

Foreign exchange market developments

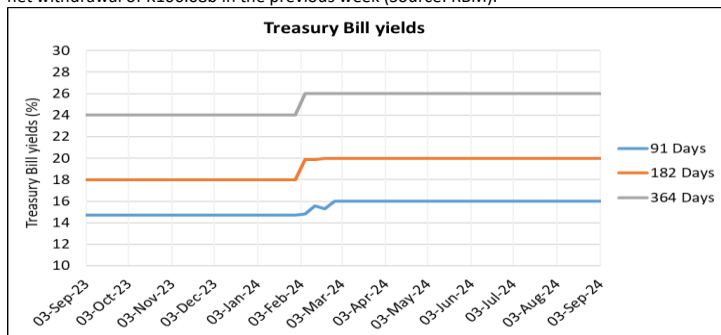
During the week the Kwacha marginally depreciated against the USD, EUR and ZAR but appreciated against the GBP, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	6-Sep-24		% Δ	30-Aug-24
USD	1750.6136	↓	0.02%	1750.3142
GBP	2366.6583	↑	-0.09%	2368.6756
EUR	2001.7332	↓	0.39%	1994.0551
ZAR	101.2632	↓	0.16%	101.0971
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	16-Aug-24		% Δ	9-Aug-24
USD	1927.3775	↑	-0.0001%	1927.3788
GBP	2464.3617	↓	0.26%	2457.9919
EUR	2120.9740	↓	0.30%	2114.5448
ZAR	104.9644	↓	0.30%	104.6556
Foreign exchange reserves position				
	31-Jul-24	30-Jun-24		31-May-24
Total foreign exchange reserves				
(Aggregate of RBM, Banks & Total import cover (months)	572.02	591.51		610.18
	2.29	2.37		2.44

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K20.88b from auction of Treasury Bills and K9.49b from auction of a 2-year Treasury Note during the week. Maturities of Government securities for the week amounted to K21.64b, resulting in a net withdrawal of K8.73b from the market, compared to a net withdrawal of K106.08b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	3-Sep-24		% pts Δ	27-Aug-24
Amount offered - cost value (K'm)	11,017.00	↓	-42.10%	19,028.00
Applied - cost value (K'm)	20,879.45	↓	-26.60%	28,447.69
Allotted - cost value (K'm)	20,879.45	↓	-26.60%	28,447.69
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%	→	0.0000%	26.0000%
All-type yield	20.6667%	→	0.0000%	20.6667%

Treasury Note and Bond auctions				
Auction dates	3-Sep-24	27 & 29 Aug 24		27-Aug-24
Tenor	2-yr TN	2, 3, 5, 7 & 10-yr TNs		7-yr TN
Coupon rate	10.00%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%		13.50%
Amount offered - cost value (K'b)	52.80			45.48
Total applied - cost value (K'b)	9.49		86.97	5.24
Total allotted - cost value (K'b)	9.49		86.97	5.24
Allotted - weighted average ytm	28.75%	28.75%, 30.00%, 32.00%, 34.00% & 35.00%		34.00%

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2-year TN	28.75%	03-Sep-24		TBA
3-year TN	30.00%	29-Aug-24		24-Sep-24
5-year TN	32.00%	29-Aug-24		17-Sep-24
5-year Development Bond	28.00%	28-Nov-23		TBA
7-year TN	34.00%	27-Aug-24		TBA
7-Year Development Bond	34.00%	23-Aug-24		TBA
10-year TN	35.00%	29-Aug-24		TBA
10-year Development Bond	35.00%	20-Jun-24		TBA

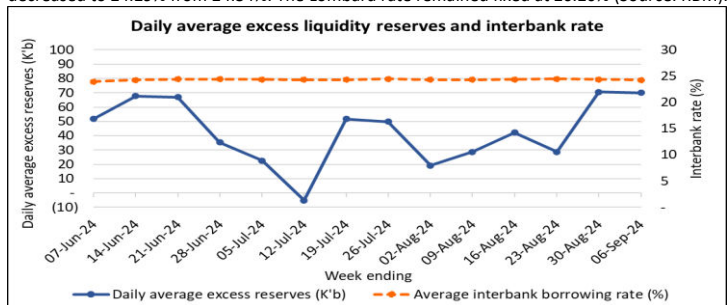
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)		Last auction's coupon rate
17-Sep-24	5	45.20		12.50%
24-Sep-24	3	49.12		11.00%

Projected maturities				
Week ending	6-Sep-24	13-Sep-24		20-Sep-24
TBs, PNs & TNs (K'm)	21,644	56,346		111,679
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	0		0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K69.97b during the week from K70.56b in the previous week. Daily average interbank borrowing decreased to K63.86b from K90.00b. Borrowing on the Lombard facility slightly increased to an average of K47.52b per day, compared to K47.25b per day in the previous week. The average interbank borrowing rate decreased to 24.29% from 24.34%. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate				
	25-Jul-24		% pts Δ	03-May-24
Rate	26.00%	→	0.00	26.00%
Market Reference Rate				
	Sep-24		% pts Δ	Aug-24
Rate	25.40%	→	0.00	25.40%
Inflation Rate				
	Jul-24		% pts Δ	Jun-24
Rate	33.7%	↑	0.40	33.3%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.50% to close the week at 143,389.34 points from 141,275.06 points in the previous. The market traded 15,501,902 shares at a consideration of K2.55b in 346 trades, compared to 9,753,594 shares traded at a consideration of K1.54b in 318 trades in the previous week. The year-to-date return on MASI stood at 29.24% as at the end of the week compared to 94.23% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	06-Sep-24		% Δ	30-Aug-24
MASI	143,389.34	↑	1.50%	141,275.06
DSI	111,948.97	↑	1.71%	110,067.28
FSI	19,973.80	↓	-0.003%	19,974.30
Traded volume	15,501,902	↑	58.94%	9,753,594
Number of trades	346	↑	8.81%	318
Value of shares traded (K'm)	2,547.28	↑	65.26%	1,541.38
Market capitalisation (K'm)	7,744,935.51	↑	1.48%	7,631,643.95
Gainers				
	Closing price (K)		% Δ	Opening price (K)
STANDARD	5,335.01	↑	10.00%	4,850.01
SUNBIRD	225.01	↑	0.42%	224.08
TNM	18.01	↑	0.06%	18.00
Losers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	44.94	↓	-0.04%	44.96
FDHB	149.77	↓	-0.03%	149.82
FMBCH	398.49	↓	-0.003%	398.50
ICON	14.97	↓	-0.13%	14.99
MPICO	14.94	↓	-0.07%	14.95
NBS	149.68	↓	-0.02%	149.71
NICO	198.70	↓	-0.02%	198.73
NITL	411.18	↓	-0.002%	411.19

Corporate news

Published bank financial results for the half year ended 30th June 2024				
Company	H1 2024 profit after tax (K'm)	Change (%)		H1 2023 profit after tax (K'm)
Listed banks				
FDH Bank Plc	27,936	↑	86%	15,015
FMB Capital Holdings Plc (USD'000)	46,824	↑	11%	42,032
National Bank of Malawi Plc	42,074	↑	19%	35,483
Standard Bank Malawi Plc	42,374	↑	57%	26,922
Unlisted banks				
CDH Investment Bank Ltd	8,340	↑	53%	5,463
Centenary Bank Ltd	292	↓	-70%	970
Ecobank Ltd	27,286	↑	91%	14,287
First Capital Bank Plc	16,777	↓	0%	16,787
Listed non-bank companies				
National Investment Trust Plc	4,316	↓	-74%	16,490
Unlisted non-bank financial institutions				
First Discount House Ltd	6,040	↑	50%	4,036
United General Insurance Company Ltd	(279)	↑	138%	728

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