



**Foreign exchange market developments**

During the week the Kwacha depreciated against all major trading currencies as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	16-Aug-24	% Δ	9-Aug-24	
USD	1750.4979	↓ 0.04%	1749.8462	
GBP	2317.5665	↓ 0.80%	2299.1140	
EUR	1974.9479	↓ 0.47%	1965.7668	
ZAR	99.7443	↓ 1.58%	98.1884	

Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	16-Aug-24	% Δ	9-Aug-24	
USD	1927.3775	↑ -0.0001%	1927.3788	
GBP	2464.3617	↓ 0.26%	2457.9919	
EUR	2120.9740	↓ 0.30%	2114.5448	
ZAR	104.9644	↓ 0.30%	104.6556	

Foreign exchange reserves position			
	30-Jun-24	31-May-24	30-Apr-24
Total foreign exchange reserves			
(Aggregate of RBM, Banks & Total import cover (months)	591.51	610.18	603.07
	2.37	2.44	2.41

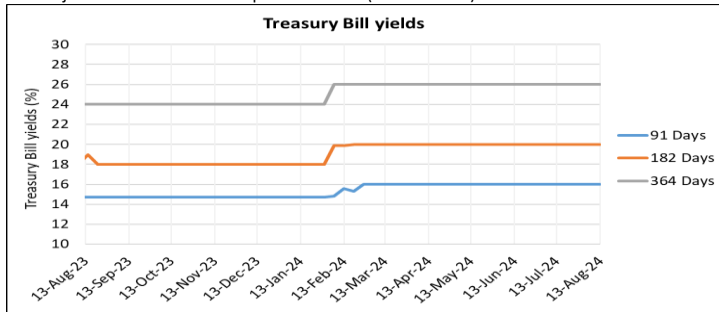
  

Cumulative tobacco sales as at the end of the season				
Date	End of season 2024 (2 Aug)	% Δ	End of season 2023 (4 Aug)	
Volume (million kg)	133.12	↑ 10.45%	120.53	
Value (USD/million)	396.28	↑ 39.65%	283.76	
Average price (USD/Kg)	2.98	↑ 26.81%	2.35	

Data source: Reserve Bank of Malawi (RBM)

**Government securities**

The Government raised K18.73b from auction of Treasury Bills and K22.56b from auction of Treasury Notes and Bonds during the week. Maturities of Government securities for the week amounted to K26.23b, resulting in a net withdrawal of K15.06b from the market, compared to a net injection of K21.13b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	13-Aug-24	% pts Δ	6-Aug-24	
Amount offered - cost value (K'm)	19,028.00	0.00%	19,028.00	
Applied - cost value (K'm)	18,730.92	↑ 282.49%	4,897.12	
Allotted - cost value (K'm)	18,730.92	↑ 282.49%	4,897.12	
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	13 & 16 Aug 24	6-Aug-24	1-Aug-24	
Tenor	2-yr TN, 3-yr TN, 5-yr TN, 7-yr ID & 10-yr TN	7-year IDB	2, 3, 5, 7 & 10-year TNs	
Coupon rate	10.00%, 11.00%, 12.50%, 14.50% & 15.00%	14.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	
Amount offered - cost value (K'b)		20.00		
Total applied - cost value (K'b)		22.56		4.39
Total allotted - cost value (K'b)		22.56		4.39
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	34.00%	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	16-Aug-24	03-Sep-24	
3-year TN	30.00%	16-Aug-24	20-Aug-24	
5-year TN	32.00%	16-Aug-24	30-Jul-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	01-Aug-24	27-Aug-24	
7-Year Development Bond	34.00%	16-Aug-24	TBA	
10-year TN	35.00%	16-Aug-24	TBA	
10-year Development Bond	35.00%	20-Jun-24	TBA	

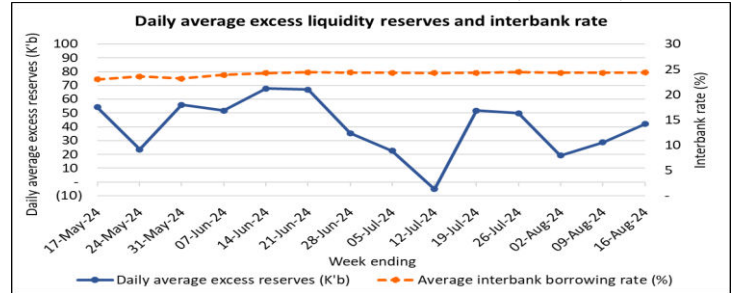
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
20-Aug-24	3	49.12	11.00%	
27-Aug-24	7	45.48	13.50%	
03-Sep-24	2	52.80	10.00%	
17-Sep-24	5	45.20	12.50%	
24-Sep-24	3	49.12	11.00%	

Projected maturities				
Week ending	16-Aug-24	23-Aug-24	30-Aug-24	
TBs, PNs & TNs (K'm)	26,230	79,331	15,817	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	31,931	

Data source: RBM

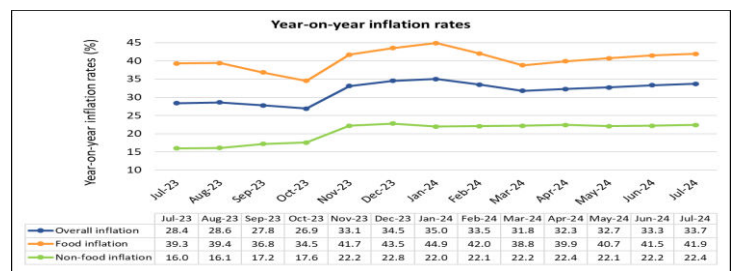
**Market liquidity and interbank market activity**

Average daily excess liquidity reserves increased to K42.12b during the week from K28.66b in the previous week. Daily average interbank borrowing decreased to K77.14b from K81.80b. Borrowing on the Lombard facility decreased to an average of K59.40b per day, compared to K85.60b per day in the previous week. The average interbank borrowing rate increased to 24.39% from 24.32%. The Lombard rate remained fixed at 26.20% (Source: RBM)



**Inflation**

The year-on-year headline inflation rate increased to 33.7% in July 2024 from 33.3% in June 2024 due to an increase in food inflation rate to 41.9% in July 2024 from 41.5% in June 2024 and an increase in non-food inflation rate to 22.4% in July 2024 from 22.2% in June 2024 (Source: NSO)



Policy Rate			
Rate	25-Jul-24	% pts Δ	03-May-24
	26.00%	→ 0.00	26.00%

Market Reference Rate			
Rate	Aug-24	% pts Δ	Jul-24
	25.40%	→ 0.00	25.40%

Inflation Rate			
Rate	Jul-24	% pts Δ	Jun-24
	33.7%	↑ 0.40	33.3%

**Malawi Stock Exchange (MSE) trading activity**

The Malawi All Share Index (MASI) registered a gain of 3.48% to close the week at 139,204.55 points from 134,526.12 points in the previous. The market traded 15,274,482 shares at a consideration of K2.16b in 408 trades, compared to 9,831,296 shares traded at a consideration of K1.46 in 321 trades in the previous week. The year-to-date return on MASI stood at 25.46% as at the end of the week compared to 88.84% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	16-Aug-24	% Δ	09-Aug-24	
MASI	139,204.55	↑ 3.48%	134,526.12	
DSI	108,167.12	↑ 3.98%	104,027.35	
FSI	20,048.12	↑ 0.15%	20,018.58	
Traded volume	15,274,482	↑ 55.37%	9,831,296	
Number of trades	408	↑ 27.10%	321	
Value of shares traded (K'm)	2,164.83	↑ 48.41%	1,458.64	
Market capitalisation (K'm)	7,521,159.89	↑ 3.47%	7,268,756.19	

Gainers	Closing price (K)	% Δ	Opening price (K)
FDHB	149.95	↑ 4.35%	143.70
ILLOVO	1,355.14	↑ 0.001%	1,355.13
NBM	3450.00	↑ 15.00%	3000.07
NICO	198.93	↑ 0.005%	198.92
OMU	1866.00	↑ 14.98%	1622.94
STANDARD	4400.06	↑ 0.001%	4400.02
TNM	16.34	↑ 0.25%	16.30

Losers	Closing price (K)	% Δ	Opening price (K)
FMBCH	399.99	↓ -0.002%	400.00
ICON	15.84	↓ -0.06%	15.85
MPICO	14.97	↓ -0.13%	14.99
NBS	149.97	↓ -0.96%	151.42
NITL	411.26	↓ -0.02%	411.34
PCL	2499.93	↓ -0.002%	2499.97

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