



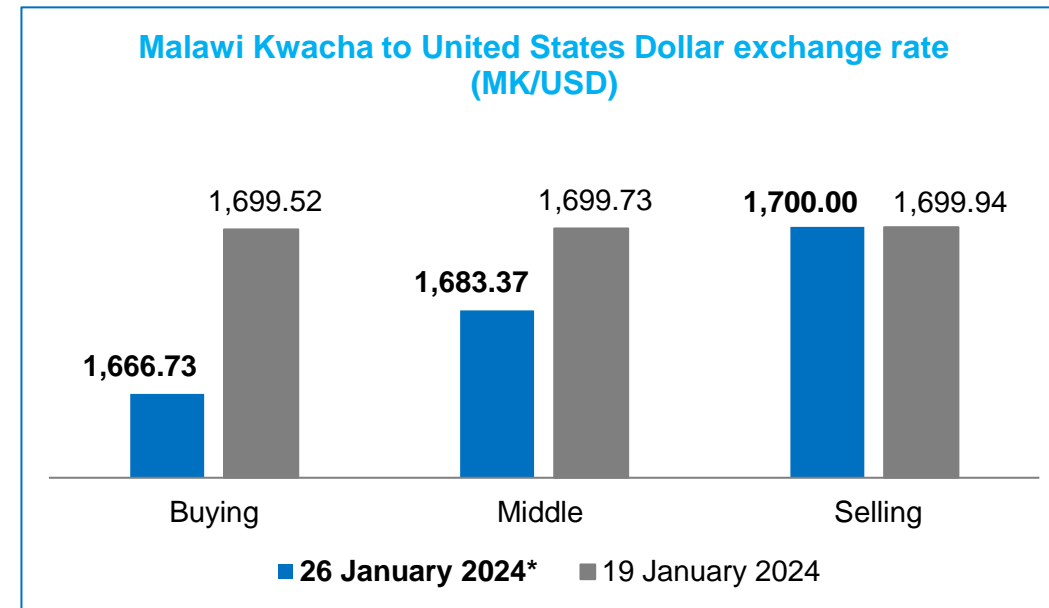
Malawi Financial Market Update

Week ending 26 January 2024

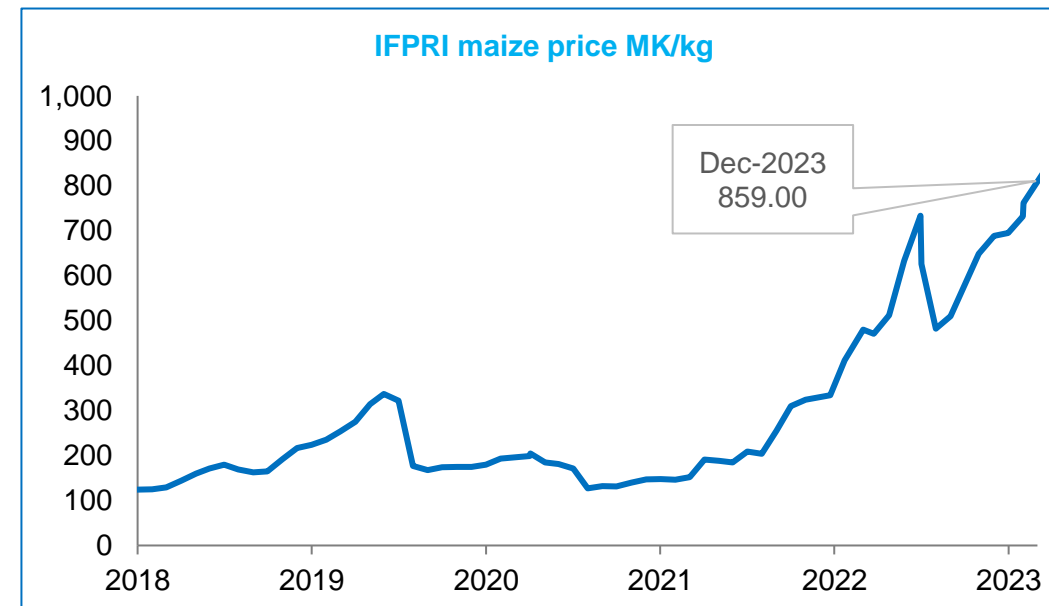


Exchange rate and other market developments

Exchange rate (Source: RBM)



Malawi Maize Prices (Source: IFPRI)



The International Fund for Agricultural Development (IFAD) has provided a USD20 million (about MK34 billion) grant to Malawi.

The Indian Government has extended Malawi's pigeon peas export quota for the 2024/2025 marketing season.

What Happened This Week

1. The International Fund for Agricultural Development (IFAD) has provided a USD20 million (about MK34 billion) grant to Malawi. Through the Transforming Agriculture through Diversification and Entrepreneurship (TRADE) government programme, over 100 farmer-based cooperatives are expected to benefit from the grant. According to the TRADE Agribusiness Specialist, Linda Munthali, the grants aim to promote agricultural commercialisation and are under a facility dubbed Agricultural Commercialisation Innovation Fund (ACIF). The Trade programme is expected to run until 2026, and the maximum grant for cooperatives that meet the eligibility criteria is MK175 million (*The Daily Times, 24 January 2024*).
2. According to the Malawi Investment and Trade Centre (MITC), investment pledges in various sectors of the economy amounted to USD613 million as of December 2023, accounting for about 22 projects. This amount represents a 73% decline from USD2.3 billion worth of investment pledges recorded in December 2022 from 21 projects. Therefore, MITC has missed its target of \$1 billion worth of investments in the 2023-24 financial year. According to MITC Chief Executive Officer, Paul Kwengwere, the disparity is mainly due to the hydropower sub-sector investment in 2022, which was valued at USD1.3 billion. Up to December 2023, 71% of the investment pledges were from the services sector, while the industry sector contributed 29% (*The Daily Times, 26 January 2024*).
3. The Indian Government has extended Malawi's pigeon peas export quota for the 2024/2025 marketing season, presenting an opportunity for farmers and the country to boost foreign exchange earnings. The extension follows the removal of the waiver of a 50,000 metric tonnes (MT) export quota imposed on Malawi by the Indian Government in 2022. Ministry of Trade and Industry data shows that in 2022, Malawi exported 69,151MT of pigeon peas, with a majority of the exports going to the United Arab Emirates, with India only importing 20,000 MT due to import restrictions imposed by the Indian government. According to the Nandolo Farmers Association of Malawi, pigeon peas production has remained under small-scale farmers with minimal commercial orientation (*The Nation, 24 January 2024*).
4. According to the Minister of Tourism, the number of tourists visiting Malawi has increased to above 900,000 from 178,000 during the Covid pandemic. The rebound was attributed to various initiatives, including the 2023 Tourism Expo. The Tourism Expo is Malawi's leading and most established gathering of international and domestic tourism exhibitors, financiers, policymakers and government representatives. It is a platform for local operators to link up with global stakeholders. The 2024 Malawi International Tourism Expo is scheduled to take place in April (*The Daily Times, 24 January 2024*).

*: Reserve Bank of Malawi opening exchange rates as of 26 January 2024



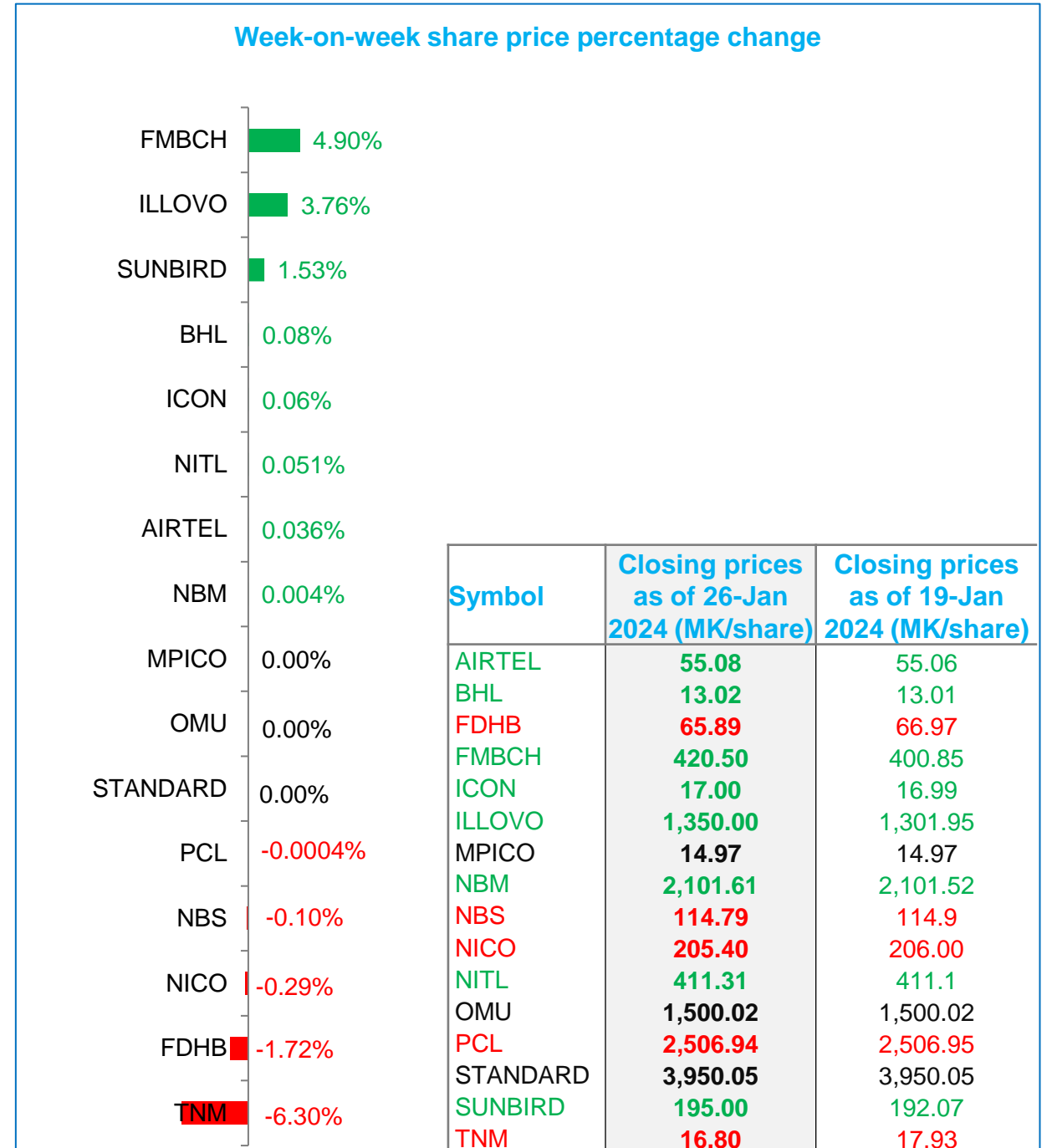
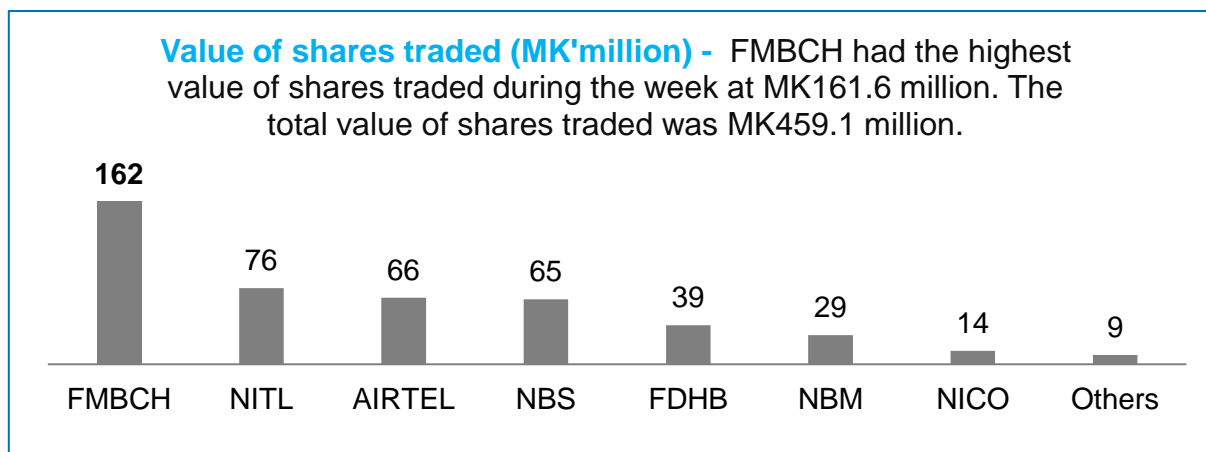
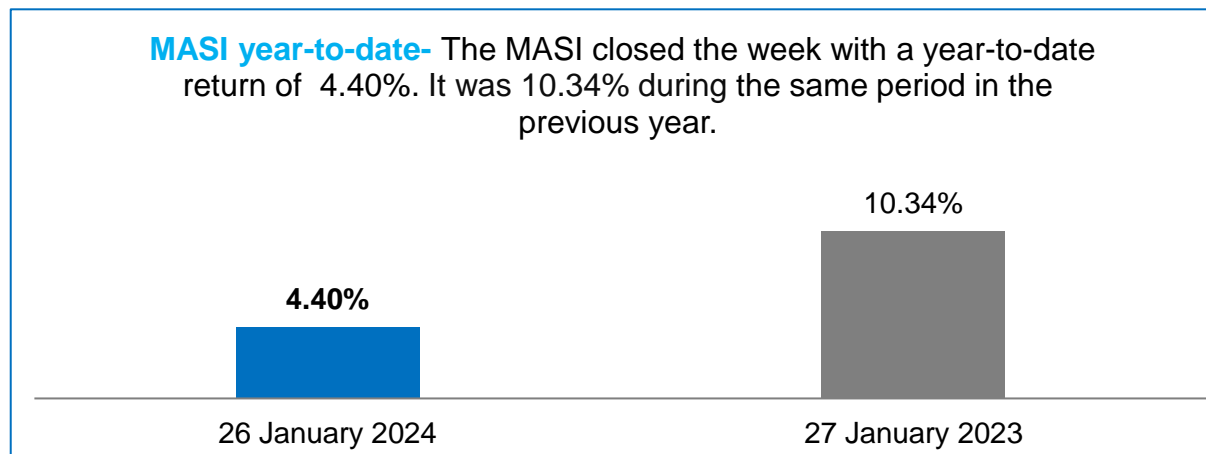
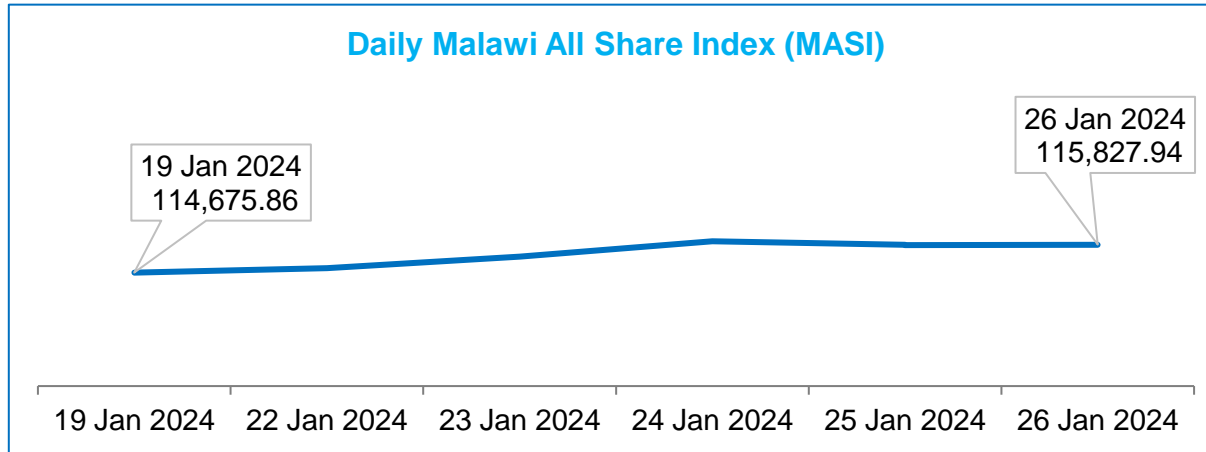
Malawi Financial Market Update: Week ending 26 January 2024

Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 26 January 2024 at 115,827.94 from 114,675.86 points for the week ending 19 January 2024. Week on week, this represents a 1.00% increase.

There were share price gains for FMBCH (4.90%), ILLOVO (3.76%), and SUNBIRD (1.53%). There were also marginal share price gains for BHL, ICON, NITL, AIRTEL and NBM during the week under review.

There were share price losses for TNM (-6.30%) and FDHB (-1.72%). There were also marginal share price losses for NICO, NBS and PCL during the week under review.



Symbol	Closing prices as of 26-Jan 2024 (MK/share)	Closing prices as of 19-Jan 2024 (MK/share)
AIRTEL	55.08	55.06
BHL	13.02	13.01
FDHB	65.89	66.97
FMBCH	420.50	400.85
ICON	17.00	16.99
ILLOVO	1,350.00	1,301.95
MPICO	14.97	14.97
NBM	2,101.61	2,101.52
NBS	114.79	114.9
NICO	205.40	206.00
NITL	411.31	411.1
OMU	1,500.02	1,500.02
PCL	2,506.94	2,506.95
STANDARD	3,950.05	3,950.05
SUNBIRD	195.00	192.07
TNM	16.80	17.93



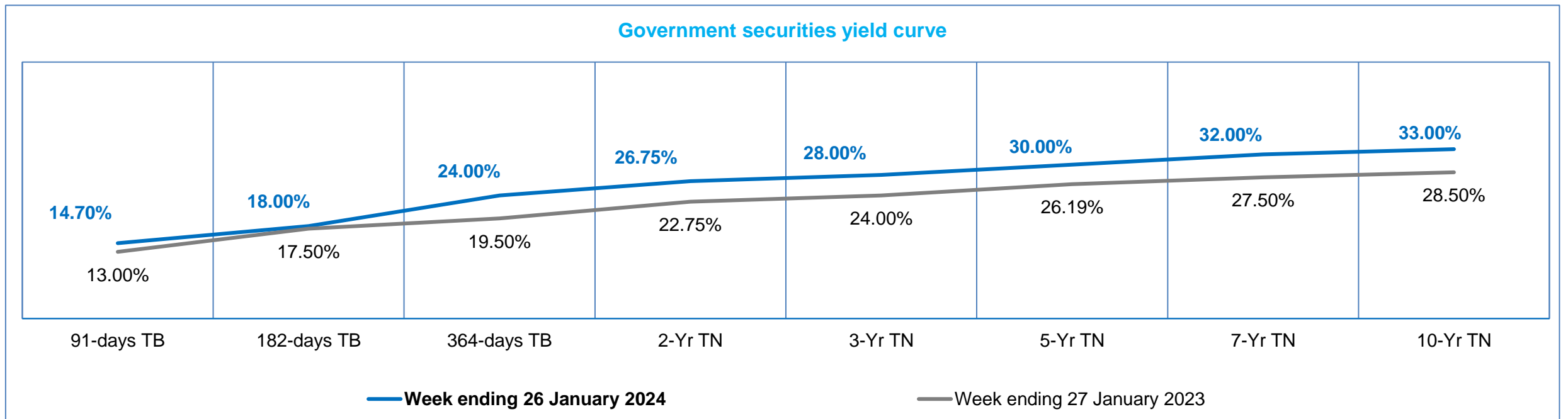
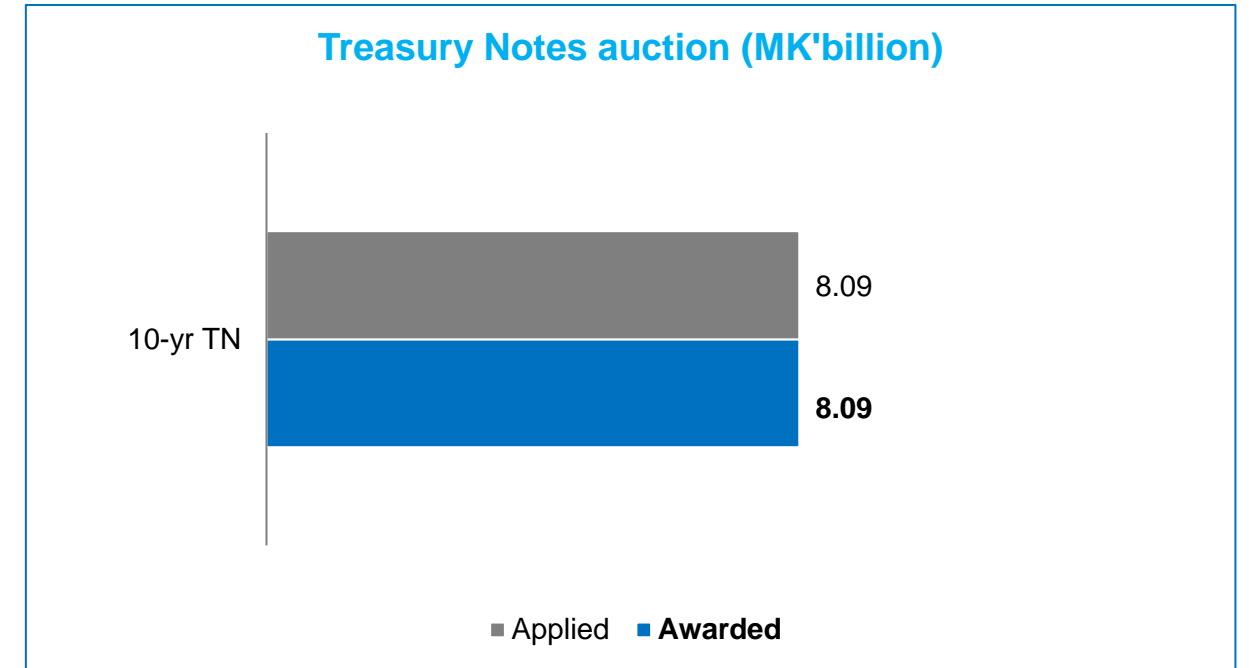
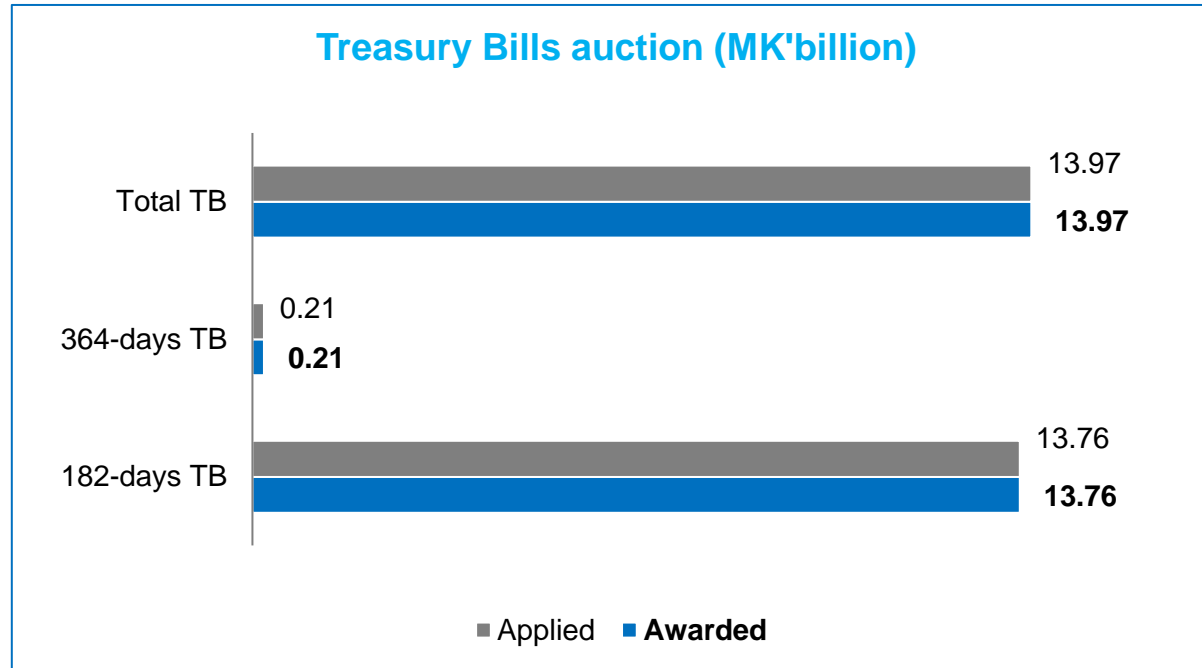
Government securities (Source: RBM)

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

A total amount of MK13.97 billion was raised from the TB auctions held during the period under review.

MK8.09 billion was raised from the TN auctions held during the period under review.

The average TB and TN yield 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

	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	26-Jan-2024
Exchange rates (middle rates)														
MK/USD	1,031.87	1,031.87	1,033.68	1,033.80	1,034.86	1,034.46	1,058.82	1,061.67	1,094.74	1,126.50	1,179.83	1,699.31	1,683.37	1,683.37*
MK/GBP	1,305.57	1,305.57	1,280.21	1,315.33	1,325.22	1,317.23	1,377.77	1,400.92	1,429.20	1,412.17	1,473.63	2,219.25	2,212.41	2,202.53*
MK/EUR	1,152.30	1,152.30	1,128.21	1,156.66	1,171.01	1,135.21	1,183.15	1,203.76	1,226.61	1,225.22	1,285.81	1,907.62	1,918.18	1,879.34*
MK/ZAR	60.72	60.72	57.83	59.76	57.89	53.58	57.92	61.70	60.02	60.67	63.95	92.72	93.54	91.94*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	304.65	279.22	280.66	228.49	200.08	194.82	321.53	267.91	239.56	242.68	169.3	169.50	N/A	N/A
Private Sector Reserves (USD'mn)	399.20	384.37	378.54	375.36	403.93	386.90	407.47	406.63	419.35	409.46	396.9	413.20	N/A	N/A
Total reserves (USD'mn)	703.85	663.59	659.20	603.85	604.01	581.72	729.00	674.54	658.91	652.14	566.2	582.70	N/A	N/A
Gross Official Reserves Import cover (months)	1.22	1.12	1.12	0.91	0.80	0.78	1.29	1.07	0.96	0.97	2.3	0.7	N/A	N/A
Inflation														
Headline	25.4%	25.9%	26.7%	27.0%	28.8%	29.2%	27.3%	28.4%	28.6%	27.8%	26.9%	33.1%	34.5%	N/A
Food	31.3%	30.5%	31.7%	32.4%	37.9%	38.8%	37.2%	39.3%	39.4%	36.8%	34.5%	41.7%	43.5%	N/A
Non-food	18.6%	20.4%	20.5%	20.2%	18.5%	18.4%	16.0%	16.0%	16.1%	17.2%	17.6%	22.2%	22.8%	N/A
Interest Rates														
Monetary Policy rate	18.00%	18.00%	18.00%	18.00%	22.00%	22.00%	22.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Average Interbank rate	15.00%	15.00%	15.00%	15.00%	15.19%	19.26%	20.38%	20.51%	22.76%	22.79%	22.91%	23.00%	23.00%	23.00%
Lombard rate	18.20%	18.20%	18.20%	18.20%	22.20%	22.20%	22.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%
Commercial Bank reference rate	17.30%	17.30%	17.30%	17.30%	17.30%	20.00%	21.00%	22.70%	22.70%	23.40%	23.50%	23.50%	23.60%	23.60%
Government Securities Yields														
91-days Treasury Bill	13.00%	13.00%	13.00%	13.00%	12.98%	13.00%	13.00%	13.00%	14.70%	14.70%	14.70%	14.70%	14.70%	14.70%
182-days Treasury Bill	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
364-days Treasury Bill	19.50%	19.50%	19.50%	19.50%	19.50%	22.49%	22.50%	22.50%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
2-year Treasury Note	22.50%	22.75%	22.75%	22.75%	22.75%	24.75%	24.75%	24.75%	26.75%	26.75%	26.75%	26.75%	26.75%	26.75%
3-year Treasury Note	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%
5-year Treasury Note	26.00%	26.19%	26.19%	26.25%	26.25%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
7-year Treasury Note	27.50%	27.50%	27.50%	27.50%	27.50%	29.50%	29.50%	29.50%	30.46%	32.00%	32.00%	32.00%	32.00%	32.00%
10-year Treasury Note	28.50%	28.50%	28.50%	28.50%	28.50%	31.19%	31.25%	31.25%	32.83%	33.00%	33.00%	33.00%	33.00%	33.00%
Stock Market Indices														
MASI	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	113,969.91	112,790.18	110,951.21	115,827.94
DSI	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	89,656.70	88,577.93	86,359.68	86,606.15
FSI	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	15,011.81	15,048.88	15,792.06	21,019.06

*: Reserve Bank of Malawi opening exchange rates as of 26 January 2024

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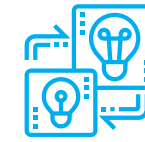
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