

## Foreign exchange market developments

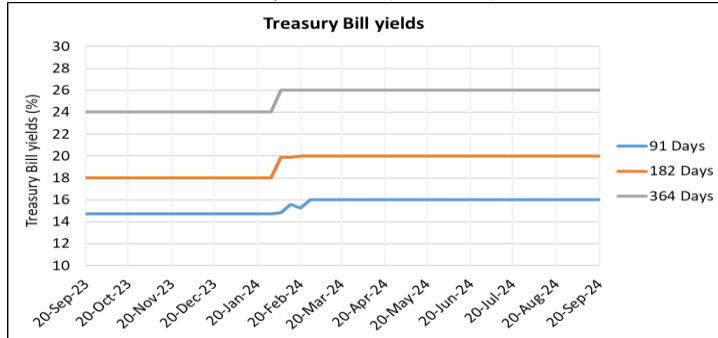
During the week the Kwacha was stable against the USD but depreciated against the GBP, EUR and ZAR, as indicated by TT middle exchange rates below. The Reserve Bank of Malawi (RBM) held a foreign exchange auction with Authorised Dealer Banks (ADB) on 19<sup>th</sup> September 2024, during which the market 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	0.0001%	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'lm)	11,017.00	0.00%	11,017.00
Applied - cost value (K'lm)	17,049.36	-61.86%	44,707.07
Allotted - cost value (K'lm)	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, 8, 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'lm)	K45.20b for the 5-yr TN	52.80	
Total applied - cost value (K'lm)	112.26	24.62	9.49
Total allotted - cost value (K'lm)	112.26	24.62	9.49
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00%, 34.00% & 35.00%	30.00%, 32.00%, 34.00% & 35.00%	28.75%

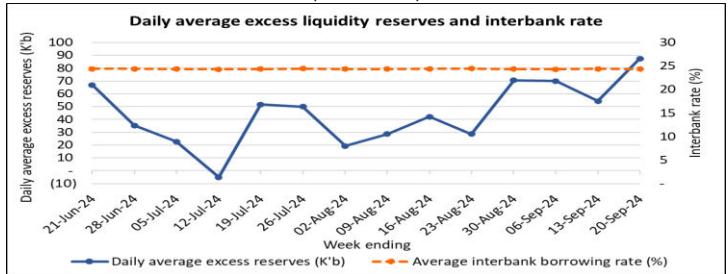
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	20-Sep-24	TBA
3-year TN	30.00%	20-Sep-24	24-Sep-24
5-year TN	32.00%	20-Sep-24	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	16-Sep-24	TBA
7-Year Development Bond	34.00%	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'lm)	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'lm)	91,022	13,143	22,306
OMO repos (K'lm)	0	0	0
OMO reverse repos (K'lm)	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
Market Reference Rate		
Rate	Sep-24	% pts Δ
Inflation Rate		
Rate	Aug-24	% pts Δ

## 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'lm)	6,709.45	103.15%	3,302.75
Market capitalisation (K'lm)	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	-0.004%	2,499.86

Published bank financial results for the half year ended 30th June 2024			
Company	H1 2024 profit after tax (K'lm)	Change (%)	H1 2023 profit after tax (K'lm)
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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