

Foreign exchange market developments

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

Closing TT mid exchange rates			
Currency	7-Jul-23	% Δ	30-Jun-23
USD	1060.0064	0.11%	1058.8158
GBP	1392.1104	1.04%	1377.7720
EUR	1183.6220	0.04%	1183.1457
ZAR	56.8629	-1.83%	57.9214

Gross official foreign exchange reserves position			
	30-Jun-23	31-May-23	30-Apr-23
Reserves (USD'm)	321.53	194.82	200.08
Import cover (months)	1.29	0.78	0.80
Benchmark import cover (months)	3.00	3.00	3.00

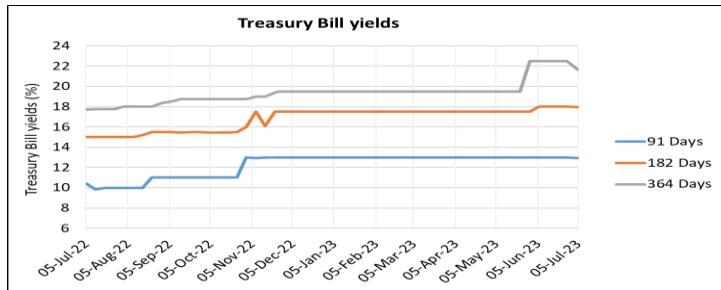
Cumulative tobacco sales			
Date	Week 13 2023 as at 6 July 2023	% Δ	Week 12 2022 as at 17 June
Volume (million kg)	108.71	77.63%	61.20
Value (USD'million)	254.44	99.72%	127.40
Average price (USD/kg)	2.34	12.50%	2.08

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

Government securities

The government raised K12.12b from auction of Treasury Bills (TB) and K31.69b from auction of Treasury Notes (TN) during the week.

Access on the rediscounting standing facility amounted to K53.05b. Maturities of Government securities amounted to K27.99b and maturities of OMO repos amounted to K23.37b. These transactions resulted in a net injection of K60.60b into the market, compared to a net withdrawal of K25.60b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	5-Jul-23	% pts Δ	27-Jun-23
Amount offered - cost value (K'm)	13,956.00	-16.12%	16,639.00
Applied - cost value (K'm)	12,124.59	7.60%	11,268.70
Allotted - cost value (K'm)	12,124.59	20.70%	10,045.59
Overall rejection rate	0.00%	-10.85	10.85%
91 days yield	12.9554%	-0.0446%	13.0000%
182 days yield	17.9768%	-0.0232%	18.0000%
364 days yield	21.6349%	-0.8645%	22.4994%
All-type yield	17.5224%	-0.3108%	17.8331%

Treasury Note and Bond auctions			
Auction date	29-Jun-23	29-Jun-23	27-Jun-23
Tenors	2, 3 & 7 year TNs	3 & 10+ year TNs	5-year DB
Coupon rate	11.00% & 15.00%	11.00% & 15.00%	13.50%
Amount offered - cost value (K'b)	73.15		10.00
Total applied - cost value (K'b)	57.14	7.18	14.95
Total allotted - cost value (K'b)	31.69	7.12	10.00
Allotted - weighted average ytm	24.75%	26.00% & 29.50%	26.00% & 31.25%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	24.75%	05-Jul-23	04-Jul-23
3-year TN	26.00%	05-Jul-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%	05-Jul-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

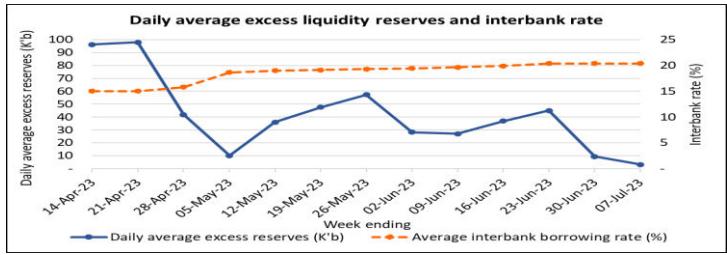
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
18-Jul-23	5	57.25	12.50%
25-Jul-23	3	72.81	11.00%
01-Aug-23	7-year IDB	20.49	14.50%
08-Aug-23	7	50.25	13.50%
15-Aug-23	2	48.15	10.00%
29-Aug-23	10	26.61	15.00%
05-Sep-23	3	62.81	11.00%
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	7-Jul-23	14-Jul-23	21-Jul-23
TBs, PN's & TNs (K'm)	27,993	23,025	31,653
OMO repos (K'm)	23,368	5,041	10,165
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K3.09b during the week, from K9.42b in the previous week. Daily average interbank borrowing decreased to K11.50b from K24.08b. Borrowing on the Lombard facility increased to the average of K141.13b per day from K103.64b per day in the previous week. The average interbank borrowing rate marginally increased to 20.39% from 20.38% and the Lombard rate remained fixed at 22.20% (Source: RBM).



Policy Rate			
	27-Apr-23	% pts Δ	2-Feb-23
Rate	22.00%	4.70	17.30%

Market Reference Rate			
	Jul-23	% pts Δ	Jun-23
Rate	21.40%	0.40	21.00%

Inflation Rate			
	May-23	% pts Δ	Apr-23
Rate	29.2%	0.4	28.8%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.84% to close the week at 107,745.78 points from 108,656.97 points in the previous week due to share price losses in NBS (-5.21%) and TNM (-13.75%), which offset share price gains in FDHB (0.05%), FMBCH (1.88%) and NBM (0.16%). The market traded 9,701,032 shares at a consideration of K997.83m in 208 trades, compared to 29,504,535 shares traded at a consideration of K2.27b in 364 trades in the previous week. The year-to-date return on MASI stands at 73.68% compared to 9.82% for the same period in 2022.

Stock market trading activity			
Company	07-Jul-23	% Δ	30-Jun-23
MASI	107,745.78	-0.84%	108,656.97
DSI	86,081.02	-1.14%	87,071.03
FSI	12,505.39	1.86%	12,276.49
Traded volume	9,701,032	-67.12%	29,504,535
Number of trades	208	-42.86%	364
Value of shares traded (K'm)	997.83	-56.11%	2,273.59
Market capitalisation (K'm)	5,811,687.54	-0.83%	5,860,126.31

Gainers	Closing price (K)	% Δ	Opening price (K)
FDHB	63.98	0.05%	63.95
FMBCH	250.01	1.88%	245.39
NBM	2050.00	0.16%	2046.71

Losers	Closing price (K)	% Δ	Opening price (K)
NBS	125.03	-5.21%	131.90
TNM	25.85	-13.75%	29.97

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%			
FDHB 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
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
NICO	Final declared	1.00	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
ICON	Final proposed	0.13	TBA	TBA	TBA
AIRTEL	Final proposed	2.50	TBA	TBA	TBA