

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).

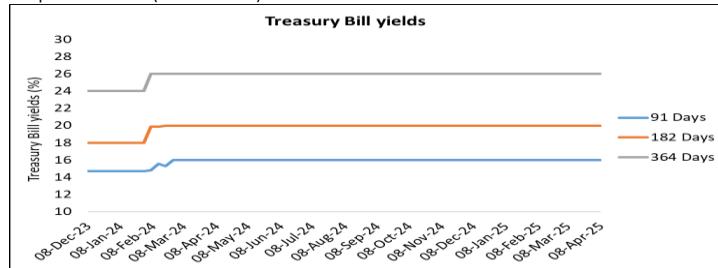
The Reserve Bank of Malawi conducted a Foreign Exchange Auction with Authorised Dealer Banks (ADB) on 03 April 2025. During the auction, the USD/MWK exchange rate was maintained at K1,751 per USD (Source RBM).

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

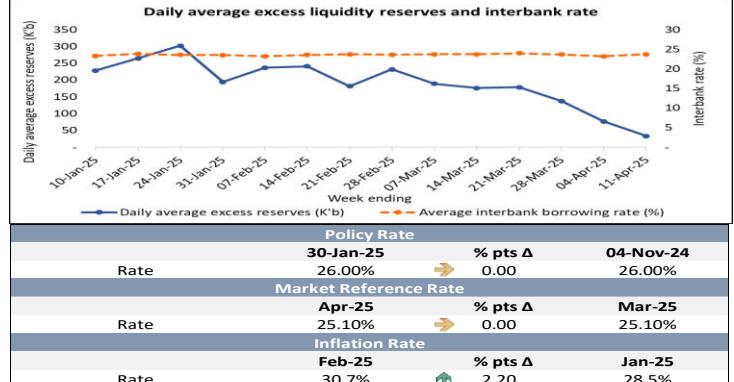
Data source: RBM

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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).



Malawi Stock Exchange (MSE) trading activity

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

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%
National Bank of Malawi Plc	101,710	↑	41%
NBS Bank Plc	72,991	↑	148%
Standard Bank Plc	86,365	↑	64%
Listed non-bank companies			
Illovo Sugar Plc	22,632	↓	-60%
National Investment Trust Plc	29,759	↑	38%
unlisted non-bank companies			
Britam Insurance Company Ltd	1,278	↑	15%
			1,108