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General Notes

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**HIGHLIGHTS****1.1 Gross Foreign Exchange Reserves<sup>1</sup>**

Total gross foreign reserves of the banking system declined to US\$274.8 million (K41.4 billion) in March 2011 from US\$287.0 million (K43.3 billion) in the preceding month. At this level, foreign reserves were equivalent to 2.1 months of imports compared to 2.2 months of imports registered in the preceding month.

**1.2 Exchange rates**

The Malawi kwacha performed variably against currencies of the country's major trading partners, but remained stable against the US dollar in March 2011. This outturn was on account of developments in both the domestic and foreign exchange rate markets.

**1.3 Money Supply**

Broad money supply (M2) increased by K5.1 billion (2.6 percent) to K203.6 billion in March 2011 from K198.5 billion recorded in February 2011. This development was on account of a K10.8 billion net domestic assets creation which was partly offset by a K5.7 billion decline in net foreign assets. Subsequent to this outturn, annual growth in M2 decelerated to 21.3 percent in March 2011 from 22.5 percent in February 2011.

**1.4 Interest Rates**

The Bank rate, commercial bank lending and savings rates remained at their respective February 2011 levels of 13.0 percent, 17.7 percent and 3.8 percent observed since August 2010. Money market rates however exhibited some changes during the month under review.

**1.5 Inflation**

Year-on-year inflation picked up by 0.2 percentage points to 7.2 percent in March 2011 from 7.0 percent in February 2011. The increase in inflation was on account of increases in prices of both food and non-food items.

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<sup>1</sup> The figures exclude encumbered reserves and holdings by Crown Agents.

## **2.0 EXTERNAL SECTOR**

### **2.1 Gross Foreign Exchange Reserves**

Total foreign exchange reserves of the banking system decreased to US\$274.8 million (K41.4 billion) in March 2011 from US\$287.0 million (K43.3 billion) registered in the preceding month. This outturn was against the backdrop of a large decrease in gross official reserves that offset an increase in commercial banks reserves during the month. Consequently, import cover stood at 2.1 months in March 2011 compared to 2.2 months recorded in February 2011. Gross official reserves closed at US\$190.2 million (K28.7 billion) compared to US\$204.6 million (K30.9 billion) recorded in the preceding month. The commercial banks reserves increased to US\$84.6 million (K12.6 billion) from US\$82.4 million (K12.4 billion) in the preceding month.

### **2.2 Foreign Exchange Market**

Net foreign exchange transactions conducted through the Reserve Bank of Malawi resulted into a deficit of US\$10.8 million (K1.6 billion) in March 2011 an improvement from a deficit of US\$29.7 million (K4.5 billion) registered in February 2011. The narrower deficit was on account of an increased supply of foreign exchange as well as reduced support during the month.

The supply of foreign exchange improved to US\$32.8 million (K4.9 billion) during the month under review from US\$26.5 million (K4.0 billion) in the preceding month. Project funds were the major source of foreign exchange during the month under review and amounted to US\$25.3 million (K3.8 billion).

The demand for foreign exchange decreased to US\$43.5 million (K6.6 billion) in March 2011 from US\$56.2 million (K8.5 billion) registered in the preceding month. Major uses of foreign exchange in the month included sales to Authorised Dealer Banks (ADB) and Government Payments, which together totalled US\$30.6 million.

### **2.3 Exchange Rate Developments**

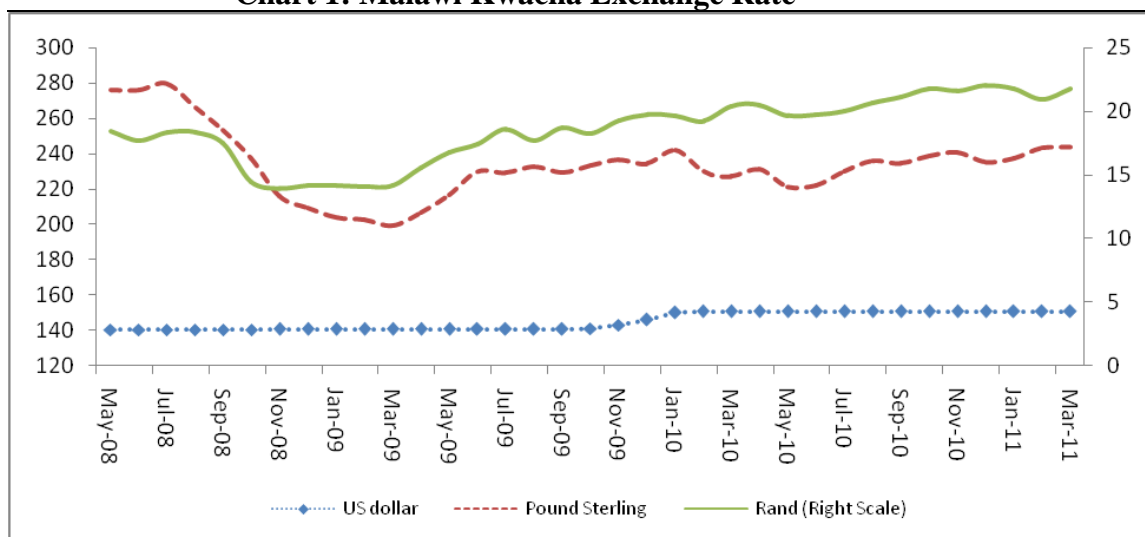
The Malawi kwacha performed variably against the country's major trading partners' currencies but remained stable against the US dollar in March 2011. This was on account of developments in both the domestic and foreign exchange rate markets.

The kwacha rate of exchange against the US dollar remained unchanged at K150.8004 per dollar in March 2011 from the preceding month. With regard to the British pound, the local unit appreciated, albeit marginally by 0.2 percent and moved to trade at K242.3664 per pound in March 2011. Against the euro, the kwacha weakened by 1.5 percent and traded at K213.0357 per euro in March 2011 from K207.3656 per euro in the preceding month. This was due to the weakening of the US dollar against the euro during the review period. The local currency strengthened by 1.5 percent against the Japanese yen and moved to K1.8193 per yen during the month under review.

On the regional front, the kwacha continued to weaken against both the South African rand and the Zambian kwacha in March 2011. This was partly on account of the strengthening of these currencies against the US dollar. The kwacha lost 2.6 percent against the South African rand and stood at K22.1018 per rand during the period under review. Similarly, the Malawi kwacha depreciated by 1.2 percent against the Zambian kwacha and stood at

K0.0321 per Zambian Kwacha in March 2011.

**Chart 1: Malawi Kwacha Exchange Rate**

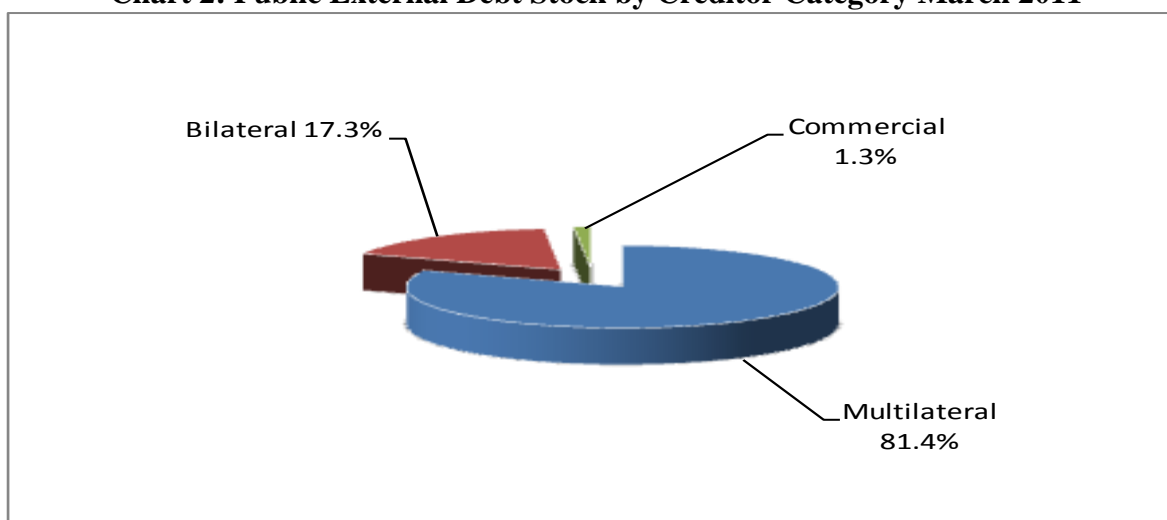


Source: Reserve Bank of Malawi

## 2.4 External Debt Stock

Outstanding public external debt amounted to US\$849.3 million in March 2011 and represented 13.8 percent of GDP<sup>2</sup>. This was a slight decrease of US\$0.6 million (0.1 percent) from US\$849.9 million recorded in the preceding month. The decline was attributed to principal repayments made to Kuwait Fund (US\$0.5 million) and France (US\$0.1 million). There were no disbursements recorded in the month. Year-on-year, the outstanding debt stock increased by 10.8 percent in March 2011.

**Chart 2: Public External Debt Stock by Creditor Category March 2011**



Source: Reserve Bank of Malawi

The proportions by creditor category remained virtually unchanged. Multilateral debt remained the largest proportion of the outstanding debt accounting for 81.4 percent of the total debt stock at US\$691.5 million. Total outstanding bilateral debt which had decreased

<sup>2</sup> Using revised estimate of GDP for 2011

to US\$147.1 from US\$147.7 million constituted 17.3 percent of the total outstanding debt stock. Commercial debt remained at US\$10.8 million and was 1.3 percent of the outstanding debt stock. In March 2010, the proportions were 86.9 percent, 11.7 percent and 1.4 percent for multilateral, bilateral and commercial creditor categories, respectively.

## **2.5 External Debt Service**

Total public external debt service in March 2011 amounted to US\$1.8 million, some US\$0.7 million (62.7 percent) higher than the amount paid in the preceding month. The debt service made in the month under review included US\$1.5 million externalised by the central government comprising US\$0.6 million in amortisation and US\$0.9 million in interest payment. Further, US\$0.3 million was paid by ESCOM to DBSA in interest payments.

## **3.0 BANKING AND FINANCE**

### **3.1 Monetary Developments**

Broadly defined money supply (M2) increased by K5.1 billion (2.6 percent) to K203.6 billion in March 2011 from K198.5 billion recorded in February 2011. The increase was ascribed to a K10.8 billion increase in net domestic assets that was partly offset by a K5.7 billion decline in net foreign assets. The annual M2 growth, however, decelerated to 21.3 percent in March 2011 from 22.5 percent recorded in the preceding month.

On the demand side, increase in the monetary aggregates was recorded in all components. Specifically, narrow money grew by K4.7 billion (5.1 percent) to K98.0 billion in March 2011 from K93.2 billion in February 2011. The expansion was attributed largely to a K4.6 billion (7.0 percent) increase in demand deposits reflecting peaking up of economic activity. This was somewhat reinforced by a K104.3 million (0.4 percent) increase in currency in circulation.

Quasi-money also expanded by K329.9 million (0.3 percent) to K105.6 billion in March 2011. The increase was explained by a K224.2 million (0.3 percent) accumulation of term deposits largely reflecting placements by importers in anticipation of availability of foreign exchange. Further, foreign currency denominated deposits increased marginally to K19.9 billion in March 2011.

### **3.2 Net Domestic Credit**

Net domestic credit increased by K8.6 billion (3.6 percent) to K245.9 billion in March 2011 from the preceding month's position of K237.3 billion. The outturn was attributed to monthly increases of K5.3 billion (4.9 percent), K3.3 billion (2.6 percent) and K10.4 million (0.2 percent) in net credit to government, gross credit to private sector and net credit to statutory corporations, respectively.

Net credit to government from the banking system increased to K113.9 billion in March 2011 from K108.6 billion in February 2011. The bulk of the resources were accessed from commercial banks whose net claims on government rose to K22.8 billion in March 2011 following K4.7 billion uptake of Treasury bills. Meanwhile, accumulation of government deposits stood at K167.7 million reflecting largely trickling in of funding for government projects.

The monetary authorities' net credit to government increased marginally to K91.1 billion in March 2011 from K90.3 billion in the preceding month. The outturn emanated from a

K16.5 billion uptake of Ways and Means advances that was almost offset by K13.1 billion maturities of OMO Treasury bills. Government also accumulated K2.7 billion deposits. Credit extended to the private sector by the banking system grew by K3.3 billion (2.6 percent) to K127.4 billion in March 2011 from the preceding month's position of K124.1 billion. The increase was spread across all components reflecting peaking up of economic activity induced by the onset of agriculture marketing season. The bulk of the resources (K1.3 billion) were availed to the commercial and industrial sector mostly loans contracted to bridge working capital requirements. Personal loans rose by K1.0 billion whereas credit availed to the agriculture sector increased by K512.7 million. Mortgage loans recorded a monthly increase of K402.1 million whilst foreign exchange loans increased by K141.0 million.

Net credit extended by the banking system to the statutory corporations grew by K10.4 million (0.2 percent) to K4.7 billion during the review month. Of the total amount, K7.4 million was extended by the monetary authorities while K2.9 million was from the commercial banks, reflecting interest accruals and other account related charges.

**Table 1: Money Supply and its Sources**

<i>(In billion Malawi Kwacha)</i>										
	2010							2011		
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Money Supply (M2)	175.3	172.8	180.5	191.3	193.7	196.4	203.9	200.8	198.5	203.6
Narrow money (M1)	89.1	84.3	90.8	98.7	102.4	99.4	102.1	97.1	93.2	98.0
Quasi-money	86.2	88.5	89.7	92.6	91.3	96.9	101.8	103.7	105.3	105.6
Net Foreign Assets 1/	9.9	9.3	5.4	7.1	6.6	2.1	20.4	12.8	5.6	-65.4
Net Domestic Assets	165.4	163.5	175.1	184.2	187.1	194.3	183.5	187.9	192.9	203.6
Net Domestic Credit	198.2	206.9	219.1	222.9	223.1	235.9	216.9	227.4	237.3	245.9
Government (Net)	80.5	89.3	102.3	104.1	99.6	112.4	90.6	100.4	108.6	113.9
Private Sector	111.3	110.7	110.4	112.4	117.0	118.4	121.6	122.3	124.1	127.4
Other Pub. Sector (net)	6.4	6.9	6.4	6.5	6.5	5.1	4.7	4.6	4.7	4.7
Other Items (Net)	-32.7	-43.4	-44.0	-38.7	-36.0	-41.6	-33.4	-39.4	-44.4	-42.3
Annual M2 growth	12.8	9.2	9.7	9.6	12.7	14.3	17.8	21.5	22.5	21.3
Monthly M2 growth	-2.1	-1.4	4.4	6.0	1.2	1.4	3.8	-1.5	-1.1	2.6
Reserve Money	53.9	55.4	58.6	56.4	62.4	59.6	57.4	56.0	59.3	51.9
Money Multiplier	3.3	3.1	3.1	3.4	3.1	3.3	3.6	3.6	3.3	3.9

*Source: Reserve Bank of Malawi*  
 1/ Exclude encumbered reserves at RBM

### 3.3 Other Financial Institutions (OFIs)

The Other Financial Institutions (OFIs) resources expanded by K2.0 billion (4.9 percent) to K45.3 billion during the month of March 2011. The major sources of funds for OFIs were private sector deposits which rose by K1.6 billion (5.5 percent) to K31.7 billion. The expansion was on account of a K1.7 billion increase in time deposits which was somewhat offset by a decrease of K118.9 million in demand deposits. The accumulation of time deposits was attributed to yield-seeking motive following declining yields on the Treasury

bills market which provided impetus for placements with the OFIs. In March 2011, the average deposit rate for the OFIs stood at 6.9 percent and compared favorably to Treasury bills yields at 5.9 percent.

OFIs' liabilities to domestic banks also increased by K491.9 million as OFIs borrowed K360.0 million from other domestic banks coupled with recourse to the Reserve Bank of Malawi totaling K118.9 million. Further, capital accounts liabilities went up by K49.2 million owing to increased income of OFIs. Meanwhile, other liabilities of OFIs declined by K70.3 million. Official sector deposits dropped by K20.5 million to K2.5 billion in March 2011.

Subsequent to increased resources, activities of OFIs also increased during the month under review. OFIs invested K1.8 billion in loans and advances to statutory bodies. The major borrowers were Agriculture Development Corporations (K893.0 million) and Malawi Revenue Authority (K753.0 million). The OFIs also accumulated K1.5 billion in accrued interest receivables during the month under review. Investment in premises and equipments of OFIs rose by K304.5 million to K3.1 billion. Notwithstanding these developments, OFIs reduced investment in government securities following Treasury Bills redemptions of K956.7 million. External resources of OFIs also dropped by K490.7 million to K415.0 million.

### **3.4 Discount Houses**

The consolidated balance sheet position of the discount houses indicated that resources decreased by K201.2 million (3.2 percent) to K6.2 billion. This decrease emanated from a drop in interbank borrowing of K367.4 million partly reflecting availability of funds sourced from previous months. Notwithstanding this, REPO transactions of discount houses with the general public increased by K145.8 million. The financial auxiliaries, capital base also increased by K20.4 million due to profits realized during the month under review.

Reflecting the decrease in resources, discount houses decreased their activities during the month under review. Interbank placements dropped by K797.2 million. Balances with Reserve Bank of Malawi and commercial banks also declined by K103.0 million and K59.0 million, respectively.

Meanwhile, discount houses invested substantially on the money market as holdings of commercial papers and Treasury bills increased by K775.7 million and K472.9 million, respectively. Further, other assets rose by K618.1 million attributed to an increase in secured loans of K775.7 million which was, however, offset by a decrease of K213.4 million in reverse repos.

**Table 2: Interest Rate Structure**

<i>( in percent per annum)</i>										
	2010							2011		
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Bank Rate	15.00	15.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00	13.00
Base Rate	19.25	19.25	17.75	17.75	17.75	17.75	17.75	17.75	17.75	17.75
Savings	3.33	3.33	3.75	3.75	3.75	3.75	3.75	3.75	3.75	3.75
Interbank rate										
Minimum	13.83	14.28	4.00	2.00	3.20	3.50	4.50	2.00	2.00	2.50
Maximum	16.60	16.60	13.00	7.90	7.00	8.75	12.00	13.00	3.50	9.00
Treasury bills Yields 1/										
91 Days	10.20	10.54	10.43	9.12	7.91	7.30	6.91	6.86	5.93	5.92
182 Days	7.23	7.50	7.51	7.14	7.01	6.93	6.20	6.38	5.83	6.33
273 Days	11.34	11.63	11.39	9.75	7.83	7.20	7.15	6.99	5.95	5.50
273 Days	11.93	12.48	12.38	10.47	8.90	7.78	7.39	7.22	6.00	-
Government Bonds 3/										
Mortgage (min)	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00

*Source: Reserve Bank of Malawi*

*1/ End period average*

*2/ Weighted average yield*

*3/ The quoted bond rate reflects the highest Government of Malawi Local Registered Stock (LRS) rate*

### 3.5 Interest Rates

The Bank, commercial banks lending and savings rates remained at their February 2011 position of 13.0 percent, 17.7 percent and 3.8 percent in the month under review. The interbank market average rate increased to 5.75 percent in March 2011 from an average of 2.75 in February 2011 despite the availability of excess liquidity in the system. The all type Treasury bills yield declined marginally to 5.92 percent in March 2011 from 5.93 percent recorded in February 2011.

### 3.6 Money Market

#### 3.6.1 Government Securities Market

Subscriptions to the Treasury bill auctions conducted during the month of March 2011 rose by 39.2 percent to K11.3 billion from K8.6 billion in the preceding month. Total Treasury bills subscriptions, however, were less than the rollover target of K15.9 billion.

A total of K13.6 billion worth of Treasury bills were issued in March 2011. Of this amount, K7.3 billion was on account of conversion of Ways and Means advances and K6.3 billion was offered on primary auctions. This represented month-on-month decline of 63.7 percent compared to a total of K37.4 billion issued in February 2011. On net basis, there was a maturity of K2.3 billion during the period under review, resulting in a corresponding decline in the stock of Treasury bills to close the month at K123.8 billion.

**Table 3: Treasury Bills Primary Market**

<i>(In billion Malawi Kwacha at cost value)</i>										
	2010							2011		
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Total subscription	7.1	7.7	12.4	31.2	17.4	8.5	5.5	9.7	8.6	11.3
Issues	16.3	14.3	16.1	13.6	14.4	16.0	2.7	14.4	37.4	13.6
Maturities	21.2	17.4	9.7	12.2	15.3	10.6	16.4	11.6	37.5	15.8
Normal Treasury bills	11.2	11.9	9.7	12.2	5.6	5.2	5.5	6.4	4.2	6.0
OMO Stock	10.0	5.5	-	-	9.7	5.4	10.9	5.2	33.3	9.9
Net Issues(+)/maturities(-)	-4.8	-3.1	6.4	1.4	(0.9)	5.4	(13.7)	2.8	-0.1	-2.3
Conversions (period total)	9.9	6.6	6.6	-	10.2	10.6	0.0	9.0	33.0	7.3
T-bill stock at cost value	125.0	122.0	127.7	128.8	128.1	133.3	120.7	124.0	125.4	123.8

Source: Reserve Bank of Malawi

### 3.6.2 Domestic Debt Stock

Outstanding domestic debt in March 2011 was K168.5 billion (18.1 percent of GDP), an increase of 4.9 percent over the end-February 2011 levels. Year-on-year, the outstanding domestic debt increased by 4.8 percent. The month-on-month increase emanated from Ways and Means advances which had increased from K2.7 billion in February 2011 to K12.2 billion in the month under review. In contrast, outstanding Treasury bills decreased to K123.8 billion from K125.4 billion. Treasury Notes, Bonds and Local Registered Stocks (LRS) remained at K32.5 billion because there were neither redemptions nor new issues.

**Table 4: Domestic Debt Holdings by Sector (Cost Values)**

<i>(in billion of Malawi kwacha)</i>										
	2010							2011		
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	
<b>Total Domestic Debt Stock</b>	<b>156.1</b>	<b>166.3</b>	<b>162.9</b>	<b>162.2</b>	<b>168.8</b>	<b>154.7</b>	<b>157.5</b>	<b>159.8</b>	<b>168.5</b>	
<b>Total Treasury bills Stock</b>	<b>122.0</b>	<b>127.7</b>	<b>128.8</b>	<b>128.1</b>	<b>133.3</b>	<b>120.7</b>	<b>124.0</b>	<b>125.4</b>	<b>123.8</b>	
Residents										
Reserve Bank	75	81	80.2	80.1	85.7	73.0	76.7	79.7	73.6	
Commercial Banks	21.9	21.7	22.9	22.7	25.1	26.6	27.3	26.8	30.8	
Discount Houses	3.4	3.3	5.2	5.4	5.3	4.6	4.9	4.2	4.0	
Other Residents	21.7	21.7	20.5	19.9	17.2	16.5	15.1	13.9	15.4	
Non-residents	-	-	-	-	-	-	-	-	-	
<b>Total Local Registered Stocks</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.5</b>	<b>3.4</b>	<b>3.4</b>	<b>2.9</b>	<b>2.9</b>	<b>2.9</b>	
Reserve Bank	-	-	-	-	-	-	-	-	-	
Commercial Banks	2.5	2.5	2.5	2.5	2.5	2.5	2.2	2.2	2.2	
Discount Houses	0.9	0.9	0.9	0.9	0.8	0.8	0.7	0.7	0.7	
Non Banks	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	
<b>Holdings of Treasury Notes by RBM</b>	<b>30.6</b>	<b>30.6</b>	<b>30.6</b>	<b>30.6</b>	<b>30.6</b>	<b>30.6</b>	<b>30.6</b>	<b>29.6</b>	<b>29.6</b>	
<b>Ways and Means advances</b>	<b>-</b>	<b>4.5</b>	<b>-</b>	<b>-</b>	<b>1.5</b>	<b>0.0</b>	<b>0.0</b>	<b>2.7</b>	<b>12.2</b>	

Source: Reserve Bank of Malawi

The Reserve Bank of Malawi remained the major holder of domestic debt with K115.4 billion (68.5 percent) of the total debt stock. Debt from the RBM included K73.6 billion Treasury bills, K29.6 billion Treasury notes and K12.2 billion ways and means advances. Commercial banks were the second largest holder accounting for K33.0 billion (19.6 percent) of the debt stock. Non-banks held K15.4 billion (9.1 percent) while Discount Houses held K4.7 billion (2.8 percent) of the total debt stock.

The Reserve Bank held 59.5 percent of total Treasury bills stock following a reduction in its holdings by 7.7 percent from K79.7 billion in February 2011. Commercial banks and non-banks held K30.8 billion (24.9 percent) and K15.4 billion (12.4 percent) of the total Treasury bill stock, after increasing their holdings by 14.9 percent and 3.2 percent, respectively.

### 3.6.3 Treasury Bill Yields

Average yields for Treasury Bills dipped further across all tenors during March 2011 and fell below the 6.0 percent threshold. The 91 day tenor, which was the most preferred among the tenors, suffered most as it lost 54 basis points to settle at 5.29 percent. Next in line was the 182 day tenor which fell to 5.59 percent from 5.96 percent in the preceding month. The 273 day tenor shed off 21 basis points during the month and settled at 5.79 percent. The All type yield, as a consequence, lost 37 basis points and closed the month at 5.56 percent.

## 3.7. Banking System Liquidity Position

### 3.7.1 Inter-bank Money Market

Contractionary monetary operations tightened liquidity conditions with daily average excess reserves declining from K9.9 billion recorded in February 2011 to K6.9 billion in March 2011. Consequently, demand on the interbank market rose forcing some banks to seek accommodation from the discount window. Thus, the average interbank market rate gained 3.3 percentage points and closed the review month at 6.2 percent.

**Table 5: Banking System Liquidity**

<i>(in billion of Malawi kwacha)</i>											
	2010								2011		
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Total Reserves	21.7	21.78	21.63	23.62	25.13	27.9	28.81	30.2	30.5	34.15	31.06
Required Reserves	21.7	22.4	22.2	22.4	23.9	25.1	26.4	27.3	24.0	24.20	24.15
Excess Reserves	0.7	-0.58	-0.58	1.20	1.28	2.82	2.4	2.9	6.50	9.95	6.92
Inter-bank Market Activity	2.1	2.78	2.25	3.36	3.52	3.02	2.8	3.1	1.8	2.28	3.79
Discount Window Borrowing	3.6	3.66	4.46	2.71	-	1.57	2.8	1.4	0.5	-	0.34
Average Inter-bank Market Rate	14.37	14.78	14.73	6.07	4.27	5.86	4.85	10.6	3.2	2.90	6.17

*Source: Reserve Bank of Malawi*

**Table 6: Liquidity Management<sup>3</sup>**

<i>(in billion of Malawi kwacha)</i>				
	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>2011</b>
Net Government Operations <sup>4</sup>	-8.83	3.97	-0.78	3.88
Government deficit excluding grants	-11.71	5.00	0.80	4.02
Revenue	34.83	17.25	15.67	15.28
MRA	22.83	14.04	11.63	11.97
Other, excluding grants	12.00	3.21	4.04	3.31
Expenditure	23.12	22.25	16.47	19.30
Net Government Domestic Borrowing	2.83	-1.03	-1.57	-0.14
TB issues	2.06	5.66	4.23	6.13
TB maturity	4.91	4.63	2.66	5.99
Net Forex Operations	-0.27	-3.75	-3.53	-4.08
Sales	0.48	4.28	5.49	4.61
Purchases	0.21	0.53	1.96	0.53
Net OMO	0.61	8.45	3.81	-8.34
Injections	26.36	8.95	3.81	4.58
Purchase of securities	0.00	0.00	1.95	0.00
Discount window accommodation	10.01	0.50	0.00	0.00
Repo maturities	16.35	8.45	1.86	1.34
Withdrawals	25.75	0.50	-	3.23
Sale of securities	2.15	-	-	12.91
Maturing Discount window accommodation	10.96	0.50	-	4.05
Repos	12.65	-	-	0.76
Net Operations	-8.52	7.17	-0.50	8.10

Source: Reserve Bank of Malawi

### 3.7.2 Open Market Operations

Open Market operations in March 2011 focused on addressing the liquidity overhang experienced since January 2011. The bank conducted repo operations amounting to K8.1 billion and reduced its OMO assets by K4.1 billion. Foreign exchange sales to ADBs withdrew a further K4.1 billion from the banking system. Meanwhile, fiscal operations injected K3.9 billion following pressure on recurrent obligations. Overall, K8.3 billion was withdrawn from the money market compared to K500.0 million withdrawn during the preceding month.

### 3.8 Capital Markets

There was no new stock listed on the local bourse during the review period. As a result the number of counters on the Stock Exchange remained at fifteen (15). During the review period, a total of 681.5 million shares valued at K1,440.8 million were transacted compared to 28.1 million shares valued at K183.6 million transacted in the preceding period. The Malawi All Share Index (MASI) closed off lower at 4,863.41 points from 5,002.73 points

<sup>3</sup> Under net government operations, supply of liquidity is positive whereas withdraw of liquidity is negative.

<sup>4</sup> A positive position implies injection while a negative position is withdraw of funds

due to a decrease in the Domestic Share Index (DSI) from 3,962.02 points to 3,846.81 points. The Foreign Share Index (FSI) was up at 398.42 points from 354.43 points. During the corresponding period last year, MASI stood at 4,957.40 points.

Subsequent to the price increase, market capitalisation registered a month-to-month increase of 9.9 percent and closed off at K1, 416.6 billion compared to K1,288.5 billion recorded in the preceding month. During the same period last year, market capitalisation stood at K1,163.9 billion.

#### **4.0 CENTRAL GOVERNMENT BUDGETARY OPERATIONS**

Central government budgetary operations during the month of March 2011 improved somewhat as the deficit narrowed to K4.8 billion from a deficit of K6.4 billion recorded during the month of February 2011. The improvement arose from an increase in revenues that was partly offset by an increase in expenditures.

##### **4.1 Revenues**

Government revenues amounted to K17.4 billion against K14.5 billion recorded during the preceding month, representing an increase of K3.0 billion. The increase was registered in both foreign receipts and domestic revenues. Foreign receipts increased by K2.4 billion to K4.4 billion from K2.0 billion recorded during the month of February 2011. Domestic revenues increased by K571.4 million to K13.0 billion from K12.4 billion in the preceding month. This outcome emanated from both Malawi Revenue Authority collections and non-tax revenues which rose by K340.0 million and K231.4 million, respectively.

##### **4.2 Expenditures**

Total government expenditures during the month of March 2011 increased by K1.3 billion to K22.2 billion against K20.9 billion recorded in February 2011. This outturn arose from an increase of K3.8 billion to K15.8 billion in government withdrawals which was reinforced by respective increases in development, statutory, and recurrent expenditures of K2.4 billion, K957.5 million and K533.2 million. Meanwhile, interest payments declined by K1.5 billion to K1.6 billion following respective decreases of K1.5 billion and K31.9 million in interest payments on Treasury bills and Ways and Means advances.

##### **4.3 Financing**

Central government budgetary operations for the month of March 2011 resulted into a deficit of K4.8 billion. As such, government increased its indebtedness to the domestic sector by K5.1 billion in order to finance the deficit recorded during the month under review.

**Table 7: Central Government Budgetary Operations**

<i>(in billion of Malawi kwacha)</i>										
	2010							2011		
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Total Revenues	42.3	19.2	16.8	19.4	24.0	16.1	48.2	17.1	14.5	17.4
Domestic Revenues	30.4	15.8	16.0	16.5	17.2	15.5	31.6	15.0	12.4	13.0
MRA Collections	16.8	14.2	14.4	14.1	15.6	12.3	22.6	14.0	11.6	12.0
Departmental Receipts	12.8	0.8	0.8	1.6	0.8	0.6	6.5	0.0	0.0	0.0
Other Receipts	0.8	0.8	0.8	0.8	0.8	2.6	2.5	1.0	0.8	1.0
Grants	11.9	3.5	0.8	2.9	6.8	0.6	16.7	2.1	2.0	4.4
Expenditures	19.8	26.9	26.9	23.0	21.0	26.7	25.6	26.6	20.9	22.2
Other Expenditure	17.9	23.3	26.2	22.3	19.8	25.9	24.0	23.4	17.7	20.6
Interest Payments	1.8	3.6	0.7	0.7	1.2	0.9	1.6	3.2	3.2	1.6
Domestic	1.8	3.6	0.7	0.7	1.1	0.8	1.6	3.1	3.1	1.5
Foreign	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.1
Deficit/Surplus	22.6	-7.7	-10.1	-3.6	3.0	-10.6	22.6	-9.5	-6.4	-4.8
Financing (net)	-21.4	5.8	15.2	1.0	-5.3	10.7	-22.5	7.2	6.1	5.1
Foreign	2.3	-0.3	0.0	1.7	0.0	0.0	-0.3	-0.3	-0.1	-0.1
Domestic	-23.7	6.1	15.3	-0.5	-5.3	10.7	-22.2	7.5	6.2	5.1
Banking System	-20.4	8.9	13.9	1.8	-4.4	12.8	-21.9	8.9	8.2	5.3
Ways & Means advances	-2.9	0.0	4.5	-4.5	0.0	1.5	-1.5	0.0	2.7	9.5
Non-Bank	-3.3	-2.7	1.4	-2.2	-0.8	-2.3	-0.4	-1.4	-2.0	-0.2
Errors and Omissions	1.1	-1.8	5.2	-2.6	-2.3	0.2	-0.08	-2.3	-0.3	0.3

*Source: Reserve Bank of Malawi*

## 5.0 PRODUCTION AND PRICES

### 5.1 Tea

Tea production during the first 3 months of 2011 amounted to 20.9 million kilograms representing a 3.5 percent decline from 21.6 million kilograms produced in a corresponding period in 2010. Cumulative volume of tea sales through the Limbe market during the year to March 2011 stood at 5.6 million kilograms compared to 6.6 million recorded during a similar period in 2010, representing a decrease of 15.9 percent. Tea prices during the first 3 months of 2011 averaged US\$1.68 per kilogram against US\$1.73 per kilogram in corresponding period in the previous year. The drop in tea prices reflected oversupply of tea from the Mombasa market in Kenya. As a result, total realization for the first 3 months of 2011 fell to US\$2.6 million from US\$2.9 million earned in a comparable period in 2010.

### 5.2 Tobacco

Tobacco sales through the Auction Floors as of 31<sup>st</sup> March 2011 stood at 4.9 million kilograms compared to 14.2 million kilograms sold during a comparable period in 2010, representing a decline of 65.5 percent. Despite the fact that the auction floors opened on similar dates in 2011 and 2010, the volumes passing through auction floors were considerably low due to high rejection rates that stood at 75 percent of all tobacco as of end March 2011. Tobacco prices as of 31<sup>st</sup> March 2011 averaged US\$0.76 per kilogram compared to US\$1.59 per kilogram fetched in a similar period of 2010. As a result, a total of US\$3.7 million was realized from tobacco sales compared to US\$22.6 million earned in a corresponding period in 2010, representing a decline of 83.6 percent. The drop in tobacco earnings is symptomatic of both low quantities passing through the auction floors and poor prices. Tobacco Control Commission's production estimate for 2011 stands at 218 million kilograms whilst the buyers demand is considerably below this figure.

### **5.3 Domestic Price Developments**

Driven by accelerations in non-food and food inflation, the 12-month rate of inflation went up by 0.2 percentage points from 7.0 percent in February 2011 to 7.2 percent in March 2011. Despite the acceleration, inflation during the month under review was still lower than the 8.3 percent and 9.5 percent registered in March 2010 and March 2009 respectively. Non-food inflation accelerated from 11.1 percent in February 2011 to 11.3 percent in March 2011. Food inflation accelerated by 0.1 percentage point to 3.7 percent due to upward price adjustments in processed foods. Month-on-month inflation registered a disinflation of 0.2 percent in contrast to an increase of 3.7 percent in the preceding month.

Food inflation in March 2011 picked up to 3.7 percent from 3.6 percent in the preceding month. Despite the acceleration, food inflation compares favorably against 6.8 percent recorded in March 2010 and 8.7 percent registered in a similar month in 2009. The increase arose from both urban and rural areas due to upward price adjustments in processed foods like yoghurt and milk. Maize prices however remained fairly stable during the month under review. Non-food inflation during the month under review accelerated to 11.3 percent from 11.1 percent in the preceding month. This largely emanated from a 0.5 percentage points increase in clothing & footwear to 11.0 percent as well as accelerations of 0.4 percentage points, 0.2 percentage points and 0.1 percentage point in the respective categories of household operations, beverages and tobacco, and miscellaneous inflation. However, the impact was somewhat offset by a deceleration of 0.4 percentage points to 15.8 percent in transport inflation.

Month-on-month inflation in March 2011 experienced a disinflation of 0.2 percent compared to month-on-month increase of 3.7 percent in February 2011. The drop was attributed to a disinflation of 0.9 percent in food inflation as other parts of the country have begun to harvest their crops. Nevertheless, this was somewhat offset by a month-on-month increase in non-food inflation arising from all categories as the impact of the price hikes in administered commodities continue to be transmitted across the economy.

**Table 8: Selected Economic Indicators**  
(In billion Malawi kwacha unless otherwise stated)

	2006	2007	2008	2009	2010	2010 March	2011 March
<b>Real Sector</b>							
Population (million)	12.8	13.2	13.1	13.5	13.8	13.8	14.2
GDP at current market prices	423.9	510.5	601.3	710.2	813.8	813.8	930.4
Real GDP growth (percent)	4.7	9.6	8.3	8.9	6.7	6.7	6.9
GDP per capita (K'000)	33.2	39.3	45.9	52.6	59.0	59.0	65.5
GDP per capita (US\$)	238.3	280.1	326.9	360.3	391.2	391.2	434.3
Consumer Price Index (CPI) 2000=100	226.1	244.1	265.4	292.2	309.0	328.0	350.3
Average annual inflation rate (percent)	13.9	8.0	8.7	8.4	7.4	7.4	7.2
<b>Fiscal Sector</b>							
<b>Government Budget</b>							
Total Revenue	128.4	160.8	160.8	169.7	291.2	35.7	17.4
Domestic Revenues	74.3	94.4	126.7	140.5	200.3	12.6	13.0
Grants	54.1	66.4	34.2	29.2	91.0	23.1	4.4
Total Expenditure	131.3	168.6	204.1	222.8	264.8	22.9	22.2
Recurrent	95.7	110.4	190.7	206.3	203.5	20.4	20.6
Development	35.6	58.2	13.4	16.4	61.3	1.7	3.4
Deficit/GDP ratio (after grants)	-1.1	-1.6	-7.8	-8.2	4.0	1.6	-0.5
<b>Monetary Sector</b>							
Net Foreign Assets	23.2	27.7	19.7	-4.5	20.4	8.7	-65.4
Net Domestic Credit	58.9	72.1	158.0	212.9	216.7	197.7	245.9
Government	20.5	21.1	83.9	111.6	90.6	95.0	113.9
Statutory bodies	1.2	3.7	6.0	6.2	4.7	6.8	4.7
Private (gross)	35.8	47.3	68.1	95.0	121.6	96.0	127.4
Money Supply (M2)	76.6	104.9	139.6	173.8	203.9	167.9	203.6
M2 Growth Rate (annual percent)	16.5	36.9	33.1	24.4	17.8	19.5	21.3
Reserve Money	21.5	27.7	36.0	50.1	57.4	50.6	51.9
Banks Deposits	3.5	2.9	5.8	16.9	19.9	19.9	17.7
<b>External Sector</b>							
<b>Balance of Payments</b>							
Current Account	-92.1	-65.4	-86.0	-110.2	-106.1	..	..
Exports (fob)	73.8	111.4	117.0	128.8	172.0	..	..
Imports (fob)	143.5	153.5	183.0	199.5	236.8	..	..
Trade balance	-69.7	-42.2	-66.0	-70.7	-65.0	..	..
Services (net)	-33.0	-34.1	-39.5	-46.2	-9.0	..	..
Private transfers (net)	10.6	10.9	18.5	6.9	13.0	..	..
Capital account balance	38.8	64.6	134.2	109.3	142.0	..	..
Gross foreign exchange reserves	26.4	22.7	40.5	35.5	56.0	43.3	41.4
Official	18.2	16.1	33.2	24.1	42.2	30.9	28.7
Commercial banks	8.2	6.6	7.3	11.4	13.9	12.3	12.8
Import cover (Official reserves in months)	2.1	1.8	2.2	1.9	2.2	1.6	1.5
Current account balance/GDP (percent)	-23.2	-14.1	-15.5	-16.9	..	..	..
Debt/GDP (percent)	8.2	8.2	17.4	..	..	..	..
Debt Service/Exports (percent)	8.1	8.1	1.5	..	..	..	..
MK/US Dollar (eop)	138.672	138.672	140.600	140.606	150.801	150.801	150.800
MK/US Dollar (pd avg)	136.019	140.000	140.526	140.604	150.487	150.801	150.801

Source: Reserve Bank of Malawi

**Table 9: National Composite Price Index (2000=100)**

Period	All items	Food Costs	Bev & Tobacco	Cloth & Footwear	Housing	House hold ops	Transport ation	Miscella neous
<b>Overall Weight</b>	<b>100.0</b>	<b>58.1</b>	<b>5.9</b>	<b>8.5</b>	<b>12.1</b>	<b>4.1</b>	<b>5.1</b>	<b>6.2</b>
2002	140.8	136.4	136.8	153.6	156.6	144.0	143.9	134.4
2003	154.3	143.7	165.8	166.8	180.0	174.6	172.1	148.3
2004	172.0	154.4	196.5	179.5	211.7	218.3	202.8	169.2
2005	198.5	180.9	240.6	192.8	236.9	268.9	230.1	182.6
2006	226.1	209.1	273.5	208.8	266.9	313.5	261.6	197.5
2007	244.1	224.7	302.6	221.2	291.4	336.2	289.2	211.1
2008	265.4	240.3	331.0	237.7	319.1	383.5	338.9	232.3
2009	287.7	258.0	369.0	259.1	328.3	452.8	380.1	263.1
2010	309.0	271.2	417.2	279.5	350.2	512.1	428.4	287.7
<b>2008</b>								
Jan	267.6	253.4	317.4	232.0	310.6	358.5	311.2	221.2
Feb	276.4	266.4	321.6	232.7	313.4	366.1	316.7	224.1
Mar	275.5	263.6	322.7	233.8	314.8	368.0	319.4	225.2
Apr	269.5	252.6	322.9	234.7	315.3	369.3	319.9	227.8
May	263.0	240.7	322.8	235.8	315.7	374.5	321.5	228.0
Jun	254.9	225.5	323.5	236.1	315.9	375.4	331.2	228.6
Jul	253.0	220.3	325.5	236.8	318.6	377.6	339.3	230.8
Aug	247.8	210.3	330.1	237.1	319.4	380.3	341.1	231.4
Sept	261.6	227.9	340.6	241.0	321.9	402.7	361.2	237.3
Oct	263.7	229.9	344.3	241.6	323.1	405.8	364.5	241.3
Nov	271.8	241.3	349.0	243.1	328.57	408.7	367.6	243.1
Dec	297.7	251.7	352.0	247.7	331.9	414.5	373.6	248.3
<b>2009</b>								
Jan	294.5	274.5	354.1	250.9	335.2	417.7	380.4	253.5
Feb	303.1	289.5	361.5	253.8	328.2	423.8	370.0	259.0
Mar	301.7	286.6	361.9	254.6	328.3	425.6	371.0	259.4
Apr	294.4	273.6	362.8	254.9	328.8	425.8	371.6	260.2
May	285.9	258.6	363.5	256.3	329.2	426.7	371.6	260.2
June	276.4	241.4	366.8	256.8	330.3	427.2	372.7	261.0
July	273.3	235.6	368.6	258.5	321.0	453.9	373.6	261.4
Aug	267.1	224.6	368.7	258.6	321.4	454.7	374.1	261.6
Sept	281.2	242.5	372.3	263.3	326.6	489.7	387.6	265.9
Oct	282.9	244.6	372.3	264.6	326.8	490.3	392.0	268.1
Nov	291.3	256.6	375.6	267.7	329.0	495.9	396.4	272.0
Dec	300.9	268.3	399.8	268.8	334.8	502.2	400.4	274.7
<b>2010</b>								
Jan	317.6	293.0	401.8	274.2	342.5	504.4	408.9	279.5
Feb	328.0	309.2	402.9	274.6	344.2	505.4	420.5	280.2
Mar	326.9	306.0	403.9	275.8	345.9	507.4	424.6	281.9
Apr	318.2	290.9	404.9	275.9	346.1	507.4	424.6	282.2
May	308.3	273.5	407.1	275.6	345.7	507.4	425.2	282.8
June	297.3	254.2	407.8	276.0	346.0	507.7	426.4	283.6
July	293.3	246.5	419.8	275.4	344.2	508.0	426.7	283.8
Aug	286.4	234.5	420.1	275.5	344.4	508.1	426.9	284.3
Sept	300.9	252.4	433.8	285.1	350.2	521.1	438.1	295.5
Oct	301.9	253.2	433.8	285.4	354.3	521.1	438.1	295.8
Nov	310.0	264.9	433.9	286.4	363.4	521.8	438.2	297.0
Dec	319.8	276.1	436.9	294.6	375.3	525.1	442.7	305.7
<b>2011</b>								
Jan	338.5	301.6	443.2	301.1	381.6	529.7	476.2	310.0
Feb	351.0	320.4	445.3	303.4	384.3	532.2	488.7	313.8
Mar	350.3	317.4	447.0	306.0	386.5	536.6	491.8	316.1

Source: National Statistical Office

**Table 10: Selected Foreign Exchange Rates**  
(in Malawi kwacha per foreign currency)

	British pound		US dollar		Euro		Japanese yen		SA rand		ZMK	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
2002	114.845	116.000	76.283	77.090	72.301	73.027	0.611	0.617	7.343	7.393	0.017	0.018
2003	158.659	159.921	96.946	97.919	109.864	110.963	0.840	0.845	13.030	13.095	0.021	0.021
2004	198.561	200.556	108.355	109.438	134.970	136.347	1.004	1.006	16.883	17.052	0.023	0.020
2005	214.150	216.301	117.833	118.937	146.415	147.878	1.070	1.084	18.521	18.687	0.027	0.027
2006	249.587	251.887	135.337	136.685	170.111	171.825	1.167	1.181	20.124	20.316	0.041	0.038
2007	278.907	281.686	139.299	140.701	190.921	193.176	1.184	1.196	19.774	19.973	0.035	0.037
2008	259.237	261.841	139.821	141.226	205.617	207.696	1.356	1.371	17.167	17.335	0.038	0.038
2009	219.917	222.050	140.464	141.875	195.728	197.696	1.504	1.520	16.960	17.130	0.028	0.029
2010	231.521	233.847	149.739	151.235	198.802	200.792	1.709	1.727	20.480	20.686	0.031	0.033
<b>2008</b>												
Jan	277.638	280.429	139.748	141.153	206.632	208.709	1.303	1.316	19.097	19.289	0.037	0.037
Feb	278.437	281.235	139.778	141.182	212.728	214.866	1.327	1.340	18.496	18.682	0.037	0.038
Mar	278.955	281.759	139.778	141.183	220.793	223.012	1.410	1.425	17.329	17.243	0.038	0.038
Apr	275.722	278.493	139.818	141.224	217.893	220.083	1.348	1.362	18.415	18.600	0.040	0.041
May	276.020	278.794	139.799	141.204	216.801	218.979	1.323	1.337	18.467	18.652	0.041	0.041
Jun	278.847	281.649	139.808	141.213	220.449	222.664	1.318	1.331	17.675	17.852	0.044	0.044
Jul	276.898	279.681	139.819	141.225	217.783	219.972	1.293	1.306	18.917	19.107	0.040	0.040
Aug	255.62	258.187	139.881	141.287	205.681	207.748	1.277	1.290	18.125	18.307	0.040	0.041
Sept	252.251	254.786	139.891	141.297	201.401	203.425	1.330	1.344	16.982	17.153	0.040	0.039
Oct	229.069	231.371	139.898	141.304	180.804	182.621	1.424	1.438	13.922	14.062	0.030	0.030
Nov	215.512	217.678	139.897	141.303	180.412	182.225	1.465	1.480	14.096	14.237	0.031	0.031
Dec	201.591	203.617	139.897	141.303	197.450	199.435	1.549	1.564	14.942	15.092	0.030	0.029
<b>2009</b>												
Jan	199.764	201.772	139.901	141.307	181.395	183.218	1.561	1.577	13.940	14.080	0.027	0.028
Feb	200.266	202.278	139.903	141.305	178.427	180.221	1.419	1.433	14.168	14.310	0.025	0.025
Mar	198.761	200.758	139.903	141.309	184.197	186.048	1.436	1.451	14.399	14.544	0.026	0.026
Apr	206.945	209.024	139.903	141.309	186.407	188.280	1.443	1.458	16.463	16.628	0.025	0.025
May	222.276	224.509	139.902	141.308	194.743	196.700	1.443	1.457	17.272	17.445	0.027	0.027
June	231.507	233.384	139.900	141.306	196.882	198.860	1.458	1.473	17.904	18.084	0.027	0.027
July	231.313	233.638	139.901	141.307	197.625	199.611	1.468	1.483	17.991	18.172	0.028	0.028
Aug	227.678	229.967	139.903	141.309	200.285	202.298	1.501	1.516	18.055	18.237	0.030	0.030
Sep	223.244	225.487	139.903	141.309	203.993	206.043	1.551	1.567	18.893	19.083	0.030	0.030
Oct	232.094	234.426	140.230	141.639	208.002	210.093	1.532	1.547	18.190	18.373	0.030	0.031
Nov	235.692	238.061	142.464	143.895	213.866	216.016	1.635	1.651	19.213	19.406	0.030	0.031
Dec	233.325	235.700	145.265	146.725	208.296	210.389	1.573	1.588	19.668	19.866	0.031	0.032
<b>2010</b>												
Jan	240.842	243.262	149.257	150.757	208.557	210.653	1.663	1.680	19.568	19.765	0.033	0.033
Feb	228.641	230.940	150.047	151.555	202.923	204.963	1.687	1.704	19.141	19.334	0.032	0.032
Mar	226.121	228.393	150.047	151.555	201.393	203.417	1.617	1.633	20.322	20.526	0.032	0.032
Apr	229.962	232.273	150.047	151.555	198.3619	200.356	1.595	1.611	20.407	20.612	0.032	0.032
May	216.922	219.102	150.046	151.554	183.957	185.806	1.647	1.664	19.740	19.938	0.030	0.030
June	226.360	228.635	150.046	151.555	183.192	185.033	1.694	1.711	19.575	19.772	0.029	0.029
July	234.088	236.441	150.047	150.800	196.261	198.234	1.730	1.747	20.426	20.632	0.031	0.031
Aug	232.152	234.485	150.046	151.554	190.244	192.156	1.771	1.789	20.439	20.644	0.031	0.031
Sep	237.014	239.396	150.047	151.555	204.514	206.569	1.794	1.812	21.518	21.734	0.031	0.031
Oct	239.265	241.669	150.047	151.555	209.015	211.116	1.852	1.870	21.410	21.625	0.032	0.033
Nov	233.668	236.016	150.047	151.555	196.936	198.916	1.781	1.799	21.097	21.309	0.031	0.031
Dec	231.477	233.804	150.047	151.555	199.412	201.414	1.840	1.860	22.605	22.832	0.031	0.032
<b>2011</b>												
Jan	237.509	239.896	150.047	151.555	203.884	205.908	1.829	1.847	20.899	21.109	0.031	0.031
Feb	241.650	244.078	150.046	151.554	206.329	208.402	1.837	1.855	21.421	21.637	0.032	0.032
Mar	241.155	243.578	150.046	151.554	211.971	214.101	1.810	1.828	21.991	22.212	0.032	0.032

Source: Reserve Bank of Malawi

<sup>1</sup>Annual data reflects period average while monthly data is as at end period

**Table 11: Malawi All Share Index (1999=100)**

Period	INDICES			RETURN		SHARE TURNOVER		CAPITALISATION
	Domestic Share Index	Foreign Share Index	All share Index	Dividend Yield (percent)	Earnings per Share (in Kwacha)	Volume of shares traded	Value MK'000	Value of shares issued (in million Kwacha)
2003	229.6	188.5	457.3	11.4	..	181,801,331	821,021.9	584,060.4
2004	426.0	238.8	583.5	9.4	..	110,425,979	654,230.5	745,267.3
2005	687.0	358.2	906.9	6.6	..	61,675,167	914,815.5	1,120,358.5
2006	1,793.4	521.6	2,310.0	2.6	11.8	160,529,550	1,072,280.9	1,672,122.8
2007	3,823.5	521.6	4,849.8	2.6	10.6	355,947,750	5,154,583.8	1,769,225.7
2008	4,806.9	521.6	6,080.4	2.6	5.7	37,521,871	3,398,707.6	1,838,831.8
2009	4,087.2	314.2	5,155.0	4.2	5.8	188,605,361	433,653,252.2	1,172,148.1
2010	3,922.6	351.9	4,953.1	3.9	5.9	20,250,834	99,583,102.77	1,278,529.23
<b>2009</b>								
Jan								
Feb	4,061.9	521.6	5,147.3	2.7	5.7	141,622,425	453,286,608.7	1,800,312.3
Mar	3,954.0	251.4	4,981.0	5.0	5.7	38,994,578	231,983,951.0	970,838.6
April	3,954.0	251.4	4,981.0	5.0	5.8	12,762,321	184,896,892.0	970,838.6
May	3,931.6	207.4	4,947.9	5.8	5.8	20,068,636	147,661,986.5	836,709.0
June	3,934.9	207.4	4,952.1	5.8	5.8	76,136,327	237,385,933.5	835,732.4
July	3,934.9	226.2	4,954.3	5.4	5.8	11,035,059	144,404,391.0	893,757.4
Aug	3,934.9	226.2	4,954.3	5.4	5.8	12,422,083	120,567,761.9	894,931.8
Sept	3,925.2	226.2	4,942.1	5.4	5.8	4,578,167	103,517,698.0	894,424.4
Oct	4,032.1	251.4	5,078.9	5.0	5.8	13,716,079	185,794,825.3	977,661.0
Nov	4,079.0	263.9	5,139.0	4.8	5.8	55,792,081	458,953,351.6	1,018,439.0
Dec	4,087.2	314.2	5,155.0	4.2	5.8	188,605,361	433,653,252.2	1,172,148.1
<b>2010</b>								
Jan	4,087.2	314.2	5,155.0	4.2	5.8	7,406,357	92,482,457.4	1,172,148.1
Feb	4,027.3	314.2	5,155.1	4.2	5.8	18,981,461	264,821,558.8	1,172,154.5
Mar	3,929.5	314.2	4,957.4	4.3	5.8	41,879,101	255,344,340.8	1,163,884.9
Apr	3,861.1	314.2	4,871.7	4.3	5.8	25,957,403	190,381,908.25	1,160,300.3
May	3,836.4	314.2	4,840.8	4.3	5.9	5,655,749	87,239,295.00	1,159,006.7
June	3,844.5	314.2	4,851.0	4.3	5.9	38,548,182	368,160,675.30	1,159,433.4
July	3,899.6	314.2	4,920.0	4.3	5.9	26,014,091	191,120,202.78	1,162,320.5
Aug	3,903.3	321.8	4,925.5	4.2	5.9	12,605,998	85,383,846.54	1,185,509.3
Sept	3,909.1	321.8	4,932.7	4.2	5.9	24,718,949	133,588,921.79	1,185,808.3
Oct	3,881.0	333.6	4,898.8	4.1	5.9	9,785,782	68,720,918.00	1,218,823.86
Nov	3,894.0	351.9	4,917.2	3.9	5.9	10,413,718	75,015,019.25	1,276,987.68
Dec	3,922.6	351.9	4,953.1	3.9	5.9	20,250,834	99,583,102.77	1,278,529.23
<b>2011</b>								
Jan	3,943.1	351.9	4,978.8	3.9	5.9	44,839,097	22,164,609.78	1,279,905.68
Feb	3,962.0	354.4	5,002.7	3.9	6.0	28,127,978	183,580,036.20	1,288,562.84
Mar	3,846.8	398.4	4,863.4	3.5	6.0	681,462,692	1,440,811,132.7	1,416,638.94

Source: Malawi Stock Exchange