



**Foreign exchange market developments**

During the week, the Kwacha marginally appreciated against the USD and GBP but depreciated against the 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	17-Jan-25	% Δ	10-Jan-25	
USD	1749.8391	↑ -0.05%	1750.6720	
GBP	2205.6781	↑ -0.47%	2216.0419	
EUR	1855.5082	↓ 0.17%	1852.3819	
ZAR	95.4277	↓ 0.87%	94.6073	

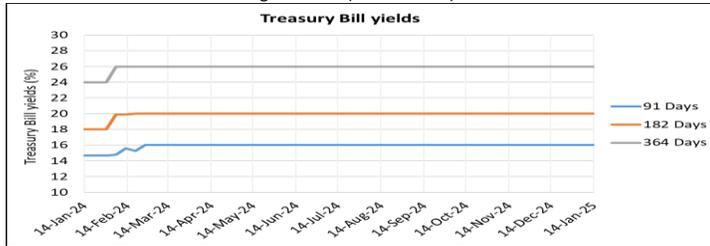
  

Foreign exchange reserves position			
	30-Nov-24	31-Oct-24	30-Sep-24
Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months)	516.90	519.00	560.30
	2.10	2.10	2.20

Data source: Reserve Bank of Malawi (RBM)

**Government securities**

The Government raised K27.40b from auction of Treasury Bills and K2.67b from auction of a 5-year Treasury Note during the week. This is compared to K52.22b that was raised from Treasury Bills and K33.84b that was raised from Treasury Notes and Bonds in the previous week. Maturities of Government securities for the week amounted to K27.18b and maturities of OMO reverse repos amounted to K22.04b. These transactions resulted in a net withdrawal of K24.93b from the market during the week (Source: RBM).



Treasury Bill auctions			
Auction date	14-Jan-25	% pts Δ	7-Jan-25
Amount offered - cost value (K'm)	17,323.00	0.00%	17,323.00
Applied - cost value (K'm)	27,396.75	↓ -47.54%	52,221.86
Allotted - cost value (K'm)	27,396.75	↓ -47.54%	52,221.86
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	14-Jan-25	7 & 10 Jan 2025	
Tenor	5-yr TN	2-yr TN, 2-yr IDB, 3-yr TN, 3-yr IDB, 5-yr TN, 5-yr IDB, 7-yr TN, 10-yr TN	
Coupon rate	12.50%	10.0%, 11.0%, 11.0%, 12.0%, 12.5%, 13.5%, 13.5% & 15.0%	
Amount offered - cost value (K'b)	43.02	K49.02b for the 3-yr TN	
Total applied - cost value (K'b)	2.67	33.84	
Total allotted - cost value (K'b)	2.67	33.84	
Allotted - weighted average ytm	32.00%	28.75%, 28.75%, 30.00%, 30.00%, 32.00%, 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%	07-Jan-25	04-Feb-25
2-year Development Bond	28.75%	07-Jan-25	21-Jan-25
3-year TN	30.00%	10-Jan-25	11-Feb-25
3-year Development Bond	30.00%	07-Jan-25	25-Feb-25
5-year TN	32.00%	14-Jan-25	04-Mar-25
5-year Development Bond	32.00%	07-Jan-25	TBA
7-year TN	34.00%	10-Jan-25	18-Feb-25
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	10-Jan-25	28-Jan-25
10-year Development Bond	35.00%	20-Jun-24	TBA

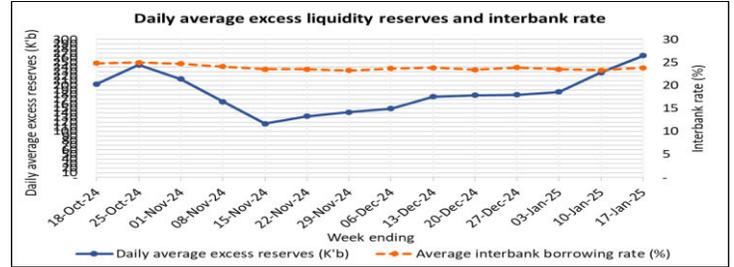
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
21-Jan-25	2-yr IDB	10.00	11.00%
28-Jan-25	10	30.68	15.00%
04-Feb-25	2	46.02	10.00%
11-Feb-25	3	35.34	11.00%
18-Feb-25	7	21.36	13.50%
25-Feb-25	3-yr IDB	10.00	12.00%
04-Mar-25	5	40.02	12.50%
11-Mar-25	2	49.02	10.00%
18-Mar-25	3	43.02	11.00%
25-Mar-25	7	21.34	13.50%

Projected maturities			
Week ending	17-Jan-25	24-Jan-25	31-Jan-25
TBs, PNs & TNs (K'm)	27,176	81,592	5,732
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	22,041	0	0

Data source: RBM

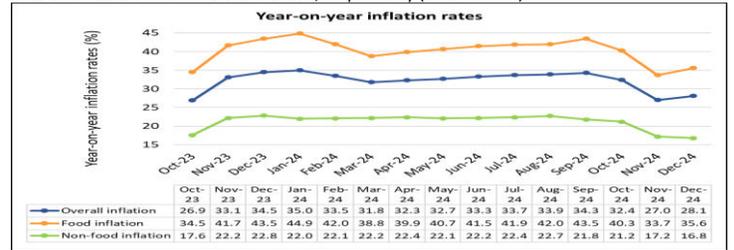
**Market liquidity and interbank market activity**

Average daily excess liquidity reserves increased to K264.77b during the week from K228.13b in the previous week. Daily average interbank borrowing increased to K193.50b from K141.80b in the previous week. There was no borrowing on the Lombard facility during the week as was the case in the previous week. The average interbank borrowing rate increased to 23.82% from 23.31% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



**Inflation**

The year-on-year headline inflation rate increased to 28.1% in December 2024 from 27.0% in November 2024 as food inflation rate increased to 35.6% in December 2024 from 33.7% in November 2024 while non-food inflation rate decreased 16.8% in December 2024 from 17.2% in November 2024. The annual average year-on-year inflation rate for 2024 stands at 32.2% compared to 28.8% recorded in 2023. Annual average food and non-Food inflation rates are at 40.2% and 21.2% from 37.1% and 18.8%, respectively (Source: NSO).



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

Market Reference Rate			
Rate	Jan-25	% pts Δ	Dec-24
Rate	25.20%	↓ -0.10	25.30%

Inflation Rate			
Rate	Dec-24	% pts Δ	Nov-24
Rate	28.1%	↑ 1.10	27.0%

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

The Malawi All Share Index (MASI) registered a gain of 5.40% to close the week at 189,195.88 points from 179,503.72 points in the previous. The market traded 6,023,426 shares at a consideration of K1.86b in 436 trades, compared to 10,761,115 shares traded at a consideration of K2.77b in 425 trades in the previous week. The year-to-date return on MASI stood at 9.97% as at the end of the week compared to 1.56% for the same period in 2024 (Source: MSE).

Stock market trading activity				
	17-Jan-25	% Δ	10-Jan-25	
MASI	189,195.88	↑ 5.40%	179,503.72	
DSI	146,627.67	↑ 6.25%	138,003.89	
FSI	27,738.97	↑ 0.002%	27,738.47	
Traded volume	6,023,426	↓ -44.03%	10,761,115	
Number of trades	436	↑ 2.59%	425	
Value of shares traded (K'm)	1,862.84	↓ -32.86%	2,774.67	
Market capitalisation (K'm)	10,295,913.41	↑ 5.32%	9,776,225.49	
Gainers	Closing price (K)	% Δ	Opening price (K)	
FDHB	148.27	↑ 0.03%	148.22	
FMBCH	555.01	↑ 0.002%	555.00	
NBM	4,578.50	↑ 14.99%	3,981.50	
NBS	311.66	↑ 20.53%	258.57	
PCL	2499.95	↑ 0.01%	2499.81	
STANDARD	6900.01	↑ 6.42%	6483.97	
Losers	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	84.99	↓ -1.24%	86.06	
ICON	18.04	↓ -0.06%	18.05	
NICO	418.99	↓ -0.002%	419.00	
TNM	20.49	↓ -0.05%	20.50	

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