

Foreign exchange market developments

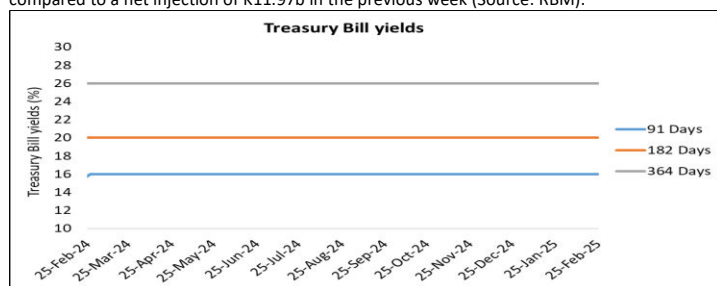
During the week, the Kwacha appreciated against the USD, GBP, EUR and ZAR as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	28-Feb-25	% Δ	21-Feb-25
USD	1749.6530	↑ -0.05%	1750.5566
GBP	2268.5298	↑ -0.59%	2282.0559
EUR	1873.2616	↑ -0.92%	1890.6913
ZAR	97.0404	↑ -0.39%	97.4199
Foreign exchange reserves position			
	31-Dec-24	30-Nov-24	31-Oct-24
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs)	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 K54.23b from the auction of Treasury Bills and K202.11b of Treasury Notes during the week. Maturities of Government securities for the week amounted to K45.66b and access on the Rediscounting Standing Facility amounted to K185.60b. These transactions resulted in a net withdrawal of K25.08b from the market during the week, compared to a net injection of K11.97b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	25-Feb-25	% pts Δ	18-Feb-25
Amount offered - cost value (K'm)	21,972.00	→ 0.00%	21,972.00
Applied - cost value (K'm)	54,227.08	↑ 94.47%	27,885.04
Allotted - cost value (K'm)	54,227.08	↑ 94.79%	27,839.03
Overall rejection rate	0.00%	↓ -0.16	0.16%
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	25-Feb-25	25-Feb-25	
Tenor	3-yr IDB	2-yr TN, 2-yr IDB, 3-yr TN, 5-yr TN, 7-yr TN & 10-yr TN	
Coupon rate	12.00%	10.0%, 11.0%, 11.0%, 12.5%, 13.5% & 15.0%	
Amount offered - cost value (K'b)	10.00		
Total applied - cost value (K'b)	3.41	198.70	
Total allotted - cost value (K'b)	3.41	198.70	
Allotted - weighted average ytm	30.00%	28.75%, 28.75%, 30.0%, 32.0%, 34.0% & 35.0%	

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

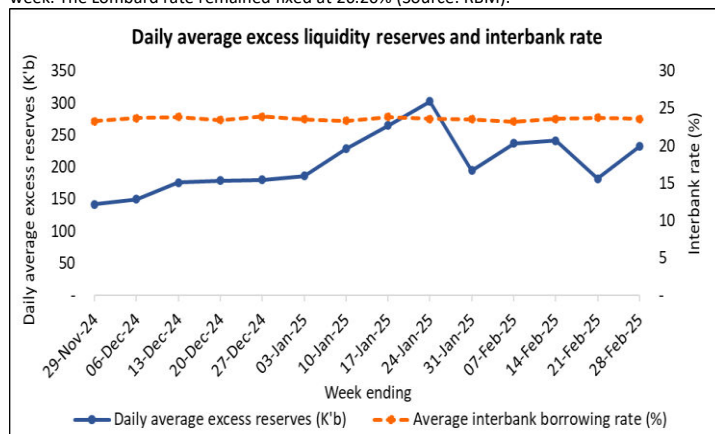
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
04-Mar-25	5	40.02	12.50%
11-Mar-25	2	49.02	10.00%
18-Mar-25	3	43.02	11.00%
25-Mar-25	7	21.34	13.50%

Projected maturities			
Week ending	28-Feb-25	7-Mar-25	14-Mar-25
TBs, PNs & TNs (K'm)	45,658	54,524	92,457
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 K232.00b, increasing from an average of K181.44b in the previous week. The daily interbank borrowing averaged K67.60b during the week from K73.00b in the previous week. Borrowing on the Lombard facility averaged K105.75b per day during the week, compared to K103.90b per day in the previous week. The average interbank borrowing rate decreased to 23.60% from 23.71% 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			
	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 7.31% to close the week at 283,722.24 points from 264,396.39 points in the previous. The market traded 5,868,377 shares at a consideration of K3.20b in 899 trades, compared to 5,082,314 shares traded at a consideration of K1.93b in 876 trades in the previous week. The year-to-date return on MASI stood at 64.92% at the end of the week, compared to 2.11% for the same period in 2024 (Source: MSE).

Stock market trading activity					
	28-Feb-25	% Δ	21-Feb-25		
MASI	283,722.24	↑ 7.31%	264,396.39		
DSI	197,589.16	↑ 3.32%	191,239.96		
FSI	70,073.16	↑ 24.64%	56,220.39		
Traded volume	5,868,377	↑ 15.47%	5,082,314		
Number of trades	899	↑ 2.63%	876		
Value of shares traded (K'm)	3,203.93	↑ 65.61%	1,934.68		
Market capitalisation (K'm)	15,468,219.76	↑ 7.43%	14,398,542.32		
Gainers					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
NICO	830.68	↑ 25.54%	661.68	27.86	9.52
FMBCH	1409.47	↑ 24.75%	1129.87	57.47	14.97
AIRTEL	128.01	↑ 13.28%	113.00	(91.29)	(132.76)
TNM	29.44	↑ 12.93%	26.07	(62.10)	7.08
SUNBIRD	300.03	↑ 8.66%	276.12	14.94	1.62
NITL	634.02	↑ 0.09%	633.45	3.98	1.90
STANDARD	6962.21	↑ 0.03%	6960.21	31.11	8.43
FDHB	315.08	↑ 0.02%	315.02	61.00	37.04
ILLOVO	1355.13	↑ 0.003%	1355.09	42.72	6.50
PCL	2,500.02	↑ 0.003%	2,499.95	7.44	1.14
NBM	6200.01	↑ 0.001%	6199.94	40.07	14.02
OMU	1,950.03	↑ 0.001%	1,950.02	24.55	2.20
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
MPICO	19.01	→ 0.00%	19.01	7.99	0.76
Losers					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
NBS	349.77	↓ -0.01%	349.80	34.65	20.35
ICON	17.98	↓ -0.06%	17.99	6.27	0.99

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