

Foreign exchange market developments

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

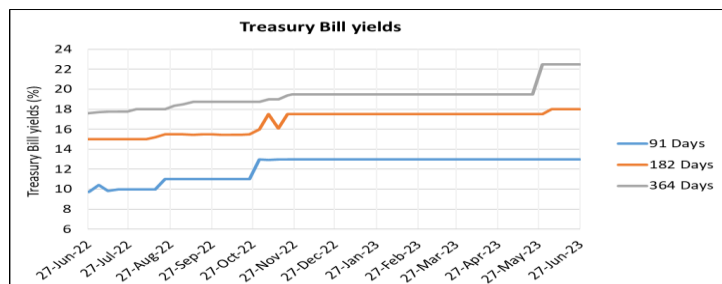
Closing TT mid exchange rates			
Currency	30-Jun-23	% Δ	23-Jun-23
USD	1058.8158	↑ -0.32%	1062.1837
GBP	1377.7720	↑ -0.59%	1385.9181
EUR	1183.1457	↑ -0.63%	1190.6424
ZAR	57.9214	↑ -0.94%	58.4733
Gross official foreign exchange reserves position			
	31-May-23	30-Apr-23	31-Mar-23
Reserves (USD'm)	194.82	200.08	228.49
Import cover (months)	0.78	0.80	0.91
Benchmark import cover (months)	3.00	3.00	3.00
Cumulative tobacco sales			
Date	Week 12 2023 as at 30 June	% Δ	Week 12 2022 as at 17 June
Volume (million kg)	103.21	↑ 99.25%	51.80
Value (USD'million)	240.75	↑ 123.54%	107.70
Average price (USD/Kg)	2.33	↑ 12.02%	2.08

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

Government securities

The government raised K10.05b from auction of Treasury Bills (TB), K10.00b from auction of a 5-year Treasury Development Bond (DB) and K7.12b from auction of 3-year and 10-year Treasury Notes (TN) during the week.

The RBM conducted OMO repo auctions through which K21.08m was withdrawn from the market. Access on the rediscounting standing facility amounted to K1.35b and maturities of Government securities for the week amounted to K21.30b. These transactions resulted in a net withdrawal of K25.60b from the market, compared to a net withdrawal of K10.38b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	27-Jun-23	% pts Δ	20-Jun-23
Amount offered - cost value (K'm)	16,639.00	0.00%	16,639.00
Applied - cost value (K'm)	11,268.70	↑ 9.75%	10,267.95
Allotted - cost value (K'm)	10,045.59	↓ -2.17%	10,267.95
Overall rejection rate	10.85%	↑ 10.85	0.00%
91 days yield	13.0000%	↑ 0.0000%	13.0000%
182 days yield	18.0000%	↑ 0.0000%	18.0000%
364 days yield	22.4994%	↓ -0.0006%	22.5000%
All-type yield	17.8331%	↓ -0.0002%	17.8333%

Treasury Note and Bond auctions			
Auction date	29-Jun-23	27-Jun-23	13-Jun-23
Tenors	3 & 10-year TNs	5-year DB	2, 3, 5, 7 & 10 year TNs
Coupon rate	11.00% & 15.00%	13.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%
Amount offered - cost value (K'b)		10.00	
Total applied - cost value (K'b)	7.18	14.95	108.32
Total allotted - cost value (K'b)	7.12	10.00	108.32
Allotted - weighted average ytm	26.00% & 31.25%	28.00%	24.75%, 26.00%, 28.00%, 29.50% & 31.25%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	24.75%	16-Jun-23	04-Jul-23
3-year TN	26.00%	29-Jun-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%	16-Jun-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

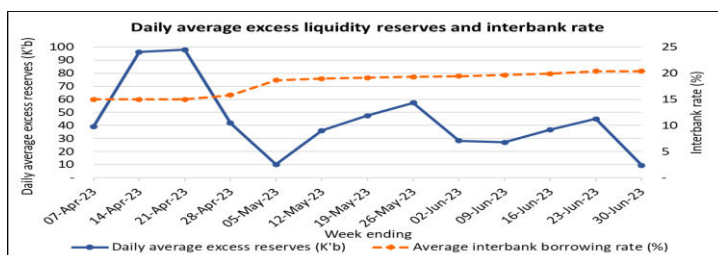
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
04-Jul-23	2	73.15	10.00%
18-Jul-23	5	57.25	12.50%
25-Jul-23	3	72.81	11.00%
01-Aug-23	7-year IDB	20.49	14.50%
08-Aug-23	7	50.25	13.50%
15-Aug-23	2	48.15	10.00%
29-Aug-23	10	26.61	15.00%
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	30-Jun-23	7-Jul-23	14-Jul-23
TBs, PNs & TNs (K'm)	21,301	27,993	23,025
OMO repos (K'm)	0	23,368	5,041
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K9.42b during the week, from K44.98b in the previous week. Daily average interbank borrowing decreased to K24.08b from K32.38b. Borrowing on the Lombard facility increased to the average of K103.64b per day from K89.44b per day in the previous week. The average interbank borrowing rate was stable at 20.38% and the Lombard rate remained fixed at 22.20% (Source: RBM).



Policy Rate			
Rate	27-Apr-23	% pts Δ	2-Feb-23
	22.00%	↑ 4.70	17.30%
Market Reference Rate			
Rate	Jun-23	% pts Δ	May-23
	21.00%	↑ 1.00	20.00%
Inflation Rate			
Rate	Apr-23	% pts Δ	Mar-23
	29.2%	↑ 0.4	28.8%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.10% to close the week at 108,656.97 points from 107,470.16 points in the previous week due to share price gains in FDHB (0.09%), ICON (31.15%), NBM (2.31%), NITL (2.81%), STANDARD (2.17%) and SUNBIRD (0.01%), which offset share price losses in ILLOVO (0.001%), NBS (0.08%), NICO (0.01%), OMO (14.86%) and TNM (0.07%). The market traded 29,504,535 shares at a consideration of K2.27b in 364 trades, compared to 17,319,617 shares traded at a consideration of K4.49b in 329 trades in the previous week. The year-to-date return on MASI stands at 75.15% compared to 9.32% for the same period in 2022.

Stock market trading activity			
	30-Jun-23	% Δ	23-Jun-23
MASI	108,656.97	↑ 1.10%	107,470.16
DSI	87,071.03	↑ 1.25%	85,998.79
FSI	12,276.49	↓ -0.17%	12,297.19
Traded volume	29,504,535	↑ 70.35%	17,319,617
Number of trades	364	↑ 10.64%	329
Value of shares traded (K'm)	2,273.59	↓ -49.37%	4,490.91
Market capitalisation (K'm)	5,860,126.31	↑ 1.07%	5,797,903.33
Gainers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	63.95	↑ 0.09%	63.89
ICON	18.99	↑ 31.15%	14.48
NBM	2046.71	↑ 2.31%	2000.51
NITL	350.00	↑ 2.81%	340.45
STANDARD	2350.01	↑ 2.17%	2300.10
SUNBIRD	180.52	↑ 0.01%	180.50
Losers			
	Closing price (K)	% Δ	Opening price (K)
ILLOVO	1121.41	↓ -0.001%	1121.42
NBS	131.90	↓ -0.08%	132.00
NICO	163.04	↓ -0.01%	163.06
OMO	960.00	↓ -14.86%	1127.51
TNM	29.97	↓ -0.07%	29.99

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	Payable
ILLOVO	Interim declared	10.80	20-Jun-23	23-Jun-23	30-Jun-23
STANDARD	Final declared	51.14	3-Jul-23	7-Jul-23	21-Jul-23
MPICO	Final declared	0.22	11-Jul-23	14-Jul-23	28-Jul-23
NBM	Final proposed	32.11	18-Jul-23	21-Jul-23	28-Jul-23
PCL	Final proposed	29.00	15-Aug-23	18-Aug-23	25-Aug-23
NITL	Final proposed	2.35	TBA	TBA	TBA
SUNBIRD	Final declared	1.50	TBA	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA	TBA
NICO	Final declared	1.00	TBA	TBA	TBA
ICON	Final proposed	0.13	TBA	TBA	TBA
AIRTEL	Final proposed	2.50	TBA	TBA	TBA

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