

## Foreign exchange market developments

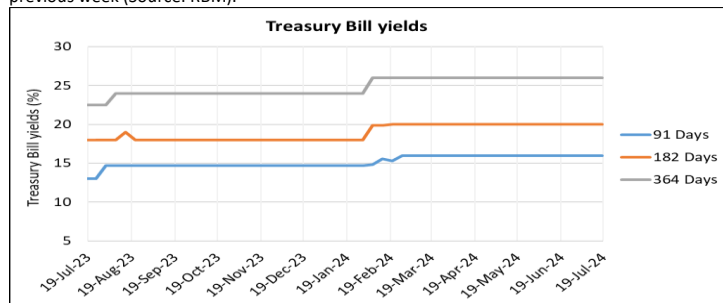
During the week the Kwacha depreciated against USD, GBP and EUR but appreciated against ZAR as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	19-Jul-24	% Δ	12-Jul-24	
USD	1750.3738	↓ 0.08%	1749.0252	
GBP	2331.6400	↓ 0.52%	2319.4724	
EUR	1957.5385	↓ 0.33%	1951.1256	
ZAR	97.8584	↑ -1.30%	99.1504	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	26-Jun-24	% Δ	21-Jun-24	
USD	1925.5429	↓ 0.06%	1924.4388	
GBP	2457.7083	↓ 0.10%	2455.2917	
EUR	2103.1458	↓ 0.05%	2102.0625	
ZAR	104.8475	↓ 0.14%	104.7017	
Foreign exchange reserves position				
	30-Jun-24	31-May-24	30-Apr-24	
Total foreign exchange reserves	591.51	610.18	603.07	
(Aggregate of RBM, Banks & Total import cover (months)	2.37	2.44	2.41	
Cumulative tobacco sales as at the end of week 14				
Date	Week 14 2024 (19 July)	% Δ	Week 14 2023 (14 July)	
Volume (million kg)	130.32	↑ 14.33%	113.99	
Value (USD/million)	386.91	↑ 44.62%	267.54	
Average price (USD/Kg)	2.97	↑ 26.38%	2.35	

Data source: Reserve Bank of Malawi (RBM)

## Government securities

The Government raised K30.29b from auction of Treasury Bills and K9.58b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K40.08b and maturities of OMO repos amounted to K33.03b. These transactions resulted in a net injection of K33.24b into the market, compared to a net injection of K2.46b in the previous week (Source: RBM).

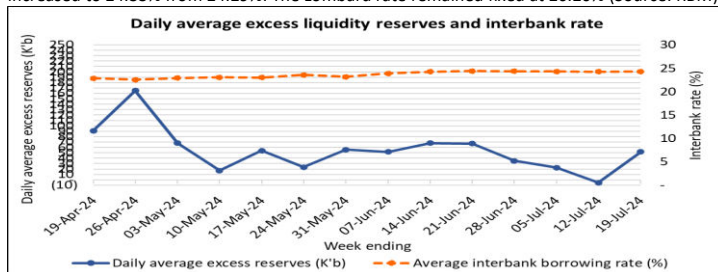


Treasury Bill auctions				
Auction date	16 & 18 Jul-24	% pts Δ	9-Jul-24	
Amount offered - cost value (K'm)	10,086.00	↓ 0.00%	10,086.00	
Applied - cost value (K'm)	30,293.99	↓ -50.61%	61,342.43	
Allotted - cost value (K'm)	30,293.99	↓ -50.61%	61,342.43	
Overall rejection rate	0.00%	↓ 0.00%	0.00%	
91 days 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	26.6667%	↓ 0.0000%	26.6667%	
Treasury Note and Bond auctions				
Auction dates	18-Jul-24	9-Jul-24	2-Jul-24	
Tenor	2, 3, 5, 7 & 10 year TNs	10 year TN	2, 5, 7 & 10 year TNs	
Coupon rate	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	15.00%	10.00%, 12.50%, 13.50% & 15.00%	
Amount offered - cost value (K'b)		40.25		
Total applied - cost value (K'b)		9.58	62.10	
Total allotted - cost value (K'b)		9.58	62.10	
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	35.00%	28.75%, 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%	18-Jul-24	23-Jul-24	
3-year TN	30.00%	18-Jul-24	20-Aug-24	
5-year TN	32.00%	18-Jul-24	30-Jul-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	18-Jul-24	27-Aug-24	
7-year Development Bond	32.00%	16-Jan-24	06-Aug-24	
10-year TN	35.00%	18-Jul-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	
23-Jul-24	2	52.80	10.00%	
30-Jul-24	5	42.64	12.50%	
06-Aug-24	7-year IDB	20.00	14.50%	
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	19-Jul-24	26-Jul-24	2-Aug-24	
TBs, PNs & TNs (K'm)	40,081	22,294	39,875	
OMO repos (K'm)	33,026	0	0	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

## Market liquidity and interbank market activity

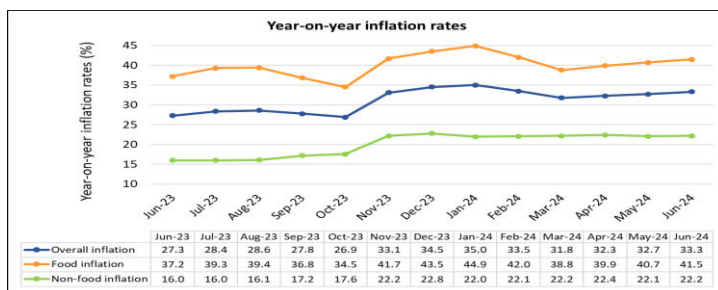
Average daily excess liquidity reserves increased to K51.72b during the week from -K5.16b in the previous week. Daily average interbank borrowing marginally increased to K80.66b from K80.63b. Borrowing on the Lombard facility decreased to an average of K80.90b per day, compared to K119.93b per day in the previous week. The average interbank borrowing rate increased to 24.33% from 24.29%. The Lombard rate remained fixed at 26.20% (Source: RBM)



Policy Rate			
Rate	03-May-24	% pts Δ	01-Feb-24
	26.00%	→ 0.00	26.00%
Market Reference Rate			
Rate	Jul-24	% pts Δ	Jun-24
	25.40%	↑ 0.30	25.10%
Inflation Rate			
Rate	Jun-24	% pts Δ	May-24
	33.3%	↑ 0.60	32.7%

## Inflation

The year-on-year headline inflation rate increased to 33.3% in June 2024 from 32.7% in May 2024 due to an increase in food inflation rate to 41.5% in June 2024 from 40.7% in May 2024 and an increase in non-food inflation rate to 22.2% in June 2024 from 22.1% in May 2024 (Source: NSO)



## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 2.23% to close the week at 127,326.14 points from 124,542.88 points in the previous. The market traded 7,153,573 shares at a consideration of K1.05b in 216 trades, compared to 16,725,007 shares traded at a consideration of K951.70m in 217 trades in the previous week. The year-to-date return on MASI stood at 14.76% as at the end of the week compared to 79.68% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	19-Jul-24	% Δ	12-Jul-24
MASI	127,326.14	↑ 2.23%	124,542.88
DSI	98,020.59	↑ 2.09%	96,014.61
FSI	19,507.94	↑ 3.18%	18,906.96
Traded volume	7,153,573	↓ -57.23%	16,725,007
Number of trades	216	↓ -0.46%	217
Value of shares traded (K'm)	1,051.58	↑ 10.49%	951.70
Market capitalisation (K'm)	6,880,862.06	↑ 2.24%	6,730,242.98
Gainers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	110.03	↑ 4.78%	105.01
FMBCH	390.00	↑ 3.21%	377.87
NBM	2700.05	↑ 0.001%	2700.03
NBS	152.28	↑ 32.26%	115.14
SUNBIRD	224.02	↑ 0.004%	224.01
Losers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	45.50	↓ -4.15%	47.47
ICON	15.89	↓ -0.06%	15.90
ILLOVO	1355.10	↓ -0.001%	1355.11
MPICO	15.01	↓ -0.07%	15.02
NICO	199.20	↓ -0.04%	199.28
NITL	411.40	↓ -0.002%	411.41
PCL	2499.99	↓ -0.0004%	2500.00
TNM	16.49	↓ -0.06%	16.50

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