



Foreign exchange market developments

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

Closing TT middle exchange rates as at the end of the week			
Currency	23-May-25	% Δ	16-May-25
USD	1750.7375	↑ -0.004%	1750.7998
GBP	2425.9540	↓ 0.97%	2402.5752
EUR	2040.0448	↓ 1.04%	2018.9855
ZAR	100.4577	↓ 0.31%	100.1515

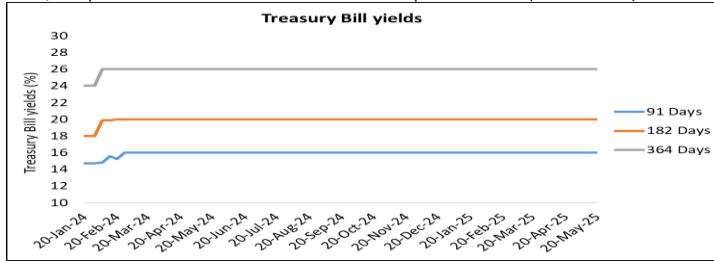
Foreign exchange reserves position			
	28-Feb-25	31-Jan-25	31-Dec-24
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs)	569.50	570.60	530.90
Total import cover (months)	2.30	2.30	2.10

Cumulative tobacco sales as at the end of week 7			
Date	Week 7 2025 23 May 2025)	% Δ	Week 7 2024 (31 May 2024)
Volume (million kg)	58.90	↓ -9.01%	64.73
Value (USD'million)	143.00	↓ -21.43%	182.00
Average price (USD/Kg)	2.43	↓ -13.52%	2.81

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K10.78b from the auction of Treasury Bills and K11.91b from the auction of a 2-year Development Bond. Maturities of Government securities for the week amounted to K14.59b, resulting in a net withdrawal of K8.10b from the market during the week, compared to a net withdrawal of K5.68b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	20-May-25	% pts Δ	13-May-25
Amount offered - cost value (K'm)	19,285.00	→ 0.00%	19,285.00
Applied - cost value (K'm)	10,779.78	↓ -58.41%	25,919.82
Allotted - cost value (K'm)	10,779.78	↓ -58.41%	25,919.82
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-May-25	6-May-25	22-Apr-25
Tenor	2-yr IDB	3 years	5 years
Coupon rate	11.00%	11.00%	0.125
Amount offered - cost value (K'b)	10.00	77.14	68.945
Total applied - cost value (K'b)	11.91	15.55	19.96
Total allotted - cost value (K'b)	11.91	15.55	19.96
Allotted - weighted average ytm	28.75%	30.00%	32.00%

Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	15-Apr-25	03-Jun-25
2-year Development Bond	28.75%	20-May-25	TBA
3-year TN	30.00%	06-May-25	TBA
3-year Development Bond	30.00%	10-Feb-25	24-Jun-25
5-year TN	32.00%	22-Apr-25	17-Jun-25
5-year Development Bond	32.00%	20-Feb-25	TBA
7-year TN	34.00%	25-Mar-25	27-May-25
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	08-Apr-25	10-Jun-25
10-year Development Bond	35.00%	20-Jun-24	TBA

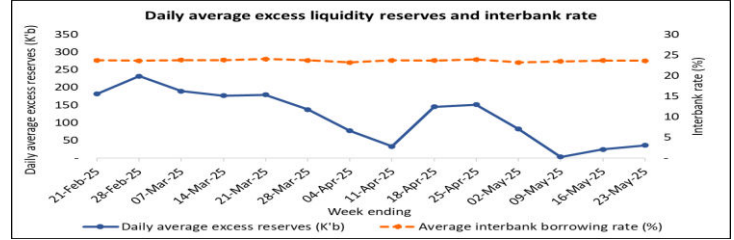
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
27-May-25	7	63.40	13.50%
03-Jun-25	2	84.71	10.00%
10-Jun-25	10	55.70	15.00%
17-Jun-25	5	68.95	12.50%
24-Jun-25	3 IDB	10.00	12.00%

Projected maturities			
Week ending	23-May-25	30-May-25	6-Jun-25
TBs, PNs & TNs (K'm)	14,587	6,890	29,401
OMO repos (K'm)	0	0	45,898
OMO reverse repos (K'm)	0	29,488	11,795

Data source: RBM

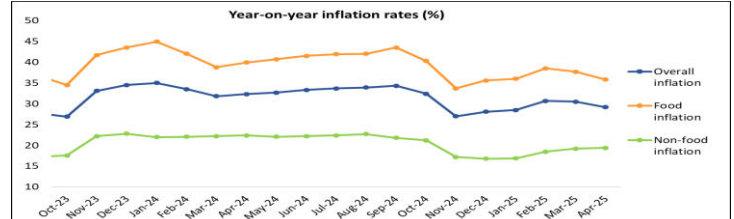
Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K35.84b, decreasing from an average of K24.46b in the previous week. The daily interbank borrowing averaged K58.45b during the week from K84.63b in the previous week. Borrowing on the Lombard facility averaged K134.30b per day during the week, compared to K96.00b per day in the previous week. The average interbank borrowing rate decreased to 23.59% from 23.67% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Inflation

The year-on-year headline inflation rate decreased to 29.2% in April 2025 from 30.5% in March 2025 as food inflation rate decreased to 35.8% in April 2025 from 37.7% in March 2025 while non-food inflation rate increased to 19.4% in April 2025 from 19.2% in March 2025 (Source: NSO).



Policy Rate			
Rate	07-May-25	% pts Δ	30-Jan-25
	26.00%	→ 0.00	26.00%

Market Reference Rate			
Rate	May-25	% pts Δ	Apr-25
	25.20%	↑ 0.10	25.10%

Inflation Rate			
Rate	Apr-25	% pts Δ	Mar-25
	29.2%	↓ -1.30	30.5%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of 1.96% to close the week at 283,288.66 points from 288,945.17 points in the previous. The market traded 48,339,768 shares at a consideration of K15.80b in 696 trades, compared to 11,728,867 shares traded at a consideration of K3.59b in 609 trades in the previous week. The year-to-date return on MASI stood at 64.66% at the end of the week, compared to 2.94% for the same period in 2024 (Source: MSE).

Stock market trading activity			
	23-May-25	% Δ	16-May-25
MASI	283,288.66	↓ -1.96%	288,945.17
DSI	213,431.25	↓ -0.09%	213,622.06
FSI	49,348.60	↓ -11.14%	55,532.80
Traded volume	48,339,768	↑ 312.14%	11,728,867
Number of trades	696	↑ 14.29%	609
Value of shares traded (K'm)	15,798.07	↑ 340.19%	3,588.90
Market capitalisation (K'm)	15,436,333.53	↓ -2.02%	15,754,662.74

Gainers					
Symbol	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ICON	17.95	↑ 0.06%	17.94	4.91	0.82
STANDARD	9504.71	↑ 0.03%	9502.12	25.83	8.59
SUNBIRD	345.01	↑ 0.003%	345.00	8.49	1.29
NITL	715.16	↑ 0.003%	715.14	3.24	1.31
OMU	2,500.03	↑ 0.001%	2,500.01	16.35	2.18

No movement					
Symbol	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
BHL	14.55	→ 0.00%	14.55	(62.42)	1.32
MPICO	19.00	→ 0.00%	19.00	5.11	0.67
TNM	23.00	→ 0.00%	23.00	26.39	5.12

Losers					
Symbol	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
NBM	6200.14	↓ -0.0002%	6200.15	28.30	10.78
PCL	3,999.98	↓ -0.0003%	3,999.99	7.44	1.38
ILLOVO	1791.42	↓ -0.01%	1791.52	56.47	8.59
NICO	776.43	↓ -0.02%	776.57	11.25	5.20
FDHB	313.92	↓ -0.04%	314.06	29.25	22.24
AIRTEL	127.95	↓ -0.34%	128.39	32.94	43.82
NBS	340.52	↓ -0.62%	342.63	13.58	8.84
FMBCB	989.80	↓ -11.20%	1114.62	20.58	7.39

Data source: MSE

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