RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Tuesday, 5th May 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 8th May 2020	4th May 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-8,938	-17,854	
Excess Reserves before OMO	1,086	2,510	
Excess Reserves after OMO			7,852
Required Reserves	53,310	53,310	53,310

ii. Known Projected Transactions

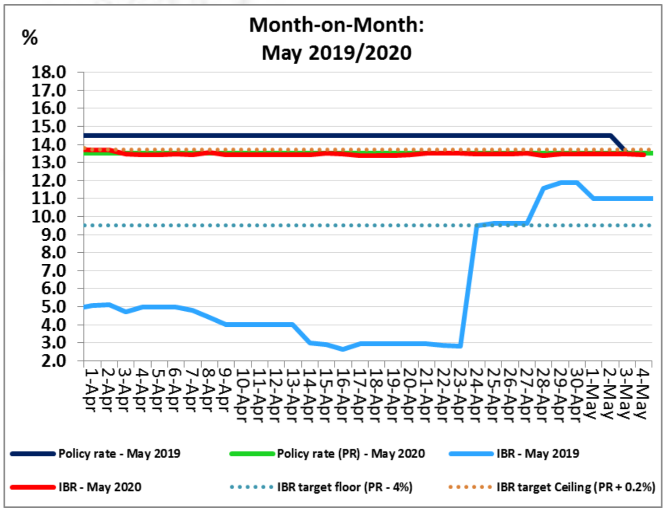
	Week ending 8th May 2020	Week ending 15th May 2020	Week ending 22nd May 2020	End Month May 2020
Maturity of normal TBs/TNs/PNs	7,544	11,021	5,478	27,462
Maturity of OMO Repos	0	0	0	0

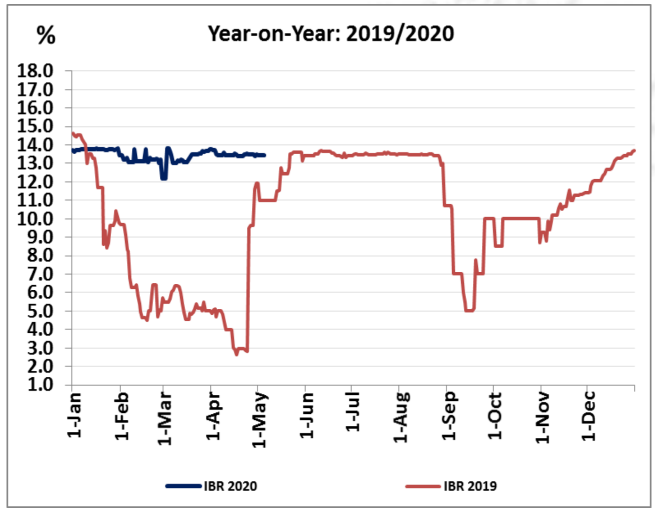
B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

(a) Inter-bank borrowing	**Volume (Mk' bn)**	**Average rate (%)**
O/N	6.60	13.43
7 days	-	-
28 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	7.65	13.70

Weighted Average Interbank Rates





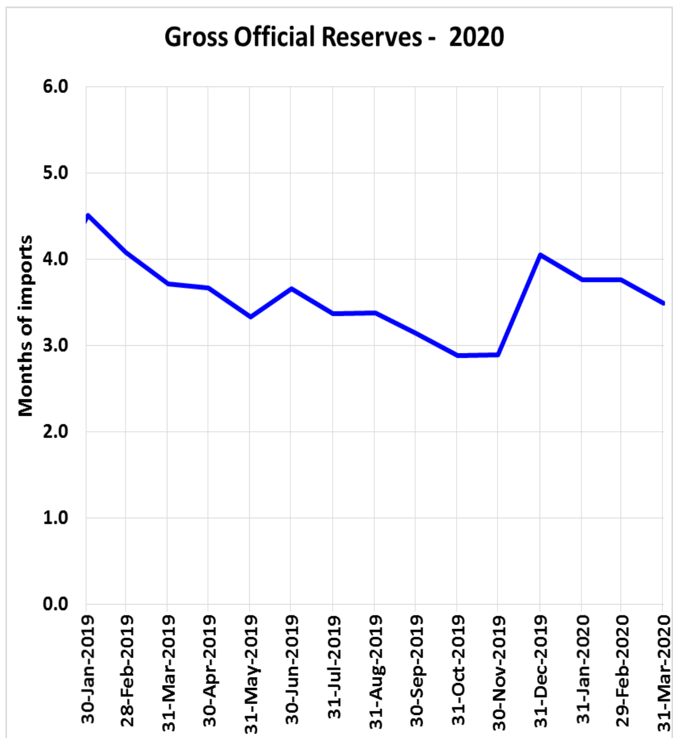
C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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)
30th Apr 2019	766.10	3.67
31st May 2019	696.30	3.33
30th Jun 2019	765.82	3.66
31st Jul 2019	704.14	3.37
30th Aug 2019	705.68	3.37
30th Sept 2019	656.04	3.14
31st Oct 2019	601.80	2.88
30th Nov 2019	603.82	2.89
31st Dec 2019	846.55	4.05
31-Jan-20	786.71	3.76
29-Feb-20	785.31	3.76
31st Mar 20	730.17	3.76

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



ii. Private Sector Foreign Exchange Reserves

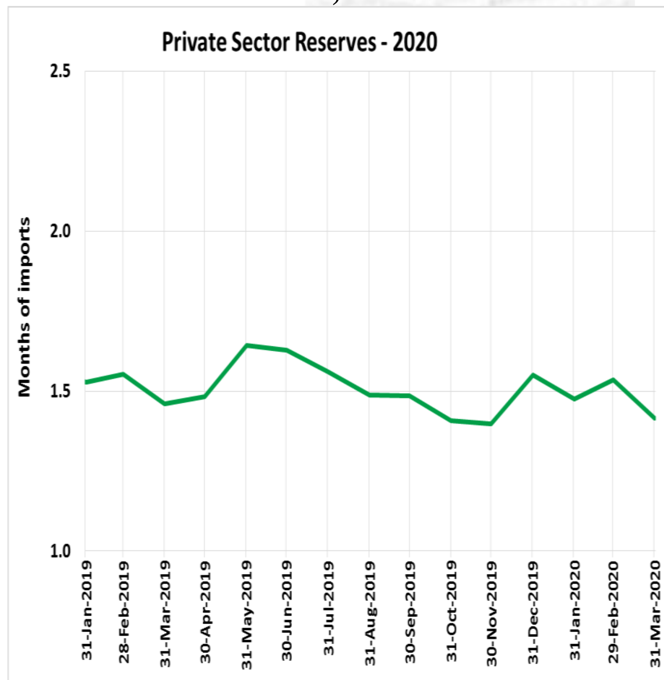
(Foreign reserves under the direct control of authorized dealer banks (ADBs) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date (US$ mn)	**ADBs Own Position**	**FCDA**	**Total**	**Import Cover *** (Months)
31st December 2019	6.70	317.37	324.07	1.55
31st January 2020	3.84	304.55	308.4	1.48
29th February 2020	4.23	316.57	320.8	1.53
31st March 2020	-4.56	300.11	295.55	1.41

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

ADBs FOREIGN EXCHANGE TRADING ACTIVITY

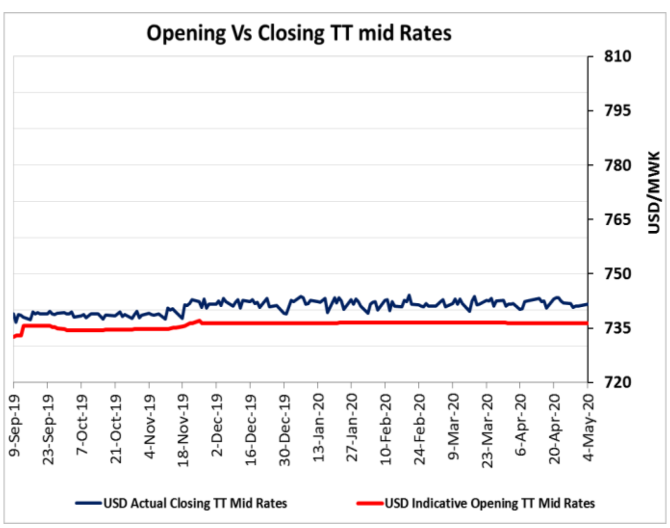
Week Ending (US$ mn)	**ADBs Purchases**	**ADBs Sales**
17th Apr 2020	26.10	28.93
24th Apr 2020	29.80	32.75
30th Apr 2020	16.93	30.38
On 4th May 2020	3.78	4.53

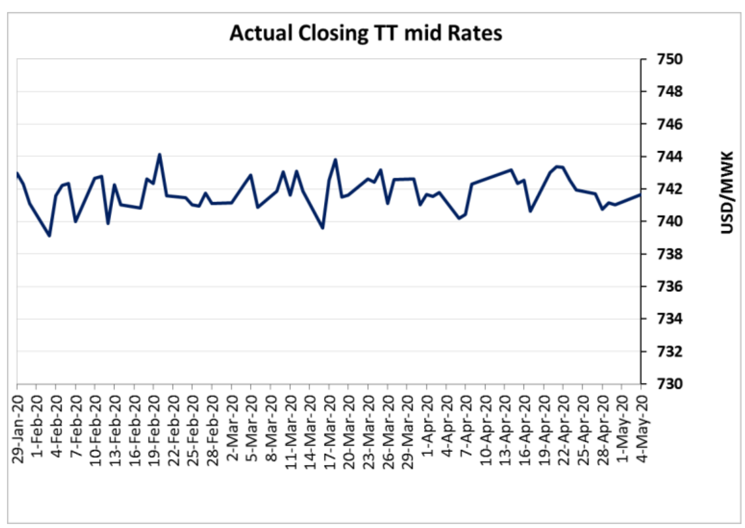


iii. Exchange Rate Developments

	4th May 2020 (Opening Rates)			**4th May 2020 (Closing Rates)**			
	Middle	Buying	Selling	Middle	Buying	Selling	**Today's Opening rates**
MWK/USD	736.4403	729.1495	743.7311	741.6631	739.6816	743.6446	736.5641
MWK/GBP	915.9108	906.8433	924.9783	927.9925	922.6750	933.3101	918.4218
MWK/EUR	805.2238	797.2521	813.1955	817.0503	815.1097	818.9910	803.7387
MWK/ZAR	38.9973	38.6112	39.3834	40.0384	39.6237	40.4532	39.9837

Note: The opening reported rates are indicative market average TT rates.
The closing reported rates are actual trade-weighted market average TT rates.





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
16 April 2020	7.80	8.45	12.13	13.31	14.50	17.73	18.29	19.06
30th April 2020	7.57	8.45	11.91	13.20	14.26	16.39	18.51	21.70
16 – 30 Apr 2020 Change in Yield (Bp)	(23)	0	(22)	(12)	(24)	(134)	22	263

NOTE: The 91 day, 182 day and 364 day Treasury bill yields (7.5791%, 8.4556% and 12.2638% respectively) have been converted to semi-annual bond basis as at 30th April 2020.