

## Foreign exchange market developments

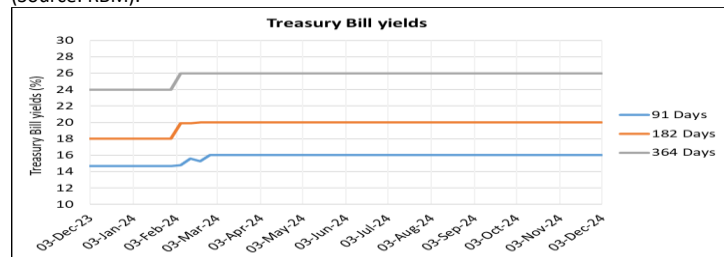
During the week, the Kwacha marginally depreciated against the USD, GBP, EUR and ZAR as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week				
Currency	6-Dec-24	% Δ	29-Nov-24	
USD	1750.4454	↓ 0.02%	1750.1127	
GBP	2294.9462	↓ 0.17%	2290.9419	
EUR	1904.6086	↓ 0.01%	1904.4037	
ZAR	99.7869	↓ 0.50%	99.2909	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	16-Oct-24	% Δ	11-Oct-24	
USD	1931.6900	↑ -0.0001%	1931.6913	
GBP	2527.7356	↑ -0.05%	2528.9204	
EUR	2141.5365	↑ -0.17%	2145.1925	
ZAR	108.3275	↓ 0.23%	108.0769	
Foreign exchange reserves position				
	30-Sep-24	31-Aug-24	31-Jul-24	
Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months)	560.30	549.85	572.02	
	2.20	2.20	2.29	

Data source: Reserve Bank of Malawi (RBM)

## Government securities

The Government raised K9.09b from auction of Treasury Bills and K11.93b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K80.15b, resulting in a net withdrawal of K59.13b from the market compared to a net withdrawal of K44.82b in the previous week (Source: RBM).

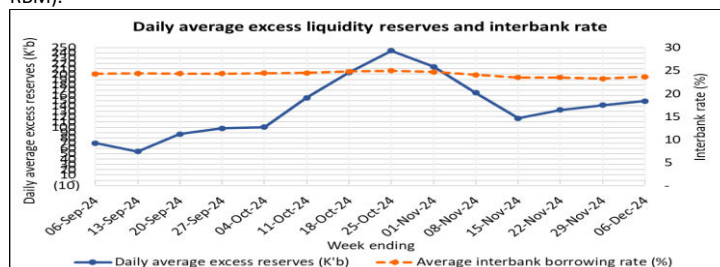


Treasury Bill auctions				
Auction date	3-Dec-24	% pts Δ	26-Nov-24	
Amount offered - cost value (K'm)	13,074.00	↑ 5.27%	12,420.00	
Applied - cost value (K'm)	9,094.99	↑ 1315.61%	642.48	
Allotted - cost value (K'm)	9,094.99	↑ 1577.33%	542.23	
Overall rejection rate	0.00%	↓ -15.60	15.60%	
91 days yield	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	5-Dec-24	3-Dec-24	28-Nov-24	
Tenor	3, 5 & 10 yr TNs	7-yr TN	2-yr IDB, 3-yr IDB, 5-yr TN, 7-yr TN & 10-yr TN	
Coupon rate	11.00%, 12.5% & 15.00%	13.50%	11.00%, 12.00%, 12.5%, 13.50% & 15.00%	
Amount offered - cost value (K'b)		27.61		
Total applied - cost value (K'b)	8.12	3.81	25.26	
Total allotted - cost value (K'b)	8.12	3.81	25.26	
Allotted - weighted average ytm	30.00%, 32.00% & 35.00%	34.00%	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	15-Nov-24	10-Dec-24	
2-year Development Bond	28.75%	28-Nov-24	TBA	
3-year TN	30.00%	05-Dec-24	17-Dec-24	
3-year Development Bond	30.00%	28-Nov-24	TBA	
5-year TN	32.00%	05-Dec-24	TBA	
5-year Development Bond	28.00%	28-Nov-23	31-Dec-24	
7-year TN	34.00%	03-Dec-24	TBA	
7-year Development Bond	34.00%	20-Sep-24	TBA	
10-year TN	35.00%	05-Dec-24	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	
10-Dec-24	2-yr TN	42.05	10.00%	
17-Dec-24	3-yr TN	37.54	11.00%	
31-Dec-24	5-yr IDB	10.00	13.50%	
Projected maturities				
Week ending	6-Dec-24	13-Dec-24	20-Dec-24	
TBs, PNs & TNs (K'm)	80,153	3,186	30,982	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	10,984	0	

Data source: RBM

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K149.45b during the week from K141.66b in the previous week. Daily average interbank borrowing increased to K126.40b from K87.18b in the previous week. There was no borrowing on the Lombard facility during the week compared to K14.50b that was borrowed in the previous week. The average interbank borrowing rate increased to 23.67% from 23.28% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
Rate	04-Nov-24	% pts Δ	25-Jul-24
	26.00%	→ 0.00	26.00%
Market Reference Rate			
Rate	Dec-24	% pts Δ	Nov-24
	25.30%	↓ -0.20	25.50%
Inflation Rate			
Rate	Oct-24	% pts Δ	Sep-24
	32.4%	↓ -1.90	34.3%

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.21% to close the week at 165,159.24 points from 163,189.14 points in the previous. The market traded 2,620,495 shares at a consideration of K785.68m in 313 trades, compared to 501,205,051 shares traded at a consideration of K17.05b in 475 trades in the previous week. The year-to-date return on MASI stood at 48.86% as at the end of the week compared to 82.14% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	06-Dec-24	% Δ	29-Nov-24	
MASI	165,159.24	↑ 1.21%	163,189.14	
DSI	127,975.50	↑ 0.33%	127,560.53	
FSI	24,245.05	↑ 7.58%	22,536.25	
Traded volume	2,620,495	↓ -99.48%	501,205,051	
Number of trades	313	↓ -34.11%	475	
Value of shares traded (K'm)	785.68	↓ -95.39%	17,046.51	
Market capitalisation (K'm)	8,923,730.07	↑ 1.25%	8,813,955.18	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	99.88	↑ 2.71%	97.24	
FMBCH	484.49	↑ 7.66%	450.00	
MPICO	18.53	↑ 0.05%	18.52	
NBS	152.00	↑ 0.01%	151.98	
NICO	287.03	↑ 0.003%	287.02	
PCL	2499.79	↑ 0.0004%	2499.78	
STANDARD	6000.13	↑ 0.001%	6000.09	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
FDHB	148.47	↓ -0.10%	148.62	
NBM	3,450.00	↓ -0.0003%	3,450.01	
TNM	25.67	↓ -1.19%	25.98	

## Corporate news

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
FDHB	2nd interim declared	2.18	11-Dec-24	13-Dec-24	19-Dec-24
ILLOVO	Final proposed	5.00	TBA	TBA	TBA

Source: MSE

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