



Malawi Financial Market Update

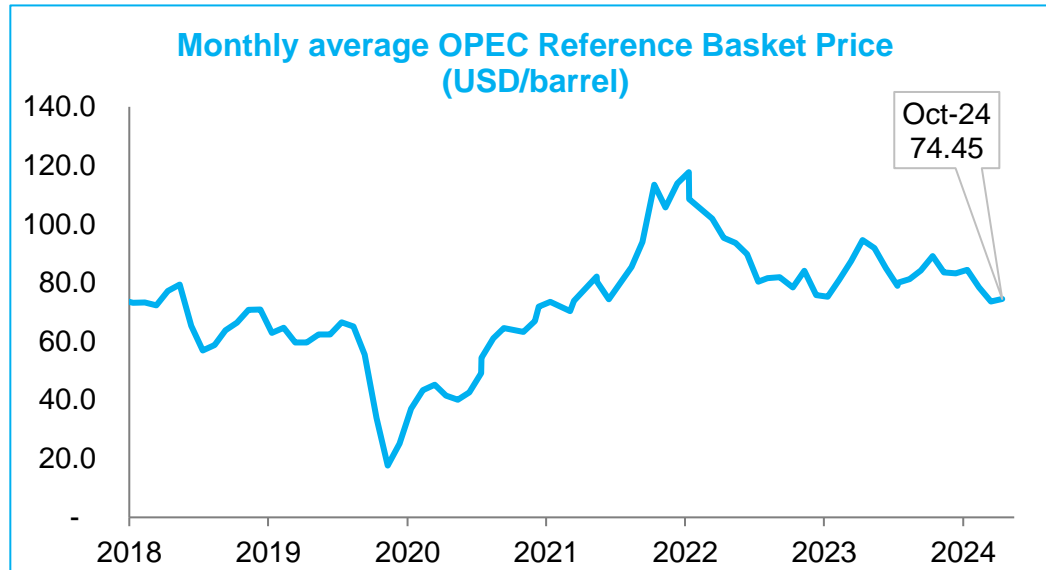
Week ending 8 November 2024



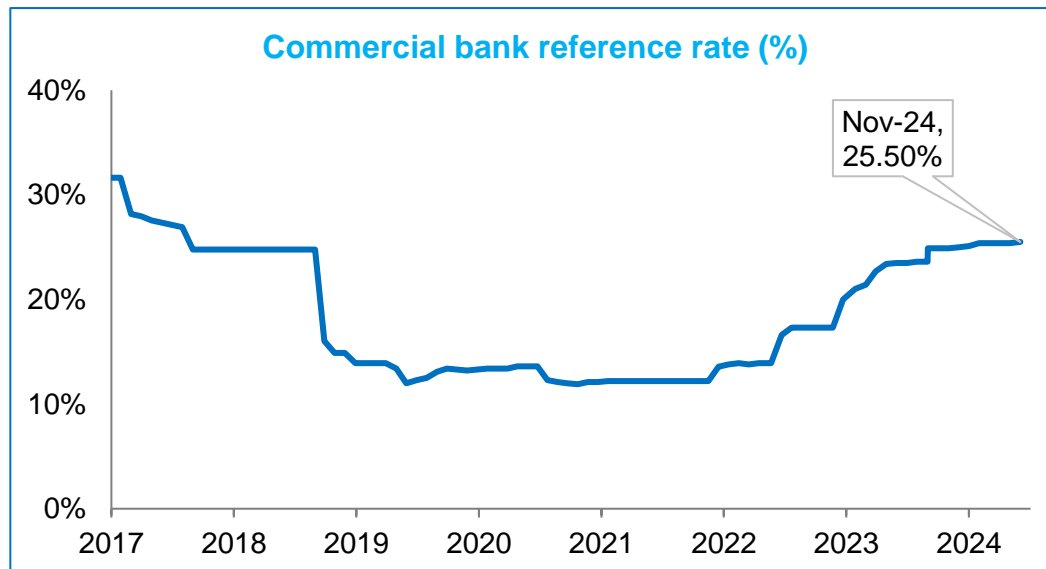
The Monetary Policy Committee has maintained the Policy Rate at 26.0%.

Malawi Financial Market Update: Week ending 8 November 2024

Monthly average OPEC Reference Basket Price (Source: OPEC)



Commercial bank reference rate (Source: National Bank of Malawi)



What Happened This Week

1. The Monetary Policy Committee (MPC) has maintained the Policy Rate at 26.0%, the Lombard rate at 20 basis points above the policy rate and the Liquidity Reserve Requirement (LRR) for foreign currency deposits at 3.75%. However, it has increased the LRR on domestic currency deposits by 125 basis points to 10.0% (*MPC statement, 4 November 2024*).
2. Commercial banks have increased the reference rate to 25.5% in November, up from 24.4% in October (*The Daily Times, 6 November 2024*).
3. The National Food Reserve Agency (NFRA) has requested MK78 billion from the government, through the Department of Disaster Management Affairs (Dodma), to purchase 120,000 metric tonnes of maize before the next harvest. According to NFRA, this procurement is critical for food stability, as rural areas face shortages caused by poor harvests linked to El Niño (*The Daily Times, 4 November 2024*).
4. Dodma has reported mobilizing a total of MK314 billion in cash and kind since March 2024 to support households affected by El Niño. Contributions have come from, among others, the Malawi Government, foreign governments, and individuals of goodwill. Dodma plans to release a detailed report on the utilization of these resources soon (*The Daily Times, 5 November 2024*).
5. Ukraine has donated 14,000 metric tonnes of maize to Malawi under the 'Grain from Ukraine' initiative to help address food shortages. The Commissioner of Dodma acknowledged Malawi's dependence on external aid and emphasized the need for self-sufficiency through improved agriculture and better utilization of local resources (*The Daily Times, 6 November 2024*).
6. Lotus Africa Limited, the operator of Kayerekera Uranium Mine, has raised MK227 billion through the issuance of shares. The funds will be used to support the reopening of the Kayerekera project in the second half of 2025, as well as to cover working capital requirements and general corporate purposes (*The Nation, 7 November 2024*).

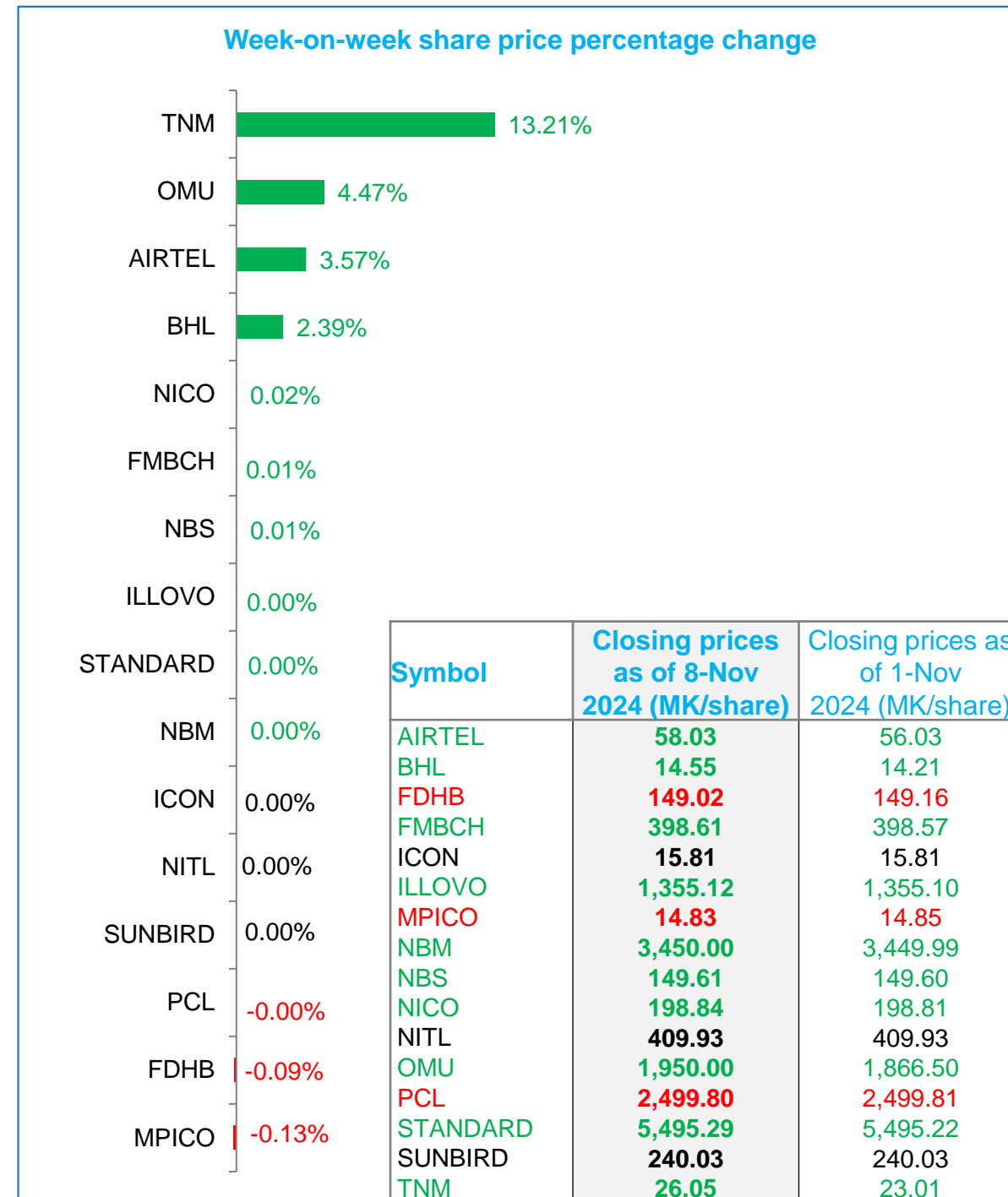
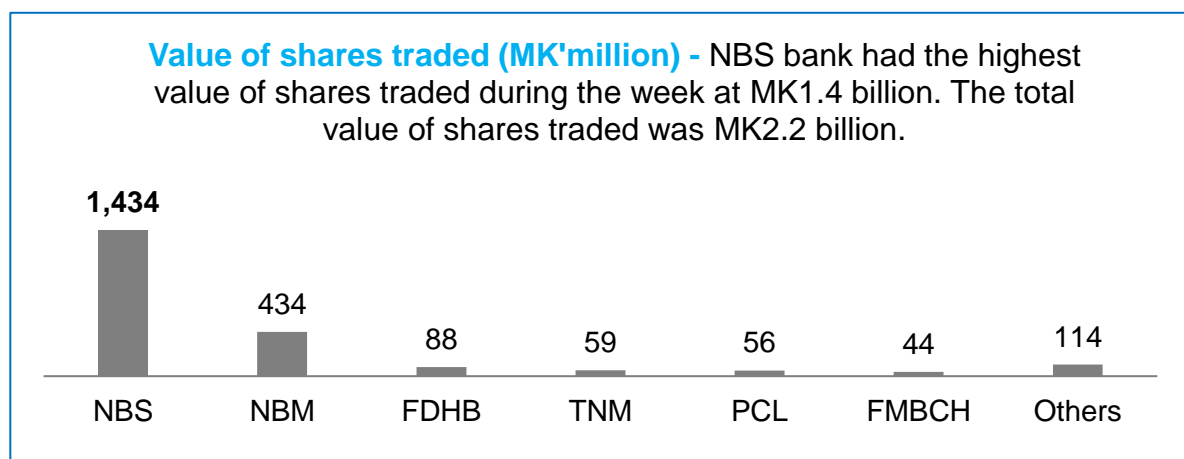
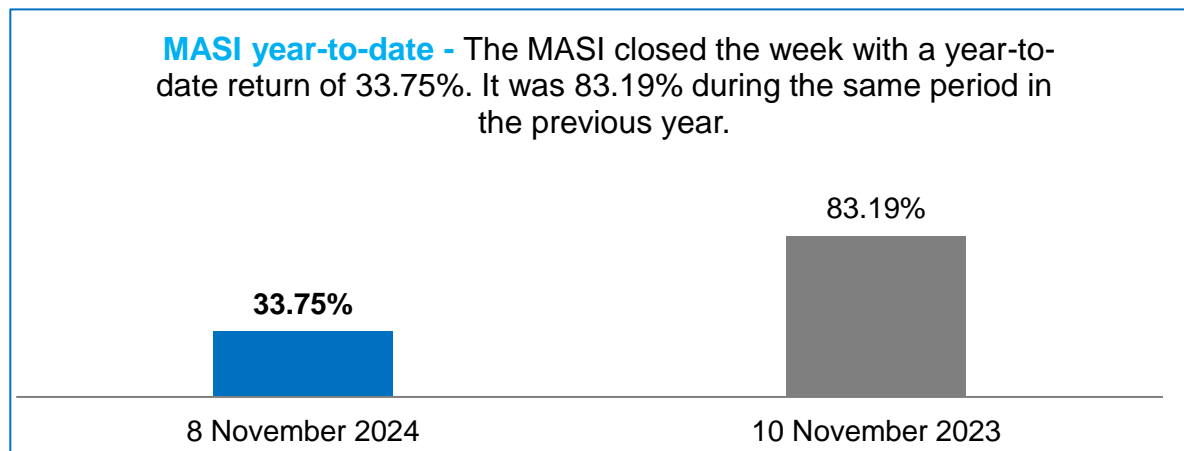
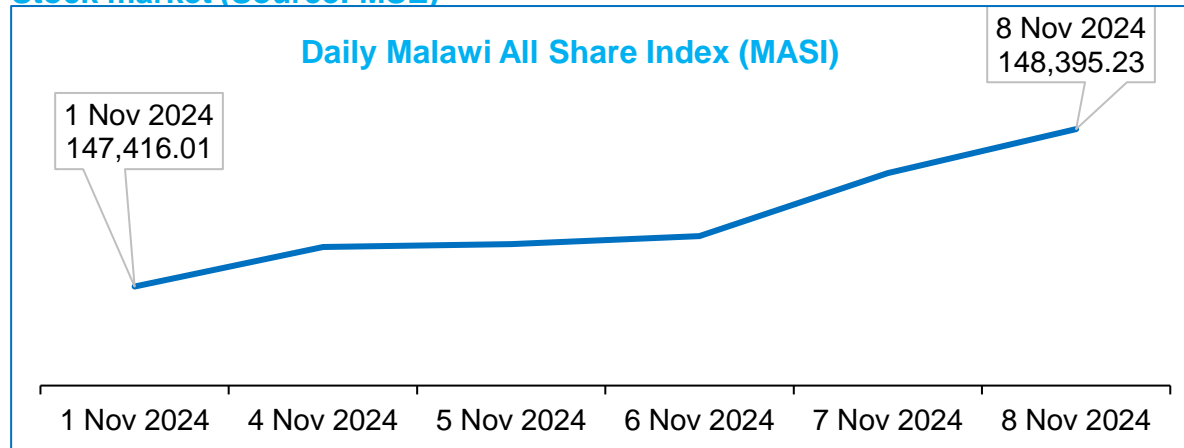


Malawi Financial Market Update: Week ending 8 November 2024

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 8 November 2024 at 148,395.23 points from 147,416.01 points for the week ending 1 November 2024.

This was primarily driven by 13.21%, 4.47%, 3.57%, and 2.39% share price gains for TNM, OMU, AIRTEL, and BHL respectively.

Stock market (Source: MSE)





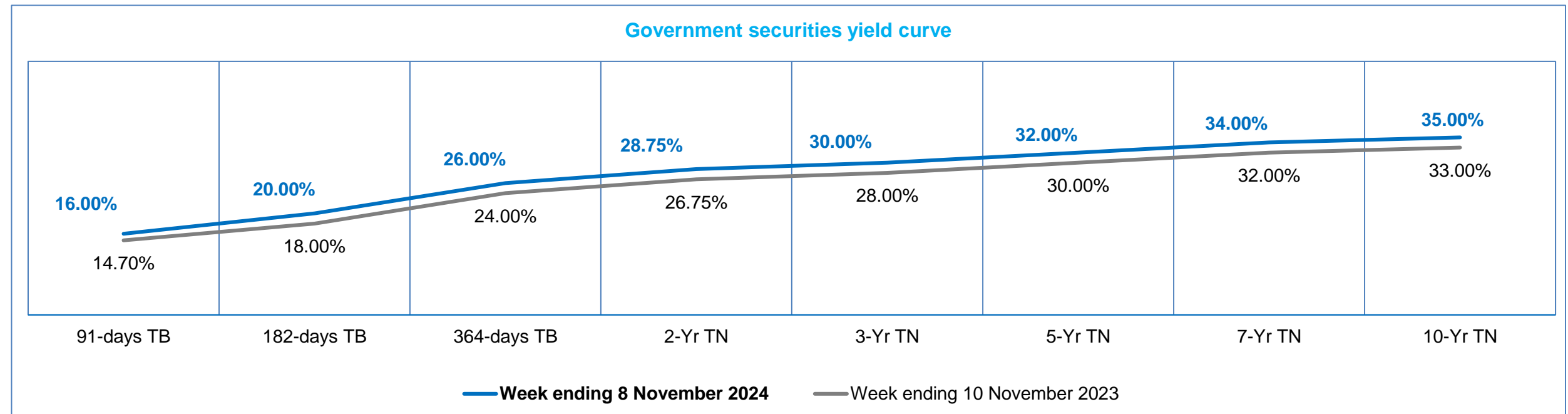
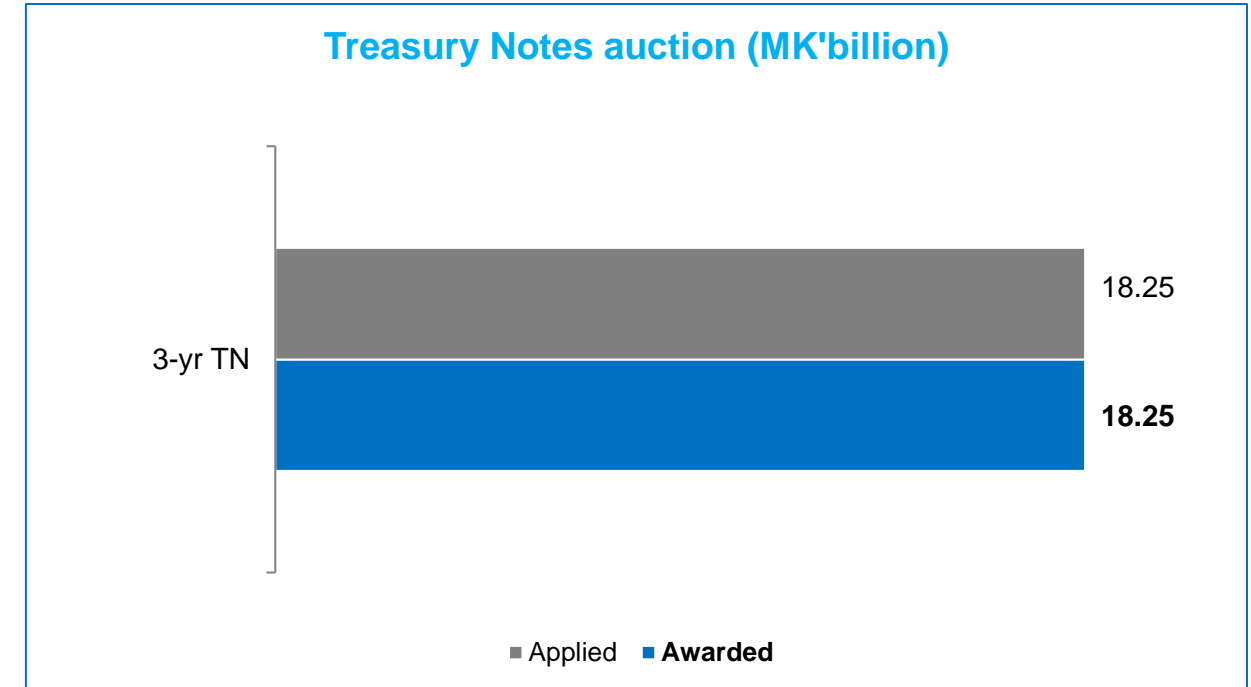
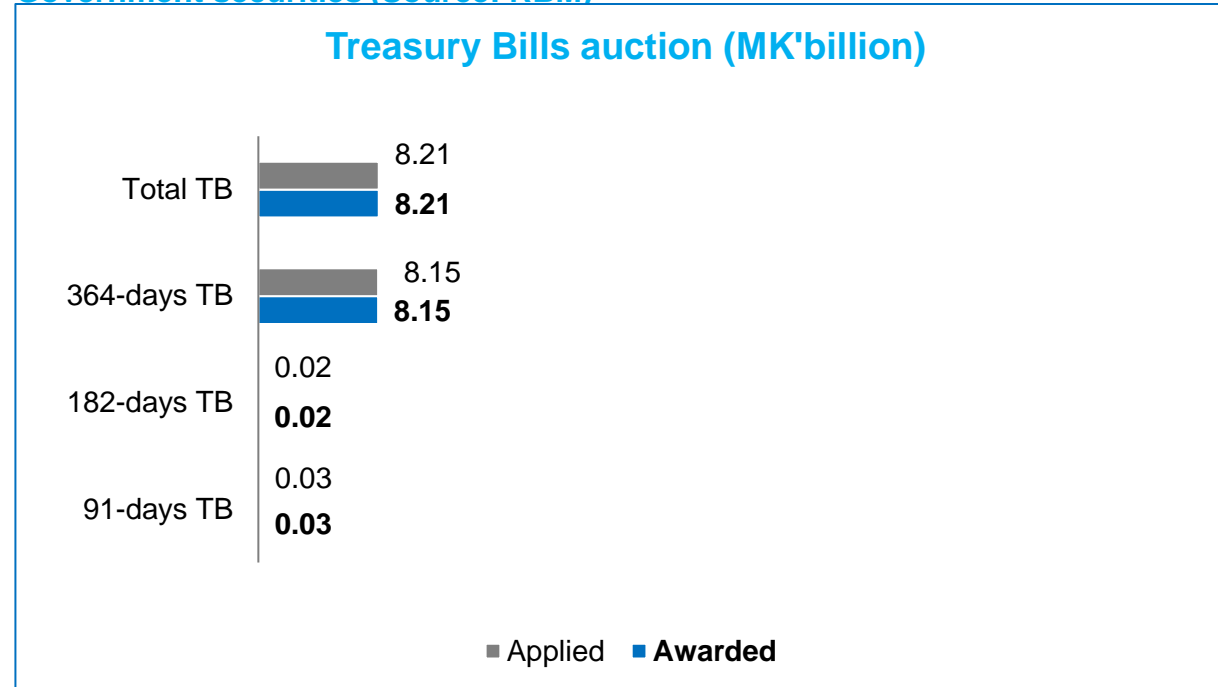
The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and a 3-year Treasury Note (TN) during the period under review.

The total amount raised from the TBs was MK8.21 billion, primarily driven by the 364-day tenor.

The total amount raised on the 3-year TN was MK18.25 billion.

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

Government securities (Source: RBM)



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	8-Nov-24
Exchange rates (middle rates)														
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	N/A	1,734.01*
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	N/A	2,315.77*
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	N/A	1,924.81*
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	N/A	102.85*
Foreign Exchange Reserves														
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	N/A
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	N/A
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	N/A
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	N/A
Inflation														
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%	N/A	N/A
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%	N/A	N/A
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%	N/A	N/A
Interest Rates														
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%	26.00%
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%	N/A	N/A
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%	26.20%
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%	25.50%
Government Securities Yields														
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%	16.00%
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%	20.00%
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%	26.00%
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%	28.75%
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%	30.00%
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%	32.00%
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%	34.00%
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%	35.00%
Year-to-date Return														
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%	33.75%
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%	34.77%
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%	26.58%

*: Reserve Bank of Malawi opening exchange rates (middle) as of 8 November 2024

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