



**Foreign exchange market developments**

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

Closing TT middle exchange rates as at the end of the week				
Currency	23-Feb-24	% Δ	16-Feb-24	
USD	1699.2157	↓	1698.7669	0.03%
GBP	2217.4120	↓	2205.8712	0.52%
EUR	1894.5065	↓	1881.9519	0.67%
ZAR	91.3271	↑	91.5756	-0.27%

Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	21-Feb-24	% Δ	14-Feb-24	
USD	1909.7917	↑	1923.3333	-0.70%
GBP	2394.4792	↑	2395.0000	-0.02%
EUR	2087.0833	↓	2085.7292	0.06%
ZAR	104.3125	↓	103.8958	0.40%

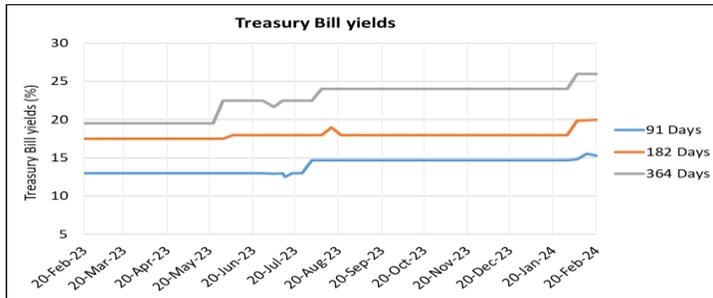
  

Foreign exchange reserves position			
	31-Dec-23	30-Nov-23	31-Oct-23
Gross official foreign exchange reserves (USD'm)	242.58	165.20	179.33
Gross official reserves import cover (months)	0.97	0.66	0.72
Benchmark import cover for official reserves (months)	3.00	3.00	3.00
Private sector foreign exchange 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 K66.10b from auction of Treasury Bills and K18.37b from auction of a 3-year Treasury Note during the week. Maturities of Government securities for the week amounted to K88.33b, resulting in a net injection of K3.86b from the market, compared to a net withdrawal of K67.14b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	20-Feb-24	% pts Δ	13-Feb-24	
Amount offered - cost value (K'm)	13,158.00	→	13,158.00	0.00%
Applied - cost value (K'm)	66,096.83	↑	51,173.66	29.16%
Allotted - cost value (K'm)	66,096.83	↑	51,173.66	29.16%
Overall rejection rate	0.00%	→	0.00%	0.00%
91 days yield	15.2804%	↓	15.5779%	-0.2975%
182 days yield	20.0000%	↑	19.8890%	0.1110%
364 days yield	26.0000%	↑	25.9991%	0.0009%
All-type yield	20.4268%	↓	20.4887%	-0.0619%

Treasury Note and Bond auctions				
Auction date	20-Feb-24	16-Feb-24	14-Feb-24	
Tenors	3-yr TN	2, 3, 5, 7 & 10 yr TNs	2, 3, 5, 7 & 10 yr TNs	
Coupon rate	11.00%	10.0%, 11.0%, 12.5%, 13.5% & 15%	10.0%, 11.0%, 12.5%, 13.5% & 15%	
Amount offered - cost value (K'b)	45.41		42.82	
Total applied - cost value (K'b)	18.37	24.04	42.82	
Total allotted - cost value (K'b)	18.37	24.03	42.74	
Allotted - weighted average ytm	30.00%	28.75%, 30.0%, 32.0%, 34%, 35%	28.78%, 30.0%, 32.0%, 34%, 33%	

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%	20-Feb-24	12-Mar-24	
5-year TN	32.00%	16-Feb-24	05-Mar-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	16-Feb-24	27-Feb-24	
7-Year Development Bond	32.00%	16-Jan-24	TBA	
10-year TN	35.00%	16-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
27-Feb-24	7-year TN	49.95	13.50%
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%

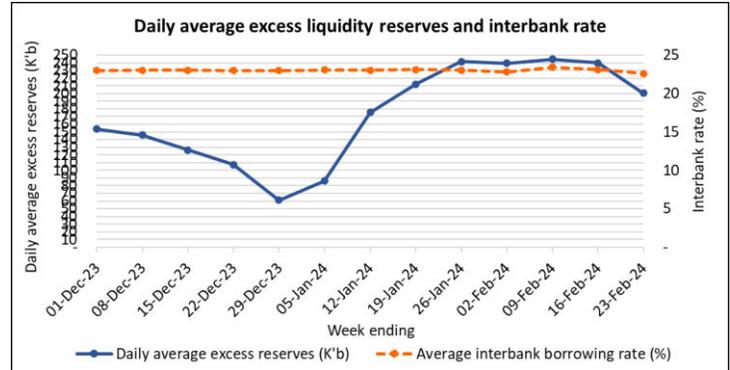
  

Projected maturities			
Week ending	23-Feb-24	1-Mar-24	8-Mar-24
TBs, PNs & TNs (K'm)	88,328	25,423	55,599
OMO repos (K'm)	0	10,401	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves decreased to K200.40b during the week from K239.74b in the previous week. Daily average interbank borrowing increased to K10.28b from K7.58b. 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 22.60% from 23.10% (Source: RBM).



Policy Rate			
Rate	01-Feb-24	% pts Δ	27-Oct-23
Rate	26.00%	↑	24.00%

Market Reference Rate			
Rate	Feb-24	% pts Δ	Jan-24
Rate	24.90%	↑	23.60%

Inflation Rate			
Rate	Jan-24	% pts Δ	Dec-23
Rate	35.0%	↑	34.5%

**Malawi Stock Exchange (MSE) trading activity**

The Malawi All Share Index (MASI) registered a loss of -0.10% to close the week at 114,374.77 points from 114,489.44 points in the previous. The market traded 3,791,644 shares at a consideration of K2.18b in 259 trades, compared to 7,569,172 shares traded at a consideration of K387.02m in 143 trades in the previous week. The year-to-date return on MASI stood at 3.09% as at the end of the week compared to 13.60% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	23-Feb-24	% Δ	16-Feb-24	
MASI	114,374.77	↓	114,489.44	-0.10%
DSI	85,576.14	↓	85,706.11	-0.15%
FSI	20,683.14	↑	20,647.47	0.17%
Traded volume	3,791,644	↓	7,569,172	-49.91%
Number of trades	259	↑	143	81.12%
Value of shares traded (K'm)	2,183.70	↓	387.02	464.23%
Market capitalisation (K'm)	6,189,913.75	↓	6,195,970.57	-0.10%

Gainers			
	Closing price (K)	% Δ	Opening price (K)
BHL	13.03	↑	13.02
FDHB	65.14	↑	65.00
FMBCH	413.72	↑	413.00
ILLOVO	1350.10	↑	1350.06

Losers			
	Closing price (K)	% Δ	Opening price (K)
MPICO	14.72	↓	14.74
NBS	107.00	↓	110.00
NICO	199.95	↓	200.00

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
ILLOVO	Final proposed	5.80	TBA	TBA	TBA

Annual/extraordinary* general meeting			
Company	Venue	Date	Time
ILLOVO	Ryalls Hotel, Blantyre	29-Feb-24	14:00 hrs
BHL*	Ryalls Hotel, Blantyre	07-Mar-24	15:30 hrs

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