

Foreign exchange market developments

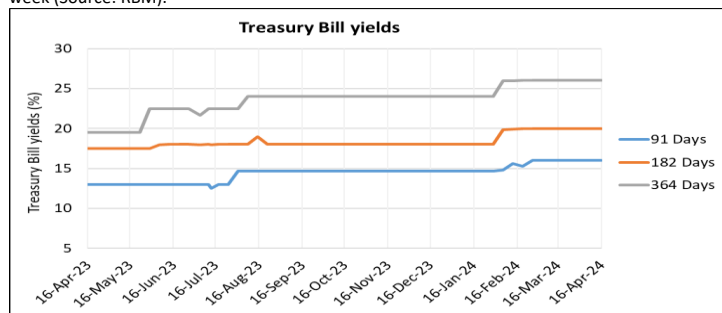
The Kwacha appreciated against all major trading currencies during the week, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	19-Apr-24	% Δ	12-Apr-24	
USD	1749.8387	↑ -0.02%	1750.1563	
GBP	2238.0483	↑ -1.08%	2262.4910	
EUR	1916.8759	↑ -0.63%	1929.0915	
ZAR	93.0142	↑ -2.91%	95.8042	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	19-Apr-24	% Δ	9-Apr-24	
USD	1919.0000	↓ 0.12%	1916.7513	
GBP	2432.2083	↑ -0.33%	2440.1665	
EUR	2088.1250	↑ -0.57%	2100.0119	
ZAR	102.2917	↑ -0.55%	102.8604	
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 K13.88b from auction of Treasury Bills and K0.06b from auction of a 2-year Treasury Note during the week. Maturities of Government securities for the week amounted to K60.52b and maturities of OMO repos amounted to K55.38b, resulting in a net injection of K101.96b into the market, compared to a net injection of K9.77b in the previous week (Source: RBM).

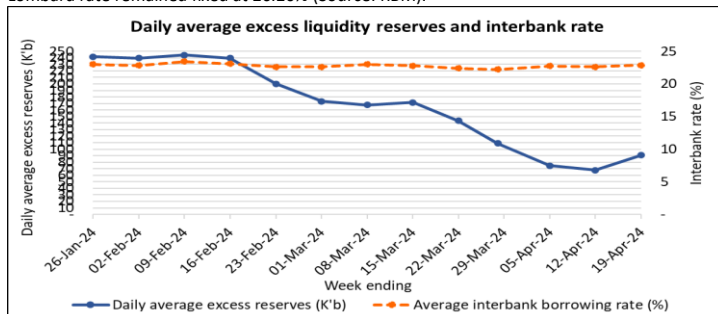


Treasury Bill auctions				
Auction date	16-Apr-24	% pts Δ	9-Apr-24	
Amount offered - cost value (K'm)	15,149.00	→	15,149.00	
Applied - cost value (K'm)	13,879.91	↓	28,629.80	
Allotted - cost value (K'm)	13,879.91	↓	28,629.80	
Overall rejection rate	0.00%	→	0.00%	
91 days yield	16.0000%	→	16.0000%	
182 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	16-Apr-24	25, 26, 27 & 28 Mar 2024	12 & 14 Mar 2024	
Tenors	2	2, 3, 5 & 10 TNs	2, 3, 5, 7 & 10 TNs	
Coupon rate	10.00%	10.0%, 11.0%, 12.5% & 15.0%	10.0%, 11.0%, 12.5%, 13.5% & 15.0%	
Amount offered - cost value (K'b)	57.60	K60.221b for the 2-yr TN	K53.41b for the 3-yr TN	
Total applied - cost value (K'b)	0.06	120.14	38.49	
Total allotted - cost value (K'b)	0.06	120.14	38.48	
Allotted - weighted average ytm	28.75%	28.75%, 30.0%, 32.0% & 35.0%	28.75%, 30.0%, 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%	16-Apr-24	04-Jun-24	
3-year TN	30.00%	28-Mar-24	14-May-24	
5-year TN	32.00%	28-Mar-24	30-Apr-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	21-Mar-24	28-May-24	
7-Year Development Bond	32.00%	16-Jan-24	TBA	
10-year TN	35.00%	28-Mar-24	23-Apr-24	
10-year Development Bond	23.35%	26-Apr-22	21-May-24	
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
23-Apr-24	10	44.21	15.00%	
30-Apr-24	5	47.22	12.50%	
14-May-24	3	54.25	11.00%	
21-May-24	10-year IDB	3.95	16.00%	
28-May-24	7	46.89	13.50%	
04-Jun-24	2	59.52	10.00%	
18-Jun-24	5	47.22	12.50%	
25-Jun-24	3	54.51	11.00%	
Projected maturities				
Week ending	19-Apr-24	26-Apr-24	3-May-24	
TBs, PNs & TNs (K'm)	60,524	37,456	10,490	
OMO repos (K'm)	7	0	0	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

Market liquidity and interbank market activity

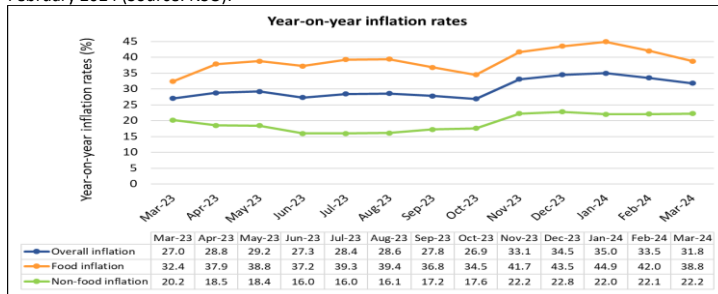
Average daily excess liquidity reserves increased to K90.82b during the week from K67.64b in the previous week. Daily average interbank borrowing increased to K56.37b from K40.18b. There was no borrowing on the Lombard facility during the week compared to K65.03b in the previous week. The average interbank borrowing rate decreased to 22.88% from 22.62%. 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

The year-on-year headline inflation rate decreased to 31.8% in March 2024 from 33.5% in February 2024 due to a decrease in food inflation rate to 38.8% from 42.0% in the previous month, while non-food inflation rate slightly increased to 22.2% in March 2024 from 22.1% in February 2024 (Source: NSO).



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.01% to close the week at 115,649.31 points from 115,642.22 points in the previous. The market traded 22,463,128 shares at a consideration of K2.44b in 238 trades, compared to 35,082,930 shares traded at a consideration of K2.03b in 169 trades in the previous week. The year-to-date return on MASI stood at 4.23% as at the end of the week compared to 37.19% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	19-Apr-24	% Δ	12-Apr-24	
MASI	115,649.31	↑ 0.01%	115,642.22	
DSI	86,781.61	↑ 0.01%	86,775.70	
FSI	20,591.98	↑ 0.00%	20,591.48	
Traded volume	22,463,128	↓ -35.97%	35,082,930	
Number of trades	238	↑ 40.83%	169	
Value of shares traded (K'm)	2,437.01	↑ 20.33%	2,025.31	
Market capitalisation (K'm)	6,257,858.38	↑ 0.01%	6,257,477.33	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	50.16	↑ 0.06%	50.13	
FDHB	65.11	↑ 0.03%	65.09	
FMBCH	411.88	↑ 0.00%	411.87	
ILLOVO	1350.15	↑ 0.001%	1350.13	
MPICO	14.67	↑ 0.07%	14.66	
NBM	2400.13	↑ 0.001%	2400.10	
OMU	1500.03	↑ 0.001%	1500.02	
PCL	2507.00	↑ 0.0004%	2506.99	
TNM	12.06	↑ 0.17%	12.04	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
ICON	16.80	↓ -0.24%	16.84	
NBS	109.87	↓ -0.03%	109.90	
NICO	199.58	↓ -0.01%	199.59	

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