



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 | |

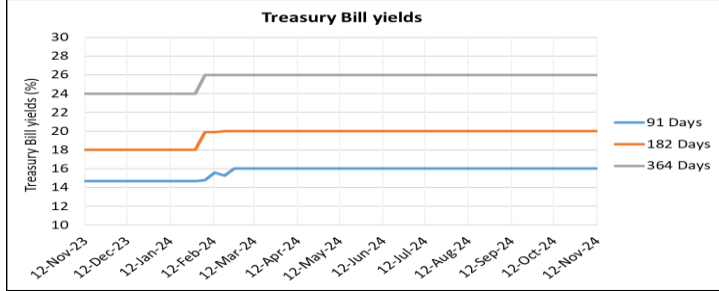
| Opening foreign exchange bureaux middle rates as at the end of the week | | | | |
|---|-----------|------------|-----------|--|
| Currency | 16-Oct-24 | % Δ | 11-Oct-24 | |
| USD | 1931.6900 | ↑ -0.0001% | 1931.6913 | |
| GBP | 2527.7356 | ↑ -0.05% | 2528.9204 | |
| EUR | 2141.5365 | ↑ -0.17% | 2145.1925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

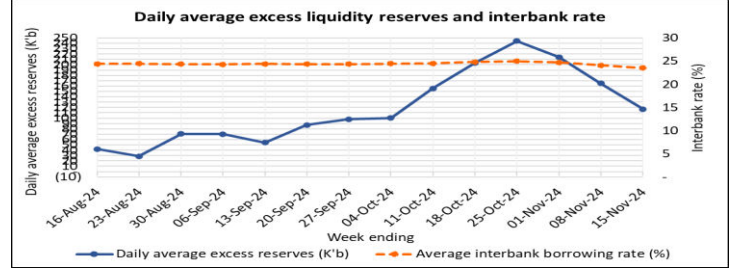
| Upcoming auctions of Treasury Notes and Bonds | | | | |
|---|---------------|--------------|----------------------------|--|
| Auction date | Tenor (years) | Amount (K'b) | Last auction's coupon rate | |
| 19-Nov-24 | 5-yr TN | 30.08 | 12.50% | |
| 26-Nov-24 | 2-yr IDB | 20.00 | | |
| 03-Dec-24 | 7-yr 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

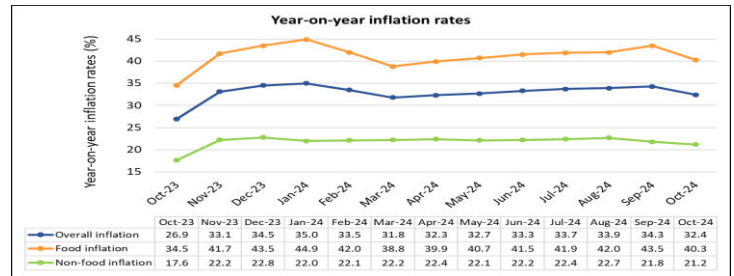
Market liquidity and interbank market activity

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).



| Policy Rate | | | |
|-------------|-----------|---------|-----------|
| | 04-Nov-24 | % pts Δ | 25-Jul-24 |
| Rate | 26.00% | → 0.00 | 26.00% |

| Market Reference Rate | | | |
|-----------------------|--------|---------|--------|
| | Nov-24 | % pts Δ | Oct-24 |
| Rate | 25.50% | ↑ 0.10 | 25.40% |

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. 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) |
| FDBH | 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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