

## Foreign exchange market developments

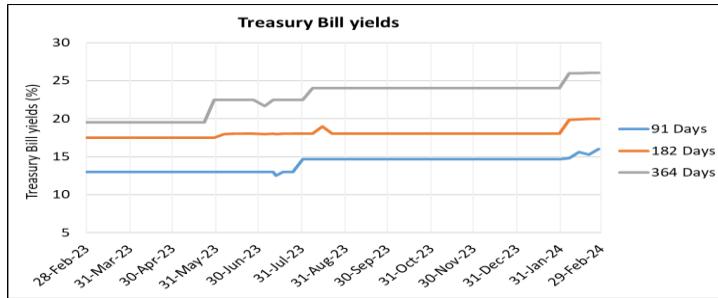
During the week, the Kwacha appreciated against the USD, EUR and ZAR but depreciated against the GBP, as indicated by TT exchange rates in the table below:

Closing TT middle exchange rates as at the end of the week			
Currency	29-Feb-24	% Δ	23-Feb-24
USD	1698.5020	↑ -0.04%	1699.2157
GBP	2217.8339	↓ 0.02%	2217.4120
EUR	1887.3792	↑ -0.38%	1894.5065
ZAR	90.3822	↑ -1.03%	91.3271
Opening foreign exchange bureaux middle rates as at the end of the week			
Currency	1-Mar-24	% Δ	21-Feb-24
USD	1876.1881	↑ 1.76%	1909.7917
GBP	2366.2983	↑ -1.18%	2394.4792
EUR	2055.4702	↑ -1.51%	2087.0833
ZAR	99.6758	↑ -4.44%	104.3125
Foreign exchange reserves position			
	31-Dec-23	30-Nov-23	31-Oct-23
Gross official foreign exchange reserves (USD'm)	242.58	165.20	179.33
Gross official reserves import cover (months)	0.97	0.66	0.72
Benchmark import cover for official reserves (months)	3.00	3.00	3.00
Private sector foreign exchange reserves (USD'm)	433.01	413.20	396.88
Private sector reserves import cover (months)	1.73	1.65	1.59
Total economy foreign exchange reserves (USD'm)	675.59	578.40	576.21
Total economy import cover (months)	2.70	2.31	2.31

Data source: Reserve Bank of Malawi (RBM)

## Government securities

The Government raised K39.47b from auction of Treasury Bills and K29.79b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K25.42b and maturities of OMO repos amounted to K10.40b. These transactions resulted in a net withdrawal of K33.44b from the market, compared to a net injection of K3.86b in the previous week (Source: RBM).

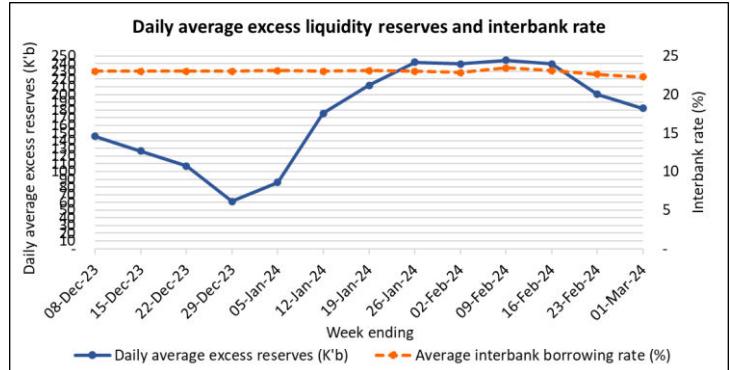


Treasury Bill auctions			
Auction date	27-Feb-24	% pts Δ	20-Feb-24
Amount offered - cost value (K'm)	13,158.00	↑ 0.00%	13,158.00
Applied - cost value (K'm)	39,473.51	↓ -40.28%	66,096.83
Allotted - cost value (K'm)	39,473.51	↓ -40.28%	66,096.83
Overall rejection rate	0.00%	↓ 0.00	0.00%
91 days yield	16.0000%	↑ 0.7196%	15.2804%
182 days yield	20.0000%	↓ 0.0000%	20.0000%
364 days yield	26.0000%	↓ 0.0000%	26.0000%
All-type yield	20.6667%	↑ 0.2399%	20.4268%
Treasury Note and Bond auctions			
Auction date	27 & 29 Feb 2024	20-Feb-24	16-Feb-24
Tenors	3, 5, 7 & 10 yr TNs	3-yr TN	2, 3, 5, 7 & 10 yr TNs
Coupon rate	11.0%, 12.5%, 13.5% & 15%	11.00%	10.0%, 11.0%, 12.5%, 13.5% & 15%
Amount offered - cost value (K'b)	K49.95b for the 7-year TN	45.41	
Total applied - cost value (K'b)	30.05	18.37	24.04
Total allotted - cost value (K'b)	29.79	18.37	24.03
Allotted - weighted average ytm	30.0%, 32.0%, 34%, 35%	30.00%	28.75%, 30.0%, 32.0%, 34%, 35%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	16-Feb-24	26-Mar-24
3-year TN	30.00%	29-Feb-24	12-Mar-24
5-year TN	32.00%	29-Feb-24	05-Mar-24
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	29-Feb-24	TBA
7-Year Development Bond	32.00%	16-Jan-24	TBA
10-year TN	35.00%	29-Feb-24	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
05-Mar-24	5-year TN	48.33	12.50%
12-Mar-24	3-year TN	53.41	11.00%
26-Mar-24	2-year TN	60.22	10.00%
Projected maturities			
Week ending	1-Mar-24	8-Mar-24	15-Mar-24
TBs, PNs & TNs (K'm)	25,423	55,599	62,408
OMO repos (K'm)	10,401	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 K181.89b during the week from K200.40b in the previous week. Daily average interbank borrowing increased to K19.45b from K10.28b. There was no borrowing on the Lombard facility during the week, as was the case in the previous week. The average interbank borrowing rate decreased to 22.27% from 22.60% (Source: RBM).



Policy Rate			
	01-Feb-24	% pts Δ	27-Oct-23
Rate	26.00%	↑ 2.00	24.00%
Market Reference Rate			
	Feb-24	% pts Δ	Jan-24
Rate	24.90%	↑ 1.30	23.60%
Inflation Rate			
	Jan-24	% pts Δ	Dec-23
Rate	35.0%	↑ 0.50	34.5%

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -1.16% to close the week at 113,044.48 points from 114,374.77 points in the previous. The market traded 2,753,399 shares at a consideration of K243.40m in 231 trades, compared to 3,791,644 shares traded at a consideration of K2.18b in 259 trades in the previous week. The year-to-date return on MASI stood at 1.89% as at the end of the week compared to 15.29% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	01-Mar-24	% Δ	23-Feb-24
MASI	113,044.48	↓ -1.16%	114,374.77
DSI	84,459.17	↓ -1.31%	85,576.14
FSI	20,597.92	↓ -0.41%	20,683.14
Traded volume	2,753,399	↓ -27.38%	3,791,644
Number of trades	231	↓ -10.81%	259
Value of shares traded (K'm)	243.40	↓ -88.85%	2,183.70
Market capitalisation (K'm)	6,118,421.32	↓ -1.15%	6,189,913.75
Gainers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	65.15	↑ 0.02%	65.14
ILLOVO	1350.11	↑ 0.001%	1350.10
NBS	109.98	↑ 2.79%	107.00
NITL	411.48	↑ 0.01%	411.45
STANDARD	3950.18	↑ 0.001%	3950.16
SUNBIRD	196.00	↑ 0.50%	195.02
Losers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	50.00	↓ -9.26%	55.10
FMBCH	412.00	↓ -0.42%	413.72
ICON	16.88	↓ -0.06%	16.89
NICO	199.92	↓ -0.02%	199.95
TNM	12.00	↓ -14.29%	14.00

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
STANDARD	Interim declared	21.31	21-Feb-24	23-Feb-24	8-Mar-24
STANDARD	2nd interim declared	31.96	26-Mar-24	28-Mar-24	12-Apr-24
ILLOVO	Final proposed	5.80	TBA	TBA	TBA

## Annual/extraordinary\* general meeting

Company	Venue	Date	Time
BHL*	Ryalls Hotel, Blantyre	07-Mar-24	15:30 hrs

**Disclaimer:** The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice, or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.