



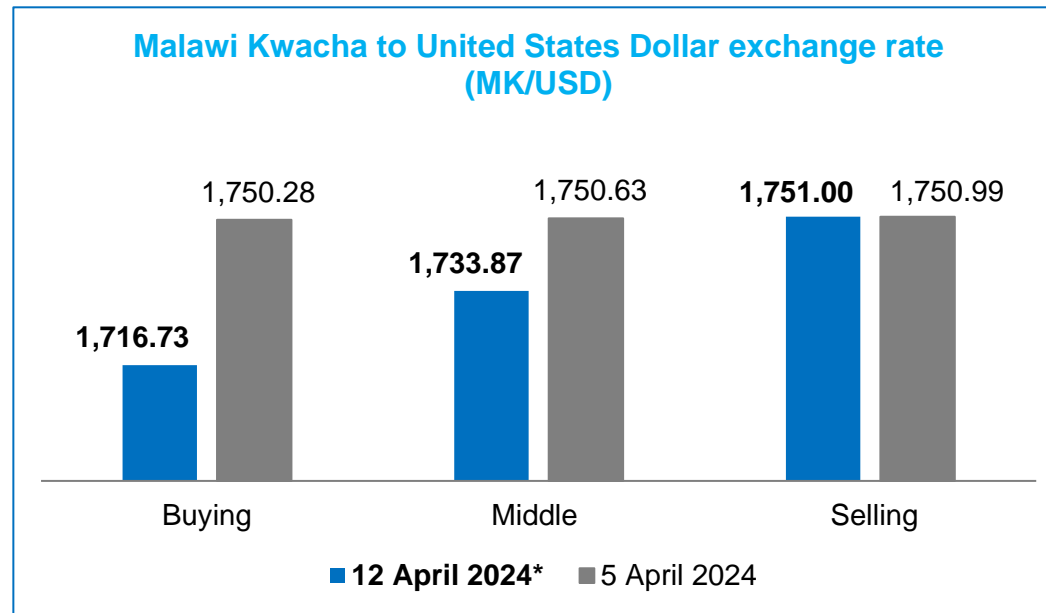
Malawi Financial Market Update

Week ending 12 April 2024

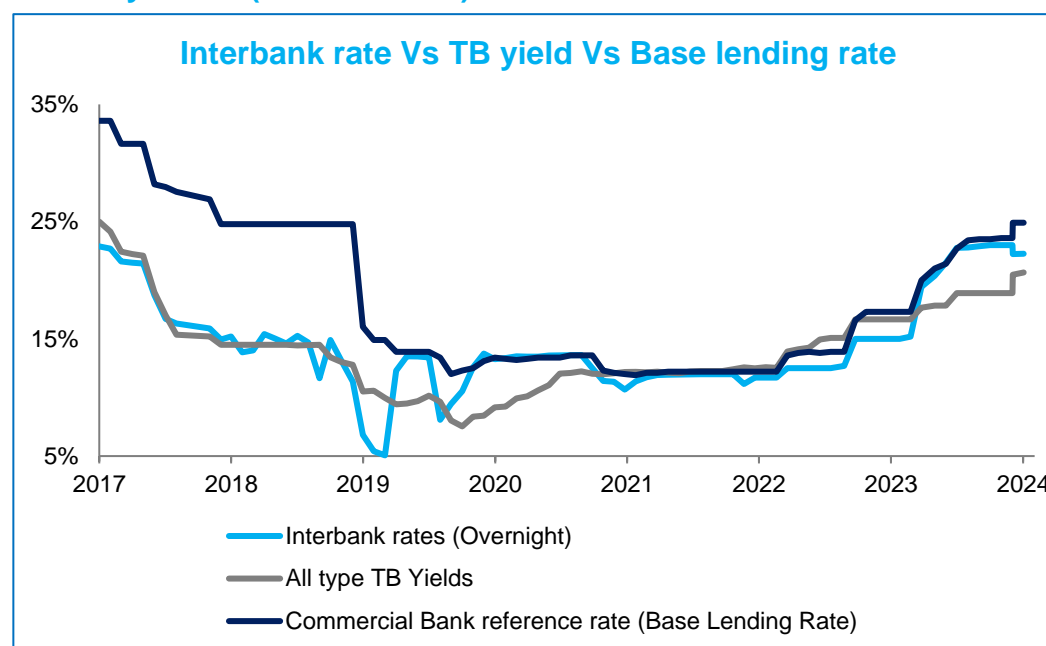


Exchange rate and other market developments

Exchange rate (Source: RBM)



Monthly Rates (Source: RBM)



According to the International Food Policy Institute (IFPRI) Malawi Maize Market Report for March 2024, the retail price of maize decreased by 2% in March.

The Malawi Revenue Authority (MRA) has beaten its 2023/24 revised target of MK2.180 trillion by collecting MK2.186 trillion.

What Happened This Week

1. According to the International Food Policy Institute (IFPRI) Malawi Maize Market Report for March 2024, the retail price of maize decreased by 2% in March. The weekly average maize prices in the final week of March dropped to MK759/kg from MK771/kg in the final week of February. In the previous year, the market saw a 16% increase to MK733/kg during the same period. The highest weekly average price was recorded in the Southern region at MK943/kg, and the lowest was in the Northern region at MK567/kg (IFPRI Maize Market Report for March 2024).
2. The Malawi Revenue Authority (MRA) has beaten its 2023/24 revised target by collecting tax revenues amounting to MK2.186 trillion against a target of MK2.180 trillion. The initial target before being revised upwards was MK2.11 trillion. Total tax collection grew by 42% compared to the previous financial year. The revenue performance has been attributed to the collaboration efforts of various stakeholders. (MRA, 10 April 2024).
3. The Ministry of Agriculture has stated that the Government intends to distribute Malawi-made organic fertilizer in every district of the country. Producing fertilizer locally would help the government save the money required to import fertilizer and lower the cost of fertilizer to the end user. The fertilizer has been made suitable for local soils, recognizing that soils vary across the country. In the 2024/25 fiscal budget, MK160 billion was allocated to the Affordable Inputs Programme (The Daily Times, 10 April 2024).
4. In their article "Ensuring Food Security In a State of Disaster", the International Food Policy Institute (IFPRI) has urged the government to plan for maize imports as the country expects below-average harvests. Currently, 4.4 million Malawians (22% of the population) are experiencing crisis levels of food insecurity. Due to the effects of dry spells brought about by El Nino, an increased number of people will require assistance longer than usual. Seven of the past eleven El Nino events have negatively affected agriculture in Malawi, causing an average 22.5% decline in maize production. Strategies that can minimize the extent of the potential food crisis are irrigated winter crops, food imports, and food or cash distribution during the coming lean season (IFPRI, 4 April 2024).
5. The Tobacco Association of Malawi expects prices offered by buying companies to increase, reflecting the crop production gross margin and the leaf quality this season. This year's crop was produced under extremely tough weather conditions, such as extended dry spells, which forced farmers to invest more money into irrigation. Expectations of better prices have also been driven up by the anticipation of lower demand than supply. The minimum price for no-grade tobacco was maintained at USD1 per kg, while grades that attracted USD2.85 per kg in the previous market season are expected to attract between USD3.60 per kg and USD3.80 per kg. The tobacco marketing season will open on 15 April 2024 (The Daily Times, 11 April 2024).

*: Reserve Bank of Malawi opening exchange rates as of 12 April 2024



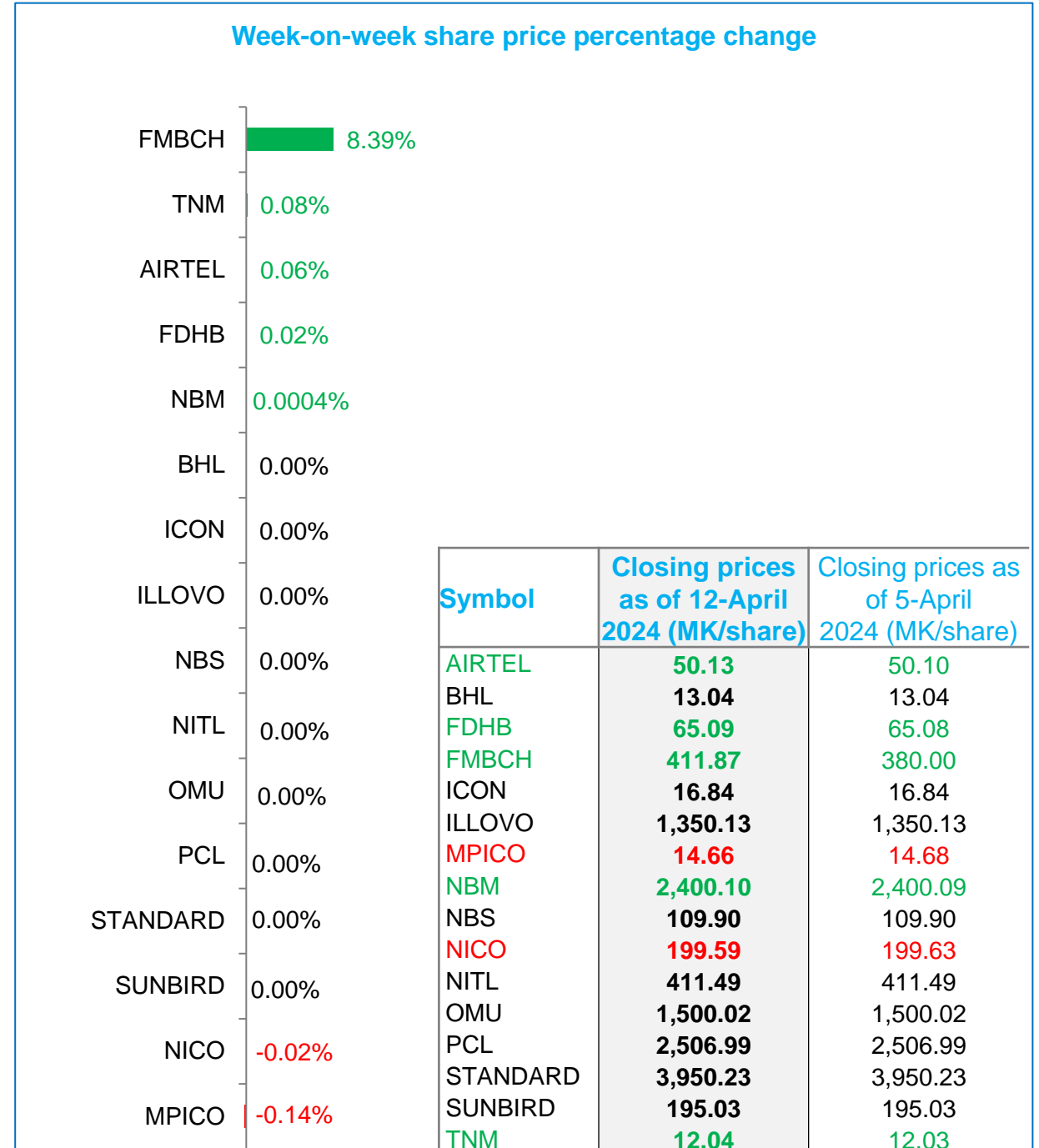
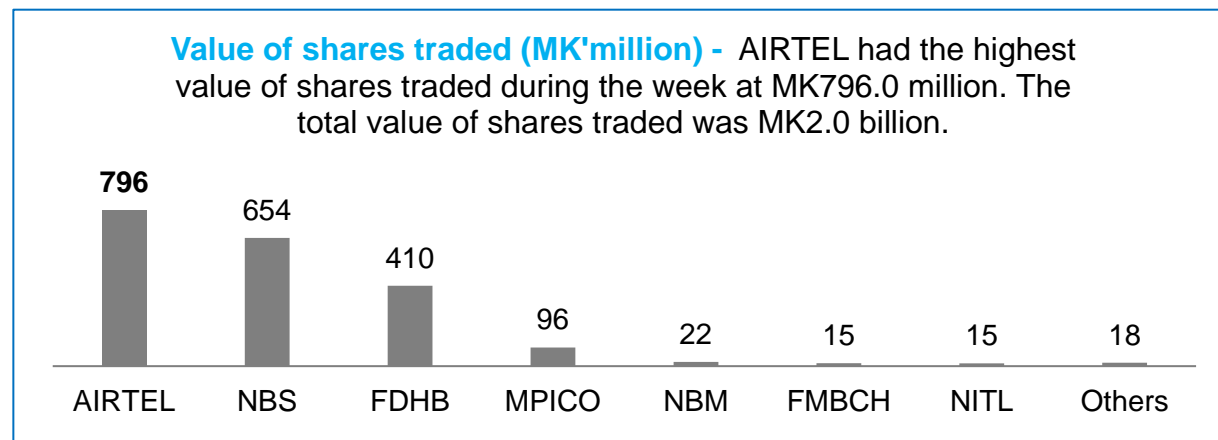
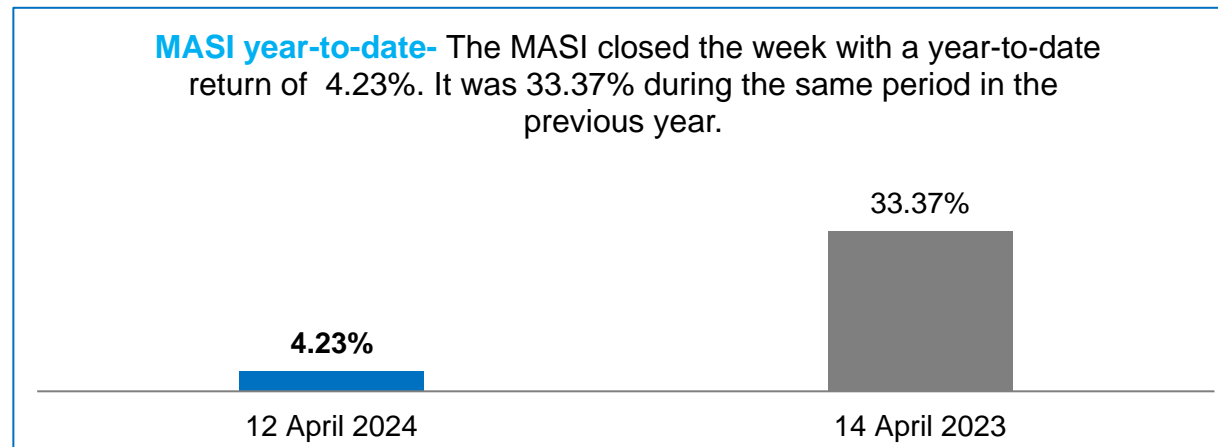
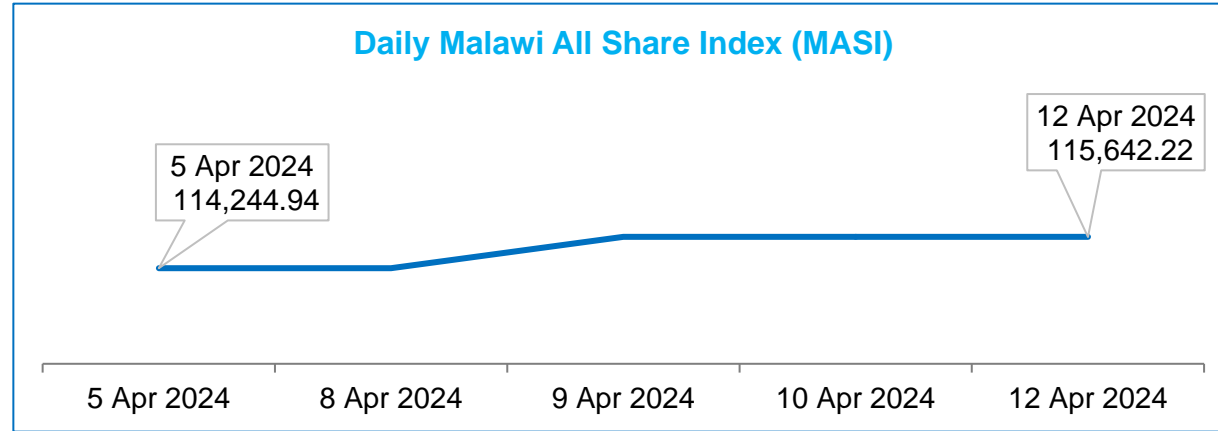
Malawi Financial Market Update: Week ending 12 April 2024

Stock market (Source: MSE)

The stock market bullish, with the Malawi All Share Index (MASI) closing the week ending 12 April 2024 at 115,642.22 from 114,244.94 points for the week ending 5 April 2024.

There was an 8.39% share price gain for FMBCH (to MK411.87 from MK380.00). There were marginal share price gains for TNM, AIRTEL, FDHB, and NBM during the week under review.

There were marginal share price losses for MPICO and NICO during the week under review.



Symbol	Closing prices as of 12-April 2024 (MK/share)	Closing prices as of 5-April 2024 (MK/share)
AIRTEL	50.13	50.10
BHL	13.04	13.04
FDHB	65.09	65.08
FMBCH	411.87	380.00
ICON	16.84	16.84
ILLOVO	1,350.13	1,350.13
NBS	109.90	109.90
NICO	199.59	199.63
NITL	411.49	411.49
OMU	1,500.02	1,500.02
PCL	2,506.99	2,506.99
STANDARD	3,950.23	3,950.23
SUNBIRD	195.03	195.03
TNM	12.04	12.03



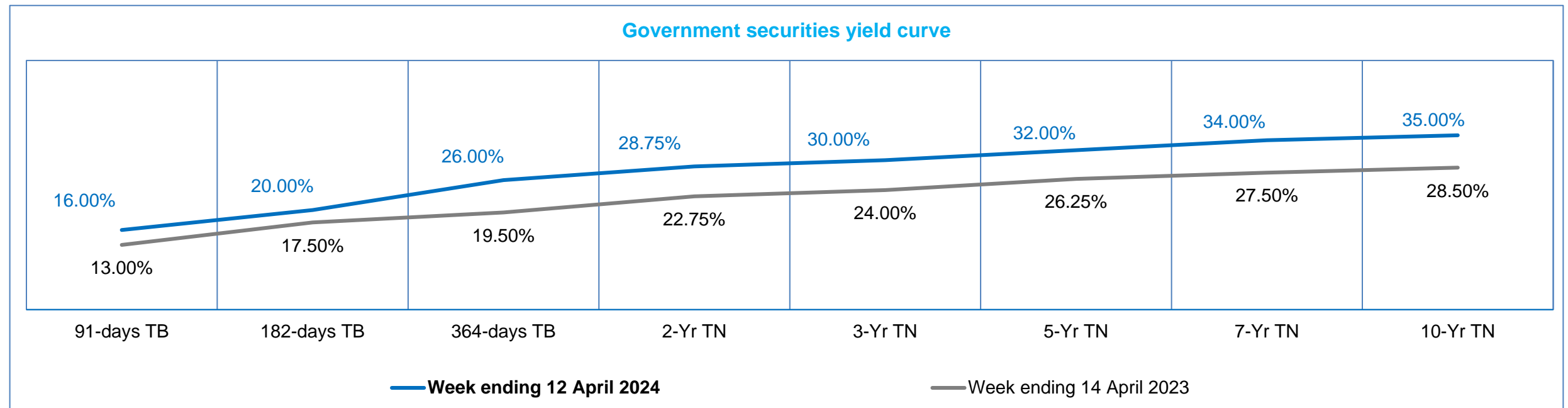
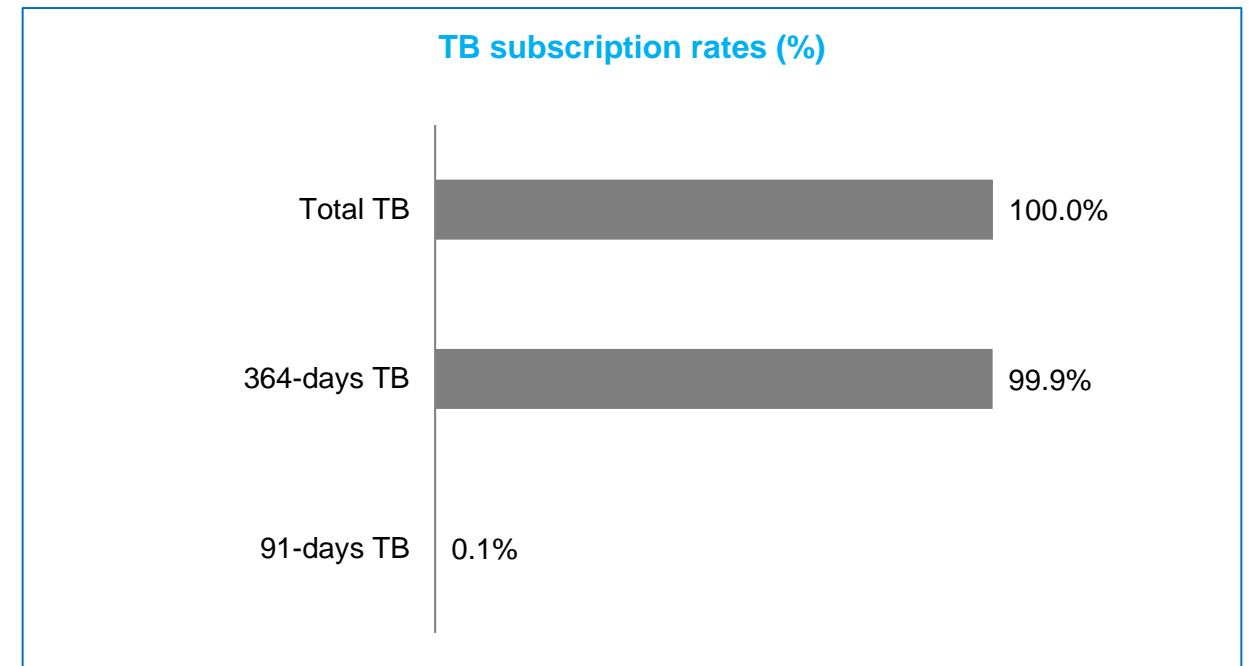
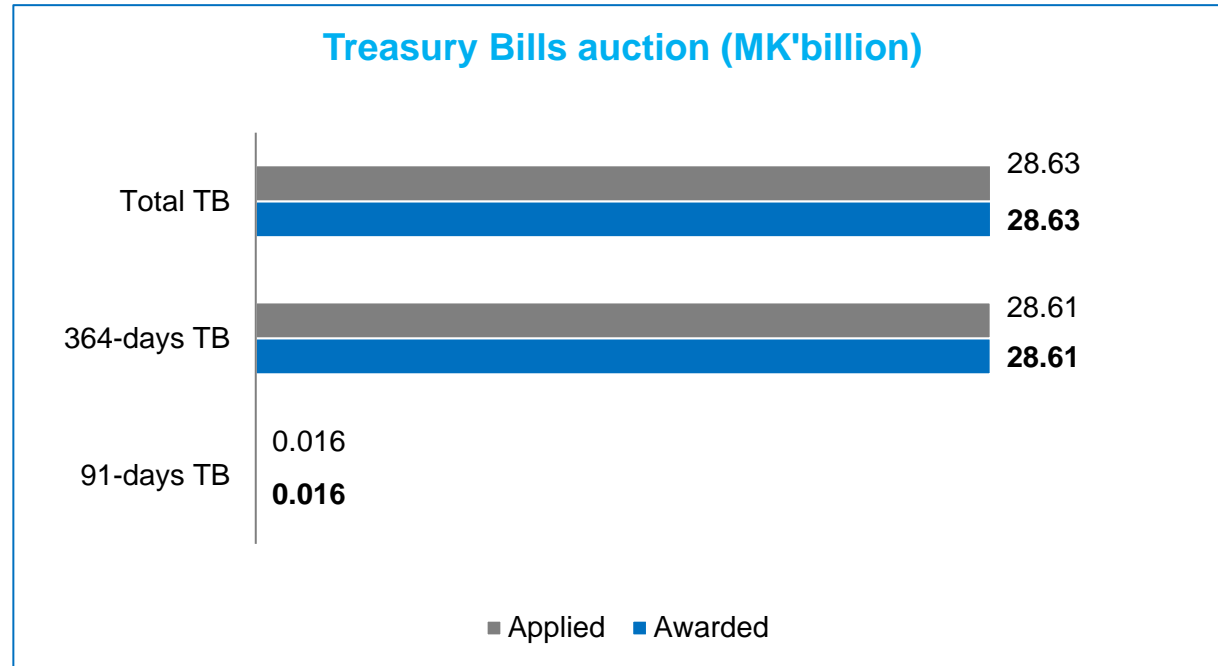
Government securities (Source: RBM)

The Reserve Bank of Malawi held auctions for the 91-day and 364-day Treasury Bills during the period under review.

A total of MK15.77 million was raised from the 91-day TB auction held during the period under review.

A total of MK28.61 billion was raised from the 364-day TB auction held during the period under review.

The average TB yield maintained at 20.67% during the period under review.



TB: Treasury Bill



Appendix 1: Historical Economic Indicators

	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-2024	12-Apr-2024
Exchange rates (middle rates)														
MK/USD	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	1,697.80	1,698.50	1,750.38	1,733.87*
MK/GBP	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	2,221.35	2,217.83	2,268.77	2,235.39*
MK/EUR	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	1,888.43	1,887.38	1,949.34	1,907.86*
MK/ZAR	59.76	57.89	53.58	57.92	61.70	60.02	60.67	63.95	92.72	93.54	92.94	90.38	94.79	95.16*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	228.49	200.08	194.82	321.53	267.91	239.56	242.68	169.3	165.20	242.58	174.80	143.60	N/A	N/A
Private Sector Reserves (USD'mn)	375.36	403.93	386.90	407.47	406.63	419.35	409.46	396.9	413.20	433.01	401.90	396.72	N/A	N/A
Total reserves (USD'mn)	603.85	604.01	581.72	729.00	674.54	658.91	652.14	566.2	578.40	675.58	576.70	540.32	N/A	N/A
Gross Official Reserves Import cover (months)	0.91	0.80	0.78	1.29	1.07	0.96	0.97	2.3	0.7	1.0	0.70	0.57	N/A	N/A
Inflation														
Headline	27.0%	28.8%	29.2%	27.3%	28.4%	28.6%	27.8%	26.9%	33.1%	34.5%	35.0%	33.5%	N/A	N/A
Food	32.4%	37.9%	38.8%	37.2%	39.3%	39.4%	36.8%	34.5%	41.7%	43.5%	44.9%	42.0%	N/A	N/A
Non-food	20.2%	18.5%	18.4%	16.0%	16.0%	16.1%	17.2%	17.6%	22.2%	22.8%	22.0%	22.1%	N/A	N/A
Interest Rates														
Monetary Policy rate	18.00%	22.00%	22.00%	22.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%
Average Interbank rate	15.00%	15.19%	19.26%	20.38%	20.51%	22.76%	22.79%	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.55%
Lombard rate	18.20%	22.20%	22.20%	22.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	26.20%	26.20%	26.20%
Commercial Bank reference rate	17.30%	17.30%	20.00%	21.00%	22.70%	22.70%	23.40%	23.50%	23.50%	23.60%	23.60%	24.90%	24.90%	24.90%
Government Securities Yields														
91-days Treasury Bill	13.00%	12.98%	13.00%	13.00%	13.00%	14.70%	14.70%	14.70%	14.70%	14.70%	14.70%	16.00%	16.00%	16.00%
182-days Treasury Bill	17.50%	17.50%	17.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	19.50%	19.50%	22.49%	22.50%	22.50%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%
2-year Treasury Note	22.75%	22.75%	24.75%	24.75%	24.75%	26.75%	26.75%	26.75%	26.75%	26.75%	26.75%	28.75%	28.75%	28.75%
3-year Treasury Note	24.00%	24.00%	26.00%	26.00%	26.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%
5-year Treasury Note	26.25%	26.25%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	32.00%	32.00%	32.00%
7-year Treasury Note	27.50%	27.50%	29.50%	29.50%	29.50%	30.46%	32.00%	32.00%	32.00%	32.00%	32.00%	34.00%	34.00%	34.00%
10-year Treasury Note	28.50%	28.50%	31.19%	31.25%	31.25%	32.83%	33.00%	33.00%	33.00%	33.00%	33.00%	35.00%	35.00%	35.00%
Stock Market Indices														
MASI	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	115,670.54	113,039.66	114,236.98	115,642.22
DSI	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	86,383.46	84,454.87	86,761.71	86,775.70
FSI	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	21,124.59	20,597.92	19,012.48	20,591.48

*: Reserve Bank of Malawi opening exchange rates as of 12 April 2024

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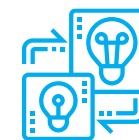
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