



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Thursday, 1st April 2021

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

0	Projections		Actuals
	01 Apr 2021	Week ending 02 April 2021	31 Mar 2021
Central Bank Monetary Transactions with Banking System (+= Net injection / - = Net withdrawal)	-5,404	-23,342	
Excess Reserves before Open Market Operations	-2,810	-2,810	
Excess Reserves after Central Bank Operations			2,594
Required Reserves	55,645	55,645	55,645

ii. Known Projected Transactions

	Weekending				Month of		
	02-Apr-21	09-Apr-21	16-Apr-21	23-Apr-21	Apr-21	May-21	Jun-21
Maturity of Normal Treasury Securities	15,616	10,594	4,075	8,320	50,893	67,298	47,992
Maturity of OMO Repos	0	0	0	0	0	0	0
Maturity of OMO Reverse-Repos	10,170	0	69,735	19,180	99,469	11,302	45,738

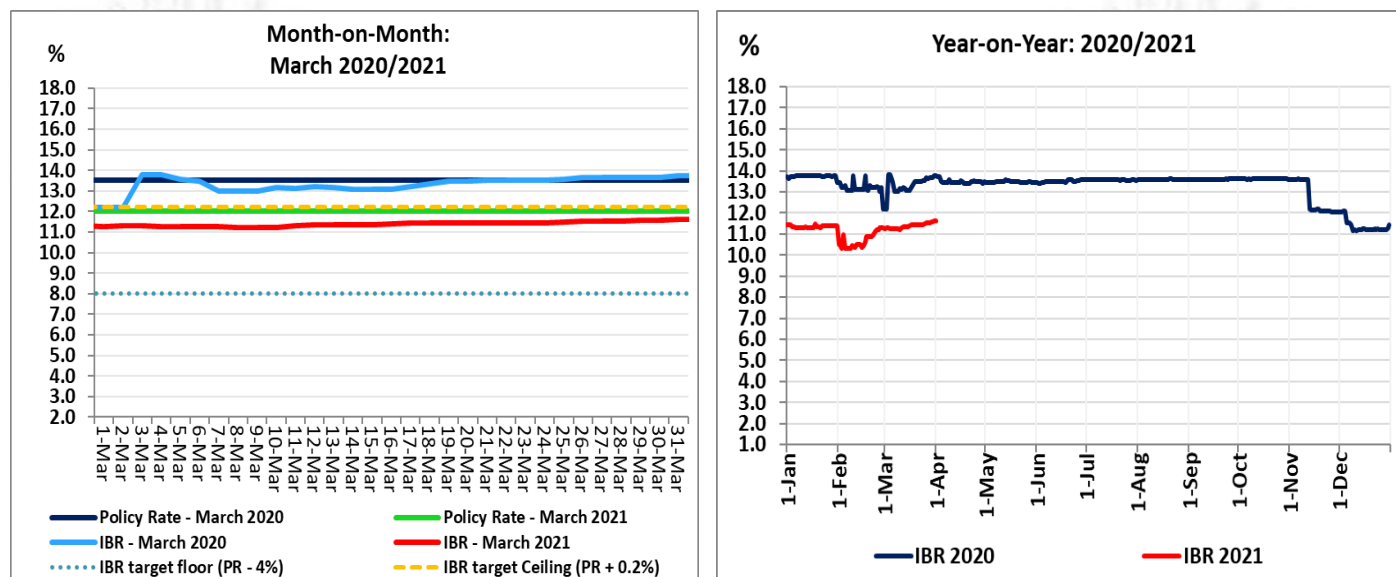
B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

	Volume (MWK' Billion)	Average Rate (%)	Number of Trades
(a) Inter-Bank Market Borrowing			
O/N	21.15	11.62	8
7 days	-	-	-
14 days	-	-	-
21 days	-	-	-
(b) RBM Open Market Operations			
(i) Repos	-	-	-
(ii) Reverse Repos	-	-	-
30 days	-	-	-
60 days	-	-	-
91 days	-	-	-
(iii) Outright Sale of Securities	-	-	-
(iv) Outright Purchase of Securities	-	-	-
(c) Access on Re-discounting Standing Facility	-	-	-
(d) Access on Lombard Standing Facility¹	11.15	12.20	2

¹ The number of trades in this item refers to number of banks that accessed the Lombard facility.

ii. Weighted Average Interbank Market Rates

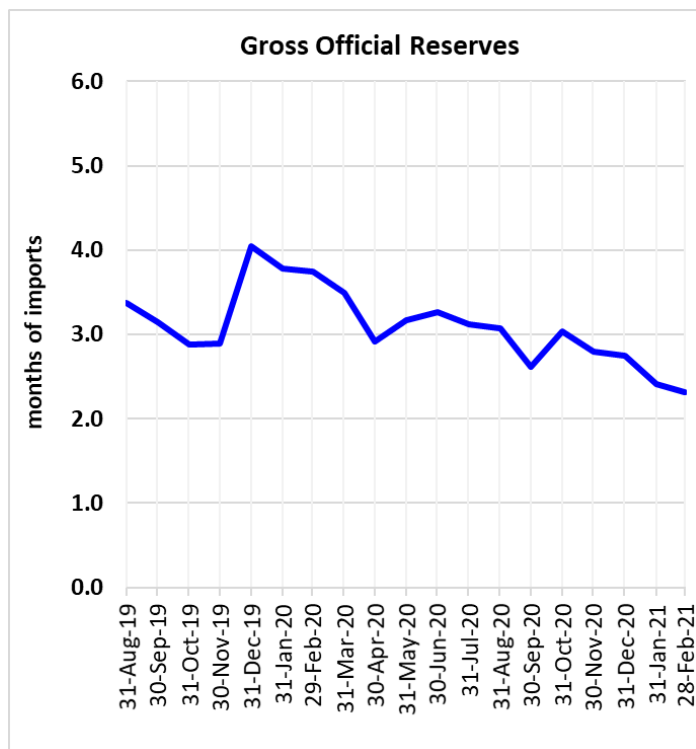


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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

Date	Reserves (US\$ mn)	Import Cover * (Months)
31 Jan 2020	786.71	3.76
29 Feb 2020	785.31	3.76
31 Mar 2020	730.17	3.49
30 Apr 2020	610.13	2.92
31 May 2020	662.98	3.17
30 Jun 2020	682.66	3.27
31 Jul 2020	651.41	3.12
31 Aug 2020	642.86	3.08
30 Sep 2020	546.99	2.62
31 Oct 2020	635.05	3.04
30 Nov 2020	584.89	2.80
31 Dec 2020	574.26	2.75
31 Jan 2021	502.98	2.41
28 Feb 2021	483.38	2.31

* US\$209.0 million import requirement per month is used in the calculations



ii. Private Sector Foreign Exchange Reserves

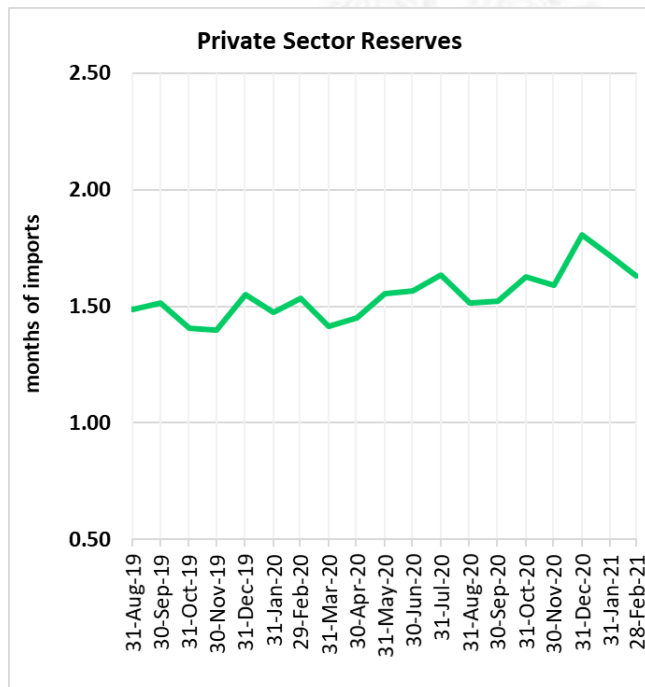
(Foreign reserves under the direct control of authorized dealer banks (ADB's) which consists of ADB's own forex positions and foreign currency denominated accounts balances of their clients)

Date	ADB's Own Position (US\$ mn)	FCDA (US\$ mn)	Total Reserves (US\$ mn)	Import Cover * (Months)
30 Nov 2020	7.23	325.27	332.51	1.59
31 Dec 2020	8.29	369.68	377.97	1.81
31 Jan 2021	3.28	355.01	358.29	1.71
28 Feb 2021	2.55	337.95	340.50	1.63

* US\$209.0 million import requirement per month is used in the calculations

ADB's FOREIGN EXCHANGE TRADING ACTIVITY

	ADB's Purchases (US\$ mn)	ADB's Sales (US\$ mn)
08 Mar – 12 Mar 2021	21.20	31.63
13 Mar – 19 Mar 2021	23.10	29.46
22 Mar – 26 Mar 2021	28.20	29.08
31 – 31 Mar 2021	5.08	4.53

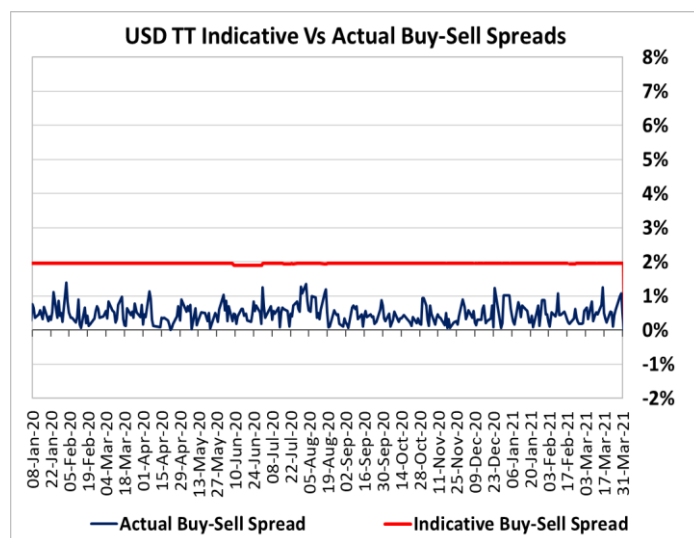
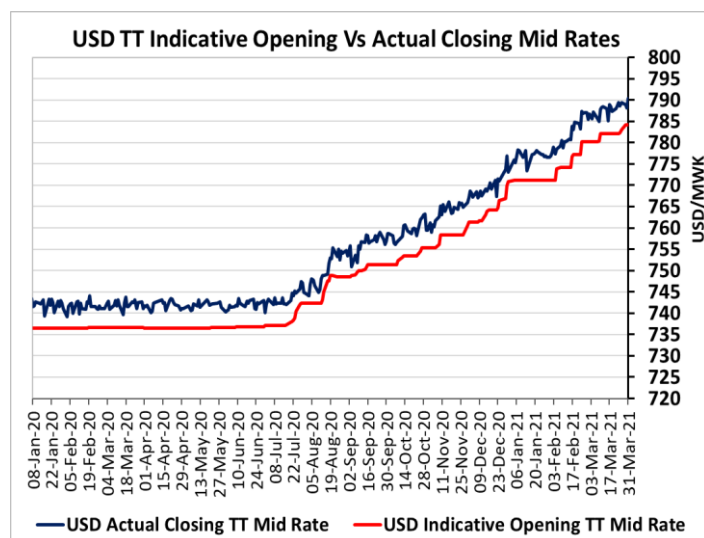


iii. Kwacha Exchange Rate Developments

	30 March 2021 (Opening Rates)			30 March 2021 (Closing Rates)			31 Mar 2021 (Opening rates)
	Middle	Buying	Selling	Middle	Buying	Selling	Middle
MWK/USD	784.1017	776.3391	791.8643	790.2961	788.4312	792.1611	784.1017
MWK/GBP	1077.6694	1067.0004	1088.3383	1139.6167	1135.6811	1143.5522	1078.4535
MWK/EUR	919.2024	910.1023	928.3025	993.0378	991.2107	994.8648	918.9672
MWK/ZAR	52.5830	52.0624	53.1036	56.1303	55.4061	56.8545	53.0060

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

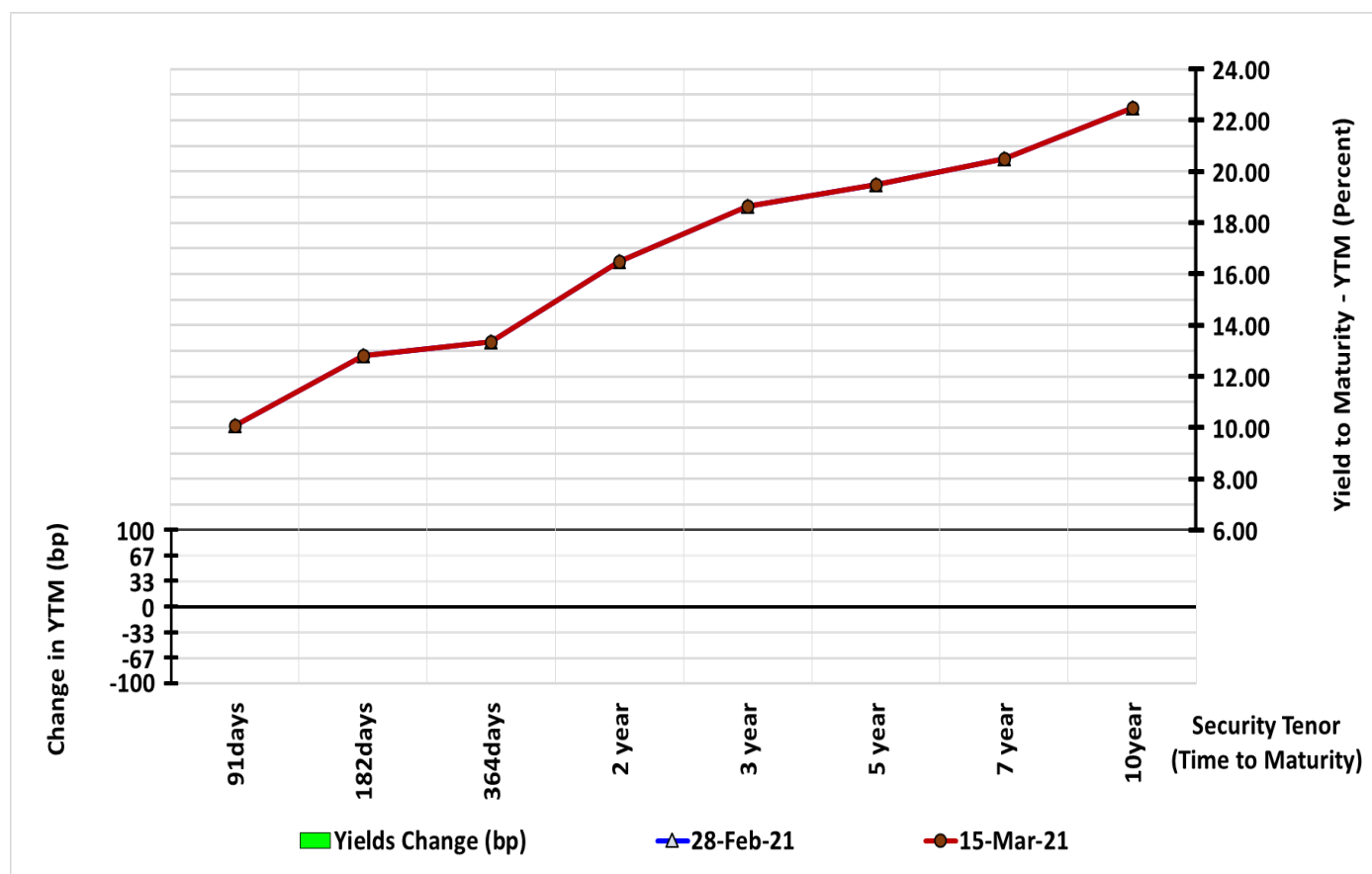
The reported closing rates are actual trade-weighted market average TT rates.



D. YIELD CURVE FOR GOVERNMENT SECURITIES

Tenor	91 day	182 day	364 day	2 Year	3 Year	5 Year	7 Year	10 Year
28 February 2021	10.08	12.80	13.36	16.50	18.66	19.97	20.50	22.50
15 March 2021	10.08	12.80	13.36	16.50	18.66	19.97	20.50	22.50
28 Feb – 15 Mar 2021 Change in Yield (Bp)	0	0	0	0	0	0	0	0

NOTE: The 91-day, 182-day and 364-day Treasury bill yields converted to semi-annual bond basis. Bp means basis points.



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.