

Foreign exchange market developments

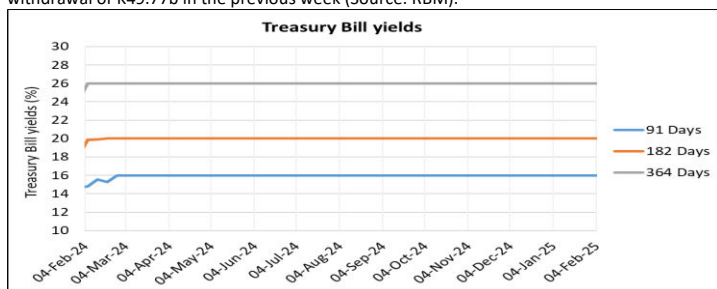
During the week, the Kwacha marginally appreciated against the USD, GBP and ZAR but depreciated against the EUR as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week				
Currency	7-Feb-25	% Δ	31-Jan-25	
USD	1748.5965	↑ -0.10%	1750.3538	
GBP	2231.0175	↑ -0.13%	2233.8408	
EUR	1870.9812	↓ 0.22%	1866.8298	
ZAR	96.7437	↑ -0.38%	97.1126	
Foreign exchange reserves position				
	30-Nov-24	31-Oct-24	30-Sep-24	
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs)	516.90	519.00	560.30	
Total import cover (months)	2.10	2.10	2.20	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K35.34b from the auction of Treasury Bills and K21.67b of Treasury Notes during the week. Maturities of Government securities for the week amounted to K47.85b and maturities of OMO reverse repos amounted to K10.86b. These transactions resulted in a net withdrawal of K20.02b from the market during the week, compared to a net withdrawal of K49.77b in the previous week (Source: RBM).

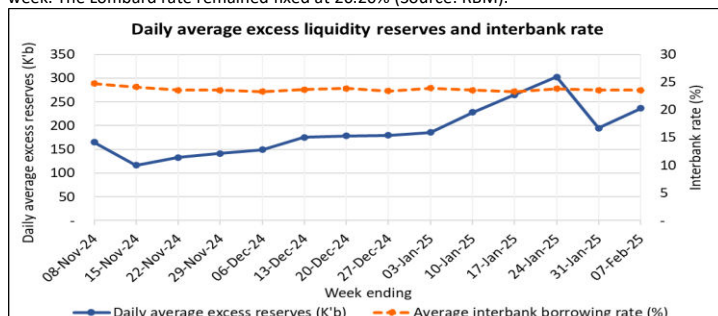


Treasury Bill auctions				
Auction date	4-Feb-25	% pts Δ	28-Jan-25	
Amount offered - cost value (K'm)	21,972.00	↑ 26.84%	17,323.00	
Applied - cost value (K'm)	35,343.41	↑ 11.32%	31,749.71	
Allotted - cost value (K'm)	35,343.41	↑ 11.32%	31,749.71	
Overall rejection rate	0.00%	→ 0.00	0.00%	
91 days yield	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	6-Feb-25	4-Feb-25	28-Jan-25	
Tenor	2-yr TN, 3-yr TN, 5-yr TN, 7-yr TN, 10-yr TN	2	10	
Coupon rate	10.0%, 11.0%, 12.0%, 13.5% & 15.0%	10.00%	15.00%	
Amount offered - cost value (K'b)		46.02	30.68	
Total applied - cost value (K'b)		3.04	26.81	
Total allotted - cost value (K'b)		3.04	26.81	
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00%, 35.00%	28.75%	35.00%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	06-Feb-25	11-Mar-25	
2-year Development Bond	28.75%	23-Jan-25	TBA	
3-year TN	30.00%	06-Feb-25	11-Feb-25	
3-year Development Bond	30.00%	23-Jan-25	25-Feb-25	
5-year TN	32.00%	06-Feb-25	04-Mar-25	
5-year Development Bond	32.00%	23-Jan-25	TBA	
7-year TN	34.00%	06-Feb-25	18-Feb-25	
7-year Development Bond	34.00%	07-Jan-25	TBA	
10-year TN	35.00%	06-Feb-25	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	
11-Feb-25	3	35.34	11.00%	
18-Feb-25	7	21.36	13.50%	
25-Feb-25	3-yr IDB	10.00	12.00%	
04-Mar-25	5	40.02	12.50%	
11-Mar-25	2	49.02	10.00%	
18-Mar-25	3	43.02	11.00%	
25-Mar-25	7	21.34	13.50%	
Projected maturities				
Week ending	7-Feb-25	14-Feb-25	21-Feb-25	
TBs, PNs & TNs (K'm)	47,848	106,474	57,735	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	10,860	0	0	

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K236.78b, increasing from an average of K194.46b in the previous week. The daily interbank borrowing averaged K147.16b during the week from K188.10b in the previous week. Borrowing on the Lombard facility amounted to K374.64b during the week, compared to K67.00b in the previous week. The average interbank borrowing rate slightly decreased to 23.19% from 23.52% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
	30-Jan-25	% pts Δ	04-Nov-24
Rate	26.00%	→ 0.00	26.00%
Market Reference Rate			
	Feb-25	% pts Δ	Jan-25
Rate	25.10%	↓ -0.10	25.20%
Inflation Rate			
	Dec-24	% pts Δ	Nov-24
Rate	28.1%	↑ 1.10	27.0%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 4.14% to close the week at 232,733.35 points from 223,474.92 points in the previous. The market traded 13,049,545 shares at a consideration of K4.23b in 1,101 trades, compared to 6,868,910 shares traded at a consideration of K2.66b in 628 trades in the previous week. The year-to-date return on MASI stood at 35.28% at the end of the week, compared to 4.15% for the same period in 2024 (Source: MSE).

Stock market trading activity					
	07-Feb-25	% Δ	31-Jan-25		
MASI	232,733.35	↑ 4.14%	223,474.92		
DSI	178,228.21	↑ 2.52%	173,854.75		
FSI	36,856.73	↑ 15.46%	31,921.06		
Traded volume	13,049,545	↑ 89.98%	6,868,910		
Number of trades	1,101	↑ 75.32%	628		
Value of shares traded (K'm)	4,231.19	↑ 59.16%	2,658.43		
Market capitalisation (K'm)	12,654,198.13	↑ 4.21%	12,143,035.87		
Gainers					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
AIRTEL	85.02	↑ 1.12%	84.08	(60.63)	(88.17)
FDHB	315.03	↑ 14.76%	274.52	60.99	37.04
FMBCH	739.04	↑ 15.58%	639.42	30.13	7.85
NBM	6000.00	↑ 0.02%	5998.87	38.78	13.57
NBS	349.98	↑ 0.21%	349.23	34.67	20.36
NICO	419.56	↑ 0.13%	419.02	14.07	4.81
NITL	441.00	↑ 0.05%	440.77	2.77	1.32
PCL	2,500.00	↑ 0.002%	2,499.95	7.44	1.14
STANDARD	6901.03	↑ 0.01%	6900.02	30.83	8.36
Losers					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
ICON	18.03	↓ -0.06%	18.04	6.29	1.00
TNM	17.02	↓ -14.81%	19.98	(35.90)	4.09
No movement					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
BHL	14.55	→ 0.00%	14.55	(107.89)	12.42
ILLOVO	1355.09	→ 0.00%	1355.09	42.72	6.50
MPICO	19.00	→ 0.00%	19.00	7.98	0.76
OMU	1,950.01	→ 0.00%	1,950.01	24.53	2.20
SUNBIRD	276.12	→ 0.00%	276.12	13.75	1.49

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
STANDARD	Interim declared	21.31	5-Feb-25	7-Feb-25	14-Feb-25
ILLOVO	Final proposed	5.00	TBA	TBA	TBA

Annual general meetings			
Company	Venue	Date	Time
ILLOVO	Ryalls Hotel	25-Feb-25	14:00hrs

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