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MONTHLY ECONOMIC REPORT

SEPTEMBER 2025

Investment Management | Corporate Finance | Investor Services

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LIST OF ACRONYMS

ADB:	Authorized Dealer Bank	NICO:	NICO Holdings Plc
AFE:	Eastern and Southern Africa	NITL:	National Investment Trust Plc
BAM:	Bankers Association of Malawi	NSO:	National Statistical Office
BOE:	Bank of England	Non-Doc:	Countries not participating in Declaration of Cooperation
BHL:	Blantyre Hotels Plc	OECD:	Organization for Economic Co-operation and Development
DOC:	Declaration of Cooperation	OMO:	Open Market Operations
DSI:	Domestic Share Index	OPEC:	Organization of the Petroleum Exporting Countries
ECB:	European Central Bank	ORB:	OPEC Reference Basket
ECF:	Extended Credit Facility	PCL:	Press Corporation Plc
EIU:	Economist Intelligence Unit	RBM:	Reserve Bank of Malawi
EU:	European Union	SSA:	Sub Sahara Africa
EUR:	Euro	Sunbird:	Sunbird Tourism Plc
EMDE:	Emerging Market and Developing Economy	TB:	Treasury Bills
ESIA:	Environmental and Social Impact Assessment	TNM:	Telekom Networks Malawi Plc
FSI:	Foreign Share Index	TSH:	Tanzania Shillings
GBP:	British Pound	TT:	Telegraphic Transfer
GDP:	Gross Domestic Product	UBOS:	Ugandan Bureau of Statistics
IMF:	International Monetary Fund	UGX:	Ugandan Shillings
K:	Malawi Kwacha	UK:	United Kingdom
LRR:	Liquidity Reserve Ratio	US:	United States
MASI:	Malawi All Share Index	US\$:	United States Dollar
MB/D:	Million barrels per day	WAEMU:	West African Economic and Monetary Union
MPC:	Monetary Policy Committee	WTO:	World Trade Organisation
M-O-M:	Month of Month	WEO:	World Economic Outlook
MSE:	Malawi Stock Exchange	Y-O-Y:	Year on Year
MEPA:	Malawi Environment Protection Authority	ZAR:	South African Rand
NBM:	National Bank of Malawi Plc	ZK:	Zambian Kwacha
NBS:	NBS Bank Plc		
NGLs:	Natural Gas Liquids		

EXECUTIVE SUMMARY
Economic Outlook — Malawi

The World Bank has trimmed Malawi's growth forecast for 2025 from 2.0% to 1.9%, according to its latest Africa's Pulse report. The International Monetary Fund (IMF) remains more optimistic, holding its projection steady at 2.4%. The Economist Intelligence Unit (EIU) is more cautious, maintaining a forecast of 1.6%, the lowest among the three.

The EIU forecasts that the Kwacha will continue to depreciate gradually over its forecast period as the RBM allows greater exchange-rate flexibility—to MK2,438:US\$1 at end-2026 and MK3,250:US\$1 at end-2029, in line with IMF guidance and reflecting the paucity of foreign-exchange reserves.

The Monetary Policy Committee (MPC) of the Reserve Bank of Malawi maintained the policy rate at 26.0% during its third meeting of the year, which was held on July 30 and 31, 2025. The reason for maintaining the rate was that, although headline inflation had moderated to 27.1% in June, down from 30.7% in February, the MPC assessed this easing as insufficient to justify monetary loosening at that stage.

The committee also maintained the Lombard rate at 20 basis points above the policy rate, and the Liquidity Reserve Requirement (LRR) at 10.0% for local currency deposits and 3.75% for foreign currency deposits.

The Malawi Energy Regulatory Authority (MERA) increased fuel prices by 38.3% for petrol and 28.0% for diesel, marking the first rise since November 2023. Petrol was priced at MK3,499 per litre, up from MK2,530, while diesel rose to MK3,500 from MK2,734.

Retail maize prices in Malawi stabilized at a national average of K1,361/kg, reversing an upward trend since June. Market-level prices varied, with increases in Mzimba Boma, Lilongwe City, and Mulanje Boma, while Jenda, Chimbiya, and Lunzu saw decreases, influenced by electoral uncertainties. Malawi remained a net importer of maize, with imports extending to major markets, helping stabilize supply and prices. Meanwhile, the kwacha's stabilization against neighboring currencies supported price steadiness despite ongoing supply shortages.

Key Economic Risks – Malawi

1. **Escalation of Geopolitical Conflicts (e.g., Russia-Ukraine, Middle East tensions)** – Supply chain disruptions and surging commodity prices (oil, gas, grains) leading to heightened imported inflation and reduced global trade volumes, straining fiscal space in the economy.
2. **Uncertainty in External Environment and Trade Protectionism** – Persistently weak export base due to falling demand and protectionist policies, affecting currency stability and exacerbating foreign exchange imbalances from widening trade deficits.
3. **Climate Change/Natural Disasters** – Changes in weather patterns and extreme conditions like droughts and floods, impacting agricultural production, livelihoods, and infrastructure development.
4. **Rising Government Debt and Fiscal Strain** – High debt levels create future obligations for repayment plus interest, crowding out private investment and risking sovereign debt crises.
5. **Persistent Inflation and Cost-of-Living Crisis** – High inflation rates driving up living costs, eroding purchasing power, with measures to curb it resulting in elevated borrowing costs that hinder production and growth.
6. **High Population Growth and Demographic Pressures** – Rapid population growth reducing per capita income and overburdening public services, limiting resources for productive economic activities.
7. **Foreign Exchange Volatility and Shortages** – Scarcity of foreign exchange leading to higher import costs and potential fuel crises as importing essentials becomes challenging.
8. **Fuel and Energy Shortages** – Scarcity of fuel combined with recurrent power outages constrains industrial output and elevates operational costs.

ECONOMIC OVERVIEW

Inflation (Source: NSO)

The headline inflation for September 2025 stood at 28.70%, an increase from 28.20% reported in August 2025. The increase in inflation was on account of an increase in non-food services prices.

	Sep-25	Aug-25	Sep-24	% Change (1 Months)	% Change (12 Months)
Headline inflation	28.70%	28.20%	32.40%	↑ 0.50%	↓ -3.70%
Food	33.00%	33.70%	40.30%	↓ -0.70%	↓ -7.30%
Non-food	21.70%	19.50%	21.20%	↑ 2.20%	↑ 0.50%

Government Securities (Source: RBM)

In September 2025, the average yield for all types of Treasury bills was 20.67%, unchanged from August 2025.

Tenor	Sep-25	Aug-25	Sep-24	Change 1 Month	Change 12 Months
91 days	16.00%	16.00%	16.00%	→ 0.00%	→ 0.00%
182 days	20.00%	20.00%	20.00%	→ 0.00%	→ 0.00%
364 days	26.00%	26.00%	26.00%	→ 0.00%	→ 0.00%
All Type	20.67%	20.67%	20.67%	→ 0.00%	→ 0.00%

Total Treasury bill applications for the month of September 2025 stood at K308.07 billion and K218.92 billion was allotted, representing a 28.94% rejection rate. The 364-day paper accounted for the highest subscription rate at 64.18%, followed by the 182-day paper at 35.66%, and lastly the 91-day paper at 0.16%.

During the month of September 2025, the Reserve Bank conducted several Treasury Note Auctions. These auctions included the 2-year, 3-year, 5-year, 7-year and 10-year treasury notes. The auctions raised a total of K80.77 billion, and the entire amount was fully allotted. The weighted average yields were 28.75%, 30.00%, 32.00%, 34.00%, and 35.00% respectively.

Foreign Currency Market (Source: RBM)

During the month of August 2025, the Malawi Kwacha depreciated against the Euro, British Pound and South African Rand. The Kwacha remained unchanged against the US Dollar. See the table below:

CURRENCY	Aug-25	Jul-25	Aug-24	% Movement 1 months	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	→ 0.00%	→ 0.00%
MK/GBP	2,410.07	2,370.42	2,352.03	↓ -1.67%	↓ -2.47%
MK/ZAR	100.78	99.39	100.86	↓ -1.40%	↑ 0.08%
MK/EUR	2,083.05	2,044.47	1,978.39	↓ -1.89%	↓ -5.29%

Note: Rates used are Middle Exchange Rates (Source: RBM)

Interbank Markets and Interest Rates (Source: RBM, BAM)

Liquidity levels (excess reserves after Central Bank operations) in September 2025 decreased to a daily average of K175.79 billion from K20.24 billion in August 2025. Access to the Lombard facility (discount window borrowing) during the month under review averaged K44.90 billion per day, at an average rate of 26.20%, compared to K78.29 billion during the month of August 2025 at an average rate of 26.20%.

In September 2025, the overnight borrowing between banks decreased to a daily average of K60.45 billion at an average rate of 23.98%, compared to an average of K65.87 billion per day at an average rate of 23.99% in August 2025.

The reference rate in September 2025 stood at 25.30%, a decrease from 25.40% in August 2025.

Foreign Exchange Reserves (Source: RBM)

For the month of August, total forex reserves stood at US\$521.00 million (2.10 months of import cover); a decline from US\$607.70 million (2.40 months of import cover); registered at the end of July 2025 (August 2024: US\$544.80 million, representing 2.20 months of import cover).

	Aug-25 (US\$ million)	Jul-25 (US\$ million)	Aug-24 (US\$ million)	% 1 month change	% 12 months change
Total	521.00	607.70	544.80	↓ -14.27%	↓ -4.37%
Import Cover (Months)					
Total	2.10	2.40	2.20	↓ -12.50%	↓ -4.55%

Stock Market (Source: MSE)

The Stock market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 535,303.19 points registered in August 2025 to 579,212.79 points registered in September 2025, giving a month-on-month return on index of 8.20% (8.20% in US\$ terms). The positive return was driven by price gains registered by NITL(180.70%), NBM(43.98%), FMBCH(15.01%), PCL(15.00%), SUNBIRD (8.70%), MPICO(0.21%), BHL(0.13%), and ILLOVO(0.03%). These gains were enough to offset share price losses registered by AIRTEL(-0.88%), FDHB(-3.35%), NBS(-0.04%), NICO(-0.01%) STANDARD(-0.46%) and TNM(-10.59). The Domestic Share and the Foreign Share

Indices inched upwards by 7.11% from 412,549.45 to 441,898.89 points and by 14.85% from 81,906.38 to 94,071.23 points respectively.

Market Capitalization increased in both Malawi Kwacha and US Dollar terms from MK31.53 trillion (US\$18.01 billion) in September 2025 to MK29.14 trillion (US\$16.81 billion) in August 2025.

The market transacted a total of 38.63 million shares

at a total consideration of MK22.54 billion (US\$12.87 million) in 4,744 trades in the month of September 2025. In the previous month of August 2025, the market transacted a total of 108.31 million shares at a total consideration of MK59.50 billion (US\$34.32 million) in 4,345 trades. This reflects a 64.33% decrease in terms of share volume traded and a 62.12% (62.12% in US Dollar terms) increase in share value traded.

	Sep-25	Aug-25	Sep-24	Change (1 month)	Change (12 months)
	MK/Share	MK/Share	MK/Share	%	%
AIRTEL	137.95	139.18	45.00	↓ -0.88%	↑ 206.56%
BHL	15.02	15.00	13.51	↑ 0.13%	↑ 11.18%
FMBCH	1,898.08	1,650.40	398.68	↑ 15.01%	↑ 376.09%
FDHB	637.89	659.99	149.22	↓ -3.35%	↑ 327.48%
ICON	17.95	17.95	14.90	→ 0.00%	↑ 20.47%
ILLOVO	1,792.02	1,791.40	1,300.00	↑ 0.03%	↑ 37.85%
MPICO	19.55	19.51	14.92	↑ 0.21%	↑ 31.03%
NBM	10,800.00	7,501.02	3,449.94	↑ 43.98%	↑ 213.05%
NBS	1024.50	1024.94	149.58	↓ -0.04%	↑ 584.92%
NICO	1739.85	1740.01	198.70	↓ -0.01%	↑ 775.62%
NITL	3551.02	1265.04	411.08	↑ 180.70%	↑ 763.83%
OMU	2,500.06	2,500.06	1,866.00	→ 0.00%	↑ 33.98%
PCL	7,590.00	6,600.00	2,499.83	↑ 15.00%	↑ 203.62%
STANDARD	6,468.90	6,499.09	5,335.06	↓ -0.46%	↑ 21.25%
SUNBIRD	500.04	460.01	225.05	↑ 8.70%	↑ 122.19%
TNM	32.00	35.79	18.49	↓ -10.59%	↑ 73.07%
MASI	579,212.79	535,303.19	142,686.97	↑ 8.20%	↑ 305.93%
DSI	441,898.89	412,549.45	111,316.63	↑ 7.11%	↑ 296.97%
FSI	94,071.23	81,906.38	19,011.00	↑ 14.85%	↑ 394.83%

Below is a presentation of the latest published 2025 and 2024 half year financials for the respective companies:

Published Half Year Financials for 2025 and 2024						
	Net Profit/(Loss) (MK'Billion)			First Interim Dividend (Per Share) (Kwacha)		
Period (Half-Year)	Jun-25	Jun-24	% Change	Jun-25	Jun-24	% Change
STANDARD	48.39	43.37	↑ 11.57%	0.00	0.00	N/A
FDH BANK	60.28	27.94	↑ 115.75%	1.02	1.89	↓ -46.03%
TNM	7.97	2.26	↑ 252.65%	0.20	0.00	
NBS BANK	73.45	32.64	↑ 125.03%	4.70	1.60	↑ 193.75%
NICO	124.91	49.28	↑ 153.47%	6.00	3.00	↑ 100.00%
SUNBIRD	5.46	5.42	↑ 0.74%	2.80	2.50	↑ 12.00%
NITL	84.27	4.32	↑ 1850.69%	5.00	2.50	↑ 100.00%
ICON	12.73	9.73	↑ 30.83%	0.15	0.14	↑ 7.14%
AIRTEL	22.41	21.33	↑ 5.06%	0.00	0.00	N/A
BHL	3.33	-0.78	↑ 526.92%	0.00	0.00	N/A
MPICO	7.60	5.70	↑ 33.33%	0.00	0.00	N/A
PCL	94.39	45.28	↑ 108.46%	20.79	11.25	↑ 84.80%
NBM	84.11	42.08	↑ 99.88%	35.64	27.84	↑ 28.02%
	Net Profit/(Loss) (US\$' million)			First Interim Dividend (Per Share) (US\$)		
FMBCH	72.89	46.82	↑ 55.68%	0.30	0.21	↑ 42.86%
TRADING STATEMENT						
ILLOVO	Expects that profit after tax for the year ending 31 August 2025 to be between 230.0% and 250.0%					

OTHER MARKET DEVELOPMENT

Tobacco Sales (Source: AHL & TC).

The 2025 tobacco marketing season advanced through September, stretching the market beyond its usual August close. Earnings consistently outpaced those of 2024, as total revenue hit US\$532.41 million from 214.2 million kilograms sold at an average price of US\$2.49 per kilogram. By contrast, the same period in 2024 recorded US\$396.78 million from 133.3 million kilograms sold at a higher price of US\$2.98. The notable surge in revenue owed largely to a 60.6% increase in sales volume, underscoring robust demand despite a dip in average prices.

MERA increased diesel and petrol prices (Source: MERA)

The Malawi Energy Regulatory Authority (MERA) increased fuel prices by 38.3% for petrol and 28.0% for diesel, marking the first rise since November 2023. Petrol was priced at MK3,499 per litre, up from MK2,530, while diesel rose to MK3,500 from MK2,734. MERA stated that the hike was necessary to ensure a sustainable fuel supply and to achieve cost-reflective pricing.

Maize prices (Source: IPFRI).

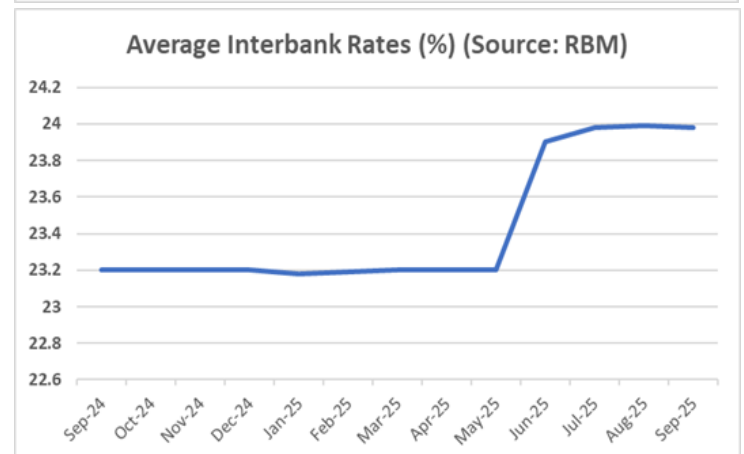
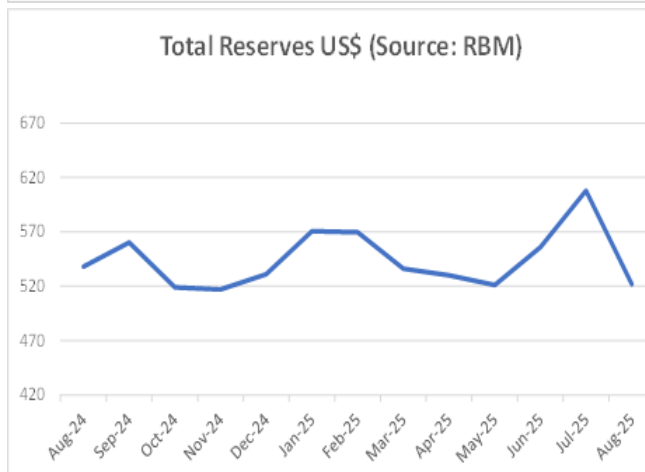
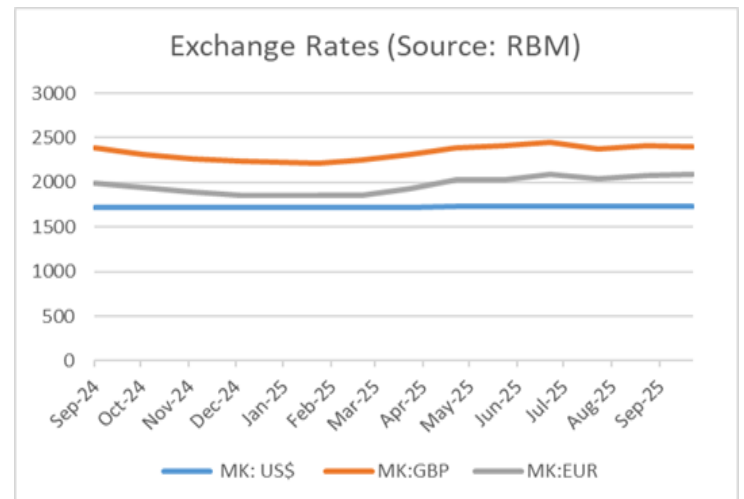
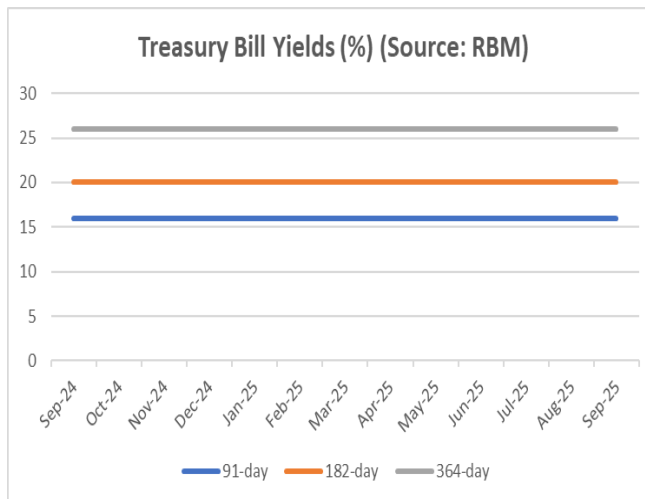
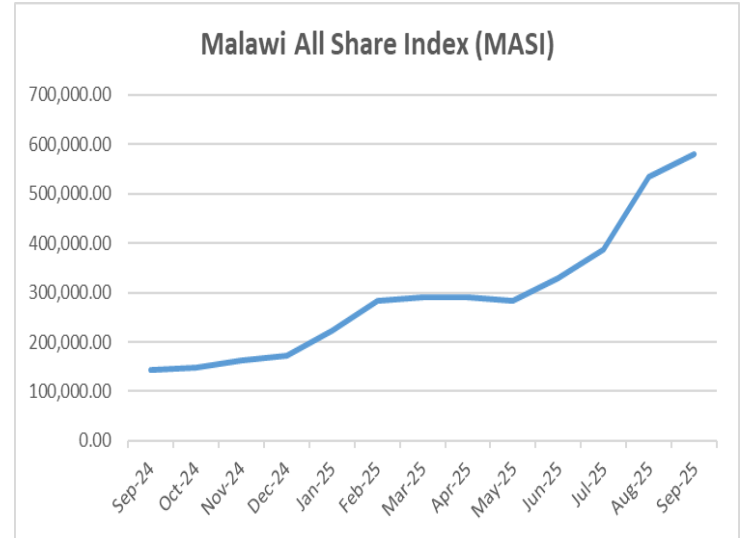
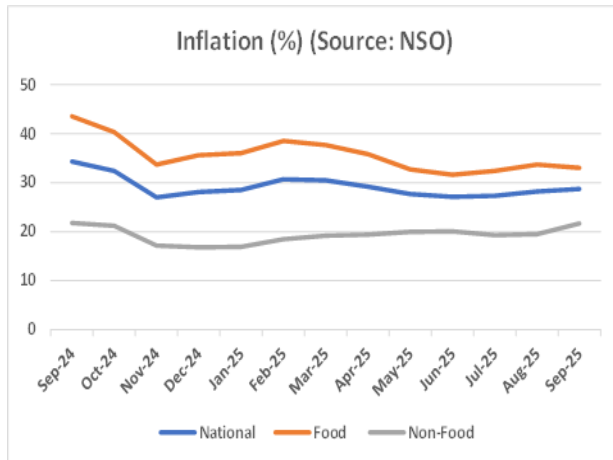
In September 2025, retail maize prices in Malawi stabilized, reversing the upward trend observed since June. The national average price leveled off and dropped slightly to MK1,361/kg in the last week, a marginal increase of just one kwacha compared to four weeks earlier. This stabilization was likely driven by a slowdown in economic activity surrounding the general elections on 16 September and the

consequent stabilization of the kwacha against neighboring currencies.

Despite this overall national trend, market-level price movements displayed considerable heterogeneity: some markets such as Mzimba Boma, Lilongwe City, and Mulanje Boma saw price increases of 10%, 6%, and 3% respectively, while others like Jenda, Chimbiya, and Lunzu experienced significant decreases of 7%, 4%, and 6%. These mixed movements were probably influenced by electoral uncertainties. Throughout September, a persistent geographic pattern remained, with lower prices in the Northern region and highest prices in the Southern region. This nuanced price behavior illustrates the complex interplay of political, economic, and regional factors affecting Malawi's maize market during this period.

Malawi remained a net importer of maize in September 2025, with imports reaching all monitored border points and extending further inland than in August, including key markets like Blantyre and Karonga. These imports played a crucial role in stabilizing supply and containing retail maize prices, which would have been higher without them. Simultaneously, the Malawi kwacha stopped depreciating against neighboring currencies in informal markets, helping maintain currency and price stability despite ongoing supply deficits. This reflects the important interaction between cross-border trade and exchange rate stability in supporting food market equilibrium amid domestic production shortfalls.

TREND GRAPHS



GLOBAL DEVELOPMENTS

Economic Growth

According to the World Bank Global Prospects, global growth is set to slow to 2.3% in 2025, its weakest pace since 2008 outside of recessions, amid rising trade barriers and persistent policy uncertainty. Most economies are expected to decelerate, with only a sluggish recovery projected for 2026-27, leaving output well below earlier forecasts. Progress in narrowing per capita income gaps and reducing poverty in emerging economies will likely disappoint, as trade policy risks and financial strains loom. Downside risks include further trade restrictions, policy gridlock, softer growth in major economies, mounting conflicts, and climate shocks. A more predictable trade environment and firm multilateral resolve are needed to revive growth, while national policymakers must tackle inflation and shore up fiscal positions. Structural reforms remain critical to strengthen institutions, spur private investment, and enhance labor markets, especially across emerging markets.

The U.S. growth outlook for 2025 has dimmed, with GDP forecast to slow sharply to 1.4% as trade barriers, policy uncertainty, and market volatility dampen consumption, trade, and investment. Investment spending is set to weaken further, squeezed by earlier import surges, new tariffs on capital goods, elevated financing costs, and flagging demand. Modest improvement is expected in 2026, as growth ticks up to 1.6% in line with a gradual easing of uncertainty.

Euro area growth is forecast to slow to 0.7% in 2025 and average just 0.9 percent over 2026–27, falling short of its long-term trend. Weaker prospects reflect higher U.S. tariffs on EU imports, rising uncertainty, financial volatility, and softer external demand all more than offsetting recent fiscal boosts, especially in Germany. While increased German spending should support wider euro-area activity, positive spillovers will likely be muted by sluggish rollout and capacity bottlenecks.

China's growth is set to slow from 5.0% in 2024 to 4.5% in 2025, as higher trade barriers and weakening external demand begin to bite. The drag on exports from U.S. tariff hikes will be only partly cushioned by fresh fiscal support, which aims to shore up

investment, consumption, and industrial activity beyond the ailing property sector. Domestic consumption remains subdued, weighed down by a soft labour

market and persistent property market weakness. Looking further ahead, growth is projected to slip to 4.0% in 2026 and 3.9% in 2027. This gradual deceleration reflects structural headwinds, slowing productivity, an ageing population, and elevated debt, which increasingly constrain China's growth potential.

Emerging market and developing economy (EMDE) growth is expected to slow to 3.8% in 2025, before nudging up to 3.9% in 2026-27 around 1.2 percentage points below the pre-pandemic average. The outlook remains heavily influenced by China's structural slowdown and escalating trade tensions. The broad-based weakness will weigh on nearly 60.0% of EMDEs this year.

Global Oil

In September, OPEC Reference Basket (ORB) value increased by 66¢, m-o-m, to average \$70.39/b. The ICE Brent front-month contract increased in September by 32¢, m-o-m, to average \$67.58/b, while the NYMEX WTI front-month contract dropped by 49¢, m-o-m, to average \$63.53/b. The GME Oman front-month contract increased in September by 81¢, m-o-m, to settle at \$70.04/b.

The global oil demand growth forecast for 2025 remains at around 1.3 million per barrel (mb/d), year-on-year (y-o-y), unchanged from last month's assessment. In the Organization of Economic Cooperation and Development (OECD), oil demand is forecast to grow by about 0.1 mb/d in 2025, while the non-OECD is forecast to grow by about 1.2 mb/d this year. In 2026, global oil demand is forecast to grow by around 1.4 mb/d, y-o-y, unchanged from last month's assessment. The OECD is projected to grow by around 0.1 mb/d, y-o-y, while the non-OECD is expected to grow by about 1.2 mb/d, y-o-y.

Production from countries not participating in the declaration of cooperation (Non-DoC) liquids is forecast to grow by about 0.8 mb/d, y-o-y, in 2025, unchanged from last month's assessment. The main growth drivers are expected to be the US, Brazil,

Canada, and Argentina. The non-DoC liquids production growth forecast for 2026 remains at 0.6 mb/d, y-o-y, with Brazil, Canada, the US, and Argentina once again as the main growth drivers. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the Declaration of Cooperation (DoC) are forecast to grow by 0.1 mb/d, y-o-y, in 2025, to average 8.6 mb/d, followed by a similar increase of about 0.1 mb/d, y-o-y, in 2026, to average 8.8 mb/d. Crude oil production by countries participating in the DoC increased by 630 Thousand barrels per day (tb/d) in September, m-o-m, to average about 43.05 mb/d, according to available secondary sources.

Currency Movements

The US Dollar Index (DXY) strengthened in September 2025 due to resilient US economic data contrasting with slower growth in Europe and the UK. The Federal Reserve's relatively hawkish monetary policy, including maintaining higher interest rates, attracted capital inflows into the dollar as investors sought yield. Additionally, concerns about global economic growth and risks further bolstered demand for the US dollar as a safe-haven currency. This broad strength in the dollar index corresponded with the relative weakening of both the euro and the pound during the month.

EUR/USD traded narrowly between 1.1600 and 1.1700 in August, with the euro gaining on dollar weakness but facing resistance near 1.1700. The ECB's cautious outlook and rising EU fiscal concerns kept sentiment subdued. The pair remains sensitive to US inflation and jobs data. Markets now focus on the September Fed meeting, where any easing signal could push EUR/USD above 1.1700.

The Euro (EUR/USD) movement in September 2025 was primarily influenced by interest rate differentials and economic performance. The European Central Bank (ECB) maintained a cautious stance with steady rates amid moderate inflation and sluggish growth in key Eurozone economies like Germany and France. Meanwhile, the US Federal Reserve's policy direction, with expectations of maintaining relatively higher rates for longer, supported the US dollar, causing some pressure on the euro. Additionally, geopolitical uncertainties, including lingering risks related to the Ukraine conflict and trade tensions, tempered investor confidence in the euro.

Global Trade

Global trade dynamics reflected a complex interplay of resilience and emerging challenges. While high-frequency surveys indicated robust growth in the services sector, the overall pace of global goods trade showed signs of easing, with volume growth moderating to 3.1 percent year-on-year in June, down from earlier peaks. Trade tensions persisted, particularly with the expansion of tariffs in the United States and ongoing policy shifts in China and the EU, contributing to a cautious outlook for manufacturing exports. Commodity markets also experienced a decline, led by falling energy prices, which affected trade values worldwide.

Artificial intelligence (AI) emerged as a transformative force in global trade, as highlighted in the 2025 World Trade Report by the World Trade Organization (WTO). AI is projected to boost global trade by 34-37 percent between 2025 and 2040 through productivity gains and lower trade costs. It facilitates trade logistics optimization, regulatory compliance, and supplier diversification, thus significantly impacting service sectors and manufacturing differently. However, the benefits of AI-driven trade growth are contingent on policies that bridge the digital divide, enhance workforce skills, and maintain an open trading environment to ensure inclusive gains across economies.

Regional trade conditions revealed divergent trends with subdued growth prospects in the US amid inflationary pressures, fragile but improving growth in Europe, and deflationary challenges in China. Emerging markets, including Sub-Saharan Africa and the Middle East, showed stronger momentum, partly fueled by ongoing trade realignments and fiscal adjustments. Policymakers and businesses face the challenge of navigating these shifts while leveraging technological advances and adapting to systemic risks in a volatile global trade environment.

Interest Rate Movements

The US Treasury yield (10-Year) decreased to close at 4.12% in September 2025 from 4.26% recorded in August 2025.

	Sep-25	Aug-25	Sep-24	Change 1 month	Change 12 months
US Fed Rate	4.13%	4.33%	4.88%	↓ -0.05%	↓ -0.75%
US Treasury yield (10 years)	4.12%	4.26%	3.72%	↓ -0.14%	↑ 0.40%
BOE Rate	4.00%	4.25%	5.00%	↓ -0.25%	↓ -1.00%
ECB Rate	2.15%	2.15%	3.65%	→ 0.00%	↓ -1.50%

(Source: US Federal Reserve, Refinitiv)

REGIONAL MARKET DEVELOPMENT

Sub-Saharan Africa (SSA)

According to the World Bank's Global Economic Prospects, economic growth in Sub-Saharan Africa is forecast to strengthen to 3.7% in 2025 and average 4.2% in 2026-27, assuming easing inflation and reduced conflict. Despite being one of the few regions expected to grow amid weakening emerging markets, this pace remains below its long-term average and is insufficient to significantly reduce extreme poverty. Downward revisions reflect global trade barriers, policy uncertainty, and weaker commodity demand. While monetary easing should support consumption and investment, high public debt and borrowing costs will require fiscal consolidation, weighing on demand and public finances, especially for commodity exporters facing lower revenues.

Growth in Nigeria is projected to strengthen to 3.6% in 2025 and average 3.8% in 2026–27. In 2024, monetary policy tightening is implemented to address rapid currency depreciation, leading to a gradual decline in inflation. Domestic reforms spur investment, particularly boosting the services sector, with strong performance in financial services and information and communication technology. Services activity continues to be the main driver of economic growth, while the industrial sector remains constrained by subdued crude oil production as the previous year's modest rebound fades.

South Africa's growth is set to edge up to 0.7% in 2025 and average just 1.2% over 2026–27, down a full percentage point per year from earlier forecasts. The downgrade reflects a tougher external environment marked by trade tensions, rising export tariffs, and persistently low potential growth. Gains in energy supply and freight infrastructure, alongside reforms to strengthen local government capacity, should further support activity.

Risks to Sub-Saharan Africa's growth are skewed to the downside. Escalating global trade tensions and a slowdown in China threaten commodity demand and prices, straining government finances. Political instability, especially in East Africa and Sahel, risks worsening conflicts that could disrupt food supplies and increase inflation. High debt servicing costs and tighter global financial conditions compound fiscal pressures, while declining donor support adds to

vulnerabilities. Meanwhile, the region's growing exposure to climate shocks such as droughts, floods and storms threatens food security and economic stability.

Zambia

Zambia's headline inflation decreased to 12.3% in September 2025, down from 12.6% in August 2025. The Zambian Kwacha closed at ZK23.87/US\$1 in September 2025, compared to ZK23.58/US\$1 recorded in August 2025. According to the IMF, economic growth is projected to grow by 5.8% in 2025.

Zimbabwe

Inflation decreased to 82.7% in September, down from 93.8% in August 2025, driven by falling food and services prices. The Zimbabwean Gold (ZiG) closed at ZiG26.64/US\$1 in September 2025, compared to ZiG26.75/US\$1 in August 2025. According to the IMF, economic growth is projected to grow at 6.0% in 2025.

Uganda

Uganda's headline inflation increased to 4.0% in September 2025, up from 3.8% in August 2025. The Ugandan Shilling appreciated against the US Dollar in September 2025, closing at UGX 3,492.30/US\$1, compared to UGX3,552.14/US\$1 recorded in August 2025. Uganda's economy is projected to grow by 6.4% in 2025.

Tanzania

Tanzania's headline inflation remained at 3.4% in September 2025, matching the inflation recorded in August 2025. The Tanzanian Shilling appreciated against the US Dollar and closed at TSh2,454.81/US\$1, compared to TSh2,466.06/US\$1 recorded in August 2025. According to the IMF, Tanzania's economy is projected to grow by 6.0% in 2025.

South Africa

South Africa's headline inflation increased to 3.4% in September 2025, up from 3.3% in August 2025. The South African Rand appreciated against the US Dollar and closed at ZAR17.27/US\$1 in September 2025, compared to ZAR17.74/US\$1 recorded in the previous month. The IMF has projected that economic growth outlook for South Africa to grow at 1.1% in 2025.

OUTLOOK FOR SEPTEMBER AND BEYOND – MALAWI

Exchange Rates

Owing to persistent shortages of hard currency and speculation, the spread between the formal exchange rate in September 2025 stood at K1,751.00:US\$1 (TT sell), while the informal market exchange rate was K3,000:US\$1. Although the informal rate hovered around K3,000:US\$1, it surged as high as K4,700 during the month before declining back to K3,000 following the general elections. The Reserve Bank of Malawi (RBM) continued to conduct auctions through Authorised Dealer Banks (ADB) to determine the kwacha's real market value.

Foreign currency inflows are currently deployed to clear arrears on key imports such as fuel, fertilizer, and pharmaceuticals. Malawi remained heavily reliant on donor funding and grants to manage its fragile balance of payments. However, foreign currency availability modestly deteriorated in August, with foreign exchange reserves dwindling despite continued tobacco sales that had previously supported reserves. The Reserve Bank of Malawi noted this decline, highlighting the challenges facing external liquidity amid ongoing economic pressures.

The Economist Intelligence Unit (EIU) forecast that the kwacha will depreciate gradually over the forecast period as the central bank allows greater exchange-rate flexibility—to MK2,438:US\$1 at end-2026 and MK3,250:US\$1 at end-2029—in line with IMF guidance under a new funded programme. This will also reflect the paucity of foreign-exchange reserves, which we forecast will remain low in 2025-26, at an average of 0.9 months of import cover, before rising to 1.8 months at end-2029. By 2029 the kwacha will be trading close to its fair value (with a narrower spread between the official and the parallel-market rates), reflecting achievement of the policy goal of exchange-rate flexibility, coupled with lower inflation. On this basis, we expect steady real effective depreciation over the course of 2026-29.

POSSIBLE IMPACT: *Lower foreign exchange inflows coupled with a large appetite for imports are likely to maintain downward pressure on the value of the Kwacha as foreign reserves continue to decline, resulting in further depreciation of the Kwacha. This will also induce inflationary pressures stemming from*

increased price of imports in domestic currency terms.

Inflation

Malawi's year-on-year headline inflation rose to 28.7% in September 2025, up from 28.2% in August 2025, driven primarily by rising food prices. Food inflation decreased slightly from 33.7% to 33.0%, while non-food inflation increased from 19.5% to 21.7%. This increase can be attributed to rising prices in some non-food services such as education, housing, water and electricity, furnishing, household goods, and health care.

The Malawi Energy Regulatory Authority (MERA) increased fuel prices by 38.3% for petrol and 28.0% for diesel, marking the first rise since November 2023. Petrol cost MK3,499 per litre, up from MK2,530, while diesel climbed to MK3,500 from MK2,734. MERA highlighted that the hike was necessary to ensure a sustainable fuel supply and to achieve cost-reflective pricing. It is expected that these increases will push prices higher, as transport costs rise due to the increased fuel prices.

The EIU marginally revised down its 2025 inflation forecast to average 27.6% over full year down from 28.1% previously. This will be a result of high base effects will moderate the rate of price growth.

The Monetary Policy Committee will continue to monitor inflation and, if necessary, will raise the policy rate to contain inflation.

POSSIBLE IMPACT: *Rising prices reduce the purchasing power of households and lower the consumption of important items, especially food. Poor households will suffer disproportionately from food inflation, given the large share of food in their consumption basket.*

External Sector

In August 2025, the total goods trade balance worsened to a deficit of US\$224.1 million (K392.5 billion), up from a deficit of US\$173.0 million (K303.0 billion) in July 2025. The outturn reflected a 15.4 percent (US\$44.7 million) rise in imports, coupled with a 5.4% (US\$6.4 million) decrease in export earnings during the month under review. The deficit

also worsened compared to the deficit of US\$129.9 million (K227.7 billion) recorded in August 2024.

Total exports decreased by 5.4% to US\$110.7 million (K193.7 billion) from US\$117.1 million (K204.9 billion) in July 2025 and US\$184.0 million (K322.0 billion) in August 2024. The decline was primarily due to a drop in the sales of tobacco, groundnuts, and tea, which were recorded at US\$75.2 million (K131.5 billion), US\$0.5 million (K0.9 billion), and US\$5.4 million (K9.4 billion), respectively, in the review month, down from US\$86.6 million (K151.6 billion), US\$2.2 million (K3.8 billion), and US\$6.6 million (K11.6 billion) in the previous month.

Total imports rose by 15.4% to US\$334.8 million (K586.2 billion) from US\$290.1 million (K507.9 billion) in the preceding month. This was higher compared to US\$313.9 million (K549.7 billion) registered in the corresponding month of 2024. The increase in imports was notably attributed to a rise in the purchase of fuel, fertilizer, and cereals, which amounted to US\$67.9 million (K118.9 billion), US\$38.6 million (K67.6 billion), and US\$12.3 million (K21.5 billion), respectively, from US\$49.2 million (K86.1 billion), US\$20.9 million (K36.5 billion), and US\$2.1 million (K3.6 billion) in July 2025..

However, Malawi's import requirements, primarily for fuel, food, and manufactured goods, will remain substantial. The primary income account deficit will remain large but is expected to narrow slightly over the forecast period as debt restructuring eases the external debt-repayment schedule.

POSSIBLE IMPACT: *A widening current account deficit will continue to exert further downward pressure on the Kwacha against currencies of Malawi's trading partners. Malawi will need to improve its competitiveness and diversify its export base to improve its trade position.*

Monetary Policy

During the third Monetary Policy Committee (MPC) meeting on July 30th and 31st, 2025, the committee maintained the policy rate at 26.0%, reflecting a cautious approach amid persistently high inflation. Although headline inflation had eased to 27.1% in June from 30.7% in February, the MPC judged the reduction insufficient to warrant monetary loosening at that stage. The decision underscored the committee's commitment to anchoring inflation expectations and consolidating recent disinflationary

gains, with a clear bias towards protecting progress towards the medium-term inflation target. Consequently, the MPC revised its inflation forecast for 2025 upward, from 27.0% to 28.5%.

The national maize requirement is 3.5 million tons, but the estimated output stood at only 2.9 million tons, indicating a deficit that is likely to further increase food prices.

The Committee observed that annual growth in money supply rose to 45.8% in the second quarter of 2025, up from 33.9% in the previous quarter. Consequently, it reaffirmed the need for fiscal consolidation alongside targeted structural and supply-side reforms. The Committee also emphasized strengthening support for productive and export-oriented sectors to improve monetary policy's effectiveness and sustain macroeconomic recovery.

Inflationary headwinds will continue to linger, arising from fiscal slippages (which trigger money-supply growth and drive inflation), local currency weakness due to exchange-rate liberalization and higher government expenditure due to the general elections in 2025. These factors will compel the RBM to maintain a tight monetary policy in 2025 but will likely initiate cuts to the policy rate in 2026-27 as inflation falls toward the target and support growth. The Economic Intelligence Unit (EIU) expects the policy rate to fall to 24.0% by the end of 2026, maintaining a positive real interest rate.

POSSIBLE IMPACT: *Rising interest rates may result in a slowdown of inflation due to a decrease in consumption spending. However, this will be at a cost of rising costs of borrowing which will hamper investments in the real economy and hinder economic growth.*

Fiscal Policy

The Government of Malawi planned to borrow MK87.90 billion through treasury bills and MK188.67 billion through treasury notes in September. However, actual borrowing significantly exceeded the target for treasury bills, with MK218.92 billion raised—149.1% above the planned amount. Conversely, borrowing through treasury notes fell short of the target, with MK80.77 billion raised, representing a 57.2% shortfall relative to the planned figure. This indicates a stronger-than-expected demand for treasury bills, alongside weaker uptake of treasury notes, signaling a shift in investor

preferences and an expansion in fiscal financing beyond initially budgeted levels.

This development marks a clear deviation from the government's original fiscal framework, signaling a substantial expansion in borrowing requirements during the period. The significant overshoot in treasury bill borrowing, coupled with the shortfall in treasury notes, reflects shifting investor preferences amidst mounting fiscal pressures.

POSSIBLE IMPACT: *The Government faces significant risks to its target of reducing the fiscal deficit, including decrease in support from the country's development partners. The fiscal deficit is likely to increase in the short to medium term, putting further upward pressure on interest rates due to increased borrowing to finance the budget.*

Economic Growth

Malawian economy is expected to grow by an average of 2.18% in 2025 from 1.65 in 2024. See table below:

Real GDP Growth Projections				
	2022	2023	2024	2025
EIU	0.70%	1.60%	1.30%	1.60%
IMF	0.90%	1.50%	1.80%	2.40%
WORLD BANK	0.90%	1.40%	1.80%	1.90%
GOVERNMENT	1.19%	1.50%	1.70%	2.80%
Average Real GDP	0.92%	1.50%	1.65%	2.18%

(Source: EIU, IMF, WBG, MoF)

The World Bank has trimmed Malawi's growth forecast for 2025 from 2.0% to 1.9%, according to its latest Africa's Pulse. The International Monetary Fund remains more optimistic, holding its projection steady at 2.4%. The Economist Intelligence Unit is

more cautious, maintaining a forecast of 1.6%, the lowest among the three.

The EIU forecasts real GDP growth of just 1.6% in 2025, up from an estimated 1.3% in 2024, as hard-currency shortages and drought conditions hamper agricultural output and worsen erratic power supply, negatively impacting private consumption (as agriculture remains the main source of livelihoods), investment, and net exports. Assuming progress with debt restructuring and the eventual resumption of a funded IMF programme from early 2026, which will play a major role in attracting donor funding and supporting investor confidence, growth will gradually pick up, averaging 2.7% a year in 2026-29.

The resumption of uranium mining at the Kayelekera mine in late 2025 (after the site was mothballed in 2013) will boost export revenue from 2026 (with output reaching full capacity towards the end of the forecast period). Two other sites—the Kangankunde mine owned by Australian mining firm Lindian Resources Ltd and the Kanyika mine owned by Globe Metals (also of Australia)—are scheduled to be operational by 2027, although both projects have already faced considerable delays, and further setbacks are likely. We expect stronger export growth from the mining sector in the latter part of our forecast period.

POSSIBLE IMPACT: *Malawi's weak business environment, fiscal indiscipline and rising current account deficit will continue to stunt economic growth in the short to medium term. However, successful implementation of the MW2063 agenda enhances the future economic growth prospects of the country in the long term*

ECONOMIC RISKS

ECONOMIC RISK	IMPACT ON ECONOMY	MITIGATING MEASURES
Escalation of Geopolitical Conflicts (e.g., Russia-Ukraine, Middle East tensions)	<ol style="list-style-type: none"> 1. Prolonged supply chain disruptions, especially energy and food. 2. Surging commodity prices (oil, gas, grains). 3. Heightened imported inflation. 4. Reduced global trade volumes. 	<ol style="list-style-type: none"> 1. Diversify supply chains away from conflict zones. 2. Build strategic reserves for energy and food. 3. Strengthen regional trade agreements. 4. Promote domestic production of critical goods.
Climate Change/ Natural Disasters	<ol style="list-style-type: none"> 1. Persistent agricultural losses due to droughts, floods, and heatwaves. 2. Widespread infrastructure damage. 3. Rising insurance costs and unbudgeted recovery spending. 4. Displacement of populations affecting labour markets. 	<ol style="list-style-type: none"> 1. Invest in climate-resilient agriculture (e.g., drought-resistant crops). 2. Upgrade infrastructure with adaptive designs. 3. Expand early warning systems and disaster response. 4. Diversify economic reliance beyond vulnerable sectors.
Persistent Inflation and Cost-of-Living Crisis	<ol style="list-style-type: none"> 1. Sustained high cost of living eroding purchasing power. 2. Wage stagnation relative to prices. 3. Elevated borrowing costs impacting businesses and households. 4. Social unrest due to declining living standards. 	<ol style="list-style-type: none"> 1. Tighten monetary policy to control inflation. 2. Expand social safety nets (e.g., subsidies for essentials). 3. Encourage wage growth in key sectors. 4. Promote competition to reduce price gouging.
Rising Government Debt and Fiscal Strain	<ol style="list-style-type: none"> 1. Larger budget deficits due to servicing high debt levels. 2. Crowding out private investment as borrowing competes for funds. 3. Risk of sovereign debt crises in vulnerable economies. 	<ol style="list-style-type: none"> 1. Implement fiscal consolidation through targeted spending cuts. 2. Broaden tax base and improve compliance. 3. Negotiate debt relief or restructuring with creditors.
Foreign Exchange Volatility and Shortages	<ol style="list-style-type: none"> 1. Higher costs for imports, exacerbating inflation. 2. Reduced industrial output due to scarce raw materials 3. Currency depreciation straining forex reserves. 4. Fuel shortages disrupting transport and energy sectors. 	<ol style="list-style-type: none"> 1. Diversify exports to stabilize forex inflows. 2. Encourage remittances via incentives for diaspora. 3. Promote local manufacturing for import substitution. 4. Secure forex swaps or credit lines with allies. 5.
Insufficient Power Supply	<ol style="list-style-type: none"> 1. Commercial productivity remains small scale as large-scale enterprises are difficult to implement with limited power supply. 2. Low industrial productivity in the manufacturing sector resulting in low economic productivity and dampening economic growth. 3. Deferment of development by investors due to lack of infrastructure 	<ol style="list-style-type: none"> 1. Encourage use of energy-saving bulbs. 2. Rehabilitate and develop new power plants. 3. Public-Private Partnerships to enhance energy production through alternative power sources. 4. The entrance of Independent Power Producers (IPPs) may help boost power generation.
High Population Growth and Demographic Pressures	<ol style="list-style-type: none"> 1. Lower per capita income as resources stretch thin. 2. Overburdened public services (health, 	<ol style="list-style-type: none"> 1. Enhance family planning education and access. 2. Invest in education and skills

	<p>education).</p> <p>3. Youth unemployment fuelling social instability.</p>	<p>training for youth.</p> <p>3. Stimulate job creation in urban and rural areas.</p>
Uncertainty in External Environment and Trade Protectionism	<p>1. Falling demand for exports due to global slowdowns.</p> <p>2. Reduced foreign investment amid protectionist policies.</p> <p>3. Lower remittances as host economies tighten borders.</p> <p>4. Barriers to accessing international finance.</p>	<p>1. Diversify export markets and products.</p> <p>2. Strengthen domestic investment climate.</p> <p>3. Negotiate trade deals to counter protectionism.</p> <p>4. Build resilience through regional economic blocs</p>

Appendix 1: Selected economic indicators for Malawi (RBM, MSE, MERA, NSO)

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
Exchange Rates													
MK : US\$	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01
MK : GBP	2,390.96	2,313.80	2,269.87	2,240.22	2,218.25	2,310.59	2,246.47	2,392.21	2,407.39	2,451.51	2,370.42	2,410.07	2,400.96
MK : ZAR	104.74	101.15	98.82	95.03	96.24	96.63	98.00	96.39	100.61	100.72	99.39	100.78	103.64
MK : EUR	1,993.75	1,938.02	1,887.66	1,857.65	1,855.51	1,854.62	1,926.24	2,033.40	2,026.61	2,096.62	2,044.47	2,083.05	2,096.44
Forex reserves (Source: RBM)													
Total Reserves (US\$m)	544.80	560.30	519.00	516.90	530.90	569.50	536.00	530.00	521.00	555.90	607.70	521.90	N/A
Total Import Cover (months)	2.20	2.20	2.10	2.10	2.10	2.30	2.10	2.10	2.10	2.20	2.40	2.10	N/A
% Inflation (NSO)													
Headline Inflation	34.30	32.40	27.00	28.10	28.50	30.70	30.50	29.20	27.70	27.10	27.30	28.20	28.70
Food	43.50	40.30	33.70	35.60	36.00	38.50	37.30	35.80	32.70	31.60	32.40	33.70	33.00
Non Food	21.80	21.20	17.20	16.80	16.90	18.50	19.20	19.40	20.00	20.10	19.30	19.50	21.70
Interbank Rates (Source: RBM)													
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%
Average Interbank Rate	24.21%	24.23%	24.20%	20.39%	24.20%	24.20%	23.18%	23.20%	23.20%	23.90%	23.98%	23.98%	23.98%
Average Base Lending Rates	25.40%	25.40%	25.40%	25.50%	25.20%	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%
Treasury Bill Yields (Source: RBM)													
91 day Treasury Bill Yield	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 day Treasury Bill yield	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 day Treasury Bill yield	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%
Stock Market Indices (Point) (Source: MSE)													
MASI	142,686.97	147,216.86	163,189.14	172,039.93	223,474.92	283,722.24	291,644.54	289,692.81	283,146.74	329,922.87	386,281.85	535,303.19	579,212.79
DSI	111,316.63	115,350.80	127,560.53	131,362.56	173,854.75	197,589.16	205,607.20	213,500.56	213,341.45	248,718.38	289,041.04	412,549.45	441,898.89
FSI	19,983.22	19,978.82	22,536.25	27,738.47	31,921.06	70,073.16	68,836.03	56,537.57	49,302.03	57,277.29	69,606.94	81,906.38	94,071.23
Fuel Prices per Litre (Source: MERA)													
Petrol	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	2,530.00	3,499.00
Diesel	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	3,500.00
Paraffin	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00

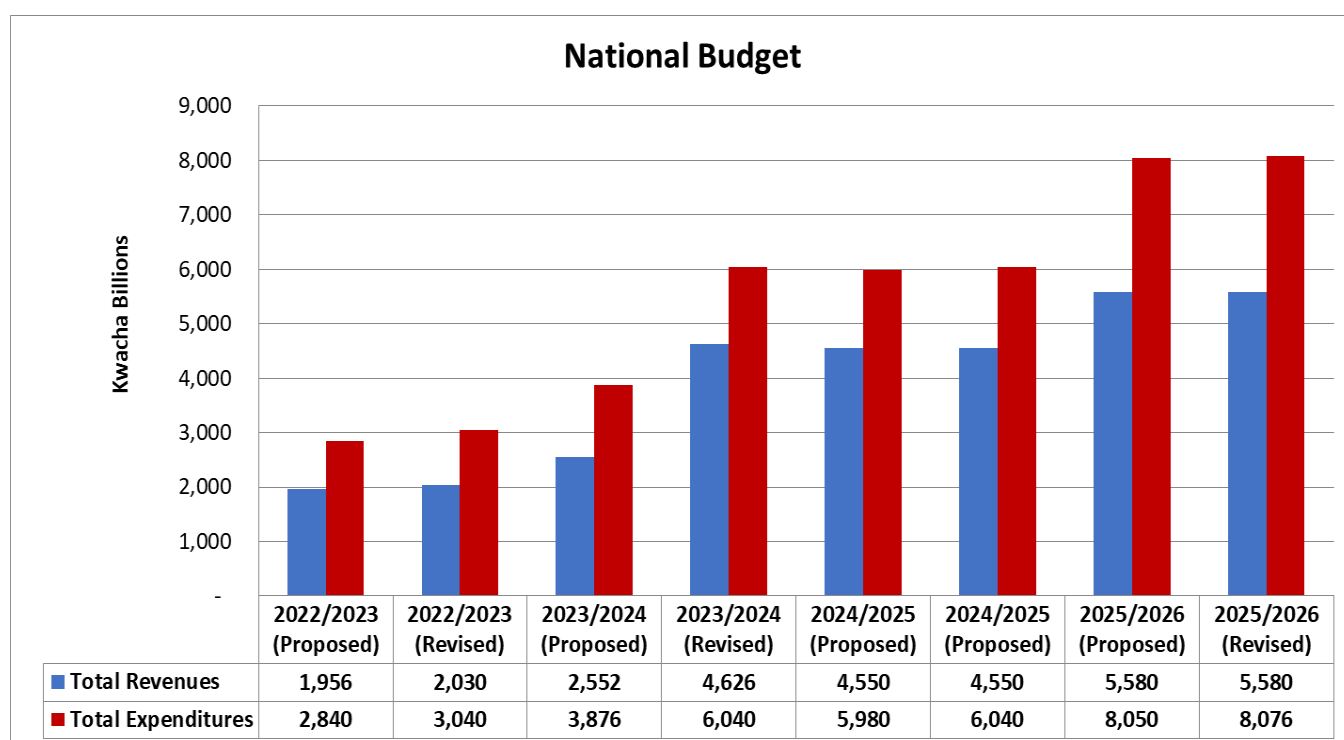
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25
TANZANIA													
Exchange rate													
US\$	2,718.48	2,693.13	2,620.50	2,394.76	2,695.00	2,581.29	2,649.98	3,053.62	2,583.82	2,618.32	2,545.79	2,466.06	2,442.85
GBP	3,647.52	3,493.67	3,319.88	3,015.60	3,546.08	3,263.78	3,426.42	3,591.74	3,496.81	3,598.89	3,387.18	3,329.64	3,285.14
ZAR	159.11	152.33	144.37	127.81	151.91	151.91	144.78	144.78	143.67	147.30	141.73	139.56	141.45
EUR	3,040.21	2,917.07	2,764.57	2,501.92	2,985.32	2,696.67	2,858.47	3,053.62	2,976.56	3,073.65	2,920.54	2,876.63	2,870.83
Inflation %	3.10	3.00	3.10	3.10	3.10	3.20	3.30	3.20	3.20	3.30	3.30	3.40	3.40
UGANDA													
Exchange rate													
US\$	3,711.31	3,711.63	3,667.00	3,681.14	3,720.82	3,677.71	3,662.55	3,666.64	3,630.86	3,594.41	3,585.09	3,552.14	3,490.18
GBP	4,910.00	4,800.00	4,690.00	4,670.00	4,899.20	4,899.20	4,745.93	4,905.73	4,892.95	4,934.41	4,792.55	4,792.73	4,533.20
EUR	4,110.00	3,975.00	3,885.00	3,850.00	4,121.55	4,121.55	3,969.47	4,167.47	4,120.30	4,214.45	4,145.80	4,142.51	4,095.90
Inflation %	3.00	2.90	2.90	3.30	3.60	3.70	3.40	3.50	3.80	3.90	3.80	3.80	4.00
Central Bank Rate %	10.00	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75	9.75
ZAMBIA													
Exchange rate													
US\$	26.49	26.76	26.92	27.89	26.12	26.12	28.21	27.96	26.62	23.81	22.98	23.58	23.87
GBP	35.44	34.70	34.02	34.96	34.40	35.95	36.98	37.27	35.87	32.61	30.34	31.74	32.02
ZAR	1.54	1.51	1.49	1.52	1.48	1.55	1.56	1.50	1.48	1.34	1.27	1.33	1.38
Inflation %	15.60	15.70	16.50	16.70	16.70	16.80	16.50	16.50	15.30	14.10	13.00	12.60	12.30
Central Bank Rate %	13.50	13.50	14.00	14.00	14.00	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50
MOZAMBIQUE													
Exchange Rate													
US\$	63.91	63.90	63.90	63.91	64.54	63.90	63.90	63.27	63.90	63.90	63.91	63.91	63.91
ZAR	3.72	3.63	3.54	3.47	3.65	3.49	3.49	3.42	3.62	3.62	3.63	3.65	3.66
EUR	71.51	69.54	67.52	66.44	71.43	69.64	69.12	72.18	72.95	75.22	74.79	74.70	73.87
Inflation%	2.45	2.68	2.84	4.15	2.75	4.74	4.77	3.99	4.00	4.50	3.96	4.79	4.79

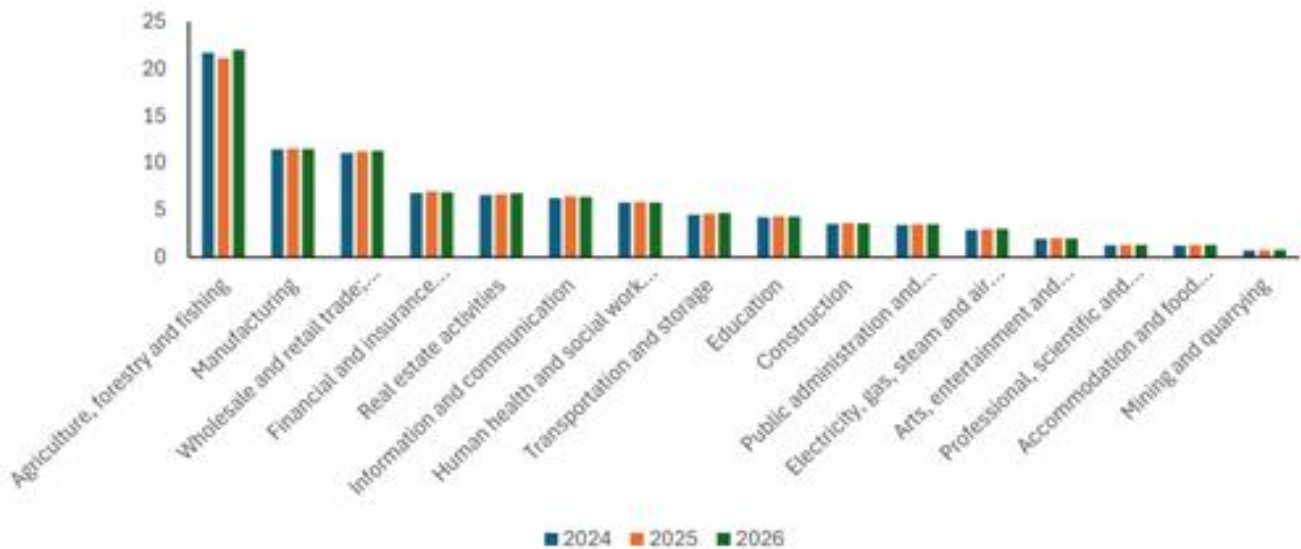
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

Appendix 3: Budget Framework (Source: Ministry of Finance)

K'Billion	2022/2023 (Proposed)	2022/2023 (Revised)	2023/2024 (Proposed)	2024/2024 (Revised)	2024/2025 (Proposed)	2024/2025 (Revised)	2025/2026 (Proposed)	2025/2026 (Revised)
Total Revenues	1,956	2,030	2,552	4,626	4,550	4,550	5,580	5,580
Domestic revenues	1,636	1,628	2,240	3,386	3,380	3,380	3,386	
Grants	320		312	1,240	1,170	1,170	1,140	
Budgetary support								
Earmarked grants								
Total Expenditure	2,840	3,040	3,876	6,040	5,980	6,040	8,050	8,076
Reccurent expenditure	2,019		2,980	4,456		2,217	6,040	
Wages & Salaries	670						1,530	
Interest on debt	524						2,170	
Investment Expenditure	821		896	1,584	1,770	1,770	2,010	
Deficit/Surplus	(883)	(1,010)	(1,325)	(1,414)	(1,430)	(1,490)	(2,470)	(2,496)
Deficit as a % of Revenue	-45%	-50%	-52%	-31%	-31%	-33%	-44%	-45%



Appendix 4: GDP per sector (Source: RBM)



Source: National Statistical Office, Reserve Bank, Ministry of Finance and Economic Affairs

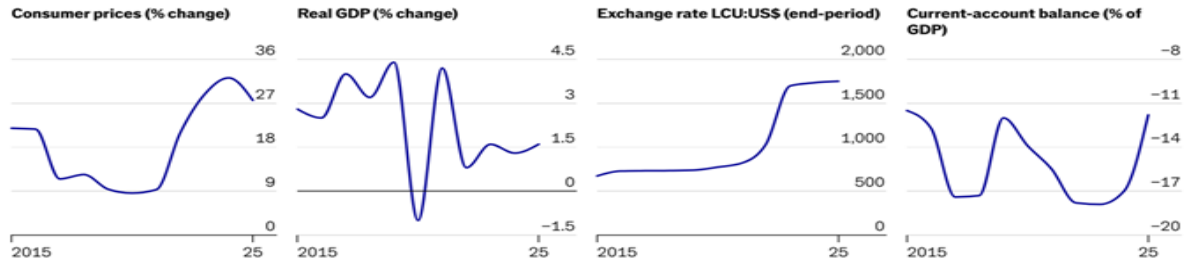
Appendix 5: Merchandise Trade (US\$' millions) (Source: RBM)



Source: National Statistical Office

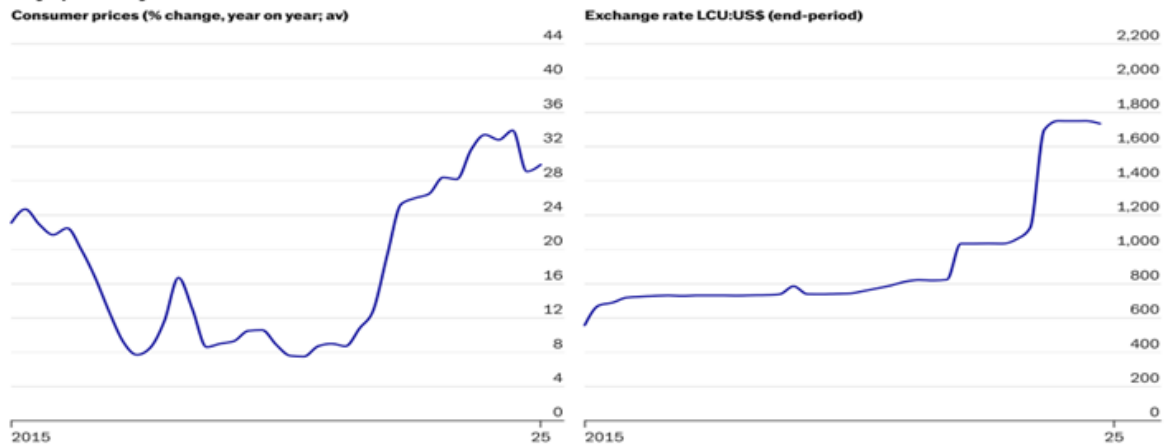
Appendix 6: Comparable Indicators (Source: EIU)

Key annual indicators



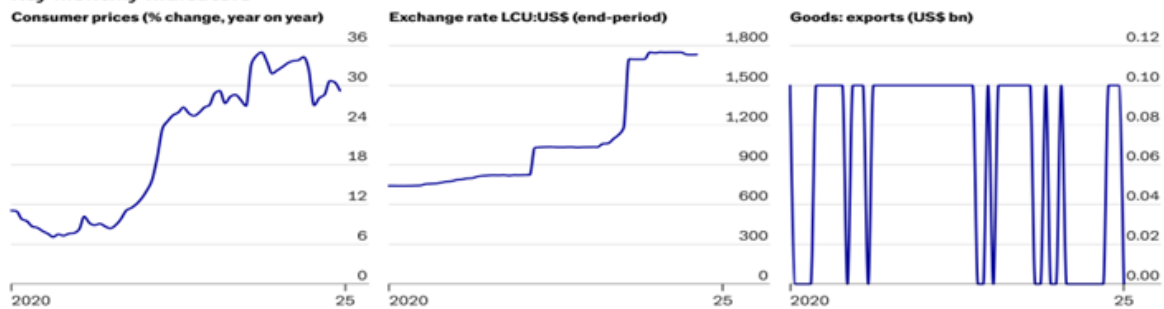
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Key quarterly indicators



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Key monthly indicators



Appendix 7: Global Projections (Source: World Bank)

	2022	2023	2024e	2025f	2026f	2027f	2025f	2026f
World	3.3	2.8	2.8	2.3	2.4	2.6	-0.4	-0.3
Advanced economies	2.9	1.7	1.7	1.2	1.4	1.5	-0.5	-0.4
United States	2.5	2.9	2.8	1.4	1.6	1.9	-0.9	-0.4
Euro area	3.5	0.4	0.9	0.7	0.8	1.0	-0.3	-0.4
Japan	0.9	1.4	0.2	0.7	0.8	0.8	-0.5	-0.1
Emerging market and developing economies	3.8	4.4	4.2	3.8	3.8	3.9	-0.3	-0.2
East Asia and Pacific	3.6	5.2	5.0	4.5	4.0	4.0	-0.1	-0.1
China	3.1	5.4	5.0	4.5	4.0	3.9	0.0	0.0
Indonesia	5.3	5.0	5.0	4.7	4.8	5.0	-0.4	-0.3
Thailand	2.6	2.0	2.5	1.8	1.7	2.3	-1.1	-1.0
Europe and Central Asia	1.5	3.6	3.6	2.4	2.5	2.7	-0.1	-0.2
Russian Federation	-1.4	4.1	4.3	1.4	1.2	1.2	-0.2	0.1
Türkiye	5.5	5.1	3.2	3.1	3.6	4.2	0.5	-0.2
Poland	5.3	0.2	2.9	3.2	3.0	2.9	-0.2	-0.2
Latin America and the Caribbean	4.0	2.4	2.3	2.3	2.4	2.6	-0.2	-0.2
Brazil	3.0	3.2	3.4	2.4	2.2	2.3	0.2	-0.1
Mexico	3.7	3.3	1.5	0.2	1.1	1.8	-1.3	-0.5
Argentina	5.3	-1.6	-1.8	5.5	4.5	4.0	0.5	-0.2
Middle East and North Africa	5.4	1.6	1.9	2.7	3.7	4.1	-0.7	-0.4
Saudi Arabia	7.5	-0.8	1.3	2.8	4.5	4.6	-0.6	-0.9
Iran, Islamic Rep. ²	3.8	5.0	3.0	-0.5	0.3	1.8	-3.2	-1.9
Egypt, Arab Rep. ²	6.6	3.8	2.4	3.8	4.2	4.6	0.3	0.0
South Asia	6.0	7.4	6.0	5.8	6.1	6.2	-0.4	-0.1
India ²	7.6	9.2	6.5	6.3	6.5	6.7	-0.4	-0.2
Bangladesh ²	7.1	5.8	4.2	3.3	4.9	5.7	-0.8	-0.5
Pakistan ²	6.2	-0.2	2.5	2.7	3.1	3.4	-0.1	-0.1
Sub-Saharan Africa	3.9	2.9	3.5	3.7	4.1	4.3	-0.4	-0.2
Nigeria	3.3	2.9	3.4	3.6	3.7	3.8	0.1	0.0
South Africa	2.1	0.8	0.5	0.7	1.1	1.3	-1.1	-0.8
Angola	3.0	1.0	4.4	2.7	2.6	3.2	-0.2	-0.3
Memorandum items:								
Real GDP¹								
High-income countries	2.9	1.7	1.9	1.3	1.5	1.7	-0.5	-0.4
Middle-income countries	3.9	4.8	4.4	4.1	4.0	4.0	-0.2	-0.1
Low-income countries	4.4	2.8	4.6	5.3	6.1	6.0	-0.4	0.2
EMDEs excluding China	4.2	3.7	3.6	3.4	3.7	4.0	-0.4	-0.2
Commodity-exporting EMDEs	3.3	2.7	3.1	2.9	3.2	3.4	-0.3	-0.2
Commodity-importing EMDEs	4.0	5.2	4.7	4.3	4.1	4.2	-0.2	-0.1
Commodity-importing EMDEs excluding China	5.4	4.9	4.2	3.9	4.4	4.6	-0.5	-0.2
EM7	3.5	5.4	4.8	4.1	3.9	3.9	-0.1	0.0
World (PPP weights) ³	3.5	3.4	3.3	2.9	3.0	3.1	-0.3	-0.2
World trade volume⁴	5.9	0.8	3.4	1.8	2.4	2.7	-1.3	-0.8

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