

## Foreign exchange market developments

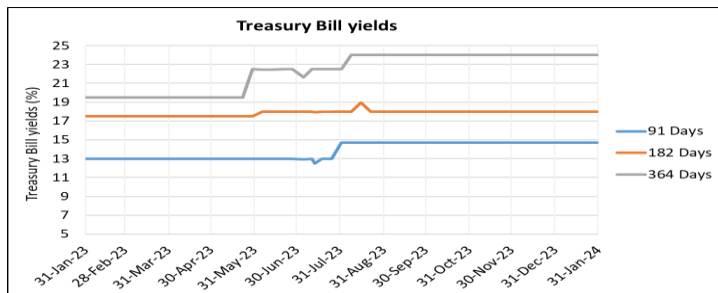
During the week, the Kwacha appreciated against the USD but depreciated against the GBP, EUR and ZAR as indicated in the table below:

Closing TT middle exchange rates as at the end of the week				
Currency	2-Feb-24	% Δ	26-Jan-24	
USD	1696.3262	↑ -0.17%	1699.1459	
GBP	2224.0415	↓ 0.08%	2222.2386	
EUR	1899.8981	↓ 0.23%	1895.4667	
ZAR	93.4389	↓ 1.15%	92.3787	
Opening foreign exchange bureaux middle rates as at 25 January 2024				
Currency	2-Feb-24	% Δ	26-Jan-24	
USD	1922.7083	↑ -0.04%	1923.5417	
GBP	2378.3333	↓ -0.07%	2379.8958	
EUR	2072.6042	↓ 0.02%	2072.1875	
ZAR	103.3750	↓ 0.12%	103.2500	
Foreign exchange reserves position				
	30-Nov-23	31-Oct-23	30-Sep-23	
Gross official foreign exchange reserves (USD'm)	169.50	168.30	242.68	
Gross official reserves import cover (months)	0.70	0.70	0.97	
Benchmark import cover for official reserves (months)	3.00	3.00	3.00	
Private sector foreign exchange reserves (USD'm)	413.20	396.90	409.46	
Private sector reserves import cover (months)	1.70	1.60	1.64	
Total economy foreign exchange reserves (USD'm)	582.70	566.20	652.14	
Total economy import cover (months)	2.30	2.30	2.61	

Data source: Reserve Bank of Malawi (RBM)

## Government securities

The Government raised K119.22m from auction of Treasury Bills and K5.52b from auction of a 5-year Treasury Note during the week. Maturities of Government securities for the week amounted to K7.68b, resulting in a net injection of K2.04b into the market, compared to a net injection of K62.16b in the previous week (Source: RBM).

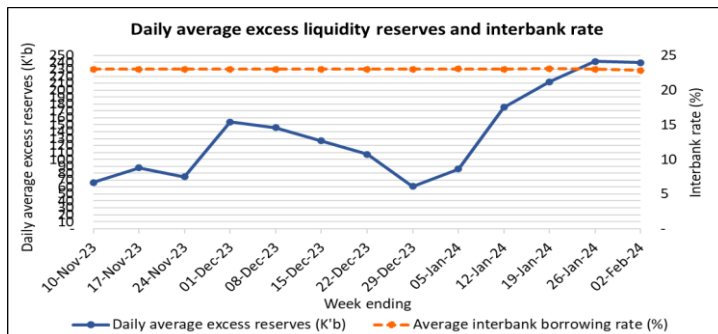


Treasury Bill auctions				
Auction date	30-Jan-24	% pts Δ	23-Jan-24	
Amount offered - cost value (K'm)	9,645.00	→ 0.00%	9,645.00	
Applied - cost value (K'm)	119.22	↓ -99.15%	13,973.05	
Allotted - cost value (K'm)	119.22	↓ -99.15%	13,973.05	
Overall rejection rate	0.00%	→ 0.00%	0.00%	
91 days yield	14.7000%	→ 0.0000%	14.7000%	
182 days yield	18.0000%	→ 0.0000%	18.0000%	
364 days yield	24.0000%	→ 0.0000%	24.0000%	
All-type yield	18.9000%	→ 0.0000%	18.9000%	
Treasury Note and Bond auctions				
Auction date	30-Jan-24	25-Jan-24	18-Jan-24	
Tenors	5 yr TN	10 yr TN	2, 5 & 10 yr TNs	
Coupon rate	12.50%	15.00%	10.00%, 12.50% & 15.00%	
Amount offered - cost value (K'b)	45.41			
Total applied - cost value (K'b)	5.52	8.09	0.19	
Total allotted - cost value (K'b)	5.52	8.09	0.19	
Allotted - weighted average ytm	30.00%	33.00%	26.75%, 30.00% & 33.00%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	26.75%	18-Jan-24	26-Mar-24	
3-year TN	28.00%	05-Jan-24	20-Feb-24	
5-year TN	30.00%	30-Jan-24	05-Mar-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	32.00%	05-Jan-24	27-Feb-24	
7-Year Development Bond	32.00%	16-Jan-24	TBA	
10-year TN	33.00%	25-Jan-24	06-Feb-24	
10-year Development Bond	23.35%	26-Apr-22	TBA	
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
06-Feb-24	10-year TN	39.73	15.00%	
20-Feb-24	3-year TN	45.41	11.00%	
27-Feb-24	7-year TN	49.95	13.50%	
05-Mar-24	5-year TN	48.33	12.50%	
12-Mar-24	3-year TN	53.41	11.00%	
26-Mar-24	2-year TN	60.22	10.00%	
Projected maturities				
Week ending	2-Feb-24	9-Feb-24	16-Feb-24	
TBs, PNs & TNs (K'm)	7,683	16,152	19,596	
OMO repos (K'm)	0	17,973	31,203	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

## Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K239.53b during the week from K241.64b in the previous week. Daily average interbank borrowing decreased to K30.99b from K37.20b. Borrowing on the Lombard facility decreased to the average of K35.00b per day from K56.80b per day in the previous week. The average interbank borrowing rate decreased to 22.83% from 23.03%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate			
Rate	27-Oct-23	% pts Δ	27-Jul-23
	24.00%	→ 0.00	24.00%
Market Reference Rate			
Rate	Feb-24	% pts Δ	Jan-24
	23.60%	→ 0.00	23.60%
Inflation Rate			
Rate	Dec-23	% pts Δ	Nov-23
	34.5%	↑ 1.40	33.1%

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.16% to close the week at 115,644.01 points from 115,827.94 points in the previous. The market traded 3,131,933 shares at a consideration of K417.21m in 198 trades, compared to 3,215,964 shares traded at a consideration of K459.10m in 206 trades in the previous week. The year-to-date return on MASI stood at 4.23% as at the end of the week compared to 11.06% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	02-Feb-24	% Δ	26-Jan-24	
MASI	115,644.01	↓ -0.16%	115,827.94	
DSI	86,359.86	↓ -0.28%	86,606.15	
FSI	21,124.59	↑ 0.50%	21,019.06	
Traded volume	3,131,933	↓ -2.61%	3,215,964	
Number of trades	198	↓ -3.88%	206	
Value of shares traded (K'm)	417.21	↓ -9.13%	459.10	
Market capitalisation (K'm)	6,259,012.47	↓ -0.15%	6,268,608.28	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	55.10	↑ 0.04%	55.08	
FMBCH	422.63	↑ 0.51%	420.50	
ILLOVO	1350.01	↑ 0.001%	1350.00	
NBM	2101.72	↑ 0.01%	2101.61	
NBS	114.96	↑ 0.15%	114.79	
NITL	411.43	↑ 0.03%	411.31	
PCL	2506.95	↑ 0.0004%	2506.94	
SUNBIRD	195.02	↑ 0.01%	195.00	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
FDHB	65.00	↓ -1.25%	65.82	
ICON	16.90	↓ -0.59%	17.00	
MPICO	14.89	↓ -0.53%	14.97	
NICO	204.36	↓ -0.51%	205.40	
TNM	16.00	↓ -4.76%	16.80	

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
ILLOVO	Final proposed	5.80	TBA	TBA	TBA

Annual/extraordinary* general meeting			
Company	Venue	Date	Time
BHL*	Ryalls Hotel, Blantyre	22-Feb-24	15:30 hrs
ILLOVO	Ryalls Hotel, Blantyre	29-Feb-24	14:00 hrs

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