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# MONTHLY ECONOMIC REPORT

**APRIL 2026**

Investment Management | Corporate Finance | Investor Services

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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 Economies	TB:	Treasury Bills
ESIA:	Environmental and Social Impact Assessment	TNM:	Telekom Networks Malawi Plc
FSI:	Foreign Share Index	TSH:	Tanzanian Shilling
GBP:	British Pound	TT:	Telegraphic Transfer
GDP:	Gross Domestic Product	UBOS:	Uganda Bureau of Statistics
IMF:	International Monetary Fund	UGX:	Ugandan Shilling
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 IMF's latest World Economic Outlook has lowered Malawi's 2026 growth forecast to 2.2% from 2.7%, indicating only a slight improvement from 2.1% in 2025. Non-food inflation remains elevated due to higher fuel and fertiliser costs. Structural challenges, including foreign exchange shortages, energy constraints and fiscal pressures persist, with upside dependent on investment and progress in debt restructuring.

Germany has committed €68.8 million in grant financing to the Government of Malawi to support food security interventions over the next two years, reinforcing external support amid persistent humanitarian pressures. The funding, announced by German Ambassador Ute König during a meeting with Vice President Jane Ansah on 27 March 2026, is aimed at strengthening coordinated responses to recurrent food insecurity.

Parliament approved Malawi's 2026/2027 budget, projecting 4.1% GDP growth and 15% inflation, with revenues and grants at K8.13 trillion (25.8% of GDP, up 48.8%), including K6.45 trillion domestic (mostly taxes) and K1.67 trillion grants; total expenditure at K10.98 trillion (34.8% of GDP, up 27.8%), split as K7.58 trillion recurrent (69.1%) and K3.40 trillion development; yielding a fiscal deficit of K2.85 trillion (9.5% of GDP, improved 8.8% from the prior year).

In March 2026, national average maize prices in Malawi declined by 6% to K1,041/kg by late March from K1,107/kg in late February, continuing the downward trend since October 2025. Prices fell across Southern (11% drop to K1,040/kg, led by Phalombe at 34%) and Central regions (3% to K1,064/kg, except stable Salima), while Northern rose 6% to K983/kg, narrowing gaps. This mirrored regional trends, with Southern and Central prices pressured by cheap Mozambican imports and Northern supported by exports to Zambia and Tanzania.

## 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 repayment obligations, including 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 elevate 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 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 March 2026 stood at 23.82%, a decrease from 24.09% reported in February 2026. The decrease in inflation was driven by lower food prices.

	Mar-26	Feb-26	Mar-25	% Change (1 Months)	% Change (12 Months)
Headline inflation	23.82%	24.09%	30.49%	↓ -0.27%	↓ -6.67%
Food	20.00%	20.83%	37.71%	↓ -0.83%	↓ -17.71%
Non-food	30.74%	30.05%	19.17%	↑ 0.69%	↑ 11.57%

**Government Securities (Source: RBM)**

In March 2026, the average yield for all types of Treasury bills was 14.76%, down from 17.16% recorded in February 2026.

Tenor	Mar-26	Feb-26	Mar-25	Change 1 Month	Change 12 Months
91 days	12.00%	12.75%	16.00%	↓ -0.75%	↓ -4.00%
182 days	15.00%	17.75%	20.00%	↓ -2.75%	↓ -5.00%
364 days	17.29%	20.97%	26.00%	↓ -3.68%	↓ -8.71%
All Type	14.76%	17.16%	20.67%	↓ -2.39%	↓ -5.90%

During the review period, total Treasury Bill applications amounted to K651.16 billion, of which K443.42 billion was allotted, resulting in an overall rejection rate of approximately 31.90%. The 364-day paper accounted for the highest subscription rate at 60.96%, followed by the 182-day paper at 28.83% and lastly, the 91-day paper at 10.22%.

During the month of March 2026, the Reserve Bank conducted several Treasury Note auctions. These included 2-year Treasury Notes. The auctions raised a total of K120.56 billion, against total applications amounting to K304.47 billion, representing a rejection rate of approximately 60.40%. The weighted average yield was 18.27%, down from 20.61% in February 2026.

**Foreign Currency Market (Source: RBM)**

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

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

CURRENCY	Mar-26	Feb-26	Mar-25	% Movement 1 months	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	⇒ 0.00%	⇒ 0.00%
MK/GBP	2,356.85	2,405.96	2,310.59	↑ 2.04%	↓ -2.00%
MK/ZAR	104.35	112.37	98.00	↑ 7.13%	↓ -6.48%
MK/EUR	2,047.69	2,108.23	1,926.24	↑ 2.87%	↓ -6.31%

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 March 2026 decreased to a daily average of K554.17 billion from K620.80 billion in February 2026. There was no access to the Lombard facility (discount window borrowing) during the month, unchanged from February 2026.

In March 2026, the overnight borrowing between banks increased to a daily average of K70.56 billion at an average rate of 13.87%, compared to an average of K49.89 billion per day at an average rate of 22.42%, in February 2026.

The reference rate in March 2026 stood at 22.40%, a decrease from 24.70% in February 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%
<b>Import Cover (Months)</b>					
Total	2.10	2.10	2.10	⇒ 0.00%	⇒ 0.00%

**Stock Market (Source: MSE)**

The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 574,918.94 points registered in February 2026 to 575,320.68 points registered in March 2026, giving a month-on month return on index of 0.11% (0.11% in US\$ terms). The price gains registered by BHL(0.20%), ILLOVO(10.01%), MPICO(0.10%), OMU(1.09%), SUNBIRD(14.99%) were enough to offset share price losses registered by AIRTEL(-0.66%), FMBCH (-0.64%), FDHB(-0.10%), NBM (-1.82%), NBS(-0.51%), NICO(-1.18%), NITL(-0.01%), PCL(-0.05%), STANDARD(-0.91%) and TNM(-0.61%) resulting in an upward movement of the

Malawi All Share Index. The Domestic Share Index rose by 0.31% from 402,723.18 to 403,989.25 points and Foreign Share Index fell by -0.61% from 136,674.36 to 135,842.57 points respectively.

Market capitalization increased in both Malawi Kwacha and US Dollar terms from MK31.33 trillion (US\$18.07 million) to MK31.36 trillion (US\$18.09 billion) due to share price gains.

The market transacted 15.75 million shares worth MK8.84 billion (US\$5.10 million) across 2,945 trades in March 2026. This compares with 39.20 million shares valued at MK27.88 billion (US\$16.08 million) in 3,621 trades in February. The outturn represents a 59.82% decline in traded volume, a 68.29% drop in value (68.28% in US dollar terms), and an 18.66% decrease in the number of trades.

	Mar-26	Feb-26	Mar-25		Change (1 month)		Change (12 months)
	MK/Share	MK/Share	MK/Share		%		%
AIRTEL	113.06	113.81	128.24	↓	-0.66%	↓	-11.84%
BHL	15.04	15.01	14.55	↑	0.20%	↑	3.37%
FMBCH	2,726.23	2,743.90	1384.50	↓	-0.64%	↑	96.91%
FDHB	592.99	593.59	315.19	↓	-0.10%	↑	88.14%
ICON	15.97	15.97	17.95	→	0.00%	↓	-11.03%
ILLOVO	2,948.50	2,680.23	1,791.64	↑	10.01%	↑	64.57%
MPICO	19.49	19.47	19.00	↑	0.10%	↑	2.58%
NBM	11,289.89	11,498.89	6,200.10	↓	-1.82%	↑	82.09%
NBS	853.51	857.87	347.97	↓	-0.51%	↑	145.28%
NICO	1670.94	1690.97	776.87	↓	-1.18%	↑	115.09%
NITL	3933.79	3934.22	634.98	↓	-0.01%	↑	519.51%
OMU	4,650.02	4,600.06	1,950.03	↑	1.09%	↑	138.46%
PCL	7,820.00	7,824.00	2,875.01	↓	-0.05%	↑	172.00%
STANDARD	4,199.98	4,238.44	7,941.08	↓	-0.91%	↑	164.45%
SUNBIRD	2248.03	1955.01	300.14	↑	14.99%	↑	648.99%
TNM	30.80	30.99	24.93	↓	-0.61%	↑	23.55%
MASI	575,320.68	574,679.80	291,644.54	↑	0.11%	↑	97.27%
DSI	403,989.25	402,723.18	205,607.20	↑	0.31%	↑	96.49%
FSI	135,842.57	136,674.36	68,836.03	↓	-0.61%	↑	97.34%

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

Published 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	77.22	22.63	↑ 241.20%	18.50	5.00	↑ 270.00%
Period	Dec-25	Dec-24	% Change	Dec-25	Dec-24	% Change
AIRTEL	51.25	42.72	↑ 19.97%	3.50	2.00	↑ 75.00%
FDH BANK	147.80	74.03	↑ 99.65%	1.68	5.09	↓ -66.99%
NBM	197.97	101.71	↑ 94.64%	197.92	126.35	↑ 56.64%
NBS BANK	150.42	72.99	↑ 106.08%	23.00	10.90	↑ 111.01%
NICO	323.51	134.39	↑ 140.72%	40.05	20.00	↑ 100.25%
NITL	202.13	29.76	↑ 579.20%	11.00	6.80	↑ 61.76%
STANDARD	121.70	86.36	↑ 40.92%	14.23	32.38	↓ -56.05%
	Net Profit/(Loss) (US\$' million)			Total Dividend (Per Share) (US\$)		
FMBCH	152.30	103.52	↑ 47.12%	1.40	0.21	↑ 566.67%
TRADING STATEMENT						
BHL	Expects its year ending 31 December 2025 profit after tax to be between 488% and 499% 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					
TNM	Expects its year ending 31 December 2025 profit after tax to be between 108% and 128% 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					
ICON	Expects its year ending 31 December 2025 profit after tax to be between 25% and 40% 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					

## **OTHER MARKET DEVELOPMENTS**

### **Germany Committed €68.8 Million Grant to Support Malawi's Food Security Response (Source: The Nation newspaper).**

Germany committed €68.8 million in grant financing to the Government of Malawi to support food security interventions over the next two years, reinforcing external support amid persistent humanitarian pressures. The funding, announced by German Ambassador Ute König during a meeting with Vice President Jane Ansah on 27 March 2026, is aimed at strengthening coordinated responses to recurrent food insecurity.

### **2026/2027 National Budget Approved by Parliament (Source: Parliament of Malawi).**

Parliament approved Malawi's 2026/2027 budget, projecting 4.1% GDP growth and 15% inflation, with revenues and grants at K8.13 trillion (25.8% of GDP, up 48.8%), including K6.45 trillion domestic (mostly taxes) and K1.67 trillion grants; total expenditure at K10.98 trillion (34.8% of GDP, up 27.8%), split as K7.58 trillion recurrent (69.1%) and K3.40 trillion

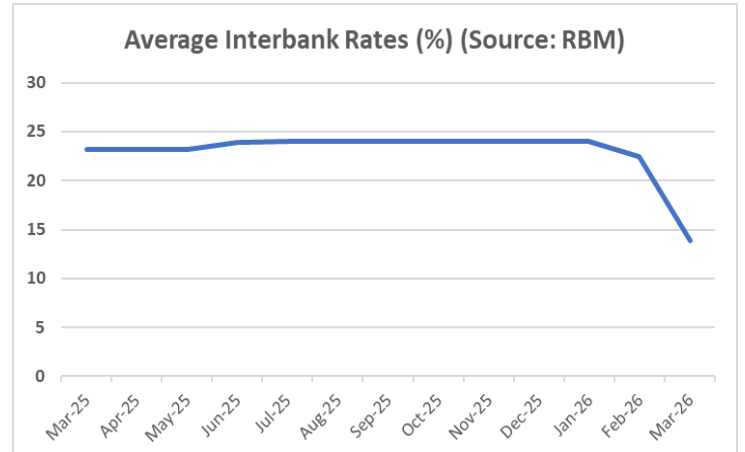
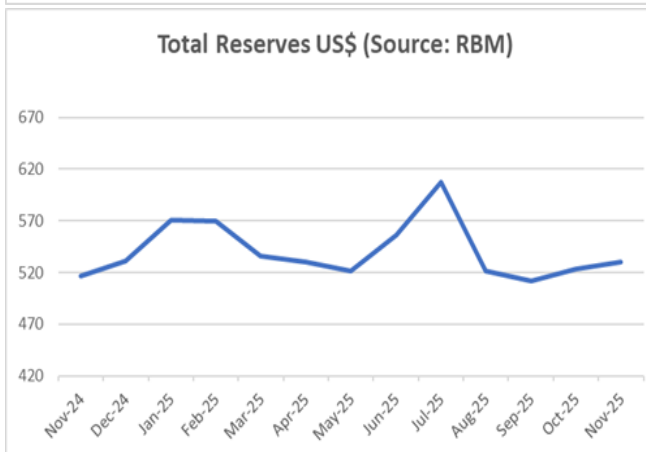
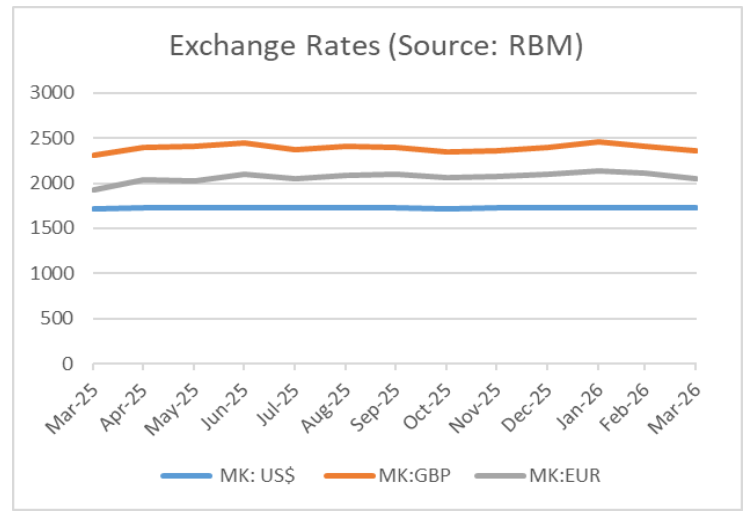
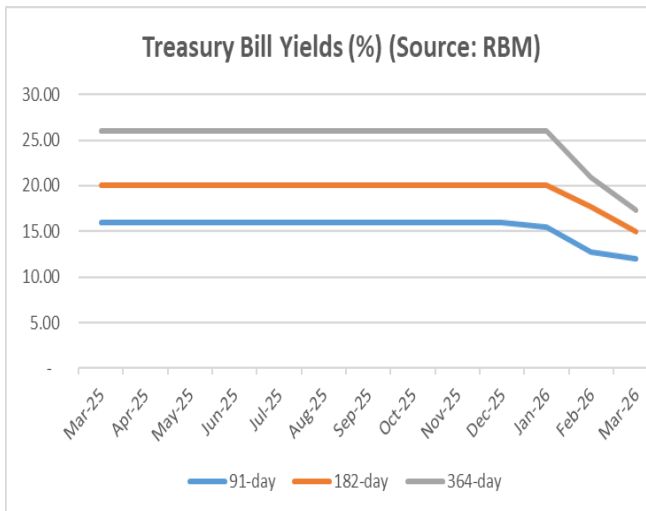
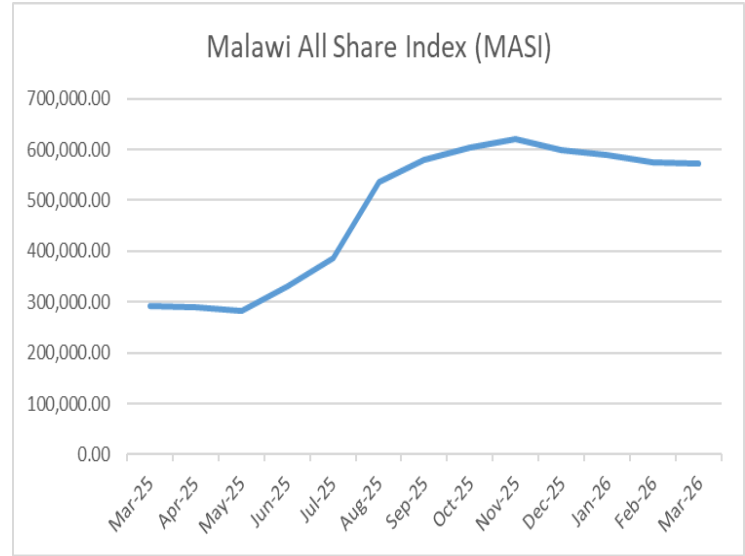
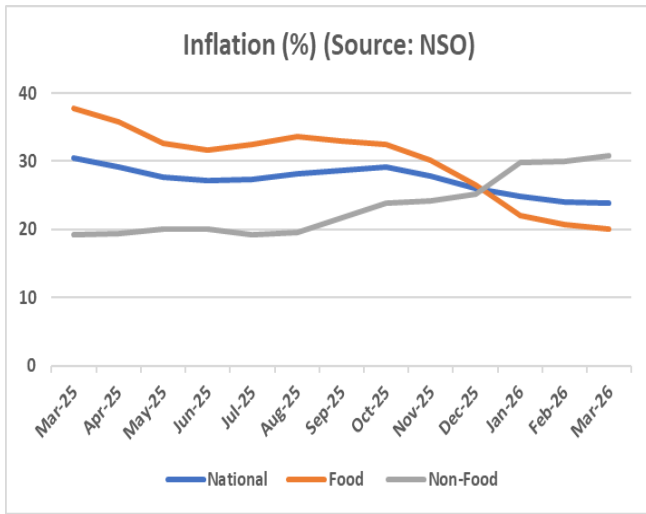
development; yielding a fiscal deficit of K2.85 trillion (9.5% of GDP, improved 8.8% from the prior year).

### **Maize prices (Source: IPFRI).**

In March 2026, national average maize prices in Malawi fell by 6%, continuing the downward trend from late February, dropping from K1,107/kg in the final week of February to K1,041/kg by late March—this extends the gradual decline since October 2025. Prices decreased across all monitored markets in the Southern and Central regions (except stable Salima), with the Southern Region seeing the largest drop of 11% (led by Phalombe at 34%, M'baluku in Mangochi and Mwanza at 15% each), Central at 3%, while the Northern Region bucked the trend with a 6% rise to K983/kg average, narrowing regional gaps (Southern: K1,040/kg; Central: K1,064/kg, the highest).

These domestic shifts mirrored broader southern and eastern Africa trends, with Southern and Central Malawi prices depressed by informal imports of cheap, newly harvested maize from Mozambique, while Northern prices were supported by demand and exports to Zambia and Tanzania (where harvests are pending). Exports to those neighbors tempered steeper declines from the influx of stable, low-cost Mozambican imports.

**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 March, the OPEC Reference Basket (ORB) value increased by \$48.46/b, month-on-month (m-o-m), to average \$116.36/b. The ICE Brent front-month contract increased by \$30.23/b, m-o-m, to average \$99.60/b, and the NYMEX WTI front-month contract increased by \$26.48/b, m-o-m, to average \$91/b. The GME Oman front-month contract increased by \$56.14/b, m-o-m, to \$124.56/b.

The global oil demand is forecast to grow by a healthy 1.4 million barrels per day (mb/d) in 2026, year-on-year (y-o-y), unchanged from last month's assessment. The Organization of Economic Cooperation and Development (OECD) is forecast to grow by 0.1 mb/d, while the non-OECD is forecast to grow by about 1.3 mb/d. In 2027, global oil demand is forecast to grow by about 1.3 mb/d, y-o-y, also unchanged from last month's assessment. The OECD is forecast to grow by 0.1 mb/d, while the non-OECD is forecast to grow by around 1.2 mb/d.

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. The main drivers of liquids production growth are expected to be Brazil, US, Canada, and Argentina. In 2027, non-DoC liquids production is forecast to grow by about 0.6 mb/d, also unchanged from last month's assessment, driven mainly by Brazil, Qatar, Canada, 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 March, crude oil production by countries participating in the DoC dropped by 7.70 mb/d, m-o-m, to average about 35.06 mb/d, according to available secondary sources.

### Currency Movements

In March 2026, the DXY dollar index climbed 3.1% over the prior three months to close near 100.2, having touched 100.5 mid-month. Higher Treasury yields at 4.06% and a 159bp spread over Bunds lay behind the advance, as persistent US inflation near 2.7% and the Federal Reserve's resolve to hold rates higher for longer. The index thus regained vital technical ground, its year-to-date rise limited to 2.1% but potent enough to strain emerging-market borrowers from east Africa to Latin America amid Hormuz-driven oil shocks and faltering global demand.

EUR/USD fell 1.2% over the quarter to 1.155 by March 31, burdened by eurozone growth of just 0.4%, energy strains from Hormuz restrictions and the ECB's plan for one last 25bp rate rise before a halt. Widening yield gaps, with American bonds outrunning German ones, deepened the decline—even if the pair kept a 7% gain over 12 months from prior policy gaps. Euro exporters thus saw margins squeezed, as the dollar's revival, stoked by tariff talk from the Trump administration, laid bare the single currency's exposure.

GBP/USD dropped 1.4% across the three months to 1.322, as UK growth projections fell to 1.1% on weak spending and enduring Brexit trade frictions. The Bank of England held rates at 4.25% in March but looked set to soften course, setting it apart from dollar

resolve; sterling lagged the euro throughout, with cable stuck below 1.33 despite brief lifts from UK inflation easing to 2.4%. That pattern bids caution for those chasing returns via sterling-funded bets on emerging markets.

### Global Trade

Global trade held firm in March 2026 amid mounting headwinds. The WTO raised its estimate for 2025 merchandise volume growth from 3.7% to 4.6%, thanks to tariff frontloading and strong appetite for AI-linked goods, lending carryover strength into the year. But it cut the 2026 outlook to 1.9% (from a brisker prior call), with 2.6% pencilled in for 2027, as Hormuz tensions spurred curbs on energy and fertiliser exports—not to mention new US-China trade probes.

Policymaking accelerated in March, with Global Trade Alert tallying 805 interventions—from relaxed energy sanctions and fiscal buffers against price shocks to entrenched industrial strategies in America, China and the EU. South-South ties strengthened markedly: Africa now channels more than half its exports to other developing markets, propped up by Asian production networks, though escalating tariffs and fraying supply lines pose growing risks to east Africa and its peers.

### Interest Rate Movements

The US Treasury yield (10-Year) decreased to close at 4.10% in March 2026 from 4.13% recorded in February 2026.

	Mar-26	Feb-26	Mar-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)	4.10%	4.13%	4.28%	↓ -0.03%	↓ -0.18%
BOE Rate	3.75%	3.75%	4.50%	↔ 0.00%	↓ -0.75%
ECB Rate	2.15%	2.15%	2.65%	↓ -0.00%	↓ -0.50%

(Source: US Federal Reserve, Refinitiv)

## REGIONAL MARKET DEVELOPMENTS

### Sub-Saharan Africa (SSA)

According to the latest World Bank's Africa Economic Update, Economic activity in sub-Saharan Africa is projected to expand by 4.1% in 2026, unchanged from 2025 but trimmed 0.3 points from October's Africa's Pulse. Downgrades strike Angola, Kenya, Mozambique, Nigeria, Senegal, South Africa and Zambia hardest; fully 29 of 47 countries suffer cuts. Macro stabilisation buoys growth: inflation's retreat ignites private spending and investment, tighter policy frameworks—slimmer deficits, cooler prices—build credibility amid fair weather, robust currencies and easing fuel-food costs. Precious metals and beverages fatten export coffers and fiscal tills; trade endures global tensions through smart diversification and tariff carve-outs on key goods. The Middle East flare-up now tests this fragile progress, with soaring energy prices, disrupted shipping lanes and resurgent inflation ahead.

Consumer-price inflation falls across more sub-Saharan African countries, if at varying clips: the median eases from 4.4% in 2024 to 3.7% in 2025, climbs to 4.8% in 2026 amid Middle East tensions, then dips to 3.8% in 2027-28; three-quarters (33 of 47) slowed last year, though eight cling to double digits, with nine projected for 2026 versus 13 in 2024. Falling global fuel and food prices since late 2022—buoyed by non-Opec+ supply, oil stockpiles, benign weather and bumper harvests—pair with sturdy currencies, metal-beverage export booms, a limp dollar and stern monetary squeezes to curb demand and nail expectations. Oil exporters drop from 5.7% in 2024 to 3.2% next year, rebound to 6.2%, then 3.1%; metal-mineral sorts crash from 6.7% to 3.4%, rise to 5.2%, ease to 4.1%; resource-poor ones slip from 4.0% to 3.7%, nudge to 4.3%, hold at 3.8%. Middle East flare-ups risk undoing gains through costlier fuel, freight, fertiliser and groceries.

Sub-Saharan Africa's outlook balances fragile gains against downside risks from global slowdowns (China, Europe, US), hitting demand, remittances and FDI—especially mineral exporters like DRC, South Africa and Zambia. Politics simmer with Sudan spillovers, Sahel-DRC tensions, coups, protests and crime; trade fragments via CBAM carbon taxes, shaky AGOA and AfCFTA snags; climate strikes via

droughts, floods and \$300bn adaptation gaps; AI and green tech offer upsides amid frothy market risks. Policy agility remains key.

### Zambia

Zambia's headline inflation decreased to 7.1% in March 2026, down from 7.5% in February 2026. The Zambian Kwacha closed at ZK19.10/US\$1 in March 2026, compared to ZK18.80/US\$1 recorded in February 2026. According to the World Bank, economic growth is projected to grow by 5.8% in 2026.

### Zimbabwe

Inflation increased to 4.4% in March 2026, up from 3.8% in February 2026, driven by rising food and transport costs as a result of fuel hikes. The Zimbabwean Gold (ZiG) closed at ZiG25.32/US\$1 in March 2026, compared to ZiG25.77/US\$1 in February 2026. According to the World Bank, economic growth is projected to grow at 5.0% in 2026.

### Uganda

Uganda's headline inflation decreased to 2.8% in March 2026, from 2.9% in February 2026. The Ugandan Shilling depreciated against the US Dollar in March 2026, closing at UGX3756.41/US\$1, compared to UGX3599.64/US\$1 recorded in February 2026. Uganda's economy is projected to grow by 6.4% in 2026.

### Tanzania

Tanzania's headline inflation remained steady at 3.2% in March 2026, unchanged from February 2026. The Tanzanian Shilling depreciated against the US Dollar and closed at TSh2,581.57/US\$1 in March 2026, compared to TSh2,546.74/US\$1 recorded in February 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 increased to 3.1% in March 2026, up from 3.0% in February 2026. The South African Rand depreciated against the US Dollar and closed at ZAR17.05/US\$1 in March 2026, compared to ZAR16.45/US\$1 recorded in the previous month. The World Bank has projected economic growth outlook for South Africa to grow at 1.4% in 2026.

## OUTLOOK FOR MARCH AND BEYOND – MALAWI

### Exchange Rates

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

The World Bank Malawi Economic Monitor highlights that the exchange rate remains overvalued, weakening export-oriented sectors, contributing to foreign exchange shortages, and exacerbating external imbalances. The premium between the official and parallel exchange rates stood at around 140.0% in March 2026. In addition, the mandatory surrender requirement on export proceeds—currently set at 25.0%—acts as an implicit tax on formal exporters, who receive fewer kwacha for their foreign earnings than they would at market rates. Meanwhile, the allocation of foreign exchange at overvalued official rates to selected entities constitutes an implicit subsidy.

This dual exchange rate framework distorts incentives, encouraging exporters to bypass official channels by holding proceeds offshore or using informal markets. As a result, foreign exchange inflows into the Reserve Bank of Malawi (RBM) remain constrained, amplifying external vulnerabilities. Official reserves stood below one month of import cover in March, while economy-wide reserves were estimated at two to three months of import cover. The World Bank recommends that the government unify the exchange rate, clearly communicate the new regime, maintain tight fiscal and monetary policies, and scale up social protection support.

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 believes 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 24.09% in February 2026 to 23.82% in March 2026, driven primarily by falling food prices. Food inflation declined from 20.8% to 20.0%, while non-food inflation rose slightly from 30.1% to 30.7%. 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 decelerated markedly to 0.6% in March 2026 from 3.2% in February, reflecting broad downward price pressures across the CPI basket. The steepest contribution to this decline came from Food, the dominant basket component at 53.7%, where monthly price growth reversed sharply from 3.1% to -0.2%. Housing, Water, and Electricity, accounting for 23.7% of the basket, also exerted significant disinflationary pressure, with its monthly rate more than halving from 5.0% to 1.7%, while non-food inflation more broadly retreated from 3.3% to 1.9%. Partially counteracting these gains, however, were price increases in a number of smaller basket components - Furnishings and Household Equipment (2.2% of the basket) recorded the sharpest acceleration, surging from 0.6% to 4.6%, followed by Health (2.2% of the basket), which rose from 1.4% to 3.5%, Transportation (4.1% of the basket), which climbed from 0.2% to 1.2%, and Communication (4.1% of the basket), which edged up from near 0.0% to 0.3%.

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 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 March 2026, Malawi's exports totaled US\$53.3 million, reflecting a strong 77.4% year-on-year increase from US\$30 million in March 2025. Month-on-month, exports fell from US\$65.7 million in February 2026 to US\$53.3 million, a decline of 18.9%.

Imports reached US\$291.2 million in March 2026, up 10% from US\$264.8 million in March 2025 and 4.2% from US\$279.4 million in February 2026. This resulted in a trade deficit of US\$237.9 million, up 1.3% year-on-year from US\$234.8 million and 11.3% month-on-month from US\$213.7 million, with an export-to-import ratio of 0.18.

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. In response to these conditions, the Reserve Bank of Malawi (RBM) is expected to maintain its policy rate at 26% during 2026 to support economic activity, with interest rates remaining negative in real terms.

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:** *Easing inflation and lower interest rates are expected to support borrowing, spending, and investment. However, structural constraints and foreign exchange pressures may limit the overall impact.*

## Fiscal Policy

Parliament approved Malawi's 2026/2027 budget, projecting 4.1% GDP growth and 15% inflation, with revenues and grants at K8.13 trillion (25.8% of GDP, up 48.8%), including K6.45 trillion domestic (mostly taxes) and K1.67 trillion grants; total expenditure at K10.98 trillion (34.8% of GDP, up 27.8%), split as K7.58 trillion recurrent (69.1%) and K3.40 trillion development; yielding a fiscal deficit of K2.85 trillion (9.5% of GDP, improved 8.8% from prior year).

**POSSIBLE IMPACT:** *The Government faces significant risks to its target of reducing the fiscal deficit, including a 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

The Malawian economy is expected to grow by an average of 2.58% in 2026 from 2.08% 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%	2.10%	2.20%
WORLD BANK	1.40%	1.80%	1.90%	2.30%
GOVERNMENT	1.50%	1.70%	2.70%	3.80%
<b>Average Real GDP</b>	<b>1.50%</b>	<b>1.65%</b>	<b>2.08%</b>	<b>2.58%</b>

(Source: EIU, IMF, WBG, MoF)

Based on various institutions' projections, the economy is expected to grow by an estimated average of 2.08% 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 IMF's latest World Economic Outlook has revised Malawi's growth projection downwards to 2.2% for 2026, from an earlier forecast of 2.7%, reflecting only a marginal improvement from an estimated 2.1% in 2025. The modest recovery is expected to be supported by a rebound in mining, manufacturing and services, but remains constrained by persistent structural challenges, including acute foreign exchange shortages, energy deficits and a widening fiscal imbalance. Improved maize output is expected to reinforce disinflationary pressures, though non-food inflation remains elevated, driven by rising fuel costs amid geopolitical tensions involving the United States, Israel and Iran, which have prompted upward adjustments in domestic fuel prices and heightened the risk of increased fertiliser costs ahead of the next agricultural season.

Key risks to growth include continued foreign exchange shortages and the re-emergence of power outages, both of which weigh on industrial activity, although ongoing efforts to revive investment in energy and tourism, alongside plans to conclude debt restructuring negotiations, could help stabilise the macroeconomic environment and restore investor confidence.

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-	1. Prolonged supply chain disruptions, especially energy and food.	1. Diversify supply chains away from conflict zones.

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

<p>Uncertainty in External Environment and Trade Protectionism</p>	<ol style="list-style-type: none"> <li>1. Falling demand for exports due to global slowdowns.</li> <li>2. Reduced foreign investment amid protectionist policies.</li> <li>3. Lower remittances as host economies tighten borders.</li> <li>4. Barriers to accessing international finance.</li> </ol>	<ol style="list-style-type: none"> <li>1. Diversify export markets and products.</li> <li>2. Strengthen domestic investment climate.</li> <li>3. Negotiate trade deals to counter protectionism.</li> <li>4. Build resilience through regional economic blocs</li> </ol>
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**APPENDIX**
**Appendix 1: Selected economic indicators for Malawi (RBM, MSE, MERA, NSO)**

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
<b>Exchange Rates</b>													
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	2,246.47	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	2,310.59
MK : ZAR	98.00	96.39	100.61	100.72	99.39	100.78	103.64	103.34	104.06	107.50	112.16	112.37	98.00
MK : EUR	1,926.24	2,033.40	2,026.61	2,096.62	2,044.47	2,083.05	2,096.44	2,066.62	2,068.76	2,095.37	2,130.74	2,108.23	1,926.24
<b>Forex reserves (Source: RBM)</b>													
Total Reserves (US\$m)	536.00	530.00	521.00	555.90	607.70	521.90	511.80	526.80	530.00	N/A	N/A	N/A	N/A
Total Import Cover (months)	2.10	2.10	2.10	2.20	2.40	2.10	2.00	2.10	2.10	N/A	N/A	N/A	N/A
<b>% Inflation (NSO)</b>													
Headline Inflation	30.50	29.20	27.70	27.10	27.30	28.20	28.70	29.11	27.91	26.00	24.87	24.09	23.82
Food	37.30	35.80	32.70	31.60	32.40	33.70	33.00	32.38	30.13	26.50	22.12	20.83	20.00
Non Food	19.20	19.40	20.00	20.10	19.30	19.50	21.70	23.78	24.20	25.40	29.85	30.05	30.74
<b>Interbank Rates (Source: RBM)</b>													
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%	24.00%
Average Interbank Rate	23.18%	23.20%	23.20%	23.90%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	22.42%	13.87%
Average Base Lending Rates	25.10%	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	23.70%	22.40%
<b>Treasury Bill Yields (Source: RBM)</b>													
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%	15.62%	12.75%	12.00%
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%	17.75%	15.00%
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%	20.97%	17.29%
<b>Stock Market Indices (Point) (Source:)</b>													
MASI	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	575,320.68
DSI	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	403,989.25
FSI	68,836.03	56,537.57	49,302.03	57,277.29	69,606.94	81,906.38	94,071.23	124,300.17	167,481.69	158,350.47	158,350.47	136,674.36	135,842.57
<b>Fuel Prices per Litre (Source: MERA)</b>													
Petrol	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	4,965.00
Diesel	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	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

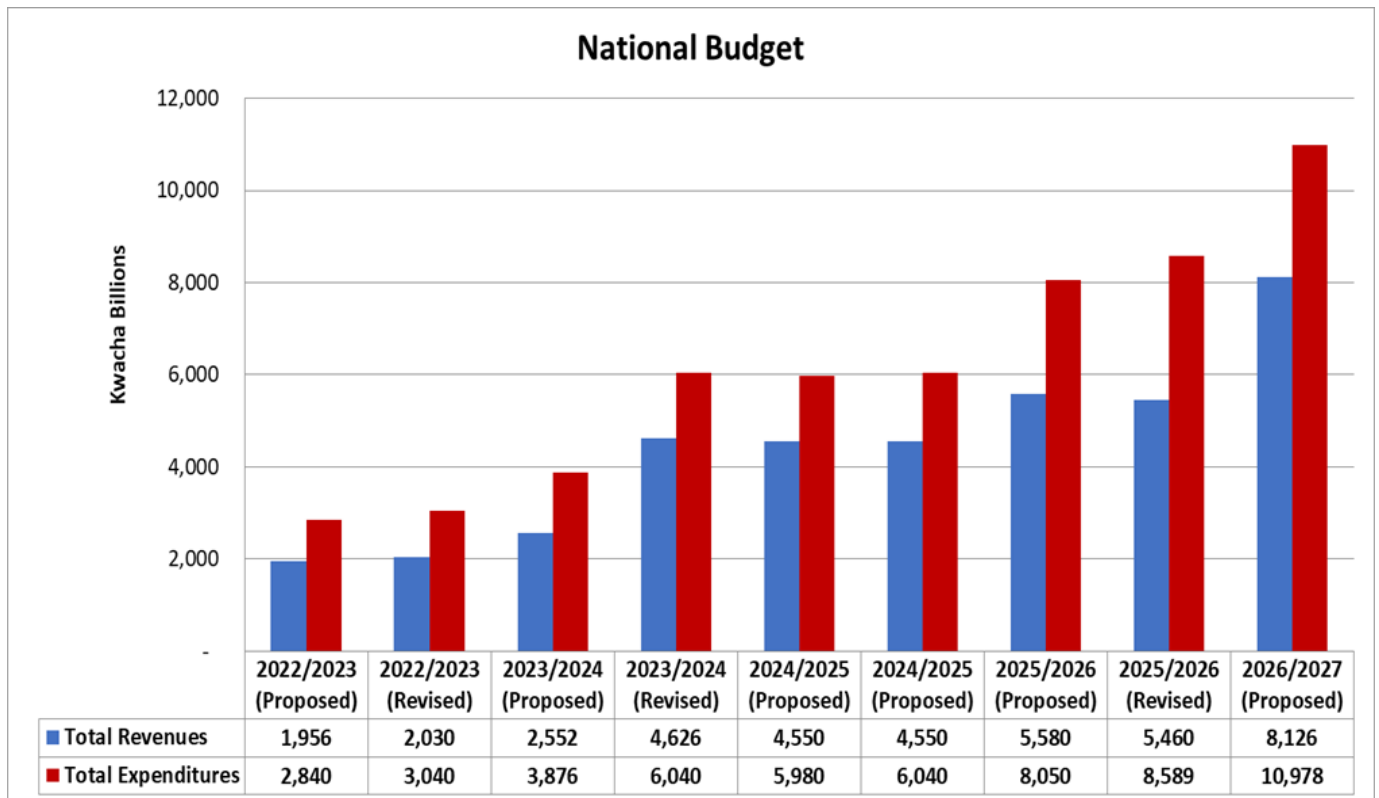
**Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique**

	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
<b>TANZANIA</b>													
<b>Exchange rate</b>													
US\$	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	2,581.57
GBP	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	3,416.70
ZAR	144.78	144.78	143.67	147.30	141.73	139.56	141.45	142.01	142.21	147.51	157.49	160.17	150.54
EUR	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	2,965.70
Inflation %	3.30	3.20	3.20	3.30	3.30	3.40	3.40	3.50	3.40	3.60	3.30	3.20	
<b>UGANDA</b>													
<b>Exchange rate</b>													
US\$	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	3,756.41
GBP	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	4,957.15
EUR	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	4,307.29
Inflation %	3.40	3.50	3.80	3.90	3.80	3.80	4.00	3.40	3.10	3.10	3.20	2.90	2.80
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
<b>ZAMBIA</b>													
<b>Exchange rate</b>													
US\$	28.21	27.96	26.62	23.81	22.98	23.58	23.87	22.21	22.97	22.11	19.75	18.80	19.12
GBP	36.98	37.27	35.87	32.61	30.34	31.74	32.02	29.11	30.36	29.82	27.15	25.33	25.33
ZAR	1.56	1.50	1.48	1.34	1.27	1.33	1.38	1.28	1.34	1.34	1.24	1.18	1.12
Inflation %	16.50	16.50	15.30	14.10	13.00	12.60	12.30	11.90	10.90	11.20	9.40	7.50	7.10
Central Bank Rate %	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.25	14.25	14.25	13.50	13.50
<b>MOZAMBIQUE</b>													
<b>Exchange Rate</b>													
US\$	63.90	63.27	63.90	63.90	63.91	63.91	63.91	63.90	63.27	63.62	63.67	63.92	63.91
ZAR	3.49	3.42	3.62	3.62	3.63	3.65	3.66	3.52	3.70	3.85	3.94	3.90	3.80
EUR	69.12	72.18	72.95	75.22	74.79	74.70	73.87	74.00	73.20	74.70	75.58	75.41	73.85
Inflation%	4.77	3.99	4.00	4.50	3.96	4.79	4.93	4.83	4.38	3.23	3.04	3.20	3.37

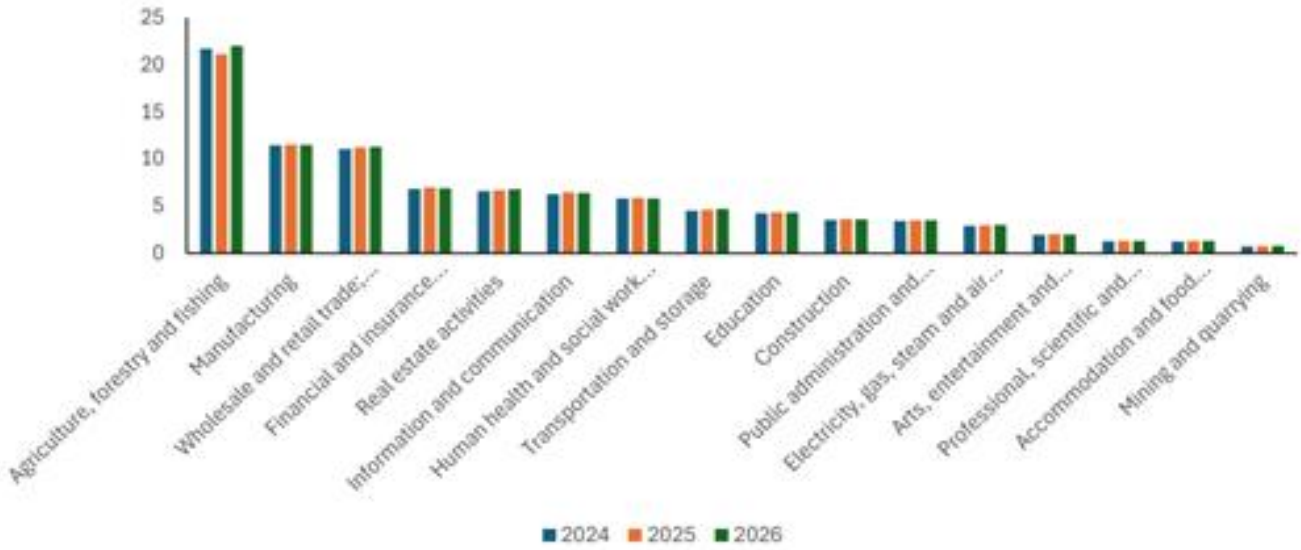
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

### 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)
<b>Total Revenues</b>	<b>2,030</b>	<b>2,552</b>	<b>4,626</b>	<b>4,550</b>	<b>4,550</b>	<b>5,580</b>	<b>5,461</b>	<b>8,126</b>
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								
<b>Total Expenditure</b>	<b>3,040</b>	<b>3,876</b>	<b>6,040</b>	<b>5,980</b>	<b>6,040</b>	<b>8,050</b>	<b>8,589</b>	<b>10,978</b>
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
<b>Deficit/Surplus</b>	<b>(1,010)</b>	<b>(1,325)</b>	<b>(1,414)</b>	<b>(1,430)</b>	<b>(1,490)</b>	<b>(2,470)</b>	<b>(3,128)</b>	<b>(2,852)</b>
<b>Deficit as a % of Revenue</b>	<b>-50%</b>	<b>-52%</b>	<b>-31%</b>	<b>-31%</b>	<b>-33%</b>	<b>-44%</b>	<b>-57%</b>	<b>-35%</b>



**Appendix 4: GDP per sector (Source: RBM)**



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

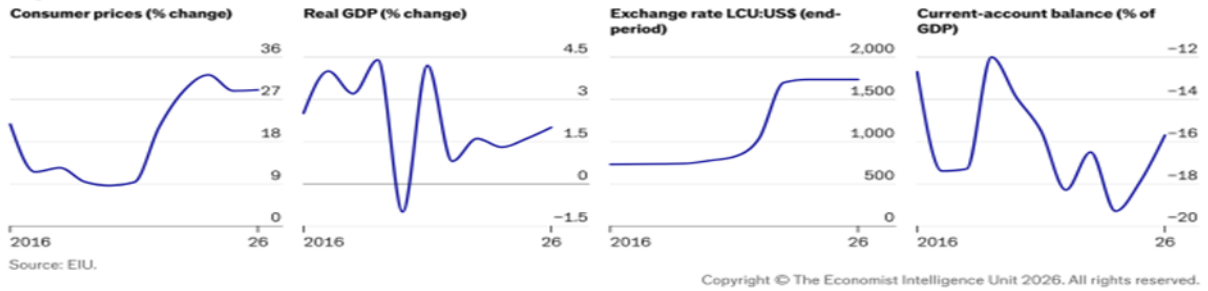
**Appendix 5: Merchandise Trade (US\$' millions) (Source: RBM)**



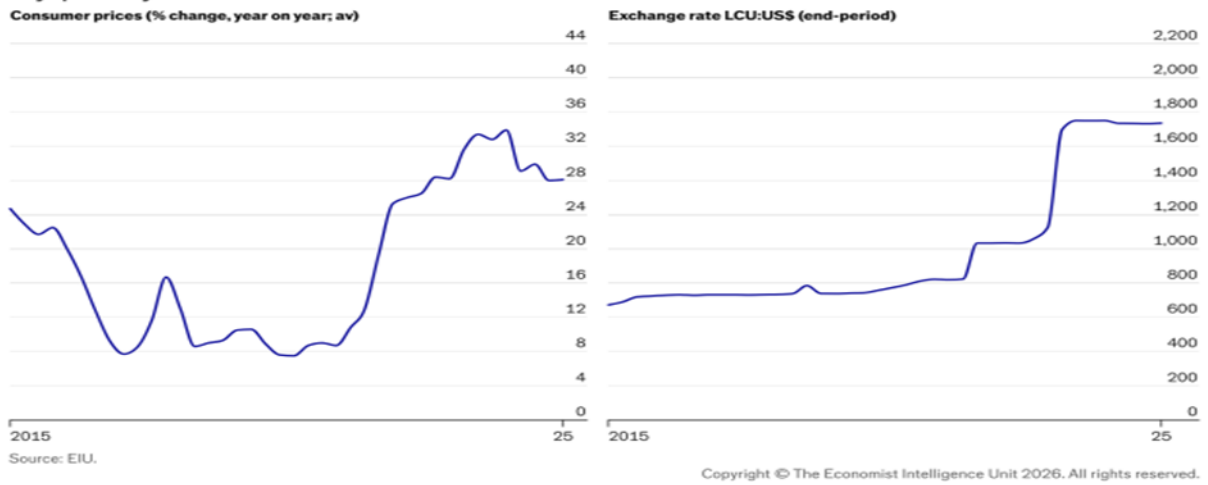
Source: National Statistical Office

## Appendix 6: Comparable Indicators (Source: EIU)

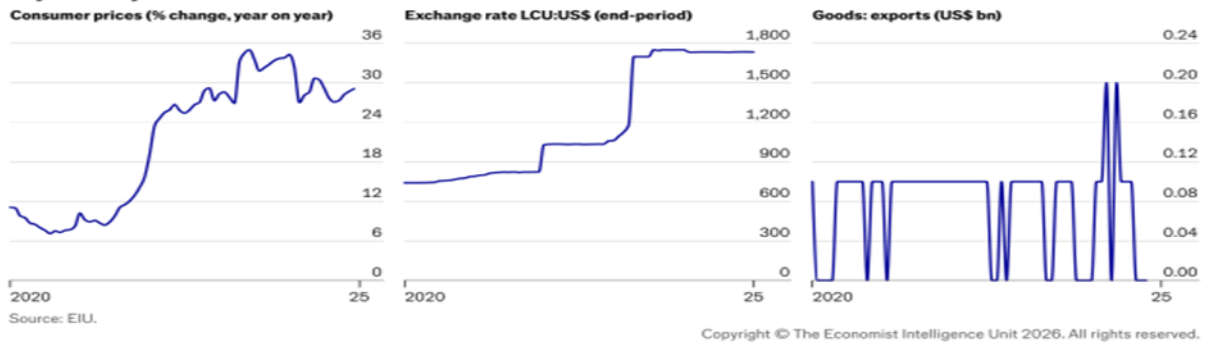
### Key annual indicators



### Key quarterly indicators



### Key monthly indicators



**Appendix 7: Global Projections (Source: World Bank)**

	2023	2024	2025e	2026f	2027f	2025e	2026f	2027f
<b>World</b>	<b>2.8</b>	<b>2.8</b>	<b>2.7</b>	<b>2.6</b>	<b>2.7</b>	<b>0.4</b>	<b>0.2</b>	<b>0.1</b>
<b>Advanced economies</b>	<b>1.6</b>	<b>1.7</b>	<b>1.7</b>	<b>1.6</b>	<b>1.6</b>	<b>0.5</b>	<b>0.2</b>	<b>0.0</b>
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
<b>Emerging market and developing economies</b>	<b>4.4</b>	<b>4.3</b>	<b>4.2</b>	<b>4.0</b>	<b>4.1</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>
<b>East Asia and Pacific</b>	<b>5.2</b>	<b>5.0</b>	<b>4.8</b>	<b>4.4</b>	<b>4.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>
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
<b>Europe and Central Asia</b>	<b>3.6</b>	<b>3.6</b>	<b>2.4</b>	<b>2.4</b>	<b>2.7</b>	<b>0.0</b>	<b>-0.1</b>	<b>0.0</b>
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
<b>Latin America and the Caribbean</b>	<b>2.4</b>	<b>2.4</b>	<b>2.2</b>	<b>2.3</b>	<b>2.6</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.0</b>
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
<b>Middle East, North Africa, Afghanistan and Pakistan</b>	<b>2.1</b>	<b>2.6</b>	<b>3.1</b>	<b>3.6</b>	<b>3.9</b>	<b>0.4</b>	<b>-0.1</b>	<b>-0.1</b>
Saudi Arabia	0.5	2.7	3.8	4.3	4.4	1.0	-0.2	-0.2
Iran, Islamic Rep. <sup>2</sup>	5.3	3.7	-1.1	-1.5	0.6	-0.6	-1.8	-1.2
Egypt, Arab Rep. <sup>2</sup>	3.8	2.4	4.4	4.3	4.8	0.6	0.1	0.2
<b>South Asia</b>	<b>8.0</b>	<b>6.3</b>	<b>7.1</b>	<b>6.2</b>	<b>6.5</b>	<b>1.0</b>	<b>-0.2</b>	<b>0.0</b>
India <sup>2</sup>	9.2	6.5	7.2	6.5	6.6	0.9	0.0	-0.1
Bangladesh <sup>2</sup>	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
<b>Sub-Saharan Africa</b>	<b>3.0</b>	<b>3.7</b>	<b>4.0</b>	<b>4.3</b>	<b>4.5</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>
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 <sup>2</sup>	7.2	8.1	7.2	7.1	7.7	0.8	0.6	0.5
<b>Memorandum items:</b>								
<b>Real GDP<sup>1</sup></b>								
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) <sup>3</sup>	3.4	3.3	3.3	3.1	3.2	0.4	0.1	0.1
<b>World trade volume<sup>4</sup></b>	<b>0.6</b>	<b>3.4</b>	<b>3.4</b>	<b>2.2</b>	<b>2.7</b>	<b>1.6</b>	<b>-0.2</b>	<b>0.0</b>

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