



Malawi Financial Market Update

Week ending 27 September 2024

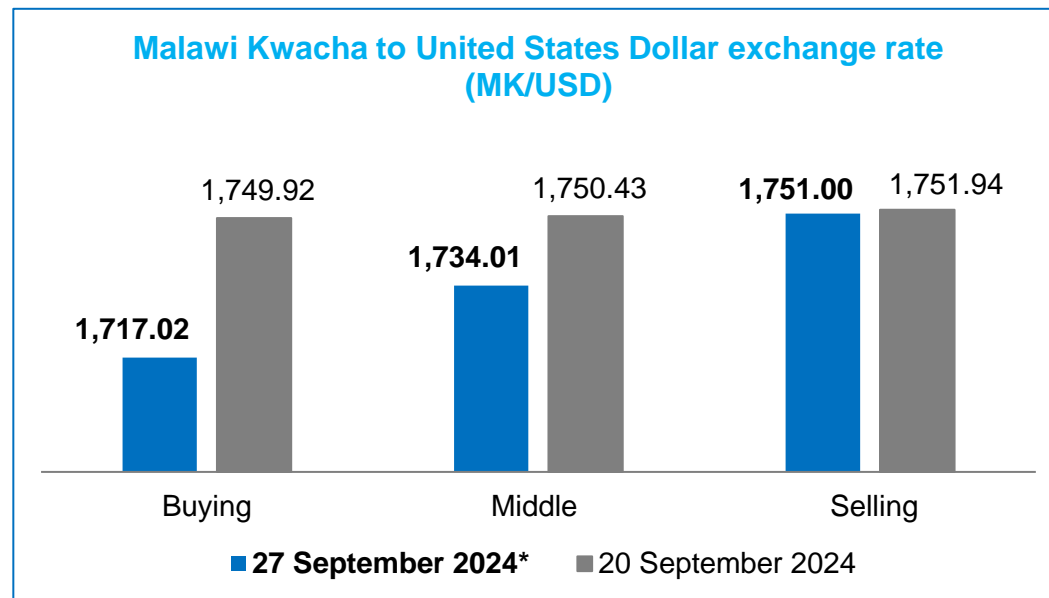


The Reserve Bank of Malawi has launched the National Financial Literacy and Capability Strategy for the period from 2024 to 2030.

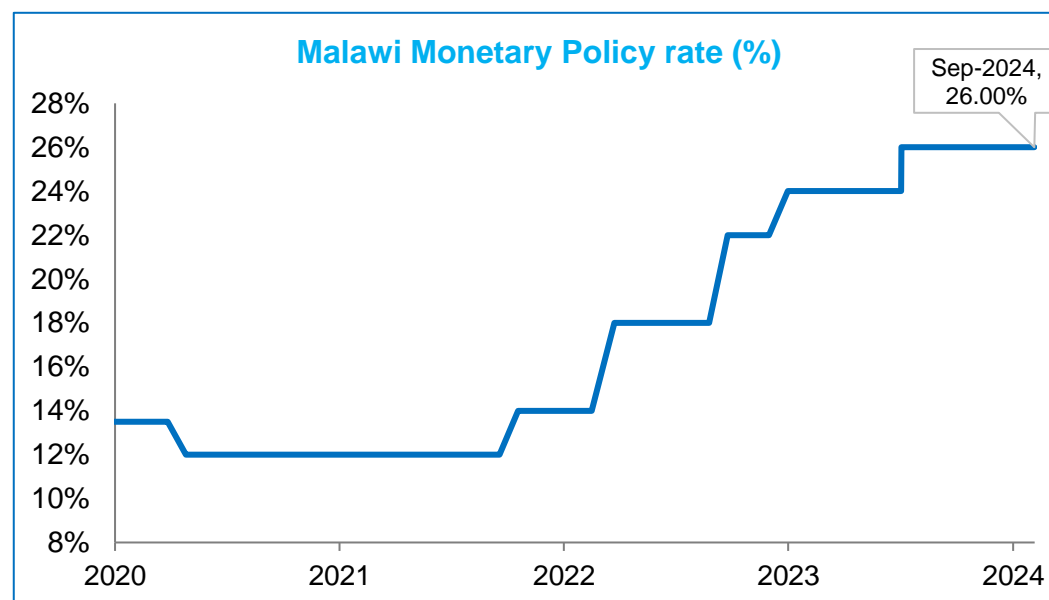
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Exchange rate and other market developments

Exchange rate (Source: RBM)



Monetary Policy Rate (Source: Monetary Policy Committee)



What Happened This Week

1. The Reserve Bank of Malawi (RBM) has launched the National Financial Literacy and Capability Strategy for the period from 2024 to 2030. The strategy outlines a framework for stakeholders to collaborate, innovate and implement financial literacy programs that reach all regions of the country. The RBM acknowledges that inclusive finance is a vital tool for economic empowerment (*The Daily Times, 24 September 2024*).
2. The African Development Bank (AFDB) has granted Malawi USD23 million in budgetary support aimed at the agriculture sector. This funding is said to offer essential relief and facilitate the implementation of the national program to reform agricultural practices. Additionally, it will focus on enhancing resilience to climate change, particularly in regions affected by biannual floods and droughts (*Daily Times, 23 September 2024*).
3. Pension Fund Investment income has decreased in the half year ending 30 June 2024 to MK246 billion from MK589 billion in June 2023. This is due to a decline in the performance of the Malawi Stock Exchange where most of the pension funds are invested (*The Nation, 27 September 2024*).
4. National Bank of Malawi Plc and African Export-Import Bank (Afreximbank) have entered into a significant agreement for a USD100 million Trade Finance Facility. This partnership aims to enhance trade financing in Malawi during a period of severe foreign exchange constraints. Additionally, the facility will enable NBM Plc to issue letters of credit confirmed by Afreximbank, potentially alleviating challenges related to the limited availability of confirming bank lines (*The Nation, 26 September 2024*).
5. The Malawi Stock Exchange (MSE) is making progress towards launching a mobile trading platform by the end of this year. This platform will enable investors to open accounts with stockbrokers and trade shares and bonds online, thereby expanding access to the stock market (*The Daily Times, 27 September 2024*).
6. According to Malawi Confederation of Chambers of Commerce and Industry (MCCCI), Malawi's tea production has increased to 1,598,787 kilogrammes (kgs) in August 2024 from 882,941 kgs produced in August 2023. This growth is possibly due to favorable climatic conditions or improved agricultural practices (*Economic Business and Review, August 2024*).
7. Commercial banks have recorded a half-year profit after tax of MK198.2 billion from MK160.4 billion in 2023. This was driven by interest income from securities and loans (*The Nation, 23 September 2024*).

*: Reserve Bank of Malawi opening exchange rates as of 27 September 2024

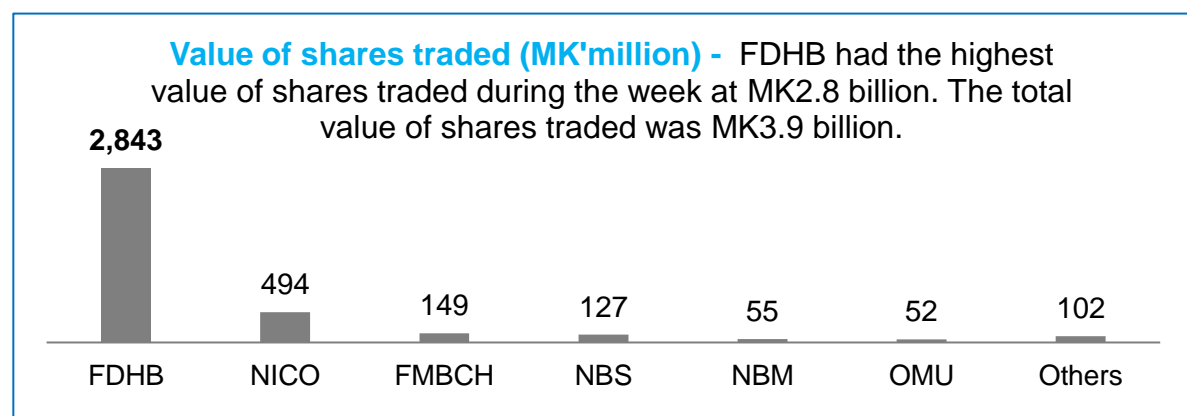
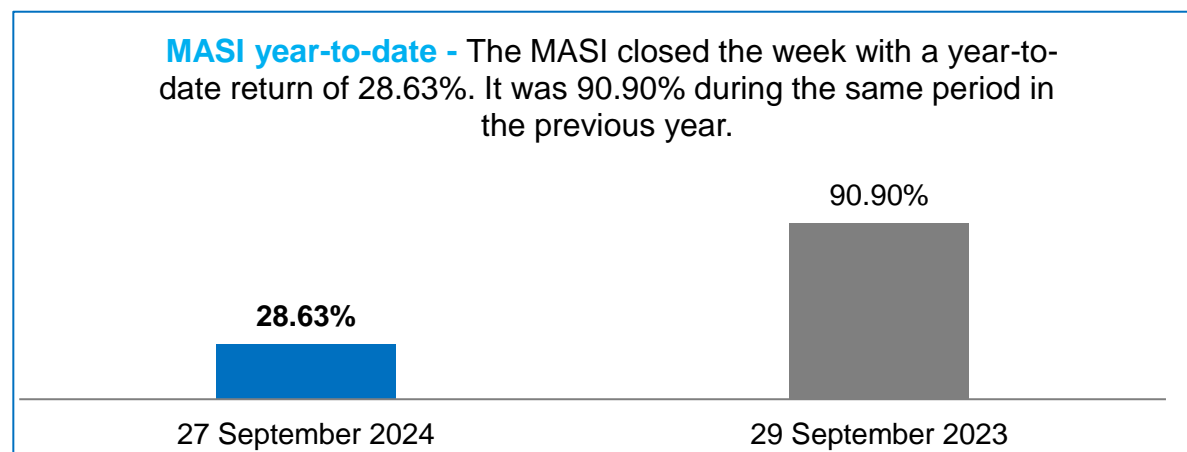
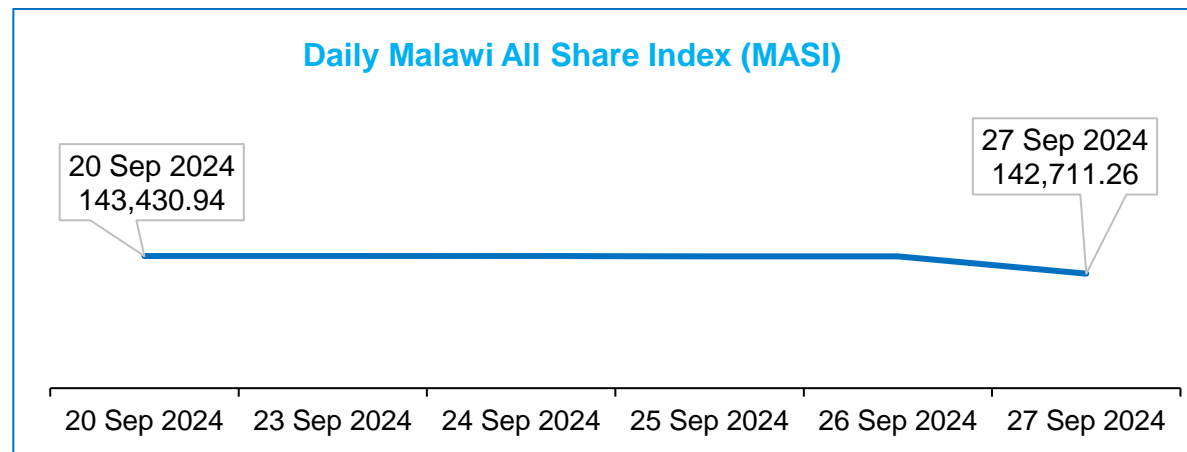


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Stock market (Source: MSE)

The stock market was bearish with the Malawi All Share Index (MASI) closing the week ending 27 September 2024 at 142,711.26 points from 143,430.94 points for the week ending 20 September 2024.

ICON Properties Plc has recorded an increase in profit after tax for the half year ended 30 June 2024 to MK9.7 billion from MK6.4 billion in June 2023.



Week-on-week share price percentage change

AIRTEL	0.13%
TNM	0.11%
BHL	0.074%
STANDARD	0.001%
FMBCH	0.00%
MPICO	0.00%
NICO	0.00%
SUNBIRD	0.00%
NBM	-0.0003%
OMU	-0.001%
PCL	-0.001%
NITL	-0.005%
NBS	-0.02%
ICON	-0.07%
FDHB	-0.14%
ILLOVO	-3.91%

Symbol	Closing prices as of 27-Sep 2024 (MK/share)	Closing prices as of 20-Sep 2024 (MK/share)
AIRTEL	44.97	44.91
BHL	13.51	13.50
FDHB	149.24	149.45
FMBCH	398.68	398.68
ICON	14.90	14.91
ILLOVO	1,302.08	1,355.10
MPICO	14.92	14.92
NBM	3,449.96	3,449.97
NBS	149.58	149.61
NICO	198.70	198.70
NITL	411.08	411.10
OMU	1,866.00	1,866.01
PCL	2,499.83	2,499.85
STANDARD	5,335.06	5,335.03
SUNBIRD	225.05	225.05
TNM	18.49	18.47



Government securities (Source: RBM)

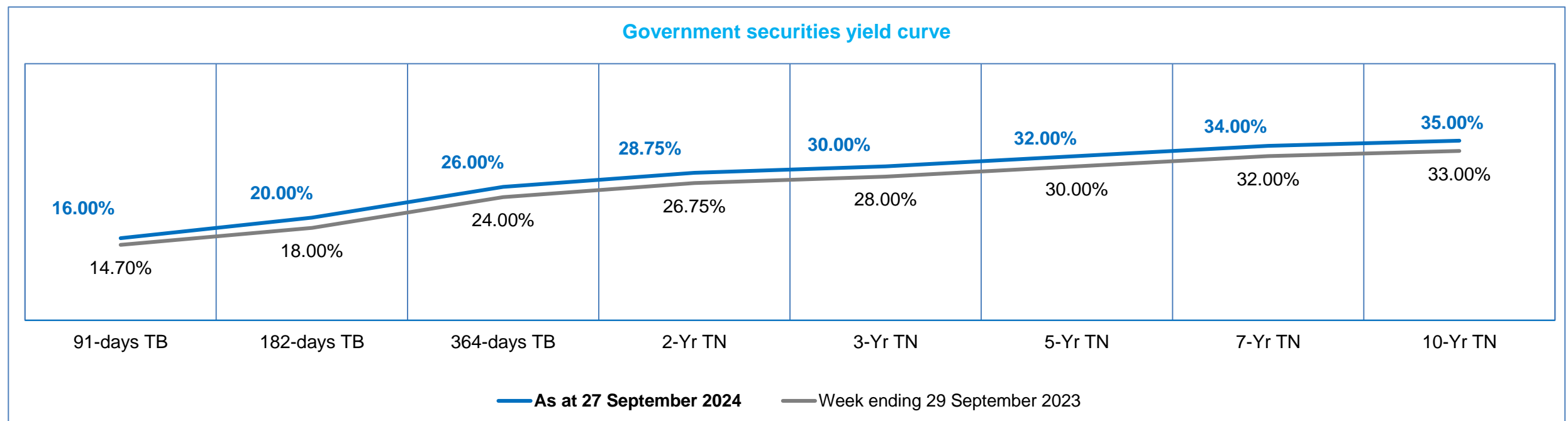
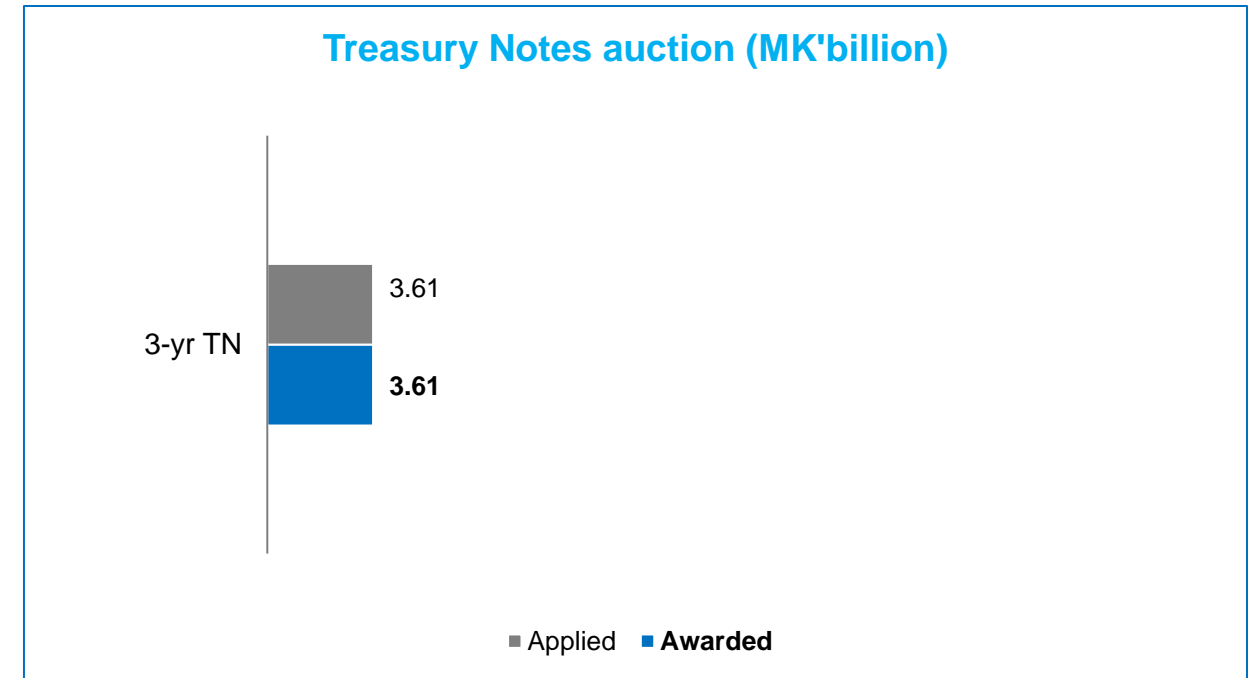
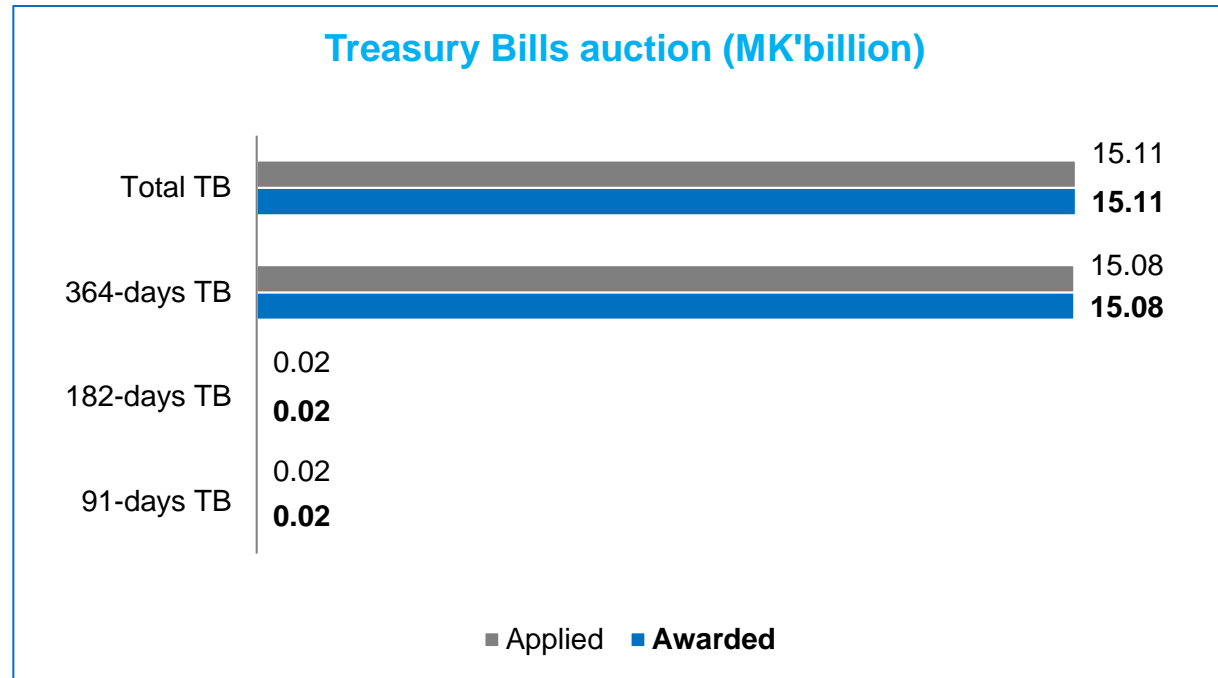
The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs), a 3-year Treasury Note (TN) and 14-day OMO Repo during the period under review.

The total amount raised from TBs was MK15.11 billion, primarily driven by the 364-day tenor.

The total amount raised from the TN was MK3.61 billion.

The average TB and TN yields were maintained at 20.67% and 31.95% during the period under review.

The total amount raised from the OMO Repo was MK37 billion.





Appendix 1: Historical Economic Indicators

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	27-Sept-2024
Exchange rates (middle rates)														
MK/USD	1,094.74	1,126.50	1,179.83	1,699.31	1,697.98	1,697.80	1,698.50	1,750.38	1,745.70	1,750.76	1,749.51	1,749.95	1,750.31	1,734.01*
MK/GBP	1,429.20	1,412.17	1,473.63	2,219.25	2,212.41	2,221.35	2,217.83	2,268.77	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,389.18*
MK/EUR	1,226.61	1,225.22	1,285.81	1,907.62	1,918.18	1,888.43	1,887.38	1,949.34	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	1,993.93*
MK/ZAR	60.02	60.67	63.95	92.72	93.54	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	103.70*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	239.56	242.68	169.3	165.20	242.58	174.80	143.60	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Sector Reserves (USD'mn)	419.35	409.46	396.9	413.20	433.01	401.90	396.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total reserves (USD'mn)	658.91	652.14	566.2	578.40	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	N/A	N/A
Gross Official Reserves Import cover (months)	0.96	0.97	2.3	0.7	1.0	0.70	0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inflation														
Headline	28.6%	27.8%	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	N/A
Food	39.4%	36.8%	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	N/A
Non-food	16.1%	17.2%	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	N/A
Interest Rates														
Monetary Policy Rate	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Average Interbank Rate	22.76%	22.79%	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%
Lombard Rate	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%
Commercial Bank Reference Rate	22.70%	23.40%	23.50%	23.50%	23.60%	23.60%	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%
Government Securities Yields														
91-days Treasury Bill	14.70%	14.70%	14.70%	14.70%	14.70%	14.70%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
182-days Treasury Bill	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
2-year Treasury Note	26.75%	26.75%	26.75%	26.75%	26.75%	26.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%
3-year Treasury Note	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
5-year Treasury Note	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%
7-year Treasury Note	30.46%	32.00%	32.00%	32.00%	32.00%	32.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
10-year Treasury Note	32.83%	33.00%	33.00%	33.00%	33.00%	33.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Stock Market Indices														
MASI	119,077.99	118,426.19	113,969.91	112,790.18	110,951.21	115,670.54	113,039.66	114,236.98	114,228.31	115,418.29	121,101.77	128,996.65	141,275.06	142,711.26
DSI	90,336.93	89,173.86	89,656.70	88,577.93	86,359.68	86,383.46	84,454.87	86,761.71	86,753.99	87,814.00	92,949.19	99,107.18	110,067.28	111,338.24
FSI	19,947.76	20,692.42	15,011.81	15,048.88	15,792.06	21,124.59	20,597.92	19,012.48	19,012.49	19,011.00	18,911.41	20,018.57	19,974.30	19,983.22

*: Reserve Bank of Malawi opening exchange rates (middle) as of 27 September 2024

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