

Foreign exchange market developments

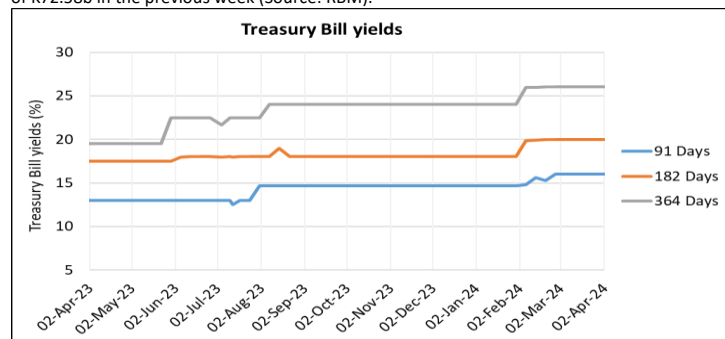
The Kwacha depreciated against all major trading currencies during the week, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	5-Apr-24	% Δ	28-Mar-24	
USD	1750.6338	↓ 0.01%	1750.3793	
GBP	2272.5449	↓ 0.17%	2268.7662	
EUR	1950.1660	↓ 0.04%	1949.3408	
ZAR	95.4787	↓ 0.73%	94.7858	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	4-Apr-24	% Δ	28-Mar-24	
USD	1916.7513	↓ 0.03%	1916.1250	
GBP	2440.0415	↓ -0.03%	2440.8331	
EUR	2100.0744	↓ -0.06%	2101.2410	
ZAR	102.8188	↓ 0.47%	102.3333	
Foreign exchange reserves position				
	29-Feb-24	31-Jan-24	31-Dec-23	
Gross official foreign exchange reserves (USD'm)	143.60	178.06	242.58	
Gross official reserves import cover (months)	0.57	0.71	0.97	
Benchmark import cover for official reserves (months)	3.00	3.00	3.00	
Private sector foreign exchange reserves (USD'm)	396.72	401.88	433.01	
Private sector reserves import cover (months)	1.59	1.61	1.73	
Total economy foreign exchange reserves (USD'm)	540.32	579.94	675.59	
Total economy import cover (months)	2.16	2.32	2.70	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K11.21b from auction of Treasury Bills during the week. There was no auction of Treasury Notes. Maturities of Government securities for the week amounted to K66.12b, resulting in a net injection of K54.91b into the market, compared to a net withdrawal of K72.58b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	2-Apr-24	% pts Δ	26-Mar-24	
Amount offered - cost value (K'm)	14,075.00	→	14,075.00	
Applied - cost value (K'm)	11,212.27	↓ -86.09%	80,589.92	
Allotted - cost value (K'm)	11,212.27	↓ -86.09%	80,589.92	
Overall rejection rate	0.00%	→	0.00%	
91 days yield	16.0000%	→	16.0000%	
182 days yield	20.0000%	→	20.0000%	
364 days yield	26.0000%	→	26.0000%	
All-type yield	20.6667%	→	20.6667%	

Treasury Note and Bond auctions				
Auction dates	25, 26, 27 & 28 Mar 2024	12 & 14 Mar 2024	5 & 7 Mar 2024	
Tenors	2, 3, 5 & 10 TNs	2, 3, 5, 7 & 10 TNs	2, 5, 7 & 10 TNs	
Coupon rate	10.0%, 11.0%, 12.5% & 15.0%	10.0%, 11.0%, 12.5%, 13.5% & 15.0%	10.0%, 12.5%, 13.5% & 15.0%	
Amount offered - cost value (K'b)	K60.221b for the 2-yr TN	K53.41b for the 3-yr TN	K48.328b for the 5-yr TN	
Total applied - cost value (K'b)	120.14	38.49	25.91	
Total allotted - cost value (K'b)	120.14	38.48	25.89	
Allotted - weighted average ytm	28.75%, 30.0%, 32.0% & 35.0%	28.75%, 30.0%, 32.0%, 34.0%, 35.0%	28.75%, 32.0%, 34.0%, 35.0%	

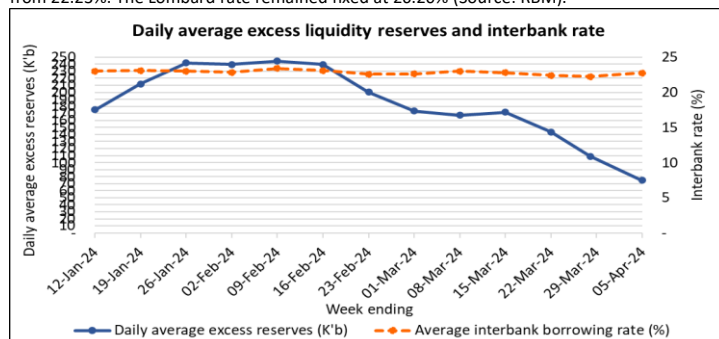
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	27-Mar-24	TBA
3-year TN	30.00%	28-Mar-24	TBA
5-year TN	32.00%	28-Mar-24	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	21-Mar-24	TBA
7-Year Development Bond	32.00%	16-Jan-24	TBA
10-year TN	35.00%	28-Mar-24	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA

Projected maturities			
Week ending	5-Apr-24	12-Apr-24	19-Apr-24
TBs, PNs & TNs (K'm)	66,123	38,402	30,261
OMO repos (K'm)	0	0	55,380
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K74.60b during the week from K109.05b in the previous week. Daily average interbank borrowing increased to K52.93b from K37.53b. Borrowing on the Lombard facility amounted to K37.30b during the week, increasing from K15.80b in the previous week. The average interbank borrowing rate increased to 22.74% from 22.23%. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
	01-Feb-24	% pts Δ	27-Oct-23
Rate	26.00%	↑ 2.00	24.00%
Market Reference Rate			
	Apr-24	% pts Δ	Mar-24
Rate	24.90%	→ 0.00	24.90%
Inflation Rate			
	Feb-24	% pts Δ	Jan-24
Rate	33.5%	↓ -1.50	35.0%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a marginal gain of 0.01% to close the week at 114,244.94 points from 114,236.98 points in the previous. The market traded 3,074,263 shares at a consideration of K359.45m in 232 trades, compared to 11,737,240 shares traded at a consideration of K1.06b in 153 trades in the previous week. The year-to-date return on MASI stood at 2.97% as at the end of the week compared to 31.98% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	05-Apr-24	% Δ	28-Mar-24	
MASI	114,244.94	↑ 0.01%	114,236.98	
DSI	86,768.78	↑ 0.01%	86,761.71	
FSI	19,012.48	→ 0.00%	19,012.48	
Traded volume	3,074,263	↓ -73.81%	11,737,240	
Number of trades	232	↑ 51.63%	153	
Value of shares traded (K'm)	359.45	↓ -66.19%	1,063.02	
Market capitalisation (K'm)	6,178,716.50	↑ 0.01%	6,178,290.42	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	50.10	↑ 0.04%	50.08	
FDHB	65.08	↑ 0.02%	65.07	
ILLOVO	1350.13	↑ 0.001%	1350.12	
NBM	2400.09	↑ 0.003%	2400.02	
STANDARD	3950.23	↑ 0.0003%	3950.22	
SUNBIRD	195.03	↑ 0.005%	195.02	
TNM	12.03	↑ 0.17%	12.01	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
ICON	16.84	↓ -0.06%	16.85	
NICO	199.63	↓ -0.02%	199.67	
PCL	2506.99	↓ -0.0004%	2507.00	

Corporate news

Published annual financial results			
Company	2023 profit after tax (K'b)	Movement	2022 profit after tax (K'b)
Listed banks			
FDH Bank Plc	35.647	↑ 55%	22.932
National Bank of Malawi Plc	71.959	↑ 57%	45.944
NBS Bank Plc	29.378	↑ 55%	18.905
Standard Bank Plc	52.520	↑ 34%	39.202
Listed non-bank companies			
National Investment Trust Plc	21.505	↑ 207%	6.994

Source: MSE

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