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MONTHLY ECONOMIC REPORT

August 2026

Investment Management | Corporate Finance | Investor Services

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LIST OF ACRONYMS

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

EXECUTIVE SUMMARY

Economic Outlook — Malawi

Malawi's economic outlook remains cautiously positive, with real GDP growth estimated at 2.5% in 2026 though this marks a downward revision from an earlier 3.8% projection amid persistent foreign exchange shortages, elevated inflation, fuel and power supply disruptions, and fiscal pressures. Growth is expected to be supported by a recovery in agriculture following a better 2025/26 harvest, continued expansion in mining and quarrying and growth in tourism-related accommodation and food services, while the resumption of operations at the Kayelekera uranium mine in the fourth quarter of 2025 has already begun boosting the mining sector's performance and gradual improvements in electricity supply could strengthen activity over the medium term. By contrast, manufacturing growth has been

revised down to 0.9% in 2026 (from an earlier 2.5% projection) on recurring fuel shortages. Inflation continued to moderate in August, driven by easing in both food inflation and non-food inflation in the month, while the onset of the lean season and exchange rate pressures remain key upside risks.

Monetary policy is expected to remain tight, with the Policy Rate and the Liquidity Reserve Requirement on local currency deposits held unchanged at 24.0% and 12.0% respectively, through the third quarter of 2026, as the Reserve Bank of Malawi seeks to sustain disinflation and anchor inflation expectations. Meanwhile, fiscal and external sector pressures remain significant, with high public debt, a large fiscal deficit, a widening trade deficit and continued foreign exchange shortages posing risks to macroeconomic stability.

Key Economic Risks – Malawi

1. **Interest Rate Risk** - Short-term deposit rates are poised to rise in response to persistent high inflation and limited economic resilience. Month-on-month increases in food prices are exerting upward pressure on borrowing costs. In this environment of heightened risk, the Reserve Bank of Malawi may be compelled to tighten monetary policy further by increasing its policy rate to rein in inflationary pressures.
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 El Nino and floods, impacting agricultural production, livelihoods, and infrastructure development.
4. **Rising Government Debt and Fiscal Strain** – High debt levels create future obligations for repayment plus interest, crowding out private investment and risking sovereign debt crises.
5. **Exchange Rates** - A widening gap between its official and parallel exchange rates, driven by acute foreign exchange scarcity. This divergence heightens exchange rate risk for companies with significant FX exposure, such as Airtel and Illovo. The issue is under close watch, as there is possibility that post-election, authorities may pursue a currency realignment to unify rates, reduce the parallel market premium, and restore external competitiveness.
6. **High Population Growth and Demographic Pressures** – Rapid population growth reducing per capita income and overburdening public services, limiting resources for productive economic activities.
7. **Sovereign Debt** - Discussions on domestic debt restructuring between the Government of Malawi and the banking sector are currently underway, although the specific terms and conditions remain unclear. The outcome of these negotiations carries significant implications for financial sector stability, given the high exposure of listed financial institutions to government securities. Any restructuring that materially alters the terms of existing debt holdings could affect bank balance sheets, capital adequacy and profitability. The situation is being closely monitored, as the resolution of these discussions will also influence investor confidence in future government debt issuances and the broader appetite for sovereign paper among institutional investors.

ECONOMIC OVERVIEW

Inflation (Source: NSO)

The headline inflation for August 2026 stood at 20.00%, a decrease from 20.80% reported in July 2026. The decline in inflation was driven by a decrease in both food and non-food inflation.

	Aug-26	Jul-26	Aug-25	% Change (1 Month)	% Change (12 Months)
Headline inflation	20.00%	20.80%	28.20%	↓ -3.85%	↓ -29.08%
Food	13.40%	14.30%	33.00%	↓ -6.29%	↓ -59.39%
Non-food	31.80%	32.20%	19.50%	↓ -1.24%	↑ 63.08%

Government Securities (Source: RBM)

In August 2026, the average yield for all type Treasury bill was 14.33%, unchanged from July 2026.

Tenor	Aug-26	Jul-26	Aug-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	16.00%	16.00%	26.00%	→ 0.00%	↓ -10.00%
All Type	14.33%	14.33%	20.67%	→ 0.00%	↓ -6.33%

Total Treasury Bill applications for the month of August 2026 stood at MK358.43 billion with MK264.47 billion allotted representing 73.8% allotment. The 364-day paper accounted for the highest subscription rate at 70.4%, followed by the 182-day paper at 29.0% and lastly 91-day paper at 0.6%.

During the month of August 2026, the Reserve Bank conducted two Treasury Note Auctions for the 2-year treasury notes. The auctions raised a total of MK61.56 billion from the MK63.51 billion applied. The average weighted yield was 18%.

Foreign Currency Market (Source: RBM)

During the month, 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	Aug-26	Jul-26	Aug-25	% Movement 1 month	% Movement 12 months
MK/USD	1,734.01	1,734.01	1,734.01	→ 0.00%	→ 0.00%
MK/GBP	2,418.11	2,408.94	2,410.07	↑ 0.38%	↑ 0.33%
MK/ZAR	110.65	108.85	100.78	↑ 1.65%	↑ 9.79%
MK/EUR	2,069.65	2,057.12	2,083.05	↑ 0.61%	↓ -0.64%

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 August 2026 decreased to a daily average of MK106.36 billion from MK196.14 billion in July 2026. Utilization of the Lombard facility moderated to MK1.27 trillion, down from MK1.29 trillion in July 2026.

Interbank borrowing averaged MK172.51 billion at an average rate of 15.40, compared to MK77.84 billion at an average rate of 14.62% in July 2026, reflecting increased demand for interbank funds alongside higher borrowing costs.

The reference rate in August 2026 stood at 20.80%.

Foreign Exchange Reserves (Source: RBM)

	Jun-26 (US\$ million)	May-26 (US\$ million)	Jun-25 (US\$ million)	% 1 month change	% 12 months change
Total	616.30	596.50	555.90	↑ 3.32%	↑ 10.87%
Import Cover (Months)					
Total	2.50	2.40	2.20	↑ 4.17%	↑ 13.64%

Up until the month of June, total forex reserves stood at US\$616.30 million (2.5 months of import cover); an increase from US\$596.50 million in May 2026 (2.4 months of import cover) and US\$555.90 million in June 2025 (2.2 months of import cover).

Stock Market (Source: MSE)

The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 505,773.08 points registered on 30 July 2026 to 499,484.85 points registered on 31 August 2026, giving a return on index of -1.24%. The negative return was driven by price losses registered by NBS (-4.96%), NITL (-2.70%), NBM (-2.61%), FDHB (-2.00%), STANDARD (-1.43%), SUNBIRD (-1.41%), TNM (-0.49%), AIRTEL (-0.49%) and NICO (-0.48%). These losses were enough to offset share price gains registered by CHL (7.69%) and BHL (0.23%) resulting into a downward movement of the Malawi All Share Index.

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Counter	Aug-26	Jul-26	Aug-25	Change (1 month)	Change (12 months)
	MK/Share	MK/Share	MK/Share	%	%
AIRTEL	101.83	102.33	139.18	↓ -0.49%	↓ -26.84%
BHL	17.52	17.48	15.00	↑ 0.23%	↑ 16.80%
CHL	210.00			N/A	N/A
FDHB	489.89	499.88	659.99	↓ -2.00%	↓ -25.77%
FMBCH	1,894.42	1,895.79	1,650.40	↓ -0.07%	↑ 14.79%
ICON	17.00	17.00	17.95	→ 0.00%	↓ -5.29%
ILLOVO	3,502.11	3,501.95	1,791.40	↑ 0.00%	↑ 95.50%
MPICO	19.60	19.59	19.51	↑ 0.05%	↑ 0.46%
NBM	9,299.97	9,548.83	7,501.02	↓ -2.61%	↑ 23.98%
NBS	639.71	673.07	1,024.94	↓ -4.96%	↓ -37.59%
NICO	1,342.35	1,348.83	1,740.01	↓ -0.48%	↓ -22.85%
NITL	3,599.87	3,699.73	1,265.04	↓ -2.70%	↑ 184.57%
OMU	5,300.00	5,300.02	2,500.06	↓ 0.00%	↑ 111.99%
PCL	9,521.12	9,521.77	6,600.00	↓ -0.01%	↑ 44.26%
STANDARD	3,938.79	3,995.87	6,499.09	↓ -1.43%	↓ -39.39%
SUNBIRD	3,500.02	3,550.00	460.01	↓ -1.41%	↑ 660.86%
TNM	28.42	28.56	35.79	↓ -0.49%	↓ -20.59%
MASI	499,484.85	505,773.08	535,303.19	↓ -1.24%	↓ -6.69%
DSI	369,247.89	374,826.29	412,549.45	↓ -1.49%	↓ -10.50%
FSI	95,651.22	95,718.04	81,906.38	↓ -0.07%	↑ 16.78%

Below is a presentation of the latest published 2025 and 2026 half year financials for the respective companies:

Published Financials for 2026 and 2025						
	Net Profit/(Loss) (MK'Billion)			Total Dividend (Per Share) (Kwacha)		
Period (Full year)	Feb-26	Feb-25	% Change	Feb-26	Feb-25	% Change
ILLOVO	58.12	26.33	↑ 120.74%	8.00	3.50	↑ 128.57%
Period (Half Year)	Jun-26	Jun-25	% Change	Jun-26	Jun-25	% Change
AIRTEL	10.65	22.41	↓ -52.48%	3.50	2.00	↑ 75.00%
BHL	0.13	3.32	↓ -96.08%	0.00	0.00	N/A
ICON		12.73	N/A	0.31	0.15	↑ 106.67%
MPICO	13.25	7.60	↑ 74.34%	0.00	0.00	N/A
STANDARD	67.47	48.39	↑ 39.43%	0.00	0.00	N/A
NBM	133.97	84.12	↑ 59.26%	64.25	35.64	↑ 80.27%
NBS BANK	90.23	73.25	↑ 23.18%	0.00	4.70	↓ -100.00%
NICO	100.64	124.91	↓ -19.43%	0.00	6.00	↓ -100.00%
NITL	(26.97)	84.16	↓ -132.05%	0.00	5.00	↓ -100.00%
FDH BANK	86.42	60.28	↑ 43.36%	0.00	1.02	↓ -100.00%
TNM	11.56	7.97	↑ 45.04%	0.26	0.20	↑ 30.00%
SUNBIRD	6.00	5.46	↑ 9.89%	3.46	2.80	↑ 23.57%
PCL	138.56	94.39	↑ 46.80%	135.42	50.60	↑ 167.63%
	Net Profit/(Loss) (ZAR' billion)			Total Dividend (Per Share) (ZAR)		
Period (Half Year)	Jun-26	Jun-25	% Change	Jun-26	Jun-25	% Change
OMU	3.89	4.10	↓ -5.12%	40.00	37.00	↑ 8.11%
	Net Profit/(Loss) (US\$' million)			Total Dividend (Per Share) (US Cents)		
Period (Half Year)	Jun-26	Jun-25	% Change	Jun-26	Jun-25	% Change
FMBCH	86.29	72.89	↑ 18.38%	0.44	0.30	↓ -67.19%
TRADING STATEMENT						
AIRTEL	Expects that profit after tax for the half year ending June 2026 to be between 47% and 57% lower than corresponding period					
MPICO	Expects that profit after tax for the half year ending June 2026 to be between 62% and 80% higher than corresponding period					
PCL	Expects that profit after tax for the half year ending June 2026 to be between 37% and 57% higher than corresponding period					
TNM	Expects that profit after tax for the half year ending June 2026 to be between 35% and 55% higher than corresponding period					

OTHER MARKET DEVELOPMENT

EU Commits €143 Million to Malawi, With Wider Team Europe Portfolio Estimated at €1.5 Billion (Source: European Union)

The European Union has committed €143 million (approximately MK287 billion) to Malawi's agriculture, energy, education, skills development and social protection sectors, alongside €13 million (approximately MK26 billion) in direct budgetary support, representing approximately 1.6% of Malawi's total expected grant inflows for 2026/27, a modest but meaningful slice of the government's external financing plans, particularly given ongoing pressure with reduction in donor commitments elsewhere. The funding forms part of the EU's €497 million bilateral cooperation envelope and wider €1.5 billion Team Europe portfolio. The continued support provides an additional financing buffer for Malawi and signals sustained donor engagement, although the impact on fiscal stability and development will depend on effective implementation and the evolution of broader donor support.

El Niño Preparedness Measures (Source: Ministry of Finance).

The Government of Malawi has developed the 2026/27 National El Niño Preparedness Plan to address forecast risks of below-normal rainfall and dry spells in the Southern Region between October 2026 and March 2027. Coordinated by the Department of Disaster Management Affairs (DoDMA), the Plan covers 14 priority clusters, including agriculture, food security, health, water, and energy, with a preliminary financing requirement of MK488.5 billion, against which MK163.7 billion has already been mobilized, leaving a gap of MK324.8 billion. Key measures include securing 440,000 metric tons of maize, pre-positioning supplies, strengthening early-warning systems, and financing drought insurance to safeguard food security and livelihoods.

Tobacco Sales (Source: AHL & TC).

Malawi's tobacco market generated US\$35.11 million in the month of August from the sale of 19.35 million kilograms of leaf at an average price of US\$1.85/kg,

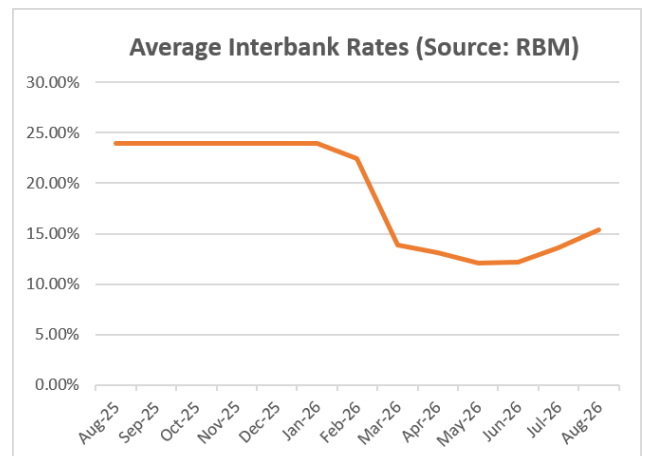
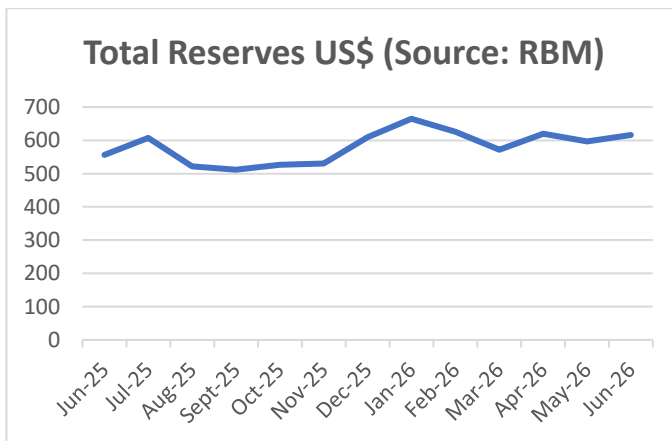
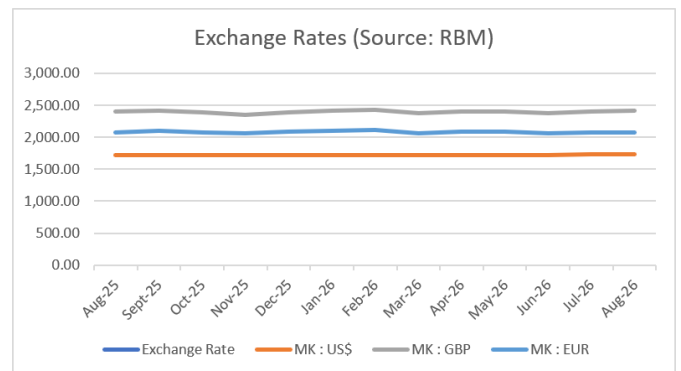
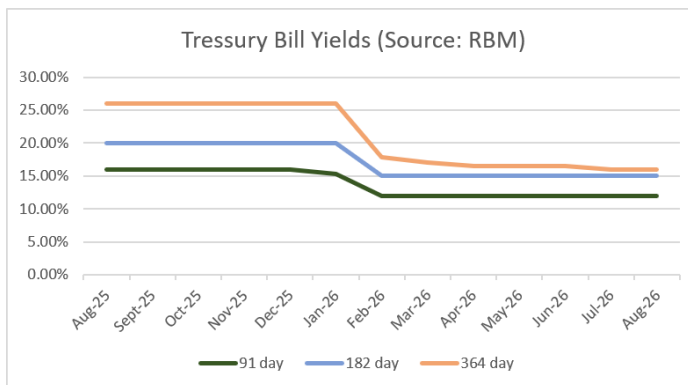
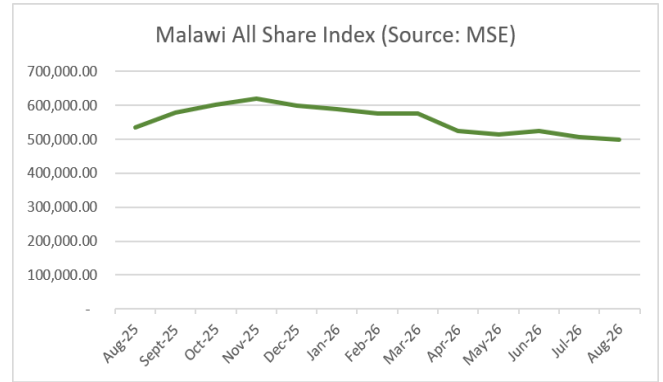
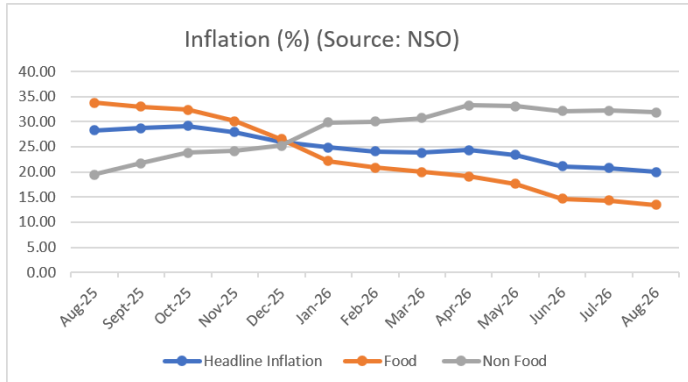
compared with US\$80.75 million generated in July from the sale of 42.74 million kilograms at an average price of US\$1.89/kg, representing a 56.52% decline in revenue. Compared with the same period in 2025, when 24.81 million kilograms were sold at an average price of US\$2.52/kg, generating US\$62.93 million in revenue, the month recorded a 5.46-million-kilogram decline in volumes and an estimated US\$21.85 million shortfall in revenue.

Maize prices (Source: IPFRI).

The national average retail price rose by 20% from K803/kg in the final week of July to K960/kg in the final week of August, pushing prices in the Southern Region above the government-set minimum farm gate price of K900/kg. All markets in the Northern Region remained below this threshold, suggesting that northern farmers who sold maize in July likely did so below the official benchmark, potentially constraining farm incomes. Compared with August 2025, when the national average retail price stood at K1,358/kg, current prices were 29.3% lower, reflecting continued relatively improved supply conditions.

Regional price movements remained uneven, though all regions saw increases. Between the final weeks of July and August, maize prices rose by 17 percent in the Southern Region, 22 percent in the Central Region, and 19 percent in the Northern Region, resulting in average prices of K1,037/kg, K941/kg, and K751/kg in the regions, respectively, by month's end. The typical pattern of lowest prices in the North and highest in the South continued to hold. Cross-border imports continued to dominate maize trade through most monitored border points, with import parity prices remaining below domestic retail prices despite the continued depreciation of the Malawi kwacha against the Zambian kwacha. This continued to exert downward pressure on domestic maize prices, moderating (though not preventing) the upward price trend.

TREND GRAPHS



GLOBAL DEVELOPMENTS

Economic Growth

According to the World Bank's *Global Economic Prospects (June 2026)*, global growth is projected to slow from 2.9% in 2025 to 2.5% in 2026, before recovering to 2.8% in 2027–28. However, the July outlook was complemented by the IMF's *July 2026 World Economic Outlook Update*, which projects global growth at 3.0% in 2026 and 3.4% in 2027, broadly unchanged from its April assessment. The IMF noted that the global economy has remained resilient to the Middle East conflict, with AI-related investment and technology demand partly offsetting the drag from higher energy costs and disrupted trade. Nevertheless, global disinflation has stalled, while renewed conflict, financial market repricing, trade fragmentation and commodity supply disruptions remain key downside risks.

The United States remains relatively resilient, with the IMF projecting growth of 2.3% in 2026 and 2.2% in 2027, supported by fiscal policy, accommodative financial conditions and continued technology-related investment. The Euro area is projected to grow by 0.9% in 2026 and 1.2% in 2027, with higher energy prices and weak consumer confidence weighing on activity despite some fiscal cushioning. China's growth is forecast at 4.6% in 2026 and 4.1% in 2027, reflecting higher global oil prices, external uncertainty and structural headwinds, although high-tech manufacturing and exports continue to provide support.

Growth in emerging markets and developing economies (EMDEs) is projected at 3.8% in 2026 before strengthening to 4.5% in 2027. The July outlook remains uneven, with energy exporters and economies integrated into global technology value chains benefiting from favorable terms of trade and AI-driven demand, while energy-importing and financially constrained economies face greater pressure from higher input costs and tighter financial conditions. From an actuarial and investment perspective, this divergence increases the importance of country-specific risk assessment, particularly regarding inflation persistence, sovereign credit quality, exchange-rate volatility and the sustainability of investment returns.

Global Oil

Global oil prices strengthened during August 2026, with the OPEC Reference Basket (ORB) increasing by \$3.45 per barrel month-on-month to average \$86.44 per barrel. Brent crude prices rose by 4.9% to

average \$88.08 per barrel, while West Texas Intermediate (WTI) increased by 4.08% to average \$82.45 per barrel. The gains reflected strong demand for prompt-loading cargoes, including from Asian refiners, alongside persistent supply concerns and reduced global crude availability, which supported prompt-month prices relative to forward prices. Hedge funds and money managers grew more bullish over the month, lifting combined Brent and WTI net long positions by 12%. OPEC's global economic growth forecast remained unchanged at a robust 3.0% for 2026, accelerating to 3.2% in 2027, underpinned by strong non-OECD Asian growth. India's GDP expanded by more than 8% year-on-year in the first half of 2026, while China grew 4.7% year-on-year over the same period.

On the demand side, OPEC revised its forecast for global oil demand growth in 2026 slightly lower to 0.4 million barrels per day (mb/d) which would leave total 2026 consumption at roughly 105.84 mb/d, with the latest downgrade driven by China and other parts of Asia-Pacific along with the Middle East. Demand growth for 2027 was revised upward to about 2.4 mb/d, with the OECD contributing 0.4 mb/d and non-OECD demand expanding by around 2 mb/d. Global oil supply is expected to remain robust, with production from non-OPEC + (non-DoC) countries forecast to grow by 0.6 mb/d in 2026, unchanged from the prior month's assessment and led by Brazil, the United States, Canada and Argentina; in 2027, non-DoC growth of a further 0.6 mb/d is expected to be driven instead by Qatar, Canada, Brazil and Argentina. Meanwhile, crude oil production by OPEC+ (DoC) countries increased by 0.30 mb/d in August to average about 38.05 mb/d, according to secondary sources, and demand for DoC crude was revised up to 42.2 mb/d for 2026 and 43.9 mb/d for 2027.

Currency Movements

The GBP/USD pair continued to strengthen during August, rising by approximately 0.4% from 1.348 at end-July to 1.354 at month-end. Sterling's advance was driven primarily by broad US dollar weakness rather than domestic UK strength, following a soft US July payrolls report that reduced expectations of further Federal Reserve tightening. GBP/USD traded as high as approximately 1.35 by the second week of August, within striking distance of its 2026 peak. The Federal Reserve held its policy rate at 3.50%-3.75% throughout the month, while the Bank of England maintained its rate at 3.75%, leaving a narrow BoE to Fed rate gap that kept the pair sensitive to incoming US data releases.

The EUR/USD pair also extended its gains in August, rising by 1.0% from 1.1485 at end-July to 1.1596 at month-end (Banque de France official rate), building on July's advance. The euro remained supported by the European Central Bank's hold at a 2.25% deposit rate (following its June hike, its first since September 2023), while the broader US dollar softened on reduced Fed tightening expectations following weaker US labor-market data. EUR/USD traded around 1.153 in early August before extending its climb through the rest of the month.

The GBP/EUR pair was essentially flat over August, easing marginally by 0.1%, from 1.1687 at end-July to 1.1676 at month-end. Sterling drifted gently off that high through August as the euro held firm against most peers, even as GBP/USD continued advancing. The pair traded in a range of roughly 1.167–1.169 through the second half of the month. Overall, currency movements during August remained driven primarily by the diverging paths of the Fed, BoE and ECB, softer US employment data, and continued sensitivity to Middle East-related energy and geopolitical risk.

Global Trade

Global trade showed early strain in August as Middle East conflict effects, flagged as a risk in July, began appearing in hard data. The International Trade Centre (ITC) reported in early August that April 2026 data already showed a 95% drop in LNG exports and an 83% drop in urea fertilizer exports from Strait of Hormuz-dependent economies, with Japan's oil imports from those suppliers down 64%. A parallel UNCTAD dashboard showed Hormuz vessel transits down 95.3% since the conflict began, with food prices up 6% and European crude up 53% over the same period. Alternative suppliers only fully offset the shortfall for 2 of 12 tracked goods, suggesting

markets are drawing down reserves rather than substituting lost supply.

Despite this, headline sentiment held up: the WTO's Goods Trade Barometer stayed above its neutral 100-point threshold, supported by strong AI-related electronics demand (global goods trade up 4.6% year-to-date, aided by ~US\$3 trillion in low/zero-tariff chip agreements). The WTO kept its 2026 baseline forecast at 1.9% growth but warned that with oil already above its US\$90/barrel trigger point, growth could slow to 1.4% if prices stay elevated.

Trade-policy uncertainty stayed elevated, though no WTO-IMF Trade Policy Activity Index update was published beyond its most recent reading in May 2026.

Looking ahead, prospects remain tied to the Hormuz disruption, energy prices and trade policy. AI demand offset some pressure in August, but shipping, fertilizer and energy disruptions are now showing up in actual flows rather than remaining forecast risks. This shift from anticipated to realized disruption raises near-term uncertainty around supply-chain costs, corporate earnings and valuations, particularly for import-dependent, fertilizer-reliant Agri-economies like Malawi.

Interest Rate Movements

The US Treasury yield (10-Year) remained at 4.75% in August 2026 unchanged from July 2026.

	Aug-26	Jul-26	Aug-25	Change 1 month	Change 12 months
US Fed Rate	3.75%	3.63%	4.33%	↑ 3.31%	↓ -13.39%
US Treasury yield (10 years)	4.75%	4.75%	4.26%	→ 0.00%	↑ 11.50%
BOE Rate	3.75%	3.75%	4.00%	→ 0.00%	↓ -6.25%
ECB Rate	2.25%	2.15%	2.15%	↑ 4.65%	↑ 4.651%

(Source: US Federal Reserve, Refinitiv)

REGIONAL MARKET DEVELOPMENT

Sub-Saharan Africa (SSA)

The World Bank's *Global Economic Prospects, June 2026* report maintained its outlook for Sub-Saharan Africa (SSA), with growth estimated at 4.1% in 2025 and projected at 4.0% in 2026 before strengthening to an average of around 4.4% in 2027–28. The regional outlook remains supported by improved agricultural output, easing inflation, gradual monetary policy relaxation and stronger commodity production. However, growth remains vulnerable to weaker external demand, elevated energy costs and tighter global financial conditions. During July, the economic effects of the Middle East conflict continued to present downside risks, particularly through higher energy, food and fertiliser costs. As most SSA economies are net energy importers, sustained cost pressures could weaken household purchasing power, increase production costs and constrain the pace of disinflation and monetary easing.

Fiscal and debt pressures also remained significant during July, with high borrowing costs, elevated debt-service obligations and limited concessional financing constraining fiscal space, particularly among low-income economies. The regional outlook therefore remains sensitive to changes in global financial conditions, commodity prices and geopolitical developments. Nevertheless, structural reforms in major economies, deeper regional integration through the African Continental Free Trade Area and rising demand for critical minerals associated with the energy transition and artificial intelligence provide potential sources of medium-term growth. The combination of moderate growth and elevated external risks continues to warrant close monitoring of inflation, sovereign credit risk, exchange-rate pressures and the sustainability of investment returns across SSA markets.

Zambia

Zambia's headline inflation slowed to 6.2% in August 2026, down from 6.5% in July. The Zambian Kwacha closed the month at ZK18.97/US\$1. According to the IMF, Zambia's economic growth is projected at 5.8% in 2026.

Zimbabwe

Zimbabwe's annual ZiG inflation reduced to 2.9% in August from 3.2% in July. The ZiG closed the month at ZiG26.63/US\$1. According to the IMF, economic growth is projected to be approximately 5.0% in 2026.

Uganda

Uganda's headline inflation increased slightly to 4.1% in August from 4.0% in July 2026. The Ugandan Shilling closed the month at UGX3,788.00/US\$1. The IMF has projected that the economy of Uganda will grow at 7.5% in 2026.

Tanzania

Tanzania's headline inflation rate edged up to 4.3% in August from 4.2% in July. The Tanzanian Shilling closed at TSh2,645.50/US\$1 in August. The IMF has projected that the economy of Tanzania will grow at 5.9% in 2026, though official 1Q 2026 growth stood at 6.0%.

South Africa

The headline inflation rate inched up slightly to 4.4% in August from 4.3% in July. The South African Rand closed the month at ZAR16.11/US\$1. The IMF has projected the economic growth outlook for South Africa to grow at 1.1% in 2026.

OUTLOOK FOR AUGUST AND BEYOND – MALAWI

Exchange Rates

Malawi's official exchange rate remained broadly stable against the US dollar during August, with the Kwacha closing the month at around MWK1734.01 per US dollar, while the parallel market rate remained significantly higher at MK4,000.00 per US Dollar reflecting continued foreign exchange shortages and pressure on the currency. During the month, the Kwacha depreciated against the Euro, South African Rand and British Pound, while remaining broadly unchanged against the US dollar. Foreign exchange reserves stood at US\$616.30 million, equivalent to 2.5 months of import cover, by the end of June, providing some improvement in external liquidity compared with the previous month. However, continued foreign exchange shortages and the persistent gap between official and parallel market rates remain key vulnerabilities for the external sector.

The stability of the Kwacha against the US dollar remains positive for Malawi, particularly as key imports such as fuel, fertiliser and machinery are predominantly invoiced in US dollars. This stability helps contain import costs and provides some support to domestic price stability. However, the depreciation against the Euro, British Pound and South African Rand could increase the cost of imports from these trading partners, placing additional pressure on businesses and consumers reliant on imported goods.

POSSIBLE IMPACT: *Persistent foreign exchange shortages and the wide gap between the official and parallel market rates continue to expose the Kwacha to depreciation risks. Reduced tobacco export receipts coupled with continued import demand and a weak export base could put pressure on the currency and constrain the availability of foreign exchange.*

Inflation

Malawi's year-on-year headline inflation declined to 20.0% in August from 20.8% in July driven by decline in both food and non-food inflation. Food inflation decreased from 14.3% to 13.4% as non-food inflation decreased from 32.2% to 31.8%. This decrease can be attributed to a reduction in the prices of some food items such as maize grains and its products, for example, maize flour, rice, and vegetables as well as

a decline in transport cost attributed to a drop in Diesel (and Kerosene) prices in the month.

Inflation is expected to remain on a moderating path over the coming months, supported by improved food availability following the stronger 2026 harvest. However, the onset of the lean season is likely to place some upward pressure on maize prices as household stocks decline and market dependence increases, although improved production should cushion the seasonal increase. Fuel prices present an additional upside risk, as continued conflict in the Middle East has kept international oil prices elevated, potentially increasing transport and production costs. Consequently, the pace of disinflation may moderate, with improved domestic food supply providing support while external energy pressures remain a key risk.

Despite the improving outlook, inflationary risks remain. Exchange rate depreciation, elevated non-food inflation, adverse weather conditions that could affect future agricultural production, and fluctuations in global commodity and energy prices could slow the pace of disinflation. Therefore, while headline inflation is expected to continue declining, the pace may remain gradual, with inflation likely to stay above the Reserve Bank of Malawi's medium-term target in the near term.

POSSIBLE IMPACT: *Lower inflation is expected to improve household purchasing power and support consumer spending. However, persistent non-food inflation and exchange rate pressures may keep the Reserve Bank of Malawi cautious, delaying monetary policy easing and keeping interest rates elevated in the near term.*

External Sector

The merchandise trade deficit widened to US\$340.8 million in June 2026, from US\$322.5 million in May 2026 and US\$237.9 million in June 2025. The deterioration reflected an 8.5% increase in imports to US\$397.4 million, which outweighed a 29.2% rise in exports to US\$56.6 million. Consequently, the export-to-import ratio remained low at 0.14, indicating that export proceeds financed only about 14% of import payments and highlighting Malawi's continued dependence on imports.

Total exports increased by 29.2% from US\$43.8 million in May 2026 to US\$56.6 million in June 2026, although they remained below the US\$73.6 million recorded in June 2025. The monthly improvement was mainly driven by higher earnings from tobacco, pulses, tea and sugar, reflecting increased activity during the tobacco marketing season. By the end of June, tobacco sales had generated US\$174.1 million from 84.1 million kilograms at an average price of US\$2.07 per kilogram, providing an important source of foreign exchange.

Meanwhile, total imports increased by 8.5% to US\$397.4 million in June 2026 from US\$366.2 million in May and were also higher than the US\$311.5 million recorded in June 2025. The increase was largely driven by higher imports of pharmaceuticals, plastics and cement, while fuel and fertilizer imports declined during the month. Despite the wider trade deficit, total foreign exchange reserves increased to US\$616.3 million, equivalent to 2.5 months of imports, from US\$596.5 million in May, while the Malawi kwacha remained stable against the US dollar at K1,749.93 per US dollar at end-June.

Looking ahead, Malawi's external sector is expected to remain under pressure as import demand continues to exceed export earnings, although the tobacco marketing season and improved export receipts could support foreign exchange inflows. The wider trade deficit and continued reliance on imported fuel, machinery and industrial inputs remain key vulnerabilities, particularly amid elevated global commodity and energy prices. Sustained improvement will therefore depend on export diversification, stronger foreign exchange generation and continued accumulation of reserves.

POSSIBLE IMPACT: *The widening trade deficit may exert pressure on foreign exchange reserves and the exchange rate over time, although stronger tobacco receipts and the recent improvement in reserves provide some near-term cushioning.*

Monetary Policy

The Monetary Policy Committee (MPC) met on 29-30 July 2026 and maintained the Policy Rate at 24.0% while also maintaining the Liquidity Reserve Requirement (LRR) on local currency deposits at 12.0% and the 3.75% requirement for foreign currency deposits. The Committee considered the policy stance appropriate to contain excess liquidity, sustain the disinflation process and anchor inflation expectations. Although inflation is projected to average 22.0% in 2026, down from 28.4% in 2025, upside risks from geopolitical tensions, higher fuel

prices and exchange rate pressures continue to limit the scope for monetary easing, reinforcing the need for continued fiscal consolidation and structural reforms to support macroeconomic stability.

POSSIBLE IMPACT: *The tighter monetary policy stance is expected to reduce inflationary pressures and support exchange rate stability. However, higher borrowing costs and reduced liquidity may slow private sector investment and economic growth.*

Fiscal Policy

Malawi's 2026/27 national budget projects total expenditure of MK10.978 trillion (34.9% of GDP), against total revenue and grants of MK8.126 trillion (25.8% of GDP), resulting in a fiscal deficit of MK2.852 trillion (9.06% of GDP). Domestic revenue is estimated at MK6.454 trillion, although revenue mobilization remains a challenge as past performance has fallen below the targets set under the Domestic Revenue Mobilization Strategy (DRMS).

Fiscal pressures remain significant, with public debt projected at MK23.9 trillion, equivalent to 91% of GDP. Domestic debt interest payments account for the largest share of interest obligations, highlighting the risks associated with increased reliance on domestic borrowing. However, the budget shows efforts towards fiscal consolidation, with statutory obligations expected to decline from an average of 94.05% of domestic revenue between 2022/23 and 2025/26 to about 78.9% in 2026/27.

The budget places greater emphasis on productive sectors, allocating approximately MK395 billion (19.92% of the development budget excluding CDF) to Agriculture, Tourism, Mining and Manufacturing. Agriculture receives the largest share, while mining allocations have increased, reflecting efforts to support industrialization and economic diversification. Nevertheless, the report notes that stronger investment is still needed in areas such as manufacturing, structured markets, and value addition to achieve Malawi's long-term transformation goals under MW2063

POSSIBLE IMPACT: *The large fiscal deficit and high debt levels could increase government borrowing needs, placing upward pressure on interest rates. Continued fiscal pressures may also limit spending flexibility, while stronger investment in agriculture and productive sectors could support growth, improve*

food security, and reduce economic vulnerability if implementation is effective.

Economic Growth

Various institutions have revised their projections for the Malawian economy, and based on these revisions, the economy is expected to grow by an average of 2.45% in 2026. See table below:

Real GDP Growth Projections				
	2023	2024	2025	2026
EIU	1.60%	1.30%	1.60%	2.50%
IMF	1.50%	1.80%	2.40%	2.20%
WORLD BANK	1.40%	1.80%	1.90%	2.30%
GOVERNMENT	1.50%	1.70%	2.70%	2.80%
Average Real GDP	1.50%	1.65%	2.15%	2.45%

(Source: EIU, IMF, WBG, MoF)

The Government of Malawi has revised downward its 2026 growth projection to 2.8%, from 3.8%, reflecting downside risks from the ongoing conflicts in the Middle East and the continued closure of the Strait of Hormuz, which could constrain global oil supply and increase fuel and fertilizer costs. The anticipated El Niño weather conditions may further weigh on agricultural output and crop yields. Nevertheless, the revival of mining operations, expansion of manufacturing activity, tourism development, and investment in energy and infrastructure are expected to partly offset these risks by easing structural constraints, supporting economic activity, and underpinning a stronger and more sustainable growth trajectory.

Malawi's economic recovery remained modest during the first half of 2026, constrained by persistent foreign exchange shortages, elevated inflation, fiscal pressures and the lingering effects of weather-related shocks on agricultural production. Although growth

prospects improved slightly compared with 2025, economic activity continued to be weighed down by limited access to imported inputs, subdued private consumption and investment, and weak industrial production. Forecasts for 2026 generally place real GDP growth between 2.0% and 2.3%, with the IMF projecting 2.2%, the EIU 2.2%, and both the World Bank and African Development Bank around 2.3%.

The Reserve Bank of Malawi (RBM) continues to identify adverse weather conditions, foreign exchange shortages and inflationary pressures as key downside risks to growth. Nevertheless, improved tobacco marketing receipts during the 2026 season, together with continued progress toward the reopening of the Kayelekera uranium mine, are expected to strengthen export earnings over the medium term. Electricity supply has also shown gradual improvement as additional generation capacity, including renewable energy projects, is incorporated into the national grid, supporting activity in the manufacturing and services sectors. While import demand remains constrained by limited foreign exchange availability, imports are expected to recover gradually as macroeconomic conditions improve. At the same time, the government's commitment to fiscal consolidation under the IMF-supported program is expected to moderate public expenditure growth while helping restore macroeconomic stability over the medium term.

POSSIBLE IMPACT: *The improved growth outlook is expected to support higher investment, export earnings, and economic activity. However, persistent foreign exchange shortages, inflation, and fiscal pressures remain key risks that could constrain the pace of recovery.*

ECONOMIC RISKS

ECONOMIC RISK	IMPACT ON ECONOMY	MITIGATING MEASURES
Escalation of Geopolitical Conflicts (e.g., Russia-Ukraine, Middle East tensions)	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.	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	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.	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	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.	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	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.	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	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 disrupt transport and energy sectors.	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	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	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	1. Lower per capita income as resources stretches thin. 2. Overburdened public services (health, education). 3. Youth unemployment fuelling social instability.	1. Enhance family planning education and access. 2. Invest in education and skills training for youth. 3. Stimulate job creation in urban and rural areas.
Uncertainty in External Environment and Trade Protectionism	1. Falling demand for exports due to global slowdowns. 2. Reduced foreign investment amid protectionist policies. 3. Lower remittances as host economies tighten borders. 4. Barriers to accessing international finance.	1. Diversify export markets and products. 2. Strengthen domestic investment climate. 3. Negotiate trade deals to counter protectionism. 4. Build resilience through regional economic blocs

APPENDIX

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

	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
Exchange Rate													
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	2,400.41	2,410.82	2,385.74	2,344.69	2,387.63	2,415.26	2,426.20	2,382.32	2,402.65	2,407.74	2,381.38	2,408.94	2,418.11
MK : ZAR	100.81	102.35	103.41	103.67	105.96	109.79	111.62	106.77	107.98	108.31	108.99	108.85	110.65
MK : EUR	2,077.50	2,095.34	2,079.64	2,063.92	2,089.95	2,097.15	2,112.64	2,063.65	2,089.70	2,084.71	2,057.06	2,069.65	2,069.65
Forex reserves (Source: RBM)													
Total Reserves (US\$mn)	521.90	511.80	526.80	530.00	608.90	659.50	625.70	571.60	530.00	596.50	616.30		
Total Import Cover (months)	2.10	2.00	2.10	2.10	2.40	2.60	2.50	2.30	2.10	2.40	2.50		
% Inflation (NSO)													
Headline Inflation	28.23	28.69	29.11	27.91	26.02	24.87	24.09	23.82	24.30	23.35	21.12	20.80	20.00
Food	33.74	33.01	32.38	30.13	26.48	22.12	20.83	20.00	19.08	17.63	14.68	14.30	13.40
Non Food	19.46	21.70	23.78	24.20	25.22	29.85	30.05	30.74	33.23	33.04	32.12	32.20	31.80
Interbank Rates (Source: RBM)													
Monetary Policy Rate	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Average Interbank Rate	23.98%	23.98%	23.98%	23.98%	23.98%	23.98%	22.42%	13.87%	13.17%	12.08%	12.18%	13.60%	15.43%
Average Base Lending Rates	25.40%	25.30%	25.40%	25.30%	25.30%	25.20%	23.70%	22.40%	22.80%	22.60%	22.40%	20.50%	20.80%
Treasury Bill Yields (Source: RBM)													
91 day	16.00%	16.00%	16.00%	16.00%	16.00%	15.25%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
182 day	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
364 day	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	17.89%	17.00%	16.50%	16.50%	16.50%	16.00%	16.00%
Stock Market Indices (Point) (Source: MASI)													
ASI	535,303.19	579,212.79	602,600.89	619,709.36	598,062.80	588,918.94	574,679.80	575,320.68	524,387.05	513,462.78	524,002.31	505,773.08	499,484.85
DSI	535,303.19	441,898.89	437,930.45	417,628.19	405,749.03	406,964.07	402,723.18	403,989.25	394,615.70	391,735.45	391,195.33	374,826.29	369,247.89
FSI	81,906.38	94,071.23	124,300.17	167,481.69	158,350.47	146,972.95	136,674.36	135,842.57	92,021.47	83,672.89	95,724.37	95,718.04	95,651.22
Fuel Prices per Litre (Source: MERA)													
Petrol	2,530.00	2,530.00	3,499.00	3,499.00	3,499.00	4,965.00	4,965.00	4,965.00	6,972.00	6,972.00	5,619.00	5,619.00	5,619.00
Diesel	2,734.00	2,734.00	3,500.00	3,500.00	3,500.00	4,945.00	4,945.00	4,945.00	6,687.00	6,687.00	6,306.00	6,306.00	5,863.00
Paraffin	1,910.00	1,910.00	1,910.00	1,910.00	1,910.00	3,822.00	3,822.00	3,822.00	5,709.00	5,709.00	4,771.00	4,771.00	4,389.00

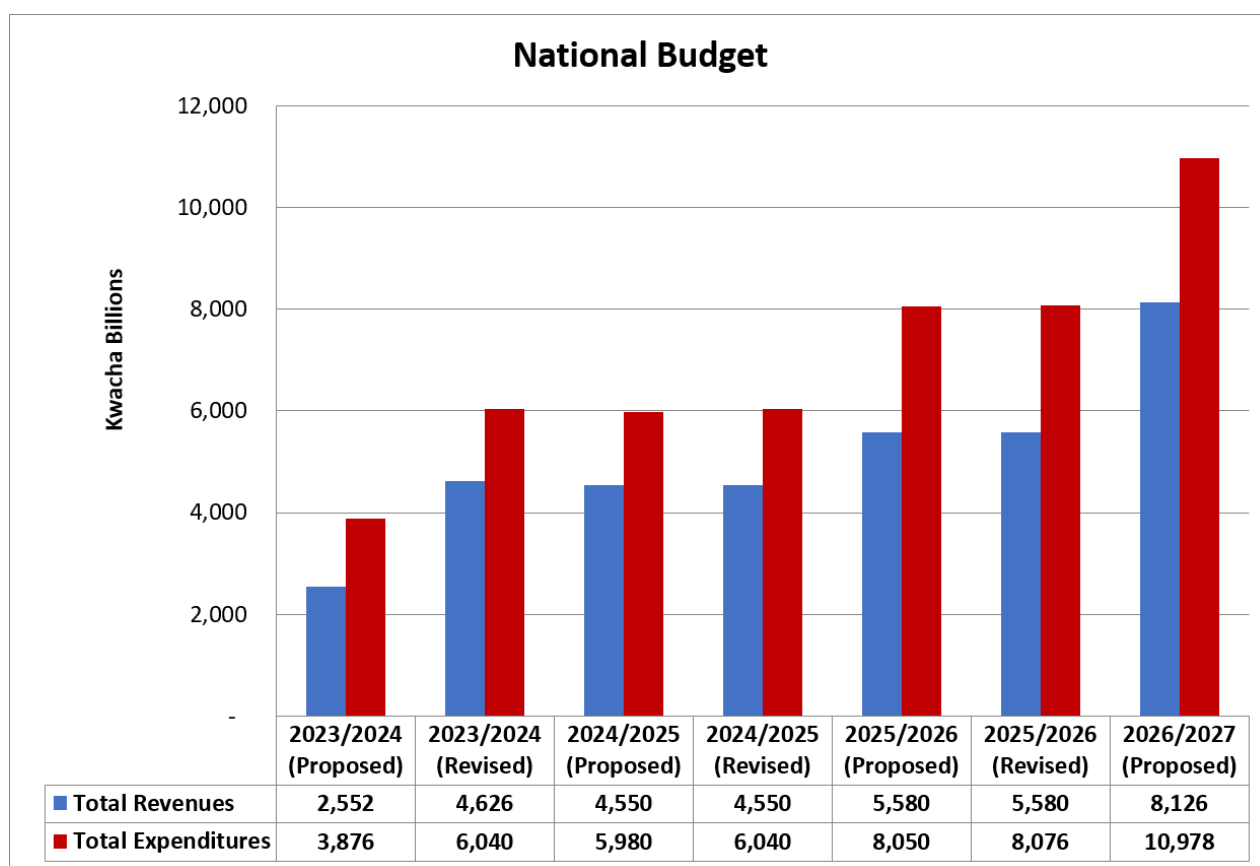
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia and Mozambique

	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26
TANZANIA													
Exchange rate													
US\$	2,463.28	2,442.85	2,451.64	2,436.80	2,447.46	2,518.05	2,542.45	2,577.40	2,601.98	2,609.21	2,623.52	2,649.75	2,639.88
GBP	3,316.07	3,285.14	3,260.44	3,222.91	3,303.59	3,461.57	3,427.22	3,416.70	3,506.43	3,504.17	3,474.59	3,536.99	3,586.01
ZAR	139.12	141.45	142.01	142.21	147.15	157.49	159.69	150.54	155.43	160.80	159.59	161.54	164.85
EUR	2,874.16	2,870.83	2,854.69	2,820.59	2,877.97	3,000.01	3,002.38	2,966.07	3,040.68	3,038.95	2,992.12	3,011.78	3,074.40
Inflation %	3.40	3.40	3.50	3.40	3.60	3.30	3.20	3.20	4.00	4.20	4.00	4.20	4.30
UGANDA													
Exchange rate													
US\$	3,549.50	3,492.30	3,480.00	3,629.00	3,623.10	3,603.20	3,603.30	3,762.90	3,761.00	3,769.90	3,659.40	3,691.34	3,770.00
GBP	4,790.05	4,685.76	4,577.94	4,809.19	4,877.28	4,866.62	4,855.94	4,968.04	5,111.41	5,079.10	4,867.98	4,850.00	5,106.28
EUR	4,145.00	4,089.50	4,014.50	4,213.00	4,251.00	4,212.50	4,254.00	4,340.00	4,407.50	4,399.50	4,192.00	4,225.00	4,368.49
Inflation %	3.80	4.00	3.40	3.10	3.10	3.20	2.90	2.80	3.00	3.20	3.70	4.00	4.10
ZAMBIA													
Exchange rate													
US\$	23.58	23.87	22.20	22.97	22.14	19.75	18.80	19.12	18.79	18.39	18.08	18.88	19.02
GBP	32.10	32.10	29.22	30.29	29.78	27.06	25.39	25.30	25.69	24.73	24.10	25.00	25.77
ZAR	1.35	1.39	1.28	1.34	1.34	1.23	1.18	1.14	1.13	1.13	1.10	1.10	1.18
Inflation %	12.60	12.30	11.90	10.90	11.20	9.40	7.50	7.10	6.80	6.60	6.50	6.50	6.20
MOZAMBIQUE													
Exchange Rate													
US\$	63.87	63.91	63.62	63.62	63.90	63.59	63.91	64.59	63.91	64.59	64.60	63.91	63.91
ZAR	3.62	3.71	3.69	3.73	3.86	3.96	4.02	3.72	3.78	3.92	3.88	3.96	3.97
EUR	74.66	74.99	73.73	74.20	74.69	75.71	75.57	73.48	74.62	74.14	72.65	87.18	73.82
Inflation%	4.79	4.93	4.83	4.38	3.23	3.04	3.20	3.40	4.41	7.22	7.51	9.25	6.45

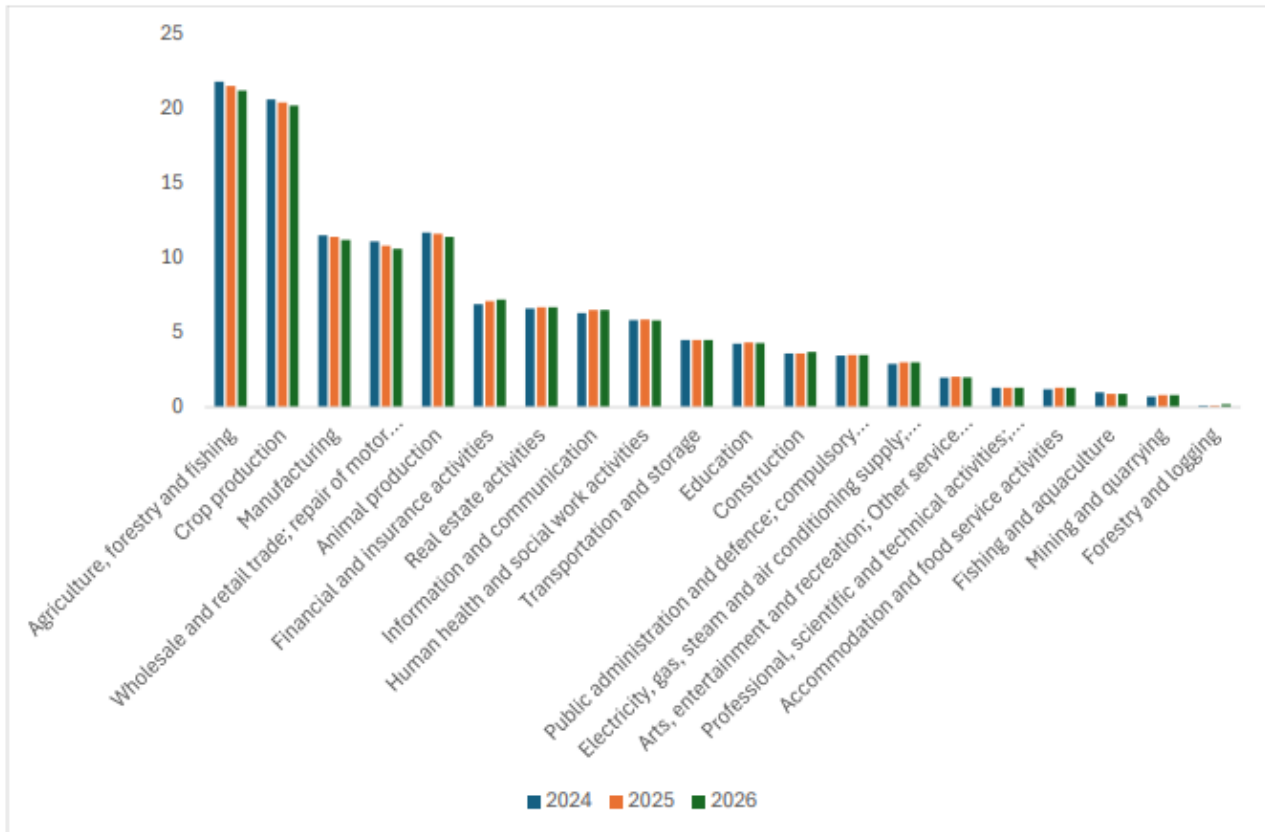
(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

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

K' Billion	2022/2023 (Revised)	2023/2024 (Proposed)	2023/2024 (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	5,528	8,126
Domestic revenues	1,628	2,240	3,386	3,380	3,380	3,386	4,545	
Grants		312	1,240	1,170	1,170	1,140		
Budgetary support								
Earmarked grants								
Total Expenditure	3,040	3,876	6,040	5,980	6,040	8,050	8,430	10,978
Recurrent expenditure		2,980	4,456		2,217	6,040	6,667	
Wages & Salaries						1,530		
Interest on debt						2,170		
Investment Expenditure		896	1,581	1,770	1,770	2,010		
Deficit/Surplus	(1,010)	(1,325)	(1,414)	(1,430)	(1,490)	(2,470)	(2,902)	(2,852)
Deficit as a % of Revenue	-50%	-52%	-31%	-31%	-33%	-44%	-52%	-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: Global Projections (Source: World Bank)

	2023	2024	2025e	2026f	2027f	2028f	2026f	2027f
World	2.8	2.9	2.9	2.5	2.8	2.8	-0.1	0.1
Advanced economies	1.6	1.8	1.8	1.5	1.8	1.7	-0.1	0.2
United States	2.9	2.8	2.1	2.2	2.1	2.0	0.0	0.2
Euro area	0.5	1.0	1.4	0.8	1.3	1.3	-0.1	0.1
Japan	0.7	-0.2	1.1	0.7	0.9	0.8	-0.1	0.1
Emerging market and developing economies	4.3	4.4	4.4	3.6	4.2	4.1	-0.4	0.1
East Asia and Pacific	5.2	5.0	5.0	4.2	4.4	4.3	-0.2	0.1
China	5.4	5.0	5.0	4.2	4.3	4.2	-0.2	0.1
Indonesia	5.0	5.0	5.1	5.0	5.2	5.2	0.0	0.0
Thailand	2.2	2.9	2.4	1.7	2.1	2.4	-0.1	-0.4
Europe and Central Asia	3.6	3.9	2.5	2.1	2.3	2.6	-0.3	-0.4
Russian Federation	4.1	4.9	1.0	0.8	0.7	0.7	0.0	-0.3
Türkiye	5.0	3.3	3.6	2.8	3.7	4.3	-0.9	-0.7
Poland	0.2	3.2	3.6	3.1	2.6	2.9	-0.1	-0.3
Latin America and the Caribbean	2.3	2.3	2.3	2.2	2.5	2.6	-0.1	-0.1
Brazil	3.2	3.4	2.3	1.9	2.0	2.2	-0.1	-0.3
Mexico	3.1	1.4	0.6	1.3	1.7	1.9	0.0	-0.1
Argentina	-1.9	-1.3	4.4	3.6	3.7	3.5	-0.4	-0.3
Middle East, North Africa, Afghanistan, and Pakistan	2.0	2.9	4.0	1.6	5.0	4.0	-2.7	0.7
Saudi Arabia	0.5	2.6	4.5	3.1	4.9	3.7	-1.2	0.5
United Arab Emirates	4.3	6.6	6.2	2.4	4.1	4.2	-2.6	-1.0
Egypt, Arab Rep. ²	3.8	2.4	4.4	4.6	4.0	4.6	0.3	-0.8
South Asia	6.6	6.8	7.0	6.3	6.9	7.1	0.1	0.4
India ²	7.2	7.1	7.7	6.6	7.2	7.0	0.1	0.6
Bangladesh ²	5.8	4.2	3.5	3.8	4.6	5.5	-0.8	-1.5
Sri Lanka	-2.0	5.0	5.0	3.6	3.8	3.9	0.1	0.7
Sub-Saharan Africa	3.0	3.8	4.1	4.0	4.4	4.5	-0.3	-0.1
Nigeria	3.3	4.1	4.0	4.1	4.2	4.3	-0.3	-0.2
South Africa	0.8	0.5	1.1	1.0	1.5	1.7	-0.4	0.0
Ethiopia ²	7.2	8.1	9.2	8.0	6.9	8.4	0.9	-0.8
Memorandum items:								
Real GDP¹								
High-income countries	1.7	1.9	1.9	1.5	1.9	1.8	-0.2	0.1
Middle-income countries	4.7	4.5	4.6	3.9	4.3	4.3	-0.3	0.0
Low-income countries	1.2	3.7	5.0	5.4	5.6	5.4	-0.3	0.0
EMDEs excluding China	3.6	4.0	3.9	3.2	4.1	4.1	-0.6	0.1
Commodity-exporting EMDEs	2.9	3.5	3.3	2.4	3.5	3.3	-0.9	0.1
Commodity-importing EMDEs	5.0	4.8	4.8	4.2	4.5	4.5	-0.2	0.1
Commodity-importing EMDEs excluding China	4.3	4.5	4.5	4.1	4.7	5.0	-0.2	0.0
EM7	5.2	4.9	4.6	3.9	4.2	4.2	-0.2	0.1
World (PPP weights) ³	3.2	3.4	3.5	2.9	3.4	3.4	-0.3	0.1
World trade volume ⁴	0.4	3.8	4.8	2.9	3.3	3.1	0.7	0.6

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Contact Us



Head Office

NICO Asset Managers Limited
19 Glyn Jones Road
Chibisa House
P.O Box 3173
Blantyre
Tel no: 01 832 085/086
Fax no: 01 821617
Email: invest@nicoassetmanagers.com

Lilongwe Branch

NICO Asset Managers Limited
Umodzi Park
Chilembwe Road
P.O Box 30729
Lilongwe 3
Tel no: 01 757 085/086
Fax no: 01 821 617
Website: www.nicoassetmanagers.com