

## Foreign exchange market developments

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

Closing TT mid exchange rates			
Currency	26-May-23	% Δ	19-May-23
USD	1034.1025	↑ -0.08%	1034.8799
GBP	1305.3824	↑ -0.41%	1311.8220
EUR	1139.9597	↑ -0.96%	1150.9749
ZAR	53.7446	↑ -2.08%	54.8856

Gross official foreign exchange reserves position			
	28-Feb-23	31-Jan-23	31-Dec-22
Reserves (USD'm)	280.66	279.22	304.65
Import cover (months)	1.12	1.12	1.22
Benchmark import cover (months)	3.00	3.00	3.00

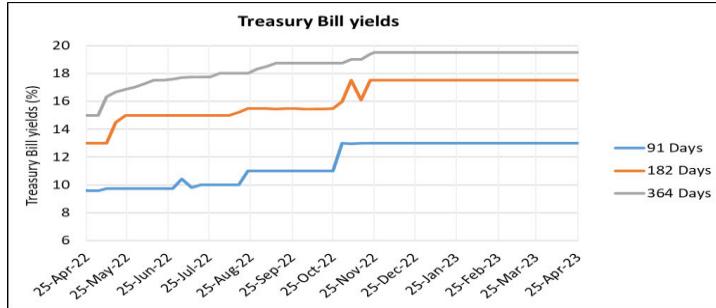
Cumulative tobacco sales			
Date	Week 7 2023 as at 26 May	% Δ	Week 7 2022 as at 13 May
Volume (million kg)	50.35	↑ 355.66%	11.05
Value (USD'million)	112.11	↑ 401.16%	22.37
Average price (USD/Kg)	2.23	↑ 10.40%	2.02

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

## Government securities

The government has temporarily suspended Treasury Bill auctions in compliance with the Third Schedule (Provisions for General Borrowing) of the Public Finance Management (PFM) Act 2022 section 44(2). Auctions of Treasury Notes continue as per the published calendar on the RBM website.

The government raised K19.27b from auctions of 2, 3, 5 and 7 year Treasury Notes during the week. Maturities of Government securities for the week amounted to K39.81b, resulting in a net injection of K20.54b into the market, compared to a net injection of K13.39b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	25-Apr-23	% pts Δ	14-Apr-23
Amount offered - cost value (K'm)	38,419.00	↑ 0.00%	38,419.00
Applied - cost value (K'm)	18,514.49	↓ -22.19%	23,793.51
Allotted - cost value (K'm)	18,514.49	↓ -22.19%	23,793.51
Overall rejection rate	0.00%	↑ 0.00	0.00%
91 days yield	12.9789%	↓ -0.0175%	12.9964%
182 days yield	17.5000%	↑ 0.0000%	17.5000%
364 days yield	19.5000%	↑ 0.0000%	19.5000%
All-type yield	16.6596%	↓ -0.0058%	16.6655%

Treasury Note and Bond auctions			
Auction date	23 & 25 May 2023	16-May-23	2-May-23
Tenors	2, 3, 5 & 7 years	3 years	5 years
Coupon rate	10.0%, 11.0%, 12.5% & 13.5%	11.00%	12.50%
Amount offered - cost value (K'b)		61.66	52.76
Total applied - cost value (K'b)	27.79	36.14	19.02
Total allotted - cost value (K'b)	19.27	32.14	19.02
Allotted - weighted average ytm	24.75%, 26.00%, 28.00% & 29.50%	26.00%	28.00%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	24.75%	25-May-23	06-Jun-23
3-year TN	26.00%	25-May-23	TBA
5-year TN	28.00%	25-May-23	TBA
5-year Development Bond	26.00%	29-Nov-22	27-Jun-23
7-year TN	29.50%	25-May-23	13-Jun-23
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	28.50%	31-Mar-23	30-May-23
10-year Development Bond	23.35%	26-Apr-22	TBA

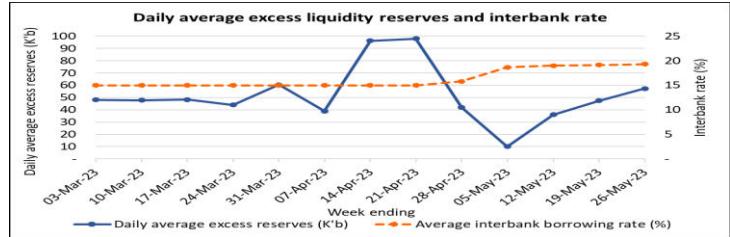
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Previous auction coupon rate
30-May-23	10	34.26	15.00%
06-Jun-23	2	77.02	10.00%
13-Jun-23	7	47.40	13.50%
27-Jun-23	5 year IDB	10.00	13.50%

Projected maturities			
Week ending	26-May-23	2-Jun-23	9-Jun-23
TBs, PNs & TNs (K'm)	39,809	28,908	49,379
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 increased to K57.38b during the week, from K47.53b in the previous week. Daily average interbank borrowing slightly decreased to K13.76b from K22.47b. Borrowing on the Lombard facility increased to the average of K96.08b per day from K93.68b per day in the previous week. The average interbank borrowing rate increased to 19.31% from 19.12% and the Lombard rate remained fixed at 22.20% (Source: RBM).



Policy Rate			
Rate	27-Apr-23	% pts Δ	2-Feb-23
Market Reference Rate	20.00%	↑ 4.70	17.30%
Rate	May-23	% pts Δ	Apr-23
Inflation Rate	Mar-23	% pts Δ	Mar-23
Rate	28.8%	↑ 1.8	27.0%

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.30% to close the week at 101,868.17 points from 100,565.73 points in the previous week due to share price gains in AIRTEL (4.49%), ILLOVO (0.01%), NBM (0.001%), STANDARD (2.22%), SUNBIRD (14.60%) and TNM (2.98%), which offset share price losses in FDHB (-0.11%), NBS (-1.08%), NICO (-0.01%) and PCL (-0.005%). The market traded 18,777,906 shares at a consideration of K1.33b in 311 trades, compared to 31,046,113 shares traded at a consideration of K1.86b in 316 trades in the previous week. The year-to-date return on MASI stands at 64.21% compared to 9.78% for the same period in 2022.

Stock market trading activity			
26-May-23	% Δ	19-May-23	19-May-23
MASI	↑ 1.30%	100,565.73	101,868.17
DSI	↑ 1.41%	82,391.98	83,550.90
FSI	↑ 0.00%	9,057.45	9,057.45
Traded volume	↑ 39.52%	31,046,113	18,777,906
Number of trades	↑ 1.58%	316	311
Value of shares traded (K'm)	↑ -28.56%	1,856.96	1,330.00
Market capitalisation (K'm)	↑ 1.27%	5,420,749.03	5,487,746.22
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	100.03	↑ 4.49%	95.73
ILLOVO	1121.42	↑ 0.01%	1121.30
NBM	2000.29	↑ 0.001%	2000.27
STANDARD	2300.01	↑ 2.22%	2250.11
SUNBIRD	180.50	↑ 14.60%	157.50
TNM	28.00	↑ 2.98%	27.19
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	64.88	↓ -0.11%	64.95
NBS	93.24	↓ -1.08%	94.26
NICO	164.98	↓ -0.01%	164.99
PCL	2181.27	↓ -0.005%	2181.28

Data source: MSE

## Corporate news

- FMB Capital Holdings Plc made a profit after tax of US\$61.20m for the year ended 31<sup>st</sup> December 2022, representing an increase of 51% from US\$40.45m registered in the previous corresponding period (Source: MSE, FMBCH).
- MPICO Plc made a profit after tax of K8.14b for the year ended 31<sup>st</sup> December 2022, representing an increase of 27% when compared to K6.42b registered in the previous corresponding period (Source: MSE, MPICO)

Dividends announced				
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register
FDHB	Final declared	0.58	16-May-23	19-May-23
FMBCH	2nd interim declared	0.3381 US cents	6-Jun-23	9-Jun-23
ILLOVO	Interim declared	10.80	20-Jun-23	23-Jun-23
STANDARD	Final proposed	51.14	TBA	TBA
NITL	Final proposed	2.35	TBA	TBA
SUNBIRD	Final proposed	1.50	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA
NBM	Final proposed	32.11	TBA	TBA
NICO	Final proposed	1.00	TBA	TBA

Annual general meetings			
Company	Venue	Date	Time
FMBCH	First Capital Bank Training Centre, Blantyre	19-Jun-23	16:00 hrs
NICO	Ryalls Hotel, Blantyre	28-Jun-23	10:00 hrs

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