



**Foreign exchange market developments**

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

Closing TT middle exchange rates as at the end of the week			
Currency	21-Feb-25	% Δ	14-Feb-25
USD	1750.5566	↓ 0.05%	1749.7099
GBP	2282.0559	↓ 1.32%	2252.2293
EUR	1890.6913	↓ 0.29%	1885.1479
ZAR	97.4199	↑ -0.28%	97.6897

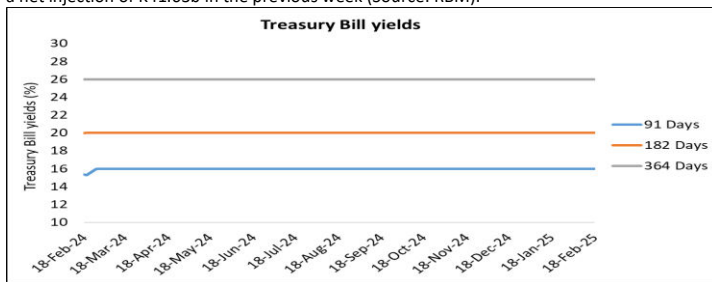
  

Foreign exchange reserves position			
	30-Nov-24	31-Oct-24	30-Sep-24
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs)	516.90	519.00	560.30
Total import cover (months)	2.10	2.10	2.20

Data source: Reserve Bank of Malawi (RBM)

**Government securities**

The Government raised K27.84b from the auction of Treasury Bills and K17.93b of Treasury Notes during the week. Maturities of Government securities for the week amounted to K57.74b, resulting in a net injection of K11.97b into the market during the week, compared to a net injection of K41.63b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	11-Feb-25	% pts Δ	11-Feb-25
Amount offered - cost value (K'm)	21,972.00	⇒ 0.00%	21,972.00
Applied - cost value (K'm)	27,885.04	↓ -39.12%	45,804.41
Alloted - cost value (K'm)	27,839.03	↓ -39.22%	45,804.41
Overall rejection rate	0.16%	↑ 0.16	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	18-Feb-25	20-Feb-25	
Tenor	7-yr TN	2-yr IDB, 5-yr TN, 5-yr IDB and 10-yr TN	
Coupon rate	13.50%	11.0%, 12.5%, 13.5% & 15.0%	
Amount offered - cost value (K'b)	21.36		
Total applied - cost value (K'b)	4.05	13.88	
Total allotted - cost value (K'b)	4.05	13.88	
Allotted - weighted average ytm	34.00%	28.75%, 32.0%, 32.0% & 35.0%	

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	10-Feb-25	11-Mar-25
2-year Development Bond	28.75%	20-Feb-25	TBA
3-year TN	30.00%	11-Feb-25	18-Mar-25
3-year Development Bond	30.00%	10-Feb-25	25-Feb-25
5-year TN	32.00%	20-Feb-25	04-Mar-25
5-year Development Bond	32.00%	20-Feb-25	TBA
7-year TN	34.00%	18-Feb-25	25-Mar-25
7-year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	20-Feb-25	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

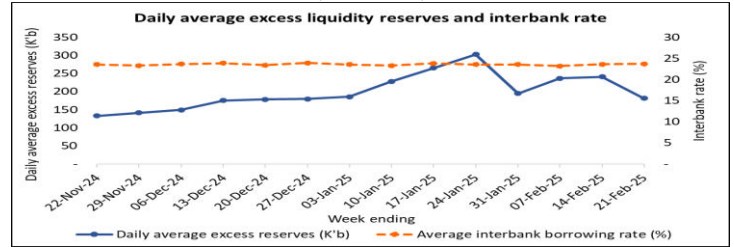
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
25-Feb-25	3-yr IDB	10.00	12.00%
04-Mar-25	5	40.02	12.50%
11-Mar-25	2	49.02	10.00%
18-Mar-25	3	43.02	11.00%
25-Mar-25	7	21.34	13.50%

Projected maturities			
Week ending	21-Feb-25	28-Feb-25	7-Mar-25
TBs, PNs & TNs (K'm)	57,735	45,658	54,524
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

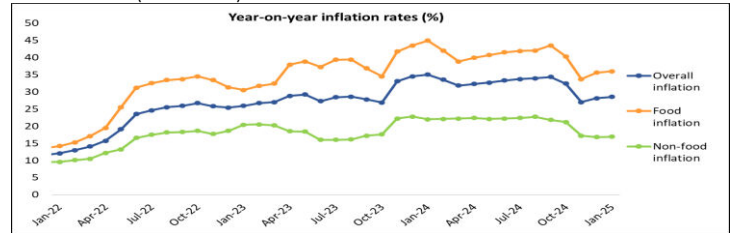
**Market liquidity and interbank market activity**

During the week, daily excess liquidity reserves averaged K181.44b, decreasing from an average of K240.83b in the previous week. The daily interbank borrowing averaged K73.00b during the week from K162.70b in the previous week. Borrowing on the Lombard facility amounted to K519.50b during the week, compared to K90.00b in the previous week. The average interbank borrowing rate increased to 23.71% from 23.58% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



**Inflation**

The year-on-year headline inflation rate increased to 28.5% in January 2025 from 28.1% in December 2024 as food inflation rate increased to 36.0% in January 2025 from 35.6% in December 2024 and non-food inflation rate increased 16.9% in January 2025 from 16.8% in December 2024 (Source: NSO).



Policy Rate			
	30-Jan-25	% pts Δ	04-Nov-24
Rate	26.00%	⇒ 0.00	26.00%

Market Reference Rate			
	Feb-25	% pts Δ	Jan-25
Rate	25.10%	↓ -0.10	25.20%

Inflation Rate			
	Jan-25	% pts Δ	Dec-24
Rate	28.5%	↑ 0.40	28.1%

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

The Malawi All Share Index (MASI) registered a gain of 7.53% to close the week at 264,396.39 points from 245,870.36 points in the previous. The market traded 5,082,314 shares at a consideration of K1.93b in 876 trades, compared to 9,823,087 shares traded at a consideration of K4.03b in 861 trades in the previous week. The year-to-date return on MASI stood at 53.68% at the end of the week, compared to 3.07% for the same period in 2024 (Source: MSE).

Stock market trading activity					
	21-Feb-25	% Δ	14-Feb-25		
MASI	264,396.39	↑ 7.53%	245,870.36		
DSI	191,239.96	↑ 5.77%	180,802.33		
FSI	56,220.39	↑ 15.92%	48,497.81		
Traded volume	5,082,314	↓ -48.26%	9,823,087		
Number of trades	876	↑ 1.74%	861		
Value of shares traded (K'm)	1,934.68	↓ -51.98%	4,028.66		
Market capitalisation (K'm)	14,398,542.32	↑ 7.56%	13,386,818.66		

Gainers	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
NICO	661.68	↑ 52.31%	434.44	22.19	7.58
TNM	26.07	↑ 32.87%	19.62	(54.99)	6.27
AIRTEL	113.00	↑ 29.87%	87.01	(80.59)	(117.19)
FMBCH	1129.87	↑ 16.00%	974.00	46.07	12.00
NITL	633.45	↑ 8.65%	583.00	3.98	1.90
NBM	6199.94	↑ 1.09%	6133.32	40.07	14.02
STANDARD	6960.21	↑ 0.15%	6950.01	31.10	8.43
MPICO	19.01	↑ 0.05%	19.00	7.99	0.76

No movement	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
BHL	14.55	⇒ 0.00%	14.55	(107.89)	12.42
ILLOVO	1355.09	⇒ 0.00%	1355.09	42.72	6.50
OMU	1,950.02	⇒ 0.00%	1,950.02	24.55	2.20
SUNBIRD	276.12	⇒ 0.00%	276.12	13.75	1.49

Losers	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
PCL	2,499.95	↓ -0.002%	2,500.00	7.44	1.14
FDHB	315.02	↓ -0.003%	315.03	60.99	37.03
NBS	349.80	↓ -0.04%	349.95	34.66	20.35
ICON	17.99	↓ -0.17%	18.02	6.27	0.99

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