



# Malawi Financial Market Update

Week ending 18 October 2024

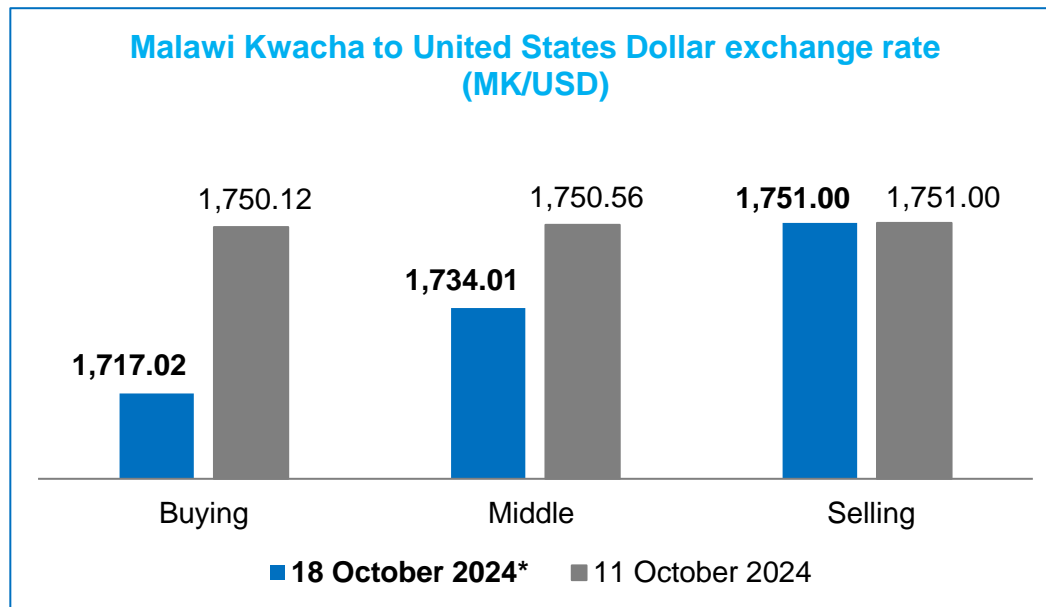


Malawi's year-on-year headline inflation rate for September 2024 stands at 34.3%, up from 33.9% recorded in August 2024.

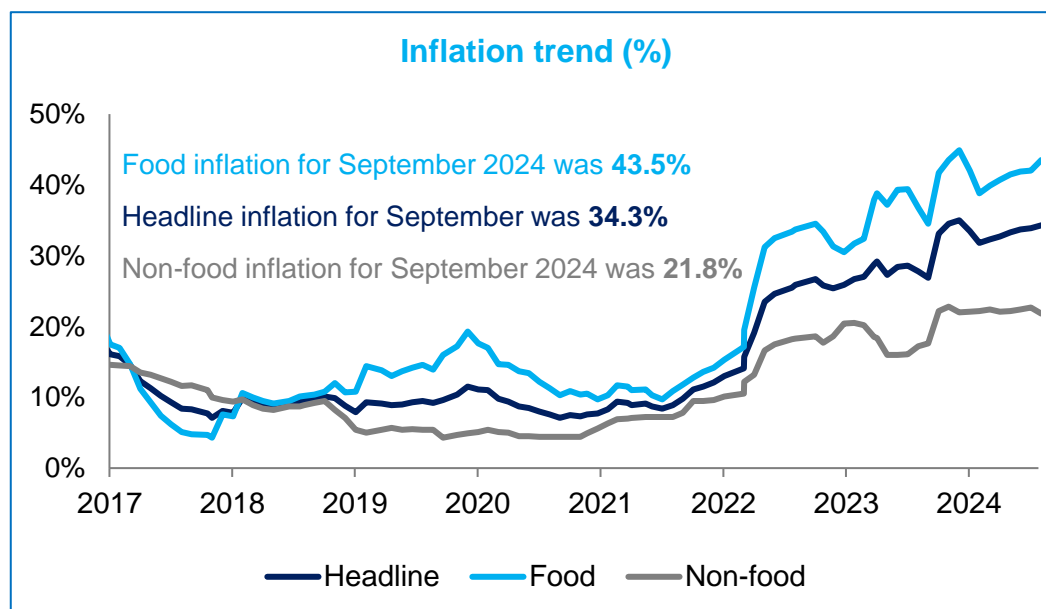
## Malawi Financial Market Update: Week ending 18 October 2024

### Exchange rate and other market developments

#### Exchange rate (Source: RBM)



#### Malawi Inflation rate (Source: National Statistical Office)



#### What Happened This Week

1. Malawi's year-on-year headline inflation rate for September 2024 stands at 34.3%, up from 33.9% recorded in August 2024 (*National Statistical Office, 16 October 2024*).
2. The African Development Bank (AfDB) has signed three protocol grant agreements with the Government of Malawi, totaling USD46.27 million. This funding includes USD22.97 million for budget support aimed at implementing various reforms in the agriculture sector, along with USD22.3 million designated for mitigating fragility through the Africa Disaster Risk Financing Programme. Additionally, the package provides USD1 million in emergency humanitarian assistance to support ongoing government efforts to address the impacts of El Niño in the country (*The Daily Times, 17 October 2024*).
3. The Government of Malawi has signed an agreement with the European Union (EU), allowing the EU to provide EUR55 million in budget support. The EU Ambassador has urged the Government of Malawi to commit to public finance management reforms to secure this direct budget support (*The Nation, 17 October 2024*).
4. Lotus Resources Limited has announced an accelerated restart plan for its Kayelekera Project following the completion of its Front-End Engineering and Design (FEED) program. The company stated that the timeline for the first uranium production has been reduced to 8-10 months, down from the previous estimate of 15 months (*The Nation, 17 October 2024*).
5. Blantyre Hotels Plc shareholders have approved a rights offer of 5.04 billion new ordinary shares, targeting existing shareholders and new investors. This initiative aims to raise approximately MK62.4 billion, which will be invested in the company's hotel project in Lilongwe. The capital raising is expected to be completed before the end of this year (*The Nation, 15 October 2024*).
6. The Ministry of Agriculture has announced a two-year project, with a budget of MK28 billion, aimed at encouraging 36,000 beneficiaries to adopt organic fertilizers in the country. This initiative follows the enactment of the Fertilizer Act, which is now in effect. In addition to organic fertilizers, the ministry will introduce new types of fertilizers, including Nano Urea, Nano NPK, Nano DAP, organo-mineral fertilizers, and inoculants (*The Daily Times, 15 October 2024*).

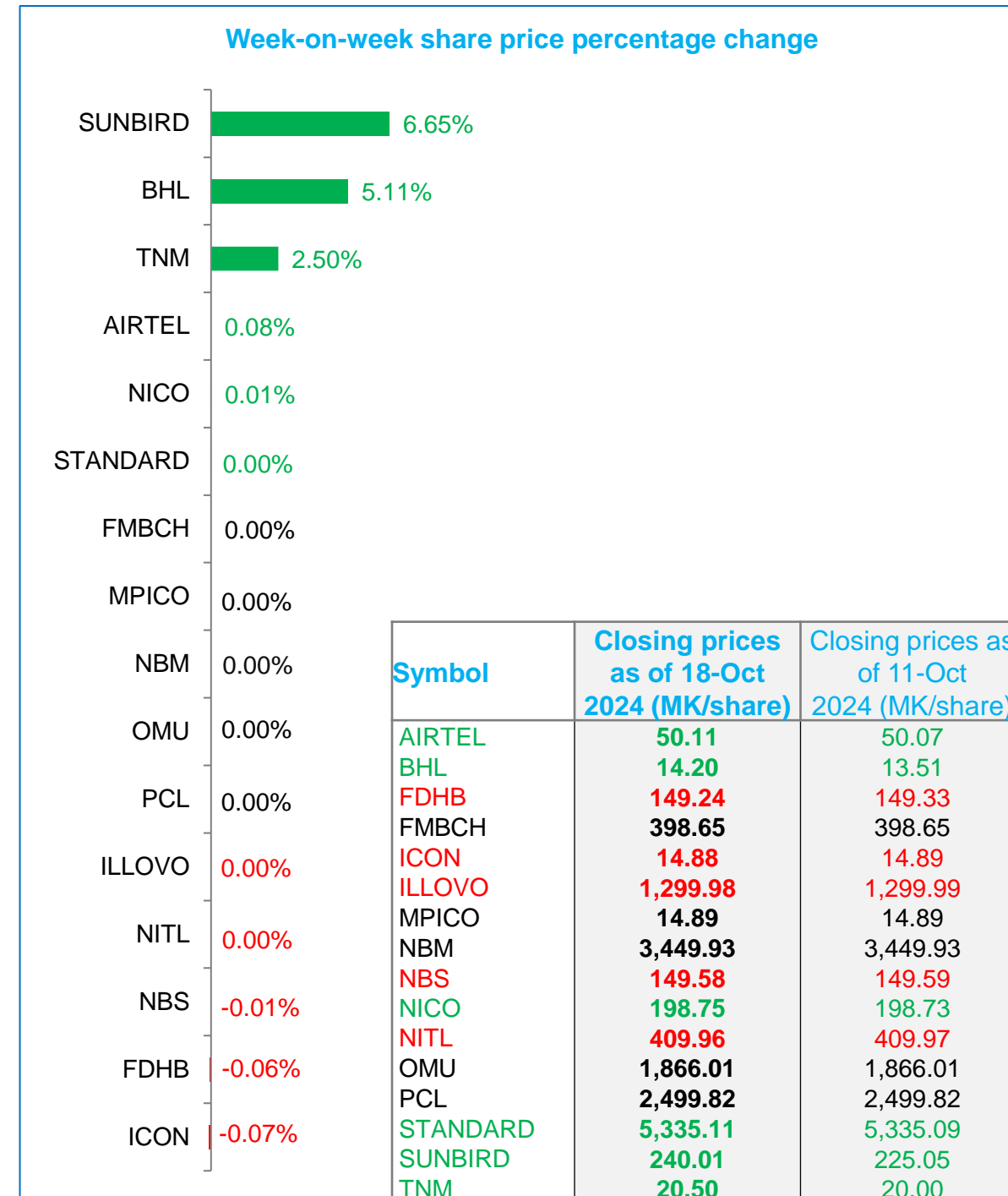
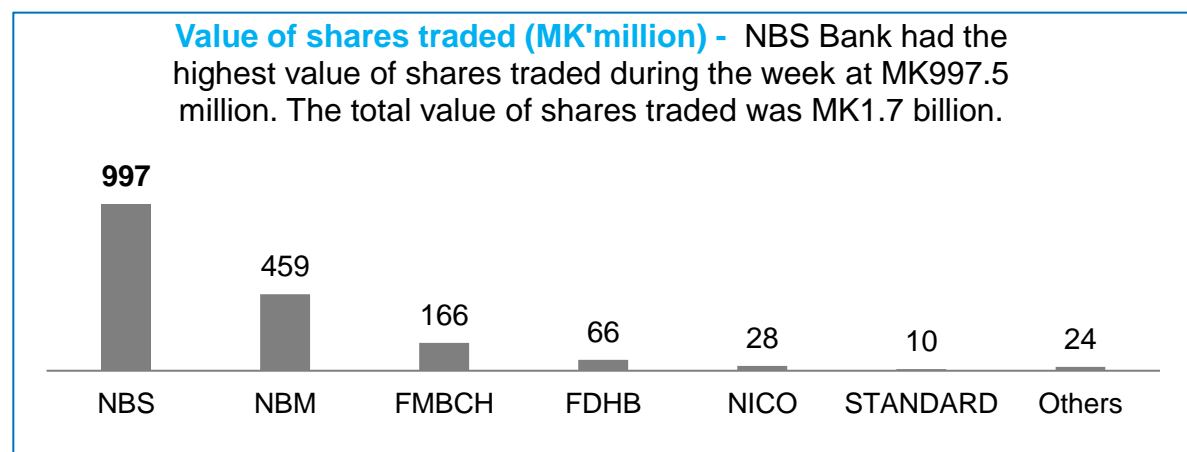
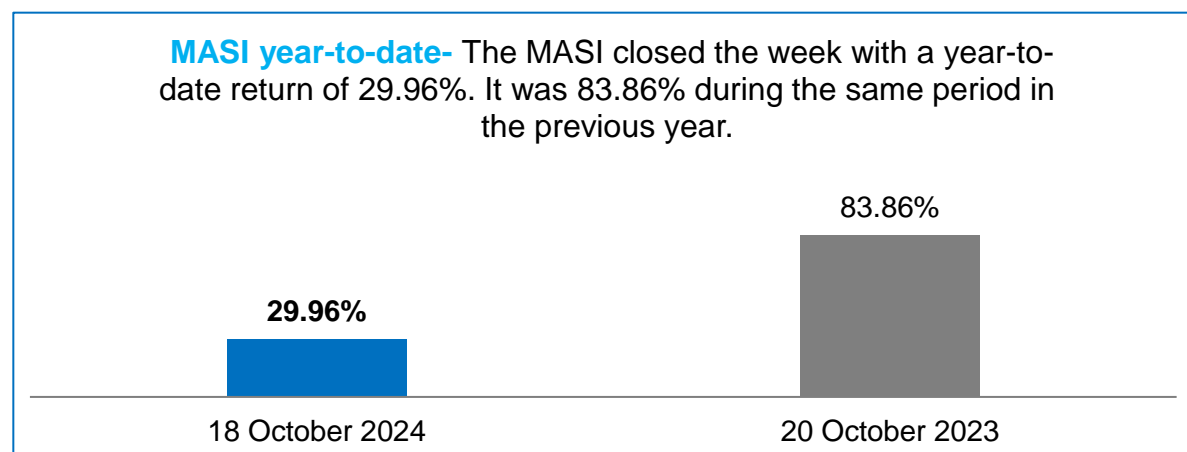
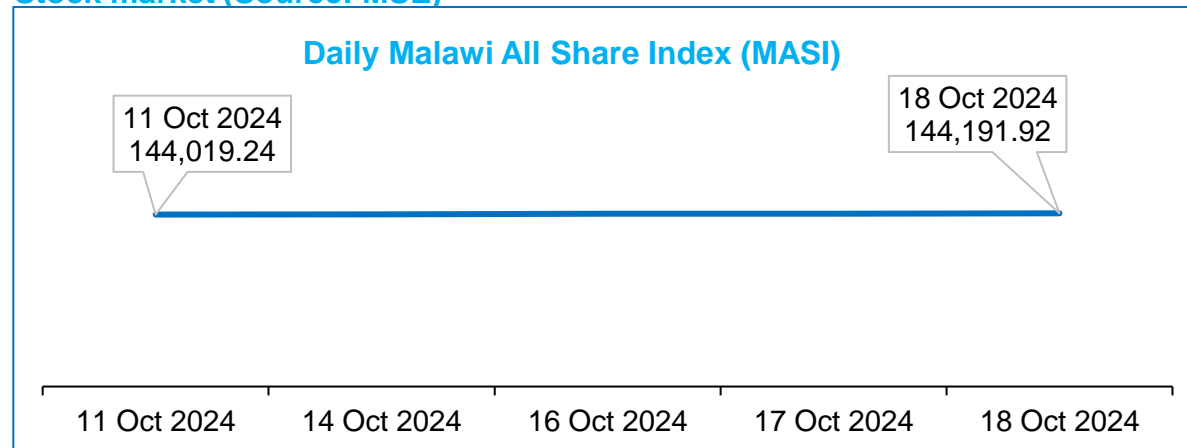
\*: Reserve Bank of Malawi opening exchange rates as of 18 October 2024



# Malawi Financial Market Update: Week ending 18 October 2024

The stock market was slightly bullish with the Malawi All Share Index (MASI) closing the week ending 18 October 2024 at 144,191.92 points from 144,019.24 points for the week ending 11 October 2024. This was primarily driven by SUNBIRD and BHL.

## Stock market (Source: MSE)





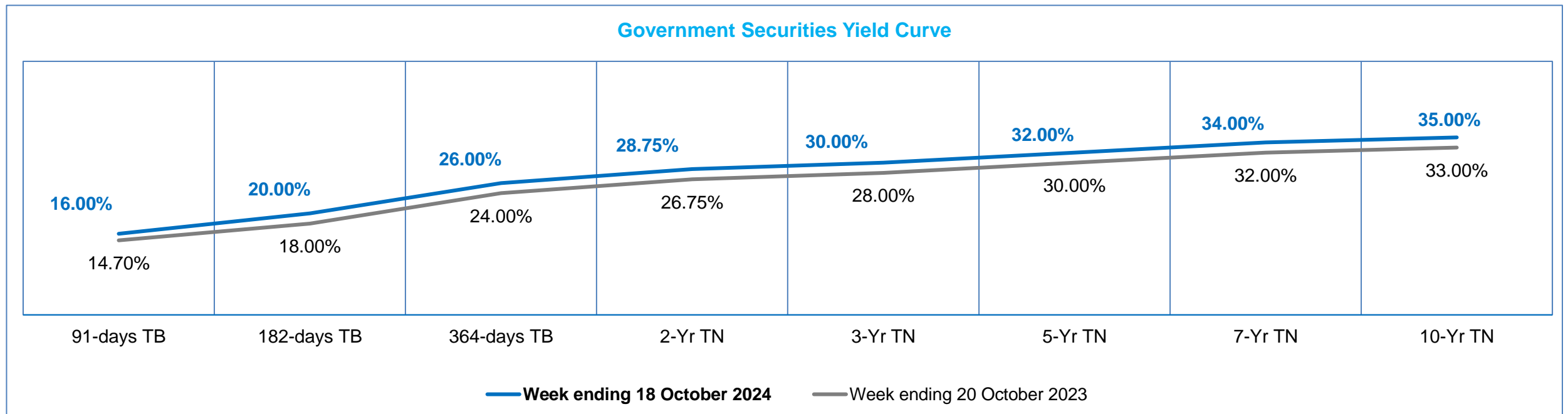
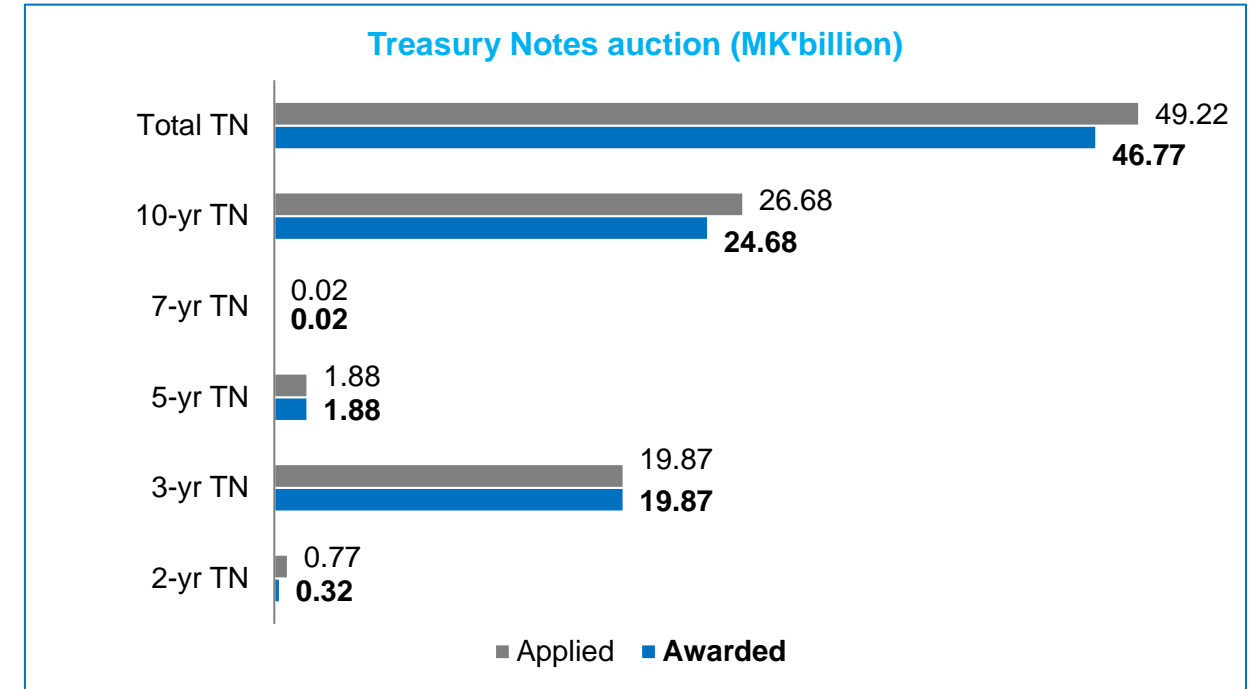
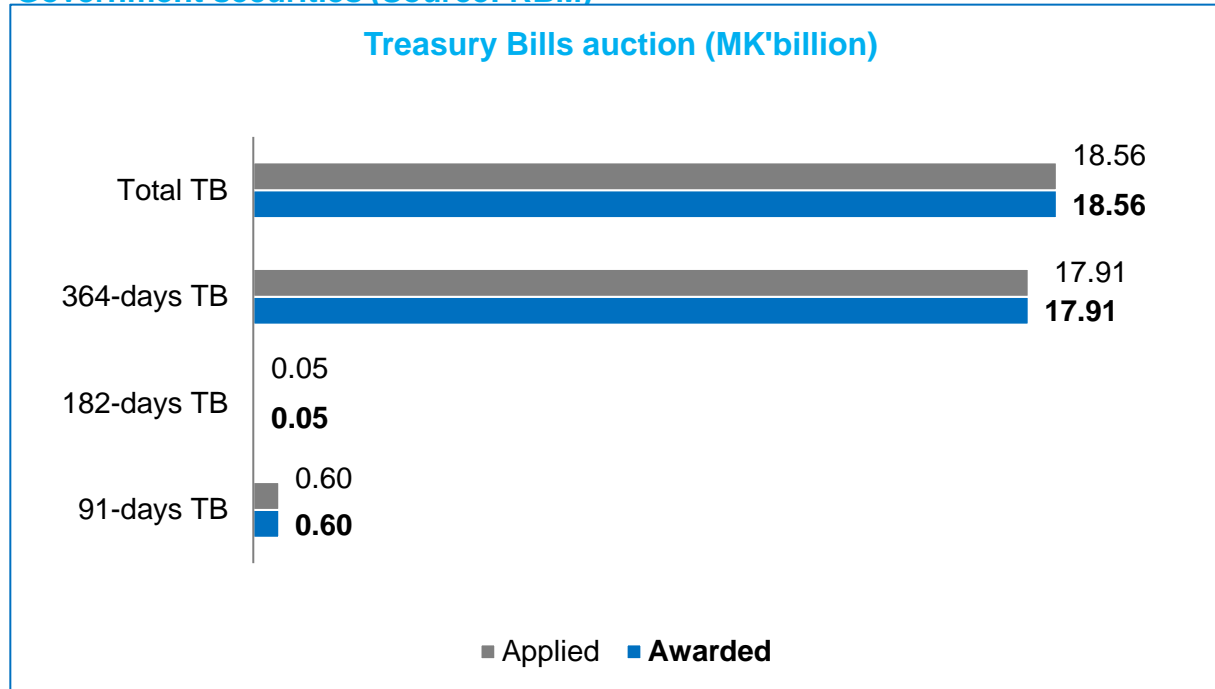
## Government securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and all tenors of Treasury Notes (TNs) during the period under review.

The total amount raised from the TBs was MK18.56 billion, primarily driven by the 364-day tenor.

The total amount raised from the TNs was MK49.22 billion, primarily driven by 3-year and 10-year tenor.

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



TB: Treasury Bill  
TN: Treasury Note



## Appendix 1: Historical Economic Indicators

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	18-Oct-24
<b>Exchange rates (middle rates)</b>														
MK/USD	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	1,750.37	<b>1,734.01*</b>
MK/GBP	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	2,411.29	<b>2,331.67*</b>
MK/EUR	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	2,003.14	<b>1,936.06*</b>
MK/ZAR	60.67	63.95	92.72	93.54	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	<b>101.42*</b>
<b>Foreign Exchange Reserves</b>														
Gross Official Reserves (USD'mn)	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	<b>N/A</b>
Private Sector Reserves (USD'mn)	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	<b>N/A</b>
Total reserves (USD'mn)	652.14	566.2	578.40	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	549.85	N/A	<b>N/A</b>
Gross Official Reserves Import cover (months)	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	<b>N/A</b>
<b>Inflation</b>														
Headline	27.8%	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	<b>N/A</b>
Food	36.8%	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	<b>N/A</b>
Non-food	17.2%	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	<b>N/A</b>
<b>Interest Rates</b>														
Monetary Policy Rate	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%	<b>26.00%</b>
Average Interbank Rate	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%	<b>24.20%</b>
Lombard Rate	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%	<b>26.20%</b>
Commercial Bank Reference Rate	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%	<b>25.40%</b>
<b>Government Securities Yields</b>														
91-days Treasury Bill	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%	<b>16.00%</b>
182-days Treasury Bill	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%	<b>20.00%</b>
364-days Treasury Bill	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%	<b>26.00%</b>
2-year Treasury Note	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%	<b>28.75%</b>
3-year Treasury Note	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%	<b>30.00%</b>
5-year Treasury Note	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%	<b>32.00%</b>
7-year Treasury Note	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%	<b>34.00%</b>
10-year Treasury Note	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%	<b>35.00%</b>
<b>Year-to-date Return</b>														
MASI	90.90%	83.72%	81.81%	78.85%	4.25%	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	<b>29.96%</b>
DSI	75.53%	76.48%	74.35%	69.99%	0.03%	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	<b>30.45%</b>
FSI	268.57%	167.39%	168.05%	181.28%	33.77%	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	<b>26.53%</b>

\*: Reserve Bank of Malawi opening exchange rates (middle) as of 18 October 2024

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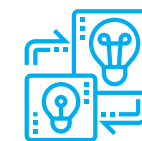
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