

## Foreign exchange market developments

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

Closing TT mid exchange rates			
Currency	9-Jun-23	% Δ	2-Jun-23
USD	1033.4112	↑ -0.09%	1034.3132
GBP	1336.5492	↓ 0.18%	1334.0831
EUR	1150.0003	↓ 0.13%	1148.5040
ZAR	56.4989	↓ 4.62%	54.0018

Gross official foreign exchange reserves position			
	31-Mar-23	28-Feb-23	31-Jan-23
Reserves (USD'm)	216.70	280.66	279.22
Import cover (months)	0.90	1.12	1.12
Benchmark import cover (months)	3.00	3.00	3.00

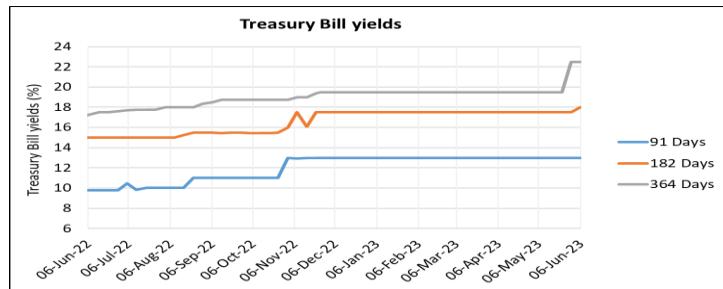
Cumulative tobacco sales			
Date	Week 9 2023 as at 9 June	% Δ	Week 9 2022 as at 27 May
Volume (million kg)	73.06	↑ 207.10%	23.79
Value (USD'million)	166.67	↑ 239.93%	49.03
Average price (USD/Kg)	2.28	↑ 10.68%	2.06

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

## Government securities

During this week's auctions, the government raised K16.34b from Treasury Bills (TB) and K0.91b from a 2-year Treasury Note (TN). The 91-day TB yield was stable at 13.00%, the 182-day TB yield increased to 17.99% from 17.50% in the previous week, while the 364-day TB yield decreased to 22.47% from 22.49%. The average yield for the 2-year TN was at 24.75%.

Access on the rediscounting standing facility amounted to K0.10b and maturities of Government securities for the week amounted to K49.38b. These transactions resulted in a net injection of K32.23b into the market, compared to a net injection of K0.45b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	6-Jun-23	% pts Δ	30-May-23
Amount offered - cost value (K'm)	16,639.00	↑ 94.86%	8,539.00
Applied - cost value (K'm)	32,663.56	↑ 43.03%	22,836.79
Allotted - cost value (K'm)	16,342.50	↑ 15.01%	14,209.22
Overall rejection rate	49.97%	↑ 12.19	37.78%
91 days yield	13.0000%	↑ 0.0000%	13.0000%
182 days yield	17.9853%	↑ 0.4853%	17.5000%
364 days yield	22.4723%	↓ -0.0220%	22.4943%
All-type yield	17.8192%	↑ 0.1544%	17.6648%

## Treasury Note and Bond auctions

Auction date	6-Jun-23	30 May & 1 Jun 2023	23 & 25 May 2023
Tenors	2	10-Jan-00	2, 3, 5 & 7 years
Coupon rate	10.00%	15.00%	10.00%, 11.00%, 12.5% & 13.5%
Amount offered - cost value (K'b)	77.02	34.26	
Total applied - cost value (K'b)	3.00	15.08	27.79
Total allotted - cost value (K'b)	0.91	14.25	19.27
Allotted - weighted average ytm	24.75%	31.22%	24.75%, 26.00%, 28.00% & 29.50%

## Current yields for Treasury Notes and Bonds

Tenor	Last auction's yield	Last auction	Next auction
2-year TN	24.75%	06-Jun-23	TBA
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	31.25%	01-Jun-23	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)	Previous auction coupon rate
13-Jun-23	7	47.40	13.50%
27-Jun-23	5 year IDB	10.00	13.50%

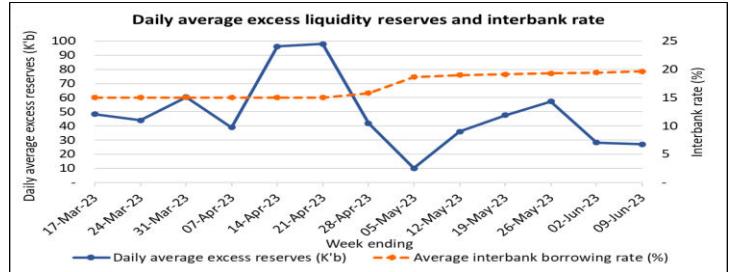
## Projected maturities

Week ending	9-Jun-23	16-Jun-23	23-Jun-23
TBs, PNs & TNs (K'm)	49,379	26,444	24,331
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 K27.09b during the week, from K28.25b in the previous week. Daily average interbank borrowing increased to K25.76b from K23.32b. Borrowing on the Lombard facility increased to the average of K87.24b per day from K83.37b per day in the previous week. The average interbank borrowing rate increased to 19.64% from 19.45% 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			
	Jun-23	% pts Δ	May-23
Rate	21.00%	↑ 1.00	20.00%

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 0.65% to close the week at 103,536.44 points from 102,869.06 points in the previous week due to share price gains in BHL (0.60%), FMBCH (4.63%) and NBM (0.001%), which offset share price losses in FDHB (-0.47%), ILLOVO (-0.001%), NBS (-0.07%) and TNM (-0.03%). The market traded 20,415,263 shares at a consideration of K3.34b in 340 trades, compared to 39,848,898 shares traded at a consideration of K6.29b in 272 trades in the previous week. The year-to-date return on MASI stands at 66.90% compared to 10.74% for the same period in 2022.

Stock market trading activity			
	09-Jun-23	% Δ	02-Jun-23
MASI	103,536.44	↑ 0.65%	102,869.06
DSI	83,535.13	↑ 0.26%	83,316.44
FSI	10,973.35	↑ 4.57%	10,494.25
Traded volume	20,415,263	↓ -48.77%	39,848,898
Number of trades	340	↑ 25.00%	272
Value of shares traded (K'm)	3,341.36	↓ -46.91%	6,293.81
Market capitalisation (K'm)	5,583,857.05	↑ 0.67%	5,546,916.24
Gainers	Closing price (K)	% Δ	Opening price (K)
BHL	10.06	↑ 0.60%	10.00
FMBCH	238.67	↑ 4.63%	209.00
NBM	200.00	↑ 0.001%	200.00
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	64.15	↓ -0.47%	64.45
ILLOVO	1121.42	↓ -0.001%	1121.43
NBS	88.39	↓ -0.07%	88.45
TNM	29.99	↓ -0.03%	30.00

## Corporate news

- NBS Bank Plc expects its profit after tax for the half year ending 30 June 2023 to be between K10.0b and K11.5b compared to K5.09b reported for the half year ended 30 June 2022.
- NICO Holdings Plc expects its profit after tax for the half year ending 30 June 2023 to be between K27.0b and K30.5b, up from K11.8b reported for the half year ended 30 June 2022.
- First Capital Bank has appointed Agness Jazza as the bank's Acting Chief Executive Officer. Jazza has been with the bank for the past 25 years, serving in various senior positions.

Dividends announced					
Company	Dividend type	Dividend (K'/share)	Last day to trade	Last day to register	Payable
FMBCH	2nd Interim declared	0.3381 US cents	6-Jun-23	9-Jun-23	16-Jun-23
ILLOVO	Interim declared	10.80	20-Jun-23	23-Jun-23	30-Jun-23
STANDARD	Final proposed	51.14	3-Jul-23	7-Jul-23	21-Jul-23
MPICO	Final proposed	0.22	11-Jul-23	14-Jul-23	28-Jul-23
NITL	Final proposed	2.35	TBA	TBA	TBA
SUNBIRD	Final proposed	1.50	TBA	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA	TBA
NBM	Final proposed	32.11	TBA	TBA	TBA
NICO	Final proposed	1.00	TBA	TBA	TBA
ICON	Final proposed	0.13	TBA	TBA	TBA
ARTEL	Final proposed	2.50	TBA	TBA	TBA

Annual general meetings			
Company	Venue	Date	Time
FMBCH	First Capital Bank Training Centre, Blantyre	19-Jun-23	16:00 hrs
STANDARD	Bingu International Conference Centre	22-Jun-23	9:00hrs
NICO	Riyals Hotel, Blantyre	28-Jun-23	10:00 hrs
SUNBIRD	Sunbird Mount Soche, Soche International Conference Centre	29-Jun-23	15:30hrs
MPICO	Sunbird Capital Hotel	30-Jun-23	10:00 hrs

Data source: MSE

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