



Foreign exchange market developments

During the week, the Kwacha depreciated against all major trading currencies as indicated in the table below:

Closing TT middle exchange rates as at the end of the week				
Currency	8-Mar-24	% Δ	1-Mar-24	
USD	1699.5126	↓ 0.06%	1698.5744	
GBP	2242.0293	↓ 1.57%	2207.4615	
EUR	1907.5392	↓ 0.90%	1890.5720	
ZAR	92.9341	↓ 2.68%	90.5101	

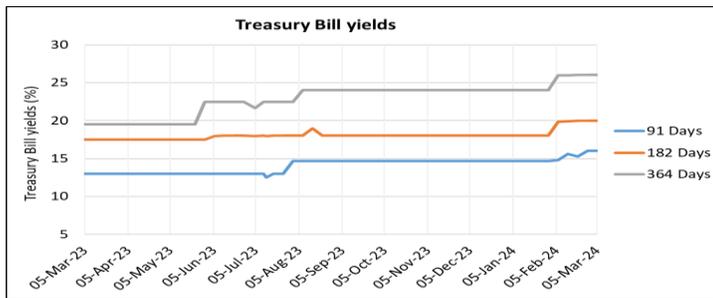
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	7-Mar-24	% Δ	1-Mar-24	
USD	1877.6465	↓ 0.08%	1876.1881	
GBP	2376.8692	↓ 0.45%	2366.2983	
EUR	2062.7810	↓ 0.36%	2055.4702	
ZAR	100.1944	↓ 0.52%	99.6758	

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 K34.59b from auction of Treasury Bills and K25.89b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K55.60b, resulting in a net withdrawal of K4.88b from the market, compared to a net withdrawal of K33.44b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	5-Mar-24	% pts Δ	27-Feb-24	
Amount offered - cost value (K'm)	14,075.00	↑ 6.97%	13,158.00	
Applied - cost value (K'm)	34,591.22	↓ -12.37%	39,473.51	
Allotted - cost value (K'm)	34,591.22	↓ -12.37%	39,473.51	
Overall rejection rate	0.00%	0.00%	0.00%	
91 days yield	16.0000%	→ 0.0000%	16.0000%	
182 days yield	20.0000%	→ 0.0000%	20.0000%	
364 days yield	26.0000%	→ 0.0000%	26.0000%	
All-type yield	20.6667%	→ 0.0000%	20.6667%	

Treasury Note and Bond auctions				
Auction dates	5 & 7 Mar 2024	27 & 29 Feb 2024	20-Feb-24	
Tenors	2, 5, 7 & 10 TNs	3, 5, 7 & 10 yr TNs	3-yr TN	
Coupon rate	10.0%, 12.5%, 13.5% & 15.0%	11.0%, 12.5%, 13.5% & 15.0%	11.00%	
Amount offered - cost value (K'b)	K48.328b for the 5-yr TN	K49.95b for the 7-yr TN	45.41	
Total applied - cost value (K'b)	25.91	30.05	18.37	
Total allotted - cost value (K'b)	25.89	29.79	18.37	
Allotted - weighted average ytm	28.75%, 32.0%, 34.0%, 35.0%	30.0%, 32.0%, 34.0%, 35.0%	30.00%	

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	07-Mar-24	26-Mar-24
3-year TN	30.00%	29-Feb-24	12-Mar-24
5-year TN	32.00%	07-Mar-24	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	07-Mar-24	TBA
7-Year Development Bond	32.00%	16-Jan-24	TBA
10-year TN	35.00%	07-Mar-24	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA

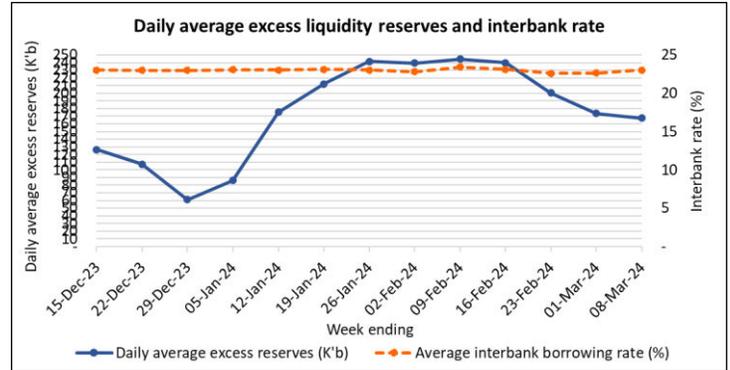
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
12-Mar-24	3-year TN	53.41	11.00%
26-Mar-24	2-year TN	60.22	10.00%

Projected maturities			
Week ending	8-Mar-24	15-Mar-24	22-Mar-24
TBs, PNs & TNs (K'm)	55,599	62,408	21,346
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 K167.57b during the week from K173.59b in the previous week. Daily average interbank borrowing increased to K47.43b from K33.76b. There was no borrowing on the Lombard facility during the week, as was the case in the previous week. The average interbank borrowing rate increased to 23.02% from 22.63% (Source: RBM).



Policy Rate			
Rate	01-Feb-24	% pts Δ	27-Oct-23
Rate	26.00%	↑ 2.00	24.00%

Market Reference Rate			
Rate	Mar-24	% pts Δ	Feb-24
Rate	24.90%	→ 0.00	24.90%

Inflation Rate			
Rate	Jan-24	% pts Δ	Dec-23
Rate	35.0%	↑ 0.50	34.5%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a marginal loss of -0.01% to close the week at 113,033.04 points from 113,044.48 points in the previous. The market traded 3,531,982 shares at a consideration of K378.10m in 166 trades, compared to 2,753,399 shares traded at a consideration of K243.40m in 231 trades in the previous week. The year-to-date return on MASI stood at 1.88% as at the end of the week compared to 15.74% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	08-Mar-24	% Δ	01-Mar-24	
MASI	113,033.04	↓ -0.01%	113,044.48	
DSI	84,452.86	↓ -0.01%	84,459.17	
FSI	20,592.97	↓ -0.02%	20,597.92	
Traded volume	3,531,982	↑ 28.28%	2,753,399	
Number of trades	166	↓ -28.14%	231	
Value of shares traded (K'm)	378.10	↑ 55.34%	243.40	
Market capitalisation (K'm)	6,117,795.59	↓ -0.01%	6,118,421.32	

Gainers			
	Closing price (K)	% Δ	Opening price (K)
BHL	13.04	↑ 0.08%	13.03
NBM	2101.81	↑ 0.0005%	2101.80
NITL	411.49	↑ 0.002%	411.48

Losers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	65.14	↓ -0.02%	65.15
FMBCH	411.90	↓ -0.02%	412.00
ICON	16.87	↓ -0.06%	16.88
MPICO	14.71	↓ -0.07%	14.72
NBS	109.96	↓ -0.02%	109.98
NICO	199.75	↓ -0.09%	199.92

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	20-Mar-24	22-Mar-24	28-Mar-24
STANDARD	2nd interim declared	31.96	26-Mar-24	28-Mar-24	12-Apr-24

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