



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Friday, 15th November 2019

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 15 th November 2019	14 th November 2019
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-6,858	-7,920	
Excess Reserves before OMO	-1,424	-1,424	
Excess Reserves after OMO			5,434
Required Reserves	54,808	54,808	54,808

ii. Known Projected Transactions

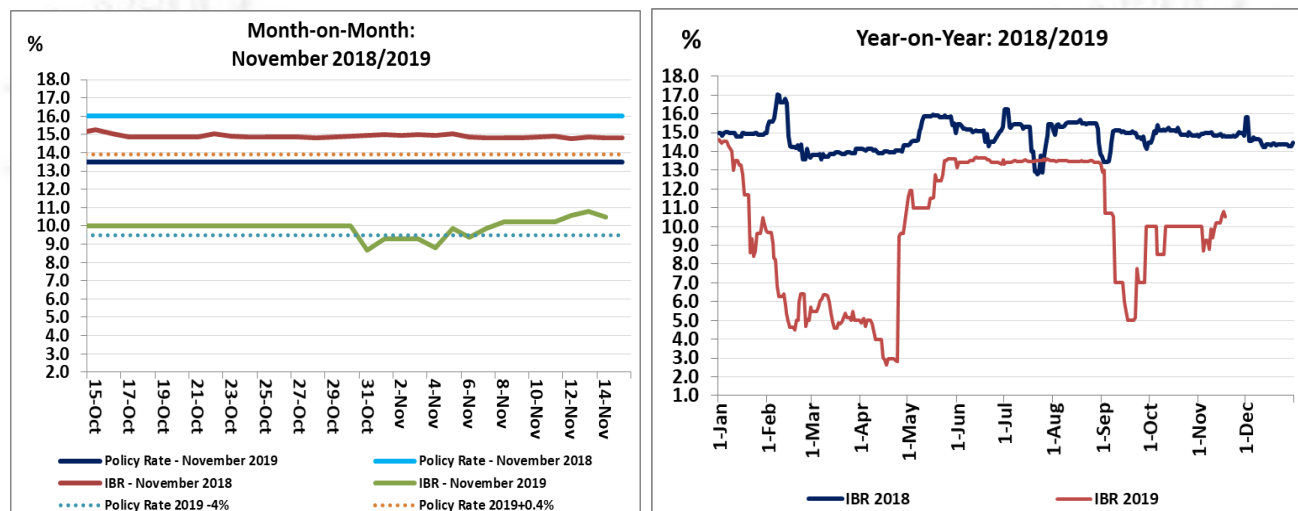
	Week ending 1 st Nov 2019	Week ending 8 th Nov 2019	Week ending 15 th Nov 2019	End Month Nov 2019
Maturity of normal TBs/TNs/PNs	9,766	5,001	5,673	36,908
Maturity of OMO Repos	2,435	0	0	4,869

B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

(a) Inter-bank borrowing	Volume (Mk' bn)	Average rate (%)
O/N	9.70	10.50
2 days	-	-
7 days	-	-
(b) RBM Open market operations		
(i) Repos		
O/N	-	-
7 days	-	-
14 days	-	-
30 days	-	-
60 days	-	-
91 days	-	-
(ii) Reverse Repos		
7 days	-	-
30 days	-	-
60 days	-	-
(c) Access on the Lombard Facility	5.40	13.90

Weighted Average Interbank Rates

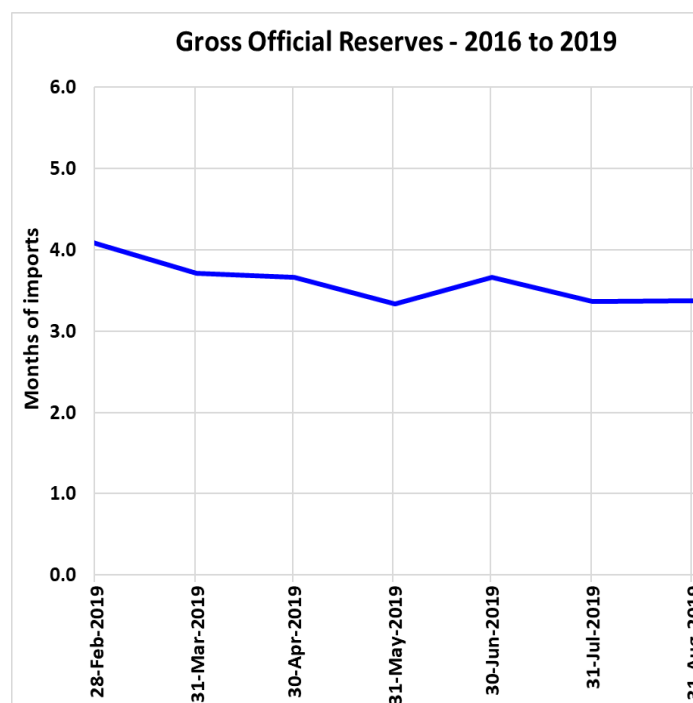


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

i. Gross Official Foreign Reserves Position (Foreign reserves under the direct control of the Central Bank)

Date (US\$ million)	Reserves (US\$ million)	Import Cover * (Months)
30 th Nov 2018	631.92	3.04
31 Dec 2018	755.22	3.61
31 st Jan 2019	790.28	3.78
28 th Feb 2019	837.49	4.01
31 st Mar 2019	775.45	3.71
30 th Apr 2019	766.10	3.67
31 st May 2019	696.30	3.33
30 th June 2019	765.82	3.66
31 st July 2019	704.14	3.37
30 th August 2019	705.68	3.37

* US\$209.0 million per month is used in this calculation



ii. Private Sector Foreign Exchange Reserves

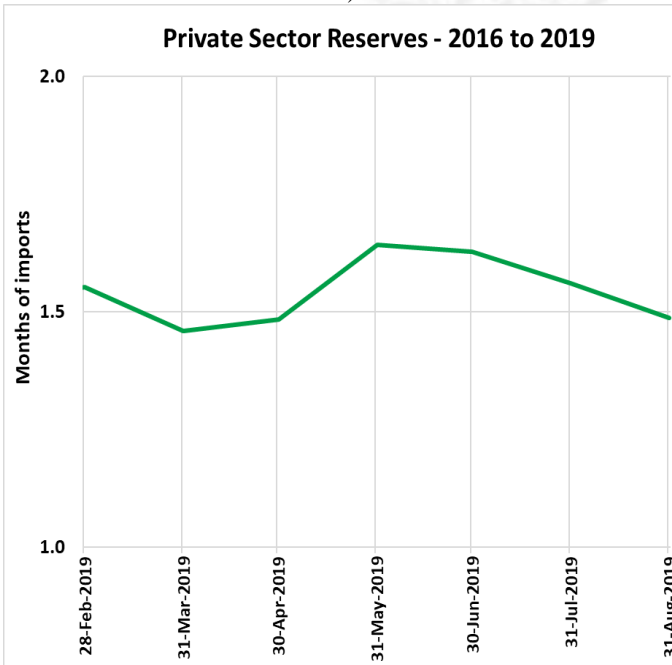
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date (US\$ mn)	ADB's Own Position	FCDA	Total	Import Cover * (Months)
31 st May 2019	-4.42	347.70	343.28	1.64
30 th June 2019	-1.43	341.63	340.20	1.62
31 st July 2019	-13.42	339.52	326.10	1.56
30 th August 2019	-9.43	320.22	310.79	1.48

* US\$209.0 million per month is used in this calculation

ADB's FOREIGN EXCHANGE TRADING ACTIVITY

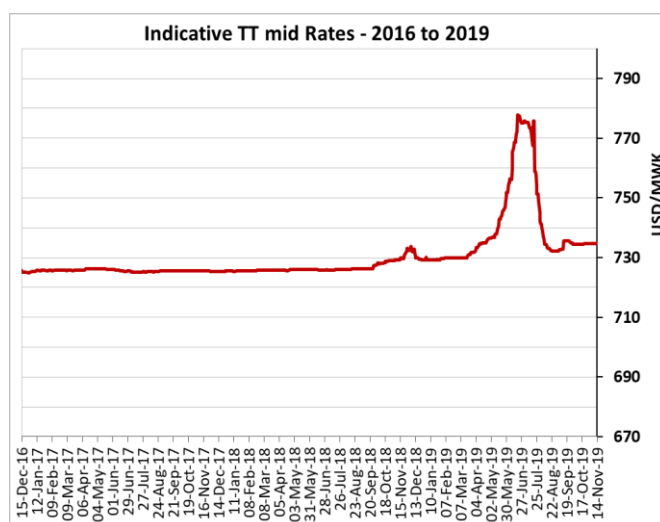
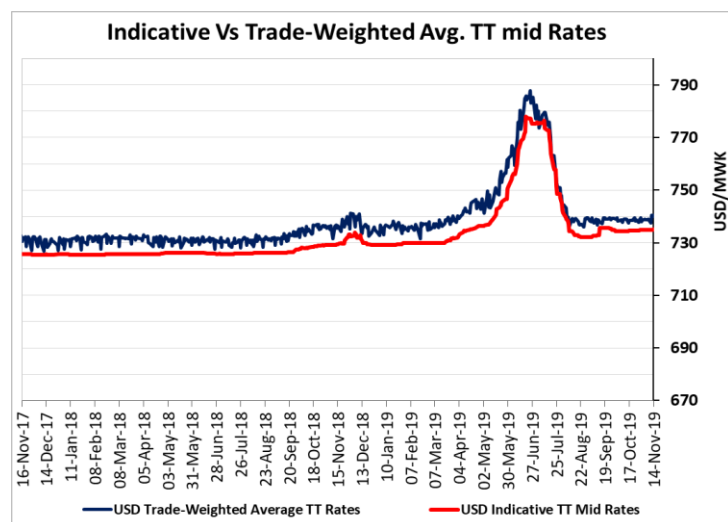
Week Ending (US\$ mn)	ADB's Purchases	ADB's Sales
25 th Oct 2019	40.36	42.76
1 st Nov 2019	24.63	32.90
8 th Nov 2019	33.46	33.76
On 14 th Nov 2019	7.37	5.35



iii. Exchange Rate Developments

	8 th Nov 2019	11 th Nov 2019	12 th Nov 2019	13 th Nov 2019	14 th Nov 2019	Today's indicative Rates
MWK/USD	738.9451	737.5824	740.4670	740.0210	740.3601	735.1807
MWK/GBP	945.8019	941.5477	950.7742	947.6511	947.6251	946.9127
MWK/EUR	814.9905	812.8022	813.2751	814.6906	811.2911	810.4632
MWK/ZAR	50.0259	49.6528	49.6830	49.5512	49.4798	49.7221

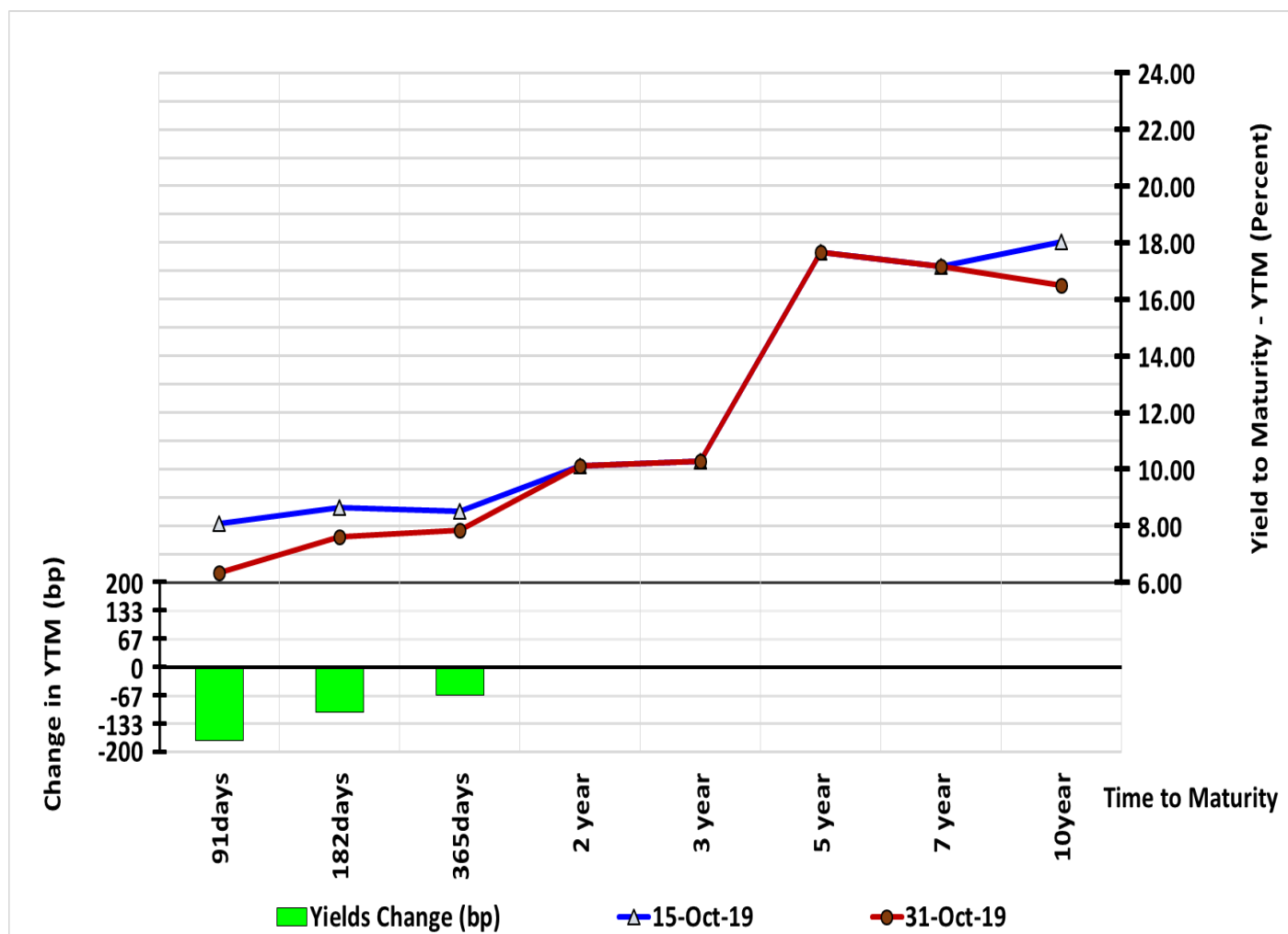
Note: Reported rates are closing weighted average TT mid-rates based on actual trades except for today's rates that are indicative and based on market consensus.



D. YIELD CURVE FOR GOVERNMENT SECURITIES (Based on actual trades)

Tenor	91 day	182 day	364 day	2 Year	3 Year	5 Year	7 Year	10 Year
15 October 2019	8.08	8.65	8.51	10.12	10.27	17.67	17.14	18.04
31 October 2019	6.35	7.59	7.84	10.12	10.27	17.67	17.14	16.51
15 Oct 2019 – 31 Oct 2019 Change in Yield (Bp)	(173)	(105)	(67)	0	0	0	0	(153)

NOTE: The 91 day, 182 day and 364 day Treasury bill yields (8.00%, 8.65% and 8.6935% respectively) have been converted to semi-annual bond basis.



DISCLAIMER: This information 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 that may arise from reliance on the information contained herein.