



Foreign exchange market developments

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

Closing TT middle exchange rates as at the end of the week				
Currency	28-Jun-24	% Δ	21-Jun-24	
USD	1749.5057	↑ -0.05%	1750.4259	
GBP	2274.7381	↓ 0.03%	2274.0684	
EUR	1922.5403	↑ -0.18%	1926.0909	
ZAR	96.8915	↑ -3.17%	100.0657	

Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	26-Jun-24	% Δ	21-Jun-24	
USD	1925.5429	↓ 0.06%	1924.4388	
GBP	2457.7083	↓ 0.10%	2455.2917	
EUR	2103.1458	↓ 0.05%	2102.0625	
ZAR	104.8475	↓ 0.14%	104.7017	

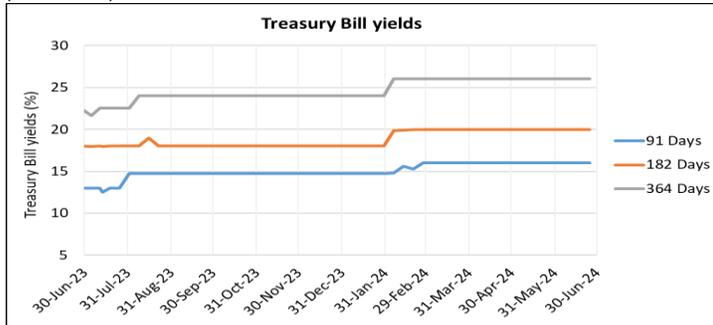
Foreign exchange reserves position				
	31-May-24	30-Apr-24	31-Mar-24	
Total foreign exchange reserves				
(Aggregate of RBM, Banks & Total import cover (months)	610.18	603.07	552.94	
	2.44	2.41	2.21	

Cumulative tobacco sales as at the end of week 11				
Date	Week 11 2024 (28 June)	% Δ	Week 11 2023 (30 June)	
Volume (million kg)	112.04	↑ 8.56%	103.21	
Value (USD/million)	327.01	↑ 35.83%	240.75	
Average price (USD/kg)	2.92	↑ 25.32%	2.33	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K56.78b from auction of Treasury Bills and K71.54b from auction of Treasury Notes during the week. OMO repos amounted to K61.00b during the week. Maturities of Government securities for the week amounted to K82.97b and maturities of OMO reverse repos amounted to K26.17b. These transactions resulted in a net withdrawal of K132.52b from the market, compared to a net withdrawal of K3.26b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	25-Jun-24	% pts Δ	18-Jun-24	
Amount offered - cost value (K'm)	15,758.00	→ 0.00%	15,758.00	
Applied - cost value (K'm)	56,779.96	↑ 75.39%	32,373.24	
Allotted - cost value (K'm)	56,779.96	↑ 75.39%	32,373.24	
Overall rejection rate	0.00%	→ 0.00%	0.00%	
91 days yield	16.0000%	→ 0.0000%	16.0000%	
182 days yield	19.9999%	↓ -0.0001%	20.0000%	
364 days yield	26.0000%	→ 0.0000%	26.0000%	
All-type yield	20.6666%	↓ 0.0000%	20.6667%	

Treasury Note and Bond auctions				
Auction dates	27 & 28 June 2024	25-Jun-24	20-Jun-24	
Tenor	2, 3, 5, 7 & 10 year TNs	3-year TN	5-year TN & 10-year DB	
Coupon rate	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	11.00%	12.50% & 16.00%	
Amount offered - cost value (K'b)		54.51		
Total applied - cost value (K'b)	59.10	12.44	9.17	
Total allotted - cost value (K'b)	59.10	12.44	9.17	
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	30.00%	32.00% & 35.00%	

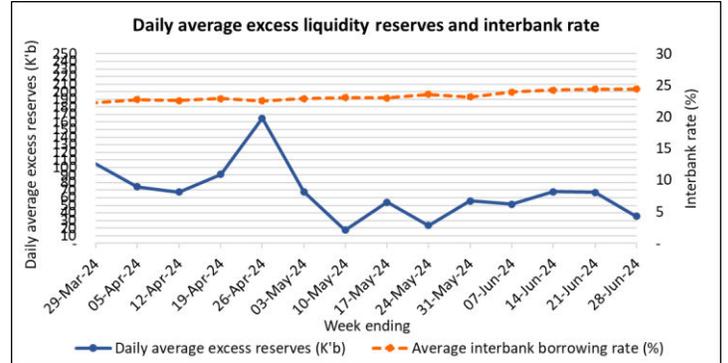
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	28-Jun-24	TBA	
3-year TN	30.00%	28-Jun-24	TBA	
5-year TN	32.00%	28-Jun-24	TBA	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	27-Jun-24	TBA	
7-Year Development Bond	32.00%	16-Jan-24	TBA	
10-year TN	35.00%	28-Jun-24	TBA	
10-year Development Bond	35.00%	20-Jun-24	TBA	

Projected maturities				
Week ending	28-Jun-24	5-Jul-24	12-Jul-24	
TBs, PNs & TNs (K'm)	82,965	12,078	3,468	
OMO repos (K'm)	0	1,005	30,299	
OMO reverse repos (K'm)	26,171	0	0	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K35.34b during the week from K66.94b in the previous week. Daily average interbank borrowing decreased to K58.04b from K78.88b. Borrowing on the Lombard facility increased to an average of K99.16b per day, compared to K77.11b per day in the previous week. The average interbank borrowing rate marginally decreased to 24.40% from 24.41%. The Lombard rate remained fixed at 26.20% (Source: RBM)



Policy Rate				
Rate	03-May-24	% pts Δ	01-Feb-24	
	26.00%	→ 0.00	26.00%	

Market Reference Rate				
Rate	Jun-24	% pts Δ	May-24	
	25.10%	↑ 0.10	25.00%	

Inflation Rate				
Rate	May-24	% pts Δ	Apr-24	
	32.7%	↑ 0.40	32.3%	

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.77% to close the week at 121,101.77 points from 118,993.92 points in the previous. The market traded 4,583,525 shares at a consideration of K2.06b in 220 trades, compared to 7,919,434 shares traded at a consideration of K522.75m in 221 trades in the previous week. The year-to-date return on MASI stood at 9.15% as at the end of the week compared to 75.23% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	28-Jun-24	% Δ	21-Jun-24	
MASI	121,101.77	↑ 1.77%	118,993.92	
DSI	92,949.19	↑ 2.06%	91,072.45	
FSI	18,911.41	↓ -0.01%	18,912.90	
Traded volume	4,583,525	↓ -42.12%	7,919,434	
Number of trades	220	↓ -0.45%	221	
Value of shares traded (K'm)	2,064.27	↑ 294.89%	522.75	
Market capitalisation (K'm)	6,545,863.74	↑ 1.76%	6,432,919.43	

Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	50.00	↑ 0.95%	49.53	
FDHB	85.04	↑ 0.01%	85.03	
ICON	15.98	↑ 0.06%	15.97	
MPICO	15.01	↑ 0.07%	15.00	
NBM	2700.01	↑ 0.0004%	2700.00	
NBS	90.53	↑ 0.60%	89.99	
STANDARD	4400.00	↑ 11.38%	3950.34	
TNM	16.06	↑ 0.37%	16.00	

Losers				
	Closing price (K)	% Δ	Opening price (K)	
FM BCH	377.96	↓ -0.01%	377.99	
NICO	199.35	↓ -0.005%	199.36	

Corporate news

Expected financial results for the half year ended 30th June 2024				
Company	Expected H1 2024 profit after tax	Expected change (%)	H1 2023 profit after tax (K'm)	
Listed banks				
FDH Bank Plc	Within the range of K25.5b to K28.5b	An increase of between 69.8% and 89.8%	15,015	
NBS Bank Plc	Within the range of K30.4b and K32.5b	An increase of between 149% and 166%	12,157	
Standard Bank Malawi Plc	Within the range of K39.0b and K43.1b	An increase of between 45% and 60%	26,922	
Listed non-bank companies				
Blantyre Hotels Plc	Loss within the range of K383m and K420m	A decrease in loss of between 15% and 22%	(494)	
ICON Properties Plc	Within the range of K9b and K10b	An increase of between 40% to 56%	6,400	
National Investment Trust Plc	Within the range of K3.5b and K4.5b	A decrease of between 79% and 73%	16,490	
NICO Holdings Plc	Within the range of K44.0b to K47.5b	An increase of between 43% and 54%	30,784	
Press Corporation Plc	Within the range of K42.0b and K43.8b	An increase of between 23% and 28%	34,287	
Sunbird Tourism Plc	Within the range of K4.6b and K4.9b	An increase of between 190% and 210%	1,587	
Telekom Networks Malawi Plc	Within the range of K1.841b and K1.999b	An increase of between 136% and 156%	780	

Source: MSE

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