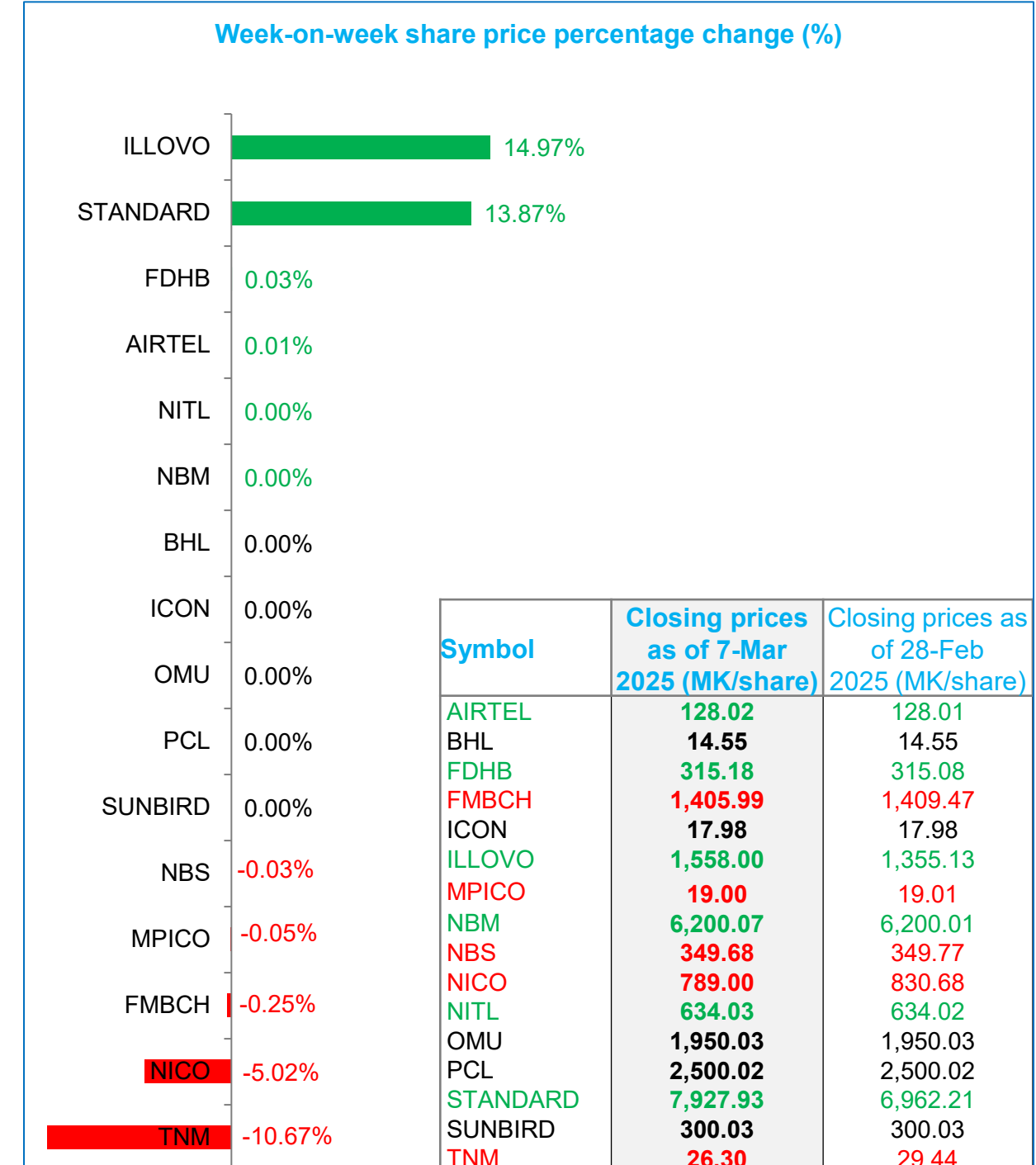
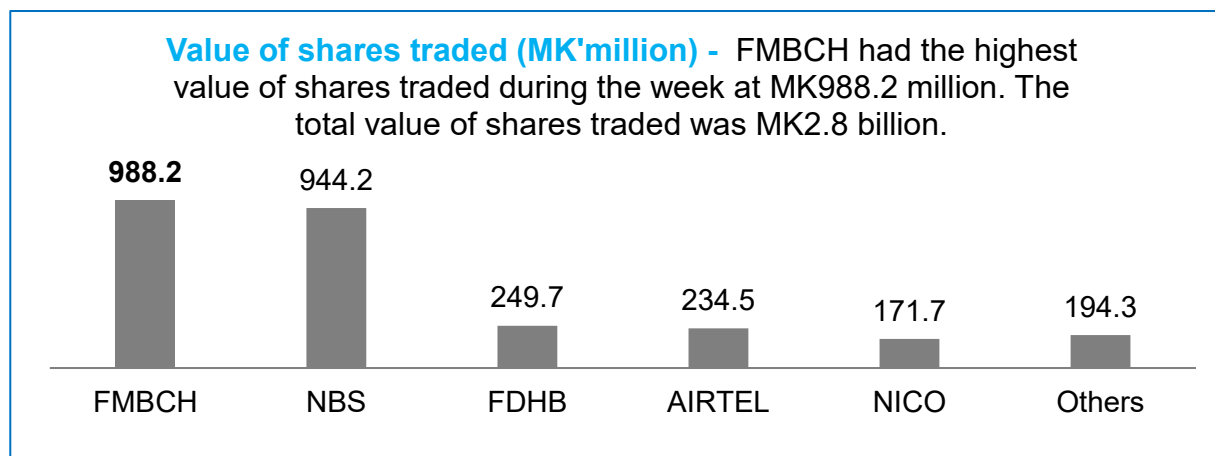
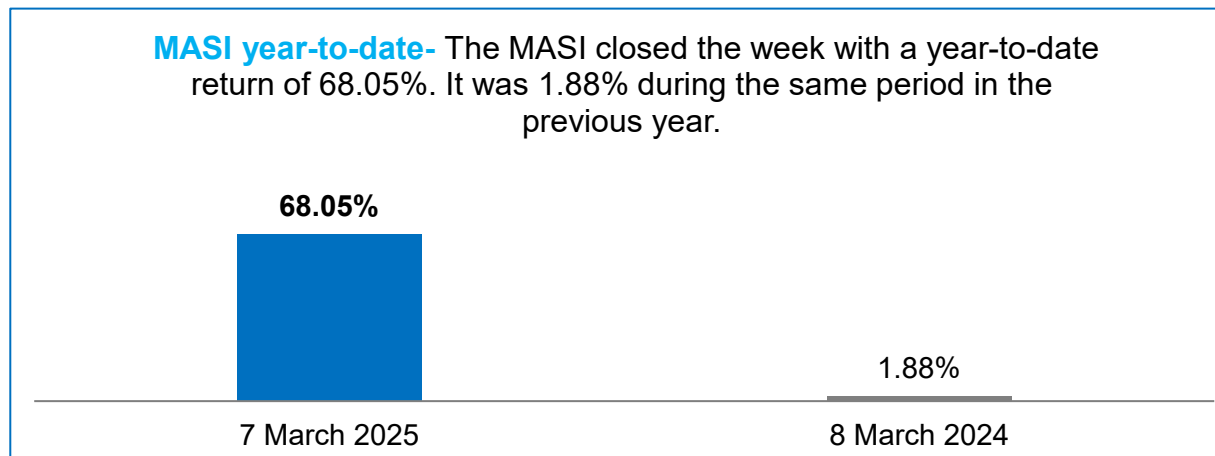
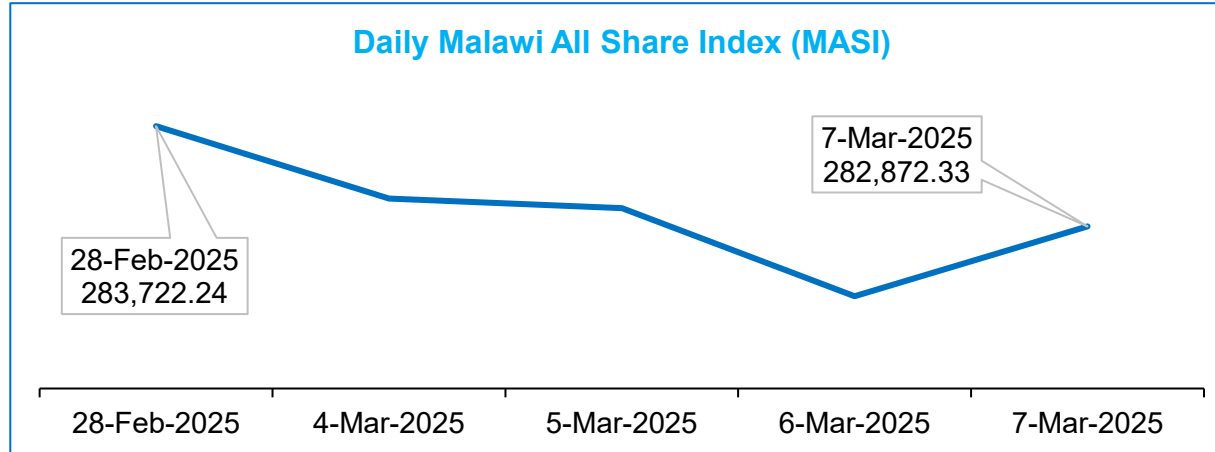


The stock market was bearish, with the Malawi All Share Index (MASI) closing the week ending 7 March 2025 at 282,872.33 points from 283,722.24 points on 28 February 2025.

This was primarily driven by TNM and NICO, whose losses offset the gains recorded by Illovo and Standard.

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Stock market (Source: MSE)





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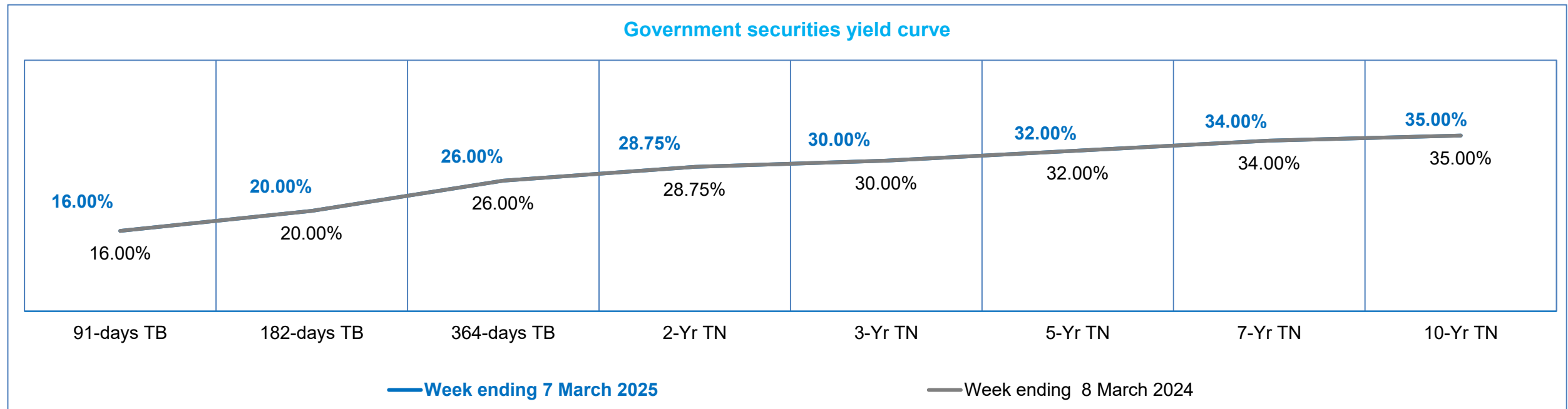
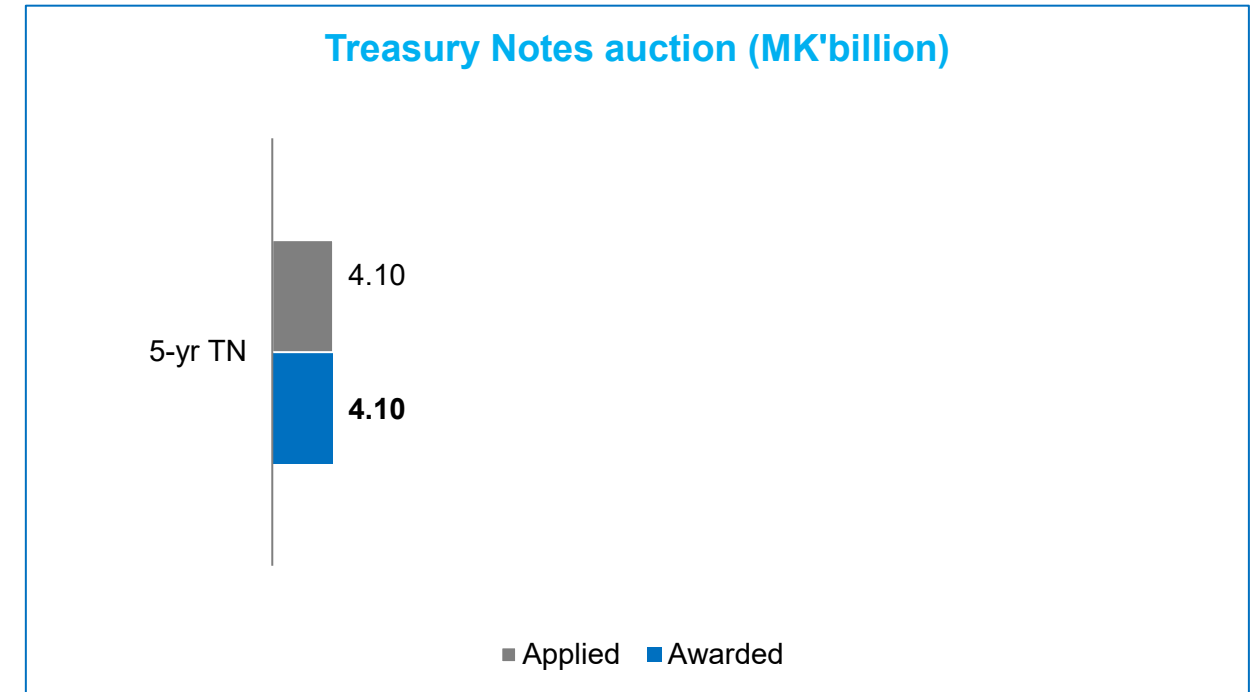
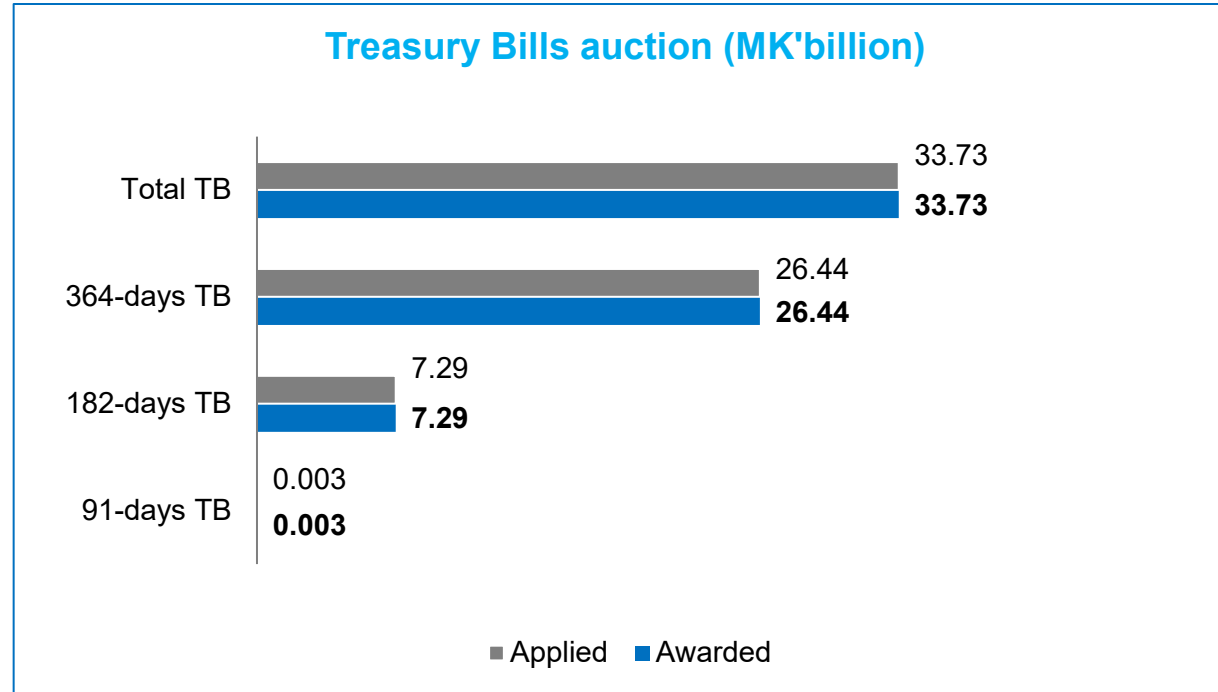
Government securities (Source: RBM)

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

The total amount raised from the TB auctions was MK33.73 billion, primarily driven by the 364-days TB.

The total amount raised from the 5-year TN auction was MK4.10 billion.

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



TB: Treasury Bill
TN: Treasury Note



Appendix 1: Historical Economic Indicators

	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	07-Mar-25
Exchange Rates (middle rates)														
MK/USD	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	1,750.35	1,749.65	1,734.01*
MK/GBP	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	2,233.84	2,268.53	2,301.48*
MK/EUR	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	1,866.83	1,873.26	1,931.24*
MK/ZAR	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	99.29	95.82	97.11	97.04	98.47*
Foreign Exchange Reserves														
Total Reserves (USD'mn)	540.32	552.94	603.07	610.18	591.51	572.02	549.85	560.3	519.0	516.9	530.9	N/A	N/A	N/A
Inflation														
Headline	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	27.0%	28.1%	28.5%	N/A	N/A
Food	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	33.7%	35.6%	36.0%	N/A	N/A
Non-food	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	17.2%	16.8%	16.9%	N/A	N/A
Interest Rates														
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Average Interbank Rate (Overnight)	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.23%	23.22%	23.19%	23.18%	23.20%
Lombard Rate	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%
Commercial Bank Reference Rate	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%	25.30%	25.20%	25.10%	25.10%
Government Securities Yields														
91-days Treasury Bill	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
182-days Treasury Bill	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
2-year Treasury Note	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%
3-year Treasury Note	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
5-year Treasury Note	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%
7-year Treasury Note	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
10-year Treasury Note	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Year-to-date Return														
MASI	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%	55.06%	29.90%	64.92%	68.05%
DSI	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%	52.11%	32.35%	50.42%	54.17%
FSI	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%	75.65%	15.08%	152.62%	152.00%

*: Reserve Bank of Malawi opening exchange rates (middle) as of 28 February 2025

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