

Foreign exchange market developments

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

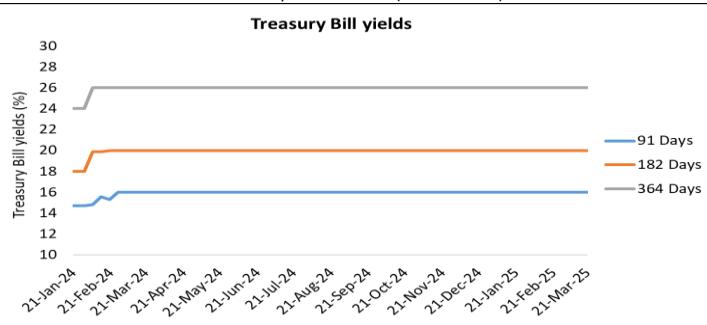
Closing TT middle exchange rates as at the end of the week			
Currency	21-Mar-25	% Δ	14-Mar-25
USD	1750.8178	⬇️ 0.09%	1749.2008
GBP	2328.6278	⬆️ -0.38%	2337.5544
EUR	1955.1570	⬇️ 0.15%	1952.3060
ZAR	98.1921	⬇️ 0.50%	97.7020

Foreign exchange reserves position			
	31-Dec-24	30-Nov-24	31-Oct-24
Total foreign exchange reserves			
(Aggregate of RBM, Banks & FCDA)	530.90	516.90	519.00
Total import cover (months)	2.10	2.10	2.10

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K67.50b from the auction of Treasury Bills and K29.13b of Treasury Notes during the week. Maturities of Government securities for the week amounted to K78.99b, resulting in a net withdrawal of K17.64b from the market during the week, compared to a net withdrawal of K11.23b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	18 & 21 Mar 25	% pts Δ	11-Mar-25
Amount offered -cost value (K'm)	14,398.00	➡️ 0.00%	14,398.00
Applied - cost value (K'm)	67,500.13	⬆️ 4.98%	64,298.11
Allotted - cost value (K'm)	67,500.13	⬆️ 4.98%	64,298.11
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	18, 19 & 21 Mar 25	11-Mar-25	
Tenor	2, 3, 5 & 10 years	2 years	
Coupon rate	10.0%, 11.0%, 12.5%, 13.5% & 15.0%	0.1	
Amount offered -cost value (K'b)	K43.02b for the 3-yr TN	49.02	
Total applied - cost value (K'b)	29.13	2.90	
Total allotted - cost value (K'b)	29.13	2.90	
Allotted - weighted average ytm	28.75%, 30.0%, 32.0%, 34.0% & 35.0%	28.75	

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	19-Mar-25	TBA
2-year Development Bond	28.75%	25-Feb-25	TBA
3-year TN	30.00%	18-Mar-25	TBA
3-year Development Bond	30.00%	10-Feb-25	TBA
5-year TN	32.00%	21-Mar-25	TBA
5-year Development Bond	32.00%	20-Feb-25	TBA
7-year TN	34.00%	19-Mar-25	25-Mar-25
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	21-Mar-25	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

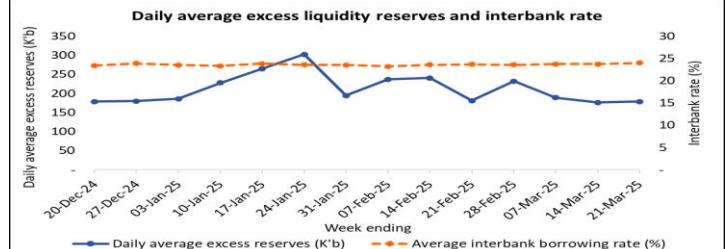
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
25-Mar-25	7	21.34	13.50%

Projected maturities			
Week ending	21-Mar-25	28-Mar-25	4-Apr-25
TBs, PNs & TNs (K'm)	78,990	42,865	83,591
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	50,230	31,332

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K178.78b, increasing from an average of K176.43b in the previous week. The daily interbank borrowing averaged K79.58b during the week from K50.60b in the previous week. Borrowing on the Lombard facility averaged K88.40b per day during the week, compared to K101.40b per day in the previous week. The average interbank borrowing rate increased to 23.99% from 23.74% 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			
	Mar-25	% pts Δ	Feb-25
Rate	25.10%	➡️ 0.00	25.10%

Inflation Rate			
	Feb-25	% pts Δ	Jan-25
Rate	30.7%	⬆️ 2.20	28.5%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of 0.20% to close the week at 292,056.37 points from 292,632.10 points in the previous week. The market traded 14,974,516 shares at a consideration of K7.01b in 646 trades, compared to 8,549,033 shares traded at a consideration of K3.38b in 939 trades in the previous week. The year-to-date return on MASI stood at 69.76% at the end of the week, compared to 2.01% for the same period in 2024 (Source: MSE).

Stock market trading activity					
	14-Mar-25	% Δ	14-Mar-25		
MASI	292,056.37	⬇️ -0.20%	292,632.10		
DSI	204,897.85	⬇️ -0.24%	205,398.12		
FSI	70,209.91	⬇️ -0.02%	70,225.27		
Traded volume	14,974,516	⬆️ 75.16%	8,549,033		
Number of trades	646	⬇️ -31.20%	939		
Value of shares traded (K'm)	7,011.42	⬆️ 107.17%	3,384.35		
Market capitalisation (K'm)	15,916,731.86	⬇️ -0.19%	15,947,670.34		
Gainers	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
STANDARD	7935.07	⬆️ 0.06%	7930.04	21.56	7.17
AIRTEL	128.05	⬆️ 0.01%	128.04	(91.32)	(132.80)
PCL	2,500.19	⬆️ 0.01%	2,500.02	7.44	1.14
FDHB	315.20	⬆️ 0.003%	315.19	61.02	37.06
NITL	634.09	⬆️ 0.002%	634.08	3.98	1.90
NBM	6200.11	⬆️ 0.0003%	6200.09	40.07	14.02
No movement	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
MPICO	19.00	➡️ 0.00%	19.00	7.98	0.76
OMU	2,500.03	➡️ 0.00%	2,500.03	25.84	2.32
SUNBIRD	300.03	➡️ 0.00%	300.03	14.94	1.62
Losers	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ILLOVO	1791.69	⬇️ -0.001%	1791.70	56.48	8.59
FMBCH	1412.23	⬇️ -0.02%	1412.54	57.58	15.00
BHL	14.54	⬇️ -0.07%	14.55	(107.81)	12.41
NBS	349.01	⬇️ -0.16%	349.57	34.58	20.31
ICON	17.94	⬇️ -0.17%	17.97	6.25	0.99
NICO	779.02	⬇️ -0.20%	795.24	26.13	8.92
TNM	25.00	⬇️ -4.83%	26.27	(52.73)	6.01

Corporate news

Standard Bank Plc published its financial results for the year ended 31st December 2024. The Group reported a profit after tax of K86.4 billion, reflecting an increase of 64% from the previous year. Total revenue increased by 27% year-on-year, primarily driven by a 43% surge in net interest income. The increase in net interest income stemmed from a 29% increase in loans and advances to customers and an 18% increase in financial investments. The net interest income was also positively impacted by rising reference rates and yields of government securities. Non-interest revenue was steady year-on-year as an 18% increase in net fees and commissions was partially offset by regulatory restrictions that removed fees for certain services and a 9% decrease in trading revenue caused a shortage of foreign currency. Credit impairments increased by 56% compared to the previous year due to the growing customer loan portfolio and downgrades, exacerbated by deteriorating macroeconomic conditions (Source: Standard Bank).

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