



Foreign exchange market developments

During the week the Kwacha depreciated against all major trading currencies.

| Closing TT middle exchange rates as at the end of the week | | | | |
|--|-----------|---------|-----------|--|
| Currency | 5-Jul-24 | % Δ | 28-Jun-24 | |
| USD | 1750.2121 | ↓ 0.04% | 1749.5057 | |
| GBP | 2299.3731 | ↓ 1.08% | 2274.7381 | |
| EUR | 1950.0210 | ↓ 1.43% | 1922.5403 | |
| ZAR | 98.2300 | ↓ 1.38% | 96.8915 | |

| 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 | |

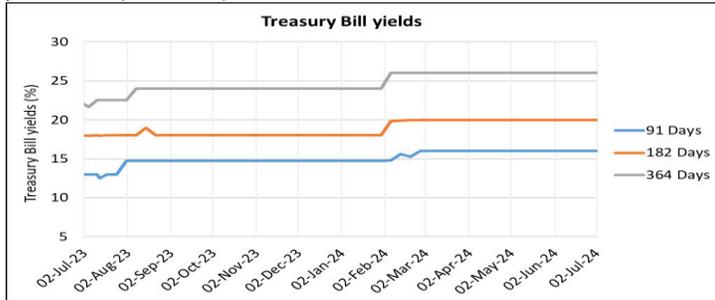
| Foreign exchange reserves position | | | |
|--|-----------|-----------|-----------|
| | 31-May-24 | 30-Apr-24 | 31-Mar-24 |
| Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months) | 610.18 | 603.07 | 552.94 |
| | 2.44 | 2.41 | 2.21 |

| Cumulative tobacco sales as at the end of week 12 | | | | |
|---|-----------------------|----------|------------------------|--|
| Date | Week 12 2024 (5 July) | % Δ | Week 12 2023 (30 June) | |
| Volume (million kg) | 120.36 | ↑ 16.61% | 103.21 | |
| Value (USD'million) | 353.88 | ↑ 46.99% | 240.75 | |
| Average price (USD/Kg) | 2.94 | ↑ 26.18% | 2.33 | |

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K15.91b from auction of Treasury Bills and K62.10b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K12.08b and maturities of OMO repos amounted to K1.01b. These transactions resulted in a net withdrawal of K64.92b from the market, compared to a net withdrawal of K132.52b in the previous week (Source: RBM).



| Treasury Bill auctions | | | | |
|-----------------------------------|-----------|---|---------|-----------|
| Auction date | 2-Jul-24 | | % pts Δ | 25-Jun-24 |
| Amount offered - cost value (K'm) | 10,086.00 | ↓ | -35.99% | 15,758.00 |
| Applied - cost value (K'm) | 15,914.86 | ↓ | -71.97% | 56,779.96 |
| Allotted - cost value (K'm) | 15,914.86 | ↓ | -71.97% | 56,779.96 |
| Overall rejection rate | 0.00% | → | 0.00 | 0.00% |
| 91 days yield | 16.0000% | → | 0.0000% | 16.0000% |
| 182 days yield | 19.9999% | → | 0.0000% | 19.9999% |
| 364 days yield | 26.0000% | → | 0.0000% | 26.0000% |
| All-type yield | 20.6666% | → | 0.0000% | 20.6666% |

| Treasury Note and Bond auctions | | | | |
|-----------------------------------|---------------------------------|---|--|-----------|
| Auction dates | 2-Jul-24 | 27 & 28 June 2024 | | 25-Jun-24 |
| Tenor | 2, 5, 7 & 10 year TNs | 2, 3, 5, 7 & 10 year TNs | | 3-year TN |
| Coupon rate | 10.00%, 12.50%, 13.50% & 15.00% | 10.00%, 11.00%, 12.50%, 13.50% & 15.00% | | 11.00% |
| Amount offered - cost value (K'b) | | | | 54.51 |
| Total applied - cost value (K'b) | 62.10 | 59.10 | | 12.44 |
| Total allotted - cost value (K'b) | 62.10 | 59.10 | | 12.44 |
| Allotted - weighted average ytm | 28.75%, 32.00%, 34.00% & 35.00% | 28.75%, 30.00%, 32.00%, 34.00% & 35.00% | | 30.00% |

| Current yields for Treasury Notes and Bonds | | | | |
|---|----------------------|--------------|--|--------------|
| Tenor | Last auction's yield | Last auction | | Next auction |
| 2-year TN | 28.75% | 02-Jul-24 | | 23-Jul-24 |
| 3-year TN | 30.00% | 28-Jun-24 | | 20-Aug-24 |
| 5-year TN | 32.00% | 02-Jul-24 | | 30-Jul-24 |
| 5-year Development Bond | 28.00% | 28-Nov-23 | | TBA |
| 7-year TN | 34.00% | 02-Jul-24 | | 27-Aug-24 |
| 7-year Development Bond | 32.00% | 16-Jan-24 | | 06-Aug-24 |
| 10-year TN | 35.00% | 02-Jul-24 | | 09-Jul-24 |
| 10-year Development Bond | 35.00% | 20-Jun-24 | | TBA |

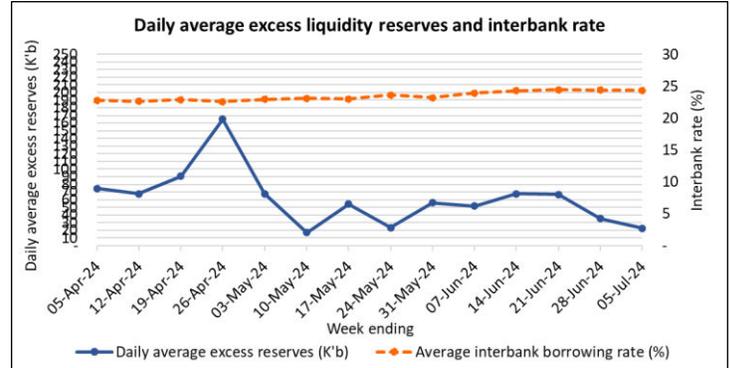
| Upcoming auctions of Treasury Notes and Bonds | | | | |
|---|---------------|--------------|--|----------------------------|
| Auction date | Tenor (years) | Amount (K'b) | | Last auction's coupon rate |
| 09-Jul-24 | 10 | 40.25 | | 15.00% |
| 23-Jul-24 | 2 | 52.80 | | 10.00% |
| 30-Jul-24 | 5 | 42.64 | | 12.50% |
| 06-Aug-24 | 7-year IDB | 20.00 | | 14.50% |
| 20-Aug-24 | 3 | 49.12 | | 11.00% |
| 27-Aug-24 | 7 | 45.48 | | 13.50% |
| 03-Sep-24 | 2 | 52.80 | | 10.00% |
| 17-Sep-24 | 5 | 45.20 | | 12.50% |
| 24-Sep-24 | 3 | 49.12 | | 11.00% |

| Projected maturities | | | | |
|-------------------------|----------|-----------|--|-----------|
| Week ending | 5-Jul-24 | 12-Jul-24 | | 19-Jul-24 |
| TBs, PNs & TNs (K'm) | 12,078 | 33,542 | | 13,440 |
| OMO repos (K'm) | 1,005 | 30,299 | | 33,026 |
| OMO reverse repos (K'm) | 0 | 0 | | 0 |

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K22.66b during the week from K35.34b in the previous week. Daily average interbank borrowing increased to K60.16b from K58.04b. Borrowing on the Lombard facility increased to an average of K110.66b per day, compared to K99.16b per day in the previous week. The average interbank borrowing rate decreased to 24.34% from 24.40%. The Lombard rate remained fixed at 26.20% (Source: RBM)



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

| Market Reference Rate | | | |
|-----------------------|--------|---------|--------|
| | Jul-24 | % pts Δ | Jun-24 |
| Rate | 25.40% | ↑ 0.30 | 25.10% |

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

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.06% to close the week at 122,389.44 points from 121,101.77 points in the previous. The market traded 5,472,006 shares at a consideration of K326.96m in 266 trades, compared to 4,583,525 shares traded at a consideration of K2.06b in 220 trades in the previous week. The year-to-date return on MASI stood at 10.31% as at the end of the week compared to 76.05% for the same period in 2023 (Source: MSE).

| Stock market trading activity | | | | |
|-------------------------------|--------------|-----------|--|--------------|
| | 05-Jul-24 | % Δ | | 28-Jun-24 |
| MASI | 122,389.44 | ↑ 1.06% | | 121,101.77 |
| DSI | 94,096.52 | ↑ 1.23% | | 92,949.19 |
| FSI | 18,909.43 | ↓ -0.01% | | 18,911.41 |
| Traded volume | 5,472,006 | ↑ 19.38% | | 4,583,525 |
| Number of trades | 266 | ↑ 20.91% | | 220 |
| Value of shares traded (K'm) | 326.96 | ↓ -84.16% | | 2,064.27 |
| Market capitalisation (K'm) | 6,614,857.78 | ↑ 1.05% | | 6,545,863.74 |

| Gainers | | | |
|---------|-------------------|----------|-------------------|
| | Closing price (K) | % Δ | Opening price (K) |
| GdHB | 95.05 | ↑ 11.77% | 85.04 |
| MPICO | 15.02 | ↑ 0.07% | 15.01 |
| NBM | 2700.03 | ↑ 0.001% | 2700.01 |
| NBS | 100.11 | ↑ 10.58% | 90.53 |
| OMU | 1500.04 | ↑ 0.001% | 1500.03 |

| Losers | | | |
|--------|-------------------|-----------|-------------------|
| | Closing price (K) | % Δ | Opening price (K) |
| AIRTEL | 47.49 | ↓ -5.02% | 50.00 |
| FMBCH | 377.92 | ↓ -0.01% | 377.96 |
| ICON | 15.96 | ↓ -0.13% | 15.98 |
| ILLOVO | 1355.11 | ↓ -0.001% | 1355.13 |
| NICO | 199.31 | ↓ -0.02% | 199.35 |
| NITL | 411.41 | ↓ -0.005% | 411.43 |
| TNM | 16.05 | ↓ -0.06% | 16.06 |

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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