



Foreign exchange market developments

During the week the Kwacha depreciated against all major trading currencies.

Closing TT middle exchange rates as at the end of the week				
Currency	5-Jul-24	% Δ	28-Jun-24	
USD	1750.2121	↓ 0.04%	1749.5057	
GBP	2299.3731	↓ 1.08%	2274.7381	
EUR	1950.0210	↓ 1.43%	1922.5403	
ZAR	98.2300	↓ 1.38%	96.8915	

Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	26-Jun-24	% Δ	21-Jun-24	
USD	1925.5429	↓ 0.06%	1924.4388	
GBP	2457.7083	↓ 0.10%	2455.2917	
EUR	2103.1458	↓ 0.05%	2102.0625	
ZAR	104.8475	↓ 0.14%	104.7017	

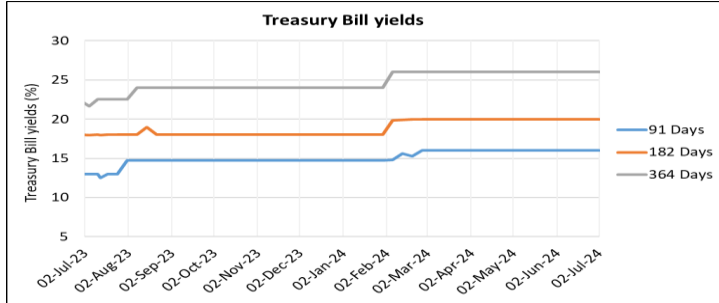
Foreign exchange reserves position			
	31-May-24	30-Apr-24	31-Mar-24
Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months)	610.18 2.44	603.07 2.41	552.94 2.21

Cumulative tobacco sales as at the end of week 12				
Date	Week 12 2024 (5 July)	% Δ	Week 12 2023 (30 June)	
Volume (million kg)	120.36	↑ 16.61%	103.21	
Value (USD'million)	353.88	↑ 46.99%	240.75	
Average price (USD/Kg)	2.94	↑ 26.18%	2.33	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K15.91b from auction of Treasury Bills and K62.10b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K12.08b and maturities of OMO repos amounted to K1.01b. These transactions resulted in a net withdrawal of K64.92b from the market, compared to a net withdrawal of K132.52b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	2-Jul-24	% pts Δ	25-Jun-24	
Amount offered - cost value (K'm)	10,086.00	↓ -35.99%	15,758.00	
Applied - cost value (K'm)	15,914.86	↓ -71.97%	56,779.96	
Allotted - cost value (K'm)	15,914.86	↓ -71.97%	56,779.96	
Overall rejection rate	0.00%	→ 0.00%	0.00%	
91 days yield	16.0000%	→ 0.0000%	16.0000%	
182 days yield	19.9999%	→ 0.0000%	19.9999%	
364 days yield	26.0000%	→ 0.0000%	26.0000%	
All-type yield	20.6666%	→ 0.0000%	20.6666%	

Treasury Note and Bond auctions				
Auction dates	2-Jul-24	27 & 28 June 2024	25-Jun-24	
Tenor	2, 5, 7 & 10 year TNs	2, 3, 5, 7 & 10 year TNs	3-year TN	
Coupon rate	10.00%, 12.50%, 13.50% & 15.00%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	11.00%	
Amount offered - cost value (K'b)			54.51	
Total applied - cost value (K'b)	62.10	59.10	12.44	
Total allotted - cost value (K'b)	62.10	59.10	12.44	
Allotted - weighted average ytm	28.75%, 32.00%, 34.00% & 35.00%	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	30.00%	

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	28.75%	02-Jul-24	23-Jul-24	
3-year TN	30.00%	28-Jun-24	20-Aug-24	
5-year TN	32.00%	02-Jul-24	30-Jul-24	
5-year Development Bond	28.00%	28-Nov-23	TBA	
7-year TN	34.00%	02-Jul-24	27-Aug-24	
7-year Development Bond	32.00%	16-Jan-24	06-Aug-24	
10-year TN	35.00%	02-Jul-24	09-Jul-24	
10-year Development Bond	35.00%	20-Jun-24	TBA	

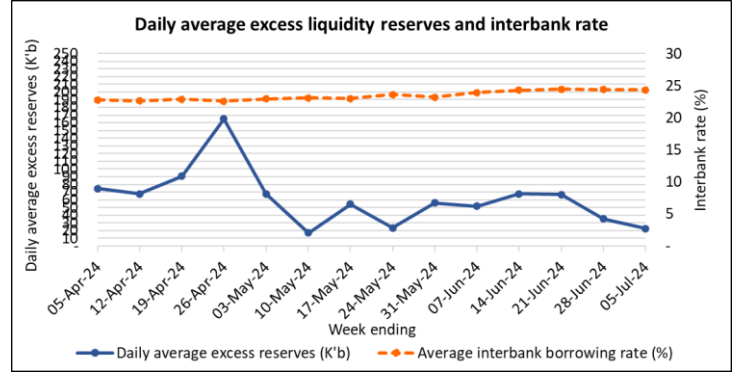
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
09-Jul-24	10	40.25	15.00%	
23-Jul-24	2	52.80	10.00%	
30-Jul-24	5	42.64	12.50%	
06-Aug-24	7-year IDB	20.00	14.50%	
20-Aug-24	3	49.12	11.00%	
27-Aug-24	7	45.48	13.50%	
03-Sep-24	2	52.80	10.00%	
17-Sep-24	5	45.20	12.50%	
24-Sep-24	3	49.12	11.00%	

Projected maturities				
Week ending	5-Jul-24	12-Jul-24	19-Jul-24	
TBs, PNs & TNs (K'm)	12,078	33,542	13,440	
OMO repos (K'm)	1,005	30,299	33,026	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K22.66b during the week from K35.34b in the previous week. Daily average interbank borrowing increased to K60.16b from K58.04b. Borrowing on the Lombard facility increased to an average of K110.66b per day, compared to K99.16b per day in the previous week. The average interbank borrowing rate decreased to 24.34% from 24.40%. The Lombard rate remained fixed at 26.20% (Source: RBM)



Policy Rate			
	03-May-24	% pts Δ	01-Feb-24
Rate	26.00%	→ 0.00	26.00%

Market Reference Rate			
	Jul-24	% pts Δ	Jun-24
Rate	25.40%	↑ 0.30	25.10%

Inflation Rate			
	May-24	% pts Δ	Apr-24
Rate	32.7%	↑ 0.40	32.3%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.06% to close the week at 122,389.44 points from 121,101.77 points in the previous. The market traded 5,472,006 shares at a consideration of K326.96m in 266 trades, compared to 4,583,525 shares traded at a consideration of K2.06b in 220 trades in the previous week. The year-to-date return on MASI stood at 10.31% as at the end of the week compared to 76.05% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	05-Jul-24	% Δ	28-Jun-24	
MASI	122,389.44	↑ 1.06%	121,101.77	
DSI	94,096.52	↑ 1.23%	92,949.19	
FSI	18,909.43	↓ -0.01%	18,911.41	
Traded volume	5,472,006	↑ 19.38%	4,583,525	
Number of trades	266	↑ 20.91%	220	
Value of shares traded (K'm)	326.96	↓ -84.16%	2,064.27	
Market capitalisation (K'm)	6,614,857.78	↑ 1.05%	6,545,863.74	

Gainers			
	Closing price (K)	% Δ	Opening price (K)
GdHB	95.05	↑ 11.77%	85.04
MPICO	15.02	↑ 0.07%	15.01
NBM	2700.03	↑ 0.001%	2700.01
NBS	100.11	↑ 10.58%	90.53
OMU	1500.04	↑ 0.001%	1500.03

Losers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	47.49	↓ -5.02%	50.00
FMBCH	377.92	↓ -0.01%	377.96
ICON	15.96	↓ -0.13%	15.98
ILLOVO	1355.11	↓ -0.001%	1355.13
NICO	199.31	↓ -0.02%	199.35
NITL	411.41	↓ -0.005%	411.43
TNM	16.05	↓ -0.06%	16.06

Corporate news

Expected financial results for the half year ended 30th June 2024				
Company	Expected H1 2024 profit after tax	Expected change (%)	H1 2023 profit after tax (K'm)	
Listed banks				
FDH Bank Plc	Within the range of K25.5b to K28.5b	An increase of between 69.8% and 89.8%	15,015	
NBS Bank Plc	Within the range of K30.4b and K32.5b	An increase of between 149% and 166%	12,157	
Standard Bank Malawi Plc	Within the range of K39.0b and K43.1b	An increase of between 45% and 60%	26,922	
Listed non-bank companies				
Blantyre Hotels Plc	Loss within the range of K383m and K420m	A decrease in loss of between 15% and 22%	(494)	
ICON Properties Plc	Within the range of K9b and K10b	An increase of between 40% to 56%	6,400	
National Investment Trust Plc	Within the range of K3.5b and K4.5b	A decrease of between 79% and 73%	16,490	
NICO Holdings Plc	Within the range of K44.0b to K47.5b	An increase of between 43% and 54%	30,784	
Press Corporation Plc	Within the range of K42.0b and K43.8b	An increase of between 23% and 28%	34,287	
Sunbird Tourism Plc	Within the range of K4.6b and K4.9b	An increase of between 190% and 210%	1,587	
Telekom Networks Malawi Plc	Within the range of K1.841b and K1.999b	An increase of between 136% and 156%	780	

Source: MSE

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