

Foreign exchange market developments

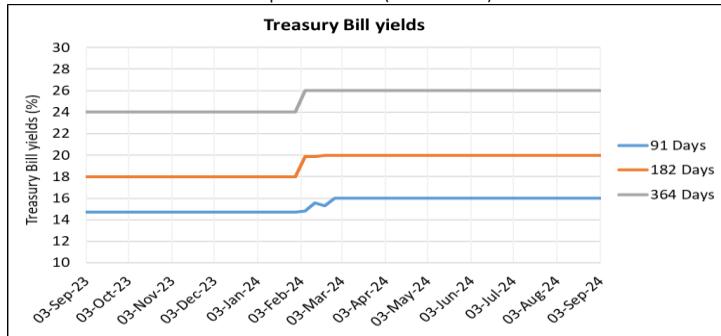
During the week the Kwacha marginally depreciated against the USD, EUR and ZAR but appreciated against the GBP, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week			
Currency	6-Sep-24	% Δ	30-Aug-24
USD	1750.6136	DOWN 0.02%	1750.3142
GBP	2366.6583	UP -0.09%	2368.6756
EUR	2001.7332	DOWN 0.39%	1994.0551
ZAR	101.2632	DOWN 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	UP -0.0001%	1927.3788
GBP	2464.3617	DOWN 0.26%	2457.9919
EUR	2120.9740	DOWN 0.30%	2114.5448
ZAR	104.9644	DOWN 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
Total import cover (months)	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).

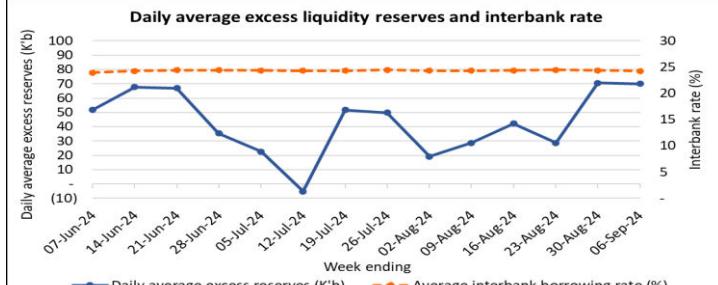


Treasury Bill auctions			
Auction date	3-Sep-24	27 & 29 Aug 24	27-Aug-24
Amount offered -cost value (K'm)	11,017.00	DOWN -42.10%	19,028.00
Applied - cost value (K'm)	20,879.45	DOWN -26.60%	28,447.69
Allotted - cost value (K'm)	20,879.45	DOWN -26.60%	28,447.69
Overall rejection rate	0.00%	DOWN 0.00%	0.00%
91 days yield	16.0000%	UP 0.0000%	16.0000%
182 days yield	20.0000%	UP 0.0000%	20.0000%
364 days yield	26.0000%	UP 0.0000%	26.0000%
All-type yield	20.6667%	UP 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		5.24
Total allotted - cost value (K'b)	9.49		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. 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		
Rate	25-Jul-24	% pts Δ
Rate	26.00%	UP 0.00
Market Reference Rate		
Rate	Sep-24	% pts Δ
Rate	25.40%	UP 0.00
Inflation Rate		
Rate	Jul-24	% pts Δ
Rate	33.7%	UP 0.40
03-May-24		

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	UP 1.50%	141,275.06
DSI	111,948.97	UP 1.71%	110,067.28
FSI	19,973.80	DOWN -0.003%	19,974.30
Traded volume	15,501,902	UP 58.94%	9,753,594
Number of trades	346	UP 8.81%	318
Value of shares traded (K'm)	2,547.28	UP 65.26%	1,541.38
Market capitalisation (K'm)	7,744,935.51	UP 1.48%	7,631,643.95
Gainers	Closing price (K)	% Δ	Opening price (K)
STANDARD	5,335.01	UP 10.00%	4,850.01
SUNBIRD	225.01	UP 0.42%	224.08
TNM	18.01	UP 0.06%	18.00
Losers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	44.94	DOWN -0.04%	44.96
FDHB	149.77	DOWN -0.03%	149.82
FMBCH	398.49	DOWN -0.003%	398.50
ICON	14.97	DOWN -0.13%	14.99
MPICO	14.94	DOWN -0.07%	14.95
NBS	149.68	DOWN -0.02%	149.71
NICO	198.70	DOWN -0.02%	198.73
NITL	411.18	DOWN -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)
FDH Bank Plc	27,936	UP 86%	15,015
FMB Capital Holdings Plc (USD'000)	46,824	UP 11%	42,032
National Bank of Malawi Plc	42,074	UP 19%	35,483
Standard Bank Malawi Plc	42,374	UP 57%	26,922
Unlisted banks			
CDH Investment Bank Ltd	8,340	UP 53%	5,463
Centenary Bank Ltd	292	DOWN -70%	970
Ecobank Ltd	27,286	UP 91%	14,287
First Capital Bank Plc	16,777	DOWN 0%	16,787
Listed non-bank companies			
National Investment Trust Plc	4,316	DOWN -74%	16,490
Unlisted non-bank financial institutions			
First Discount House Ltd	6,040	UP 50%	4,036
United General Insurance Company Ltd	(279)	DOWN 138%	728

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