



# Malawi Financial Market Update

Week ending 22 November 2024

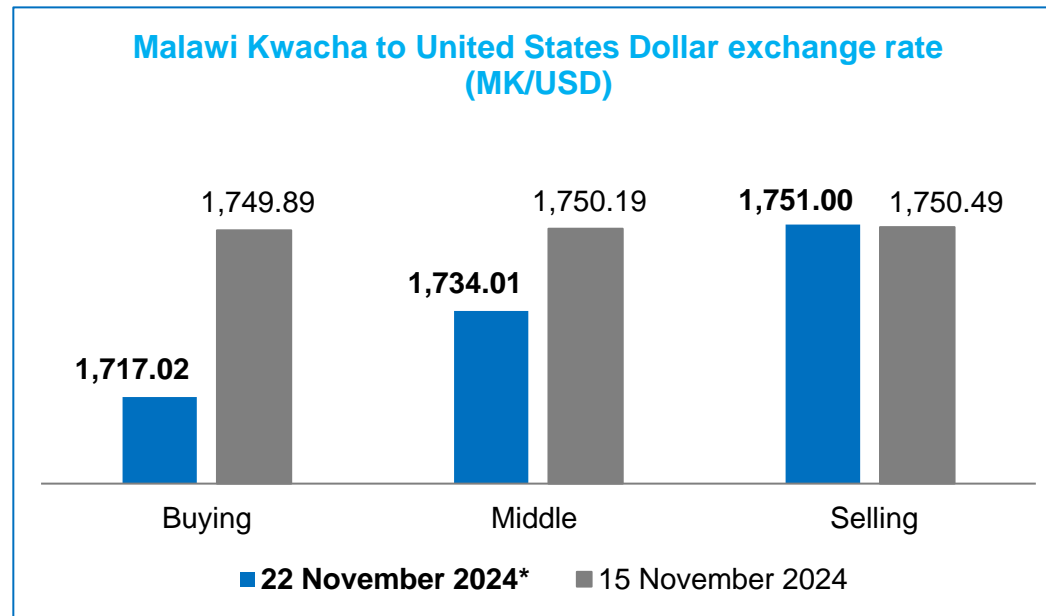


The National Statistical Office (NSO) reported that the headline inflation decreased to 32.4% in October from 34.3% in September.

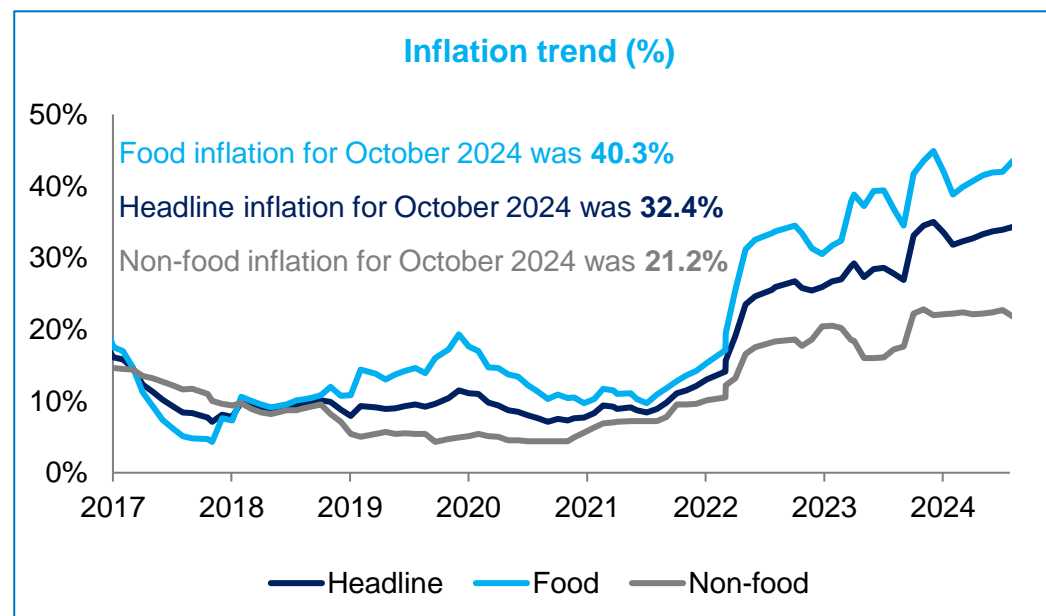
# Malawi Financial Market Update: Week ending 22 November 2024

## Exchange rate and other market developments

### Exchange rate (Source: RBM)



### Malawi Inflation (Source: NSO)



### What Happened This Week

1. The National Statistical Office (NSO) reported that the headline inflation decreased to 32.4% in October from 34.3% in September. Food inflation decreased to 40.3% from 43.5% and non-food inflation to 21.2% from 21.8% over the same period (*NSO Consumer Price Indices, October 2024*).
2. The Reserve Bank of Malawi (RBM) has instructed government ministries, departments, and agencies to transfer their Foreign Currency Denominated Accounts from commercial banks to the central bank. RBM stated that the move is likely aimed at shifting forex management to the central bank (*The Nation, 21 November 2024*).
3. The International Monetary Fund (IMF) has highlighted that Malawi and other Sub-Saharan African nations continue to face persistent economic vulnerabilities. While some countries have adjusted policies to address imbalances, about half, including Malawi, still struggle with significant challenges. The IMF advises countries with high imbalances to adopt immediate fiscal adjustments, while those with moderate imbalances can implement gradual changes, and low-imbalance nations should focus on rebuilding fiscal and external reserves (*The Daily Times, 19 November 2024*).
4. The Public Private Partnership Commission (PPPC) has partnered with the Malawi Stock Exchange (MSE) to promote economic growth by offering an investment platform. The landmark agreement aims to unlock new investment opportunities, allowing Malawians to actively participate in development projects and secure funding for business ventures. MSE adds that the partnership is vital for job creation and boosting revenue for implementing various development projects (*The Nation, 22 November 2024*).
5. The Famine Early Warning Systems Network (FEWS NET) projects that the number of Malawians needing humanitarian food assistance will drop between 1 million and 1.5 million by May 2025, down from the current 3.5 million. This is due to expected improvements in drought-affected areas as the main harvest season begins and favorable rainfall forecasts for the 2024-25 season (*Fews Net Food Assistance Outlook Brief, November 2024*).
6. The Economics Association of Malawi (Ecama) has urged prompt and practical measures to stabilize foreign exchange supply and mitigate climate change shocks. Ecama emphasizes proper modeling of foreign exchange issues, climate shocks, and fiscal challenges like government overspending and rising debt (*The Nation, 18 November 2024*).

\*: Reserve Bank of Malawi opening exchange rates as of 22 November 2024

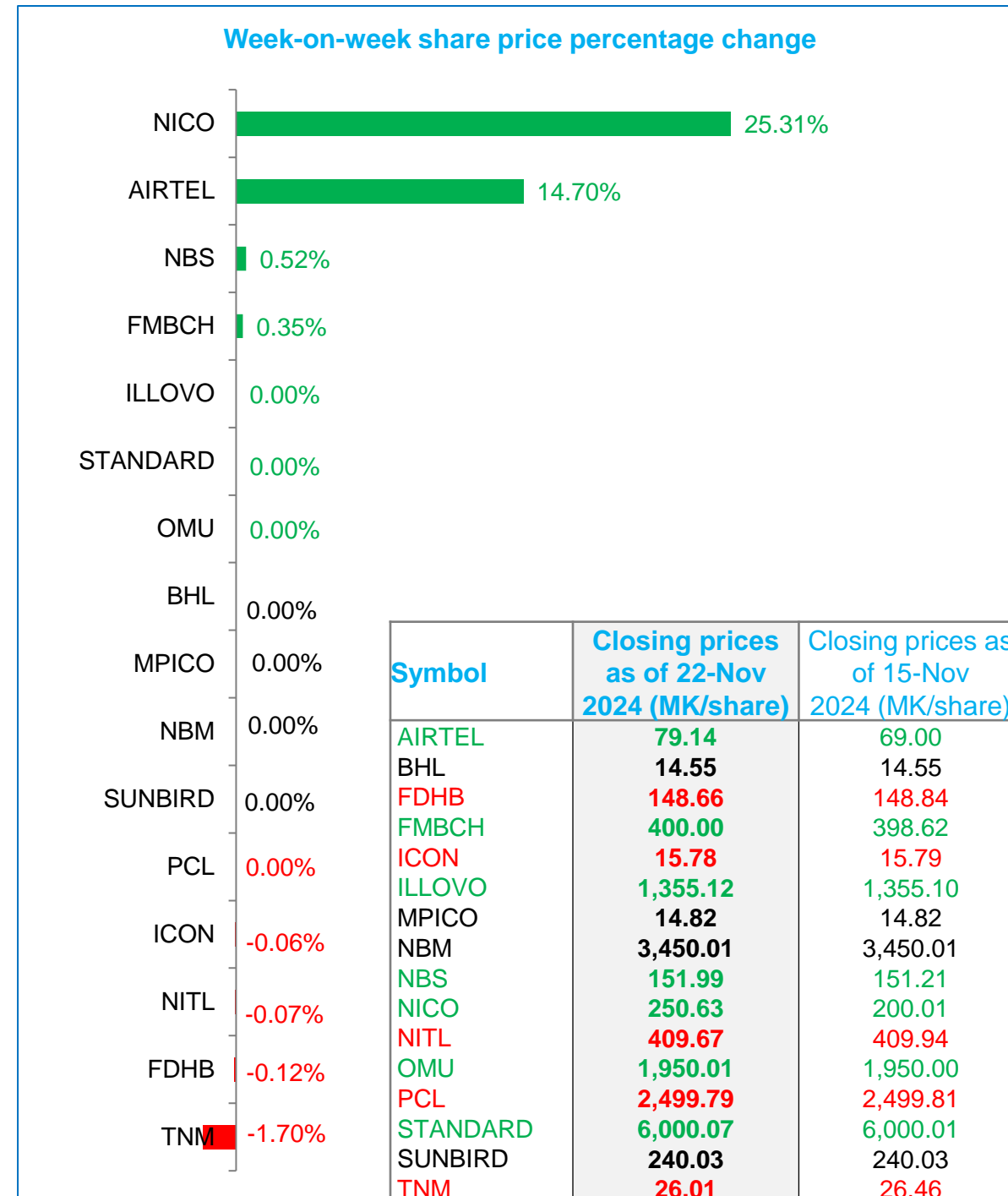
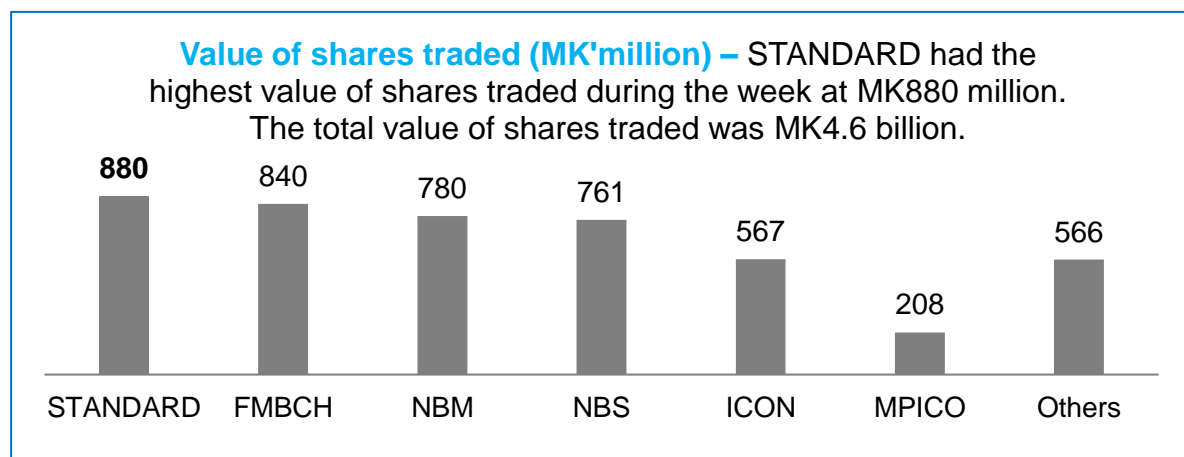
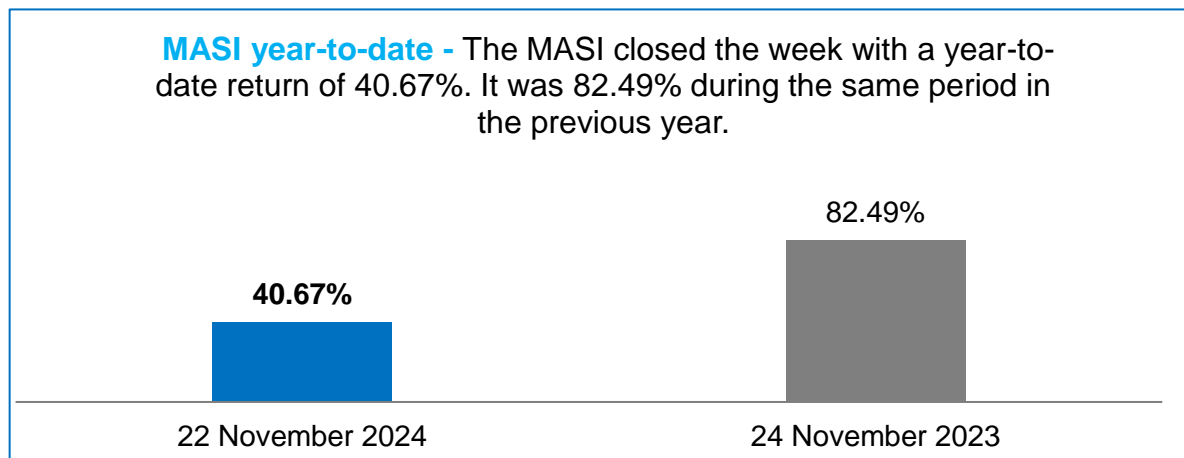
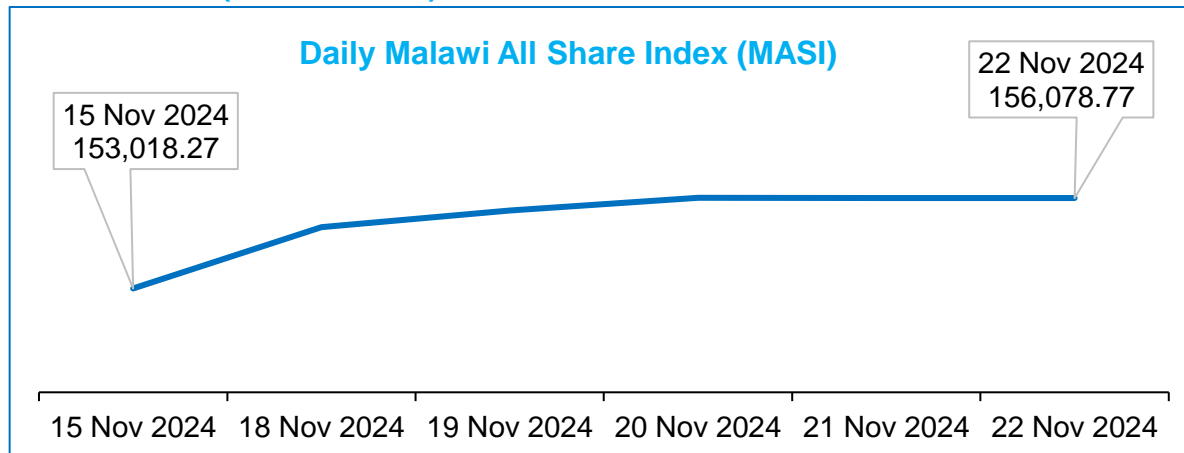


The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 22 November 2024 at 156,078.77 points from 153,018.27 points for the week ending 15 November 2024.

This was primarily driven by 25.31% and 14.70% share price gains for NICO and AIRTEL respectively.

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### Stock market (Source: MSE)





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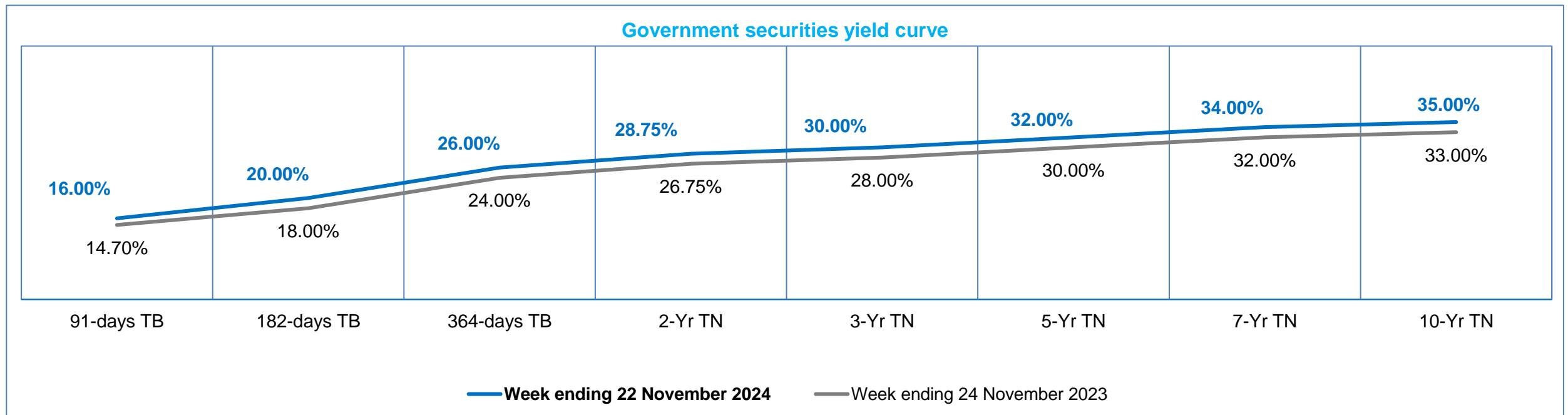
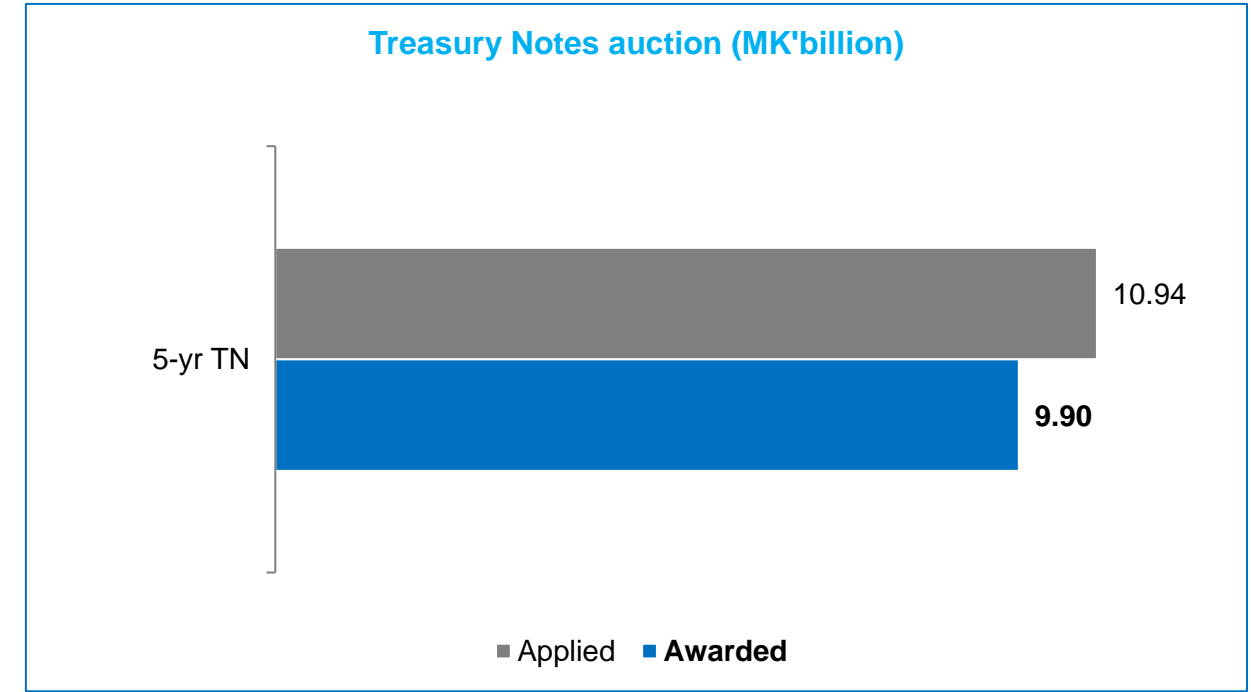
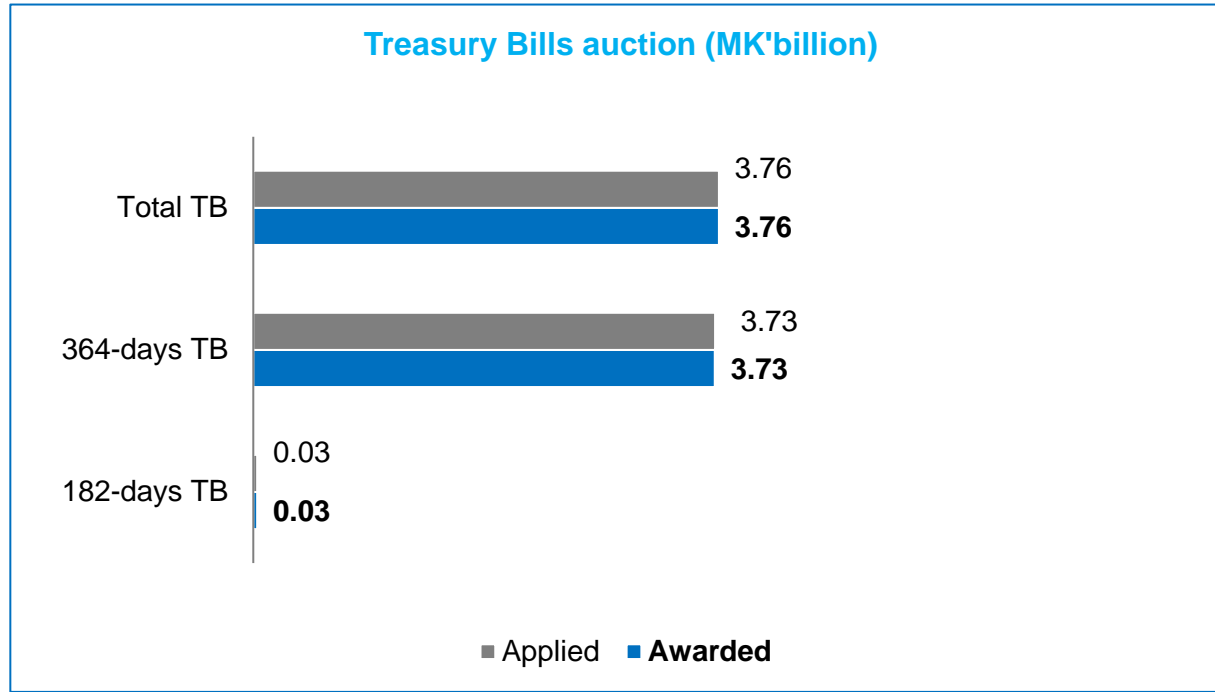
## Government securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and the 5-year Treasury Note (TN) during the period under review.

The total amount raised from the TBs was MK3.76 billion, primarily driven by the 364-day tenor. There were no applications for the 91-day tenor.

The total amount raised on the TN was MK9.90 billion.

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

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	22-Nov-24
<b>Exchange rates (middle rates)</b>														
MK/USD	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	1,749.95	<b>1,734.01*</b>
MK/GBP	1,473.63	2,219.25	2,224.30	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	2,338.28	<b>2,243.97*</b>
MK/EUR	1,285.81	1,907.62	1,917.45	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	1,953.49	<b>1,869.08*</b>
MK/ZAR	63.95	92.72	94.17	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	<b>98.65*</b>
<b>Foreign Exchange Reserves</b>														
Gross Official Reserves (USD'mn)	169.3	165.20	242.58	174.80	143.60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
Private Sector Reserves (USD'mn)	396.9	413.20	433.01	401.90	396.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
Total Reserves (USD'mn)	566.2	578.40	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	549.85	N/A	N/A	<b>N/A</b>
Gross Official Reserves Import Cover (months)	2.3	0.7	1.0	0.70	0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	<b>N/A</b>
<b>Inflation</b>														
Headline	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	<b>N/A</b>
Food	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	<b>N/A</b>
Non-food	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	<b>N/A</b>
<b>Interest Rates</b>														
Monetary Policy Rate	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	<b>26.00%</b>
Average Interbank Rate	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	<b>23.25%</b>
Lombard Rate	24.20%	24.20%	24.20%	24.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	<b>26.20%</b>
Commercial Bank Reference Rate	23.50%	23.50%	23.60%	23.60%	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	<b>25.50%</b>
<b>Government Securities Yields</b>														
91-days Treasury Bill	14.70%	14.70%	14.70%	14.70%	16.00%	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%	20.00%	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%	26.00%	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%	28.75%	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%	30.00%	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%	32.00%	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%	34.00%	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%	35.00%	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	83.72%	81.81%	78.85%	4.25%	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	<b>40.67%</b>
DSI	76.48%	74.35%	69.99%	0.03%	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	<b>42.63%</b>
FSI	167.39%	168.05%	181.28%	33.77%	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	<b>27.02%</b>

\*: Reserve Bank of Malawi opening exchange rates (middle) as of 22 November 2024

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