



Foreign exchange market developments

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

Closing TT middle exchange rates as at the end of the week				
Currency	14-Jun-24		% Δ	7-Jun-24
USD	1749.2849	↑	-0.01%	1749.4811
GBP	2300.4976	↓	0.19%	2296.1137
EUR	1929.7951	↓	-1.36%	1956.4396
ZAR	96.8923	↓	2.55%	94.4787

Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	10-Jun-24		% Δ	31-May-24
USD	1922.4388	↔	0.00%	1922.4388
GBP	2461.4375	↓	0.14%	2457.9167
EUR	2110.7083	↓	0.14%	2107.7292
ZAR	103.2500	↑	-0.68%	103.9583

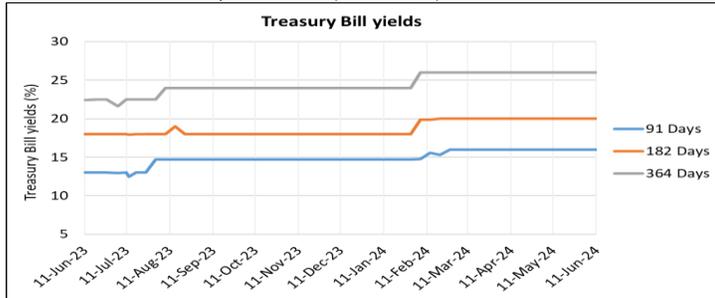
Foreign exchange reserves position			
	31-May-24	30-Apr-24	31-Mar-24
Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months)	610.18	603.07	552.94
	2.44	2.41	2.21

Cumulative tobacco sales as at the end of week 9				
Date	Week 9 2024 (14 June)		% Δ	Week 9 2023 (9 June)
Volume (million kg)	89.86	↑	22.99%	73.06
Value (USD/million)	258.20	↑	54.92%	166.67
Average price (USD/Kg)	2.87	↑	25.88%	2.28

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K2.08b from auction of Treasury Bills and K0.36b from auction of Treasury Notes and Bonds during the week. Maturities of Government securities for the week amounted to K7.91b, resulting in a net injection of K5.47b into the market, compared to a net withdrawal of K5.39b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	11-Jun-24		% pts Δ	4-Jun-24
Amount offered - cost value (K'm)	15,758.00	↔	0.00%	15,758.00
Applied - cost value (K'm)	2,079.86	↓	-83.08%	12,291.14
Allotted - cost value (K'm)	2,079.86	↓	-83.08%	12,291.14
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-24	7-Jun-24	4-Jun-24	
Tenor	3-year TN & 10-year DB	2, 3 & 5-year TNs	2-year TN	
Coupon rate	11.00% & 16.00%	10.00%, 11.00% & 12.50%	10.00%	
Amount offered - cost value (K'b)			59.52	
Total applied - cost value (K'b)	0.36	35.25	0.01	
Total allotted - cost value (K'b)	0.36	35.25	0.01	
Allotted - weighted average ytm	30.00% & 35.00%	28.75%, 30.00% & 32.00%	28.75%	

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	07-Jun-24	TBA	
3-year TN	30.00%	10-Jun-24	25-Jun-24	
5-year TN	32.00%	07-Jun-24	18-Jun-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	31-May-24	TBA	
7-Year Development Bond	32.00%	16-Jan-24	TBA	
10-year TN	35.00%	31-May-24	TBA	
10-year Development Bond	35.00%	10-Jun-24	TBA	

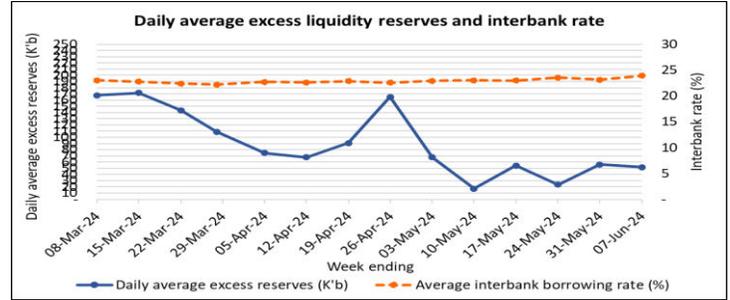
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
18-Jun-24	5	47.22	12.50%	
25-Jun-24	3	54.51	11.00%	

Projected maturities				
Week ending	14-Jun-24	21-Jun-24	28-Jun-24	
TBs, PNs & TNs (K'm)	7,911	43,664	82,965	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	26,171	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K67.78b during the week from K51.67b in the previous week. Daily average interbank borrowing increased to K102.04b from K38.90b. Borrowing on the Lombard facility decreased to an average of K72.70b per day, compared to K89.90b per day in the previous week. The average interbank borrowing rate increased to 24.27% from 23.96%. The Lombard rate remained fixed at 26.20% (Source: RBM)



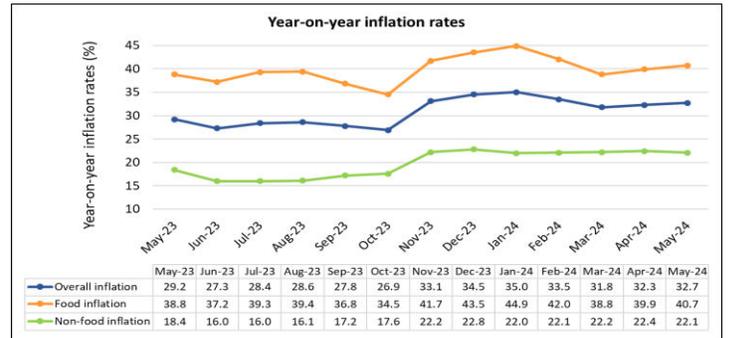
Policy Rate				
Rate	03-May-24		% pts Δ	01-Feb-24
	26.00%	↔	0.00	26.00%

Market Reference Rate				
Rate	Jun-24		% pts Δ	May-24
	25.10%	↑	0.10	25.00%

Inflation Rate				
Rate	May-24		% pts Δ	Apr-24
	32.7%	↑	0.40	32.3%

Inflation

The year-on-year headline inflation rate increased to 32.7% in May 2024 from 32.3% in April 2024 due to an increase in food inflation rate to 40.7% in May 2024 from 39.9% in April 2024, while non-food inflation rate decreased to 22.1% in May 2024 from 22.4% in April 2024 (Source: NSO)



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of 0.04% to close the week at 117,873.18 points from 117,919.91 points in the previous. The market traded 9,149,378 shares at a consideration of K992.92m in 146 trades, compared to 3,296,818 shares traded at a consideration of K1.24b in 329 trades in the previous week. The year-to-date return on MASI stood at 6.24% as at the end of the week compared to 67.96% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	14-Jun-24		% Δ	07-Jun-24
MASI	117,873.18	↓	-0.04%	117,919.91
DSI	90,083.74	↓	-0.04%	90,116.78
FSI	18,902.00	↓	-0.06%	18,912.90
Traded volume	9,149,378	↑	177.52%	3,296,818
Number of trades	146	↓	-55.62%	329
Value of shares traded (K'm)	992.92	↓	-20.13%	1,243.19
Market capitalisation (K'm)	6,372,838.17	↓	-0.04%	6,375,369.06

Gainers				
	Closing price (K)		% Δ	Opening price (K)
FDHB	74.55	↑	0.04%	74.52
TNM	15.51	↑	0.06%	15.50

Losers				
	Closing price (K)		% Δ	Opening price (K)
FMBCH	377.77	↓	-0.06%	377.99
NBS	89.99	↓	-0.86%	90.77
NICO	199.37	↓	-0.01%	199.39
NITL	411.44	↓	-0.01%	411.47
STANDARD	3950.34	↓	-0.0003%	3950.35

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