

## Foreign exchange market developments

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

Closing TT middle exchange rates as at the end of the week				
Currency	11-Aug-23	% Δ	4-Aug-23	
USD	1093.0724	↓ 0.19%	1091.0033	
GBP	1428.7926	↓ 0.30%	1424.4676	
EUR	1235.4685	↓ 0.54%	1228.7794	
ZAR	59.3023	↑ -1.18%	60.0124	

Gross official foreign exchange reserves position			
	30-Jun-23	31-May-23	30-Apr-23
Reserves (USD'm)	321.53	194.82	200.08
Import cover (months)	1.29	0.78	0.80
Benchmark import cover (months)	3.00	3.00	3.00

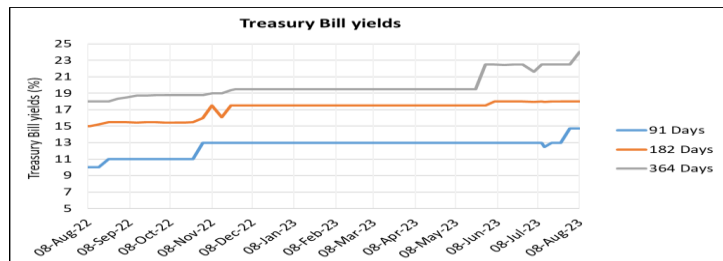
Cumulative tobacco sales				
Date	Week 17 2023 as at 4 August 2023	% Δ	Week 17 2022 as at 22 July	
Volume (million kg)	120.53	↑ 47.40%	81.77	
Value (USD'million)	283.76	↑ 62.76%	174.34	
Average price (USD/Kg)	2.35	↑ 10.33%	2.13	

Data source: Reserve Bank of Malawi (RBM) and AHL

## Government securities

The government raised K917.53m from auction of Treasury Bills and K15.52b from auction of a 7-year Treasury Note during the week.

Maturities of Government securities for the week amounted to K25.56b. These transactions resulted in a net injection of K9.12b into the market, compared to a net injection of K17.53b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	8-Aug-23	% pts Δ	1-Aug-23	
Amount offered - cost value (K'm)	6,177.00	↓ 0.00%	6,177.00	
Applied - cost value (K'm)	917.53	↑ 409.91%	179.94	
Allotted - cost value (K'm)	917.53	↑ 584.62%	134.02	
Overall rejection rate	0.00%	↓ -25.52%	25.52%	
91 days yield	14.7000%	↓ 0.0000%	14.7000%	
182 days yield	18.0000%	↓ 0.0000%	18.0000%	
364 days yield	24.0000%	↑ 1.5000%	22.5000%	
All-type yield	18.9000%	↑ 0.5000%	18.4000%	

Treasury Note and Bond auctions				
Auction date	8-Aug-23	1-Aug-23	25-Jul-23	
Tenors	7 year TN	7 year IDB	3 year TN	
Coupon rate	13.50%	14.50%	11.00%	
Amount offered - cost value (K'b)	50.25	20.49	72.81	
Total applied - cost value (K'b)	15.57	0.01	13.48	
Total allotted - cost value (K'b)	15.52	0.00	13.21	
Allotted - weighted average ytm	30.46%		26.00%	

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	24.75%	05-Jul-23	15-Aug-23	
3-year TN	26.00%	25-Jul-23	05-Sep-23	
5-year TN	28.00%	18-Jul-23	26-Sep-23	
5-year Development Bond	28.00%	27-Jun-23	TBA	
7-year TN	30.46%	08-Aug-23	TBA	
7-Year Development Bond	27.50%	28-Feb-23	TBA	
10-year TN	31.25%	29-Jun-23	29-Aug-23	
10-year Development Bond	23.35%	26-Apr-22	TBA	

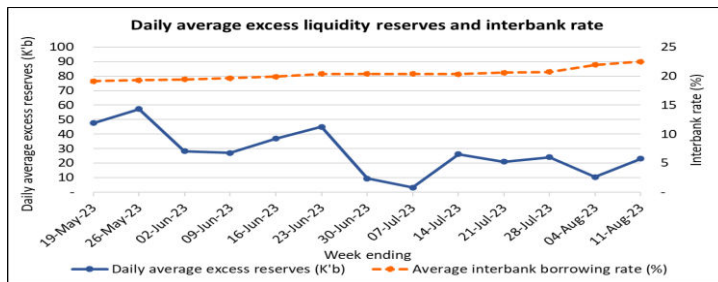
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
15-Aug-23	2	48.15	10.00%	
29-Aug-23	10	26.61	15.00%	
05-Sep-23	3	62.81	11.00%	
12-Sep-23	2	48.15	10.00%	
19-Sep-23	10	15.70	15.00%	
26-Sep-23	5	50.25	12.50%	

Projected maturities				
Week ending	11-Aug-23	18-Aug-23	25-Aug-23	
TBs, PNs & TNs (K'm)	25,562	20,191	15,578	
OMO repos (K'm)	0	0	10,353	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K23.03b during the week from K10.45b in the previous week. Daily average interbank borrowing decreased to K28.60b from K41.30b. Borrowing on the Lombard facility increased to the average of K157.40b per day from K144.57b per day in the previous week. The average interbank borrowing rate increased to 22.50% from 21.92%. The Lombard rate remained fixed at 24.2% (Source: RBM).



Policy Rate				
Rate	27-Jul-23	% pts Δ	27-Apr-23	
	24.00%	↑ 2.00	22.00%	

Market Reference Rate				
Rate	Aug-23	% pts Δ	Jul-23	
	22.70%	↑ 1.30	21.40%	

Inflation Rate				
Rate	Jun-23	% pts Δ	May-23	
	27.3%	↓ -1.90	29.2%	

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.71% to close the week at 116,157.13 points from 114,207.81 points in the previous week due to share price gains in AIRTEL (0.02%), FDHB (2.83%), FMBCH (9.16%), NBM (2.44%), NBS (0.01%), STANDARD (0.0004%), SUNBIRD (0.05%) and TNM (0.03%). The market traded 8,658,211 shares at a consideration of K611.54m in 220 trades, compared to 5,577,355 shares traded at a consideration of K457.31m in 155 trades in the previous week. The year-to-date return on MASI stands at 87.24% compared to 18.32% for the same period in 2022.

Stock market trading activity				
	11-Aug-23	% Δ	04-Aug-23	
MASI	116,157.13	↑ 1.71%	114,207.81	
DSI	90,065.62	↑ 0.70%	89,437.93	
FSI	16,975.06	↑ 9.08%	15,561.55	
Traded volume	8,658,211	↑ 55.24%	5,577,355	
Number of trades	220	↑ 41.94%	155	
Value of shares traded (K'm)	611.54	↑ 33.72%	457.31	
Market capitalisation (K'm)	6,274,104.57	↑ 1.75%	6,166,170.61	

Gainers	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	100.10	↑ 0.02%	100.08	
FDHB	74.20	↑ 2.83%	72.16	
FMBCH	340.00	↑ 9.16%	311.47	
NBM	2100.00	↑ 2.44%	2050.00	
NBS	132.00	↑ 0.01%	131.99	
STANDARD	2500.01	↑ 0.0004%	2500.00	
SUNBIRD	190.10	↑ 0.05%	190.01	
TNM	30.00	↑ 0.03%	29.99	

Losers	Closing price (K)	% Δ	Opening price (K)	
None				

Dividends announced					
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
FDHB	Interim declared	1.31	15-Aug-23	18-Aug-23	24-Aug-23
PCL	Final declared	29.00	15-Aug-23	18-Aug-23	25-Aug-23
NITL	Final declared	2.35	22-Aug-23	25-Aug-23	31-Aug-23
NBS	Final declared	0.90	15-Aug-23	18-Aug-23	1-Sep-23
SUNBIRD	Final declared	1.50	TBA	TBA	TBA
ICON	Final declared	0.13	TBA	TBA	TBA

Annual general meeting			
Company	Venue	Date	Time
BHL	Ryalls Hotel, Blantyre	21-Aug-23	15:30 hrs

(Source: MSE)

Published bank financial results for the half year ended 30th June 2023				
Company	H1 2023 profit after tax (K'm)	Change (%)	H1 2022 profit after tax (K'm)	
CDH Investment Bank Ltd	5,463	↑ 118%	2,503	
Centenary Bank Ltd	970	↑ 201%	(959)	
FDH Bank Plc	15,015	↑ 72%	8,707	
First Capital Bank Plc	16,787	↑ 128%	7,360	

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