

Foreign exchange market developments

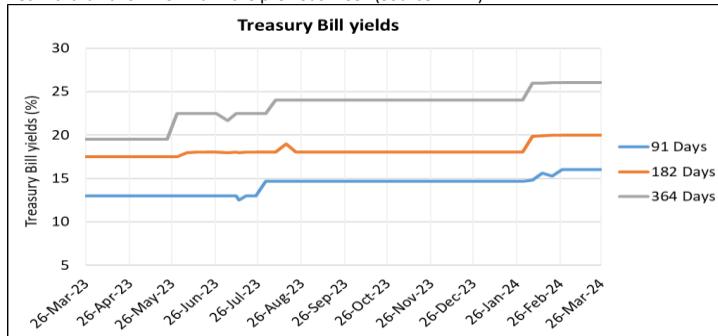
The Kwacha marginally depreciated against the USD but appreciated against the GBP, EUR and ZAR during the week, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	28-Mar-24	% Δ	22-Mar-24	
USD	1750.3793	0.07%	1749.2353	
GBP	2268.7662	-0.37%	2277.1968	
EUR	1949.3408	-0.29%	1955.0572	
ZAR	94.7858	-0.78%	95.5355	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	28-Mar-24	% Δ	22-Mar-24	
USD	1916.1250	0.95%	1898.1048	
GBP	2440.8331	0.47%	2429.3223	
EUR	2101.2410	0.52%	2090.4492	
ZAR	102.3333	0.65%	101.6692	
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 K80.59b from auction of Treasury Bills and K120.14b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K153.55b, OMO repos amounted to K80.00b and OMO reverse repos amounted to K54.60b. These transactions resulted in a net withdrawal of K72.58b from the market, compared to a net withdrawal of K23.14b in the previous week (Source: RBM).

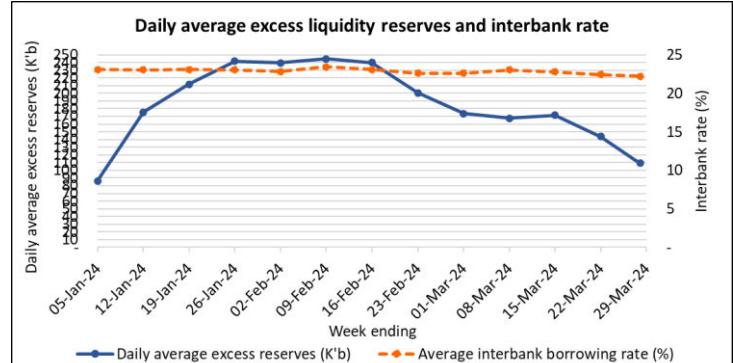


Treasury Bill auctions				
Auction date	26-Mar-24	% pts Δ	19-Mar-24	
Amount offered - cost value (K'lm)	14,075.00	0.00%	14,075.00	
Applied - cost value (K'lm)	80,589.92	858.54%	8,407.59	
Allotted - cost value (K'lm)	80,589.92	858.54%	8,407.59	
Overall rejection rate	0.00%	0.00%	0.00%	
91 days yield	16.0000%	0.0000%	16.0000%	
182 days yield	20.0000%	0.0000%	20.0000%	
364 days yield	26.0000%	0.0004%	25.9996%	
All-type yield	20.6667%	0.0001%	20.6665%	
Treasury Note and Bond auctions				
Auction dates	25, 26 & 27 & 28 Mar 2024	12 & 14 Mar 2024	5 & 7 Mar 2024	
Tenors	2, 3, 5 & 10 TNS	2, 3, 5 & 10 TNS	2, 5, 7 & 10 TNS	
Coupon rate	10.0%, 11.0%, 12.5% & 15.0%	10.0%, 11.0%, 12.5%, 13.5% & 15.0%	10.0%, 12.5%, 13.5% & 15.0%	
Amount offered - cost value (K'lm)	K60,221b for the 2-yr TN	K53,41b for the 3-yr TN	K48,328b for the 5-yr TN	
Total applied - cost value (K'lm)	120.14	38.49	25.91	
Total allotted - cost value (K'lm)	120.14	38.48	25.89	
Allotted - weighted average ytm	28.75%, 30.0%, 32.0% & 35.0%	28.75%, 30.0%, 32.0%, 34.0%, 35.0%	28.75%, 32.0%, 34.0%, 35.0%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	27-Mar-24	TBA	
3-year TN	30.00%	28-Mar-24	TBA	
5-year TN	32.00%	28-Mar-24	TBA	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	21-Mar-24	TBA	
7-year Development Bond	32.00%	16-Jan-24	TBA	
10-year TN	35.00%	28-Mar-24	TBA	
10-year Development Bond	23.35%	26-Apr-22	TBA	
Projected maturities				
Week ending	28-Mar-24	5-Apr-24	12-Apr-24	
TBs, PNs & TNs (K'lm)	153,554	66,123	38,402	
OMO repos (K'lm)	0	0	0	
OMO reverse repos (K'lm)	0	0	0	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K109.05b during the week from K143.68b in the previous week. Daily average interbank borrowing decreased to K37.53b from K43.46b. Borrowing on the Lombard facility amounted to K15.80b during the week. The average interbank borrowing rate decreased to 22.23% from 22.42%. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
	01-Feb-24	% pts Δ	27-Oct-23
Rate	26.00%	2.00	24.00%
Market Reference Rate	Mar-24	% pts Δ	Feb-24
Rate	24.90%	0.00	24.90%
Inflation Rate	Feb-24	% pts Δ	Jan-24
Rate	33.5%	-1.50	35.0%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a marginal gain of 0.93% to close the week at 114,236.98 points from 113,182.80 points in the previous. The market traded 11,737,240 shares at a consideration of K1.06b in 153 trades, compared to 1,966,108 shares traded at a consideration of K1.01b in 183 trades in the previous week. The year-to-date return on MASI stood at 2.96% as at the end of the week compared to 26.41% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	28-Mar-24	% Δ	22-Mar-24
MASI	114,236.98	0.93%	113,182.80
DSI	86,761.71	2.57%	84,586.90
FSI	19,012.48	-7.67%	20,591.98
Traded volume	11,737,240	496.98%	1,966,108
Number of trades	153	-16.39%	183
Value of shares traded (K'm)	1,063.02	5.27%	1,009.83
Market capitalisation (K'm)	6,178,290.42	0.86%	6,125,691.73
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	50.08	0.06%	50.05
NBM	2400.02	13.21%	2120.01
STANDARD	3950.22	0.005%	3950.20
TNM	12.01	0.08%	12.00
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	65.07	-0.02%	65.08
FMBCH	380.00	-7.74%	411.88
ILLOVO	1350.12	-0.001%	1350.13
MPICO	14.68	-0.14%	14.70
NBS	109.90	-0.02%	109.92
NICO	199.67	-0.015%	199.70
NITL	411.49	0.00%	411.50

Corporate news

Published annual financial results			
Company	2023 profit after tax (K'b)	Movement	2022 profit after tax (K'b)
Listed banks			
National Bank of Malawi Plc	71.959	57%	45.944
NBS Bank Plc	29.378	55%	18.905
Standard Bank Plc	52.520	34%	39.202
Listed non-bank companies			
National Investment Trust Plc	21.505	207%	6.994

Source: MSE

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice, or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.