



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Monday, 15th June 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 19 th June 2020	12 th June 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-34,098	-47,718	
Excess Reserves before OMO	-22,742	-36,362	
Excess Reserves after OMO			11,357
Required Reserves	47,664	47,664	47,664

ii. Known Projected Transactions

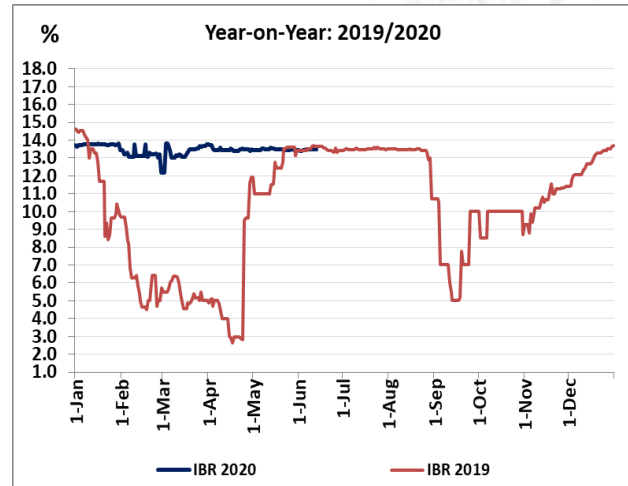
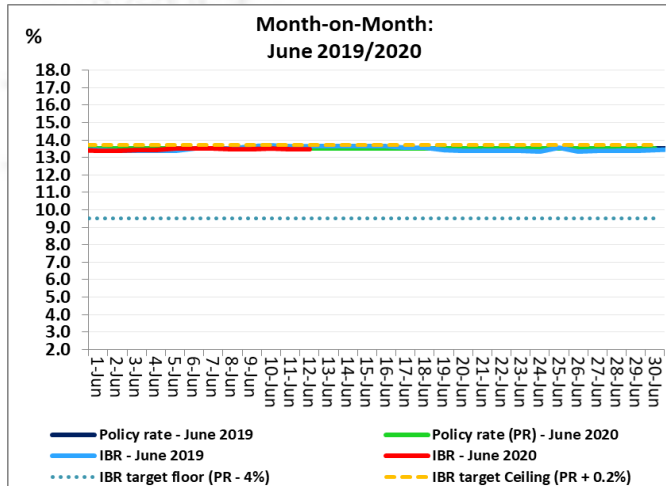
	Week ending 12 th June 2020	Week ending 19 th June 2020	Week ending 26 th June 2020	Month of June 2020	Month of July 2020
Maturity of normal Treasury Securities	4,042	2,586	3,558	24,971	31,499
Maturity of OMO Repos	0	0	0	0	0

B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

(a) Inter-bank borrowing	Volume (MWK' Billion)	Average rate (%)
O/N	8.80	13.49
7 days	-	-
20 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	15.93	13.70

Weighted Average Interbank Rates

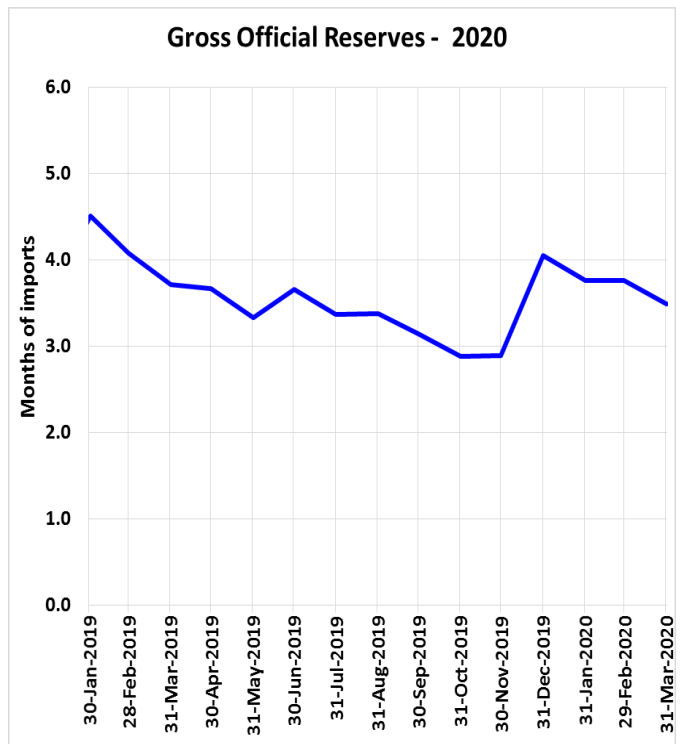


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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

Date	Reserves (US\$ million)	Import Cover * (Months of Imports)
30 th Apr 2019	766.10	3.67
31 st May 2019	696.30	3.33
30 th Jun 2019	765.82	3.66
31 st Jul 2019	704.14	3.37
30 th Aug 2019	705.68	3.37
30 th Sept 2019	656.04	3.14
31 st Oct 2019	601.80	2.88
30 th Nov 2019	603.82	2.89
31 st Dec 2019	846.55	4.05
31-Jan-20	786.71	3.76
29-Feb-20	785.31	3.76
31 st Mar 20	730.17	3.49

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



ii. Private Sector Foreign Exchange Reserves

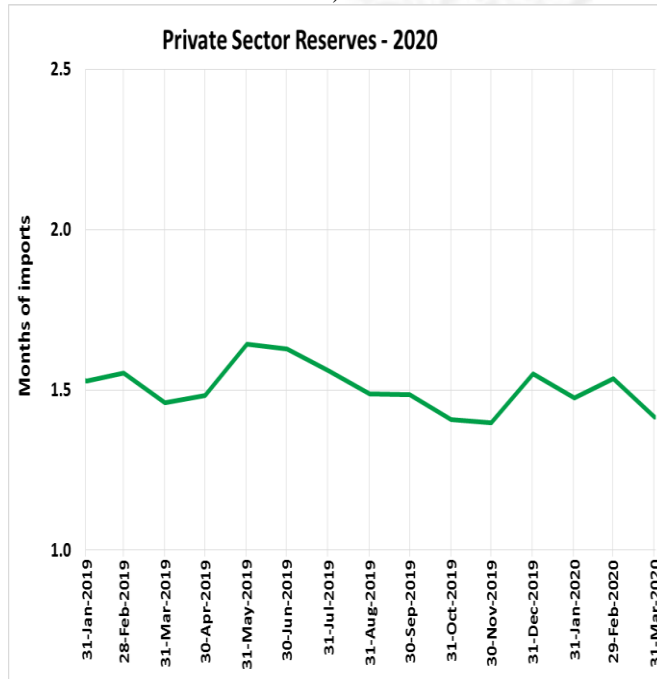
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

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

* 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
29 th May 2020	21.00	26.85
05 th June 2020	25.40	27.09
12 th June 2020	27.75	29.16
On 12 th June 2020	4.30	8.79

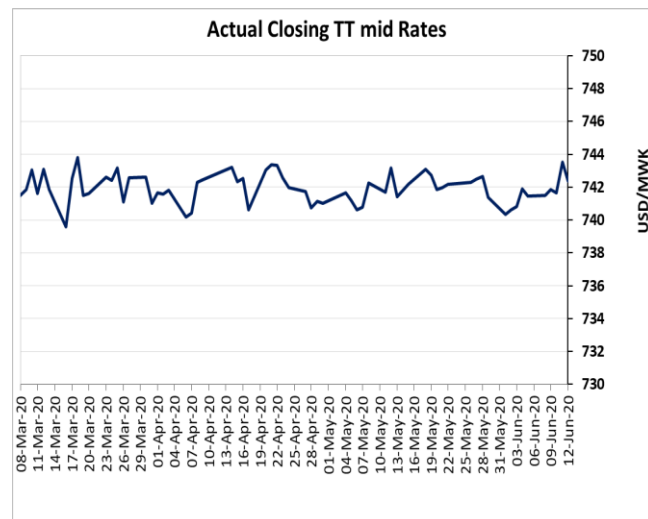
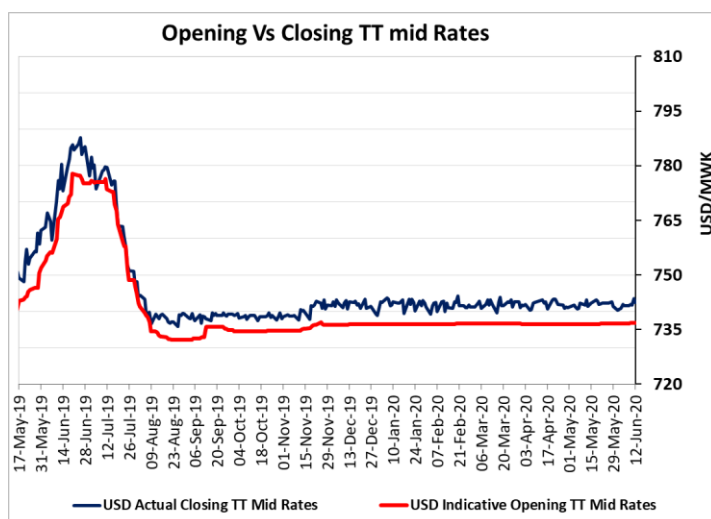


iii. Exchange Rate Developments

	12 th June 2020 (Opening Rates)			12 th June 2020 (Closing Rates)			Today's Opening rates
	Middle	Buying	Selling	Middle	Buying	Selling	
MWK/USD	737.0659	729.7689	744.3629	742.3881	740.9295	743.8468	737.0659
MWK/GBP	927.8186	918.6332	937.0040	946.4865	945.8456	947.1274	919.3919
MWK/EUR	833.2530	825.0038	841.5022	843.4897	839.6440	847.3355	828.5358
MWK/ZAR	43.0668	42.6404	43.4931	44.3926	44.1983	44.5870	42.7072

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

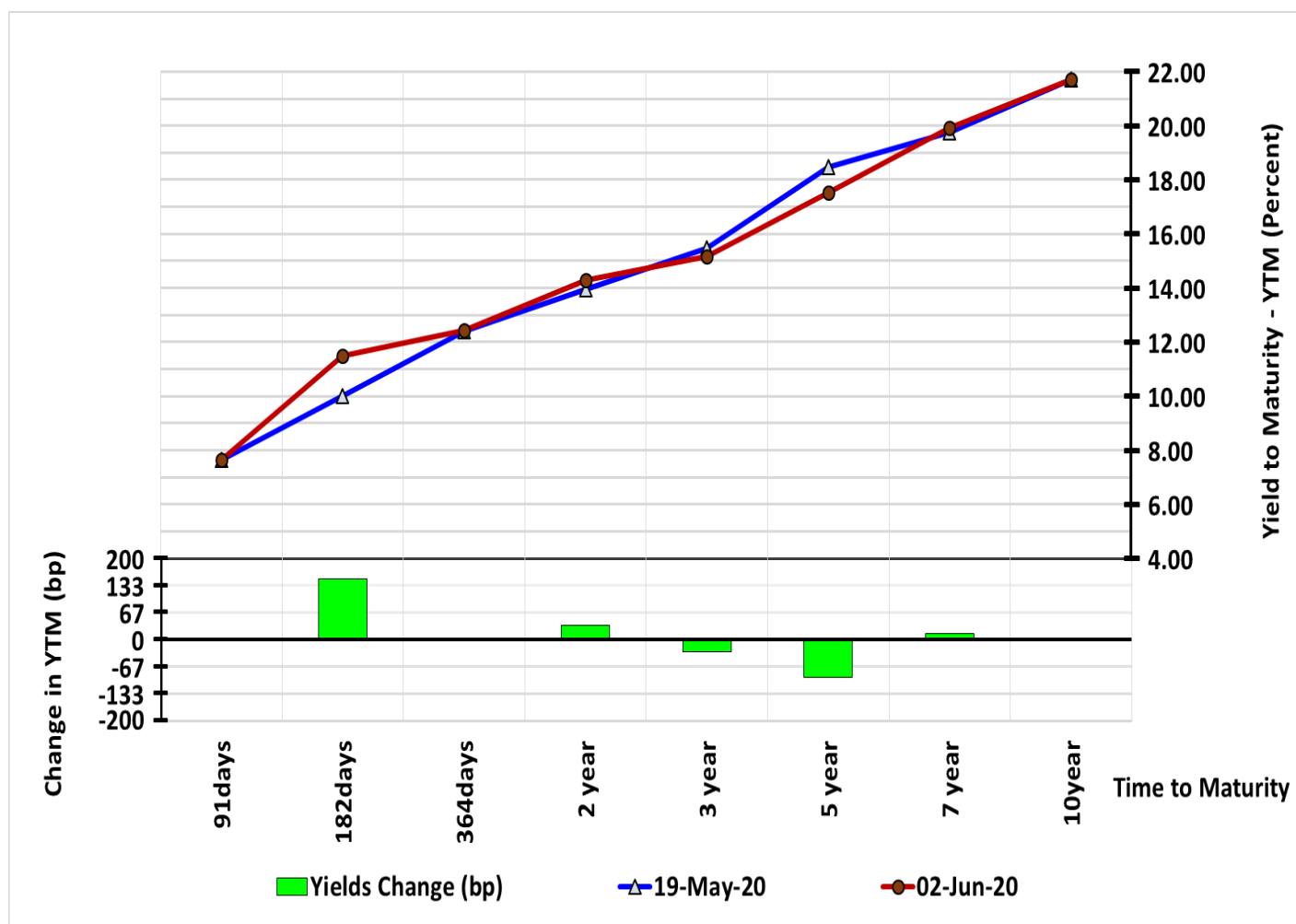
The closing reported rates are actual trade-weighted market average TT rates.



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
19 th May 2020	7.65	10.00	12.40	13.96	15.46	18.47	19.76	21.70
02 nd June 2020	7.65	11.50	12.42	14.30	15.15	17.53	19.91	21.70
19 May – 02 June 2020 Change in Yield (Bp)	0	150	2	34	(31)	(94)	15	0

NOTE: The 91-day, 182-day and 364-day Treasury bill yields of 7.5791%, 11.5000% and 12.8036% respectively have been converted to semi-annual bond basis.



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.