



# RESERVE BANK OF MALAWI

## FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Friday, 29<sup>th</sup> September 2023

### A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

#### i. Liquidity Conditions

	Projections		Actuals
	29 Sep 2023	Week ending 29 Sep 2023	28 Sep 2023
Central Bank Monetary Transactions with Banking System (+= Net liquidity injection / - = Net withdrawal)	-76,739	171,907	
Excess Reserves before Open Market Operations	-46,192	-46,192	
Excess Reserves after all Central Bank Operations			30,547
Required Reserves	218,100	218,100	218,100

#### ii. Known Projected Transactions

	Weekending				Month of		
	29-Sep-23	6-Oct-23	13-Oct-23	20-Oct-23	Sep-23	Oct-23	Nov-23
Maturity of Normal Treasury Securities	29,038	16,973	23,242	49,059	100,079	106,853	147,753
Maturity of OMO Repos	0	0	0	0	0	0	0
Maturity of OMO Reverse-Repos	0	0	0	0	0	0	0

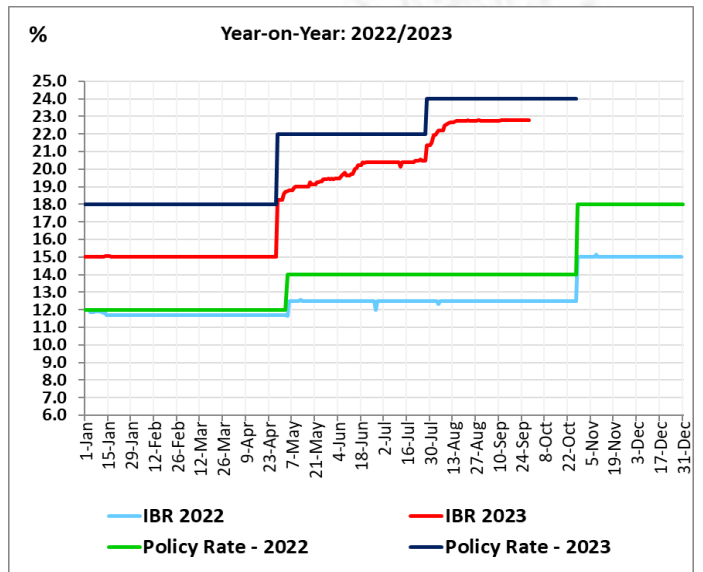
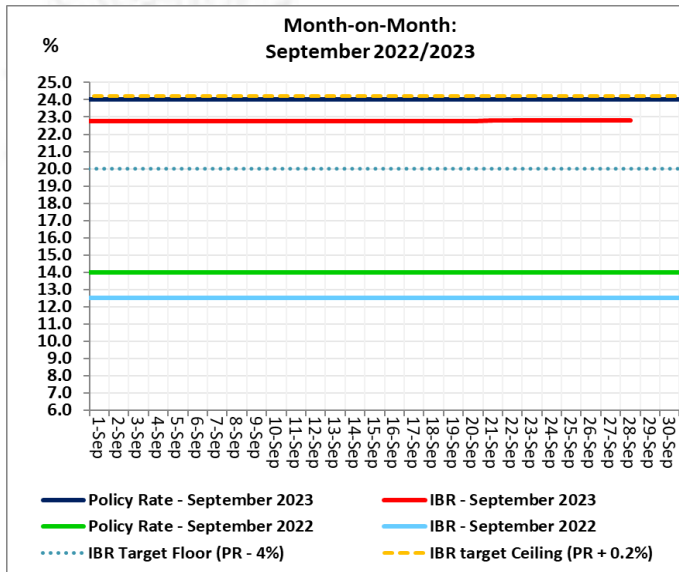
### B. INTER-BANK MARKET DEVELOPMENTS

#### i. Previous Trading Day's Domestic Money Market Activity

	Volume (MWK' Billion)	Average Rate (%)	Number of Trades
<b>(a) Inter-Bank Market Borrowing</b>			
O/N	28.00	22.79	4
7 days	-	-	-
14 days	-	-	-
30 days	-	-	-
<b>(b) RBM Open Market Operations</b>			
(i) Repos			
30 days	-	-	-
60 days	-	-	-
90 days	-	-	-
(ii) Reverse Repos			
30 days	-	-	-
60 days	-	-	-
90 days	-	-	-
(iii) Outright Sale of Securities	-	-	-
(iv) Outright Purchase of Securities	-	-	-
<b>(c) Access on Re-discounting Standing Facility</b>	-	-	-
<b>(d) Access on Lombard Standing Facility<sup>1</sup></b>	57.60	24.20	2

<sup>1</sup> The number of trades in this item refers to number of banks that accessed the Lombard facility.

## ii. Weighted Average Interbank Market Rates



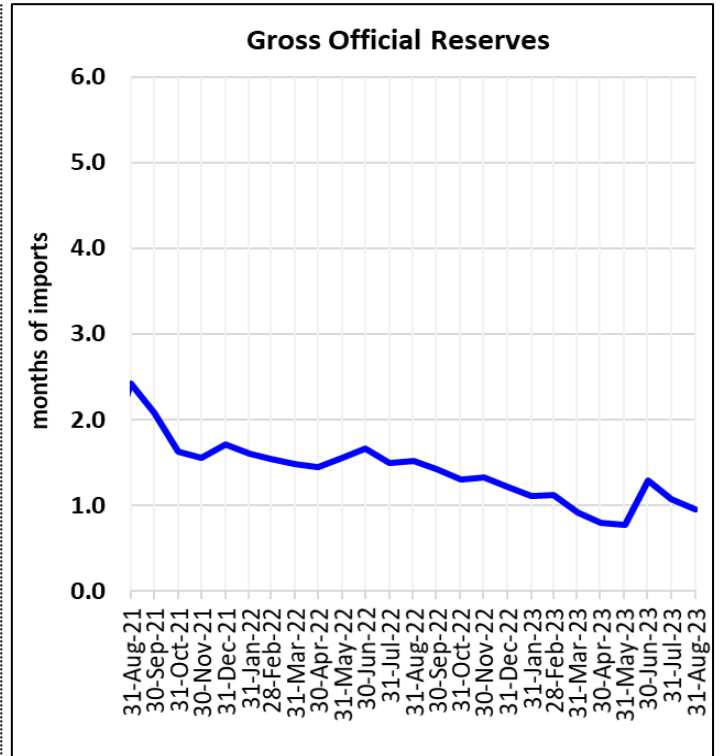
## C. FOREIGN EXCHANGE MARKET DEVELOPMENT

### i. Gross Official Foreign Exchange Reserves Position

(Foreign exchange reserves under the direct control of the Central Bank)

Date	Reserves (US\$ mn)	Import Cover * (Months)
31 Aug 2022	378.89	1.52
30 Sep 2022	357.18	1.43
31 Oct 2022	326.06	1.30
30 Nov 2022	338.87	1.36
31 Dec 2022	304.65	1.22
31 Jan 2023	279.22	1.12
28 Feb 2023	280.66	1.12
31 Mar 2023	228.49	0.91
30 Apr 2023	200.08	0.80
31 May 2023	194.82	0.78
30 Jun 2023	321.53	1.29
31 Jul 2023	267.91	1.07
31 Aug 2023	239.56	0.96

\* US\$250.0 million monthly import requirement is used in the calculations.



## ii. Private Sector Foreign Exchange Reserves

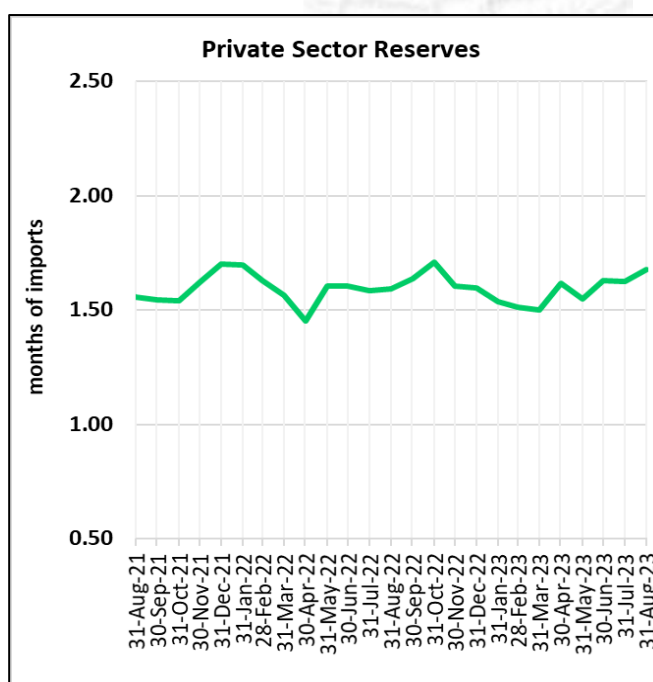
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date	ADB's Own Position (US\$ mn)	FCDA (US\$ mn)	Total Reserves (US\$ mn)	Import Cover * (Months)
31 May 2023	5.11	381.79	386.90	1.55
30 Jun 2023	10.11	397.37	407.47	1.63
31 Jul 2023	10.25	396.37	406.63	1.63
31 Aug 2023	11.13	408.22	419.35	1.68

\* US\$250.0 million import requirement per month is used in the calculations.

### ADB's FOREIGN EXCHANGE TRADING ACTIVITY

	ADB's Purchases (US\$ mn)	ADB's Sales (US\$ mn)
04 Sep – 08 Sep 2023	15.43	26.62
11 Sep – 15 Sep 2023	21.87	20.04
18 Sep – 22 Sep 2023	19.96	18.94
28 Sep 2023	4.70	3.76

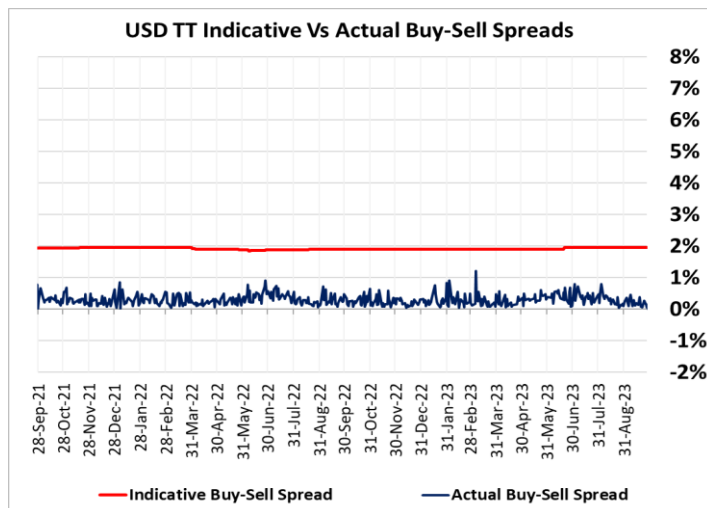
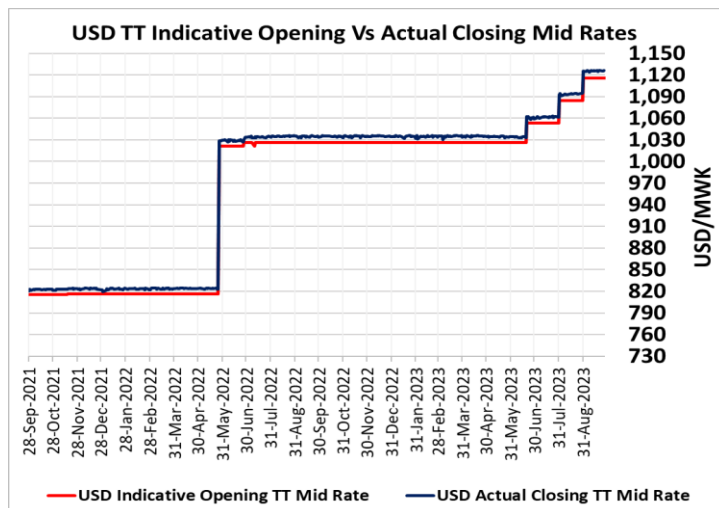


## iii. Kwacha Exchange Rate Developments

	28 Sep 2023 (Opening Rates)			28 Sep 2023 (Closing Rates)			29 Sep 2023 (Opening rates)
	Middle	Buying	Selling	Middle	Buying	Selling	Middle
MWK/USD	1115.7828	1104.7956	1126.7700	1126.2500	1125.8715	1126.6284	1115.7828
MWK/GBP	1395.6568	1381.9137	1409.4000	1396.2009	1382.4474	1409.9544	1405.1957
MWK/EUR	1207.0639	1195.1778	1218.9500	1219.0798	1217.8524	1220.3073	1216.1430
MWK/ZAR	59.9996	59.4088	60.5904	59.9450	59.3234	60.5665	60.8037

Note: The reported opening rates are indicative market average TT rates.

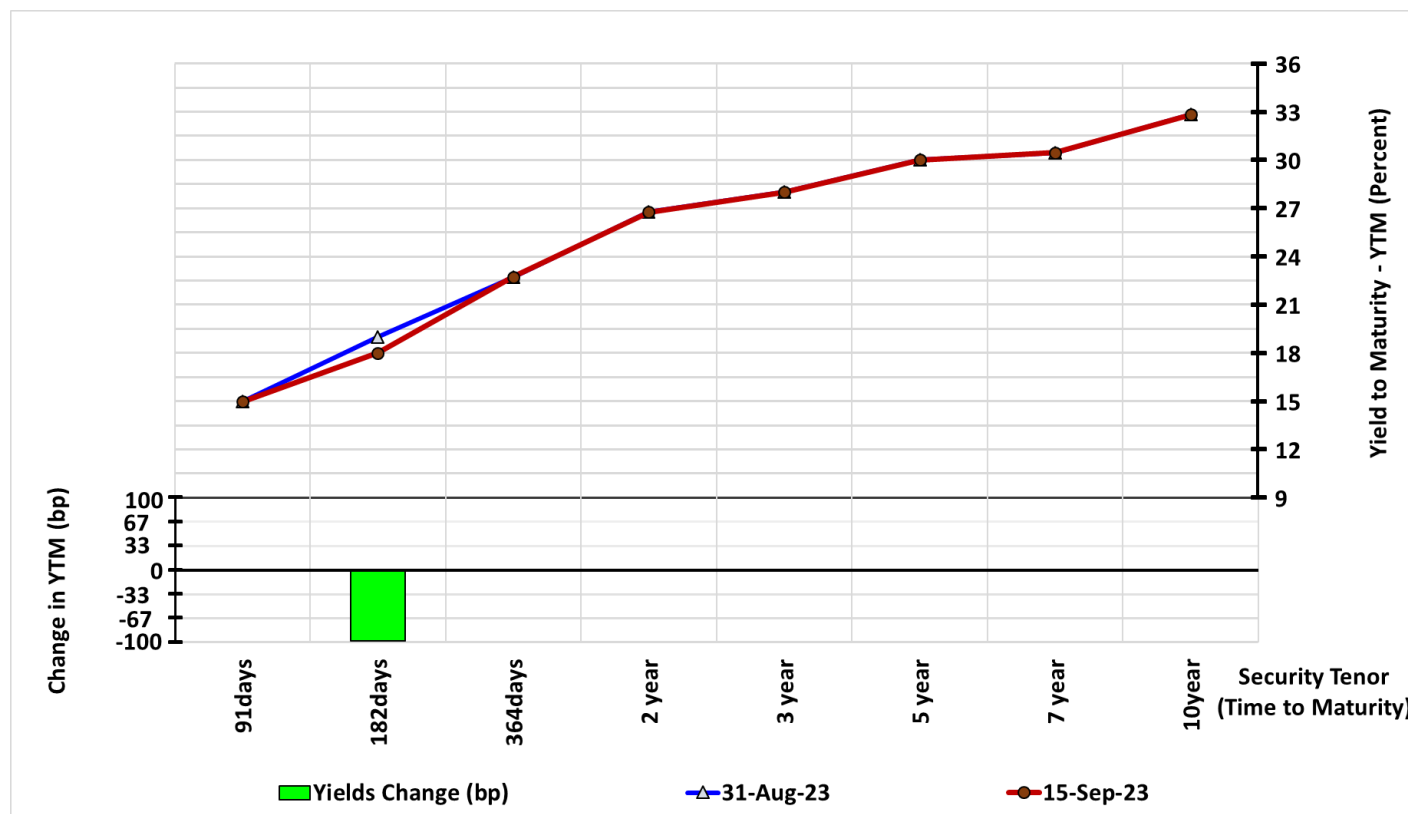
The reported closing rates are actual trade-weighted market average TT rates.



## D. YIELD CURVE FOR GOVERNMENT SECURITIES

Tenor	91 day	182 day	364 day	2 Year	3 Year	5 Year	7 Year	10 Year
31 Aug 2023	14.97	18.98	22.72	26.75	28.00	30.00	30.46	32.83
15 Sep 2023	14.97	18.00	22.72	26.75	28.00	30.00	30.46	32.83
31 Aug 2023 – 15 Sep 2023 Change in Yield (Bp)	0	-98	0	0	0	0	0	0

**NOTE:** The 91-day, 182-day and 364-day Treasury bill yields converted to semi-annual bond basis. Bp means basis points.



**DISCLAIMER:** All information in this report is provided for general reference purposes only. Whilst every effort is made to ensure that the information is up to date and accurate, the Reserve Bank of Malawi does not accept responsibility for any loss or gain that may arise from reliance on the information contained herein.