



Foreign exchange market developments

During the week, the Kwacha depreciated against the USD and EUR, but appreciated against the GBP 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 | 13-Jun-25 | % Δ | 6-Jun-25 |
| USD | 1750.7996 | ↓ 0.004% | 1750.7380 |
| GBP | 2440.3432 | ↑ -0.22% | 2445.6343 |
| EUR | 2078.2522 | ↓ 1.16% | 2054.4168 |
| ZAR | 100.4746 | ↑ -0.63% | 101.1075 |

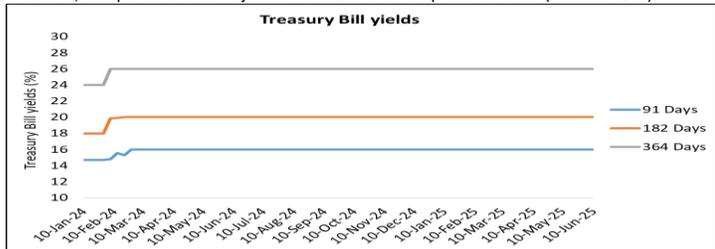
| Foreign exchange reserves position | | | |
|---|-----------|-----------|-----------|
| | 31-Mar-25 | 28-Feb-25 | 31-Jan-25 |
| Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs) | 536.00 | 569.50 | 570.60 |
| Total import cover (months) | 2.10 | 2.30 | 2.30 |

| Cumulative tobacco sales as at the end of week 10 | | | |
|---|-----------------------------|-----------|-----------------------------|
| Date | Week 10 2025 (13 June 2025) | % Δ | Week 10 2024 (21 June 2024) |
| Volume (million kg) | 98.47 | ↓ -1.95% | 100.43 |
| Value (USD/million) | 245.64 | ↓ -15.50% | 290.69 |
| Average price (USD/Kg) | 2.49 | ↓ -13.84% | 2.89 |

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K16.42b from the auction of Treasury Bills and K292.03b from the auction of Treasury Notes during the week. Access to the Rediscounting Standing Facility amounted to K38.95b. Maturities of Government securities for the week amounted to K44.27b. These transactions resulted in a net withdrawal of K225.23b from the market during the week, compared to a net injection of K32.67b in the previous week (Source: RBM).



| Treasury Bill auctions | | | |
|-----------------------------------|-----------|-----------|-----------|
| Auction date | 10-Jun-25 | % pts Δ | 3-Jun-25 |
| Amount offered - cost value (K'm) | 17,110.00 | ⇒ 0.00% | 17,110.00 |
| Applied - cost value (K'm) | 16,415.46 | ↓ -21.34% | 20,869.74 |
| Allotted - cost value (K'm) | 16,415.46 | ↓ -21.34% | 20,869.74 |
| 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 | 10-Jun-25 | 10-Jun-25 | |
| Tenor | 10-yr TN | 2, 3, 5 & 7-yr TNs | |
| Coupon rate | 15.00% | 10.0%, 11.0%, 12.5% & 13.5% | |
| Amount offered - cost value (K'b) | 55.70 | | |
| Total applied - cost value (K'b) | 168.66 | 123.37 | |
| Total allotted - cost value (K'b) | 168.66 | 123.37 | |
| Allotted - weighted average ytm | 35.00% | 28.75%, 30.0%, 32.0% & 34.0% | |

| Current yields for Treasury Notes and Bonds | | | |
|---|----------------------|--------------|--------------|
| Tenor | Last auction's yield | Last auction | Next auction |
| 2-year TN | 28.75% | 10-Jun-25 | TBA |
| 2-year Development Bond | 28.75% | 20-May-25 | TBA |
| 3-year TN | 30.00% | 10-Jun-25 | TBA |
| 3-year Development Bond | 30.00% | 10-Feb-25 | 24-Jun-25 |
| 5-year TN | 32.00% | 10-Jun-25 | 17-Jun-25 |
| 5-year Development Bond | 32.00% | 20-Feb-25 | TBA |
| 7-year TN | 34.00% | 10-Jun-25 | TBA |
| 7-Year Development Bond | 34.00% | 07-Jan-25 | TBA |
| 10-year TN | 35.00% | 10-Jun-25 | TBA |
| 10-year Development Bond | 35.00% | 20-Jun-24 | TBA |

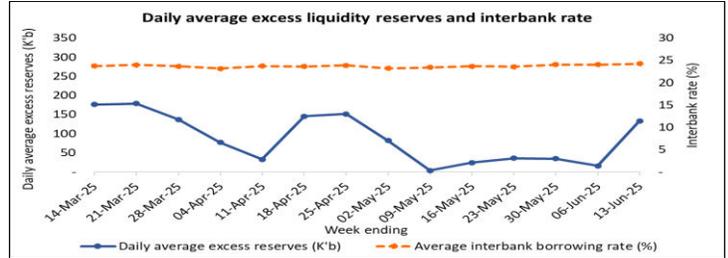
| Upcoming auctions of Treasury Notes and Bonds | | | |
|---|---------------|--------------|----------------------------|
| Auction date | Tenor (years) | Amount (K'b) | Last auction's coupon rate |
| 17-Jun-25 | 5 | 68.95 | 12.50% |
| 24-Jun-25 | 3 IDB | 10.00 | 12.00% |

| Projected maturities | | | |
|-------------------------|-----------|-----------|-----------|
| Week ending | 13-Jun-25 | 20-Jun-25 | 27-Jun-25 |
| TBs, PNs & TNs (K'm) | 44,271 | 80,965 | 73,355 |
| OMO repos (K'm) | 0 | 0 | 0 |
| OMO reverse repos (K'm) | 0 | 0 | 41,283 |

Data source: RBM

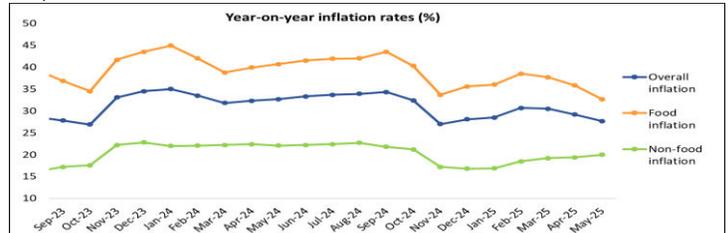
Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K133.54b, increasing from an average of K15.97b in the previous week. The daily interbank borrowing averaged K87.50b during the week from K45.70b in the previous week. Borrowing on the Lombard facility averaged K60.55b per day during the week, compared to K97.40b per day in the previous week. The average interbank borrowing rate increased to 24.23% from 24.03% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Inflation

The year-on-year headline inflation rate decreased to 27.7% in May 2025 from 29.2% in April 2025 as food inflation rate decreased to 32.7% in May 2025 from 35.8% in April 2025 while non-food inflation rate increased to 20.0% in May 2025 from 19.4% in April 2025 (Source: NSO).



| Policy Rate | | | |
|-------------|-----------|---------|-----------|
| Rate | 07-May-25 | % pts Δ | 30-Jan-25 |
| | 26.00% | ⇒ 0.00 | 26.00% |

| Market Reference Rate | | | |
|-----------------------|--------|---------|--------|
| Rate | Jun-25 | % pts Δ | May-25 |
| | 25.10% | ↓ -0.10 | 25.20% |

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 3.84% to close the week at 290,490.35 points from 279,755.09 points in the previous. The market traded 5,705,002 shares at a consideration of K2.44b in 486 trades, compared to 3,241,135 shares traded at a consideration of K1.12b in 524 trades in the previous week. The year-to-date return on MASI stood at 68.85% at the end of the week, compared to 6.25% for the same period in 2024 (Source: MSE).

| Stock market trading activity | | | | | |
|-------------------------------|---------------|-----------|---------------|--|--|
| | 13-Jun-25 | % Δ | 06-Jun-25 | | |
| MASI | 290,490.35 | ↑ 3.84% | 279,755.09 | | |
| DSI | 219,443.28 | ↑ 2.38% | 214,348.51 | | |
| FSI | 49,854.46 | ↑ 12.89% | 44,161.74 | | |
| Traded volume | 5,705,002 | ↑ 76.02% | 3,241,135 | | |
| Number of trades | 486 | ↓ -7.25% | 524 | | |
| Value of shares traded (K'm) | 2,437.64 | ↑ 116.81% | 1,124.34 | | |
| Market capitalisation (K'm) | 15,823,336.83 | ↑ 3.87% | 15,234,065.65 | | |

| Gainers | | | | | |
|----------|-------------------|----------|-------------------|-----------|------------|
| | Closing price (K) | % Δ | Opening price (K) | P/E ratio | P/BV ratio |
| NBS | 469.27 | ↑ 32.11% | 355.21 | 18.71 | 12.18 |
| FMBCH | 1000.01 | ↑ 12.98% | 885.11 | 20.79 | 7.47 |
| FDHB | 314.00 | ↑ 0.20% | 313.38 | 29.26 | 22.25 |
| TNM | 23.04 | ↑ 0.17% | 23.00 | 26.43 | 5.13 |
| STANDARD | 9511.51 | ↑ 0.02% | 9510.01 | 25.84 | 8.59 |
| NITL | 820.02 | ↑ 0.002% | 820.00 | 3.72 | 1.50 |
| NBM | 6200.27 | ↑ 0.001% | 6200.21 | 28.30 | 10.78 |
| ILLOVO | 1791.38 | ↑ 0.001% | 1791.37 | 56.47 | 8.59 |

| No movement | | | | | |
|-------------|-------------------|---------|-------------------|-----------|------------|
| | Closing price (K) | % Δ | Opening price (K) | P/E ratio | P/BV ratio |
| ICON | 17.95 | ⇒ 0.00% | 17.95 | 4.91 | 0.82 |
| MPICO | 19.01 | ⇒ 0.00% | 19.01 | 5.12 | 0.67 |
| OMU | 2,500.03 | ⇒ 0.00% | 2,500.03 | 16.35 | 2.18 |
| PCL | 3,999.98 | ⇒ 0.00% | 3,999.98 | 7.44 | 1.38 |
| SUNBIRD | 350.01 | ⇒ 0.00% | 350.01 | 8.62 | 1.31 |

| Losers | | | | | |
|--------|-------------------|----------|-------------------|-----------|------------|
| | Closing price (K) | % Δ | Opening price (K) | P/E ratio | P/BV ratio |
| BHL | 14.51 | ↓ -0.07% | 14.52 | (62.25) | 1.31 |
| AIRTEL | 127.79 | ↓ -0.09% | 127.91 | 32.90 | 43.77 |
| NICO | 748.66 | ↓ -3.57% | 776.38 | 10.84 | 5.02 |

Data source: MSE

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