

Foreign exchange market developments

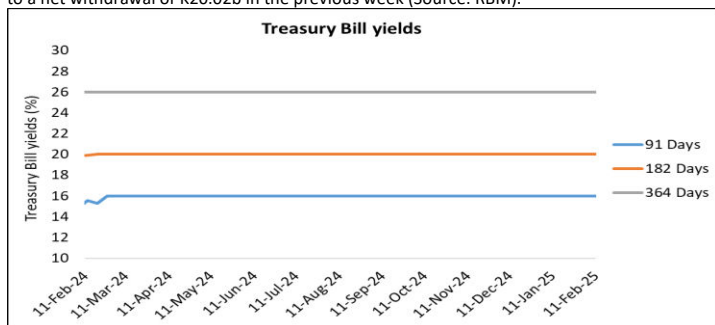
During the week, the Kwacha depreciated against the USD, GBP, EUR and ZAR as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	14-Feb-25	% Δ	7-Feb-25
USD	1749.7099	↓ 0.06%	1748.5965
GBP	2252.2293	↓ 0.95%	2231.0175
EUR	1885.1479	↓ 0.76%	1870.9812
ZAR	97.6897	↓ 0.98%	96.7437
Foreign exchange reserves position			
	30-Nov-24	31-Oct-24	30-Sep-24
Total foreign exchange reserves			
(Aggregate of RBM, Banks & FCDAs)	516.90	519.00	560.30
Total import cover (months)	2.10	2.10	2.20

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K45.80b from the auction of Treasury Bills and K139.51b of Treasury Notes during the week. Maturities of Government securities for the week amounted to K106.47b and access to the Re-discounting Standing Facility amounted to K120.47b. These transactions resulted in a net injection of K41.63b into the market during the week, compared to a net withdrawal of K20.02b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	11-Feb-25	% pts Δ	4-Feb-25
Amount offered - cost value (K'm)	21,972.00	0.00%	21,972.00
Applied - cost value (K'm)	45,804.41	29.60%	35,343.41
Allotted - cost value (K'm)	45,804.41	29.60%	35,343.41
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	11-Feb-25	10-Feb-25	
Tenor	3-yr TN	2-yr TN, 2-yr IDB, 3-yr TN, 3-yr IDB, 5-yr TN, 5-yr IDB, 7-yr TN, 10-yr TN	
Coupon rate	11.00%	10.0%, 11.0%, 11.0%, 12.0%, 12.5%, 13.5%, 13.5% & 15.0%	
Amount offered - cost value (K'b)	35.34		
Total applied - cost value (K'b)	3.13	136.38	
Total allotted - cost value (K'b)	3.13	136.38	
Allotted - weighted average ytm	30.00%	28.75%, 28.75%, 30.0%, 30.0%, 32.0%, 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%	10-Feb-25	11-Mar-25
2-year Development Bond	28.75%	10-Feb-25	TBA
3-year TN	30.00%	11-Feb-25	18-Mar-25
3-year Development Bond	30.00%	10-Feb-25	25-Feb-25
5-year TN	32.00%	10-Feb-25	04-Mar-25
5-year Development Bond	32.00%	10-Feb-25	TBA
7-year TN	34.00%	10-Feb-25	18-Feb-25
7-year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	10-Feb-25	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

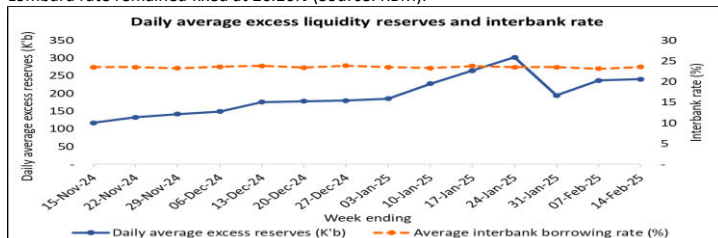
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
18-Feb-25	7	21.36	13.50%
25-Feb-25	3-yr IDB	10.00	12.00%
04-Mar-25	5	40.02	12.50%
11-Mar-25	2	49.02	10.00%
18-Mar-25	3	43.02	11.00%
25-Mar-25	7	21.34	13.50%

Projected maturities			
Week ending	14-Feb-25	21-Feb-25	28-Feb-25
TBs, PNs & TNs (K'm)	106,474	57,735	45,658
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

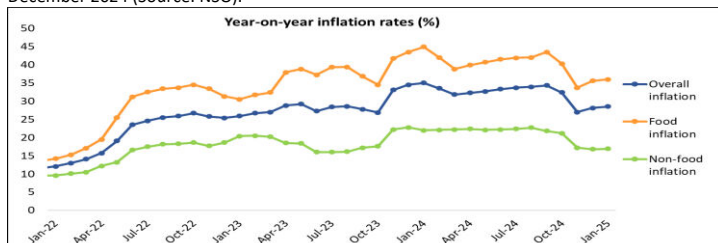
Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K240.83b, increasing from an average of K236.78b in the previous week. The daily interbank borrowing averaged K162.70b during the week from K147.16b in the previous week. Borrowing on the Lombard facility amounted to K90.00b during the week, compared to K374.64b in the previous week. The average interbank borrowing rate increased to 23.58% from 23.19% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Inflation

The year-on-year headline inflation rate increased to 28.5% in January 2025 from 28.1% in December 2024 as food inflation rate increased to 36.0% in January 2025 from 35.6% in December 2024 and non-food inflation rate increased 16.9% in January 2025 from 16.8% in December 2024 (Source: NSO).



Policy Rate			
	30-Jan-25	% pts Δ	04-Nov-24
Rate	26.00%	→ 0.00	26.00%
Market Reference Rate			
	Feb-25	% pts Δ	Jan-25
Rate	25.10%	↓ -0.10	25.20%
Inflation Rate			
	Jan-25	% pts Δ	Dec-24
Rate	28.5%	↑ 0.40	28.1%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 5.64% to close the week at 245,870.36 points from 232,733.35 points in the previous. The market traded 9,823,087 shares at a consideration of K4.03b in 861 trades, compared to 13,049,545 shares traded at a consideration of K4.23b in 1,101 trades in the previous week. The year-to-date return on MASI stood at 42.91% at the end of the week, compared to 3.44% for the same period in 2024 (Source: MSE).

Stock market trading activity						
	14-Feb-25	% Δ	07-Feb-25			
MASI	245,870.36	↑ 5.64%	232,733.35			
DSI	180,802.33	↑ 1.44%	178,228.21			
FSI	48,497.81	↑ 31.58%	36,856.73			
Traded volume	9,823,087	↓ -24.72%	13,049,545			
Number of trades	861	↓ -21.80%	1101			
Value of shares traded (K'm)	4,028.66	↓ -4.79%	4,231.19			
Market capitalisation (K'm)	13,386,818.66	↑ 5.79%	12,654,198.13			
Gainers						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
NITL	583.00	↑ 32.20%	441.00	3.66	1.75	
FMBCH	974.00	↑ 31.79%	739.04	39.72	10.35	
TNM	19.62	↑ 15.28%	17.02	(41.39)	4.72	
NICO	434.44	↑ 3.55%	419.56	14.57	4.98	
AIRTEL	87.01	↑ 2.34%	85.02	(62.05)	(90.24)	
NBM	6133.32	↑ 2.22%	6000.00	39.64	13.87	
STANDARD	6950.01	↑ 0.71%	6901.03	31.05	8.41	
OMU	1,950.02	↑ 0.001%	1,950.01	24.55	2.20	
No movement						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
PCL	2,500.00	→ 0.00%	2,500.00	7.44	1.14	
ILLOVO	1355.09	→ 0.00%	1355.09	42.72	6.50	
SUNBIRD	276.12	→ 0.00%	276.12	13.75	1.49	
MPICO	19.00	→ 0.00%	19.00	7.98	0.76	
BHL	14.55	→ 0.00%	14.55	(107.89)	12.42	
Losers						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
FDHB	315.02	↓ 0.00%	315.03	60.99	37.03	
ICON	18.02	↓ -0.06%	18.03	6.28	1.00	
NBS	349.54	↓ -0.13%	349.98	34.63	20.34	

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