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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 Saharan 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 on 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 revised downward its projected real GDP growth from 2.6% to 2.3%, compared to an estimated 1.9% in 2025. The modest improvement is primarily driven by a partial recovery in agriculture, supported by a better rainy season. However, persistent foreign exchange constraints, which limit access to key inputs, along with structural bottlenecks, are expected to continue weighing on overall economic performance and job creation.

During the First Monetary Policy Committee (MPC) meeting held on 4–5 March 2026, the Committee resolved to reduce the Policy Rate by 200 basis points, from 26.0% to 24.0%, reflecting improving inflation dynamics. The Committee maintained the Liquidity Reserve Requirement (LRR) ratios at 10.0% for domestic currency deposits and 3.75% for foreign currency deposits, while retaining the Lombard Rate at 20 basis points above the Policy Rate. The policy stance was underpinned by a gradual decline in inflation, allowing for cautious easing while maintaining a sufficiently tight monetary framework

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. **Foreign Exchange Volatility and Shortages** – Scarcity of foreign exchange leading to higher import costs and potential fuel crises as importing essentials becomes challenging.
7. **Energy Shortages**– Recurrent power outages constrain industrial output and elevates operational costs.
8. **Sovereign Debt Risk** – Malawi’s high and potentially unsustainable public debt raises the risk of debt restructuring. This could affect fiscal stability, banking sector exposure, and investor confidence.
9. **Financial Sector Vulnerabilities** – High concentration of bank portfolios in government securities increases systemic exposure to fiscal stress. Shallow diversification constrains the sector’s ability to

aimed at steering inflation toward the medium-term target of 5.0%.

The proposed 2026/2027 fiscal year budget projects total revenue and grants at K8.13 trillion (25.8% of GDP), comprising domestic revenues of K6.45 trillion and grants of K1.67 trillion. Total expenditure is estimated at K10.98 trillion (34.8% of GDP), including recurrent spending of K7.58 trillion and development expenditure of K3.30 trillion, covering both foreign- and domestically financed projects. As a result, the fiscal deficit is projected at K2.85 trillion (9.5% of GDP).

Malawi’s maize prices surged by 32.0%, rising from MK1,304/kg to MK1,718/kg, driven by a poor 2024 harvest, increased reliance on imports, and the depreciation of the Kwacha on the parallel market (from MK3,700/US\$ to MK4,900/US\$). While informal cross-border trade reflected a mix of imports and exports, domestic prices were primarily influenced by import costs and regional exchange rate dynamics.

absorb shocks, heightening the risk of liquidity pressures or instability during periods of macroeconomic tightening or fiscal slippage.

ECONOMIC OVERVIEW

Inflation (Source: NSO)

The headline inflation for February 2026 stood at 24.09%, a decrease from 24.91% reported in January 2026. The decrease in inflation was on account of an decrease in food prices.

	Feb-26	Jan-26	Feb-25	% Change (1 Months)	% Change (12 Months)
Headline inflation	24.09%	24.87%	30.66%	↓ -0.78%	↓ -6.57%
Food	20.83%	22.12%	38.46%	↓ -1.29%	↓ -17.63%
Non-food	30.05%	29.85%	18.46%	↑ 0.20%	↑ 11.59%

Government Securities (Source: RBM)

In February 2026, the average yield for all types of Treasury bills was 17.16%, down from 20.51% recorded in January 2026.

Tenor	Feb-26	Jan-26	Feb-25	Change 1 Month	Change 12 Months
91 days	12.75%	15.53%	16.00%	↓ -2.78%	↓ -3.25%
182 days	17.75%	20.00%	20.00%	↓ -2.25%	↓ -2.25%
364 days	20.97%	26.00%	26.00%	↓ -5.03%	↓ -5.03%
All Type	17.16%	20.51%	20.67%	↓ -3.35%	↓ -3.51%

During the review period, total Treasury Bill applications amounted to K510.74 billion, of which K193.25 billion was allotted, resulting in an overall rejection rate of approximately 62.17%. The 182-day paper accounted for the highest subscription rate at 58.44%, followed by the 91-day paper at 31.62% and lastly, the 364-day paper at 9.94%.

During the month of February 2026, the Reserve Bank conducted auctions on the 2-year Treasury Note. The auctions raised a total of K103.09 billion, against total applications amounting to K403.97 billion, representing a rejection rate of approximately 74.48%. The weighted average yield was 20.61%, down from 28.75%.

Foreign Currency Market (Source: RBM)

During the month of February 2026, the Malawi Kwacha depreciated against the Euro and British Pound. The Malawi Kwacha appreciated against South African Rand.

The Kwacha remained unchanged against the US Dollar. See the table below:

CURRENCY	Feb-26	Jan-26	Feb-25	% Movement 1 months	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	⇒ 0.00%	⇒ 0.00%
MK/GBP	2,405.96	2,457.58	2,246.47	↑ 2.10%	↓ -7.10%
MK/ZAR	112.37	112.16	96.63	↓ -0.18%	↓ -16.28%
MK/EUR	2,108.23	2,130.74	1,854.62	↑ 1.06%	↓ -13.67%

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 February 2026 increased to a daily average of K620.80 billion from K421.81 billion in January 2026. There was no access to the Lombard facility (discount window borrowing) during the month, compared to K50.61 billion during the month of January 2026 at an average rate of 26.20%.

In February 2026, the overnight borrowing between banks decreased to a daily average of K49.89 billion at an average rate of 22.42%, compared to an average of K69.59 billion per day at an average rate of 23.98% in January 2026.

The reference rate in February 2026 stood at 23.70%, a decrease from 25.20% in January 2026.

Foreign Exchange Reserves (Source: RBM)

For the month of November, total forex reserves stood at US\$530.00 million (2.10 months of import cover); an increase from US\$526.80 million (2.00 months of import cover); registered at the end of October 2025 (November 2024: US\$516.90 million, representing 2.10 months of import cover).

	Nov-25 (US\$ million)	Oct-25 (US\$ million)	Nov-24 (US\$ million)	% 1 month change	% 12 months change
Total	530.00	526.80	516.90	↑ 0.61%	↑ 2.53%
Import Cover (Months)					
Total	2.10	2.10	2.10	⇒ 0.00%	⇒ 0.00%

Stock Market (Source: MSE)

The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 588,918.94 points registered

in January 2026 to 574,679.80 points registered in February 2026, giving a month-on-month return on index of -2.42% (-2.42% in US\$ terms). The price gains registered by OMU(21.37%), SUNBIRD(15.00%), TNM(1.08%), BHL(0.20%), MPICO(0.05%) and ILLOVO(0.01%) were not enough to offset share price losses registered by FMBCH (-7.46%), NBS(-3.88%), AIRTEL(-3.51%), NBM(-2.08%), NICO(-1.70%), FDHB(-0.64%), STANDARD(-0.20%), PCL(-0.05%), and NITL(-0.01%) resulting into a downward movement of the Malawi All Share Index. The Domestic and Foreign Share Indices fell by -1.04% from 406,964.07 to 402,723.18 points and -7.01% from 146,972.95 to 136,674.36 points respectively.

Market capitalization decreased in both Malawi Kwacha and US Dollar terms from MK32.11 trillion (US\$18.52 billion) to MK31.33 trillion (US\$18.07 billion) due to share price losses.

The market transacted a total of 39.20 million shares at a total consideration of MK27.88 billion (US\$16.08 million) in 3,621 trades in the month of February 2026. In the previous month of January 2026, the market transacted a total of 34.86 million shares at a total consideration of MK8.37 billion (US\$4.83 million) in 4,225 trades. This reflects a 12.45% increase in terms of share volume traded and a 233.15% (233.15% in US Dollar terms) increase in share value traded.

	Feb-26	Jan-26	Feb-25	Change (1 month)	Change (12 months)
	MK/Share	MK/Share	MK/Share	%	%
AIRTEL	113.81	117.95	128.01	↓ -3.51%	↓ -11.09%
BHL	15.01	14.98	14.55	↑ 0.20%	↑ 3.16%
FMBCH	2,743.90	2,965.07	1409.47	↓ -7.46%	↑ 94.68%
FDHB	593.59	597.44	315.08	↓ -0.64%	↑ 88.39%
ICON	15.97	15.97	17.98	→ 0.00%	↓ -11.18%
ILLOVO	2,680.23	2,680.00	1,355.13	↑ 0.01%	↑ 97.78%
MPICO	19.47	19.46	19.01	↑ 0.05%	↑ 2.42%
NBM	11,498.89	11,743.65	6,200.01	↓ -2.08%	↑ 85.47%
NBS	857.87	892.49	349.77	↓ -3.88%	↑ 145.27%
NICO	1690.97	1720.27	830.68	↓ -1.70%	↑ 103.56%
NITL	3934.22	3934.50	634.02	↓ -0.01%	↑ 520.52%
OMU	4,600.06	3,790.04	1,950.03	↑ 21.37%	↑ 135.90%
PCL	7,824.00	7,828.00	2,500.02	↓ -0.05%	↑ 212.96%
STANDARD	4,238.44	4,247.00	6,962.21	↓ -0.20%	↑ 204.39%
SUNBIRD	1955.01	1700.02	300.03	↑ 15.00%	↑ 551.60%
TNM	30.99	30.66	29.44	↑ 1.08%	↑ 5.26%
MAZI	574,679.80	588,918.94	283,722.24	↓ -2.42%	↑ 102.55%
DSI	402,723.18	406,964.07	197,589.16	↓ -1.04%	↑ 103.82%
FSI	136,674.36	146,972.95	70,073.16	↓ -7.01%	↑ 95.05%

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						
Period	Net Profit/(Loss) (MK' Billion)			Total Dividend (Per Share) (Kwacha)		
	Aug-25	Aug-24	% Change	Aug-25	Aug-24	% Change
ILLOVO	77.56	22.63	↑ 242.68%	14.00	5.80	↑ 141.38%
Period	Jun-25	Jun-25	% Change	Dec-25	Dec-24	% Change
BHL	3.33	-0.78	↑ 526.92%	0.00	0.00	N/A
AIRTEL	22.41	22.33	↑ 5.06%	2.00	0.00	N/A
FDH BANK	60.28	27.94	↑ 115.75%	1.68	3.20	↓ -47.50%
ICON	12.73	9.73	↑ 30.83%	0.30	0.13	↑ 130.77%
MPICO	7.60	5.70	↑ 33.33%	0.00	0.00	N/A
NBM	84.11	42.08	↑ 99.88%	53.90	57.32	↓ -5.97%
NBS BANK	73.45	32.64	↑ 125.03%	13.00	4.94	↑ 163.16%
NICO	124.91	49.28	↑ 153.47%	22.00	6.13	↑ 258.89%
NITL	84.27	4.32	↑ 1850.69%	0.00	5.00	↓ -100.00%
PCL	94.39	45.28	↑ 108.46%	50.60	37.00	↑ 36.76%
STANDARD	48.39	43.37	↑ 11.57%	21.31	31.96	↓ -33.32%
SUNBIRD	5.46	5.42	↑ 0.74%	13.30	8.20	↑ 62.20%
TNM	7.97	2.26	↑ 252.65%	0.20	0.00	N/A
	Net Profit/(Loss) (ZAR' billion)			Total Dividend (Per Share) (ZAR)		
OMU	4.20	3.27	↑ 28.56%	23.81	23.97	↓ -0.67%
	Net Profit/(Loss) (US\$' million)			Total Dividend (Per Share) (US\$)		
FMBCH	72.89	46.82	↑ 55.68%	0.43	0.63	↓ -31.75%

TRADING STATEMENT	
FDH Bank	Expects its year ending 31 December 2025 profit after tax to be between 92% and 104% higher than the previous corresponding period
BHL	Expects its year ending 31 December 2025 profit after tax to be between 515% and 535% higher than the previous corresponding period
Sunbird	Expects its year ending 31 December 2025 profit after tax to be between 23% and 43% higher than the previous corresponding period
Standard	Expects its year ending 31 December 2025 profit after tax to be between 30% and 40% higher than the previous corresponding period
NBS Bank	Expects its year ending 31 December 2025 profit after tax to be between 99.3% and 106.2% higher than the previous corresponding period
NBM	Expects its year ending 31 December 2025 profit after tax to be between 87% and 107% higher than the previous corresponding period
FMBCH	Expects its year ending 31 December 2025 profit after tax to be between 32% and 51% higher than the previous corresponding period
TNM	Expects its year ending 31 December 2025 profit after tax to be between 30% and 40% higher than the previous corresponding period
NITL	Expects its year ending 31 December 2025 profit after tax to be between 571% and 583% higher than the previous corresponding period
NICO	Expects its year ending 31 December 2025 profit after tax to be between 137% and 148% higher than the previous corresponding period
MPICO	Expects its year ending 31 December 2025 profit after tax to be between 51% and 66% higher than the previous corresponding period
PCL	Expects its year ending 31 December 2025 profit after tax to be between 94% and 113% higher than the previous corresponding period

OTHER MARKET DEVELOPMENT

China Extends US\$43.0 Million Grant for M1 Upgrade and Digitalisation (Source: The Nation news).

The People's Republic of China extended a grant of US\$43.0 million (approximately MK75.29 billion) to Malawi to support key infrastructure and digital development projects. The funding will primarily be used for the upgrade of the M1 Road between Kanengo and the Kamuzu International Airport junction in Lilongwe, alongside the digitalisation of government systems. The agreement was signed by Joseph Mwanamvekha and Lu Xu, comprising a new grant of 100.0 million yuan and a previously committed 200.0 million yuan, bringing the total to 300 million yuan (equivalent to US\$43.0 million). The initiative falls under the Belt and Road Initiative and the Forum on China-Africa Cooperation, aligning with Malawi's long-term development strategy. It is expected to improve urban connectivity in Lilongwe and enhance efficiency in public service delivery through digital transformation.

Highlights of the 2026/2027 National Budget Statement (Source: Ministry of Finance).

The proposed budget for the 2026/2027 fiscal year has been formulated with the following assumptions: a fiscalised real GDP growth rate of 4.1% and an average inflation rate of 15.0%.

Total revenue and grants are estimated at K8.13 trillion, representing 25.8% of GDP and a 48.8% increase from K5.46 trillion in 2025/2026. Domestic revenues are projected at K6.45 trillion (20.5% of GDP), of which tax revenues are estimated at K6.20 trillion and non-tax revenues at K250.50 billion. Grants are estimated at K1.67 trillion, including K1.49 trillion from international organisations and K182.99 billion from foreign governments.

Total expenditure is programmed at K10.98 trillion (34.8% of GDP), representing a 27.8% increase from K8.59 trillion in the 2025/2026 budget. Recurrent

expenses are estimated at K7.58 trillion, accounting for 69.1% of total expenditure. Development expenditure is projected at K3.40 trillion, with K2.03 trillion allocated to foreign-financed projects and K1.14 trillion for domestically financed projects.

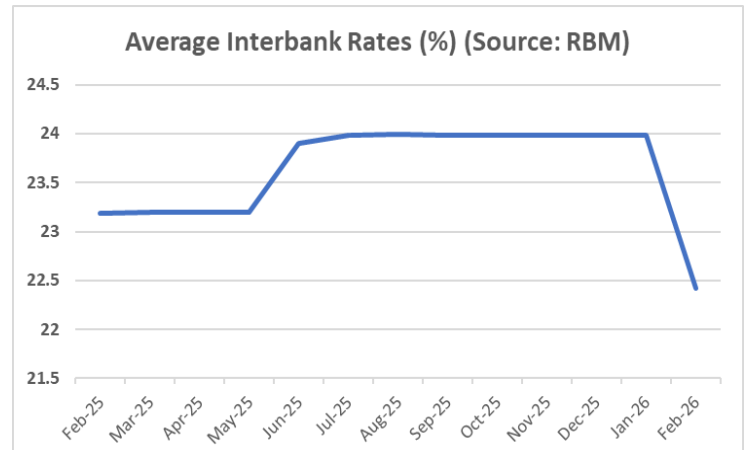
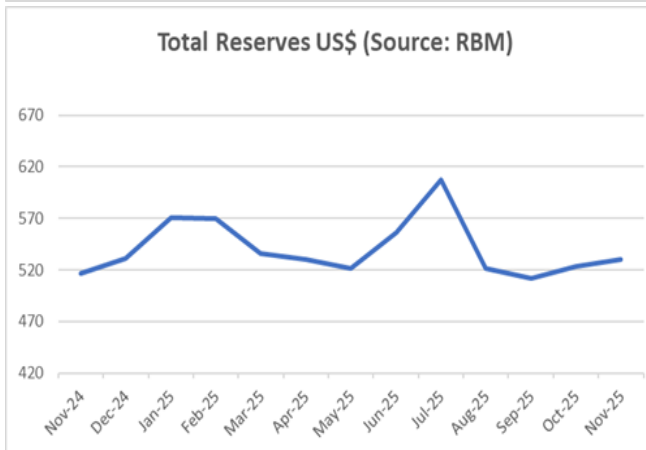
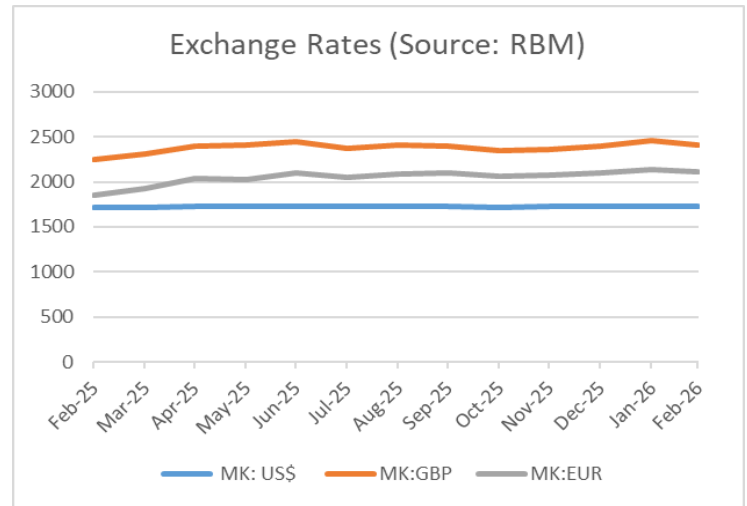
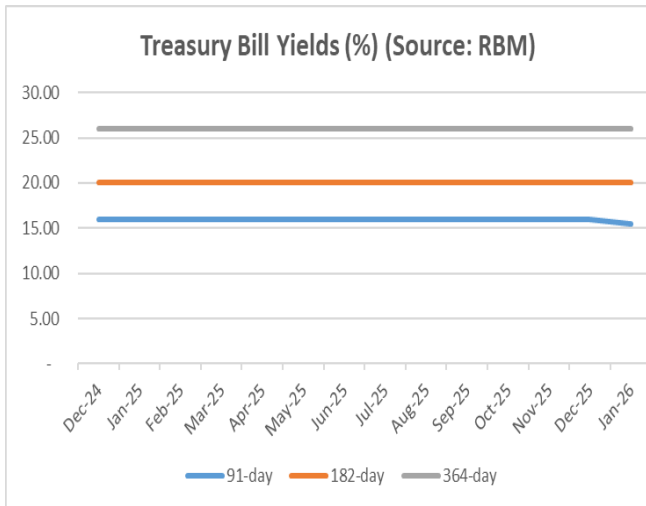
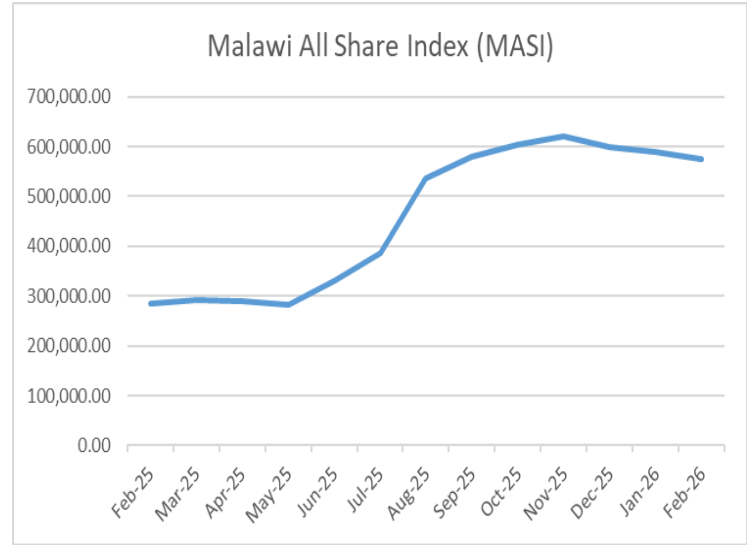
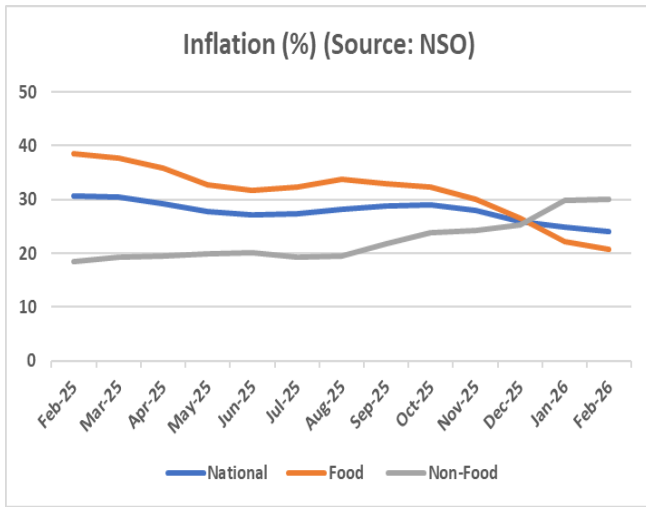
The overall fiscal deficit is projected at K2.85 trillion (9.5% of GDP), down from K3.13 trillion in the previous fiscal year, reflecting an improvement of 8.8%.

Maize prices (Source: IPFRI).

In February 2026, maize retail prices in Malawi rose sharply, defying the typical seasonal decline observed in previous years, where prices fell by 12% in 2024 and 1% in 2023. Prices increased by 32%, from an average of MK1,304/kg in the last week of January to MK1,718/kg in the last week of February. The rise was largely driven by a poor 2024 harvest, which constrained domestic supply and increased reliance on imports, primarily from Tanzania. This import dependence, coupled with persistent foreign exchange shortages, exerted significant upward pressure on prices. Furthermore, the depreciation of the Malawian Kwacha on the unofficial market—from MK3,700/US\$ at the end of January to MK4,900/US\$ by the end of February—further contributed to higher maize prices.

Informal cross-border trade in maize remained predominantly characterized by net imports across most monitored border posts, particularly from Mozambique. However, select border points—namely Mchinji, Mqocha/Jenda, and Mbirima—recorded net exports. Informal maize exports to Zambia continued through the Mchinji and Mqocha/Jenda crossings, even as the National Food Reserve Agency (NFRA) imported maize in bulk from Zambia via formal channels, highlighting simultaneous two-way trade flows. Additionally, maize exports from Malawi to Tanzania were observed through the Mbirima border crossing. Despite these dynamics, domestic retail maize prices were largely influenced by import costs and exchange rate fluctuations in informal currency markets.

TREND GRAPHS



GLOBAL DEVELOPMENTS

Economic Growth

According to the World Bank's Global Economic Prospects, global growth is projected to edge down to 2.6% in 2026 before rising slightly to 2.7% in 2027, reflecting an upward revision from June forecasts despite fading tailwinds from pre-tariff trade surges and supply-chain adjustments. Easing financial conditions and fiscal expansion in major economies are expected to cushion the slowdown from the lagged effects of tight monetary policy, subdued trade, and weak investment. Global inflation is projected to ease to 2.6%, although subdued demand continues to challenge job creation in many emerging markets amid expanding workforces.

Eurozone growth is forecast to expand by 1.1% in 2026, with the EU slightly higher at 1.5%, constrained by U.S. tariff shocks, weak confidence in France and Germany, and lingering energy constraints. Robust labor markets and wage gains are supporting consumer spending, though elevated savings rates are limiting overall consumption. Investment is rebounding modestly, driven by defense spending, infrastructure projects, and EU funds, with unemployment easing to 6.2%.

U.S. growth is projected to remain steady at 2.5% in 2026 and edge up to 2.6% in 2027. Tax cuts and deregulation are expected to bolster consumer spending and business investment, offsetting tariff-related headwinds. Robust labor markets and AI-driven productivity gains underpin this relative outperformance compared with Europe and much of Asia, although inflation remains above target.

In East Asia and the Pacific, growth is expected to moderate to 4.4% in 2026 and 4.3% in 2027, weighed down by China's slowdown despite fiscal measures keeping its deficit near 4% of GDP. Broader Asia is projected at 4.3% (range: 4.1–4.6%), supported by expansionary fiscal policy and development bank support.

Emerging market and developing economies (EMDEs) are expected to slow to 4.0% in 2026 from 4.2% in 2025, before recovering to 4.1% in 2027 as trade frictions ease and commodity prices stabilize. Excluding China, EMDE growth is forecast at 3.7%, while low-income countries are projected at 5.6%,

driven by stronger domestic demand and exports. Elevated debt levels, demographic pressures, and weak foreign direct investment continue to limit job creation, highlighting the importance of structural reforms.

Downside risks remain prominent. Escalating trade barriers, policy uncertainty, geopolitical tensions, energy price volatility, financial stress in leveraged markets, and a sharper-than-expected slowdown in China could further constrain growth. Climate-related disasters in vulnerable regions and limited fiscal space in highly indebted low-income countries also pose threats. Upside scenarios, including accelerated disinflation, elevated commodity prices, or rapid trade agreements, remain unlikely. Enhanced global cooperation is critical to mitigate economic fragmentation, protect fragile economies, and address weather-related shocks.

Global Oil

In February, the OPEC Reference Basket (ORB) value increased by \$5.59/b, month-on-month (m-o-m), to average \$67.90 per barrel (/b). The ICE Brent front-month contract increased by \$4.64/b, m-o-m, to average \$69.37/b, and the NYMEX WTI front-month contract increased by \$4.26/b, m-o-m, to average \$64.52/b. The GME Oman front-month contract increased by \$5.63/b, m-o-m, to \$68.42/b.

The global oil demand growth forecast for 2026 remains at a healthy 1.4 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 0.15 mb/d, while the non-OECD is forecast to grow by about 1.2 mb/d. In 2027, global oil demand is forecast to grow by about 1.3 mb/d, y-o-y, unchanged from last month's assessment. The OECD is forecast to grow by 0.1 mb/d next year, while the non-OECD is forecast to grow by around 1.2 mb/d, y-o-y.

Production from countries not participating in the declaration of cooperation (Non-DoC) is forecast to grow by about 0.6 mb/d, y-o-y, in 2026, unchanged from last month's assessment, mainly driven by Brazil, Canada, the US, and Argentina. In 2027, non-DoC liquids production is also forecast to grow by about 0.6 mb/d, unchanged from last month's

assessment, mainly driven by Brazil, Canada, Qatar, and Argentina. Natural gas liquids (NGLs) and non-conventional liquids from countries participating in the DoC are forecast to grow by 0.1 mb/d, y-o-y, in 2026, to average about 8.8 mb/d, followed by similar growth in 2027 of about 0.1 mb/d, y-o-y, to average about 8.9 mb/d. In February, crude oil production by countries participating in the DoC increased by 445 thousand barrels per day (tb/d), m-o-m, to average about 42.72 mb/d, according to available secondary sources.

Currency Movements

In February 2026, the U.S. Dollar Index (DXY) exhibited resilience amid hawkish Federal Reserve rhetoric and safe-haven demand, rebounding from early-month lows near 96.98 to approach 97.80 by month-end, marking a potential close above prior levels after three consecutive monthly declines. This uptick was propelled by robust U.S. economic indicators, including steady industrial production and labor market strength, alongside heightened geopolitical risks that bolstered dollar appeal. Despite the recovery, the index faced resistance below 101 within a prevailing downtrend channel established in late 2025, reflecting ongoing policy uncertainty.

EUR/USD displayed measured appreciation against this dollar backdrop, averaging 1.1828 for the month and settling near 1.1816 by February 28, within a range of approximately 1.1740 to 1.1830. Cooling Eurozone inflation to 1.7% headline CPI supported expectations of ECB policy stability, fostering euro resilience despite subdued regional growth. Technical indicators suggested bullish momentum above 1.1750, with potential upside toward 1.2000 contingent on relative Fed-ECB divergence.

GBP/USD followed a comparable trajectory, advancing from early-February levels around 1.3675-1.3680 to test mid-month supports near 1.3610-1.3640 before stabilizing toward 1.3700 amid volatile

sessions. Resilient UK manufacturing PMI at 51.8 underpinned sterling, though persistent U.S. data superiority capped gains below recent peaks of 1.3817. The pair's moderate volatility profile underscored cautious market positioning ahead of Bank of England policy deliberations.

Global Trade

Global merchandise trade volumes expanded by 1.8% m-o-m in February 2026, reaching approximately \$2.9 trillion, following a stagnant January. Growth was driven by strong demand for electronics, semiconductors, and green energy components from emerging Asian markets and pre-tariff U.S. imports. Container shipping rates, as measured by the Drewry World Container Index, rose 4.0% to \$3,200 per 40-foot equivalent unit (FEU), aided by mitigated Red Sea disruptions, though rates remain 15% above 2024 averages.

China's trade surplus widened to \$85 billion—its largest in six months—driven by robust exports to the EU and ASEAN, while the Eurozone posted a €12 billion deficit due to soft domestic demand and high energy costs. South African commodity exports, led by platinum and iron ore, increased 2.2% y-o-y. U.S.-China technology restrictions and EU carbon border measures heightened trade risks, leading the WTO to lower its 2026 full-year growth forecast to 2.7% from 3.2% amid persistent inflation and policy uncertainty.

Interest Rate Movements

The US Treasury yield (10-Year) decreased to close at 4.13% in February 2026 from 4.21% recorded in January 2026.

	Feb-26	Jan-26	Feb-25	Change 1 month	Change 12 months
US Fed Rate	3.63%	3.63%	4.33%	↔ 0.00%	↓ -0.70%
US Treasury yield (10 years)	4.13%	4.21%	4.45%	↓ -0.08%	↓ -0.32%
BOE Rate	3.75%	3.75%	4.50%	↔ 0.00%	↓ -0.75%
ECB Rate	2.15%	2.15%	2.90%	↔ 0.00%	↓ -0.75%

(Source: US Federal Reserve, Refinitiv)

REGIONAL MARKET DEVELOPMENT

Sub-Saharan Africa (SSA)

According to the latest World Bank's Global economic prospects, growth in sub-Saharan Africa is projected to firm to 4.3% in 2026 and 4.5% in 2027, propped up by stronger investment and exports. That uptick—revised up by 0.2 points from June 2025—will depend on no further external deterioration and security gains in fragile states. Yet these rates will lag the 2000-19 average by half a point. They will generate too few jobs for the region's swelling workforce and do little to lift per-capita incomes against extreme poverty, which claims over 70% of the global total in SSA. Tariff rises, notably the probable end of America's African Growth and Opportunity Act in late 2025, will hit textile and vehicle exporters. The African Continental Free Trade Area should help by boosting regional ties.

Policymakers will keep monetary settings cautious to tame inflation while aiding growth. Fiscal deficits will narrow amid tighter budgets. Debt-to-GDP ratios will dip slightly but stay high, with interest costs well above the 2010-19 norm after post-covid borrowing and dearer loans. Angola, Republic of Congo, Kenya and Nigeria will continue to benefit from regained market access, easing funds. South Africa is projected to edge to 1.4% growth in 2026 and 1.5% in 2027 via energy and logistics reforms plus public outlays that will lure private money. Nigeria is projected to reach 4.4% both years—its best in a decade—on services, farm recovery and oil volume gains against soft prices. Ethiopia is projected to steady at 7.1% in 2026 then climb to 7.7% in 2027, thanks to looser money, productivity lifts and investment return. Commodity exporters such as Guinea, Liberia and Zambia are projected to grow at 4.3-4.5% on mining strength; non-resource sorts like Benin, Côte d'Ivoire, Rwanda and Uganda are projected to outpace them at 6.1-6.2%.

Sub-Saharan Africa's growth outlook remains subject to downside risks. Tighter trade barriers, stalled reforms, escalating conflicts, extreme weather, sharp reductions in official development assistance (ODA), subdued global growth, declining commodity prices, and restrictive financial conditions all pose threats to these projections. Exporters such as Côte d'Ivoire, Kenya, and South Africa face heightened vulnerabilities from U.S. tariffs and AGOA's expiry;

climate shocks will severely impact fragile states from the Sahel to southern Africa, while aid reductions will disproportionately affect Somalia and South Sudan. Upside potential from improved Chinese market access or firmer commodity prices appears limited.

Zambia

Zambia's headline inflation decreased to 7.5% in February 2026, down from 9.4% January 2026. The Zambian Kwacha closed at ZK18.80/US\$1 in February 2026, compared to ZK19.75/US\$1 recorded in January 2026. According to the World Bank, economic growth is projected to grow by 5.8% in 2026.

Zimbabwe

Inflation decreased to 3.8% in February, down from 4.1% in January 2026, driven by falling food and services prices. The Zimbabwean Gold (ZiG) closed at ZiG25.77/US\$1 in February 2026, compared to ZiG25.58/US\$1 in January 2026. According to the World Bank, economic growth is projected to grow at 5.0% in 2026.

Uganda

Uganda's headline inflation decreased to 2.9% in February 2026, from 3.2% in January 2026. The Ugandan Shilling appreciated against the US Dollar in February 2026, closing at UGX3599.64/US\$1, compared to UGX3580.14/US\$1 recorded in January 2026. Uganda's economy is projected to grow by 6.4% in 2026.

Tanzania

Tanzania's headline inflation decreased to 3.2% in February 2026, down from 3.3% in January 2026. The Tanzanian Shilling depreciated against the US Dollar and closed at TSh2,546.74/US\$1, compared to TSh2,518.05/US\$1 recorded in January 2026. According to the World Bank, Tanzania's economy is projected to grow by 6.2% in 2026.

South Africa

South Africa's headline inflation decreased to 3.0% in February 2026, down from 3.5% in January 2026. The South African Rand appreciated against the US Dollar and closed at ZAR16.45/US\$1 in February 2026, compared to ZAR16.14/US\$1 recorded in the previous month. The World Bank has projected that economic growth outlook for South Africa to grow at 1.4% in 2026.

OUTLOOK FOR FEBRUARY AND BEYOND – MALAWI

Exchange Rates

Owing to persistent shortages of hard currency and speculation, the spread between the formal exchange rate in February 2026 stood at K1,751.00:US\$1 (TT sell), while the informal market exchange rate was K3,900:US\$1.

The Economist Intelligence Unit (EIU) forecast that the new government has ruled out either devaluing or floating the kwacha, and we expect the currency to remain at K1,734:US\$1 in 2026. It emphasized that the IMF will continue to push for Malawi to shift towards a market-determined exchange rate, but in the absence of a funded programme the authorities will continue to heavily manage the Malawian Kwacha. With foreign exchange reserves remaining perilously low, the central bank will continue to operate tight exchange rate controls and limit access to foreign currency through official channels to compress demand, but EIU believe periodic devaluations will be inevitable and only a question of timing and scale. The kwacha will weaken gradually in 2027-2030 to an average of K2,792:US\$1 in 2030.

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 headline year-on-year inflation eased from 24.9% in January 2026 to 24.1% in February 2026, driven primarily by falling food prices. Food inflation declined from 22.1% to 20.8%, while non-food inflation rose slightly from 29.9% to 30.1%. The moderation in headline inflation was largely due to falling prices of key food items, including rice, maize, and maize products, alongside a notable reduction in vegetable prices.

Month-on-month inflation slowed to 3.2% in February 2026 from 3.7% in January, despite food inflation rising from 2.4% to 3.1%, reflecting increases across key components. Food, which accounts for 53.7% of the CPI basket, showed this upward movement. Non-

food inflation, in contrast, declined sharply to 3.3% from 6.2%, reflecting decreases across major components. Housing, Water, and Electricity (23.7% of the CPI basket) decreased from 6.6% to 5.0%; Transportation (4.1% of the CPI) fell significantly from 15.5% to 0.2%; Communication (4.1% of the CPI) decreased from 14.3% to near 0.0%; and Furnishing and Household Equipment (2.2% of the CPI) declined from 2.1% to 0.6%.

Upside risks to inflation are expected to persist in 2026, primarily due to currency depreciation pressures, reduced donor support, and the ongoing conflict in the Middle East involving Iran, the U.S., and Israel, which could impact fuel prices if the situation escalates. Additionally, potential climatic shocks may affect agricultural production, further contributing to inflationary pressures. The Monetary Policy Committee will continue to monitor developments closely and may adjust the policy rate if necessary to contain inflation.

The government of Malawi projects an inflation rate of 15.0% by the end of the fiscal year.

The EIU projects that inflation will rise slightly to 29.0% in 2026 and average 28.6% over 2026–2029, significantly higher than the previous forecast of 16.6%. In the absence of a new IMF-supported programme, continued deficit monetisation by the Reserve Bank of Malawi (RBM), alongside expected currency depreciation and periodic exchange rate adjustments driven by foreign exchange shortages, is likely to sustain elevated inflationary pressures, keeping inflation around 29% in 2026 despite anticipated declines in food and energy prices. Inflation is, however, expected to moderate gradually thereafter, averaging about 24% by 2030 as domestic food and energy prices ease.

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 January 2026, trade figures reflected a decrease in exports and an increase in imports. Total exports

amounted to US\$54.1 million, down 57.3% from US\$126.7 million in January 2025, while total imports rose 42.8% to US\$390.7 million from US\$273.5 million a year earlier. On a month-on-month basis, exports fell 11.1% from US\$60.9 million in December 2025, and imports climbed 17.6% from US\$332.1 million.

The trade deficit widened to US\$336.6 million in January 2026, up 129.3% from US\$146.8 million in January 2025 and 24.1 percent from US\$271.2 million in December 2025. The export-to-import ratio stood at 0.14, equivalent to 14.0% of import value.

However, Malawi's import needs—mainly fuel, food, and manufactured goods—will stay elevated. The primary income account deficit is projected to remain wide but narrow modestly over the forecast horizon, supported by debt restructuring that eases external repayment pressures.

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 First Monetary Policy Committee (MPC) meeting held on 4–5 March 2026, the Committee resolved to reduce the Policy Rate by 200 basis points from 26.0% to 24.0%, reflecting improving inflation dynamics. The Committee maintained the Liquidity Reserve Requirement (LRR) ratios at 10.0% for domestic currency deposits and 3.75% for foreign currency deposits, while the Lombard Rate was retained at 20 basis points above the Policy Rate. This policy stance was underpinned by a gradual decline in inflation, allowing for a cautious easing while preserving a sufficiently tight monetary policy framework aimed at steering inflation toward the medium-term target of 5.0%.

The Committee observed that inflation trends continued to show improvement into early 2026. Headline inflation declined to 27.7% in the fourth quarter of 2025, down from 28.1% in the preceding quarter and 29.2% in the corresponding period of 2024, before easing further to 24.9% in January 2026. The moderation was primarily driven by lower food prices, supported by government interventions to improve maize supply. However, upward

pressures persisted in non-food inflation, particularly from fuel and electricity costs, largely reflecting elevated production and import costs rather than demand-side pressures. Looking ahead, the 2026 inflation outlook remains favorable, supported by expectations of improved agricultural output in the 2025/26 season, continued food supply interventions, and anticipated fiscal consolidation driven by enhanced revenue measures and disciplined expenditure management. These developments are expected to contribute to macroeconomic stability, reduced fiscal deficits, and moderated growth in money supply.

The Economist Intelligence Unit (EIU) projects that, although food and energy prices are expected to ease, inflation will remain elevated in 2026, largely reflecting continued deficit monetisation.

Over the medium-term period (2027–2030), inflation is anticipated to moderate slightly as domestic food and energy prices continue to decline. However, persistent fiscal deficits, ongoing deficit financing, and expected currency depreciation—potentially involving periodic exchange-rate adjustments due to foreign reserve shortages—are likely to keep inflation relatively high. As a result, monetary policy easing is expected to be gradual, with the policy rate projected to decline to around 22% by the end of 2030.

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

Fiscal Policy

The proposed budget for the 2026/2027 fiscal year estimates total revenue and grants at K8.13 trillion, representing 25.80% of GDP, an increase of 48.80% from K5.46 trillion in the 2025/2026 budget. Domestic revenue is projected at K6.45 trillion (20.50% of GDP), with tax revenues accounting for K6.20 trillion and other revenues estimated at K250.52 billion. Grants are projected at K1.67 trillion, of which K1.49 trillion is expected from international organizations and K182.99 billion from foreign governments.

Total expenditure for the fiscal year is projected at K10.98 trillion, equivalent to 34.80% of GDP, representing an increase of 27.80% from K8.59 trillion in the 2025/2026 budget. Recurrent

expenditure is estimated at K7.58 trillion, accounting for 69.10% of total expenditure. Development expenditure is projected at K3.40 trillion, representing 30.90% of total expenditure, with K2.03 trillion allocated to foreign-financed projects and K1.14 trillion to domestically financed projects.

The overall fiscal deficit for the 2026/2027 financial year is projected at K2.85 trillion, or 9.50% of GDP, down from K3.13 trillion in the 2025/2026 budget, representing an improvement of 8.80%.

World Bank's Malawi Economic Monitor report highlighted that Malawi has the highest deficits insofar as fiscal deficit is concerned. Above the SADC Threshold, Malawi continues to run some of the largest fiscal deficits in Sub-Saharan Africa. Over the past three years, the deficit has averaged 10.9 percent of GDP, which is above the SADC macroeconomic convergence benchmark of 3.0 percent.

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 2.70% in 2026 from 2.15% in 2025. See table below:

Real GDP Growth Projections				
	2023	2024	2025	2026
EIU	1.60%	1.30%	1.60%	2.00%
IMF	1.50%	1.80%	2.40%	2.70%
WORLD BANK	1.40%	1.80%	1.90%	2.30%
GOVERNMENT	1.50%	1.70%	2.70%	3.80%
Average Real GDP	1.50%	1.65%	2.15%	2.70%

(Source: EIU, IMF, WBG, MoF)

Based on various institutions' projections, the economy is expected to grow by an estimated average of 2.15% in 2025. For 2026, the economy is expected to grow by 2.70%, a rebound from 2025. The growth estimates are on account of growth in

Agriculture, Mining and Quarrying, Manufacturing, Accommodation and Food services, Wholesale and Retail Trade, as well as Information and Communication sectors. The first-round crop production estimates produced by the Ministry of Agriculture which will most likely be released at the end of the first quarter are expected to give a better picture of the country's growth trajectory for 2026.

The World Bank has revised downward its projected 2026 real GDP growth forecast from 2.6% to 2.3%, from 1.9% in 2025. The modest increase is driven primarily by a partial recovery in agriculture, supported by a better rainy season. However, persistent foreign exchange constraints limiting access to inputs, along with structural bottlenecks, will continue to weigh on overall economic performance and job creation.

The World Bank Malawi Economic Monitor highlighted that Malawi's recent ban on exporting raw minerals aims to boost domestic value addition in the mining sector, a key pillar of economic growth, but carries both opportunities and risks. The policy requires all minerals to be processed locally before export, and companies like Mkango Resources Ltd and Sovereign Metals Ltd have stated they will be unaffected, as they already plan to refine in-country. Civil society groups welcome the move for its potential to create jobs and increase industrial activity, especially if artisanal and small-scale miners are included transparently, but investors warn of practical constraints: Malawi lacks an accredited assay laboratory, has no large-scale refinery, and faces persistent power and transport bottlenecks. Without concurrent investment in processing capacity and infrastructure, the ban could slow mining growth, reduce foreign exchange earnings, and undermine investor confidence, limiting the policy's potential to strengthen one of Malawi's key economic sectors.

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. Deferral 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>
<p>Uncertainty in External Environment and Trade Protectionism</p>	<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
Appendix 1: Selected economic indicators for Malawi (RBM, MSE, MERA, NSO)

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
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	2,310.59	2,246.47	2,392.21	2,407.39	2,451.51	2,370.42	2,410.07	2,400.96	2,349.17	2,359.88	2,402.57	2,457.58	2,405.96
MK : ZAR	96.83	98.00	96.39	100.81	100.72	99.39	100.78	103.84	103.34	104.06	107.50	112.18	112.37
MK : EUR	1,854.82	1,926.24	2,033.40	2,026.61	2,096.82	2,044.47	2,083.05	2,096.44	2,066.82	2,068.76	2,095.37	2,130.74	2,108.23
Forex reserves (Source: RBM)													
Total Reserves (US\$ mn)	569.50	538.00	530.00	521.00	555.90	607.70	521.90	511.80	526.80	530.00	N/A	N/A	N/A
Total Import Cover (months)	2.30	2.10	2.10	2.10	2.20	2.40	2.10	2.00	2.10	2.10	N/A	N/A	N/A
% Inflation (NSO)													
Headline Inflation	30.70	30.50	29.20	27.70	27.10	27.30	28.20	28.70	29.11	27.91	26.00	24.87	24.09
Food	38.50	37.30	35.80	32.70	31.80	32.40	33.70	33.00	32.38	30.13	26.50	22.12	20.83
Non Food	18.50	19.20	19.40	20.00	20.10	19.30	19.50	21.70	23.78	24.20	25.40	29.85	30.05
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	24.20%	23.18%	23.20%	23.20%	23.90%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	22.42%
Average Base Lending Rates	25.10%	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	23.70%
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%	15.62%	12.75%
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%	17.75%
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%	20.97%
Stock Market Indices (Point) (Source: ...)													
IASI	283,722.24	291,644.54	289,692.81	283,146.74	329,922.87	386,281.85	535,303.19	579,212.79	602,600.89	619,709.36	598,062.80	598,062.80	574,679.80
DSI	197,589.16	205,607.20	213,500.56	213,341.45	248,718.38	289,041.04	412,549.45	441,898.89	437,930.45	417,628.19	405,749.03	405,749.03	402,723.18
FSI	70,073.16	68,836.03	66,537.57	49,302.03	57,277.29	69,606.94	81,906.38	94,071.23	124,300.17	167,481.89	158,350.47	158,350.47	136,674.36
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	3,499.00	3,499.00	3,499.00	3,499.00	4,965.00	4,965.00
Diesel	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	2,734.00	3,500.00	3,500.00	3,500.00	3,500.00	4,945.00	4,945.00
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

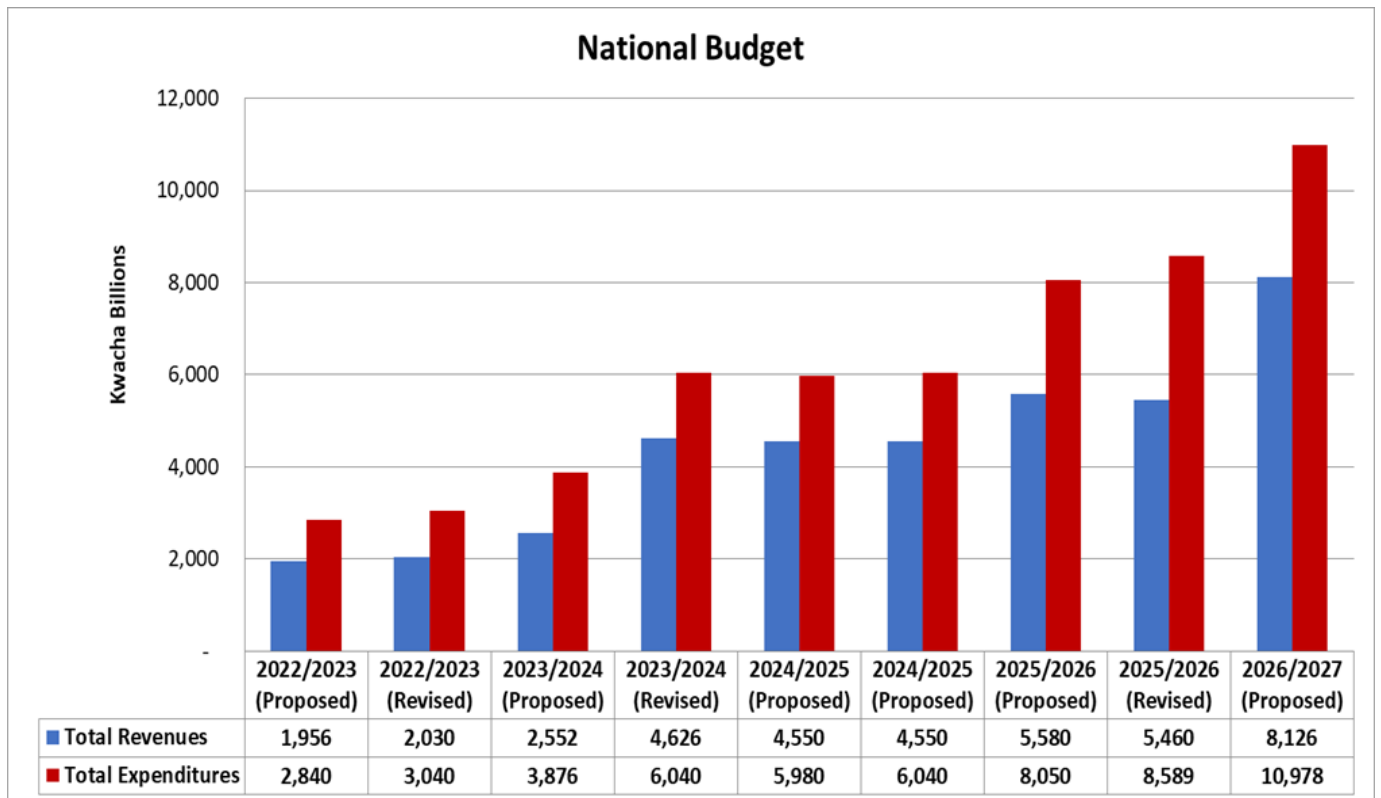
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique

	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26
TANZANIA													
Exchange rate													
US\$	2,581.29	2,649.98	3,053.62	2,583.82	2,618.32	2,545.79	2,466.06	2,442.85	2,451.64	2,436.80	2,453.55	2,518.05	2,546.74
GBP	3,263.78	3,426.42	3,591.74	3,496.81	3,598.89	3,387.18	3,329.64	3,285.14	3,260.44	3,222.91	3,311.80	3,461.57	3,450.83
ZAR	151.91	144.78	144.78	143.67	147.30	141.73	139.56	141.45	142.01	142.21	147.51	157.49	160.17
EUR	2,696.67	2,858.47	3,053.62	2,976.56	3,073.65	2,920.54	2,876.63	2,870.83	2,854.69	2,820.59	2,885.00	3,000.01	3,007.95
Inflation %	3.20	3.30	3.20	3.20	3.30	3.30	3.40	3.40	3.50	3.40	3.60	3.30	3.20
UGANDA													
Exchange rate													
US\$	3,677.71	3,662.55	3,665.64	3,630.86	3,594.41	3,585.09	3,552.14	3,490.18	3,481.00	3,624.91	3,619.73	3,580.14	3,599.64
GBP	4,899.20	4,745.93	4,905.73	4,892.95	4,934.41	4,792.55	4,792.73	4,533.20	4,704.71	4,796.84	4,878.07	4,953.84	4,855.56
EUR	4,121.55	3,969.47	4,167.47	4,120.30	4,214.45	4,145.80	4,142.51	4,095.90	4,044.22	4,200.00	4,248.30	4,290.98	4,251.18
Inflation %	3.70	3.40	3.50	3.80	3.90	3.80	3.80	4.00	3.40	3.10	3.10	3.20	2.90
Central Bank Rate %	9.75	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\$	26.12	28.21	27.96	26.62	23.81	22.98	23.58	23.87	22.21	22.97	22.11	19.75	18.80
GBP	35.95	36.98	37.27	35.87	32.61	30.34	31.74	32.02	29.11	30.36	29.82	27.15	25.33
ZAR	1.55	1.56	1.50	1.48	1.34	1.27	1.33	1.38	1.28	1.34	1.34	1.24	1.18
Inflation %	16.80	16.50	16.50	15.30	14.10	13.00	12.60	12.30	11.90	10.90	11.20	9.40	7.50
Central Bank Rate %	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.25	14.25	14.25	14.25
MOZAMBIQUE													
Exchange Rate													
US\$	63.90	63.90	63.27	63.90	63.90	63.91	63.91	63.91	63.90	63.27	63.62	63.67	63.92
ZAR	3.49	3.49	3.42	3.62	3.62	3.63	3.65	3.66	3.52	3.70	3.85	3.94	3.90
EUR	69.64	69.12	72.18	72.95	75.22	74.79	74.70	73.87	74.00	73.20	74.70	75.58	75.41
Inflation%	4.74	4.77	3.99	4.00	4.50	3.96	4.79	4.93	4.83	4.38	3.23	3.04	3.20

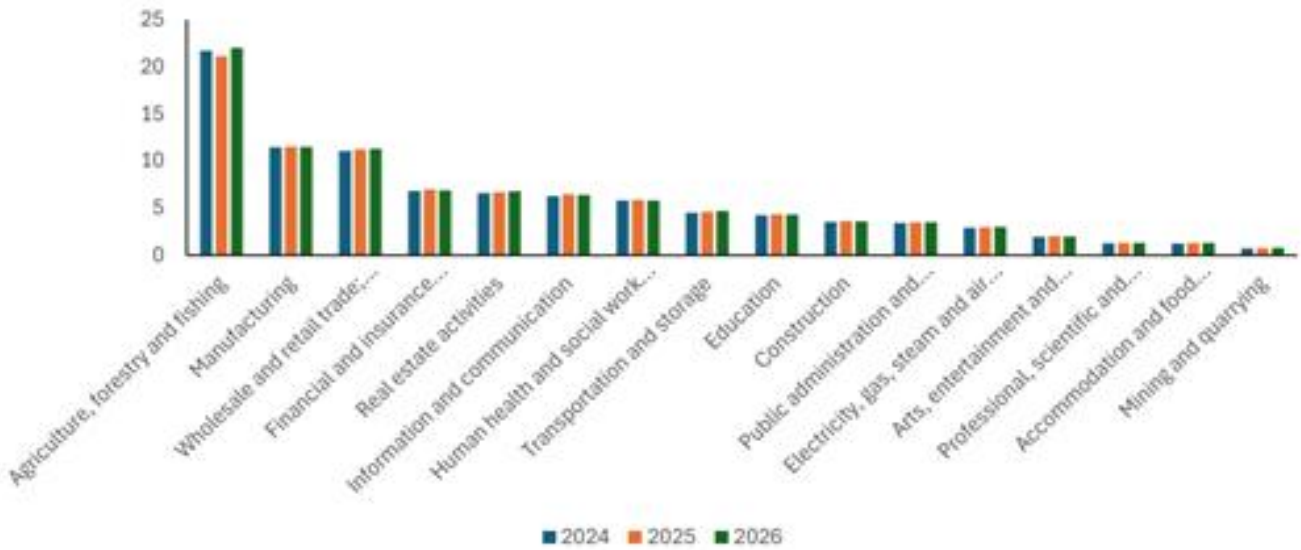
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

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

K'Billion	2022/2023 (Revised)	2023/2024 (Proposed)	2024/2024 (Revised)	2024/2025 (Proposed)	2024/2025 (Revised)	2025/2026 (Proposed)	2025/2026 (Revised)	2026/2027 (Proposed)
Total Revenues	2,030	2,552	4,626	4,550	4,550	5,580	5,461	8,126
Domestic revenues	1,628	2,240	3,386	3,380	3,380	3,386	4,478	6,454
Grants		312	1,240	1,170	1,170	1,140	979	1,672
Budgetary support								
Earmarked grants								
Total Expenditure	3,040	3,876	6,040	5,980	6,040	8,050	8,589	10,978
Recurrent expenditure		2,980	4,456		2,217	6,040	6,663	7,581
Wages & Salaries						1,530	1,630	1,923
Interest on debt						2,170	2,272	2,793
Investment Expenditure		896	1,584	1,770	1,770	2,010	1,926	3,397
Deficit/Surplus	(1,010)	(1,325)	(1,414)	(1,430)	(1,490)	(2,470)	(3,128)	(2,852)
Deficit as a % of Revenue	-50%	-52%	-31%	-31%	-33%	-44%	-57%	-35%

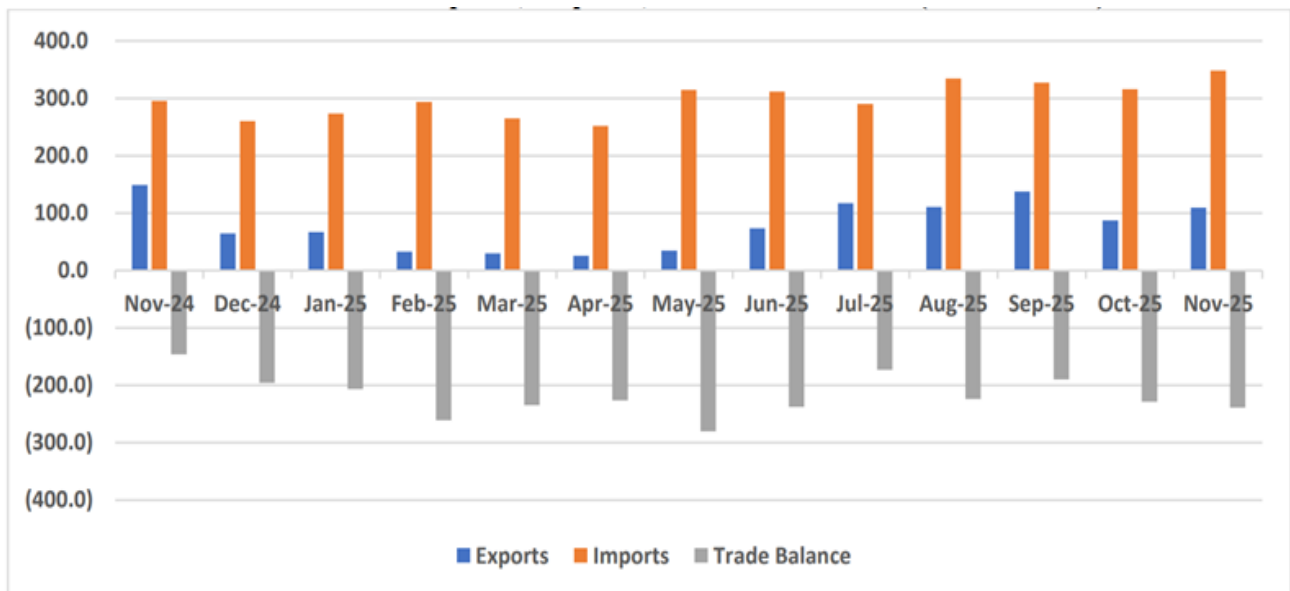


Appendix 4: GDP per sector (Source: RBM)



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

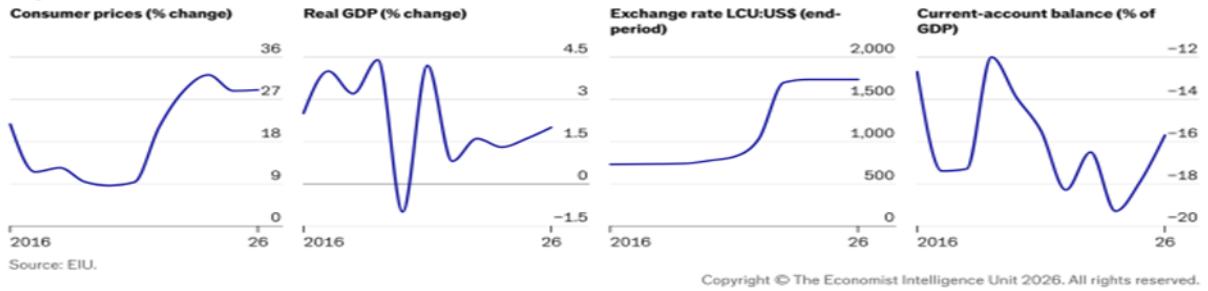
Appendix 5: Merchandise Trade (US\$' millions) (Source: RBM)



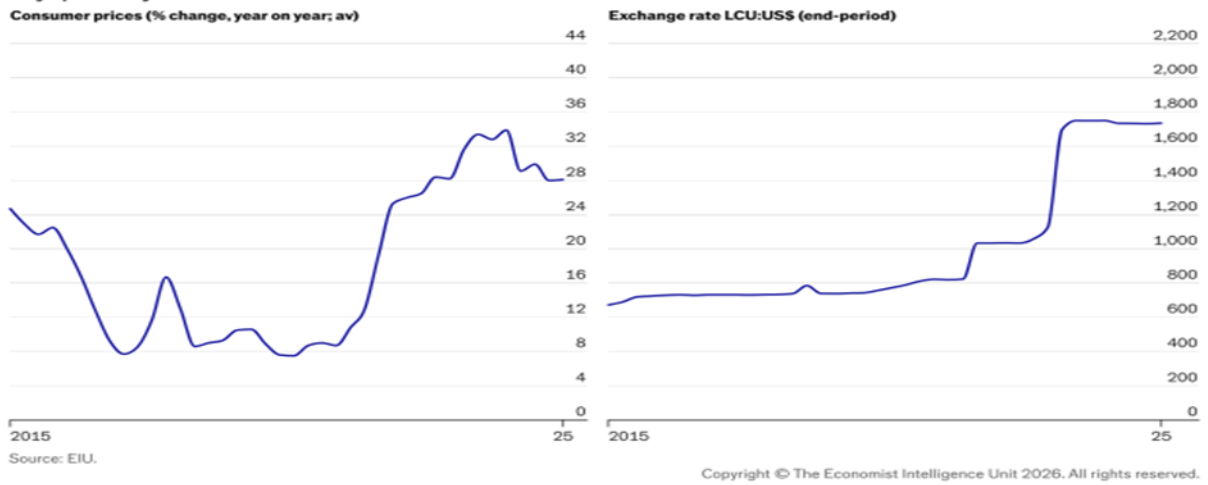
Source: National Statistical Office

Appendix 6: Comparable Indicators (Source: EIU)

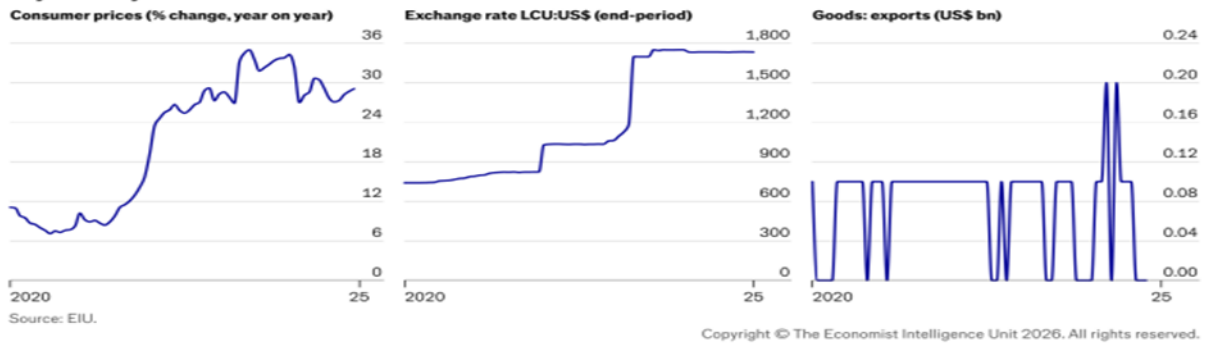
Key annual indicators



Key quarterly indicators



Key monthly indicators



Appendix 7: Global Projections (Source: World Bank)

	2023	2024	2025e	2026f	2027f	2025e	2026f	2027f
World	2.8	2.8	2.7	2.6	2.7	0.4	0.2	0.1
Advanced economies	1.6	1.7	1.7	1.6	1.6	0.5	0.2	0.0
United States	2.9	2.8	2.1	2.2	1.9	0.7	0.6	0.0
Euro area	0.5	0.9	1.4	0.9	1.2	0.7	0.1	0.2
Japan	0.7	-0.2	1.3	0.8	0.8	0.6	0.0	0.0
Emerging market and developing economies	4.4	4.3	4.2	4.0	4.1	0.3	0.2	0.2
East Asia and Pacific	5.2	5.0	4.8	4.4	4.3	0.3	0.4	0.3
China	5.4	5.0	4.9	4.4	4.2	0.4	0.4	0.3
Indonesia	5.0	5.0	5.0	5.0	5.2	0.3	0.2	0.2
Thailand	2.0	2.5	2.0	1.8	2.5	0.2	0.1	0.2
Europe and Central Asia	3.6	3.6	2.4	2.4	2.7	0.0	-0.1	0.0
Russian Federation	4.1	4.3	0.9	0.8	1.0	-0.5	-0.4	-0.2
Türkiye	5.0	3.3	3.5	3.7	4.4	0.4	0.1	0.2
Poland	0.2	3.0	3.3	3.2	2.9	0.1	0.2	0.0
Latin America and the Caribbean	2.4	2.4	2.2	2.3	2.6	-0.1	-0.1	0.0
Brazil	3.2	3.4	2.3	2.0	2.3	-0.1	-0.2	0.0
Mexico	3.4	1.4	0.2	1.3	1.8	0.0	0.2	0.0
Argentina	-1.9	-1.3	4.6	4.0	4.0	-0.9	-0.5	0.0
Middle East, North Africa, Afghanistan and Pakistan	2.1	2.6	3.1	3.6	3.9	0.4	-0.1	-0.1
Saudi Arabia	0.5	2.7	3.8	4.3	4.4	1.0	-0.2	-0.2
Iran, Islamic Rep. ²	5.3	3.7	-1.1	-1.5	0.6	-0.6	-1.8	-1.2
Egypt, Arab Rep. ²	3.8	2.4	4.4	4.3	4.8	0.6	0.1	0.2
South Asia	8.0	6.3	7.1	6.2	6.5	1.0	-0.2	0.0
India ²	9.2	6.5	7.2	6.5	6.6	0.9	0.0	-0.1
Bangladesh ²	5.8	4.2	3.7	4.6	6.1	0.4	-0.3	0.4
Sri Lanka	-2.3	5.0	4.6	3.5	3.1	1.1	0.4	0.0
Sub-Saharan Africa	3.0	3.7	4.0	4.3	4.5	0.3	0.2	0.2
Nigeria	3.3	4.1	4.2	4.4	4.4	0.6	0.7	0.6
South Africa	0.7	0.6	1.3	1.4	1.5	0.6	0.3	0.2
Ethiopia ²	7.2	8.1	7.2	7.1	7.7	0.8	0.6	0.5
Memorandum items:								
Real GDP¹								
High-income countries	1.7	1.9	1.7	1.7	1.8	0.4	0.2	0.1
Middle-income countries	4.9	4.4	4.4	4.1	4.2	0.3	0.1	0.2
Low-income countries	1.0	3.6	5.0	5.7	5.6	0.2	-0.1	0.0
EMDEs excluding China	3.8	3.8	3.7	3.7	4.0	0.3	-0.1	0.0
Commodity-exporting EMDEs	2.9	3.3	3.0	3.1	3.3	0.1	-0.1	-0.1
Commodity-importing EMDEs	5.2	4.7	4.7	4.4	4.4	0.4	0.3	0.2
Commodity-importing EMDEs excluding China	4.9	4.3	4.4	4.3	4.7	0.4	-0.1	0.1
EM7	5.4	4.8	4.5	4.1	4.1	0.4	0.2	0.2
World (PPP weights) ³	3.4	3.3	3.3	3.1	3.2	0.4	0.1	0.1
World trade volume⁴	0.6	3.4	3.4	2.2	2.7	1.6	-0.2	0.0

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