

Foreign exchange market developments

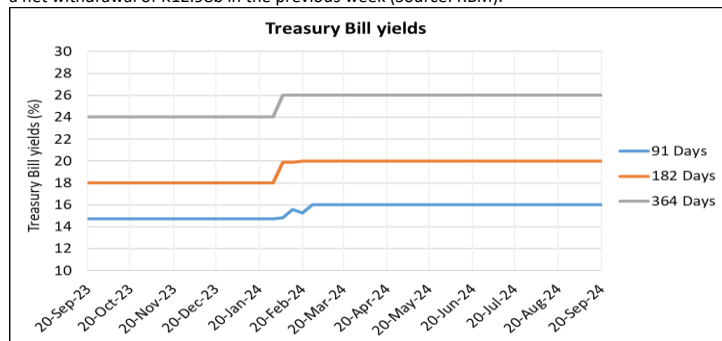
During the week the Kwacha was stable against the USD but depreciated against the GBP, EUR and ZAR, as indicated by TT middle exchange rates below. The Reserve Bank of Malawi (RBM) held a foreign exchange auction with Authorised Dealer Banks (ADB) on 19th September 2024, during which the market selling price was maintained at K1751 per USD (Source: RBM).

Closing TT middle exchange rates as at the end of the week				
Currency	20-Sep-24	% Δ	13-Sep-24	
USD	1750.4283	0.00001%	1750.4281	
GBP	2392.1008	1.20%	2363.7104	
EUR	2012.9115	1.24%	1988.2305	
ZAR	102.2330	0.71%	101.5109	
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				
	31-Jul-24	30-Jun-24	31-May-24	
Total foreign exchange reserves				
(Aggregate of RBM, Banks & FCDAs)	572.02	591.51	610.18	
Total import cover (months)	2.29	2.37	2.44	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K17.05b from auction of Treasury Bills and K112.26b from auction of Treasury Notes and Bonds during the week. Maturities of Government securities for the week amounted to K91.02b, resulting in a net withdrawal of K38.29b from the market, compared to a net withdrawal of K12.98b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	17 & 20 Sep 24	% pts Δ	10-Sep-24	
Amount offered - cost value (K'm)	11,017.00	0.00%	11,017.00	
Applied - cost value (K'm)	17,049.36	-61.86%	44,707.07	
Allotted - cost value (K'm)	17,049.36	-61.86%	44,707.07	
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	16, 17 & 20 Sep 24	9-Sep-24	3-Sep-24	
Tenor	2-yr TN, 3-yr TN, 5-yr TN, 7-yr TN, 7-yr DB & 10-yr TN	3, 5, 7 & 10-yr TNs	2-yr TN	
Coupon rate	10.00%, 11.00%, 12.50%, 13.50%, 14.50% & 15.00%	11.00%, 12.50%, 13.50% & 15.00%	10.00%	
Amount offered - cost value (K'b)	K45.20b for the 5-yr TN		52.80	
Total applied - cost value (K'b)	112.26	24.62	9.49	
Total allotted - cost value (K'b)	112.26	24.62	9.49	
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	30.00%, 32.00%, 34.00% & 35.00%	28.75%	

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

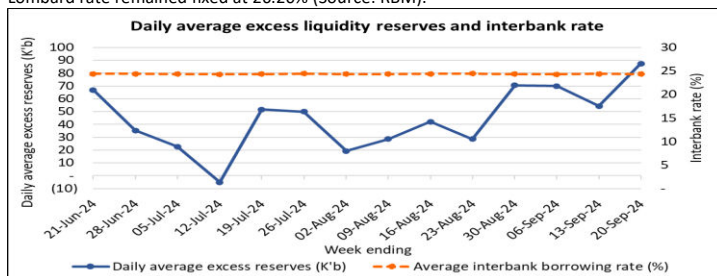
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
24-Sep-24	3	49.12	11.00%	

Projected maturities				
Week ending	20-Sep-24	27-Sep-24	4-Oct-24	
TBs, PNs & TNs (K'm)	91,022	13,143	22,306	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	10,947	0	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K87.39b during the week from K54.21b in the previous week. Daily average interbank borrowing decreased to K57.00b from K81.60b. There was no borrowing on the Lombard facility during the week, compared to K45.00b in the previous week. The average interbank borrowing rate decreased to 24.36% from 24.39%. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate				
Rate	25-Jul-24	% pts Δ	03-May-24	
	26.00%	0.00	26.00%	
Market Reference Rate				
Rate	Sep-24	% pts Δ	Aug-24	
	25.40%	0.00	25.40%	
Inflation Rate				
Rate	Aug-24	% pts Δ	Jul-24	
	33.9%	0.20	33.7%	

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a marginal gain of 0.04% to close the week at 143,430.94 points from 143,372.79 points in the previous. The market traded 44,119,147 shares at a consideration of K6.71b in 559 trades, compared to 16,793,986 shares traded at a consideration of K3.30b in 334 trades in the previous week. The year-to-date return on MASI stood at 29.27% as at the end of the week compared to 93.93% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	20-Sep-24	% Δ	13-Sep-24	
MASI	143,430.94	0.04%	143,372.79	
DSI	111,978.62	0.04%	111,935.02	
FSI	19,983.22	0.05%	19,972.81	
Traded volume	44,119,147	162.71%	16,793,986	
Number of trades	559	67.37%	334	
Value of shares traded (K'm)	6,709.45	103.15%	3,302.75	
Market capitalisation (K'm)	7,745,863.95	0.02%	7,744,046.12	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
BHL	13.50	3.45%	13.05	
FMBCH	398.68	0.05%	398.47	
OMU	1866.01	0.001%	1866.00	
STANDARD	5335.03	0.0004%	5335.01	
SUNBIRD	225.05	0.01%	225.03	
TNM	18.47	2.55%	18.01	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	44.91	-0.07%	44.94	
FDHB	149.45	-0.15%	149.68	
ICON	14.91	-0.27%	14.95	
ILLOVO	1,355.10	-0.001%	1,355.12	
MPICO	14.92	-0.07%	14.93	
NBM	3,449.97	-0.0003%	3,449.98	
NBS	149.61	-0.03%	149.66	
NITL	411.10	-0.01%	411.16	
PCL	2,499.85	-0.0004%	2,499.86	

Published bank financial results for the half year ended 30th June 2024				
Company	H1 2024 profit after tax (K'm)	Change (%)	H1 2023 profit after tax (K'm)	
Listed banks				
FDH Bank Plc	27,936	86%	15,015	
National Bank of Malawi Plc	42,074	19%	35,483	
NBS Bank Plc	32,643	169%	12,156	
Standard Bank Malawi Plc	42,374	57%	26,922	
Unlisted banks				
CDH Investment Bank Ltd	8,340	53%	5,463	
Centenary Bank Ltd	292	-70%	970	
Ecobank Ltd	27,286	91%	14,287	
First Capital Bank Plc	16,777	0%	16,787	
Listed non-bank companies				
Airtel Malawi Plc	21,331	17%	18,285	
FMB Capital Holdings Plc (USD'000)	46,824	11%	42,032	
ICON Properties Plc	9,727	51%	6,431	
National Investment Trust Plc	4,316	-74%	16,490	
NICO Holdings Plc	49,284	73%	28,443	
Press Corporation Plc	45,277	32%	34,274	
Sunbird Tourism Plc	4,807	-8%	5,252	
Telekom Networks Malawi Plc	2,260	190%	780	
Unlisted non-bank financial institutions				
First Discount House Ltd	6,040	50%	4,036	
United General Insurance Company Ltd	(279)	-138%	728	

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