



Foreign exchange market developments

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

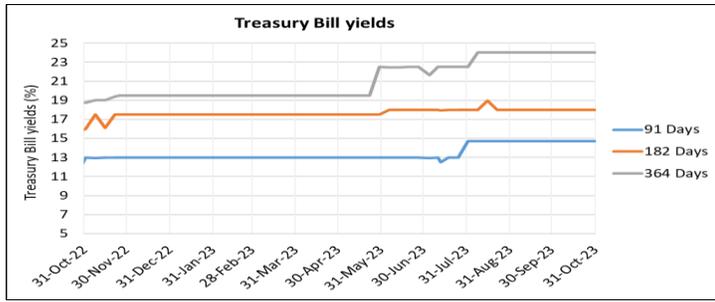
Closing TT middle exchange rates as at the end of the week			
Currency	3-Nov-23	% Δ	27-Oct-23
USD	1179.6614	↓ 0.18%	1177.5990
GBP	1483.9231	↓ 0.68%	1473.8341
EUR	1291.7286	↓ 0.86%	1280.7367
ZAR	65.5375	↓ 3.06%	63.5906

Gross official foreign exchange reserves position			
	31-Aug-23	31-Jul-23	30-Jun-23
Reserves (USD'm)	239.56	267.91	321.53
Import cover (months)	0.96	1.07	1.29
Benchmark import cover (months)	3.00	3.00	3.00

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K5.17b from auctions of Treasury Bills and K19.00b from auctions of Treasury Notes during the week. Maturities of Government securities for the week amounted to K9.99b, resulting in a net withdrawal of K14.18b from the market, compared to a net injection of K13.02b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	31-Oct-23	% pts Δ	17-Oct-23
Amount offered - cost value (K'm)	6,901.00	0.00%	6,901.00
Applied - cost value (K'm)	5,174.94	↓ -39.37%	8,535.23
Allotted - cost value (K'm)	5,174.94	↓ -39.37%	8,535.23
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	31 Oct & 1 Nov 2023	26-Oct-23	17, 18 & 19 Oct 2023	
Tenors	2, 5 & 10 years	2 & 10 years	2, 3, 5 & 7 years	
Coupon rate	10.00%, 12.50% & 15.00%	10.00% & 15.00%	10.00%, 11.00%, 12.50% & 13.50%	
Amount offered - cost value (K'b)	K28.82b for 5-year TN		K27.74b for 7-year TN	
Total applied - cost value (K'b)	19.00	1.52	76.25	
Total allotted - cost value (K'b)	19.00	1.52	76.25	
Allotted - weighted average ytm	26.75%, 30.00% & 33.00%	26.75% & 33.00%	26.75%, 28.00%, 30.00% & 32.00%	

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	26.75%	01-Nov-23	21-Nov-23
3-year TN	28.00%	18-Oct-23	14-Nov-23
5-year TN	30.00%	31-Oct-23	31-Oct-23
5-year Development Bond	28.00%	27-Jun-23	TBA
7-year TN	32.00%	17-Oct-23	26-Dec-23
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	33.00%	01-Nov-23	05-Dec-23
10-year Development Bond	23.35%	26-Apr-22	TBA

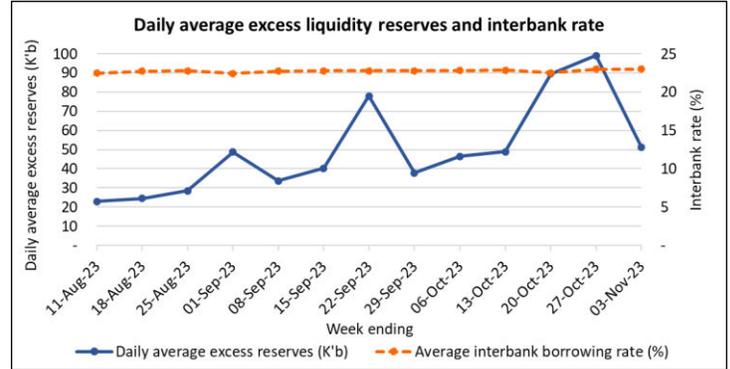
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
14-Nov-23	3	33.96	11.00%
21-Nov-23	2	36.79	10.00%
28-Nov-23	5 year IDB	15.00	13.50%
05-Dec-23	10	19.51	10.00%
12-Dec-23	3	33.64	11.00%
26-Dec-23	7	27.43	13.50%

Projected maturities			
Week ending	3-Nov-23	10-Nov-23	17-Nov-23
TBs, PNs & TNs (K'm)	9,994	8,782	14,279
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 K51.10b during the week from K99.09b in the previous week. Daily average interbank borrowing increased to K35.57b from K24.04b. Borrowing on the Lombard facility increased to the average of K55.73b per day from K54.22b per day in the previous week. The average interbank borrowing rate marginally decreased to 23.00% from 23.01%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate			
Rate	27-Oct-23	% pts Δ	27-Jul-23
Rate	24.00%	⇒ 0.00	24.00%

Market Reference Rate			
Rate	Oct-23	% pts Δ	Sep-23
Rate	23.50%	↑ 0.10	23.40%

Inflation Rate			
Rate	Sep-23	% pts Δ	Aug-23
Rate	27.8%	↓ -0.80	28.6%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.04% to close the week at 113,920.30 points from 113,970.89 points in the previous week due to share price losses in AIRTEL (-0.10%), FDHB (-0.06%), ICON (-0.28%), NBS (-0.13%), NICO (-0.04%), NITL (-0.06%) and TNM (-0.87%), which offset share price gains in ILLOVO (0.05%), OMU (14.29%) and PCL (0.28%). The market traded 7,681,362 shares at a consideration of K2.36b in 166 trades, compared to 3,507,300 shares traded at a consideration of K1.49b in 239 trades in the previous week. The year-to-date return on MASI stands at 83.64% compared to 22.63% for the same period in 2022 (Source: MSE).

Stock market trading activity				
	03-Nov-23	% Δ		27-Oct-23
MASI	113,920.30	↓ -0.04%		113,970.89
DSI	89,612.56	↓ -0.07%		89,672.09
FSI	15,011.81	↑ 0.12%		14,993.27
Traded volume	7,681,362	↑ 119.01%		3,507,300
Number of trades	166	↓ -30.54%		239
Value of shares traded (K'm)	2,364.81	↑ 59.17%		1,485.67
Market capitalisation (K'm)	6,150,162.62	↓ -0.03%		6,151,723.12

Gainers				
	Closing price (K)	% Δ		Opening price (K)
ILLOVO	1122.00	↑ 0.05%		1121.43
OMU	1200.00	↑ 14.29%		1050.00
PCL	2507.00	↑ 0.28%		2500.00

Losers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	99.76	↓ -0.10%		99.86
FDHB	68.31	↓ -0.06%		68.35
ICON	17.94	↓ -0.28%		17.99
NBS	107.79	↓ -0.13%		107.93
NICO	155.92	↓ -0.04%		155.99
NITL	409.99	↓ -0.06%		410.23
TNM	29.50	↓ -0.87%		29.76

Dividends announced					
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
FMBCH	Interim declared	US\$0.21 cents	7-Nov-23	10-Nov-23	15-Nov-23
SUNBIRD	Interim declared	2.00	TBA	TBA	TBA

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