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MONTHLY ECONOMIC REPORT

APRIL 2026

Investment Management | Corporate Finance | Investor Services

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LIST OF ACRONYMS

ADB:	Authorized Dealer Bank	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		
NICO:	NICO Holdings Plc		

Economic Outlook — Malawi

The Economist Intelligence Unit has maintained its growth projection for Malawi in its latest report at 2.0% in 2026, compared to an estimated 1.6% in 2025. Growth will be supported by recovery in key sectors and improved maize output, helping to ease inflation. However, structural challenges, including foreign exchange shortages, energy constraints, and fiscal pressures, persist, with upside potential dependent on investment and progress in debt restructuring.

The 2026 tobacco marketing season commenced across all auction floors in Lilongwe and Limbe. In the first two weeks of the 2026 selling season, earnings from all types of tobacco totaled US\$2.1 million from 960,900 kg, at an average price of US\$2.16/kg. This compares with US\$5.4 million from 2,200,000 kg sold in the first two weeks of 2025, at an average price of US\$2.46/kg. That represents a 61.1% decline in revenue, a 56.4% decline in quantity sold, and a 12.2% decline in average price year on year for the same period.

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. **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.

EXECUTIVE SUMMARY

The Malawi Energy Regulatory Authority (MERA) has implemented a significant upward adjustment in fuel pump prices effective April 1, 2026, with petrol and diesel increasing by 34.0% and 35.0% to MK6,672 and MK6,687 per litre, respectively, while paraffin rose sharply by 82.0% to MK5,824 per litre. The adjustment reflects rising global oil prices amid escalating Middle East geopolitical tensions, higher Free on Board (FOB) and in-transit costs, as well as persistent foreign exchange constraints.

In April 2026, maize retail prices fell from MK1,221/kg to MK967/kg (-21%), dropping below the MK1,050 minimum and hitting 21 of 26 markets; regional averages were South MK991, Central MK969, North MK888, with Salima and Rumpi higher. A delayed free maize distribution likely worsened the slump. Border posts largely reported net imports despite the April 14 ban, shifting to new maize by month end and supplying mainly border districts plus some inland markets.

ECONOMIC OVERVIEW

Inflation (Source: NSO)

The headline inflation for April 2026 stood at 24.30%, an increase from 23.83% reported in March 2026. The increase in inflation was driven by increasing non-food prices.

	Apr-26	Mar-26	Apr-25	% Change (1 Months)	% Change (12 Months)
Headline inflation	24.30%	23.82%	20.23%	↑ 0.48%	↑ 4.07%
Food	19.08%	20.00%	35.76%	↓ -0.92%	↓ -16.68%
Non-food	32.23%	30.74%	19.40%	↑ 1.49%	↑ 12.83%

Government Securities (Source: RBM)

In April 2026, the average yield for all types of Treasury bills was 14.58%, down from 14.76% recorded in March 2026.

Tenor	Apr-26	Mar-26	Apr-25	Change 1 Month	Change 12 Months
91 days	12.00%	12.00%	16.00%	⇒ 0.00%	↓ -4.00%
182 days	15.00%	15.00%	20.00%	⇒ 0.00%	↓ -5.00%
364 days	16.75%	17.29%	26.00%	↓ -0.54%	↓ -9.25%
All Type	14.58%	14.76%	20.67%	↓ -0.18%	↓ -6.08%

During the review period, total Treasury Bill applications amounted to MK590.62 billion, of which MK335.30 billion was allotted, resulting in an overall rejection rate of approximately 43.23%. The 364-day paper accounted for the highest subscription rate at 89.35%, followed by the 91-day paper at 9.23% and lastly, the 182-day paper at 1.42%.

The Reserve Bank did not hold auctions for the 2-year, 3-year, 5-year, 7-year, and 10-year Treasury Notes, suggesting a pause in issuance across the medium-to long-term segment of the domestic debt market.

Foreign Currency Market (Source: RBM)

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

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

CURRENCY	Apr-26	Mar-26	Apr-25	% Movement 1 month	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	⇒ 0.00%	⇒ 0.00%
MK/GBP	2,408.29	2,356.85	2,392.21	↓ -2.18%	↓ -0.67%
MK/ZAR	106.17	104.35	96.39	↓ -1.74%	↓ -10.15%
MK/EUR	2,085.91	2,047.69	2,033.40	↓ -1.87%	↓ -2.58%

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 April 2026 decreased to a daily average of MK515.36 billion from MK554.17 billion in March 2026. There was no access to the Lombard facility (discount window borrowing) during the month, unchanged from March 2026.

In April 2026, the overnight borrowing between banks decreased to a daily average of MK37.08 billion at an average rate of 13.19%, compared to an average of MK70.56 billion per day at an average rate of 13.87%, in March 2026.

The reference rate in April 2026 stood at 20.80%, a decrease from 22.40% in March 2026.

Foreign Exchange Reserves (Source: RBM)

For the month of February, total forex reserves stood at US\$625.70 million (2.50 months of import cover); a decrease from US\$664.90 million (2.70 months of import cover); registered at the end of January 2026 (February 2025: US\$569.50 million, representing 2.30 months of import cover).

	Feb-26 (US\$ million)	Jan-26 (US\$ million)	Feb-25 (US\$ million)	% 1 month change	% 12 months change
Total	625.70	664.90	569.50	↓ -5.90%	↑ 9.87%
Import Cover (Months)					
Total	2.50	2.70	2.30	↓ -7.41%	↑ 8.70%

Stock Market (Source: MSE)

The market registered a negative index return as reflected in the downward movement of the Malawi All Share Index (MASI) from 575,320.68 points registered in March 2026 to 524,387.05 points registered in April 2026, giving a month-on-month return on index of -8.85% (-8.85% in US\$ terms). The price gains registered by OMU(13.98%), BHL(0.33%), ICON(0.13%), MPICO(0.05%), PCL(0.010%), ILLOVO (0.005%) and SUNBIRD(0.001%) were not enough to offset share price losses registered by FMBCH (-33.24%), NBS(-10.46%), TNM (-3.12%),

NBM (-2.57%), FDH(-1.53%), NICO(-1.50%), STANDARD(-1.35%), AIRTEL(-0.61%), and NITL(-0.08%) resulting in a downward movement of the Malawi All Share Index. The Domestic and Foreign Share Indices fell by -2.32% from 403,989.25 to 394,615.70 points and -32.26% from 135,842.57 to 92,021.47 points, respectively.

Market capitalization decreased in both Malawi Kwacha and US Dollar terms from MK31.37 trillion (US\$18.09 billion) to MK28.59 trillion (US\$16.49 billion) due to share price losses.

The market transacted a total of 19.20 million shares at a total consideration of MK8.22 billion (US\$4.74 million) in 3,248 trades in the month of April 2026. In the previous month of March 2026, the market transacted a total of 16.38 million shares at a total consideration of MK9.34 billion (US\$5.39 million) in 3,259 trades. This reflects a 17.17% increase in terms of share volume traded and a -12.00% (-12.00% in US Dollar terms) decrease in share value traded. Of the shares traded, 1.52 million NBS shares traded as negotiated deals at a total consideration of K951.70 million.

	Apr-26	Mar-26	Apr-25	Change (1 month)		Change (12 months)	
	MK/Share	MK/Share	MK/Share		%		%
AIRTEL	112.37	113.06	128.98	↓	-0.61%	↓	-12.88%
BHL	15.09	15.04	14.57	↑	0.33%	↑	3.57%
FMBCH	1,820.00	2,726.23	1134.90	↓	-33.24%	↑	60.37%
FDHB	583.90	592.99	314.29	↓	-1.53%	↑	85.78%
ICON	15.99	15.97	17.95	↑	0.13%	↓	-10.92%
ILLOVO	2,948.66	2,948.50	1,791.57	↑	0.01%	↑	64.59%
MPICO	19.50	19.49	19.00	↑	0.05%	↑	2.63%
NBM	10,999.57	11,289.89	6,200.10	↓	-2.57%	↑	77.41%
NBS	764.27	853.51	341.24	↓	-10.46%	↑	123.97%
NICO	1645.81	1670.94	776.68	↓	-1.50%	↑	111.90%
NITL	3930.82	3933.79	715.06	↓	-0.08%	↑	449.72%
OMU	5,300.00	4,650.02	2,499.99	↑	13.98%	↑	112.00%
PCL	7,820.80	7,820.00	4,000.00	↑	0.01%	↑	95.52%
STANDARD	4,143.47	4,199.98	9,502.03	↓	-1.35%	↑	118.03%
SUNBIRD	2248.06	2248.03	300.16	↑	0.00%	↑	648.95%
TNM	29.84	30.80	23.02	↓	-3.12%	↑	29.63%
MASI	524,387.05	575,320.68	289,692.81	↓	-8.85%	↑	81.01%
DSI	394,615.70	403,989.25	213,500.56	↓	-2.32%	↑	84.83%
FSI	92,021.47	135,842.57	56,537.57	↓	-32.26%	↑	62.76%

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

Published Full 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%	18.50	5.00	↑ 270.00%
Period	Dec-25	Dec-24	% Change	Dec-25	Dec-24	% Change
BHL	5.41	-1.37	↑ 494.89%	0.00	0.00	N/A
AIRTEL	51.25	42.72	↑ 5.06%	3.50	2.00	↑ 75.00%
FDH BANK	147.80	74.03	↑ 99.65%	1.68	5.09	↓ -66.99%
ICON	32.64	24.42	↑ 33.66%	0.31	0.29	↑ 6.90%
MPICO	19.32	12.18	↑ 58.62%	0.50	0.43	↑ 16.28%
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%
PCL	261.04	126.35	↑ 106.60%	135.42	11.25	↑ 1103.73%
STANDARD	121.70	86.36	↑ 40.92%	14.23	32.28	↓ -55.92%
SUNBIRD	12.48	10.62	↑ 17.51%	14.50	13.00	↑ 11.54%
TNM	21.27	10.05	↑ 111.64%	0.69	0.00	N/A
	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						
ILLOVO	Expects that profit after tax for the half year ending February 2026 to be between 115.0% and 135.0% higher than corresponding period					

OTHER MARKET DEVELOPMENTS

Tobacco Sales (Source: AHL & TC)

The 2026 tobacco marketing season commenced across all auction floors in Lilongwe and Limbe. In the first two weeks of the 2026 selling season, earnings from all types of tobacco totaled US\$2.1 million from 960,900 kg, at an average price of US\$2.16/kg. This compares with US\$5.4 million from 2,200,000 kg sold in the first two weeks of 2025, at an average price of US\$2.46/kg. That represents a 61.1% decline in revenue, a 56.4% decline in quantity sold, and a 12.2% decline in average price year-on-year for the same period.

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 Ansa was aimed at strengthening coordinated responses to recurrent food insecurity.

Malawi and African Development Bank Signed US\$23 million Grant for Kapichira Rehabilitation (Source: Egenco)

The Government of Malawi and the African Development Bank (AfDB) signed a US\$23 million agreement to fully rehabilitate and modernize Kapichira Phase I Hydropower Plant. Finance Minister Joseph Mwanamvekha praised the Bank's support for boosting plant reliability, efficiency, and GDP growth in agriculture, mining, tourism, manufacturing, and jobs. AfDB Country Manager Macmillan Anyanwu noted the funding will help EGENCO restore two turbines and generators, modernize electrical, SCADA, monitoring, and powerhouse systems, update maintenance manuals, and support Malawi's electricity expansion.

Increase In Fuel Prices (Source: MERA)

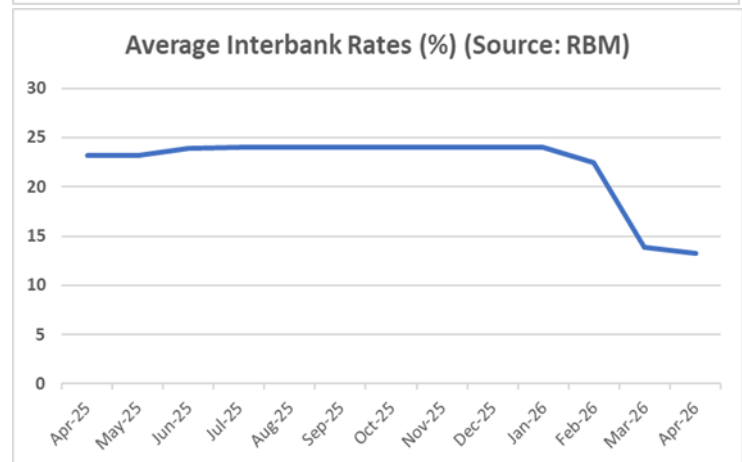
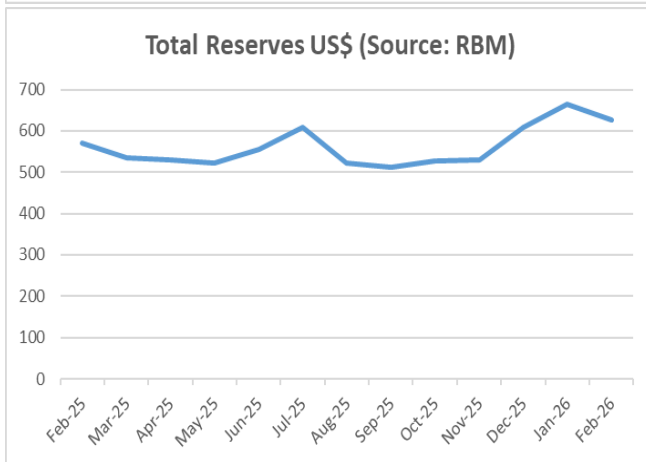
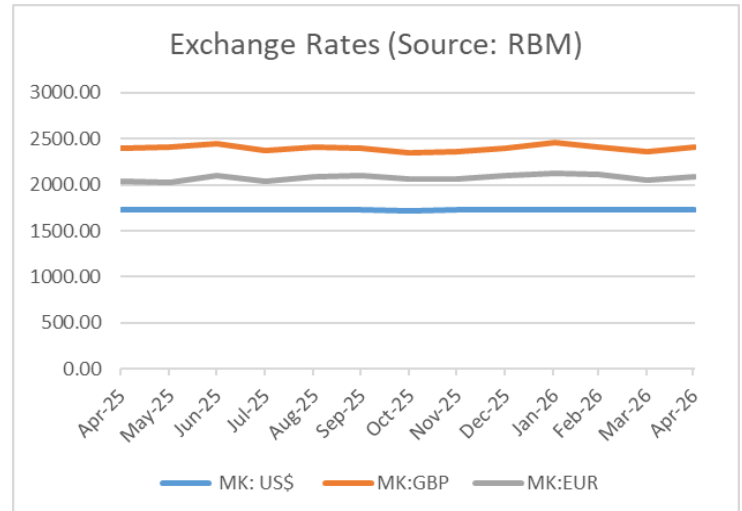
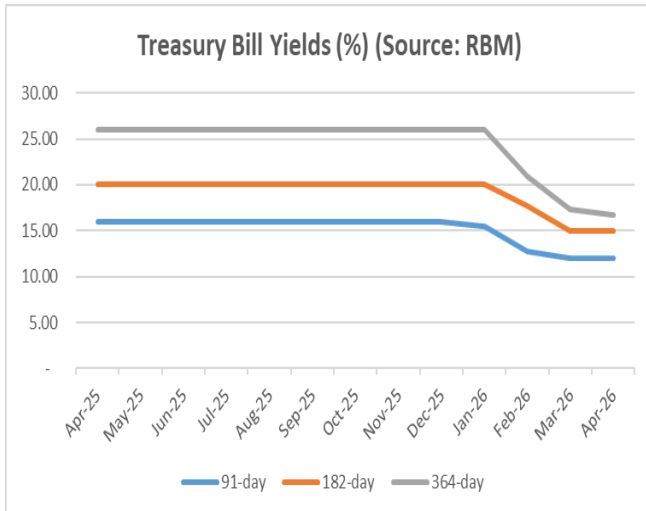
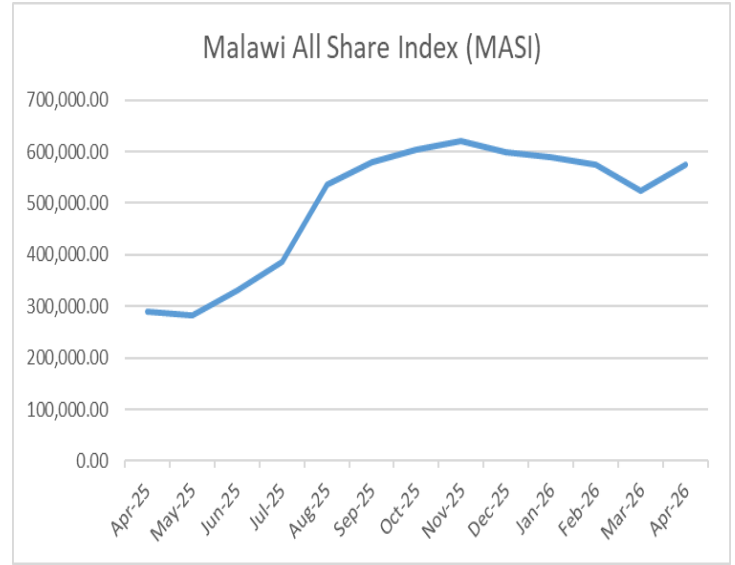
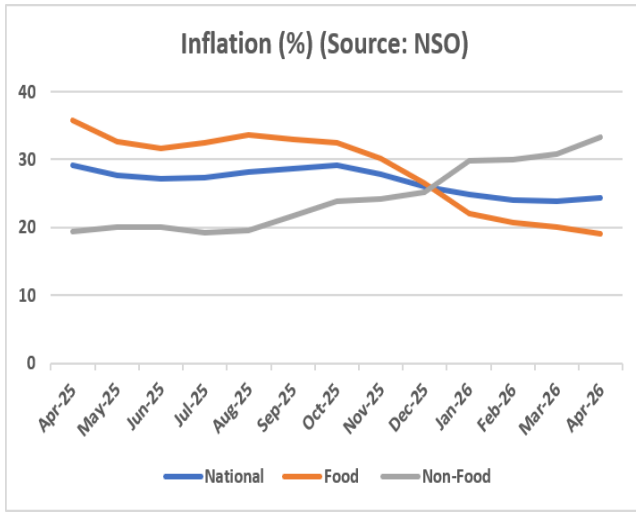
The Malawi Energy Regulatory Authority (MERA) has implemented a significant upward adjustment in fuel pump prices effective April 1, 2026, with petrol and diesel increasing by 34% and 35% to MK6,672 and MK6,687 per litre, respectively, while paraffin rose sharply by 82% to MK5,824 per litre. The adjustment reflects rising global oil prices amid escalating Middle East geopolitical tensions, higher Free on Board (FOB) and in-transit costs, as well as persistent foreign exchange constraints.

Maize prices (Source: IFPRI)

In April, driven by the ongoing harvest, maize retail prices continued their decline across Malawi. Starting at a national average of MK1,221/kg in the final week of March, prices fell to MK967/kg by the last week of April—a sharp 21% drop. By the third week, the national average had dipped below the government-prescribed minimum farmgate price of MK1,050/kg set in early April. Farmers likely received even lower prices at the farmgate. Declines occurred in all monitored markets, with the Southern region recording the highest averages (MK991/kg), followed by the Central (MK969/kg) and Northern (K888/kg) regions. Exceptions included Salima and Rumphu, where poor local harvests pushed prices up, challenging the typical north-south gradient. By month-end, prices fell below the minimum in 21 of 26 markets, threatening smallholders who depend on post-harvest sales for much of their income. A delayed lean-season response, distributing free maize nationwide amid the harvest, likely exacerbated the slump.

Throughout April, all monitored border posts except Marka initially reported net maize imports, with inflows even at Marka by month-end—despite a government import ban announced on April 14th, which traders interpreted as covering grain. Early in the month, both old and new maize crossed borders, but trade shifted to new maize only by the end. Much of the imported maize sold locally in border districts, though some reached inland markets like Lilongwe, Salima, and Mzuzu.

TREND GRAPHS



GLOBAL DEVELOPMENTS

Economic Growth

According to the International Monetary Fund's World Economic Outlook, 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 US\$48.46/b, month-on-month (m-o-m), to average US\$116.36/b. The ICE Brent front-month contract increased by \$30.23/b, m-o-m, to average US\$99.60/b, and the NYMEX WTI front-month contract increased by \$26.48/b, m-o-m, to average US\$91/b. The GME Oman front-month contract increased by US\$56.14/b, m-o-m, to US\$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 April 2026, the US Dollar Index (DXY) maintained a relatively stable yet firm trajectory, opening near 98.82 in early April before climbing to a monthly peak of 99.34 around April 27, and settling late-month between 98.61 and 98.95 - reflecting a modest net gain amid persistent safe-haven demand from escalating Middle East tensions. The index's resilience stemmed from the Federal Reserve's hawkish stance, holding rates steady at 3.50-3.75% despite mixed US economic signals like robust non-farm payrolls offsetting softer CPI readings, which kept DXY anchored above the critical 98.00 support level. Year-to-date, it hovered around 98.26 by month's end, underscoring the USD's broad strength against its basket (euro 58% weight) without dramatic swings, as traders eyed upcoming FOMC minutes for rate cut clues.

EURUSD staged a partial recovery from its March troughs near 1.1430, consolidating in a 1.17-1.177 range through mid-to-late month reaching highs of 1.1747 on April 27 after dipping to 1.1699 lows, then stabilizing between 1.1698 Fibonacci retracement and the 1.1775 midpoint pivot. This ~0.21% average daily gain across sessions was influenced by ECB policy signals and eurozone data, rebounding over 330 pips from prior geopolitical pressures while testing resistance at 1.185, amid DXY's ~58% euro weighting that tempered upside. Broader dynamics included divergent inflation paths—eurozone energy costs lingering higher versus US shale buffers—positioning the pair for potential volatility into May as markets priced ECB rate path divergences from the Fed.

GBPUSD navigated heightened volatility within a 1.3237-1.3824 year-to-date band, trading around 1.3517 mid-month as UK CPI accelerated to 3.3% (from 3.0%), amplifying energy pass-through effects

from Iran-related tensions in global oil markets. An early tactical decline breached bearish channel patterns, but the pair later pushed above 1.3485 resistance toward 1.3580-1.37 targets by late April, buoyed by sticky services inflation and expectations of a steady Bank of England MPC vote. This rebound reflected pound sensitivity to domestic wage growth and BoE hawkishness (~12% DXY weight), though USD resilience capped gains, with traders monitoring UK retail sales and potential fiscal updates for further directional cues.

Global Trade

The WTO released its Global Trade Outlook Update, slashing 2026 global merchandise (goods) trade volume growth forecast from 1.2% to just 0.5%, blaming geopolitical tensions, weakening demand, and structural shifts. China's electromechanical exports proved resilient (up 8.3% YoY, 39.6% of total), signaling pockets of strength in high-tech/low-carbon segments amid broader pressures. The report highlighted risks to supply chains, especially for export-oriented sectors, with elevated energy prices from conflicts threatening food, travel, and transport-related services trade.

Despite the gloom, the report noted pockets of resilience, such as China's electromechanical exports—which rose 8.3% year-on-year and comprised 39.6% of its total in that category—spurred by demand for high-tech, low-carbon, and modular products. Director-General Ngozi Okonjo-Iweala emphasized the rules-based system's durability amid risks, urging stakeholders to monitor structural shifts in export profiles and supply chains. Overall, the WTO projected global GDP easing to 2.6% in 2026 from 2.7% in 2025, with potential for slight recovery if conflicts de-escalate and AI spending persists.

Interest Rate Movements

The US Treasury yield (10-Year) increased to close at 4.31% in April 2026 from 4.10% recorded in March 2026.

	Apr-26	Mar-26	Apr-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)	4.31%	4.10%	4.28%	↑ 0.21%	↑ 0.03%
BOE Rate	3.75%	3.75%	4.50%	↔ 0.00%	↓ -0.75%
ECB Rate	2.15%	2.15%	2.40%	↔ 0.00%	↓ -0.25%

(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, lower inflation—build credibility amid fair weather, robust currencies and easing fuel-food costs. Precious metals and beverages increase export revenues and fiscal receipts; trade endures global tension 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 \$300 billion adaptation gaps; AI and green tech offer upsides amid elevated market risks. Policy agility remains key.

Zambia

Zambia's headline inflation decreased to 6.8% in April 2026, down from 7.1% in March 2026. The Zambian Kwacha closed at ZK18.79/US\$1 in April 2026, compared to ZK19.10/US\$1 recorded in March 2026. According to the IMF, economic growth is projected to grow by 4.3% in 2026.

Zimbabwe

Inflation increased to 4.8% in April 2026, up from 4.4% in March 2026, driven by rising food and transport costs. The Zimbabwean Gold (ZiG) closed at ZiG25.34/US\$1 in April 2026, compared to ZiG25.32/US\$1 in March 2026. According to the IMF, economic growth is projected to grow at 5.0% in 2026.

Uganda

Uganda's headline inflation increased to 3.0% in April 2026, up from 2.8% in March 2026. The Ugandan Shilling appreciated against the US Dollar in April 2026, closing at UGX3754.24/US\$1, compared to UGX3756.41/US\$1 recorded in March 2026. Uganda's economy is projected to grow by 7.5% in 2026.

Tanzania

Tanzania's headline inflation increased to 4.0% in April 2026, up from 3.2% in March 2026. The Tanzanian Shilling depreciated against the US Dollar and closed at TSh2,601.98/US\$1 in April 2026, compared to TSh2,581.57/US\$1 recorded in March 2026. According to the IMF, Tanzania's economy is projected to grow by 5.9% in 2026.

South Africa

South Africa's headline inflation increased to 4.0% in April 2026, up from 3.1% in March 2026. The South African Rand appreciated against the US Dollar and closed at ZAR16.67/US\$1 in April 2026, compared to ZAR17.05/US\$1 recorded in the previous month. The World Bank has projected economic growth outlook for South Africa to grow by 1.0% in 2026.

OUTLOOK FOR APRIL AND BEYOND – MALAWI

Exchange Rates

Owing to persistent shortages of hard currency and speculation, the spread between the formal and informal exchange rates in April 2026 stood at K1,751.00:US\$1 (TT sell), while the informal market exchange rate was K3,600:US\$1.

The EIU stated that, despite the government ruling out a devaluation or float of the currency, the central bank continues to heavily manage the official exchange rate, keeping the kwacha at about MK1,750 per US\$1 since March 2024, while the parallel market has seen sharp depreciation, with the currency currently trading at about MK4,400 per US\$1. It projects that the IMF will continue to push Malawi toward a market-determined exchange rate, but in the absence of a funded programme, the authorities are likely to maintain tight control of the kwacha. With little prospect of a new IMF programme being agreed, aid flows from other partners are expected to remain constrained, although support from the World Bank and African Development Bank will continue for humanitarian efforts and infrastructure projects, including small-scale solar power and transport infrastructure.

The Reserve Bank of Malawi emphasized that it expects foreign exchange shortages to persist in 2026, as the country has limited capacity to attract foreign exchange inflows. This suggests that forex shortages are likely to remain a key challenge.

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 increased from 23.1% in March 2026 to 24.3% in April 2026, driven primarily by increasing non-food prices. Food inflation declined from 20.0% to 19.1%, while non-food inflation rose from 30.7% to 33.2%. The increase in headline inflation was largely due to

increasing fuel prices that pushed up the non-food prices.

In the month of April, the Malawi Energy Regulatory Authority (MERA) announced an increase in pump prices, raising petrol to K6,672 per litre and diesel to K6,687 per litre, representing increases of 34.0% and 35.0%, respectively. The adjustment, triggered under the Automatic Pricing Mechanism (APM), reflected rising global oil prices, geopolitical tensions in the Middle East, higher import costs, market distortions, and statutory levies. The increase is expected to place additional pressure on transportation costs, goods prices, business margins, and the overall cost of living, while Malawi's reliance on fuel imports continues to expose the economy to global shocks.

The RBM revised its 2026 inflation projection from 24.8%, reported after the First Monetary Policy Committee meeting, to an average of 22.0% in 2026, as reported in the Second Monetary Policy Committee meeting. This revision was mainly attributed to improved maize harvests and the continued deceleration in maize prices during the harvest season. Despite this, the gains are expected to be partially offset by rising non-food inflation driven by increased geopolitical tensions.

The Economist Intelligence Unit (EIU) noted that inflation in Malawi remains extremely elevated despite moderating in recent months, easing to 24.1% year on year in February 2026 from around 30% in March 2025. EIU attributes the persistently high inflation mainly to sustained deficit financing by the Reserve Bank of Malawi (RBM), which has accelerated money-supply growth. The recent slowdown in inflation was largely driven by softer food prices following maize donations from countries such as Zambia and India, although weak agricultural production caused by persistent drought conditions is expected to place renewed pressure on food prices.

The EIU forecasts that inflation will remain very high in 2026, averaging around 26% after averaging 28.4% in 2025, as deficit financing, rising food prices, and higher fuel costs continue to sustain inflationary pressures. EIU also warns that prolonged conflict involving Iran could further increase global fuel and food prices and disrupt supply chains, creating

additional upside risks to inflation. Although inflation is expected to moderate slightly to an average of about 25% during 2027-30 as food and energy prices ease, continued deficit financing and expected currency depreciation are likely to keep inflationary pressures elevated over the medium term.

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.

Economist Intelligence Unit (EIU) forecasts that Malawi's trade deficit will gradually narrow over the forecast period, supported by stronger exports of key cash crops such as tobacco, sugar, tea, and cotton, alongside growth in mining exports if the ban on raw mineral exports is lifted. However, EIU notes that persistent drought conditions remain a major downside risk to agricultural production and export performance. Although import spending is expected to rise, particularly due to higher global fuel and food prices linked to geopolitical tensions involving the US, Israel, and Iran, import growth is projected to remain constrained by Malawi's ongoing balance-of-payments crisis and shortages of foreign currency. EIU also highlights that tobacco production increased significantly in 2025, supporting export earnings, although weakening global demand for tobacco is expected to weigh on prices in the medium term.

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 second Monetary Policy Committee (MPC) meeting held on 29–30 April 2026, the Committee decided to maintain the policy rate at 24.0%. The Committee also increased the Liquidity Reserve Requirement (LRR) ratio on local currency deposits to 12.0% from 10.0%, while the LRR on foreign currency deposits was maintained at 3.75%. This decision was driven by the disinflation observed during the first quarter, although the Committee noted that excess liquidity in the banking system continued to heighten inflationary pressures. The Committee also observed that geopolitical tensions had pushed up oil prices and increased fuel prices during April, while foreign exchange challenges continued to exert pressure on non-food inflation. The Reserve Bank of Malawi (RBM) expects Malawi to continue facing foreign-exchange challenges in the near term.

The Economist Intelligence Unit (EIU), in its previous report, had projected that the Reserve Bank of Malawi (RBM) would maintain the policy rate throughout 2026 due to persistent inflationary pressures. However, contrary to this expectation, the RBM reduced the policy rate by 200 basis points to 24% in March 2026 to support economic activity and private-sector lending. Despite the cut, monetary policy transmission remains weak, as banks remain heavily exposed to government securities and swap operations, with private-sector credit estimated at only 9.2% of GDP.

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.

The EIU expects inflation to remain elevated in 2026 due to continued deficit financing, currency

depreciation risks, and external pressures from rising global food and fuel prices linked to the conflict involving the US, Israel, and Iran. Consequently, the EIU does not expect further monetary easing this year and notes that the RBM may instead need to tighten policy if inflation rises further. Over the medium term, inflation is expected to moderate gradually, although persistent fiscal deficits and foreign exchange shortages are likely to sustain underlying inflationary pressures.

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

Economist Intelligence Unit (EIU) projects that Malawi's fiscal spending requirements will remain elevated in the medium term due to persistent food insecurity, high living costs, and ongoing economic challenges. Although the government aims to raise revenue and grants through tax reforms and improved efficiencies, EIU notes that expenditure cuts will remain difficult because of political sensitivities, high development needs, and continued pressure to maintain subsidies on food, fuel, and agricultural inputs. Weak domestic revenue collection, persistent loopholes, and the temporary ban on raw mining exports are also expected to constrain revenue growth in the short term.

EIU estimates that Malawi's fiscal flexibility will remain constrained by high interest payments and a large public-sector wage bill, which together accounted for more than 45% of expenditure and around 80% of revenue in 2025/26. While the authorities aim to improve the targeting of subsidies and social spending, EIU believes that drought conditions and food insecurity will limit the scope for major expenditure reductions. Even with anticipated external debt restructuring, debt-servicing costs are likely to remain elevated because most interest payments relate to short-term domestic debt exposed to high interest rates. Nonetheless, spending pressures are forecast to ease gradually from 2026/27 as debt obligations moderate and spending efficiency improves.

EIU forecasts that Malawi's revenue performance will gradually strengthen over the forecast period,

supported by growth in mining exports, improved agricultural output, and continued donor support from institutions such as the World Bank and the European Union. Although the 2026/27 budget targets a fiscal deficit of 9% of GDP, EIU anticipates a slightly wider deficit of 9.8% owing to continued subsidy pressures, rising global food and fuel prices, and significant development needs. Over the longer term, EIU expects the fiscal deficit to narrow gradually to 7.6% of GDP by 2030/31, although reliance on domestic borrowing and monetary financing is expected to increase public debt to about 99.1% of GDP by end-2030.

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%
Average Real GDP	1.50%	1.65%	2.08%	2.58%

(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 2.58%, 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 Economist Intelligence Unit forecasts that Malawi's real GDP growth will rise from an estimated 1.6% in 2025 to 2% in 2026, averaging 2.6% annually during 2027–30. However, the country's economic performance will continue to be constrained by persistent foreign exchange shortages and the absence of a new IMF-funded programme. These

pressures are expected to suppress imports and limit business activity. In addition, inadequate electricity access remains a major obstacle to economic growth, with only around 20% of the population connected to the national grid. Although some small-scale renewable energy projects are expected to come online, larger hydroelectric and coal projects are likely to face delays, making it difficult for Malawi to achieve its power generation and electrification targets by 2030.

The RBM, during the second Monetary Policy meeting, maintained the 2026 growth forecast at 3.8%, the same level projected in the first-quarter Monetary Policy report. This reflects improvements in agriculture, construction, and manufacturing. Despite this, upside risks persist, mainly due to foreign-exchange challenges and geopolitical tensions involving the United States, Israel, and Iran. The Bank stated that the survey is already underway to assess economic growth. It further indicated that the projections will be announced during the Third Monetary Technical Forum meeting.

The mining sector is expected to support export growth over the forecast period, although the government's ambitious target of increasing mining's contribution to GDP from 1% in 2025 to 12% by 2027 is unlikely to be achieved. The reopening of the Kayelekera uranium mine and the development of the Kangankunde and Kanyika rare earth projects are expected to boost activity in the sector. However, challenges such as bureaucratic delays, financing difficulties, foreign-exchange shortages, and weak transport and energy infrastructure will continue to hinder investment. The government's ban on raw mineral exports is also unlikely to achieve significant domestic mineral processing in the medium term, given the country's limited industrial capacity. Consequently, authorities may eventually grant exemptions or soften the policy to avoid losing export revenue.

Beyond mining, agriculture is expected to recover moderately after years of drought-related weakness, particularly through improved tobacco production. Nevertheless, continued risks from flooding and

drought remain significant because Malawi's agriculture sector is highly dependent on rainfall and characterised by low fertiliser use. Import spending is expected to remain subdued as the central bank continues efforts to conserve foreign currency amid the balance-of-payments crisis. At the same time, government consumption growth is likely to slow as fiscal pressures force the authorities to reduce expenditure, especially capital spending, which is considered politically easier to cut.

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

ECONOMIC RISKS

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

	<p>education).</p> <p>3. Youth unemployment fuelling social instability.</p>	<p>training for youth.</p> <p>3. Stimulate job creation in urban and rural areas.</p>
<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)

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-25
Exchange Rates													
MK : US\$	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01	1,734.01
MK : GBP	2,392.21	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	2,408.29
MK : ZAR	96.39	100.61	100.72	99.39	100.78	103.64	103.34	104.06	107.50	112.16	112.37	98.00	106.17
MK : EUR	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	2,085.91
Forex reserves (Source: RBM)													
Total Reserves (US\$mn)	530.00	521.00	555.90	607.70	521.90	511.80	526.80	530.00	608.90	659.00	625.70	N/A	N/A
Total Import Cover (months)	2.10	2.10	2.20	2.40	2.10	2.00	2.10	2.10	2.40	2.60	2.50	N/A	N/A
% Inflation (NSO)													
Headline Inflation	29.20	27.70	27.10	27.30	28.20	28.70	29.11	27.91	26.00	24.87	24.09	23.82	24.30
Food	35.80	32.70	31.60	32.40	33.70	33.00	32.38	30.13	26.50	22.12	20.83	20.00	19.08
Non Food	19.40	20.00	20.10	19.30	19.50	21.70	23.78	24.20	25.40	29.85	30.05	30.74	33.23
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%	24.00%	24.00%
Average Interbank Rate	23.20%	23.20%	23.90%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	22.42%	13.87%	13.17%
Average Base Lending Rates	25.10%	25.20%	25.10%	25.30%	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	23.70%	22.40%	20.80%
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%	15.62%	12.75%	12.00%	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%	17.75%	15.00%	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%	20.97%	17.29%	16.75%
Stock Market Indices (Point) (Source:)													
MAI	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	524,387.05
DSI	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	394,615.70
FSI	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	92,021.47
Fuel Prices per Litre (Source: MERA)													
Petrol	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	6,672.00
Diesel	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	6,687.00
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	3,200.00	5,824.00

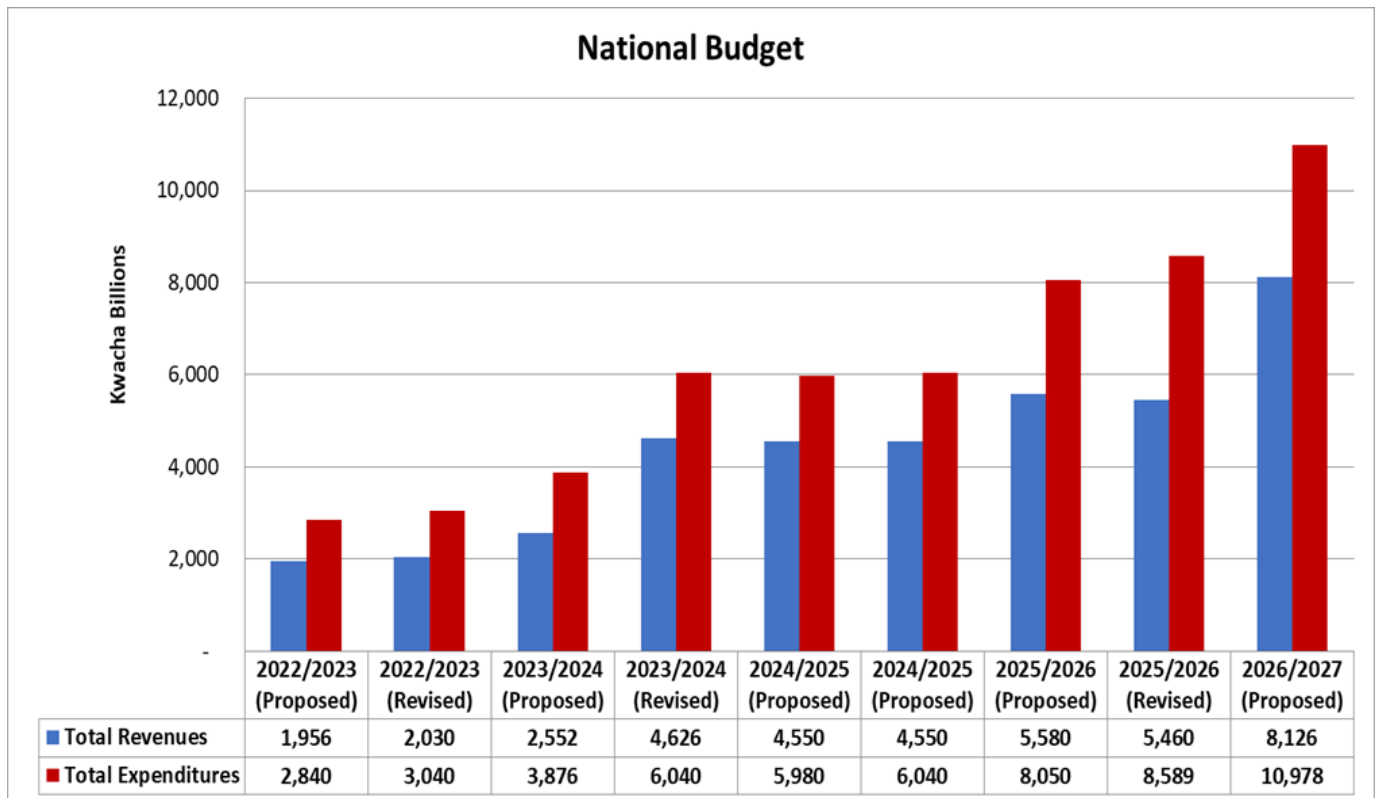
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique

	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26
TANZANIA													
Exchange rate													
US\$	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	2,599.00
GBP	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	3,470.00
ZAR	144.78	143.67	147.30	141.73	139.56	141.45	142.01	142.21	147.51	157.49	160.17	150.54	155.57
EUR	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	2,950.00
Inflation %	3.20	3.20	3.30	3.30	3.40	3.40	3.50	3.40	3.60	3.30	3.20	3.20	4.00
UGANDA													
Exchange rate													
US\$	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	3,761.00
GBP	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	5,010.00
EUR	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	4,280.00
Inflation %	3.50	3.80	3.90	3.80	3.80	4.00	3.40	3.10	3.10	3.20	2.90	2.80	3.00
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\$	27.96	26.62	23.81	22.98	23.58	23.87	22.21	22.97	22.11	19.75	18.80	19.12	18.79
GBP	37.27	35.87	32.61	30.34	31.74	32.02	29.11	30.36	29.82	27.15	25.33	25.33	25.38
ZAR	1.50	1.48	1.34	1.27	1.33	1.38	1.28	1.34	1.34	1.24	1.18	1.12	1.12
Inflation %	16.50	15.30	14.10	13.00	12.60	12.30	11.90	10.90	11.20	9.40	7.50	7.10	6.80
Central Bank Rate %	14.50	14.50	14.50	14.50	14.50	14.50	14.50	14.25	14.25	14.25	13.50	13.50	13.25
MOZAMBIQUE													
Exchange Rate													
US\$	63.27	63.90	63.90	63.91	63.91	63.91	63.90	63.27	63.62	63.67	63.92	63.91	73.00
ZAR	3.42	3.62	3.62	3.63	3.65	3.66	3.52	3.70	3.85	3.94	3.90	3.80	97.00
EUR	72.18	72.95	75.22	74.79	74.70	73.87	74.00	73.20	74.70	75.58	75.41	73.85	83.00
Inflation%	3.99	4.00	4.50	3.96	4.79	4.93	4.83	4.38	3.23	3.04	3.20	3.37	4.41

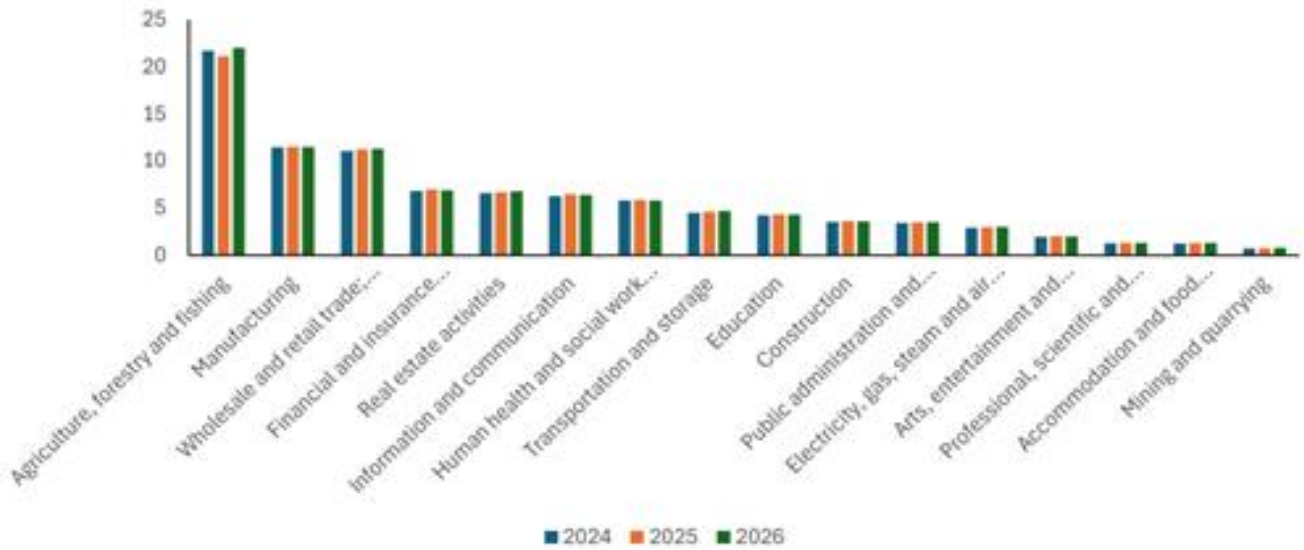
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

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%

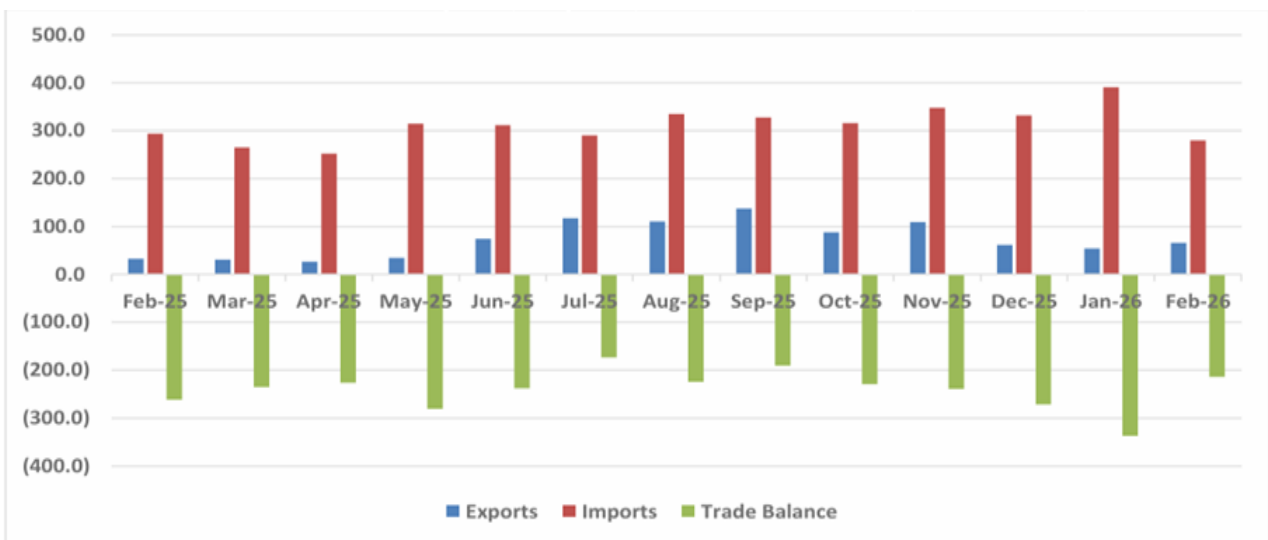


Appendix 4: GDP per sector (Source: RBM)



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

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



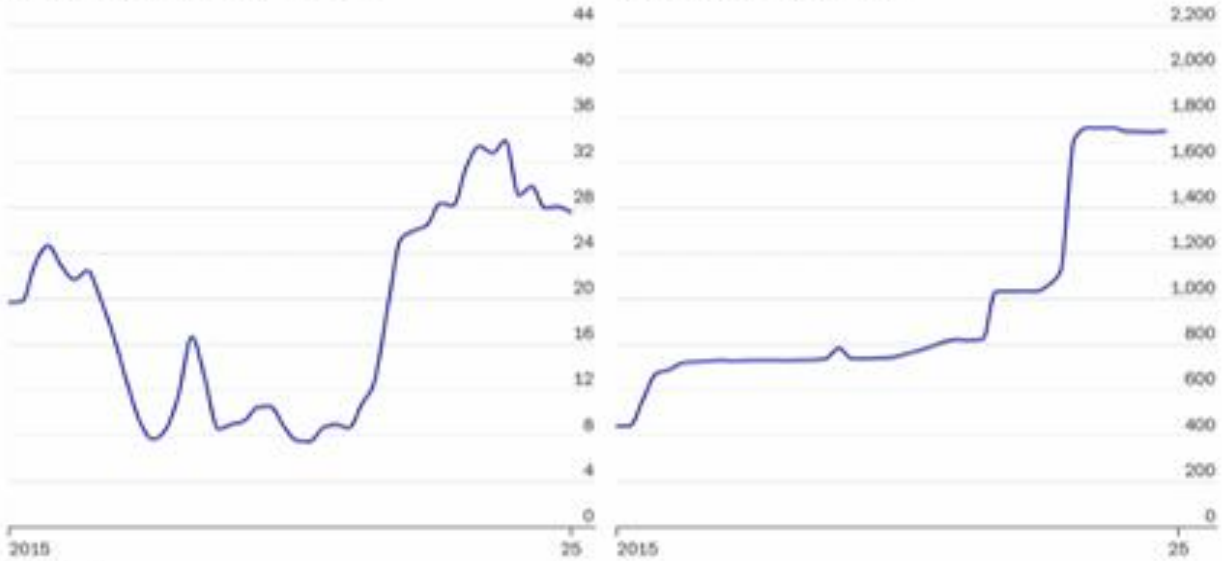
Source: National Statistical Office

Appendix 6: Comparable Indicators (Source: EIU)

Key quarterly indicators

Consumer prices (% change, year on year; av)

Exchange rate LCU:US\$ (end-period)



Source: EIU.

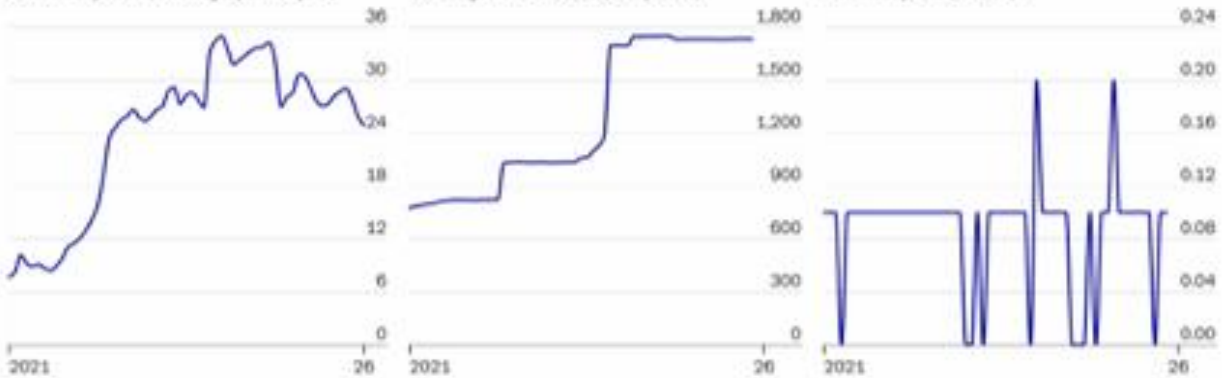
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Key monthly indicators

Consumer prices (% change, year on year)

Exchange rate LCU:US\$ (end-period)

Goods: exports (US\$ bn)



Source: EIU.

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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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