

Foreign exchange market developments

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

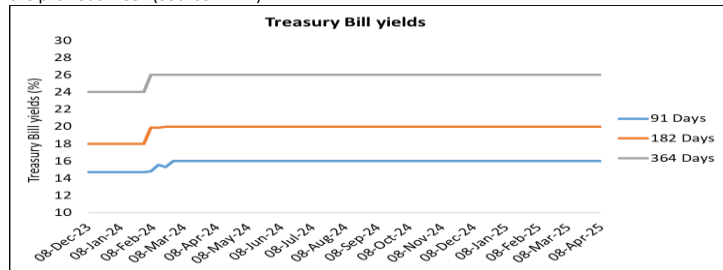
The Reserve Bank of Malawi conducted a Foreign Exchange Auction with Authorised Dealer Banks (ADB) on 03 April 2025. During the auction, the USD/MWK exchange rate was maintained at K1,751 per USD (Source RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	11-Apr-25	% Δ	4-Apr-25
USD	1750.7618	↓ 0.003%	1750.7073
GBP	2330.5118	↑ -1.45%	2364.7572
EUR	2033.1965	↓ 1.76%	1998.0987
ZAR	96.3290	↓ 0.70%	95.6567
Foreign exchange reserves position			
	28-Feb-25	31-Jan-25	31-Dec-24
Total foreign exchange reserves			
(Aggregate of RBM, Banks & FCDAs)	569.50	570.60	530.90
Total import cover (months)	2.30	2.30	2.10

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K20.05b from the auction of Treasury Bills and K18.27b from the auction of a 10-year Treasury Note during the week. Maturities of Government securities for the week amounted to K41.12b, maturities of OMO repos amounted to K20.20b and maturities of OMO reverse repos amounted to K20.94b. These transactions resulted in a net injection of K2.06b into the market during the week, compared to a net injection of K56.93b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	8-Apr-25	% pts Δ	1-Apr-25
Applied - cost value (K'm)	20,049.78	↓ -60.16%	50,325.58
Allotted - cost value (K'm)	20,049.78	↓ -60.16%	50,325.58
Overall rejection rate	0.00%	→ 0.00	0.00%
91 days yield	16.0000%	→ 0.0000%	16.0000%
182 days yield	20.0000%	→ 0.0000%	20.0000%
364 days yield	26.0000%	→ 0.0000%	26.0000%
All-type yield	20.6667%	→ 0.0000%	20.6667%

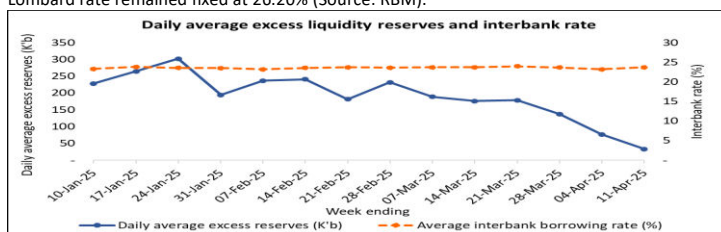
Treasury Note and Bond auctions			
Auction dates	8-Apr-25	25 & 27 Mar 25	
Tenor	10 years	2, 3, 5, 7 & 10 years	
Coupon rate	15.0%	10.0%, 11.0%, 12.5%, 13.5% & 15.0%	
Amount offered - cost value (K'b)	55.7	K21.34b for the 7-yr TN	
Total applied - cost value (K'b)	18.27	266.33	
Total allotted - cost value (K'b)	18.27	266.33	
Allotted - weighted average ytm	35.0%	28.75%, 30.0%, 32.0%, 34.0% & 35.0%	

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	27-Mar-25	TBA
2-year Development Bond	28.75%	25-Feb-25	TBA
3-year TN	30.00%	27-Mar-25	TBA
3-year Development Bond	30.00%	10-Feb-25	TBA
5-year TN	32.00%	27-Mar-25	TBA
5-year Development Bond	32.00%	20-Feb-25	TBA
7-year TN	34.00%	25-Mar-25	TBA
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	08-Apr-25	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA
Projected maturities			
Week ending	11-Apr-25	18-Apr-25	25-Apr-25
TBs, PNs & TNs (K'm)	41,117	42,947	125,022
OMO repos (K'm)	20,201	59,032	0
OMO reverse repos (K'm)	20,937	20,937	0

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K33.03b, decreasing from an average of K76.97b in the previous week. The daily interbank borrowing averaged K110.00b during the week from K75.50b in the previous week. Borrowing on the Lombard facility averaged K48.80b per day during the week, compared to K155.93b per day in the previous week. The average interbank borrowing rate increased to 23.72% from 23.18% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
Rate	30-Jan-25	% pts Δ	04-Nov-24
	26.00%	→ 0.00	26.00%
Market Reference Rate			
Rate	Apr-25	% pts Δ	Mar-25
	25.10%	→ 0.00	25.10%
Inflation Rate			
Rate	Feb-25	% pts Δ	Jan-25
	30.7%	↑ 2.20	28.5%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.86% to close the week at 294,562.18 points from 292,054.60 points in the previous. The market traded 4,144,497 shares at a consideration of K1.49b in 709 trades, compared to 3,071,108 shares traded at a consideration of K1.65b in 560 trades in the previous week. The year-to-date return on MASI stood at 71.22% at the end of the week, compared to 4.23% for the same period in 2024 (Source: MSE).

Stock market trading activity						
	11-Apr-25	% Δ	04-Apr-25			
MASI	294,562.18	↑ 0.86%	292,054.60			
DSI	213,654.05	↑ 1.98%	209,502.42			
FSI	61,874.96	↓ -3.81%	64,327.43			
Traded volume	4,144,497	↑ 34.95%	3,071,108			
Number of trades	709	↑ 26.61%	560			
Value of shares traded (K'm)	1,490.13	↓ -9.61%	1,648.55			
Market capitalisation (K'm)	16,030,782.44	↑ 0.81%	15,902,453.85			
Gainers						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
PCL	3,802.22	↑ 32.25%	2,875.02	11.31	1.73	
TNM	24.92	↑ 6.50%	23.40	(52.56)	5.99	
STANDARD	9500.00	↑ 6.15%	8950.01	25.81	8.58	
NITL	715.01	↑ 2.14%	700.00	3.24	1.31	
NICO	776.74	↑ 0.15%	775.56	26.05	8.90	
AIRTEL	129.03	↑ 0.01%	129.02	(92.02)	(133.82)	
NBM	6200.14	↑ 0.001%	6200.10	28.30	10.78	
No movement						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
SUNBIRD	300.14	→ 0.00%	300.14	14.95	1.62	
OMU	1,950.03	→ 0.00%	1,950.03	12.75	1.70	
BHL	14.55	→ 0.00%	14.55	(107.89)	12.42	
ILLOVO	1791.65	→ 0.00%	1791.65	56.48	8.59	
ICON	17.95	→ 0.00%	17.95	6.26	0.99	
Losers						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
MPICO	18.98	↓ -0.05%	18.99	7.98	0.76	
FDHB	314.71	↓ -0.11%	315.07	29.32	22.30	
NBS	344.99	↓ -0.66%	347.29	13.76	8.96	
FMBCB	1244.00	↓ -3.83%	1293.50	50.72	13.22	

Corporate news

Standard Bank Plc issued a cautionary statement announcing that the company is considering a subdivision of its shares (also known as a share split) that might impact the company's share price. The proposed share split will not alter any shareholder's percentage ownership interest in the company's issued shares and is intended to increase liquidity and marketability of the company's shares. The proposed transaction is subject to regulatory approvals (Source: Standard Bank).

Published annual financial results				
Company	2024 profit after tax (K'b)	Movement	2023 profit after tax (K'b)	
Listed banks				
FDH Bank Plc	74,063	↑	108%	35,647
National Bank of Malawi Plc	101,710	↑	41%	71,959
NBS Bank Plc	72,991	↑	148%	29,378
Standard Bank Plc	86,365	↑	64%	52,520
Listed non-bank companies				
Illovo Sugar Plc	22,632	↓	-60%	56,758
National Investment Trust Plc	29,759	↑	38%	21,505
Unlisted non-bank companies				
Britam Insurance Company Ltd	1,278	↑	15%	1,108

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice, or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.