

Foreign exchange market developments

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

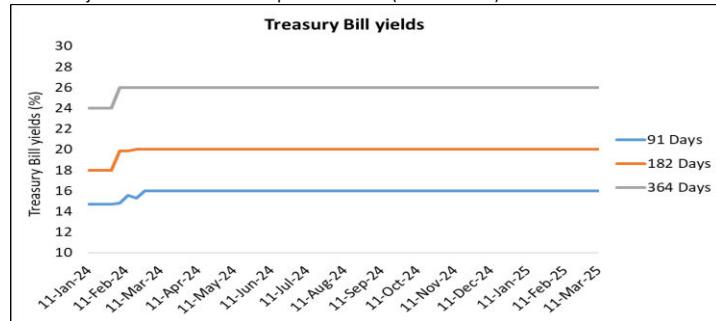
Closing TT middle exchange rates as at the end of the week			
Currency	14-Mar-25	% Δ	7-Mar-25
USD	1749.2008	↑ -0.06%	1750.3090
GBP	2337.5544	↓ 0.69%	2321.6033
EUR	1952.3060	↓ 0.23%	1947.8798
ZAR	97.7020	↑ -1.69%	99.3837

Foreign exchange reserves position		
31-Dec-24	30-Nov-24	31-Oct-24
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDDAs)	530.90	516.90
Total import cover (months)	2.10	2.10

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K64.30b from the auction of Treasury Bills and K39.39b of Treasury Notes during the week. Maturities of Government securities for the week amounted to K92.46b, resulting in a net withdrawal of K11.23b from the market during the week, compared to a net injection of K16.69b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	11-Mar-25	% pts Δ	4-Mar-25
Amount offered -cost value (K'm)	14,398.00	➡ 0.00%	14,398.00
Applied - cost value (K'm)	64,298.11	↑ 90.64%	33,728.17
Allotted - cost value (K'm)	64,298.11	↑ 90.64%	33,728.17
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-Mar-25	11-Mar-25	
Tenor	2-yr TN	3-yr TN, 5-yr TN, 7-yr TN & 10-yr TN	
Coupon rate	10.00%	11.0%, 12.5%, 13.5% & 15.0%	
Amount offered -cost value (K'b)	49.02		
Total applied - cost value (K'b)	2.90	36.49	
Total allotted - cost value (K'b)	2.90	36.49	
Allotted - weighted average ytm	28.75%	30.0%, 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%	11-Mar-25	TBA
2-year Development Bond	28.75%	25-Feb-25	TBA
3-year TN	30.00%	11-Mar-25	18-Mar-25
3-year Development Bond	30.00%	10-Feb-25	TBA
5-year TN	32.00%	11-Mar-25	TBA
5-year Development Bond	32.00%	20-Feb-25	TBA
7-year TN	34.00%	11-Mar-25	25-Mar-25
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	11-Mar-25	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

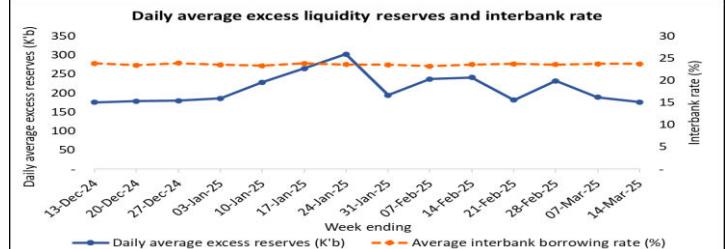
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
18-Mar-25	3	43.02	11.00%
25-Mar-25	7	21.34	13.50%

Projected maturities			
Week ending	14-Mar-25	21-Mar-25	28-Mar-25
TBs, PNs & TNs (K'm)	92,457	78,990	42,865
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	50,230

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K176.43b, decreasing from an average of K189.08b in the previous week. The daily interbank borrowing averaged K50.60b during the week from K91.20b in the previous week. Borrowing on the Lombard facility averaged K101.40b per day during the week, compared to K103.28b per day in the previous week. The average interbank borrowing rate increased to 23.74% from 23.75% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).


Inflation

The year-on-year headline inflation rate increased to 30.7% in February 2025 from 28.5% in January 2025 as food inflation rate increased to 38.5% in February 2025 from 36.0% in January 2025 and non-food inflation rate increased to 18.5% in February 2025 from 16.9% in January 2025 (Source: NSO).



	30-Jan-25	% pts Δ	04-Nov-24
Rate	26.00%	➡ 0.00	26.00%
Market Reference Rate	Mar-25	% pts Δ	Feb-25
Rate	25.10%	➡ 0.00	25.10%
Inflation Rate	Feb-25	% pts Δ	Jan-25
Rate	30.7%	⬆ 2.20	28.5%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.22% to close the week at 292,632.10 points from 289,111.37 points in the previous week. The market traded 8,549,033 shares at a consideration of K3.38b in 939 trades, compared to 6,557,763 shares traded at a consideration of K2.78b in 630 trades in the previous week. The year-to-date return on MASI stood at 70.10% at the end of the week, compared to 1.87% for the same period in 2024 (Source: MSE).

	14-Mar-25	% Δ	07-Mar-25
MASI	292,632.10	⬆ 1.22%	289,111.37
DSI	205,398.12	⬆ 1.42%	202,519.45
FSI	70,225.27	⬆ 0.46%	69,900.75
Traded volume	8,549,033	⬆ 30.37%	6,557,763
Number of trades	939	⬆ 49.05%	630
Value of shares traded (K'm)	3,384.35	⬆ 21.63%	2,782.58
Market capitalisation (K'm)	15,947,670.34	⬆ 1.20%	15,758,214.99
Gainers	Closing price (K)	% Δ	Opening price (K)
OMU	2,500.03	⬆ 28.20%	1,950.03
ILLOVO	1791.70	⬆ 15.00%	1558.00
NICO	795.24	⬆ 0.79%	789.00
FMBCH	1412.54	⬆ 0.47%	1405.99
STANDARD	7930.04	⬆ 0.03%	7927.93
AIRTEL	128.04	⬆ 0.02%	128.02
NITL	634.08	⬆ 0.01%	634.03
FDHB	315.19	⬆ 0.003%	315.18
NBM	6200.09	⬆ 0.0003%	6200.07
No movement	Closing price (K)	% Δ	Opening price (K)
BHL	14.55	➡ 0.00%	14.55
MPICO	19.00	➡ 0.00%	19.00
PCL	2,500.02	➡ 0.00%	2,500.02
SUNBIRD	300.03	➡ 0.00%	300.03
Losers	Closing price (K)	% Δ	Opening price (K)
NBS	349.57	⬇ -0.03%	349.68
ICON	17.97	⬇ -0.06%	17.98
TNM	26.27	⬇ -0.11%	26.30

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