

Foreign exchange market developments

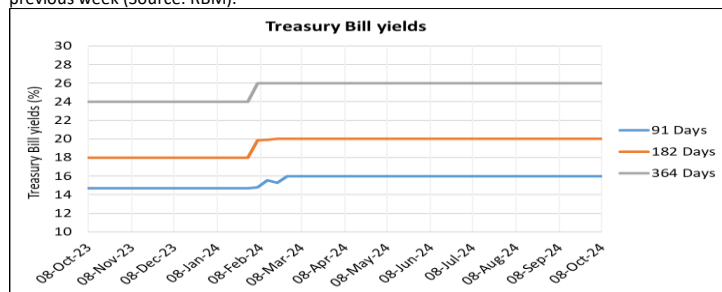
During the week the Kwacha marginally depreciated against USD and ZAR but appreciated against GBP and EUR, as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week				
Currency	11-Oct-24	% Δ	4-Oct-24	
USD	1750.5608	↓ 0.04%	1749.8202	
GBP	2355.9556	↑ -0.65%	2371.3400	
EUR	1967.8996	↑ -1.26%	1993.0359	
ZAR	103.0761	↓ 0.13%	102.9450	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	4-Oct-24	% Δ	24-Sep-24	
USD	1931.2733	↓ 0.12%	1929.0442	
GBP	2529.7246	↓ 0.68%	2512.5954	
EUR	2147.3085	↓ 0.30%	2140.8823	
ZAR	108.0544	↓ 1.19%	106.7794	
Foreign exchange reserves position				
	31-Aug-24	31-Jul-24	30-Jun-24	
Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months)	549.85	572.02	591.51	
	2.20	2.29	2.37	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K53.87m from auction of Treasury Bills and K4.76b from auction of a 3-year Development Bond during the week. Maturities of Government securities for the week amounted to K5.27b and maturities of OMO repos amounted to K31.29b. Access on the rediscounting standing facility amounted to K12.89b. These transactions resulted in a net injection of K44.64b into the market, compared to a net withdrawal of K205.79b in the previous week (Source: RBM).

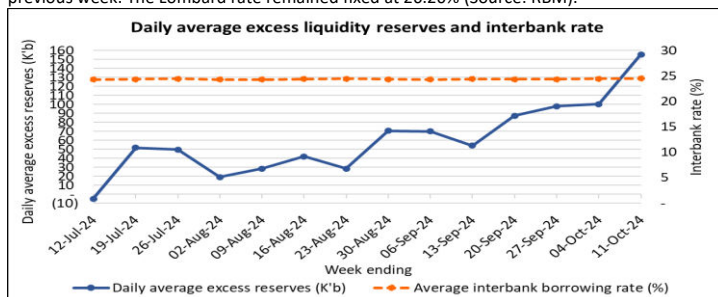


Treasury Bill auctions				
Auction date	8-Oct-24	% pts Δ	1 & 4 Oct 24	
Amount offered - cost value (K'm)	13,160.00	→ 0.00%	13,160.00	
Applied - cost value (K'm)	53.87	↓ -99.85%	35,192.31	
Allotted - cost value (K'm)	53.87	↓ -99.85%	35,192.31	
Overall rejection rate	0.00%	0.00	0.00%	
91 days yield	16.0000%	→ 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 & 10 Oct 24	4-Oct-24	24-Sep-24	
Tenor	3-yr IDB	2, 3, 5 & 10-yr TNs	3-yr TN	
Coupon rate	12.00%	10.00%, 11.00%, 12.50% & 15.00%	11.00%	
Amount offered - cost value (K'b)	20.00		49.12	
Total applied - cost value (K'b)	4.76	176.58	3.61	
Total allotted - cost value (K'b)	4.76	176.58	3.61	
Allotted - weighted average ytm	30.00%	28.75%, 30.00%, 32.00% & 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%	04-Oct-24	15-Oct-24	
3-year TN	30.00%	04-Oct-24	05-Nov-24	
3-year Development Bond	30.00%	10-Oct-24	TBA	
5-year TN	32.00%	04-Oct-24	19-Nov-24	
5-year Development Bond	28.00%	28-Nov-23	31-Dec-24	
7-year TN	34.00%	16-Sep-24	29-Oct-24	
7-Year Development Bond	34.00%	20-Sep-24	TBA	
10-year TN	35.00%	04-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	
15-Oct-24	2-yr TN	42.05	10.00%	
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	11-Oct-24	18-Oct-24	25-Oct-24	
TBs, PNs & TNs (K'm)	5,272	19,268	41,627	
OMO repos (K'm)	31,289	0	2,030	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K155.54b during the week from K100.39b in the previous week. Daily average interbank borrowing decreased to K34.40b from K44.40b. There was no borrowing on the Lombard facility during the week compared to K23.00b in the previous week. The average interbank borrowing rate increased to 24.52% from 24.44% 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			
	Aug-24	% pts Δ	Jul-24
Rate	33.9%	↑ 0.20	33.7%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.22% to close the week at 144,019.24 points from 143,705.95 points in the previous. The market traded 22,215,689 shares at a consideration of K2.91b in 302 trades, compared to 36,502,182 shares traded at a consideration of K5.77b in 299 trades in the previous week. The year-to-date return on MASI stood at 29.80% as at the end of the week compared to 86.90% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	11-Oct-24	% Δ	04-Oct-24	
MASI	144,019.24	↑ 0.22%	143,705.95	
DSI	112,503.26	↑ 0.25%	112,224.10	
FSI	19,981.73	↓ -0.003%	19,982.23	
Traded volume	22,215,689	↓ -39.14%	36,502,182	
Number of trades	302	↑ 1.00%	299	
Value of shares traded (K'm)	2,912.81	↓ -49.53%	5,770.93	
Market capitalisation (K'm)	7,778,707.99	↑ 0.22%	7,761,921.48	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	50.07	↑ 0.10%	50.02	
FDHB	149.33	↑ 0.12%	149.15	
NBS	149.59	↑ 0.01%	149.58	
NICO	198.73	↑ 0.02%	198.70	
TNM	20.00	↑ 8.11%	18.50	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
FMBCH	398.65	↓ -0.003%	398.66	
ICON	14.89	↓ -0.07%	14.90	
ILLOVO	1,299.99	↓ -0.001%	1,300.00	
MPICO	14.89	↓ -0.07%	14.90	
NITL	409.97	↓ -0.01%	410.00	
PCL	2,499.82	↓ -0.0004%	2,499.83	

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
NICO	Interim declared	3.00	25-Sep-24	27-Sep-24	11-Oct-24
NBS	Interim declared	1.60	2-Oct-24	4-Oct-24	23-Oct-24
NITL	Interim declared	2.50	16-Oct-24	18-Oct-24	25-Oct-24
PCL	Interim declared	11.25	9-Oct-24	11-Oct-24	25-Oct-24
ICON	Interim declared	0.14	9-Oct-24	11-Oct-24	25-Oct-24
SUNBIRD	Interim declared	2.50	16-Oct-24	18-Oct-24	31-Oct-24

Annual general meetings			
Company	Venue	Date	Time
AIRTEL	Virtual & BICC	22-Oct-24	10:00hrs

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