



**Foreign exchange market developments**

During the week the Kwacha was stable against the USD, depreciated against the GBP and ZAR and marginally appreciated against EUR, as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week			
Currency	27-Sep-24	% Δ	20-Sep-24
USD	1750.4289	↓ 0.00003%	1750.4283
GBP	2408.2171	↓ 0.67%	2392.1008
EUR	2012.4651	↑ -0.02%	2012.9115
ZAR	103.9945	↓ 1.72%	102.2330

Opening foreign exchange bureaux middle rates as at the end of the week			
Currency	24-Sep-24	% Δ	20-Sep-24
USD	1929.0442	↓ 0.01%	1928.8371
GBP	2512.5954	↓ 0.19%	2507.8285
EUR	2140.8823	↓ 0.08%	2139.1706
ZAR	106.7794	↓ 0.03%	106.7452

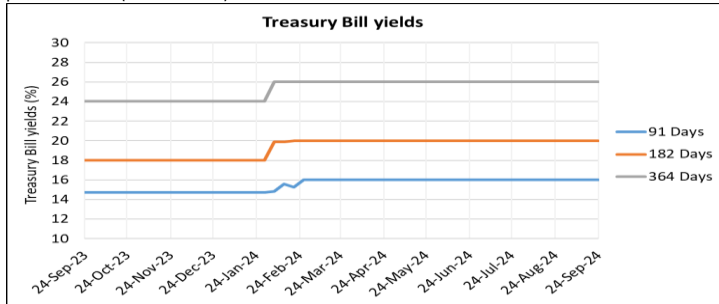
  

Foreign exchange reserves position			
	31-Jul-24	30-Jun-24	31-May-24
Total foreign exchange reserves			
(Aggregate of RBM, Banks & Total import cover (months)	572.02	591.51	610.18
	2.29	2.37	2.44

Data source: Reserve Bank of Malawi (RBM)

**Government securities**

The Government raised K15.11b from auction of Treasury Bills and K3.61b from auction of a 3-year Treasury Note during the week. The RBM conducted OMO repos amounting to K37.00b during the week. Maturities of Government securities for the week amounted to K13.14b and maturities of OMO reverse repos amounted to K10.95b. These transactions resulted in a net withdrawal of K53.53b from the market, compared to a net withdrawal of K38.29b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	24-Sep-24		17 & 20 Sep 24
Amount offered - cost value (K'm)	11,017.00	→	0.00%
Applied - cost value (K'm)	15,112.60	↓	-11.36%
Allotted - cost value (K'm)	15,112.60	↓	-11.36%
Overall rejection rate	0.00%	→	0.00%
91 days yield	16.0000%	→	0.0000%
182 days yield	20.0000%	→	0.0000%
364 days yield	26.0000%	→	0.0000%
All-type yield	20.6667%	→	0.0000%

Treasury Note and Bond auctions			
Auction dates	24-Sep-24	16, 17 & 20 Sep 24	9-Sep-24
Tenor	3-yr TN	2-yr TN, 3-yr TN, 5-yr TN, 7-yr TN, 7-yr DB & 10-yr TN	3, 5, 7 & 10-yr TNs
Coupon rate	11.00%	10.00%, 11.00%, 12.50%, 13.50%, 14.50% & 15.00%	11.00%, 12.50%, 13.50% & 15.00%
Amount offered - cost value (K'b)	49.12	K45.20b for the 5-yr TN	24.62
Total applied - cost value (K'b)	3.61		11.26
Total allotted - cost value (K'b)	3.61		24.62
Allotted - weighted average ytm	30.00%	28.75%, 30.00%, 32.00%, 34.00%, 34.00% & 35.00%	30.00%, 32.00%, 34.00% & 35.00%

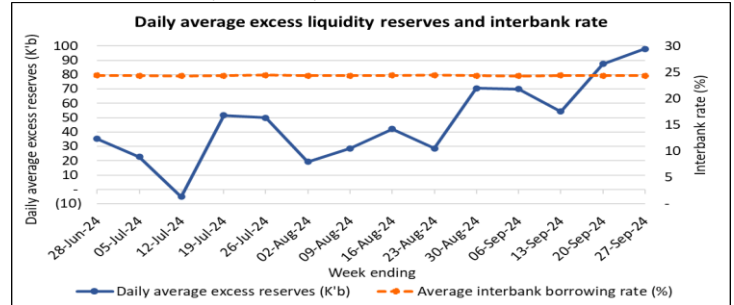
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	20-Sep-24	TBA
3-year TN	30.00%	24-Sep-24	TBA
5-year TN	32.00%	20-Sep-24	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	34.00%	16-Sep-24	TBA
7-Year Development Bond	34.00%	20-Sep-24	TBA
10-year TN	35.00%	20-Sep-24	TBA
10-year Development Bond	35.00%	20-Jun-24	TBA

Projected maturities			
Week ending	27-Sep-24	4-Oct-24	11-Oct-24
TBs, PNs & TNs (K'm)	13,143	28,034	5,272
OMO repos (K'm)	0	10,050	27,269
OMO reverse repos (K'm)	10,947	0	0

Data source: RBM

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves increased to K97.90b during the week from K87.39b in the previous week. Daily average interbank borrowing decreased to K47.30b from K57.00b. There was no borrowing on the Lombard facility during the week as was the case in the previous week. The average interbank borrowing rate was stable at 24.36%. 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	Sep-24	% pts Δ	Aug-24
	25.40%	→ 0.00	25.40%

Inflation Rate			
Rate	Aug-24	% pts Δ	Jul-24
	33.9%	↑ 0.20	33.7%

**Malawi Stock Exchange (MSE) trading activity**

The Malawi All Share Index (MASI) registered a loss of 0.50% to close the week at 142,711.26 points from 143,430.94 points in the previous. The market traded 27,615,925 shares at a consideration of K3.86b in 288 trades, compared to 44,119,147 shares traded at a consideration of K6.71b in 559 trades in the previous week. The year-to-date return on MASI stood at 28.63% as at the end of the week compared to 92.80% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	27-Sep-24	% Δ	20-Sep-24
MASI	142,711.26	↓ -0.50%	143,430.94
DSI	111,338.24	↓ -0.57%	111,978.62
FSI	19,983.22	→ 0.00%	19,983.22
Traded volume	27,615,925	↓ -37.41%	44,119,147
Number of trades	288	↓ -48.48%	559
Value of shares traded (K'm)	3,863.61	↓ -42.42%	6,709.45
Market capitalisation (K'm)	7,708,623.90	↓ -0.48%	7,745,863.95

Gainers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	44.97	↑ 0.13%	44.91
BHL	13.51	↑ 0.07%	13.50
STANDARD	5,335.06	↑ 0.001%	5,335.03
TNM	18.49	↑ 0.11%	18.47

Losers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	149.24	↓ -0.14%	149.45
ICON	14.90	↓ -0.07%	14.91
ILLOVO	1,302.08	↓ -3.91%	1,355.10
NBM	3,449.96	↓ -0.0003%	3,449.97
NBS	149.58	↓ -0.02%	149.61
NITL	411.08	↓ -0.005%	411.10
OMU	1,866.00	↓ -0.001%	1,866.01
PCL	2,499.83	↓ -0.001%	2,499.85

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
NBM	Interim declared	27.84	18-Sep-24	20-Sep-24	27-Sep-24
FMBCB	Interim declared	0.21 US Cents	2-Oct-24	4-Oct-24	9-Oct-24
NICO	Interim declared	3.00	25-Sep-24	27-Sep-24	11-Oct-24
NBS	Interim declared	1.60	2-Oct-24	4-Oct-24	23-Oct-24
NITL	Interim declared	2.50	16-Oct-24	18-Oct-24	25-Oct-24
PCL	Interim declared	11.25	9-Oct-24	11-Oct-24	25-Oct-24
ICON	Interim declared	0.14	9-Oct-24	11-Oct-24	25-Oct-24
SUNBIRD	Interim declared	2.50	16-Oct-24	18-Oct-24	31-Oct-24

**Disclaimer:** The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice, or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.