Market update – 2nd May 2025

Foreign exchange market developments

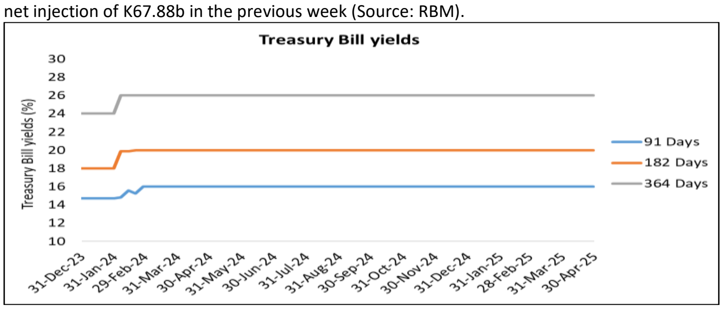
During the week, the Kwacha depreciated against the USD, GBP and ZAR, but appreciated against the EUR, as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	2-May-25	% Δ	25-Apr-25
USD	1750.6617	0.01%	1750.5480
GBP	2400.3852	1.90%	2355.5351
EUR	2032.2312	-0.79%	2048.3996
ZAR	96.9076	1.26%	95.6981
Foreign exchange reserves position			
	28-Feb-25	31-Jan-25	31-Dec-24
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs)	569.50	570.60	530.90
Total import cover (months)	2.30	2.30	2.10
Cummulative tobacco sales as at the end of week 3			
Date	Week 3 2025 (25 April 2025)	% Δ	Week 3 2024 (2 May 2024)
Volume (million kg)	14.02	-30.41%	20.14
Value (USD'million)	31.93	-40.65%	53.80
Average price (USD/Kg)	2.28	-14.61%	2.67

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K12.30b from the auction of Treasury Bills during the week. There was no auction of Treasury Notes. Maturities of Government securities for the week amounted to K13.31b, resulting in a net injection of K1.01b into the market during the week, compared to a net injection of K67.88b in the previous week (Source: RBM).

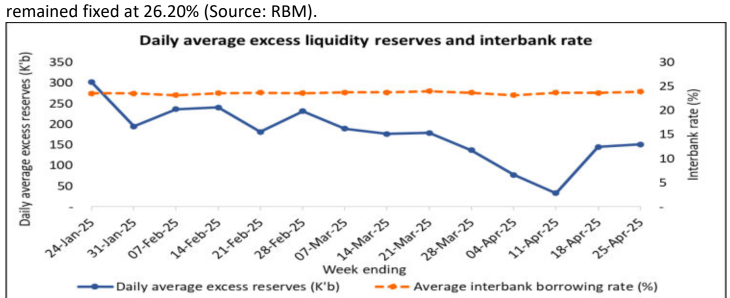


Treasury Bill auctions			
Auction date	29-Apr-25	% pts Δ	22-Apr-25
Amount offered -cost value (K'm)	17,540.00	0.00%	17,540.00
Applied - cost value (K'm)	12,301.55	-66.92%	37,182.48
Alloted - cost value (K'm)	12,301.55	-66.92%	37,182.48
Overall rejection rate	0.00%	0.00	0.00%
91 days yield	16.0000%	0.0000%	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	22-Apr-25	15-Apr-25	08-Apr-25
Tenor	5 years	2 years	10 years
Coupon rate	12.50%	10.00%	0.15
Amount offered -cost value (K'b)	68.95	84.71	55.7
Total applied - cost value (K'b)	19.96	7.49	18.27
Total allotted - cost value (K'b)	19.96	7.49	18.27
Allotted - weighted average ytm	32.00%	28.75%	0.35
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	15-Apr-25	03-Jun-25
2-year Development Bond	28.75%	25-Feb-25	20-May-25
3-year TN	30.00%	27-Mar-25	06-May-25
3-year Development Bond	30.00%	10-Feb-25	24-Jun-25
5-year TN	32.00%	22-Apr-25	17-Jun-25
5-year Development Bond	32.00%	20-Feb-25	TBA
7-year TN	34.00%	25-Mar-25	27-May-25
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	08-Apr-25	10-Jun-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
06-May-25	3	77.14	11.00%
20-May-25	2 IDB	10.00	11.00%
27-May-25	7	63.40	13.50%
03-Jun-25	2	84.71	10.00%
10-Jun-25	10	55.70	15.00%
17-Jun-25	5	68.95	12.50%
24-Jun-25	3 IDB	10.00	12.00%
Projected maturities			
Week ending	2-May-25	9-May-25	16-May-25
TBs, PNs & TNs (K'm)	13,312	70,073	20,242
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K81.96b, decreasing from an average of K151.28b in the previous week. The daily interbank borrowing averaged K110.50b during the week from K120.25b in the previous week. Borrowing on the Lombard facility amounted to K18.00b during the week, compared to K29.00b in the previous week. The average interbank borrowing rate decreased to 23.20% from 23.91% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
	30-Jan-25	% pts Δ	04-Nov-24
Rate	26.00%	0.00	26.00%
Market Reference Rate			
	Apr-25	% pts Δ	Mar-25
Rate	25.10%	0.00	25.10%
Inflation Rate			
	Mar-25	% pts Δ	Feb-25
Rate	30.5%	-0.20	30.7%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of 0.28% to close the week at 289,475.23 points from 290,277.11 points in the previous. The market traded 17,315,979 shares at a consideration of K2.87b in 719 trades, compared to 3,444,727 shares traded at a consideration of K1.01b in 415 trades in the previous week. The year-to-date return on MASI stood at 68.26% at the end of the week, compared to 2.98% for the same period in 2024 (Source: MSE).

Stock market trading activity					
	02-May-25	% Δ	25-Apr-25		
MASI	289,475.23	-0.28%	290,277.11		
DSI	213,497.82	-0.03%	213,551.82		
FSI	56,293.81	-1.47%	57,136.08		
Traded volume	17,315,979	402.68%	3,444,727		
Number of trades	719	73.25%	415		
Value of shares traded (K'm)	2,866.60	182.57%	1,014.47		
Market capitalisation (K'm)	15,750,523.03	-0.28%	15,795,464.39		
Gainers	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
PCL	4,000.00	0.22%	3,991.34	7.44	1.38
BHL	14.57	0.14%	14.55	(108.04)	12.44
SUNBIRD	300.16	0.01%	300.14	7.39	1.12
NITL	715.07	0.004%	715.04	3.24	1.31
STANDARD	9502.03	0.0003%	9502.00	25.82	8.58
No movement	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ICON	17.95	0.00%	17.95	4.91	0.82
OMU	2,500.00	0.00%	2,500.00	16.35	2.18
Losers	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ILLOVO	1791.57	-0.001%	1791.58	56.48	8.59
NBM	6200.10	-0.001%	6200.14	28.30	10.78
NICO	776.66	-0.01%	776.71	11.25	5.21
AIRTEL	128.99	-0.03%	129.03	(91.99)	(133.78)
FDHB	314.30	-0.03%	314.40	29.29	22.27
MPICO	18.99	-0.05%	19.00	5.11	0.67
TNM	22.99	-0.13%	23.02	22.95	4.45
NBS	341.24	-0.28%	342.20	13.61	8.86
FMBCH	1129.98	-1.48%	1146.98	35.32	8.44

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
NBS	3rd interim declared	5.00	23-Apr-25	25-Apr-25	6-May-25
STANDARD	Final proposed	70.31	TBA	TBA	TBA
FDHB	Final proposed	0.66	TBA	TBA	TBA
NITL	Final proposed	4.30	TBA	TBA	TBA
NBM	Final proposed	61.25	TBA	TBA	TBA
NBS	Final proposed	1.50	TBA	TBA	TBA
NICO	Final proposed	4.00	TBA	TBA	TBA
MPICO	Final proposed	0.43	TBA	TBA	TBA
ICON	Final proposed	0.15	TBA	TBA	TBA
SUNBIRD	Final proposed	10.50	TBA	TBA	TBA

Data source: MSE

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