



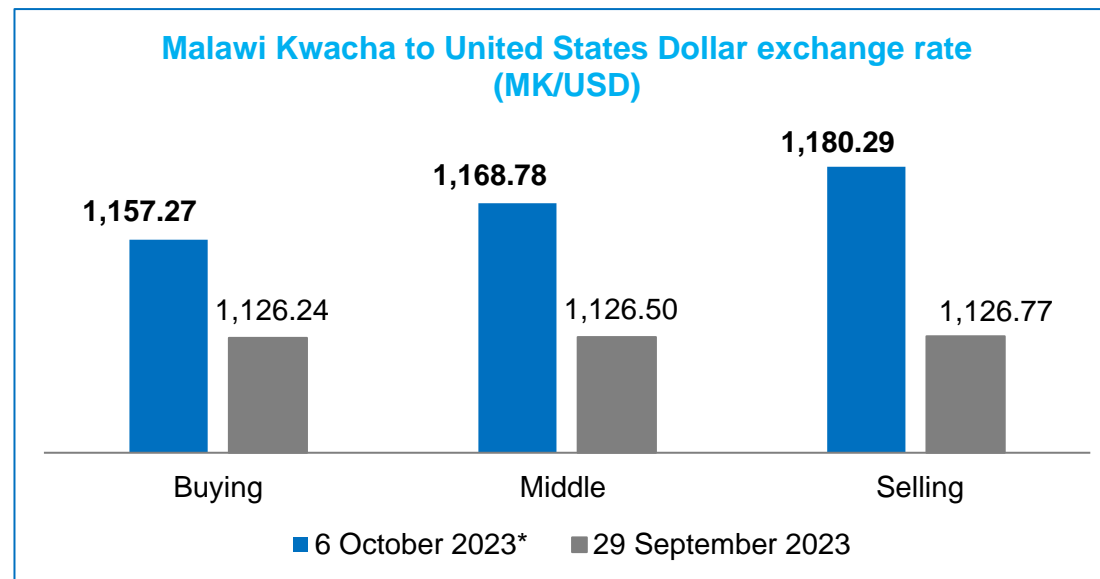
Malawi Financial Market Update

Week ending 6 October 2023

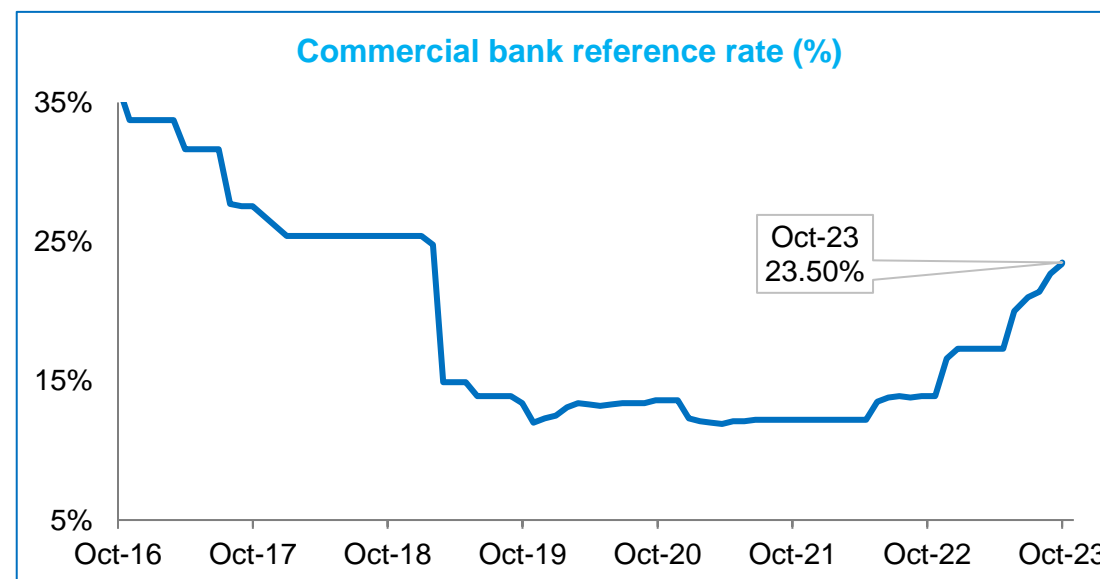


Exchange rate and other market developments

Exchange rate (Source: RBM)



Commercial bank reference rate (Source: NBM)



What Happened This Week

1. The commercial bank reference rate is now 23.5%, effective 4 October 2023, from 23.4% in the previous month (*The Nation, 4 October 2023*).
2. The Reserve Bank of Malawi (RBM) stated that it has disbursed USD45.6 million (approximately MK50.9 billion) worth of loans out of a targeted USD47 million (approximately MK52.4 billion) to 40,862 micro small and medium enterprises (MSMEs) through its Financial Inclusion and Entrepreneurship Scaling (FInES) project. The funds have been disbursed to 28,888 women, 7,159 youths, and 4,840 men. According to the FInES project business development specialist, since the start of loan disbursement in 2021, about MK8.7 billion has been repaid (*The Daily Times, 2 October 2023*).
3. The Malawi Investment and Trade Centre (MITC) stated that it has secured a preferential quota and duty-free market access in China for soya beans and sesame seeds, worth about USD100 million (approximately MK112 billion). MITC Chief Executive Officer (CEO) indicated that MITC received an interest for 100,000 metric tonnes (MT) of soya beans and 20,000MT of sesame seeds from a prospective buyer in China. The MITC CEO also added that the buyer is willing to sign a 3-to-5-year contract with prospective suppliers (*The Nation, 3 October 2023*).
4. The recently published RBM Financial Institutions annual report for 2022 indicates that income earned from investments of pension funds grew to MK301 billion in 2022 from MK227.6 billion in 2021. The report also indicates that unrealized gains amounted to MK186.7 billion, representing 62% of investment income. Further to this, the report indicates that interest income was recorded at MK69 billion in 2022 from MK65.3 billion in 2021 whilst dividend income was recorded at MK27.3 billion in 2022 from MK21.9 billion in 2021. Finally, rental income was seen at MK2.9 billion in 2022 from MK3.0 billion in 2021 (*The Daily Times, 4 October 2023*).
5. Recent data from Cable.co.uk, a prominent platform for broadband, television, and phone comparisons has shown that Malawi has low average data prices, ranking 1st in Sub-Saharan Africa and 29th globally on low data prices. The data used in the report was from June 2023 to September 2023 and it shows that Malawi's average data price is USD0.38 (approximately MK424) per gigabyte (GB). This is a significant drop in the average data price from data recorded in 2020 which showed that Malawi had the highest data cost in Africa at USD27.41 (approximately MK30,500) per GB (*The Daily Times, 6 October 2023*).

*: Reserve Bank of Malawi opening exchange rates as of 6 October 2023

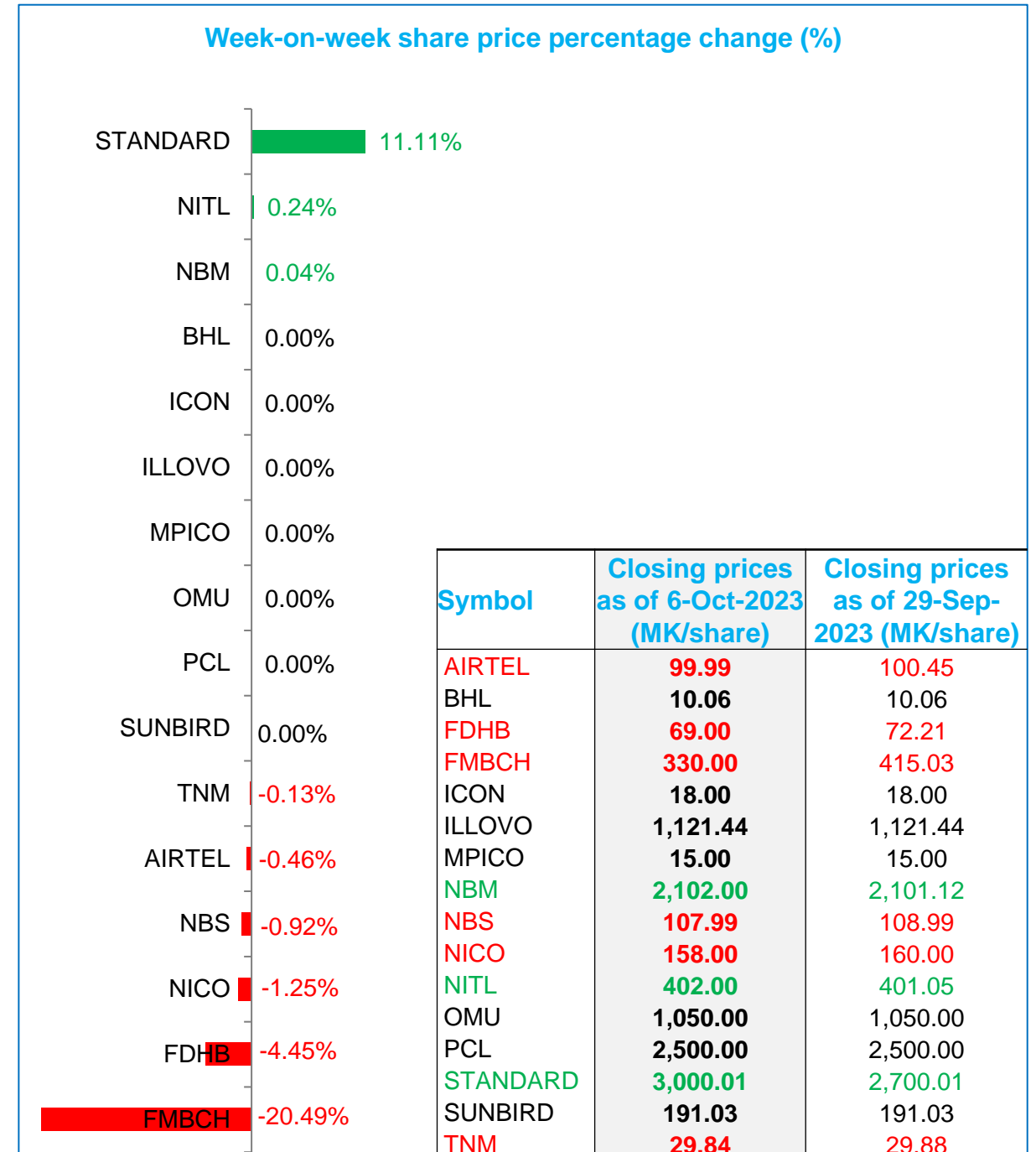
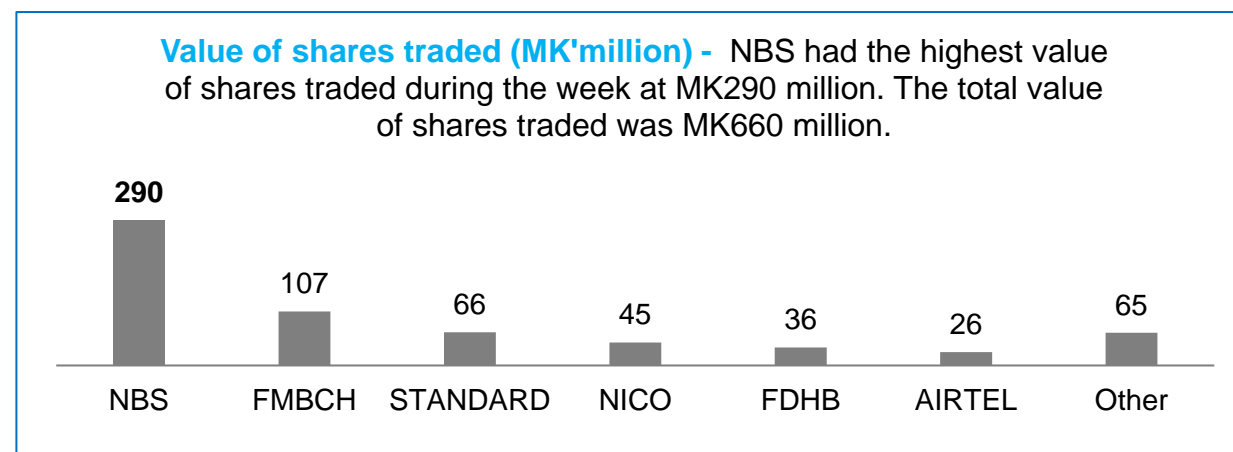
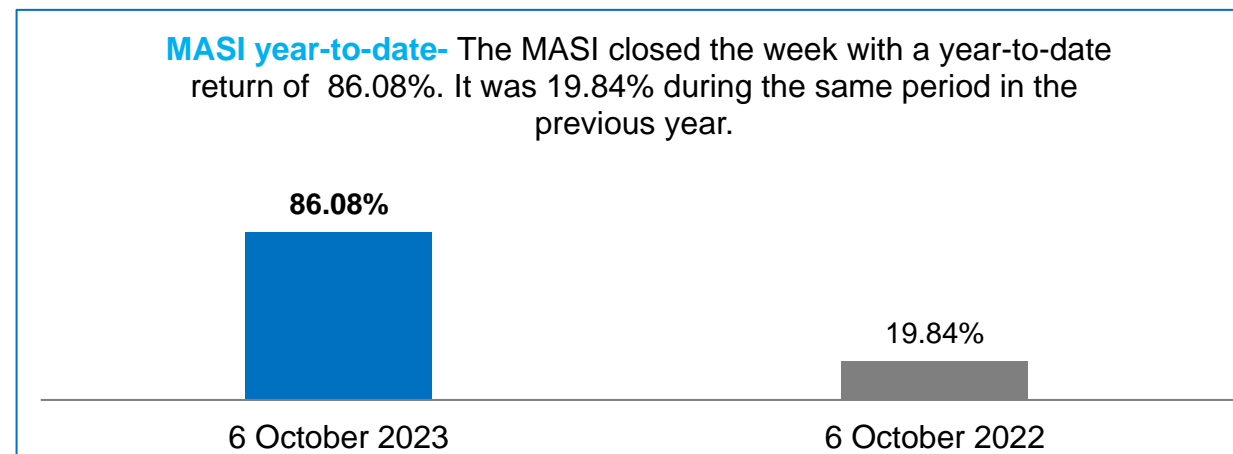
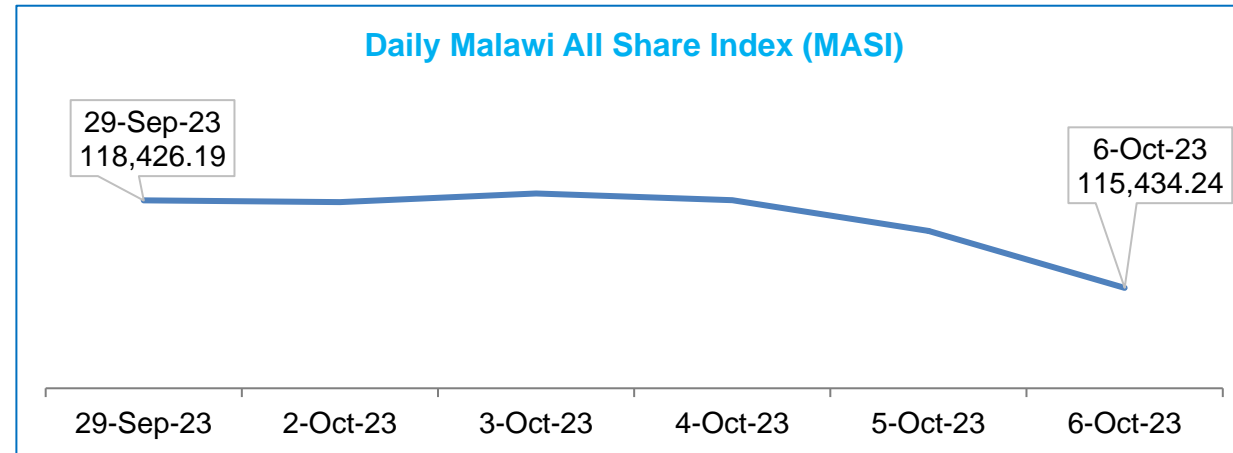


Malawi Financial Market Update: Week ending 6 October 2023

Stock market (Source: MSE)

The stock market was bearish, with the Malawi All Share Index (MASI) closing the week ending 6 October 2023 at 115,434.24 points from 118,426.19 points for the week ending 29 September 2023. Week on week, this represents a 2.53% decrease.

There was an 11.11% share price gain for Standard Bank. There were also marginal share price gains for NITL and NBM. The share price gains were offset by 20.49%, 4.45% and 1.25% share price losses for FMBCH, FDH Bank, and NICO respectively. There were also marginal share price losses for NBS, AIRTEL, and TNM during the week under review.





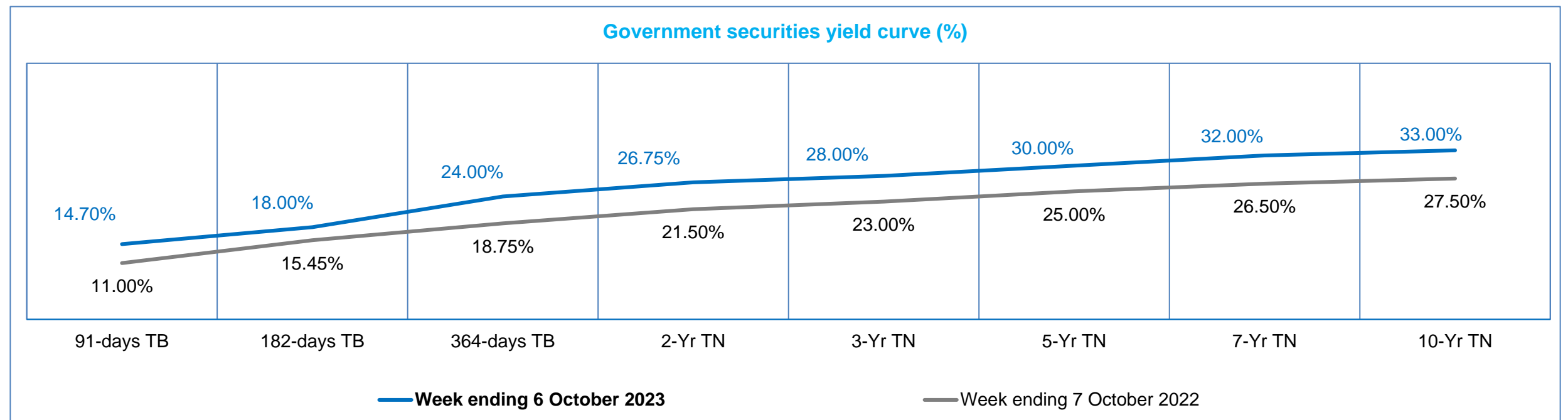
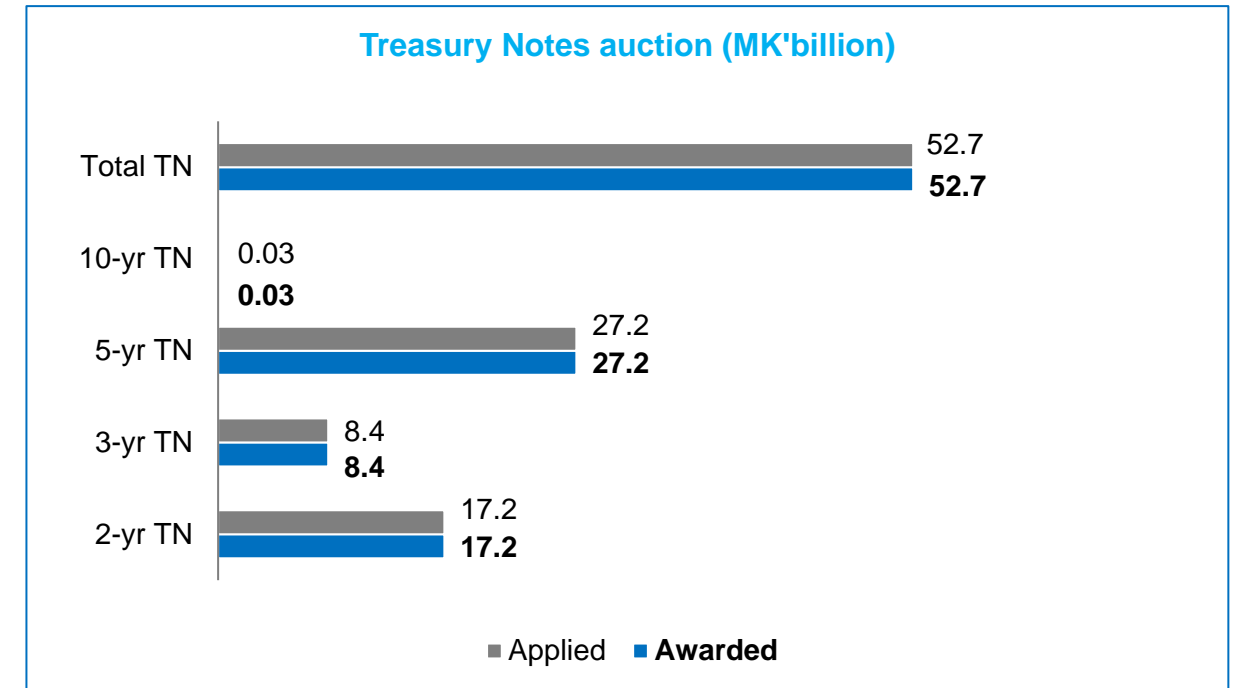
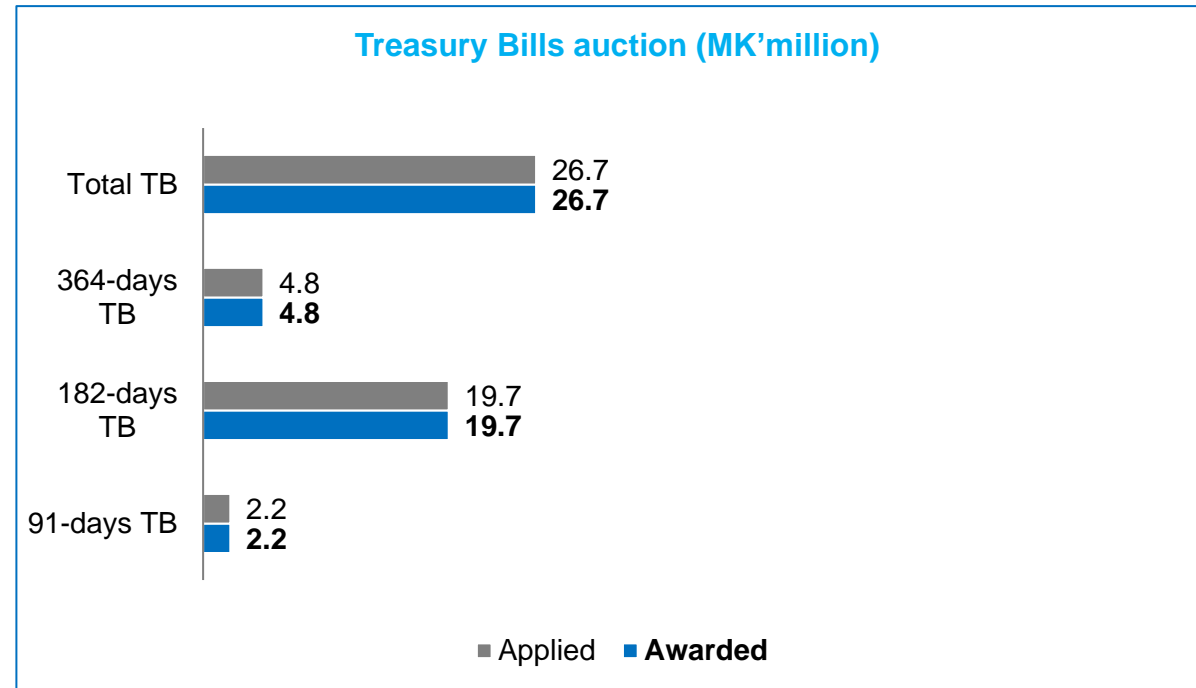
Government securities (Source: RBM)

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

A total amount of MK26.7 million was raised from the TBs auctions held during the period under review.

An amount of MK52.7 billion was raised from all the TNs auctions held during the period under review.

The average TB and TN yields remained constant at 18.90% and 29.95% respectively during the period under review.



TB: Treasury Bill
TN: Treasury Note
Yr: Year



Appendix 1: Historical Economic Indicators

	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	6-Oct-23	
Exchange rates (middle rates)																			
MK/USD	1,029.90	1,033.36	1,035.03	1,035.42	1,033.79	1,032.88	1,034.42	1,034.67	1,031.87	1,033.68	1,033.80	1,034.86	1,034.46	1,053.44	1,053.44	1,094.74	1,126.50	1,168.78*	
MK/GBP	1,380.71	1,289.26	1,296.86	1,240.77	1,180.36	1,234.05	1,276.81	1,282.60	1,305.57	1,280.21	1,315.33	1,325.22	1,317.23	1,367.48	1,388.31	1,429.20	1,412.17	1,465.08*	
MK/EUR	1,180.96	1,108.47	1,085.01	1,066.19	1,047.49	1,062.62	1,105.82	1,130.92	1,152.30	1,129.46	1,156.66	1,171.01	1,135.21	1,177.92	1,191.37	1,226.61	1,225.22	1,268.37*	
MK/ZAR	72.04	65.02	64.13	62.49	58.78	58.36	62.11	62.69	60.72	57.32	59.76	57.89	53.58	57.82	61.01	60.02	60.67	61.56*	
Foreign Exchange Reserves																			
Gross Official Reserves (USD'mn)	388.22	415.73	372.99	378.89	357.18	326.06	338.87	304.65	279.22	280.66	228.49	200.08	194.82	321.53	267.91	239.56	N/A	N/A	
Private Sector Reserves (USD'mn)	401.13	401.60	396.02	398.43	408.84	427.67	400.77	399.20	384.37	378.54	375.36	403.93	386.90	407.47	406.63	419.35	N/A	N/A	
Total reserves (USD'mn)	789.35	817.33	769.01	777.32	766.02	753.73	739.64	703.85	663.59	659.20	603.85	604.01	581.72	729.00	674.54	658.91	N/A	N/A	
Gross Official Reserves Import cover (months)	1.55	1.66	1.49	1.52	1.43	1.30	1.36	1.22	1.12	1.12	0.91	0.80	0.78	1.29	1.07	0.96	N/A	N/A	
Inflation																			
Headline	19.10%	23.50%	24.6%	25.5%	25.9%	26.7%	25.8%	25.4%	25.9%	26.7%	27.0%	28.8%	29.2%	27.3%	28.4%	28.6%	N/A	N/A	
Food	25.50%	31.20%	32.5%	33.4%	33.7%	34.5%	33.4%	31.3%	30.5%	31.7%	32.4%	37.9%	38.8%	37.2%	39.3%	39.4%	N/A	N/A	
Non-food	13.20%	16.60%	17.5%	18.2%	18.3%	18.6%	17.7%	18.6%	20.4%	20.5%	20.2%	18.5%	18.4%	16.0%	16.0%	16.1%	N/A	N/A	
Interest Rates																			
Monetary Policy rate	14.00%	14.00%	14.00%	14.00%	14.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	22.00%	22.00%	24.00%	24.00%	24.00%	24.00%
Average Interbank rate	11.84%	12.48%	12.50%	12.50%	12.50%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	19.26%	20.38%	20.51%	22.76%	22.79%	22.79%
Lombard rate	14.20%	14.20%	14.20%	14.20%	14.20%	18.20%	18.20%	18.20%	18.20%	18.20%	18.20%	18.20%	18.20%	22.20%	22.20%	24.20%	24.20%	24.20%	24.20%
Commercial bank reference rate	13.50%	13.80%	13.90%	13.80%	13.90%	13.90%	16.60%	17.30%	17.30%	17.30%	17.30%	17.30%	17.30%	20.00%	21.00%	21.40%	22.70%	23.40%	23.50%
Government Securities Yields																			
91-days Treasury Bill	9.75%	9.75%	10.00%	11.00%	11.00%	11.00%	13.00%	13.00%	13.00%	13.00%	13.00%	12.98%	13.00%	13.00%	13.00%	14.70%	14.70%	14.70%	
182-days Treasury Bill	15.00%	15.00%	15.00%	15.50%	15.50%	15.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	18.00%	18.00%	18.00%	18.00%	18.00%	
364-days Treasury Bill	17.03%	17.60%	17.74%	18.33%	18.75%	18.75%	19.50%	19.50%	19.50%	19.50%	19.50%	19.50%	22.49%	22.50%	22.50%	24.00%	24.00%	24.00%	
2-year Treasury Note	18.50%	18.85%	20.50%	21.00%	21.50%	21.50%	22.50%	22.50%	22.75%	22.75%	22.75%	22.75%	24.75%	24.75%	24.75%	26.75%	26.75%	26.75%	
3-year Treasury Note	21.90%	22.00%	22.00%	23.00%	23.00%	23.00%	23.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	28.00%	28.00%	28.00%	
5-year Treasury Note	23.95%	24.00%	24.00%	25.00%	25.00%	25.00%	26.00%	26.00%	26.19%	26.19%	26.25%	26.25%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	
7-year Treasury Note	22.33%	22.33%	25.53%	26.75%	26.50%	26.50%	27.50%	27.50%	27.50%	27.50%	27.50%	27.50%	29.50%	29.50%	29.50%	30.46%	32.00%	32.00%	
10-year Treasury Note	23.35%	27.00%	27.00%	27.00%	27.50%	27.50%	27.50%	28.50%	28.50%	28.50%	28.50%	28.50%	31.19%	31.25%	31.25%	32.83%	33.00%	33.00%	
Stock Market Indices																			
MASI	50,300.44	49,596.14	52,889.87	54,454.45	54,389.92	55,046.26	55,795.69	62,036.05	68,451.77	71,069.31	80,298.12	86,462.61	102,837.75	108,656.97	112,492.50	119,077.99	118,426.19	115,434.24	
DSI	39,037.30	39,011.21	42,717.13	44,109.31	44,360.30	44,986.52	48,811.22	50,804.03	54,351.80	56,674.50	64,886.76	70,512.35	83,365.40	87,071.03	88,364.93	90,336.93	89,173.86	89,810.34	
FSI	7,305.55	6,538.52	5,548.61	5,548.61	5,154.73	5,100.84	5,613.43	5,614.30	8,374.09	8,382.28	8,381.79	8,202.52	10,396.15	12,297.19	14,982.64	19,947.76	20,692.42	16,479.62	

*: Reserve Bank of Malawi opening exchange rates as of 6 October 2023

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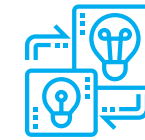
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