



Foreign exchange market developments

During the week the Kwacha appreciated against USD and EUR but depreciated against GBP and ZAR as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	30-Aug-24	% Δ	23-Aug-24	
USD	1750.3142	↓ -0.01%	1750.5096	
GBP	2368.6756	↑ 0.30%	2361.6168	
EUR	1994.0551	↓ -0.51%	2004.2696	
ZAR	101.0971	↓ 1.69%	99.4135	

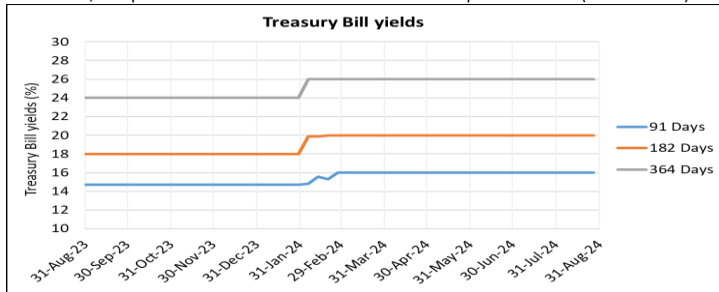
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	16-Aug-24	% Δ	9-Aug-24	
USD	1927.3775	↑ -0.0001%	1927.3788	
GBP	2464.3617	↓ 0.26%	2457.9919	
EUR	2120.9740	↓ 0.30%	2114.5448	
ZAR	104.9644	↓ 0.30%	104.6556	

Foreign exchange reserves position			
	31-Jul-24	30-Jun-24	31-May-24
Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months)	572.02	591.51	610.18
	2.29	2.37	2.44

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K28.45b from auction of Treasury Bills and K92.21b from auction of Treasury Notes during the week. OMO reverse repos amounted to K10.00b. Maturities of Government securities for the week amounted to K36.51b and maturities of OMO reverse repos amounted to K31.93b. These transactions resulted in a net withdrawal of K106.08b from the market, compared to a net withdrawal of K90.55b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	27-Aug-24	% pts Δ	20-Aug-24	
Amount offered - cost value (K'm)	19,028.00	→ 0.00%	19,028.00	
Applied - cost value (K'm)	28,447.69	↓ -51.12%	58,194.71	
Allotted - cost value (K'm)	28,447.69	↓ -51.12%	58,194.71	
Overall rejection rate	0.00%	→ 0.00%	0.00%	
91 days yield	16.0000%	→ 0.0000%	16.0000%	
182 days yield	20.0000%	→ 0.0000%	20.0000%	
364 days yield	26.0000%	→ 0.0000%	26.0000%	
All-type yield	20.6667%	→ 0.0000%	20.6667%	

Treasury Note and Bond auctions				
Auction dates	27 & 29 Aug 24	27-Aug-24	20 & 23 Aug 24	
Tenor	2, 3, 5, 7 & 10-yr TNs	7-yr TN	2-yr TN, 3-yr TN, 5-yr TN, 7-yr ID & 10-yr TN	
Coupon rate	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	13.50%	10.00%, 11.00%, 12.50%, 14.50% & 15.00%	
Amount offered - cost value (K'b)		45.48		
Total applied - cost value (K'b)	86.97	5.24	98.42	
Total allotted - cost value (K'b)	86.97	5.24	98.42	
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	34.00%	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	27-Aug-24	03-Sep-24
3-year TN	30.00%	29-Aug-24	24-Sep-24
5-year TN	32.00%	29-Aug-24	17-Sep-24
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	27-Aug-24	TBA
7-Year Development Bond	34.00%	23-Aug-24	TBA
10-year TN	35.00%	29-Aug-24	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

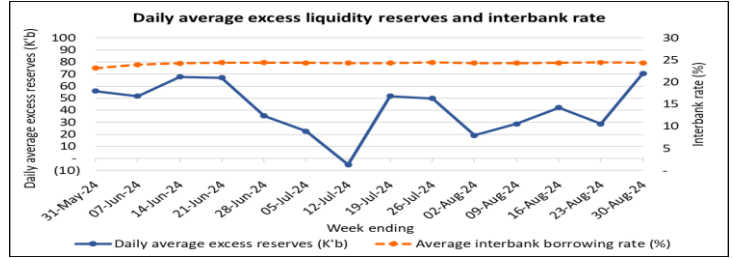
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
03-Sep-24	2	52.80	10.00%
17-Sep-24	5	45.20	12.50%
24-Sep-24	3	49.12	11.00%

Projected maturities			
Week ending	30-Aug-24	6-Sep-24	13-Sep-24
TBs, PNs & TNs (K'm)	36,512	21,644	4,471
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	31,931	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K70.56b during the week from K28.61b in the previous week. Daily average interbank borrowing increased to K90.00b from K69.00b. Borrowing on the Lombard facility increased to an average of K47.25b per day, compared to K43.64b per day in the previous week. The average interbank borrowing rate decreased to 24.34% from 24.45%. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
Rate	25-Jul-24	% pts Δ	03-May-24
	26.00%	→ 0.00	26.00%

Market Reference Rate			
Rate	Aug-24	% pts Δ	Jul-24
	25.40%	→ 0.00	25.40%

Inflation Rate			
Rate	Jul-24	% pts Δ	Jun-24
	33.7%	↑ 0.40	33.3%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.12% to close the week at 141,275.06 points from 141,099.04 points in the previous. The market traded 9,753,594 shares at a consideration of K1.54b in 318 trades, compared to 4,767,432 shares traded at a consideration of K1.41b in 355 trades in the previous week. The year-to-date return on MASI stood at 27.33% as at the end of the week compared to 93.18% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	30-Aug-24	% Δ	23-Aug-24	
MASI	141,275.06	↑ 0.12%	141,099.04	
DSI	110,067.28	↑ 0.14%	109,910.66	
FSI	19,974.30	→ 0.00%	19,974.30	
Traded volume	9,753,594	↓ 104.59%	4,767,432	
Number of trades	318	↓ -10.42%	355	
Value of shares traded (K'm)	1,541.38	↑ 9.09%	1,412.98	
Market capitalisation (K'm)	7,631,643.95	↑ 0.12%	7,622,211.84	

Gainers			
	Closing price (k)	% Δ	Opening price (k)
FDHB	149.82	↑ 0.03%	149.77
OMU	1,866.00	↑ 0.001%	1,865.99
STANDARD	4,850.01	↑ 0.0002%	4,850.00
TNM	18.00	↑ 5.88%	17.00

Losers			
	Closing price (k)	% Δ	Opening price (k)
AIRTEL	44.96	↓ -0.04%	44.98
ILLOVO	1,355.11	↓ -0.002%	1,355.14
MPICO	14.95	↓ -0.20%	14.98
NBM	3,450.01	↓ -0.001%	3,450.03
NBS	149.71	↓ -0.11%	149.87
NICO	198.73	↓ -0.08%	198.89
PCL	2,499.86	↓ -0.001%	2,499.89

Corporate news

Airtel Malawi Plc published its restated financial results for the financial year ended 31st December 2023. The company registered a loss after tax of K15.42 billion, down from the restated 2022 profit after tax of K31.44 billion, largely impacted by significant foreign exchange headwinds. The Malawi Kwacha lost value by 66% in 2023 leading to a foreign exchange loss of K80.54 billion for the company, compared to a restated foreign exchange loss of K20.63 billion in 2022, when the Malawi Kwacha depreciated by 25% (Source: Airtel, MSE).

Published bank financial results for the half year ended 30th June 2024			
Company	H1 2024 profit after tax (K'm)	Change (%)	H1 2023 profit after tax (K'm)
Listed banks			
FDH Bank Plc	27,936	↑ 86%	15,015
FMB Capital Holdings Plc (USD'000)	46,824	↑ 11%	42,032
National Bank of Malawi Plc	42,074	↑ 19%	35,483
Standard Bank Malawi Plc	42,374	↑ 57%	26,922
Unlisted banks			
CDH Investment Bank Ltd	8,340	↑ 53%	5,463
Centenary Bank Ltd	292	↓ -70%	970
Ecobank Ltd	27,286	↑ 91%	14,287
First Capital Bank Plc	16,777	↓ 0%	16,787
Listed non-bank companies			
National Investment Trust Plc	4,316	↓ -74%	16,490
Unlisted non-bank financial institutions			
First Discount House Ltd	6,040	↑ 50%	4,036
United General Insurance Company Ltd	(279)	↑ 138%	728

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
PCL	Final declared	37.00	14-Aug-24	16-Aug-24	30-Aug-24
NICO	Final declared	2.00	21-Aug-24	23-Aug-24	30-Aug-24
NITL	Final declared	5.00	21-Aug-24	23-Aug-24	30-Aug-24
NBS	Final declared	0.64	14-Aug-24	16-Aug-24	3-Sep-24
NITL	Interim declared	2.50	16-Oct-24	18-Oct-24	25-Oct-24
NBM	Interim declared	27.84	TBA	TBA	TBA

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