

Foreign exchange market developments

During the week the Kwacha depreciated against USD but appreciated against GBP, EUR and ZAR as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week				
Currency	1-Nov-24	% Δ	25-Oct-24	
USD	1750.3114	↓ 0.01%	1750.1836	
GBP	2315.9507	↑ -0.92%	2337.3866	
EUR	1960.3398	↓ 0.77%	1945.3531	
ZAR	102.3331	↓ 0.45%	101.8726	

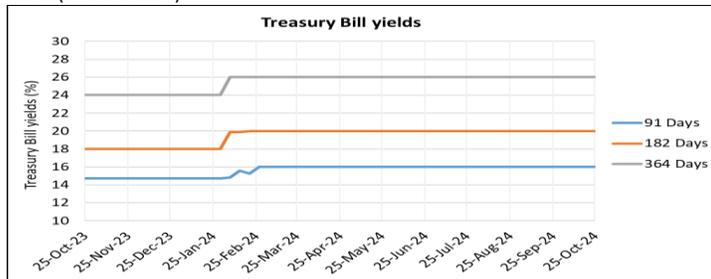
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	16-Oct-24	% Δ	11-Oct-24	
USD	1931.6900	↑ -0.0001%	1931.6913	
GBP	2527.7356	↑ -0.05%	2528.9204	
EUR	2141.5365	↑ -0.17%	2145.1925	
ZAR	108.3275	↓ 0.23%	108.0769	

Foreign exchange reserves position				
	31-Aug-24	31-Jul-24	30-Jun-24	
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs) (USD'm)	549.85	572.02	591.51	
Total import cover (months)	2.20	2.29	2.37	

Data source: Reserve Bank of Malawi (RBM)

Government securities

There were no auctions of Treasury Bills and Notes during the week, while in the previous week, the Government raised K35.78b from auction of Treasury Bills and K33.90b from auction of Treasury notes. Maturities of Government securities for the week amounted to K8.25b, thereby resulting in a net injection of the same amount into the market, compared to a net withdrawal of K26.02b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	22 & 25 Oct 24		16 & 18 Oct 24	
Amount offered - cost value (K'm)	13,160.00	↓	13,160.00	
Applied - cost value (K'm)	35,783.65	↑	18,557.38	
Allotted - cost value (K'm)	35,783.65	↑	18,557.38	
Overall rejection rate	0.00%	↓	0.00%	
91 days yield	16.0000%	↓	16.0000%	
182 days yield	20.0000%	↓	20.0000%	
364 days yield	26.0000%	↓	26.0000%	
All-type yield	20.6667%	↓	20.6667%	

Treasury Note and Bond auctions				
Auction dates	22 & 25 Oct 24		16 & 18 Oct 24	8 & 10 Oct 24
Tenor	2, 3, 5, 7 & 10 yr TNs		2-yr TN, 3-yr TN, 3-yr IDB, 5-yr TN, 7-yr TN, & 10 yr TN	3-yr IDB
Coupon rate	10.00%, 11.00%, 12.50%, 13.50% & 15.00%		10.00%, 11.00%, 12.00%, 12.50%, 13.50% & 15.00%	12.00%
Amount offered - cost value (K'b)	33.90		K42,047b for the 2-yr TN	20.00
Total applied - cost value (K'b)	47.22			4.76
Total allotted - cost value (K'b)	33.90		46.77	4.76
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%		28.75%, 30.00%, 32.00%, 32.00%, 34.00% & 35.00%	30.00%

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	25-Oct-24	10-Dec-24	
3-year TN	30.00%	25-Oct-24	05-Nov-24	
3-year Development Bond	30.00%	18-Oct-24	TBA	
5-year TN	32.00%	25-Oct-24	19-Nov-24	
5-year Development Bond	28.00%	28-Nov-23	31-Dec-24	
7-year TN	34.00%	25-Oct-24	29-Oct-24	
7-year Development Bond	34.00%	20-Sep-24	TBA	
10-year TN	35.00%	25-Oct-24	TBA	
10-year Development Bond	35.00%	20-Jun-24	TBA	

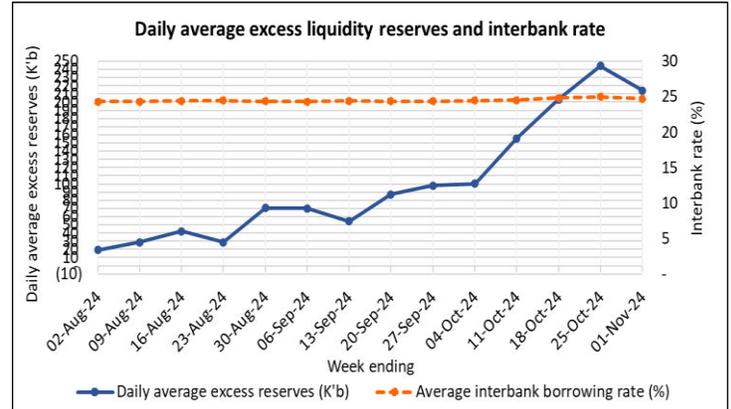
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
29-Oct-24	7-yr TN	28.21	13.50%	
05-Nov-24	3-yr TN	37.54	11.00%	
19-Nov-24	5-yr TN	30.08	12.50%	
26-Nov-24	2-yr IDB	20.00		
03-Dec-24	7-yr TN	27.61	13.50%	
10-Dec-24	2-yr TN	42.05	10.00%	
17-Dec-24	3-yr TN	37.54	11.00%	
31-Dec-24	5-yr IDB	10.00	13.50%	

Projected maturities				
Week ending	1-Nov-24	8-Nov-24	15-Nov-24	
TBs, PNs & TNs (K'm)	8,248	38,798	44,809	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	21,635	0	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K213.91b during the week from K244.35b in the previous week. Daily average interbank borrowing increased to K38.67b during the week from K24.00b in the previous week. There was no borrowing on the Lombard facility during the week as was the case in the previous week. The average interbank borrowing rate decreased to 24.73% during the week from 25.00% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate				
	25-Jul-24	% pts Δ	03-May-24	
Rate	26.00%	→ 0.00	26.00%	

Market Reference Rate				
	Oct-24	% pts Δ	Sep-24	
Rate	25.40%	→ 0.00	25.40%	

Inflation Rate				
	Sep-24	% pts Δ	Aug-24	
Rate	34.3%	↑ 0.40	33.9%	

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.51% to close the week at 147,416.01 points from 145,230.00 points in the previous. The market traded 42,861,249 shares at a consideration of K10.19b in 346 trades, compared to 25,452,515 shares traded at a consideration of K1.64b in 315 trades in the previous week. The year-to-date return on MASI stood at 32.87% as at the end of the week compared to 84.88% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	01-Nov-24	% Δ	25-Oct-24	
MASI	147,416.01	↑ 1.51%	145,230.00	
DSI	115,528.78	↑ 1.72%	113,580.55	
FSI	19,977.83	↓ -0.02%	19,981.79	
Traded volume	42,861,249	↑ 68.40%	25,452,515	
Number of trades	346	↑ 9.84%	315	
Value of shares traded (K'm)	10,187.69	↑ 520.39%	1,642.14	
Market capitalisation (K'm)	7,960,109.59	↑ 1.49%	7,843,589.28	

Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	56.03	↑ 9.80%	51.03	
NBM	3,449.99	↑ 0.002%	3,449.93	
NICO	198.81	↑ 0.02%	198.78	
STANDARD	5495.22	↑ 3.00%	5335.11	
TNM	23.01	↑ 12.24%	20.50	

Losers				
	Closing price (K)	% Δ	Opening price (K)	
FDHB	149.16	↓ -0.02%	149.19	
FMBCH	398.57	↓ -0.02%	398.65	
ICON	15.81	↓ -0.19%	15.84	
MPICO	14.85	↓ -0.20%	14.88	
NBS	149.60	↓ -0.01%	149.61	
NITL	409.93	↓ -0.01%	409.96	
PCL	2,499.81	↓ -0.0004%	2,499.82	

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