

Foreign exchange market developments

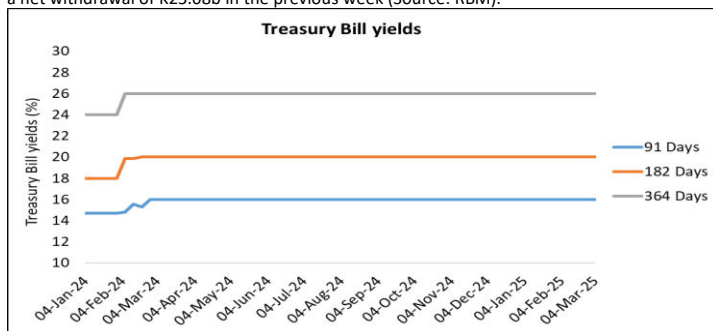
During the week, the Kwacha depreciated against the USD, GBP, EUR and ZAR as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	7-Mar-25	% Δ	28-Feb-25
USD	1750.3090	↓ 0.04%	1749.6530
GBP	2321.6033	↓ 2.34%	2268.5298
EUR	1947.8798	↓ 3.98%	1873.2616
ZAR	99.3837	↓ 2.41%	97.0404
Foreign exchange reserves position			
	31-Dec-24	30-Nov-24	31-Oct-24
Total foreign exchange reserves			
(Aggregate of RBM, Banks & FCDAs)	530.90	516.90	519.00
Total import cover (months)	2.10	2.10	2.10

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K33.73b from the auction of Treasury Bills and K4.10b of Treasury Notes during the week. Maturities of Government securities for the week amounted to K54.52b, resulting in a net injection of K16.69b into the market during the week, compared to a net withdrawal of K25.08b in the previous week (Source: RBM).

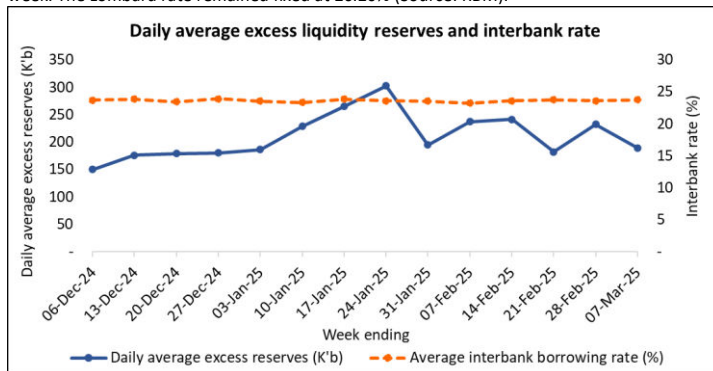


Treasury Bill auctions				
Auction date	4-Mar-25	% pts Δ	25-Feb-25	
Amount offered - cost value (K'm)	14,398.00	↓ -34.47%	21,972.00	
Applied - cost value (K'm)	33,728.17	↓ -37.80%	54,227.08	
Allotted - cost value (K'm)	33,728.17	↓ -37.80%	54,227.08	
Overall rejection rate	0.00%	→ 0.00	0.00%	
91 days 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	4-Mar-25	25-Feb-25		
Tenor	5-yr TN	2-yr TN, 2-yr IDB, 3-yr TN, 3-yr IDB, 5-yr TN, 7-yr TN & 10-yr TN		
Coupon rate	12.50%	10.0%, 11.0%, 11.0%, 12.0%, 12.5%, 13.5% & 15.0%		
Amount offered - cost value (K'b)	40.02	K10b for the 3-yr IDB		
Total applied - cost value (K'b)	4.10	202.11		
Total allotted - cost value (K'b)	4.10	205.52		
Allotted - weighted average ytm	32.00%	28.75%, 28.75%, 30.0%, 30.0%, 32.0%, 34.0% & 35.0%		
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	25-Feb-25	11-Mar-25	
2-year Development Bond	28.75%	25-Feb-25	TBA	
3-year TN	30.00%	25-Feb-25	18-Mar-25	
3-year Development Bond	30.00%	10-Feb-25	TBA	
5-year TN	32.00%	04-Mar-25	TBA	
5-year Development Bond	32.00%	20-Feb-25	TBA	
7-year TN	34.00%	25-Feb-25	25-Mar-25	
7-year Development Bond	34.00%	07-Jan-25	TBA	
10-year TN	35.00%	25-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-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-Mar-25	14-Mar-25	21-Mar-25	
TBs, PNs & TNs (K'm)	54,524	92,457	78,990	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K189.08b, decreasing from an average of K232.00b in the previous week. The daily interbank borrowing averaged K91.20b during the week from K67.60b in the previous week. Borrowing on the Lombard facility averaged K103.28b per day during the week, compared to K105.75b per day in the previous week. The average interbank borrowing rate increased to 23.75% from 23.60% 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			
	Mar-25	% pts Δ	Feb-25
Rate	25.10%	→ 0.00	25.10%
Inflation Rate			
	Jan-25	% pts Δ	Dec-24
Rate	28.5%	↑ 0.40	28.1%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.90% to close the week at 289,111.37 points from 283,722.24 points in the previous. The market traded 6,557,763 shares at a consideration of K2.78b in 630 trades, compared to 5,868,377 shares traded at a consideration of K3.20b in 899 trades in the previous week. The year-to-date return on MASI stood at 68.05% at the end of the week, compared to 1.88% for the same period in 2024 (Source: MSE).

Stock market trading activity					
	07-Mar-25	% Δ	28-Feb-25		
MASI	289,111.37	↑ 1.90%	283,722.24		
DSI	202,519.45	↑ 2.50%	197,589.16		
FSI	69,900.75	↓ -0.25%	70,073.16		
Traded volume	6,557,763	↑ 11.75%	5,868,377		
Number of trades	630	↓ -29.92%	899		
Value of shares traded (K'm)	2,782.58	↓ -13.15%	3,203.93		
Market capitalisation (K'm)	15,758,214.99	↑ 1.87%	15,468,219.76		
Gainers					
	Closing price (K)	% Δ	Closing price (K)	P/E ratio	P/BV ratio
ILLOVO	1558.00	↑ 14.97%	1355.13	49.11	7.47
STANDARD	7927.93	↑ 13.87%	6962.21	35.42	9.6
FDHB	315.18	↑ 0.03%	315.08	61.02	37.05
AIRTEL	128.02	↑ 0.01%	128.01	(91.30)	(132.77)
NITL	634.03	↑ 0.002%	634.02	3.98	1.90
NBM	6200.07	↑ 0.001%	6200.01	40.07	14.02
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
ICON	17.98	→ 0.00%	17.98	6.27	0.99
OMU	1,950.03	→ 0.00%	1,950.03	25.84	2.32
PCL	2,500.02	→ 0.00%	2,500.02	7.44	1.14
SUNBIRD	300.03	→ 0.00%	300.03	14.94	1.62
Losers					
	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
NBS	349.68	↓ -0.03%	349.77	34.64	20.35
MPICO	19.00	↓ -0.05%	19.01	7.98	0.76
FMBCH	1405.99	↓ -0.25%	1409.47	57.33	14.94
NICO	789.00	↓ -5.02%	830.68	26.47	9.04
TNM	26.30	↓ -10.67%	29.44	(55.48)	6.32

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