



Foreign exchange market developments

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

Closing TT middle exchange rates as at the end of the week			
Currency	9-May-25	% Δ	2-May-25
USD	1748.7348	↑ -0.11%	1750.6617
GBP	2382.3056	↑ -0.75%	2400.3852
EUR	2026.6068	↑ -0.28%	2032.2312
ZAR	97.5802	↓ 0.69%	96.9076

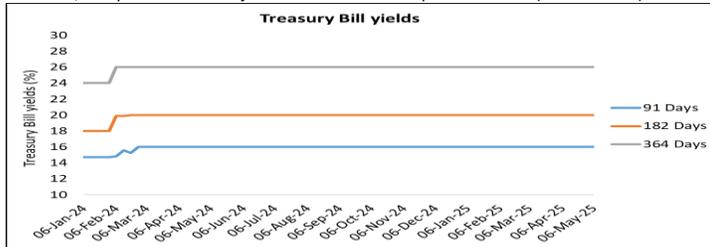
Foreign exchange reserves position			
	28-Feb-25	31-Jan-25	31-Dec-24
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs)	569.50	570.60	530.90
Total import cover (months)	2.30	2.30	2.10

Cumulative tobacco sales as at the end of week 5			
Date	Week 5 2025 (9 May 2025)	% Δ	Week 5 2024 (16 May 2024)
Volume (million kg)	34.24	↓ -13.54%	39.60
Value (USD/million)	80.83	↓ -25.56%	108.59
Average price (USD/Kg)	2.36	↓ -13.87%	2.74

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K32.74b from the auction of Treasury Bills and K15.55b from the auction of a 3-year Treasury Note during the week. Maturities of Government securities for the week amounted to K70.07b, resulting in a net injection of K21.781b into the market during the week, compared to a net injection of K1.01b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	6-May-25	% pts Δ	29-Apr-25
Amount offered - cost value (K'm)	19,285.00	↑ 9.95%	17,540.00
Applied - cost value (K'm)	32,744.82	↑ 166.18%	12,301.55
Allotted - cost value (K'm)	32,744.82	↑ 166.18%	12,301.55
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-May-25	22-Apr-25	15-Apr-25
Tenor	3 years	5 years	2 years
Coupon rate	11.00%	12.50%	0.1
Amount offered - cost value (K'b)	77.14	68.95	84.712
Total applied - cost value (K'b)	15.55	19.96	7.49
Total allotted - cost value (K'b)	15.55	19.96	7.49
Allotted - weighted average ytm	30.00%	32.00%	0.2875

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	15-Apr-25	03-Jun-25
2-year Development Bond	28.75%	25-Feb-25	20-May-25
3-year TN	30.00%	06-May-25	TBA
3-year Development Bond	30.00%	10-Feb-25	24-Jun-25
5-year TN	32.00%	22-Apr-25	17-Jun-25
5-year Development Bond	32.00%	20-Feb-25	TBA
7-year TN	34.00%	25-Mar-25	27-May-25
7-Year Development Bond	34.00%	07-Jan-25	TBA
10-year TN	35.00%	08-Apr-25	10-Jun-25
10-year Development Bond	35.00%	20-Jun-24	TBA

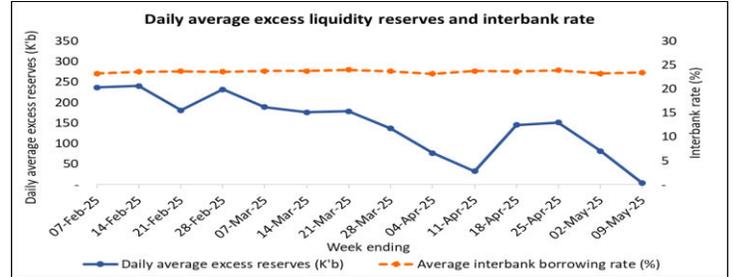
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
20-May-25	2 IDB	10.00	11.00%
27-May-25	7	63.40	13.50%
03-Jun-25	2	84.71	10.00%
10-Jun-25	10	55.70	15.00%
17-Jun-25	5	68.95	12.50%
24-Jun-25	3 IDB	10.00	12.00%

Projected maturities			
Week ending	9-May-25	16-May-25	23-May-25
TBs, PNs & TNs (K'm)	70,073	20,242	14,587
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

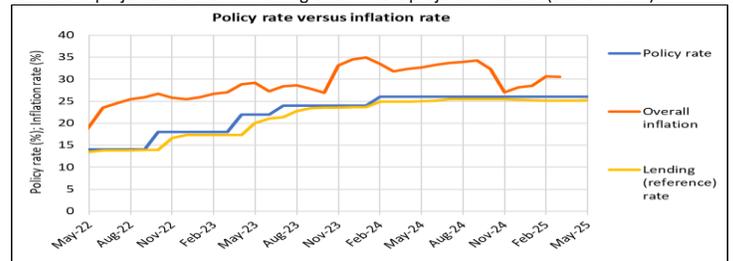
Market liquidity and interbank market activity

During the week, daily excess liquidity reserves averaged K3.37b, decreasing from an average of K81.96b in the previous week. The daily interbank borrowing averaged K61.80b during the week from K110.50b in the previous week. Borrowing on the Lombard facility amounted to K250.00b during the week, compared to K18.00b in the previous week. The average interbank borrowing rate increased to 23.43% from 23.20% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



Monetary policy

The Monetary Policy Committee (MPC) held its second meeting of 2025 on 6th and 7th May 2025 during which they decided to maintain the Policy rate at 26.0%, the Lombard rate at 20 basis points above the Policy rate and the Liquidity Reserve Requirement (LRR) ratio at 10% for local currency deposits and 3.75% for foreign currency deposits, after noting that inflationary pressures have moderated, although risks remain. The annual average headline inflation rate for 2025 is projected at 27% and GDP growth rate is projected at 3.2% (Source: RBM).



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of 0.07% to close the week at 289,280.32 points from 289,475.23 points in the previous. The market traded 7,621,753 shares at a consideration of K1.73b in 725 trades, compared to 17,315,979 shares traded at a consideration of K2.87b in 719 trades in the previous week. The year-to-date return on MASI stood at 68.15% at the end of the week, compared to 2.46% for the same period in 2024 (Source: MSE).

Stock market trading activity					
	09-May-25	% Δ	02-May-25		
MASI	289,280.32	↓ -0.07%	289,475.23		
DSI	213,574.23	↑ 0.04%	213,497.82		
FSI	55,974.75	↓ -0.57%	56,293.81		
Traded volume	7,621,753	↓ -55.98%	17,315,979		
Number of trades	725	↑ 0.83%	719		
Value of shares traded (K'm)	1,734.39	↓ -39.50%	2,866.60		
Market capitalisation (K'm)	15,739,192.37	↓ -0.07%	15,750,523.03		

	Closing price (K)	% Δ	Opening price (K)	P/E ratio	P/BV ratio
Gainers					
NBS	343.54	↑ 0.67%	341.24	13.70	8.92
TNM	23.00	↑ 0.04%	22.99	22.96	4.45
NITL	715.12	↑ 0.01%	715.07	3.24	1.31
NBM	6200.13	↑ 0.0005%	6200.10	28.30	10.78
OMU	2,500.01	↑ 0.0004%	2,500.00	16.35	2.18
STANDARD	9502.04	↑ 0.0001%	9502.03	25.82	8.58
No movement					
ICON	17.95	→ 0.00%	17.95	4.91	0.82
MPICO	18.99	→ 0.00%	18.99	5.11	0.67
SUNBIRD	300.16	→ 0.00%	300.16	7.39	1.12
Losers					
PCL	3,999.99	↓ -0.0003%	4,000.00	7.44	1.38
ILLOVO	1791.55	↓ -0.001%	1791.57	56.48	8.59
NICO	776.65	↓ -0.001%	776.66	11.25	5.21
FDHB	314.24	↓ -0.02%	314.30	29.28	22.26
AIRTEL	128.83	↓ -0.12%	128.99	33.17	44.13
BHL	14.55	↓ -0.14%	14.57	(107.89)	12.42
FMBCH	1123.54	↓ -0.57%	1129.98	35.12	8.39

Data source: MSE

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