

Foreign exchange market developments

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

Closing TT mid exchange rates				
Currency	14-Jul-23	% Δ	7-Jul-23	
USD	1062.0994	0.20%	1060.0064	
GBP	1430.6868	2.77%	1392.1104	
EUR	1229.0848	3.84%	1183.6220	
ZAR	60.4694	6.34%	56.8629	

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

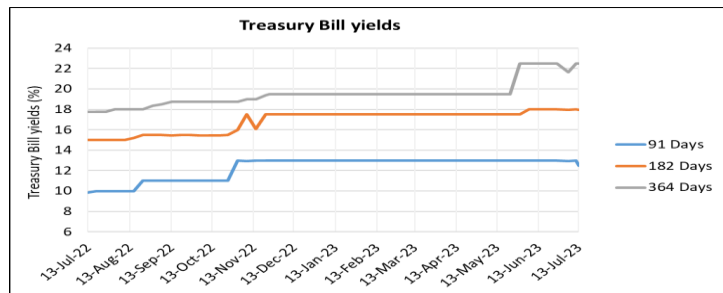
Cumulative tobacco sales				
Date	Week 14 2023 as at 14 July 2023	% Δ	Week 14 2022 as at 01 July	
Volume (million kg)	113.99	68.47%	67.66	
Value (USD'million)	267.54	89.01%	141.55	
Average price (USD/Kg)	2.35	12.44%	2.09	

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

Government securities

The government raised K16.85b from auction of Treasury Bills (TB) and K1.89b from auction of a 3-year Treasury Note (TN) during the week.

Access on the rediscounting standing facility amounted to K1.83b. Maturities of Government securities amounted to K23.03b and maturities of OMO repos amounted to K5.04b. These transactions resulted in a net injection of K11.16b into the market, compared to a net injection of K60.60b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	11 & 13 July 2023	% pts Δ	5-Jul-23	
Amount offered - cost value (K'm)	13,956.00	0.00%	13,956.00	
Applied - cost value (K'm)	16,850.72	38.98%	12,124.59	
Allotted - cost value (K'm)	16,850.72	38.98%	12,124.59	
Overall rejection rate	0.00%	0.00	0.00%	
91 days yield	12.7500%	-0.2054%	12.9554%	
182 days yield	17.9776%	0.0008%	17.9768%	
364 days yield	22.5000%	0.8651%	21.6349%	
All-type yield	17.7425%	0.2202%	17.5224%	

Treasury Note and Bond auctions				
Auction date	13-Jul-23	29-Jun-23	29-Jun-23	
Tenors	3 year TN	2, 3 & 7 year TNs	3 & 10-year TNs	
Coupon rate	11.00%	11.00% & 15.00%	11.00% & 15.00%	
Amount offered - cost value (K'b)	2.60	57.14	7.18	
Total applied - cost value (K'b)	1.89	31.69	7.12	
Allotted - weighted average ytm	26.00%	24.75%, 26.00% & 29.50%	26.00% & 31.25%	

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	24.75%	05-Jul-23	04-Jul-23	
3-year TN	26.00%	13-Jul-23	25-Jul-23	
5-year TN	28.00%	16-Jun-23	18-Jul-23	
5-year Development Bond	28.00%	27-Jun-23	TBA	
7-year TN	29.50%	05-Jul-23	08-Aug-23	
7-year Development Bond	27.50%	28-Feb-23	01-Aug-23	
10-year TN	31.25%	29-Jun-23	29-Aug-23	
10-year Development Bond	23.35%	26-Apr-22	TBA	

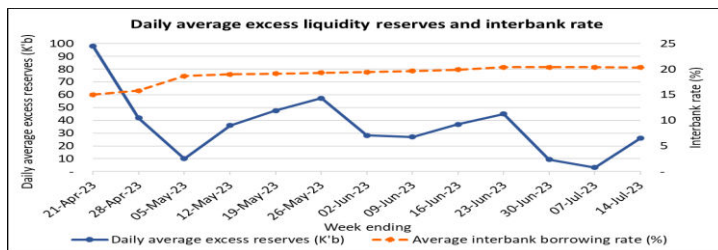
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
18-Jul-23	5	57.25	12.50%	
25-Jul-23	3	72.81	11.00%	
01-Aug-23	7-year IDB	20.49	14.50%	
08-Aug-23	7	50.25	13.50%	
15-Aug-23	2	48.15	10.00%	
29-Aug-23	10	26.61	15.00%	
05-Sep-23	3	62.81	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	14-Jul-23	21-Jul-23	28-Jul-23
TBs, PNs & TNs (K'm)	23,025	31,653	52,209
OMO repos (K'm)	5,041	10,165	5,082
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K26.20b during the week, from K3.09b in the previous week. Daily average interbank borrowing decreased to K9.93b from K11.50b. Borrowing on the Lombard facility increased to the average of K154.15b per day from K141.13b per day in the previous week. The average interbank borrowing rate marginally decreased to 20.35% from 20.39% and the Lombard rate remained fixed at 22.20% (Source: RBM).



Policy Rate			
	27-Apr-23	% pts Δ	2-Feb-23
Rate	22.00%	4.70	17.30%

Market Reference Rate			
	Jul-23	% pts Δ	Jun-23
Rate	21.40%	0.40	21.00%

Inflation Rate			
	May-23	% pts Δ	Apr-23
Rate	29.2%	0.4	28.8%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.88% to close the week at 109,769.61 points from 107,745.78 points in the previous week due to share price gains in FDHB (1.66%), FMBCH (14.80%), STANDARD (2.13%), SUNBIRD (5.25%) and TNM (0.19%). The market traded 3,526,508 shares at a consideration of K1.28b in 249 trades, compared to 9,701,032 shares traded at a consideration of K997.83m in 208 trades in the previous week. The year-to-date return on MASI stands at 76.94% compared to 10.07% for the same period in 2022.

Stock market trading activity				
	14-Jul-23	% Δ	07-Jul-23	
MASI	109,769.61	1.88%	107,745.78	
DSI	86,446.81	0.42%	86,081.02	
FSI	14,338.06	14.66%	12,505.39	
Traded volume	3,526,508	-63.65%	9,701,032	
Number of trades	249	19.71%	208	
Value of shares traded (K'm)	1,277.69	28.05%	997.83	
Market capitalisation (K'm)	5,924,646.19	1.94%	5,811,687.54	

Gainers	Closing price (K)	% Δ	Opening price (K)
FDHB	65.04	1.66%	63.98
FMBCH	287.00	14.80%	250.01
STANDARD	2400.00	2.13%	2350.01
SUNBIRD	190.00	5.25%	180.52
TNM	25.90	0.19%	25.85

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

Expected financial results for the half year ended 30th June 2023	
Company	Expected change in profit after tax for H1 2023 compared to H1 2022
NBS Bank Plc	Between K10b and K11.5b for H1 2023 from K5.09b for H1 2022
NICO Holdings Plc	Between K27b and K30.5b for H1 2023 from K11.8b for H1 2022
National Investment Trust Plc	At least K11.5b for H1 2023 from K1.5b for H1 2022
Telekom Networks Malawi Plc	150%
FMB Capital Holdings Plc	40%
Sunbird Tourism Plc	280%
FDH Bank Plc	65%
Standard Bank Plc	50%
National Bank of Malawi Plc	40%
Airtel Malawi Plc	Between 100% and 120% increase
MPICO Plc	120%
Blantyre Hotels Plc	50% decrease in loss
Press Corporation Plc	65%

Dividends announced				
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register
STANDARD	Final declared	51.14	3-Jul-23	7-Jul-23
MPICO	Final declared	0.22	11-Jul-23	14-Jul-23
NBM	Final proposed	32.11	18-Jul-23	21-Jul-23
NICO	Final declared	1.00	18-Jul-23	21-Jul-23
AIRTEL	Final proposed	2.50	21-Jul-23	24-Jul-23
PCL	Final proposed	29.00	15-Aug-23	18-Aug-23
NITL	Final proposed	2.35	TBA	TBA
SUNBIRD	Final declared	1.50	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA
ICON	Final proposed	0.13	TBA	TBA

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