



Foreign exchange market developments

During the week the Kwacha appreciated against all the major trading currencies, as indicated by TT middle exchange rates below (Source: RBM).

| Closing TT middle exchange rates as at the end of the week | | | | |
|--|-----------|----------|--|-----------|
| Currency | 4-Oct-24 | % Δ | | 27-Sep-24 |
| USD | 1749.8202 | ↑ -0.03% | | 1750.4289 |
| GBP | 2371.3400 | ↑ -1.53% | | 2408.2171 |
| EUR | 1993.0359 | ↑ -0.97% | | 2012.4651 |
| ZAR | 102.9450 | ↑ -1.01% | | 103.9945 |

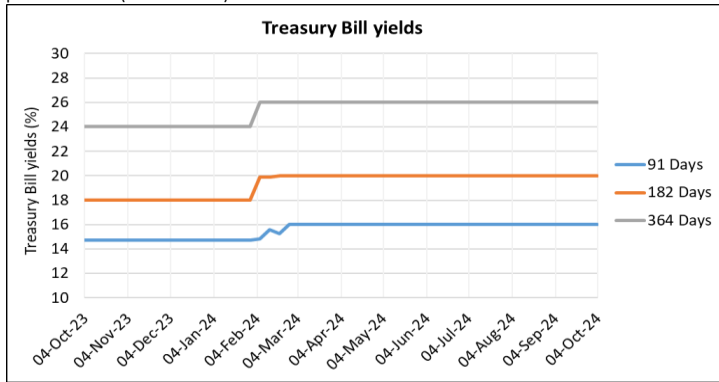
| Opening foreign exchange bureaux middle rates as at the end of the week | | | | |
|---|-----------|---------|--|-----------|
| Currency | 4-Oct-24 | % Δ | | 24-Sep-24 |
| USD | 1931.2733 | ↓ 0.12% | | 1929.0442 |
| GBP | 2529.7246 | ↓ 0.68% | | 2512.5954 |
| EUR | 2147.3085 | ↓ 0.30% | | 2140.8823 |
| ZAR | 108.0544 | ↓ 1.19% | | 106.7794 |

| Foreign exchange reserves position | | | |
|--|-----------|-----------|-----------|
| | 31-Aug-24 | 31-Jul-24 | 30-Jun-24 |
| Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months) | 549.85 | 572.02 | 591.51 |
| | 2.20 | 2.29 | 2.37 |

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K35.19b from auction of Treasury Bills and K176.58b from auction of Treasury Notes during the week. The RBM conducted OMO repos amounting to K12.00b during the week. Maturities of Government securities for the week amounted to K28.03b and maturities of OMO reverse repos amounted to K10.05b. These transactions resulted in a net withdrawal of K205.79b from the market, compared to a net withdrawal of K53.53b in the previous week (Source: RBM).



| Treasury Bill auctions | | | | |
|-----------------------------------|--------------|------------|--|-----------|
| Auction date | 1 & 4 Oct 24 | % pts Δ | | 24-Sep-24 |
| Amount offered - cost value (K'm) | | ↓ -100.00% | | 11,017.00 |
| Applied - cost value (K'm) | 35,192.31 | ↑ 132.87% | | 15,112.60 |
| Allotted - cost value (K'm) | 35,192.31 | ↑ 132.87% | | 15,112.60 |
| 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 | 4-Oct-24 | 24-Sep-24 | 16, 17 & 20 Sep 24 | |
| Tenor | 2, 3, 5 & 10-yr TNs | 3-yr TN | 2-yr TN, 3-yr TN, 5-yr TN, 7-yr TN, 7-yr DB & 10-yr TN | |
| Coupon rate | 10.00%, 11.00%, 12.50% & 15.00% | 11.00% | 10.00%, 11.00%, 12.50%, 13.50%, 14.50% & 15.00% | |
| Amount offered - cost value (K'b) | | 49.12 | K45.20b for the 5-yr TN | |
| Total applied - cost value (K'b) | 176.58 | 3.61 | 112.26 | |
| Total allotted - cost value (K'b) | 176.58 | 3.61 | 112.26 | |
| Allotted - weighted average ytm | 28.75%, 30.00%, 32.00% & 35.00% | 30.00% | 28.75%, 30.00%, 32.00%, 34.00%, 34.00% & 35.00% | |

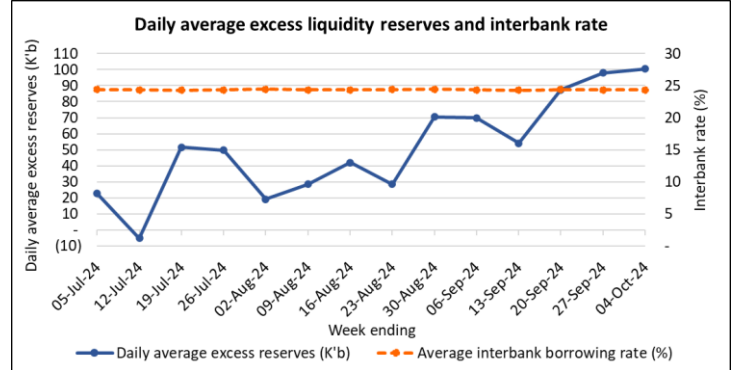
| Current yields for Treasury Notes and Bonds | | | | |
|---|----------------------|--------------|--------------|--|
| Tenor | Last auction's yield | Last auction | Next auction | |
| 2-year TN | 28.75% | 04-Oct-24 | TBA | |
| 3-year TN | 30.00% | 04-Oct-24 | TBA | |
| 5-year TN | 32.00% | 04-Oct-24 | 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% | 04-Oct-24 | TBA | |
| 10-year Development Bond | 35.00% | 20-Jun-24 | TBA | |

| Projected maturities | | | |
|-------------------------|----------|-----------|-----------|
| Week ending | 4-Oct-24 | 11-Oct-24 | 18-Oct-24 |
| TBs, PNs & TNs (K'm) | 28,034 | 5,272 | 19,268 |
| OMO repos (K'm) | 10,050 | 31,289 | 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 K100.39b during the week from K97.90b in the previous week. Daily average interbank borrowing decreased to K44.40b from K47.30b. Borrowing on the Lombard facility amounted to K23.00b during the week compared to no borrowing in the previous week. The average interbank borrowing rate increased to 24.44% from 24.36% in the previous week. 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 | Oct-24 | % pts Δ | Sep-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 gain of 0.71% to close the week at 143,705.95 points from 142,686.97 points in the previous. The market traded 36,502,182 shares at a consideration of K5.77b in 299 trades, compared to 27,615,925 shares traded at a consideration of K3.86b in 288 trades in the previous week. The year-to-date return on MASI stood at 29.52% as at the end of the week compared to 92.13% for the same period in 2023 (Source: MSE).

| Stock market trading activity | | | | |
|-------------------------------|--------------|-----------|--|--------------|
| | 04-Oct-24 | % Δ | | 27-Sep-24 |
| MASI | 143,705.95 | ↑ 0.71% | | 142,686.97 |
| DSI | 112,224.10 | ↑ 0.82% | | 111,316.63 |
| FSI | 19,982.23 | ↓ -0.005% | | 19,983.22 |
| Traded volume | 36,502,182 | ↑ 32.18% | | 27,615,925 |
| Number of trades | 299 | ↑ 3.82% | | 288 |
| Value of shares traded (K'm) | 5,770.93 | ↑ 49.37% | | 3,863.61 |
| Market capitalisation (K'm) | 7,761,921.48 | ↑ 0.69% | | 7,708,623.90 |

| Gainers | | | |
|----------|-------------------|----------|-------------------|
| Company | Closing price (K) | % Δ | Opening price (K) |
| AIRTEL | 50.02 | ↑ 11.23% | 44.97 |
| OMU | 1,866.01 | ↑ 0.001% | 1,866.00 |
| STANDARD | 5,335.09 | ↑ 0.001% | 5,335.06 |
| TNM | 18.50 | ↑ 0.05% | 18.49 |

| Losers | | | |
|---------|-------------------|-----------|-------------------|
| Company | Closing price (K) | % Δ | Opening price (K) |
| FDHB | 149.15 | ↓ -0.06% | 149.24 |
| FMBCB | 398.66 | ↓ -0.01% | 398.68 |
| ILLOVO | 1,300.00 | ↓ -0.16% | 1,302.08 |
| MPICO | 14.90 | ↓ -0.13% | 14.92 |
| NBM | 3,449.93 | ↓ -0.001% | 3,449.96 |
| NITL | 410.00 | ↓ -0.26% | 411.08 |

| Dividends announced | | | | | |
|---------------------|------------------|--------------------|------------------|----------------------|--------------|
| Company | Dividend type | Dividend (K/share) | Ex-dividend date | Last day to register | Payment date |
| 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 |

| Annual general meetings | | | |
|-------------------------|----------------|-----------|----------|
| Company | Venue | Date | Time |
| BHL | Ryalis Hotel | 10-Oct-24 | 14:30hrs |
| AIRTEL | Virtual & BICC | 22-Oct-24 | 10:00hrs |

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