

Foreign exchange market developments

During the week, the Kwacha appreciated against 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	15-Nov-24	% Δ	1-Nov-24
USD	1750.1920	↑ -0.01%	1750.3114
GBP	2279.2421	↑ -1.59%	2315.9507
EUR	1901.2111	↑ -3.02%	1960.3398
ZAR	99.7872	↑ -2.49%	102.3331

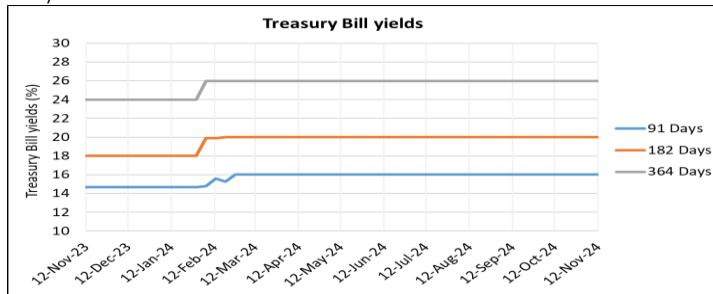
Opening foreign exchange bureaux middle rates as at the end of the week			
Currency	16-Oct-24	% Δ	11-Oct-24
USD	1931.6900	↑ +0.0001%	1931.6913
GBP	2527.7356	↑ -0.05%	2528.9204
EUR	2141.5365	↑ -0.17%	2145.1925
ZAR	108.3275	↓ 0.23%	108.0769

Foreign exchange reserves position			
30-Sep-24	31-Aug-24	31-Jul-24	
Total foreign exchange reserves			
(Aggregate of RBM, Banks & Total import cover (months)	560.30	549.85	572.02
2.20	2.20	2.29	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K15.32b from auction of Treasury Bills and K119.14b from auction of Treasury Notes and Bonds during the week. Maturities of Government securities for the week amounted to K44.81b, resulting in a net withdrawal of K89.65b from the market compared to a net withdrawal of K9.30b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	11 & 12 Nov 24	% pts Δ	5-Nov-24
Amount offered - cost value (K'm)	12,420.00	↗ 0.00%	12,420.00
Applied - cost value (K'm)	15,315.31	↗ 86.60%	8,207.38
Allotted - cost value (K'm)	15,315.31	↗ 86.60%	8,207.38
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 & 15 Nov 24	5-Nov-24	29-Oct-24
Tenor	2-yr TN, 3-yr TN, 3-yr IDB, 5-yr TN, 7-yr TN & 10-yr TN	3-yr TN	7-yr TN
Coupon rate	10.00%, 11.00%, 12.00%, 12.50%, 13.50% & 15.00%	11.00%	13.50%
Amount offered - cost value (K'b)		37.54	28.21
Total applied - cost value (K'b)	119.14	18.25	0.31
Total allotted - cost value (K'b)	119.14	18.25	0.31
Allotted - weighted average ytm	28.75%, 30.00%, 30.00%, 32.00%, 34.00% & 35.00%	30.00%	34.00%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	15-Nov-24	10-Dec-24
3-year TN	30.00%	15-Nov-24	17-Dec-24
3-year Development Bond	30.00%	15-Nov-24	TBA
5-year TN	32.00%	15-Nov-24	19-Nov-24
5-year Development Bond	28.00%	28-Nov-23	31-Dec-24
7-year TN	34.00%	11-Nov-24	03-Dec-24
7-Year Development Bond	34.00%	20-Sep-24	TBA
10-year TN	35.00%	15-Nov-24	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

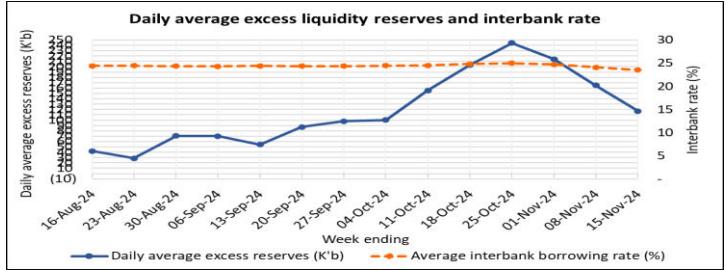
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
19-Nov-24	5-yr TN	30.08	12.50%
26-Nov-24	2-yr IDB	20.00	
03-Dec-24	7-yr TN	27.61	13.50%
10-Dec-24	2-yr TN	42.05	10.00%
17-Dec-24	3-yr TN	37.54	11.00%
31-Dec-24	5-yr IDB	10.00	13.50%

Projected maturities			
Week ending	15-Nov-24	22-Nov-24	29-Nov-24
TBs, PNs & TNs (K'm)	44,809	14,914	11,926
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	47,266

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K116.85b during the week from K164.83b in the previous week. Daily average interbank borrowing increased to K50.94b during the week from K25.00b in the previous week. Borrowing on the Lombard facility amounted to K28.00b compared to no borrowing in the previous week. The average interbank borrowing rate decreased to 23.52% during the week from 24.10% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).


Inflation

The year-on-year headline inflation rate decreased to 32.4% in October 2024 from 34.3% in September 2024 due to a decrease in food inflation rate to 40.3% in October 2024 from 43.5% in September 2024 and a decrease in non-food inflation rate to 21.2% in October 2024 from 21.8% in September 2024 (Source: NSO).


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 3.12% to close the week at 153,018.27 points from 148,395.23 points in the previous week. The market traded 36,057,544 shares at a consideration of K10.94b in 257 trades, compared to 14,430,152 shares traded at a consideration of K2.23b in 346 trades in the previous week. The year-to-date return on MASI stood at 37.91% as at the end of the week compared to 84.18% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	15-Nov-24	% Δ	08-Nov-24
MASI	153,018.27	↑ 3.12%	148,395.23
DSI	120,503.70	↑ 3.53%	116,390.47
FSI	19,990.63	↑ 0.003%	19,990.13
Traded volume	36,057,544	↑ 149.88%	14,430,152
Number of trades	257	↓ -25.72%	346
Value of shares traded (K'm)	10,935.98	↑ 390.55%	2,229.31
Market capitalisation (K'm)	8,260,858.91	↑ 3.09%	8,013,134.56
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	69.00	↑ 18.90%	58.03
FMBCH	398.62	↑ 0.003%	398.61
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NBM	3450.01	↑ 0.0003%	3450.00
NBS	151.21	↑ 1.07%	149.61
NICO	200.01	↑ 0.59%	198.84
NITL	409.94	↑ 0.002%	409.93
PCL	2499.81	↑ 0.0004%	2499.80
STANDARD	6000.01	↑ 9.18%	5495.29
TNM	26.46	↑ 1.57%	26.05
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	148.84	↓ -0.12%	149.02
ICON	15.79	↓ -0.13%	15.81
ILLOVO	1,355.10	↓ -0.001%	1,355.12
MPICO	14.82	↓ -0.07%	14.83

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