RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Tuesday, 12th May 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 11th May 2020	8th May 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-37,497	-22,406	
Excess Reserves before OMO	-32,766	-25,925	
Excess Reserves after OMO			4,731
Required Reserves	47,338	47,338	47,338

ii. Known Projected Transactions

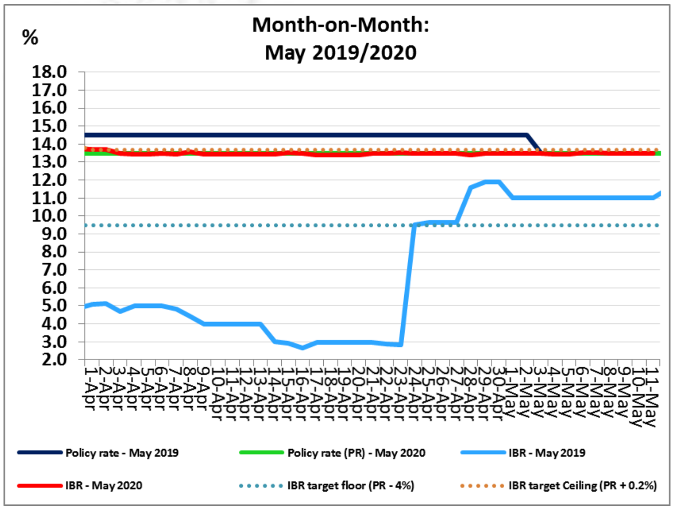
	Week ending 15th May 2020	Week ending 22nd May 2020	Week ending 29th May 2020	End Month May 2020
Maturity of normal TBs/TNs/PNs	11,021	5,478	3,417	27,462
Maturity of OMO Repos	0	0	0	0

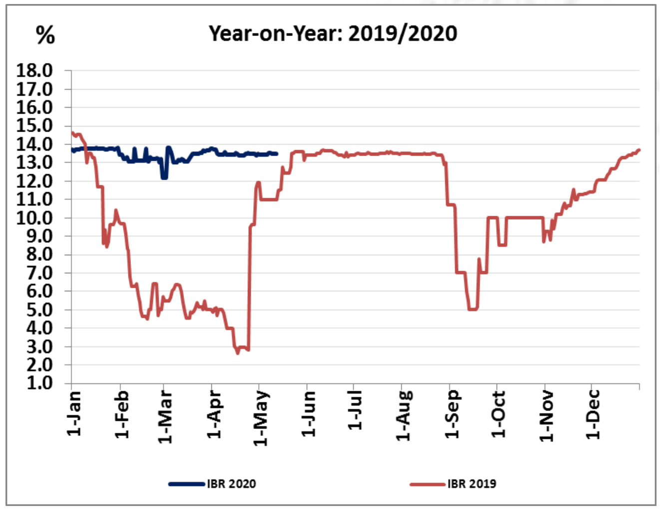
B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

(a) Inter-bank borrowing	**Volume (Mk' bn)**	**Average rate (%)**
O/N	2.90	13.49
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	31.65	13.70

Weighted Average Interbank Rates





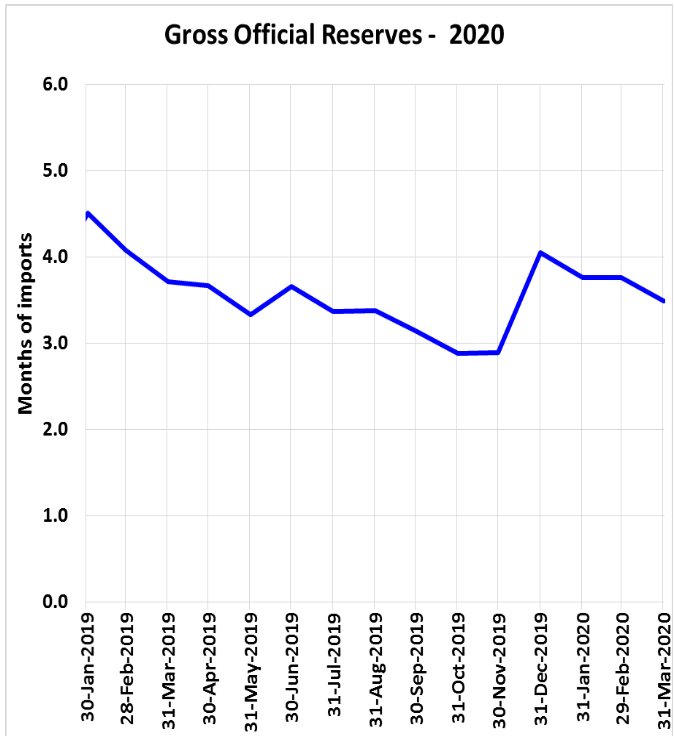
C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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	3.49

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



ii. Private Sector Foreign Exchange Reserves

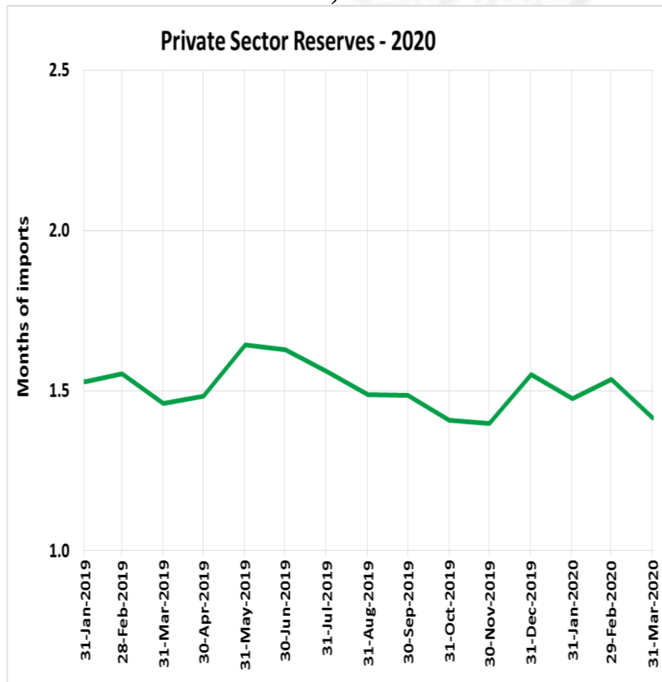
(Foreign reserves under the direct control of authorized dealer banks (ADBs) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

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

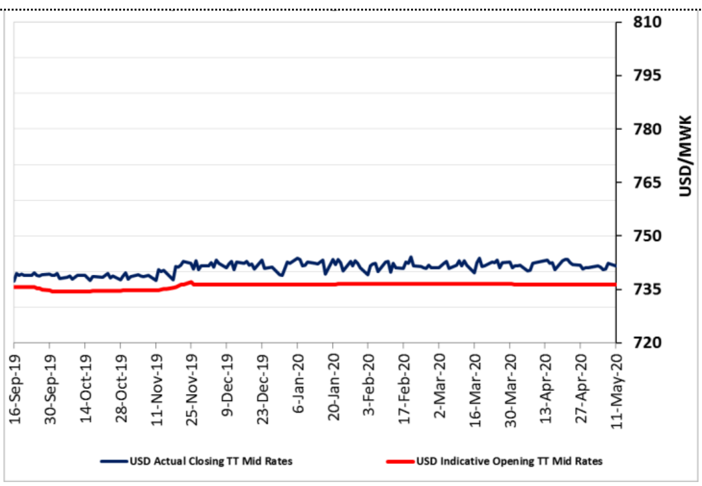
Week Ending (US$ mn)	**ADBs Purchases**	**ADBs Sales**
24th Apr 2020	29.80	32.75
30th Apr 2020	16.93	30.38
8th May 2020	20.93	35.52
On 11th May 2020	4.38	3.53

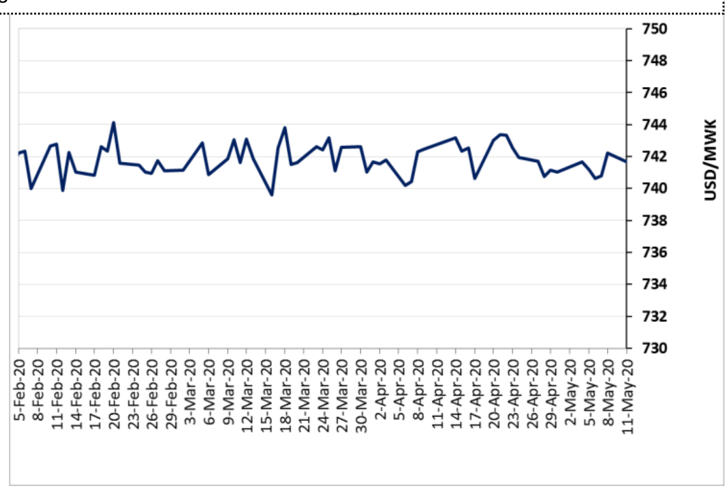


iii. Exchange Rate Developments

	11th May 2020 (Opening Rates)			**11th May 2020 (Closing Rates)**			
	Middle	Buying	Selling	Middle	Buying	Selling	**Today's Opening rates**
MWK/USD	736.5641	729.2721	743.8561	742.2437	741.6809	744.0951	736.5641
MWK/GBP	914.6653	905.6101	923.7205	923.5159	918.8385	928.1933	908.2572
MWK/EUR	798.5091	790.6039	806.4144	805.9195	802.2427	809.5964	796.6677
MWK/ZAR	40.3570	39.9575	40.7566	41.2064	40.8682	41.5447	39.8856

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

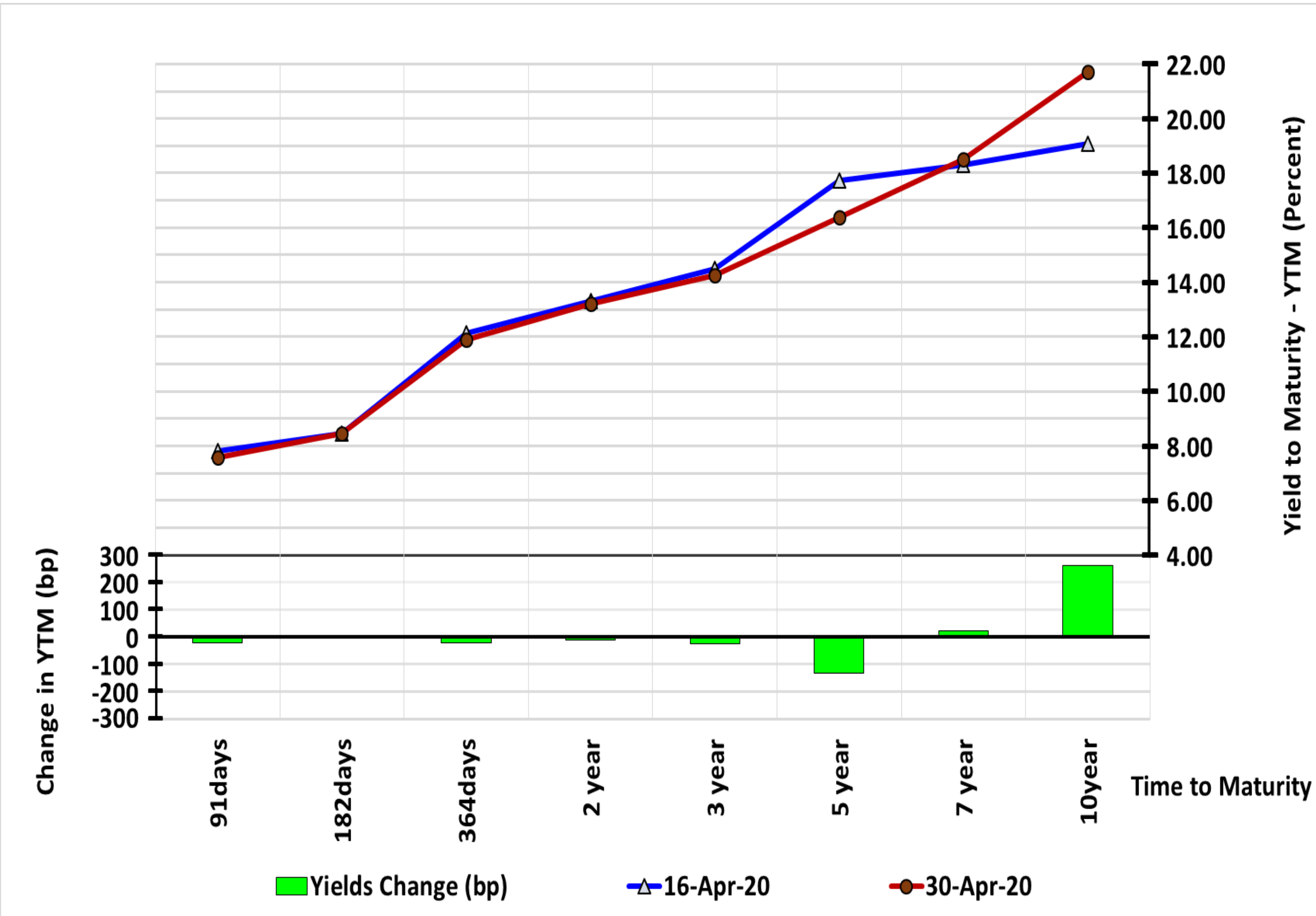




D. YIELD CURVE FOR GOVERNMENT SECURITIES (Based on actual trades)

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.

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



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