

Foreign exchange market developments

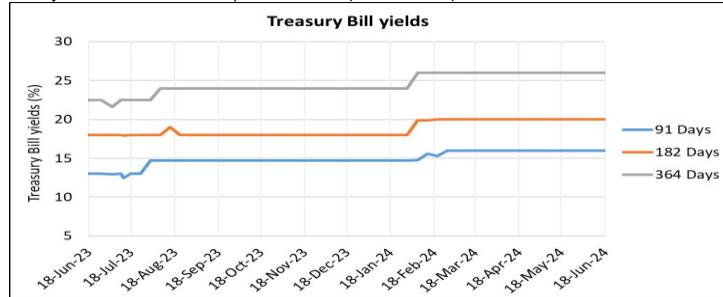
During the week the Kwacha depreciated against USD and ZAR but appreciated against GBP and EUR, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week			
Currency	21-Jun-24	% Δ	14-Jun-24
USD	1750.4259	0.07%	1749.2849
GBP	2274.0684	-1.15%	2300.4976
EUR	1926.0909	-0.19%	1929.7951
ZAR	100.0657	-3.28%	96.8923
Opening foreign exchange bureaux middle rates as at the end of the week			
Currency	10-Jun-24	% Δ	31-May-24
USD	1922.4388	0.00%	1922.4388
GBP	2461.4375	-0.14%	2457.9167
EUR	2110.7083	-0.14%	2107.7292
ZAR	103.2500	-0.68%	103.9583
Foreign exchange reserves position			
	31-May-24	30-Apr-24	31-Mar-24
Total foreign exchange reserves (Aggregate of RBM, Banks & Others)	610.18	603.07	552.94
Total import cover (months)	2.44	2.41	2.21
Cumulative tobacco sales as at the end of week 10			
Date	Week 10 2024 (21 June)	% Δ	Week 10 2023 (23 June)
Volume (million kg)	100.43	6.51%	94.29
Value (USD'million)	290.69	33.04%	218.50
Average price (USD/kg)	2.89	24.57%	2.32

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K32.37b from auction of Treasury Bills and K14.55b from auction of Treasury Notes and Bonds during the week. Maturities of Government securities for the week amounted to K43.66b, resulting in a net withdrawal of K3.26b from the market, compared to a net injection of K5.47b in the previous week (Source: RBM).

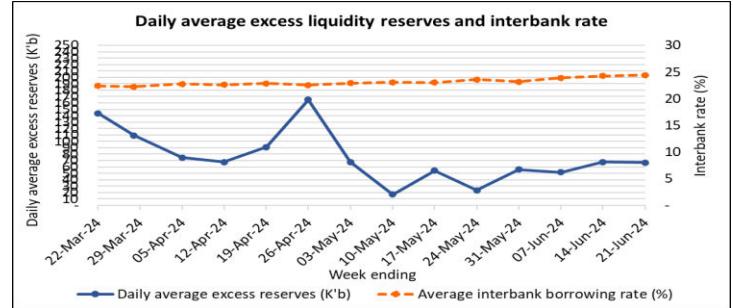


Treasury Bill auctions			
Auction date	18-Jun-24	% pts Δ	11-Jun-24
Amount offered - cost value (K'm)	15,758.00	0.00%	15,758.00
Applied - cost value (K'm)	32,373.24	1456.51%	2,079.86
Allotted - cost value (K'm)	32,373.24	1456.51%	2,079.86
Overall rejection rate	0.00%	0.00	0.00%
91 days yield	16.0000%	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	20-Jun-24	18-Jun-24	10-Jun-24
Tenor	5-year TN & 10-year DB	5-year TN	3-year TN & 10-year DB
Coupon rate	12.50% & 16.00%	12.50%	11.00% & 16.00%
Amount offered - cost value (K'b)		47.22	
Total applied - cost value (K'b)	9.17	5.38	0.36
Total allotted - cost value (K'b)	9.17	5.38	0.36
Allotted - weighted average ytm	32.00% & 35.00%	32.00%	30.00% & 35.00%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	07-Jun-24	TBA
3-year TN	30.00%	10-Jun-24	25-Jun-24
5-year TN	32.00%	20-Jun-24	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	31-May-24	TBA
7-Year Development Bond	32.00%	16-Jan-24	TBA
10-year TN	35.00%	31-May-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
25-Jun-24	3	54.51	11.00%
Projected maturities			
Week ending	21-Jun-24	28-Jun-24	5-Jul-24
TBs, PNs & TNs (K'm)	43,664	82,965	11,184
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	26,171	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K66.94b during the week from K67.78b in the previous week. Daily average interbank borrowing decreased to K78.88b from K102.04b. Borrowing on the Lombard facility increased to an average of K77.11b per day, compared to K72.70b per day in the previous week. The average interbank borrowing rate increased to 24.41% from 24.27%. The Lombard rate remained fixed at 26.20% (Source: RBM)



Policy Rate			
	03-May-24	% pts Δ	01-Feb-24
Rate	26.00%	0.00	26.00%
Market Reference Rate			
	Jun-24	% pts Δ	May-24
Rate	25.10%	0.10	25.00%
Inflation Rate			
	May-24	% pts Δ	Apr-24
Rate	32.7%	0.40	32.3%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.95% to close the week at 118,993.92 points from 117,873.18 points in the previous week. The market traded 7,919,434 shares at a consideration of K522.75m in 221 trades, compared to 9,149,378 shares traded at a consideration of K992.92m in 146 trades in the previous week. The year-to-date return on MASI stood at 7.25% as at the end of the week compared to 70.63% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	21-Jun-24	% Δ	14-Jun-24
MASI	118,993.92	0.95%	117,873.18
DSI	91,072.45	1.10%	90,083.74
FSI	18,912.90	0.06%	18,902.00
Traded volume	7,919,434	-13.44%	9,149,378
Number of trades	221	51.37%	146
Value of shares traded (K'm)	522.75	-47.35%	992.92
Market capitalisation (K'm)	6,432,919.43	0.94%	6,372,838.17
Gainers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	85.03	14.06%	74.55
FMBCH	377.99	0.06%	377.77
TNM	16.00	3.16%	15.51
Losers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	49.53	-3.11%	51.12
ICON	15.97	-0.19%	16.00
NICO	199.36	-0.01%	199.37
NITL	411.43	-0.002%	411.44

Corporate news			
Dividends announced			
Company	Dividend type	Dividend (K/share)	Ex-dividend date
STANDARD	Final declared	54.97	3-Jul-24
MPICO	Final proposed	0.38	10-Jul-24
NBM	Final proposed	49.32	17-Jul-24
NITL	Final proposed	5.00	TBA
NBS	Final proposed	0.64	TBA
ICON	Final proposed	0.14	TBA
SUNBIRD	Final declared	5.70	TBA
PCL	Final proposed	37.00	TBA
NICO	Final proposed	2.00	TBA
FMBCH	Final proposed	0.43 cents	TBA
Annual general meetings			
Company	Venue	Date	Time
NBM	Sunbird Mount Soche Hotel	27-Jun-24	14:00 hrs
MPICO	Amaryllis Hotel	28-Jun-24	11:00 hrs
FMBCH	First Capital Bank Training Centre	28-Jun-24	16:00 hrs

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