

Foreign exchange market developments

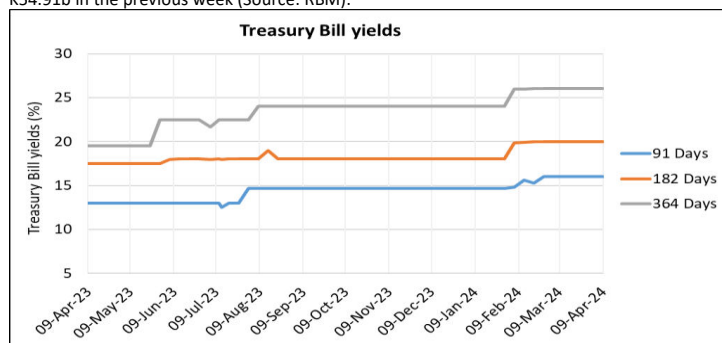
The Kwacha appreciated against USD, GBP and EUR but depreciated against ZAR during the week, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	12-Apr-24	% Δ	5-Apr-24	
USD	1750.1563	↑ -0.03%	1750.6338	
GBP	2262.4910	↑ -0.44%	2272.5449	
EUR	1929.0915	↑ -1.08%	1950.1660	
ZAR	95.8042	↓ 0.34%	95.4787	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	4-Apr-24	% Δ	4-Apr-24	
USD	1916.7513	→ 0.00%	1916.7513	
GBP	2440.0415	→ 0.00%	2440.0415	
EUR	2100.0744	→ 0.00%	2100.0744	
ZAR	102.8188	→ 0.00%	102.8188	
Foreign exchange reserves position				
	29-Feb-24	31-Jan-24	31-Dec-23	
Gross official foreign exchange reserves (USD'm)	143.60	178.06	242.58	
Gross official reserves import cover (months)	0.57	0.71	0.97	
Benchmark import cover for official reserves (months)	3.00	3.00	3.00	
Private sector foreign exchange reserves (USD'm)	396.72	401.88	433.01	
Private sector reserves import cover (months)	1.59	1.61	1.73	
Total economy foreign exchange reserves (USD'm)	540.32	579.94	675.59	
Total economy import cover (months)	2.16	2.32	2.70	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K28.63b from auction of Treasury Bills during the week. There was no auction of Treasury Notes. Maturities of Government securities for the week amounted to K38.40b, resulting in a net injection of K9.77b into the market, compared to a net injection of K54.91b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	9-Apr-24	% pts Δ	26-Mar-24
Amount offered - cost value (K'm)	14,075.00	→ 0.00%	14,075.00
Applied - cost value (K'm)	28,629.80	↓ -64.47%	80,589.92
Allotted - cost value (K'm)	28,629.80	↓ -64.47%	80,589.92
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	25, 26, 27 & 28 Mar 2024	12 & 14 Mar 2024	5 & 7 Mar 2024
Tenors	2, 3, 5 & 10 TNs	2, 3, 5, 7 & 10 TNs	2, 5, 7 & 10 TNs
Coupon rate	10.0%, 11.0%, 12.5% & 15.0%	10.0%, 11.0%, 12.5%, 13.5% & 15.0%	10.0%, 12.5%, 13.5% & 15.0%
Amount offered - cost value (K'b)	K60.221b for the 2-yr TN	K53.41b for the 3-yr TN	K48.328b for the 5-yr TN
Total applied - cost value (K'b)	120.14	38.49	25.91
Total allotted - cost value (K'b)	120.14	38.48	25.89
Allotted - weighted average ytm	28.75%, 30.0%, 32.0% & 35.0%	28.75%, 30.0%, 32.0%, 34.0%, 35.0%	28.75%, 32.0%, 34.0%, 35.0%

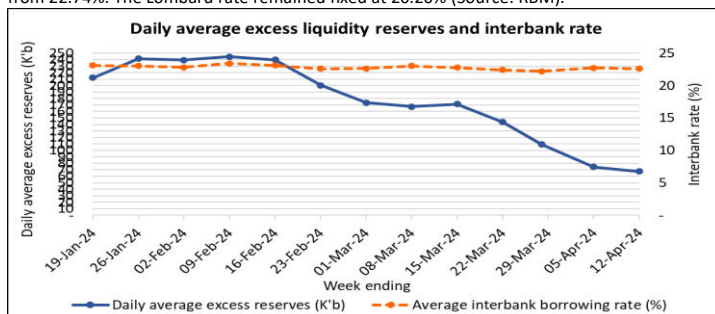
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	27-Mar-24	TBA
3-year TN	30.00%	28-Mar-24	TBA
5-year TN	32.00%	28-Mar-24	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	21-Mar-24	TBA
7-Year Development Bond	32.00%	16-Jan-24	TBA
10-year TN	35.00%	28-Mar-24	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA

Projected maturities			
Week ending	12-Apr-24	19-Apr-24	26-Apr-24
TBs, PNs & TNs (K'm)	38,403	60,524	37,456
OMO repos (K'm)	0	55,380	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

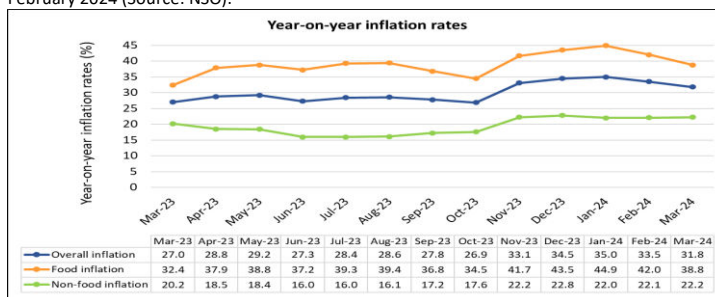
Average daily excess liquidity reserves decreased to K67.64b during the week from K74.60b in the previous week. Daily average interbank borrowing decreased to K40.18b from K52.93b. Borrowing on the Lombard facility amounted to K65.03b during the week, increasing from K37.30b in the previous week. The average interbank borrowing rate decreased to 22.62% from 22.74%. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
Rate	01-Feb-24	% pts Δ	27-Oct-23
Rate	26.00%	↑ 2.00	24.00%
Market Reference Rate			
Rate	Apr-24	% pts Δ	Mar-24
Rate	24.90%	→ 0.00	24.90%

Inflation rate

The year-on-year headline inflation rate decreased to 31.8% in March 2024 from 33.5% in February 2024 due to a decrease in food inflation rate to 38.8% from 42.0% in the previous month, while non-food inflation rate slightly increased to 22.2% in March 2024 from 22.1% in February 2024 (Source: NSO).



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.22% to close the week at 115,642.22 points from 114,244.94 points in the previous. The market traded 35,082,930 shares at a consideration of K2.03b in 169 trades, compared to 3,074,263 shares traded at a consideration of K359.45m in 232 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 34.19% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	12-Apr-24	% Δ	05-Apr-24
MASI	115,642.22	↑ 1.22%	114,244.94
DSI	86,775.70	↑ 0.01%	86,768.78
FSI	20,591.48	↑ 8.31%	19,012.48
Traded volume	35,082,930	↑ 1041.18%	3,074,263
Number of trades	169	↓ -27.16%	232
Value of shares traded (K'm)	2,025.31	↑ 463.44%	359.45
Market capitalisation (K'm)	6,257,477.33	↑ 1.27%	6,178,716.50
Gainers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	50.13	↑ 0.06%	50.10
FDHB	65.09	↑ 0.02%	65.08
FMBCH	411.87	↑ 8.39%	380.00
NBM	2400.10	↑ 0.0004%	2400.09
TNM	12.04	↑ 0.08%	12.03
Losers			
	Closing price (K)	% Δ	Opening price (K)
MPICO	14.66	↓ -0.14%	14.68
NICO	199.59	↓ -0.02%	199.63

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