

## Foreign exchange market developments

On 10<sup>th</sup> January 2024, the Reserve Bank of Malawi conducted a foreign exchange auction in which four Authorised Foreign Exchange Dealer Banks participated. Based on the results of the auction, the market selling price remains at K1,700.00 per USD.

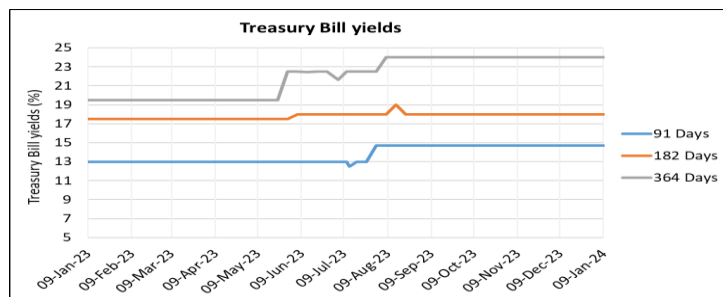
TT and bureaux middle exchange rates during the week were as follows:

Closing TT middle exchange rates as at the end of the week				
Currency	12-Jan-24	% Δ	5-Jan-24	
USD	1698.8507	↓	1698.4323	
GBP	2224.7518	↓	2220.9127	
EUR	1913.1206	↑	1915.7206	
ZAR	94.1003	↓	92.5843	
Opening foreign exchange bureaux middle rates as at 10 January 2024				
Currency	10-Jan-24	% Δ	5-Jan-24	
USD	1931.6667	↓	1927.8125	
GBP	2369.3750	↓	2361.1458	
EUR	2064.5833	↓	2056.2500	
ZAR	103.2917	↓	103.1875	
Foreign exchange reserves position				
	30-Nov-23	31-Oct-23	30-Sep-23	
Gross official foreign exchange reserves (USD'm)	169.50	169.30	242.68	
Gross official reserves import cover (months)	0.70	0.70	0.97	
Benchmark import cover for official reserves (months)	3.00	3.00	3.00	
Private sector foreign exchange reserves (USD'm)	413.20	396.90	409.46	
Private sector reserves import cover (months)	1.70	1.60	1.64	
Total economy foreign exchange reserves (USD'm)	582.70	566.20	652.14	
Total economy import cover (months)	2.30	2.30	2.61	

Data source: Reserve Bank of Malawi (RBM)

## Government securities

The Government raised K37.81b from auction of Treasury Bills and K138.47b from auction of Treasury Notes during the week ending 12<sup>th</sup> January 2024. Maturities of Government securities for the week amounted to K38.54b and maturities of OMO repos amounted to K15.27b, resulting in a net withdrawal of K122.47b from the market (Source: RBM).

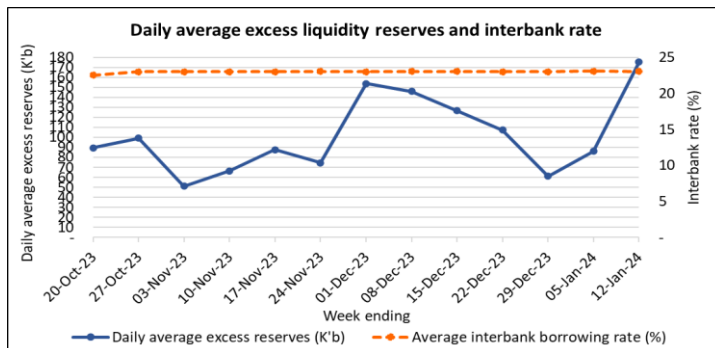


Treasury Bill auctions				
Auction date	9-Jan-24	% pts Δ	2-Jan-24	
Amount offered - cost value (K'm)	9,645.00	→	9,645.00	
Applied - cost value (K'm)	37,805.82	→	1,398.78	
Allotted - cost value (K'm)	37,805.82	→	1,398.78	
Overall rejection rate	0.00%	→	0.00%	
91 days yield	14.7000%	→	14.7000%	
182 days yield	18.0000%	→	18.0000%	
364 days yield	24.0000%	→	24.0000%	
All-type yield	18.9000%	→	18.9000%	
Treasury Note and Bond auctions				
Auction date	16-Jan-24	3 & 5 Jan 2024	2-Jan-24	
Tenors	7-yr IDB	2, 3, 5, 7 & 10 yr TNs	2-yr TN	
Coupon rate	14.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	10.00%	
Amount offered - cost value (K'b)	15.00		52.22	
Total applied - cost value (K'b)	7.84		4.89	
Total allotted - cost value (K'b)	7.84		4.89	
Allotted - weighted average ytm	32.00%	26.75%, 28.00%, 30.00%, 32.00% & 33.00%	26.75%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	26.75%	05-Jan-24	26-Mar-24	
3-year TN	28.00%	05-Jan-24	20-Feb-24	
5-year TN	30.00%	05-Jan-24	30-Jan-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	32.00%	05-Jan-24	27-Feb-24	
7-Year Development Bond	32.00%	16-Jan-24	TBA	
10-year TN	33.00%	05-Jan-24	06-Feb-24	
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	
30-Jan-24	5-year TN	45.41	12.50%	
06-Feb-24	10-year TN	39.73	15.00%	
20-Feb-24	3-year TN	45.41	11.00%	
27-Feb-24	7-year TN	49.95	13.50%	
05-Mar-24	5-year TN	48.33	12.50%	
12-Mar-24	3-year TN	53.41	11.00%	
26-Mar-24	2-year TN	60.22	10.00%	
Projected maturities				
Week ending	12-Jan-24	19-Jan-24	26-Jan-24	
TBs, PNs & TNs (K'm)	38,539	143,439	19,202	
OMO repos (K'm)	15,272	0	65,024	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K175.38b during the week ending 12<sup>th</sup> January 2024 from K86.11b in the previous week. Daily average interbank borrowing decreased to K16.26b from K55.00b. Borrowing on the Lombard facility decreased to the average of K66.42b per day from 89.68b per day in the previous week. The average interbank borrowing rate marginally decreased to 23.03% from 23.08%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate			
	27-Oct-23	% pts Δ	27-Jul-23
Rate	24.00%	→ 0.00	24.00%
Market Reference Rate			
	Jan-24	% pts Δ	Dec-23
Rate	23.60%	→ 0.00	23.60%
Inflation Rate			
	Nov-23	% pts Δ	Oct-23
Rate	33.1%	↑ 6.20	26.9%

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.87% to close the week ending 12<sup>th</sup> January 2024 at 111,605.87 points from 109,556.19 points in the previous. The market traded 1,783,511 shares at a consideration of K334.30m in 200 trades, compared to 2,902,798 shares traded at a consideration of K593.71m in 157 trades in the previous week. The year-to-date return on MASI stood at 0.59% as at the end of the week compared to 2.78% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	12-Jan-24	% Δ	05-Jan-24	
MASI	111,605.87	↑ 1.87%	109,556.19	
DSI	85,390.01	↑ 0.32%	85,117.61	
FSI	17,774.36	↑ 12.55%	15,793.05	
Traded volume	1,783,511	↓ -38.56%	2,902,798	
Number of trades	200	↓ 27.39%	157	
Value of shares traded (K'm)	334.30	↓ -43.69%	593.71	
Market capitalisation (K'm)	6,034,845.08	↑ 1.94%	5,920,135.23	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	55.01	↑ 0.02%	55.00	
BHL	13.01	↑ 0.08%	13.00	
FMBCH	355.01	↑ 12.69%	315.02	
ILLOVO	1260.22	↑ 0.01%	1260.15	
NBM	2101.42	↑ 0.003%	2101.35	
NICO	179.00	↑ 18.15%	151.50	
NITL	411.03	↑ 0.06%	410.80	
OMU	1500.02	↑ 0.001%	1500.00	
STANDARD	3950.03	↑ 0.0003%	3950.02	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
ICON	16.99	↓ -4.71%	17.83	
MPICO	14.96	↓ -0.13%	14.98	
NBS	114.97	↓ -0.02%	114.99	
PCL	2506.97	↓ -0.001%	2506.99	
TNM	17.98	↓ -3.59%	18.65	

Expected financial results for the year ended 31st December 2023	
Company	Expected change in profit after tax for the year ended 31 December 2023 compared to 2022
FDH Bank Plc	An increase of between 27% and 31% from K22.932 billion registered in 2022.
FMB Capital Holdings Plc	An increase of between 24% and 28% from US\$ 40.1 million registered in 2022.
Sunbird Tourism Plc	An increase of between 70% and 84% from K3.05 billion registered in 2022.
Standard Bank Plc	An increase of between 20% and 35% from K38.8 billion registered in 2022.
Press Corporation Plc	An increase of between 73% to 92% from K36.3 billion registered in 2022.
Airtel Malawi Plc	A decrease of between 95% to 105% from K36.9 billion registered in 2022.
National Bank of Malawi Plc	An increase of between 40% and 55% from K45.9 billion registered in 2022.
NICO Holdings Plc	An increase of between 61% and 74% from K38 billion registered in 2022.
Blantyre Hotels Plc	An increase in loss of between 934% and 954% from a loss of K136 million registered in 2022.
National Investment Trust Plc	An increase of between 179% and 193% from K6.99 billion registered in 2022.
Telekom Networks Malawi Plc	An increase in loss of between 161% and 177% from a loss of K1.80 billion registered in 2022.
Press Corporation Plc	An increase of between 50% and 64% from K18.9 billion registered in 2022.

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