



### Foreign exchange market developments

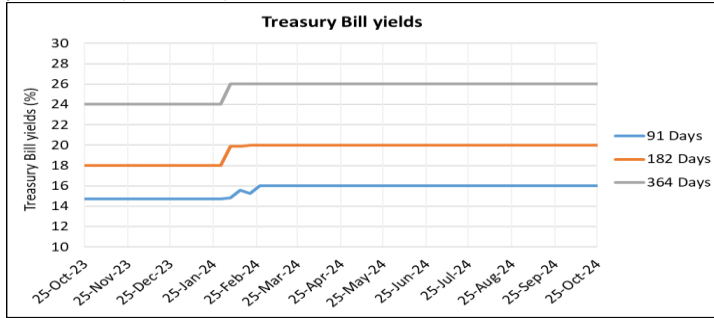
During the week the Kwacha marginally depreciated against USD but appreciated against GBP, EUR and ZAR as indicated by TT middle exchange rates below (Source: RBM).

Closing TT middle exchange rates as at the end of the week				
Currency	25-Oct-24		% Δ	17-Oct-24
USD	1750.1836	↓	0.01%	1749.9805
GBP	2337.3866	↑	-0.04%	2338.4329
EUR	1945.3531	↑	-0.51%	1955.3514
ZAR	101.8726	↑	-0.07%	101.9488
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	16-Oct-24		% Δ	11-Oct-24
USD	1931.6900	↑	-0.0001%	1931.6913
GBP	2527.7356	↑	-0.05%	2528.9204
EUR	2141.5365	↑	-0.17%	2145.1925
ZAR	108.3275	↓	0.23%	108.0769
Foreign exchange reserves position				
	31-Aug-24		31-Jul-24	30-Jun-24
Total foreign exchange reserves (Aggregate of RBM, Banks & FCDAs) (USD'm)	549.85		572.02	591.51
Total import cover (months)	2.20		2.29	2.37

Data source: Reserve Bank of Malawi (RBM)

### Government securities

The Government raised K35.78b from auction of Treasury Bills and K33.90b from auction of Treasury notes during the week. Maturities of Government securities for the week amounted to K41.63b and maturities of OMO repos amounted to K2.03b. These transactions resulted in a net withdrawal of K26.02b from the market, compared to a net withdrawal of K46.06b in the previous week (Source: RBM).



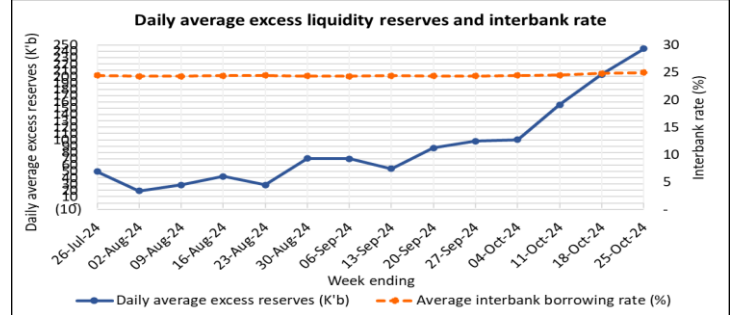
Treasury Bill auctions				
Auction date	22 & 25 Oct 24		% pts Δ	16 & 18 Oct 24
Amount offered - cost value (K'm)	13,160.00	↓	0.00%	13,160.00
Applied - cost value (K'm)	35,783.65	↑	92.83%	18,557.38
Allotted - cost value (K'm)	35,783.65	↑	92.83%	18,557.38
Overall rejection rate	0.00%	↓	0.00%	0.00%
91 days 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	22 & 25 Oct 24		16 & 18 Oct 24	8 & 10 Oct 24
Tenor	2, 3, 5, 7 & 10 yr TNs		2-yr TN, 3-yr TN, 3-yr IDB, 5-yr TN, 7-yr TN, & 10 yr TN	3-yr IDB
Coupon rate	10.00%, 11.00%, 12.50%, 13.50% & 15.00%		10.00%, 11.00%, 12.00%, 12.50%, 13.50% & 15.00%	12.00%
Amount offered - cost value (K'b)			K42,047b for the 2-yr TN	20.00
Total applied - cost value (K'b)	33.90		47.22	4.76
Total allotted - cost value (K'b)	33.90		46.77	4.76
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%		28.75%, 30.00%, 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%	25-Oct-24	10-Dec-24	
3-year TN	30.00%	25-Oct-24	05-Nov-24	
3-year Development Bond	30.00%	18-Oct-24	TBA	
5-year TN	32.00%	25-Oct-24	19-Nov-24	
5-year Development Bond	28.00%	28-Nov-23	31-Dec-24	
7-year TN	34.00%	25-Oct-24	29-Oct-24	
7-year Development Bond	34.00%	20-Sep-24	TBA	
10-year TN	35.00%	25-Oct-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	
25-Oct-24	7-yr TN	28.21	13.50%	
05-Nov-24	3-yr TN	37.54	11.00%	
19-Nov-24	5-yr TN	30.08	12.50%	
26-Nov-24	2-yr IDB	20.00		
03-Dec-24	7-yr TN	27.61	13.50%	
10-Dec-24	2-yr TN	42.05	10.00%	
17-Dec-24	3-yr TN	37.54	11.00%	
31-Dec-24	5-yr IDB	10.00	13.50%	
Projected maturities				
Week ending	25-Oct-24	1-Nov-24	8-Nov-24	
TBs, PNs & TNs (K'm)	41,627	7,578	38,798	
OMO repos (K'm)	2,030	0	0	
OMO reverse repos (K'm)	0	0	21,635	

Data source: RBM

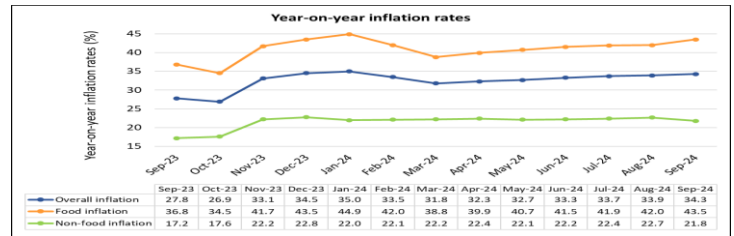
### Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K244.35b during the week from K203.16b in the previous week. Daily average interbank borrowing increased to K24.00b during the week from K22.00b in the previous week. There was no borrowing on the Lombard facility during the week as was the case in the previous week. The average interbank borrowing rate increased to 25.00% during the week from 24.80% in the previous week. The Lombard rate remained fixed at 26.20% (Source: RBM).



### Inflation

The year-on-year headline inflation rate increased to 34.3% in September 2024 from 33.9% in August 2024 due to an increase in food inflation rate to 43.5% in September 2024 from 42.0% in August 2024 while non-food inflation rate decreased to 21.8% in September 2024 from 22.7% in August 2024 (Source: NSO).



Policy Rate			
Rate	25-Jul-24	% pts Δ	03-May-24
Rate	26.00%	⇒	26.00%
Market Reference Rate			
Rate	Oct-24	% pts Δ	Sep-24
Rate	25.40%	⇒	25.40%
Inflation Rate			
Rate	Sep-24	% pts Δ	Aug-24
Rate	34.3%	↑	33.9%

### Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.41% to close the week at 145,230.00 points from 144,641.80 points in the previous. The market traded 25,452,515 shares at a consideration of K1.64b in 315 trades, compared to 8,536,698 shares traded at a consideration of K1.75b in 258 trades in the previous week. The year-to-date return on MASI stood at 30.90% as at the end of the week compared to 84.87% for the same period in 2023 (Source: MSE).

Stock market trading activity				
	25-Oct-24	% Δ	18-Oct-24	
MASI	145,230.00	↑ 0.41%	144,641.80	
DSI	113,580.55	↑ 0.46%	113,057.21	
FSI	19,981.79	↑ 0.0003%	19,981.73	
Traded volume	25,452,515	↑ 198.15%	8,536,698	
Number of trades	315	↑ 22.09%	258	
Value of shares traded (K'm)	1,642.14	↓ -6.16%	1,749.98	
Market capitalisation (K'm)	7,843,589.28	↑ 0.40%	7,812,067.15	
Gainers				
AIRTEL	51.03	↑ 1.84%	50.11	
BHL	14.21	↑ 0.07%	14.20	
ICHL	15.84	↑ 6.45%	14.88	
ILLOVO	1355.10	↑ 4.24%	1299.98	
NBS	149.61	↑ 0.02%	149.58	
NICO	198.78	↑ 0.01%	198.76	
OMU	1866.50	↑ 0.03%	1866.01	
SUNBIRD	240.03	↑ 0.01%	240.01	
Losers				
FDHB	149.19	↓ -0.03%	149.24	
MPICO	14.88	↓ -0.07%	14.89	

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