

Foreign exchange market developments

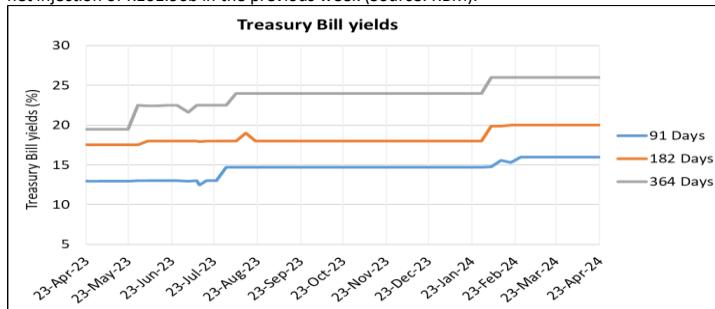
The Kwacha appreciated against USD but depreciated against GBP, EUR and ZAR during the week, as indicated by TT middle exchange rates below:

| Closing TT middle exchange rates as at the end of the week | | | |
|---|-----------|-----------|-----------|
| Currency | 26-Apr-24 | % Δ | 19-Apr-24 |
| USD | 1749.5967 | ↑ -0.01% | 1749.8387 |
| GBP | 2247.7178 | ↓ 0.43% | 2238.0483 |
| EUR | 1929.0304 | ↓ 0.63% | 1916.8759 |
| ZAR | 94.1851 | ↓ 1.26% | 93.0142 |
| Opening foreign exchange bureaux middle rates as at the end of the week | | | |
| Currency | 19-Apr-24 | % Δ | 9-Apr-24 |
| USD | 1919.0000 | ↓ 0.12% | 1916.7513 |
| GBP | 2432.2083 | ↑ -0.33% | 2440.1665 |
| EUR | 2088.1250 | ↑ -0.57% | 2100.0119 |
| ZAR | 102.2917 | ↑ -0.55% | 102.8604 |
| Foreign exchange reserves position | | | |
| | 29-Feb-24 | 31-Jan-24 | 31-Dec-23 |
| Gross official foreign exchange reserves (USD'm) | 143.60 | 178.06 | 242.58 |
| Gross official reserves import cover (months) | 0.57 | 0.71 | 0.97 |
| Benchmark import cover for official reserves (months) | 3.00 | 3.00 | 3.00 |
| Private sector foreign exchange reserves (USD'm) | 396.72 | 401.88 | 433.01 |
| Private sector reserves import cover (months) | 1.59 | 1.61 | 1.73 |
| Total economy foreign exchange reserves (USD'm) | 540.32 | 579.94 | 675.59 |
| Total economy import cover (months) | 2.16 | 2.32 | 2.70 |

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K26.28b from auction of Treasury Bills and K21.65b from auction of a 10-year Treasury Note during the week. Maturities of Government securities for the week amounted to K47.46b, resulting in a net withdrawal of K0.47b from the market, compared to a net injection of K101.96b in the previous week (Source: RBM).

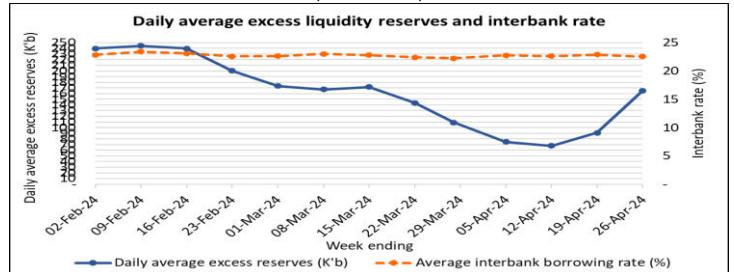


| Treasury Bill auctions | | | |
|---|----------------------|--------------|------------------------------|
| Auction date | 23-Apr-24 | % pts Δ | 16-Apr-24 |
| Amount offered - cost value (K'm) | 15,149.00 | ↑ 0.00% | 15,149.00 |
| Applied - cost value (K'm) | 26,280.26 | ↑ 89.34% | 13,879.91 |
| Allotted - cost value (K'm) | 26,280.26 | ↑ 89.34% | 13,879.91 |
| 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 | 23-Apr-24 | 16-Apr-24 | 25, 26, 27 & 28 Mar 2024 |
| Tenor | 10 | 2 | 2, 3, 5 & 10 TNs |
| Coupon rate | 15.00% | 10.00% | 10.0%, 11.0%, 12.5% & 15.0% |
| Amount offered - cost value (K'b) | 44.21 | 57.60 | K60.221b for the 2-yr TN |
| Total applied - cost value (K'b) | 21.67 | 0.06 | 120.14 |
| Total allotted - cost value (K'b) | 21.65 | 0.06 | 120.14 |
| Allotted - weighted average ytm | 35.00% | 28.75% | 28.75%, 30.0%, 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% | 16-Apr-24 | 04-Jun-24 |
| 3-year TN | 30.00% | 28-Mar-24 | 14-May-24 |
| 5-year TN | 32.00% | 28-Mar-24 | 30-Apr-24 |
| 5-year Development Bond | 28.00% | 28-Nov-23 | TBA |
| 7-year TN | 34.00% | 21-Mar-24 | 28-May-24 |
| 7-Year Development Bond | 32.00% | 16-Jan-24 | TBA |
| 10-year TN | 35.00% | 23-Apr-24 | TBA |
| 10-year Development Bond | 23.35% | 26-Apr-22 | 21-May-24 |
| Upcoming auctions of Treasury Notes and Bonds | | | |
| Auction date | Tenor (years) | Amount (K'b) | Last auction's coupon rate |
| 30-Apr-24 | 5 | 47.22 | 12.50% |
| 14-May-24 | 3 | 54.25 | 11.00% |
| 21-May-24 | 10-year IDB | 3.95 | 16.00% |
| 28-May-24 | 7 | 46.89 | 13.50% |
| 04-Jun-24 | 2 | 59.52 | 10.00% |
| 18-Jun-24 | 5 | 47.22 | 12.50% |
| 25-Jun-24 | 3 | 54.51 | 11.00% |
| Projected maturities | | | |
| Week ending | 26-Apr-24 | 3-May-24 | 10-May-24 |
| TBs, PNs & TNs (K'm) | 37,456 | 10,548 | 6,936 |
| OMO repos (K'm) | 0 | 0 | 0 |
| OMO reverse repos (K'm) | 0 | 0 | 0 |

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K165.07b during the week from K90.82b in the previous week. Daily average interbank borrowing decreased to K37.70b from K56.37b. There was no borrowing on the Lombard facility during the week as was the case in the previous week. The average interbank borrowing rate decreased to 22.56% from 22.88%. The Lombard rate remained fixed at 26.20% (Source: RBM).



| Policy Rate | | | |
|-----------------------|-----------|---------|-----------|
| Rate | 01-Feb-24 | % pts Δ | 27-Oct-23 |
| | 26.00% | ↑ 2.00 | 24.00% |
| Market Reference Rate | Apr-24 | % pts Δ | Mar-24 |
| | 24.90% | ↑ 0.00 | 24.90% |
| Inflation Rate | Mar-24 | % pts Δ | Feb-24 |
| | 31.8% | ↓ -1.70 | 33.5% |

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.11% to close the week at 115,521.91 points from 115,649.31 points in the previous. The market traded 10,075,488 shares at a consideration of K1.85b in 240 trades, compared to 22,463,128 shares traded at a consideration of K2.44b in 238 trades in the previous week. The year-to-date return on MASI stood at 4.12% as at the end of the week compared to 40.06% for the same period in 2023 (Source: MSE).

| Stock market trading activity | | | |
|--|---------------------------|-----------|----------------------------|
| | 26-Apr-24 | % Δ | 19-Apr-24 |
| MASI | 115,521.91 | ↓ -0.11% | 115,649.31 |
| DSI | 86,959.22 | ↑ 0.20% | 86,781.61 |
| FSI | 20,220.39 | ↓ -1.80% | 20,591.98 |
| Traded volume | 10,075,488 | ↓ -55.15% | 22,463,128 |
| Number of trades | 240 | ↑ 0.84% | 238 |
| Value of shares traded (K'm) | 1,854.76 | ↓ -23.89% | 2,437.01 |
| Market capitalisation (K'm) | 6,250,117.06 | ↓ -0.12% | 6,257,858.38 |
| Gainers | Closing price (K) | % Δ | Opening price (K) |
| AIRTEL | 51.01 | ↑ 1.69% | 50.16 |
| ILLOVO | 1355.16 | ↑ 0.37% | 1350.15 |
| NBM | 2400.14 | ↑ 0.0004% | 2400.13 |
| STANDARD | 3950.26 | ↑ 0.001% | 3950.23 |
| SUNBIRD | 195.04 | ↑ 0.01% | 195.03 |
| TNM | 12.10 | ↑ 0.33% | 12.06 |
| Losers | Closing price (K) | % Δ | Opening price (K) |
| FMBCH | 404.38 | ↓ -1.82% | 411.88 |
| NBS | 108.99 | ↓ -0.80% | 109.87 |
| NICO | 199.50 | ↓ -0.04% | 199.58 |
| Published annual financial results | | | |
| Company | 2023 profit after tax (K' | Movement | 2022 profit after tax (K') |
| Listed banks | | | |
| FDH Bank Plc | 35,647 | ↑ 55% | 22,932 |
| National Bank of Malawi Plc | 71,050 | ↑ 57% | 45,044 |
| NBS Bank Plc | 29,378 | ↑ 55% | 18,905 |
| Standard Bank Plc | 52,520 | ↑ 34% | 39,202 |
| Unlisted banks | | | |
| CDH Investment Bank Ltd | 11,141 | ↑ 48% | 7,534 |
| EcoBank Plc | 30,317 | ↑ 50% | 20,148 |
| Listed non-bank companies | | | |
| Airtel Malawi Plc | 1,409 | ↓ -96% | 36,925 |
| Blantyre Hotels Plc | (0.793) | ↓ -70% | (0,466) |
| Illovo Sugar Plc | 56,758 | ↑ 113% | 26,630 |
| Compass Properties Plc | 19,700 | ↑ 55% | 16,700 |
| MPICO Plc | 7,067 | ↓ -13% | 8,937 |
| National Investment Trust Plc | 21,505 | ↑ 207% | 6,994 |
| Old Mutual Group Plc (Rbn) | 7,380 | ↑ 26% | 5,854 |
| Press Corporation Plc | 75,046 | ↑ 107% | 36,338 |
| Sunbird Tourism Plc | 5,252 | ↑ 72% | 3,051 |
| Unlisted financial institutions | | | |
| Bridgepath Capital Ltd | 0.107 | ↑ 151% | 0,043 |
| Continental Asset Management Ltd | 0.712 | ↓ -31% | 1,037 |
| Continental Capital Ltd | 0.120 | ↑ 91% | 0,063 |
| Continental Holdings Ltd | 11,679 | ↑ 40% | 8,366 |
| Continental Pension Services Company Ltd | 3,689 | ↑ 232% | 1,113 |
| Continental Unrestricted Pension Fund (net investment income after tax) | 9,700 | ↓ -52% | 20,387 |
| Export Development Fund | 0.766 | ↑ 34% | 0,571 |
| FINCA | 2,520 | ↑ 249% | 0,722 |
| Malawi Agricultural and Industrial Investment Corporation Plc | 0.200 | ↑ 159% | 0,077 |
| Micro Life Foundation | 3,411 | ↑ 176% | 1,234 |
| NBM Capital | 0.893 | ↑ 193% | 0,304 |
| NBM Development Bank Ltd | 0.142 | ↓ -16% | 0,168 |
| NBM Pensions Administration Ltd | 3,452 | ↑ 26% | 2,730 |
| NICO Asset Managers Ltd | 0.870 | ↑ 30% | 0,709 |
| NICO Finance | 1,439 | ↓ -8% | 1,564 |
| Old Mutual Investment Group Ltd | 9,701 | ↑ 87% | 5,200 |
| Old Mutual Protektor Pension Fund (increase in net assets available for benefits) | 0.728 | ↑ 52% | 0,478 |
| Old Mutual Pension Services Company Ltd | 0.375 | ↑ 26% | 0,297 |
| Old Mutual Trust Company (Malawi) Ltd | 5,160 | ↑ 142% | 2,288 |
| Old Mutual Unit Trust Selected Fund | 11,525 | ↑ 102% | 5,701 |
| Old Mutual Unit Trust Interest Bearing Assets Fund | 0.222 | ↑ 70% | 0,130 |
| Old Mutual Unrestricted Pension Fund (increase in net assets available for benefits) | 1,122 | ↑ 210% | 0,362 |
| Reunion Insurance Company Ltd | 0.384 | ↑ 20% | 0,320 |
| Stock Brokers Malawi Ltd | | | |

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