

## Foreign exchange market developments

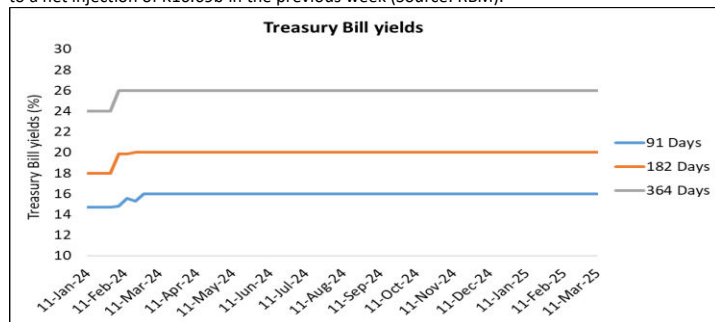
During the week, the Kwacha marginally appreciated against the USD and ZAR but depreciated against the GBP and EUR as indicated by TT middle exchange rates below (Source: RBM).

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 & FCDAs)	530.90	516.90	519.00	
Total import cover (months)	2.10	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).

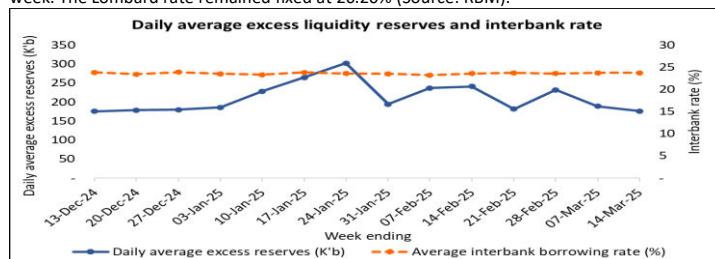


Treasury Bill auctions				
Auction date	11-Mar-25	% pts Δ	4-Mar-25	
Amount offered - cost value (K'm)	14,398.00	⇒ 0.00%	14,398.00	
Applied - cost value (K'm)	64,298.11	↑ 90.64%	33,728.17	
Allotted - cost value (K'm)	64,298.11	↑ 90.64%	33,728.17	
Overall rejection rate	0.00%	⇒ 0.00	0.00%	
91 days yield	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

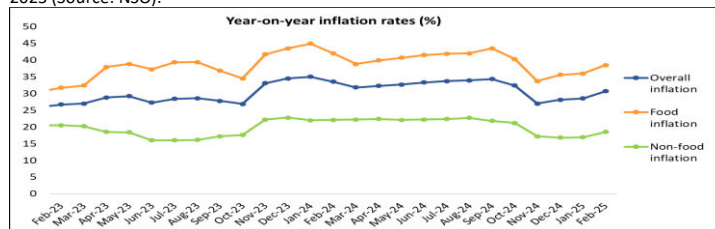
## Market liquidity and interbank market activity

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).



Policy Rate			
Rate	30-Jan-25	% pts Δ	04-Nov-24
	26.00%	⇒ 0.00	26.00%
Market Reference Rate			
Rate	Mar-25	% pts Δ	Feb-25
	25.10%	⇒ 0.00	25.10%
Inflation Rate			
Rate	Feb-25	% pts Δ	Jan-25
	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. 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).

Stock market trading activity						
	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)	P/E ratio	P/BV ratio	
OMU	2,500.03	↑ 28.20%	1,950.03	25.84	2.32	
ILLOVO	1791.70	↑ 15.00%	1558.00	56.48	8.59	
NICO	795.24	↑ 0.79%	789.00	26.67	9.11	
FMBCH	1412.54	↑ 0.47%	1405.99	57.60	15.01	
STANDARD	7930.04	↑ 0.03%	7927.93	35.43	9.60	
AIRTEL	128.04	↑ 0.02%	128.02	(91.31)	(132.79)	
NITL	634.08	↑ 0.01%	634.03	3.98	1.90	
FDHB	315.19	↑ 0.003%	315.18	61.02	37.05	
NBM	6200.09	↑ 0.0003%	6200.07	40.07	14.02	
No movement						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
BHL	14.55	⇒ 0.00%	14.55	(107.89)	12.42	
MPICO	19.00	⇒ 0.00%	19.00	7.98	0.76	
PCL	2,500.02	⇒ 0.00%	2,500.02	7.44	1.14	
SUNBIRD	300.03	⇒ 0.00%	300.03	14.94	1.62	
Losers						
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio	
NBS	349.57	↓ -0.03%	349.68	34.63	20.34	
ICON	17.97	↓ -0.06%	17.98	6.27	0.99	
TNM	26.27	↓ -0.11%	26.30	(55.41)	6.32	

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