

Foreign exchange market developments

The Reserve Bank of Malawi conducted a foreign exchange auction with Authorised Foreign Exchange Dealer Banks on 13th December 2023. Based on the results of the auction, the market selling price remains at K1,700.00 per USD.

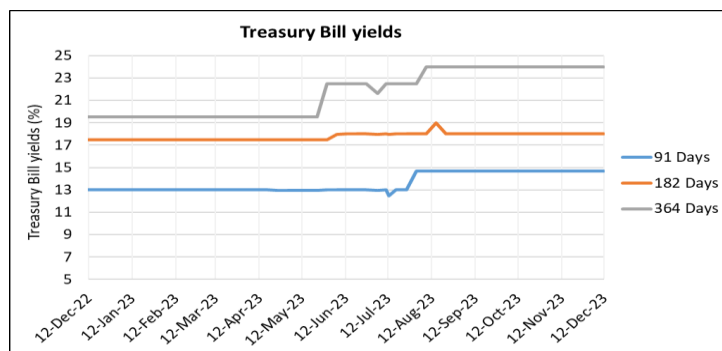
As at the end of the week, TT middle exchange rates and bureau cash middle exchange rates were as follows:

Closing TT middle exchange rates as at the end of the week				
Currency	15-Dec-23	% Δ	8-Dec-23	
USD	1699.1384	↑ -0.04%	1699.7385	
GBP	2231.9468	↓ 1.35%	2202.2283	
EUR	1918.9528	↓ 1.88%	1883.5445	
ZAR	95.4804	↓ 3.23%	92.4935	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	15-Dec-23	% Δ	8-Dec-23	
USD	1911.2500	↓ 0.67%	1898.5417	
GBP	2320.7292	↓ 1.06%	2296.3542	
EUR	2038.9583	↓ 0.66%	2025.6250	
ZAR	102.5625	↓ 0.47%	102.0833	
Gross official foreign exchange reserves position				
	30-Sep-23	31-Aug-23	31-Jul-23	
Reserves (USD'm)	242.68	239.56	267.91	
Import cover (months)	0.97	0.96	1.07	
Benchmark import cover (months)	3.00	3.00	3.00	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K25.12m from auction of Treasury Bills and K37.26b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K40.60b and OMO repos amounted to K21.67b. These transactions resulted in a net withdrawal of K18.36b from the market, compared to a net injection of K9.47b in the previous week (Source: RBM).

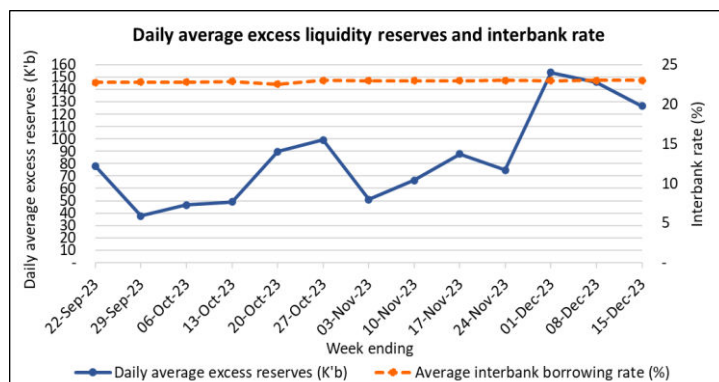


Treasury Bill auctions				
Auction date	12-Dec-23	% pts Δ	5-Dec-23	
Amount offered - cost value (K'm)	6,287.00	→ 0.00%	6,287.00	
Applied - cost value (K'm)	25.12	↓ -99.85%	17,015.77	
Allotted - cost value (K'm)	25.12	↓ -99.85%	17,015.77	
Overall rejection rate	0.00%	→ 0.00	0.00%	
91 days yield	14.7000%	→ 0.0000%	14.7000%	
182 days yield	18.0000%	→ 0.0000%	18.0000%	
364 days yield	24.0000%	→ 0.0000%	24.0000%	
All-type yield	18.9000%	→ 0.0000%	18.9000%	
Treasury Note and Bond auctions				
Auction date	12 & 14 Dec 2023	28-Nov-23	28-Nov-23	
Tenors	3-yr TN	5-yr DB	2, 3, 5, 7 & 10 yr TNs	
Coupon rate	11.00%	13.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	
Amount offered - cost value (K'b)	33.64	15.00		
Total applied - cost value (K'b)	37.26	10.44	65.18	
Total allotted - cost value (K'b)	37.26	5.88	65.18	
Allotted - weighted average ytm	28.00%	30.00%	26.75%, 28.00%, 30.00%, 32.00% & 33.00%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	26.75%	05-Dec-23	TBA	
3-year TN	28.00%	14-Dec-23	TBA	
5-year TN	30.00%	05-Dec-23	TBA	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	32.00%	28-Nov-23	26-Dec-23	
7-year Development Bond	27.50%	28-Feb-23	TBA	
10-year TN	33.00%	05-Dec-23	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	
26-Dec-23	7	27.43	13.50%	
Projected maturities				
Week ending	15-Dec-23	22-Dec-23	29-Dec-23	
TBs, PNs & TNs (K'm)	40,600	13,163	21,264	
OMO repos (K'm)	0	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 K126.65b during the week from K145.85b in the previous week. Daily average interbank borrowing increased to K29.26b from K18.94b. Borrowing on the Lombard facility decreased to the average of K58.20b per day from K61.40b per day in the previous week. The average interbank borrowing rate was constant at 23.02%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate			
Rate	27-Oct-23	% pts Δ	27-Jul-23
	24.00%	→ 0.00	24.00%
Market Reference Rate			
Rate	Dec-23	% pts Δ	Nov-23
	23.60%	↑ 0.10	23.50%
Inflation Rate			
Rate	Nov-23	% pts Δ	Oct-23
	33.1%	↑ 6.20	26.9%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.80% to close the week at 109,824.07 points from 110,706.19 points in the previous week due to share price losses in AIRTEL (-2.76%), FDHB (-1.38%), ICON (-0.06%), ILLOVO (-0.001%), NBS (-3.21%), NICO (-0.08%) and TNM (-4.35%), which offset share price gains in BHL (12.36%), FMBCH (0.01%) and SUNBIRD (0.01%). The market traded 1,747,684 shares at a consideration of K169.72m in 164 trades, compared to 1,521,109 shares traded at a consideration of K322.08m in 112 trades in the previous week. The year-to-date return on MASI stands at 77.03% compared to 33.76% for the same period in 2022 (Source: MSE).

Stock market trading activity				
	15-Dec-23	% Δ	05-Dec-23	
MASI	109,824.07	↓ -0.80%	110,706.19	
DSI	85,937.50	↓ -0.91%	86,723.58	
FSI	15,050.37	↑ 0.01%	15,048.88	
Traded volume	1,747,684	↑ 14.90%	1,521,109	
Number of trades	164	↑ 46.43%	112	
Value of shares traded (K'm)	169.72	↓ -47.30%	322.08	
Market capitalisation (K'm)	5,932,972.58	↓ -0.79%	5,980,236.94	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
BHL	13.00	↑ 12.36%	11.57	
FMBCH	300.03	↑ 0.01%	300.00	
SUNBIRD	191.07	↑ 0.01%	191.06	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	70.00	↓ -2.76%	71.99	
FDHB	66.99	↓ -1.38%	67.93	
ICON	17.91	↓ -0.06%	17.92	
ILLOVO	1250.02	↓ -0.001%	1250.03	
NBS	102.92	↓ -3.21%	106.33	
NICO	149.88	↓ -0.08%	150.00	
TNM	22.00	↓ -4.35%	23.00	

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
SUNBIRD	Interim declared	2.00	6-Dec-23	8-Dec-23	15-Dec-23
FDHB	Interim declared	0.95	13-Dec-23	15-Dec-23	21-Dec-23
NICO	2nd interim declared	2.00	20-Dec-23	22-Dec-23	28-Dec-23
NBS	2nd interim declared	1.20	6-Dec-23	8-Dec-23	29-Dec-23
ILLOVO	2nd interim declared	12.60	20-Dec-23	22-Dec-23	29-Dec-23
ILLOVO	Final proposed	5.80	TBA	TBA	TBA

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