RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Wednesday, 4th December 2019

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 6th December 2019	03rd December 2019
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-22,845	-28,404	
Excess Reserves before OMO	-2,828	-8,387	
Excess Reserves after OMO			20,017
Required Reserves	54,808	54,808	54,808

ii. Known Projected Transactions

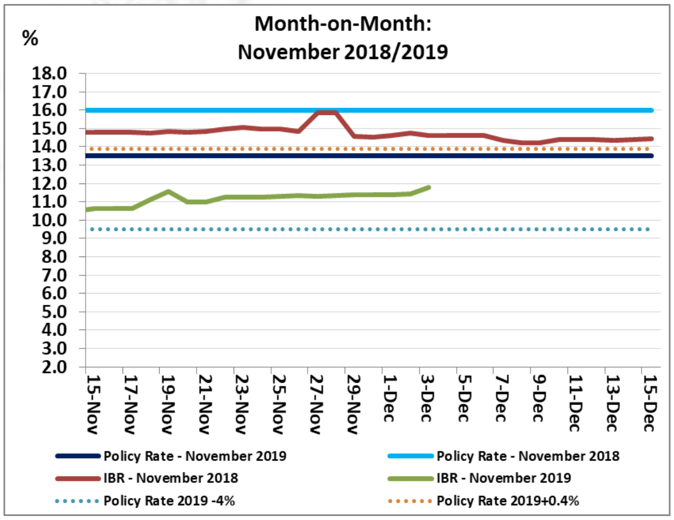
	Week ending 29th Nov 2019	End Month Nov 2019	Week ending 6th Dec 2019	End Month Dec 2019
Maturity of normal TBs/TNs/PNs	6,922	36,908	9,336	36,085
Maturity of OMO Repos	0	4,869	0	7,493

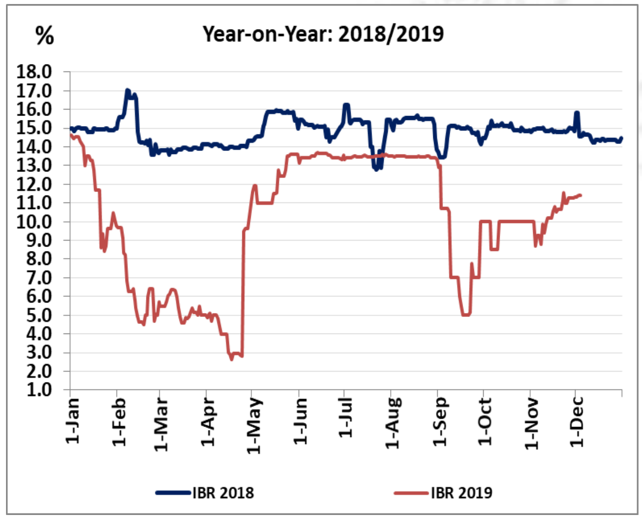
B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

(a) Inter-bank borrowing	**Volume (Mk' bn)**	**Average rate (%)**
O/N	10.55	11.78
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	16.30	13.90

Weighted Average Interbank Rates





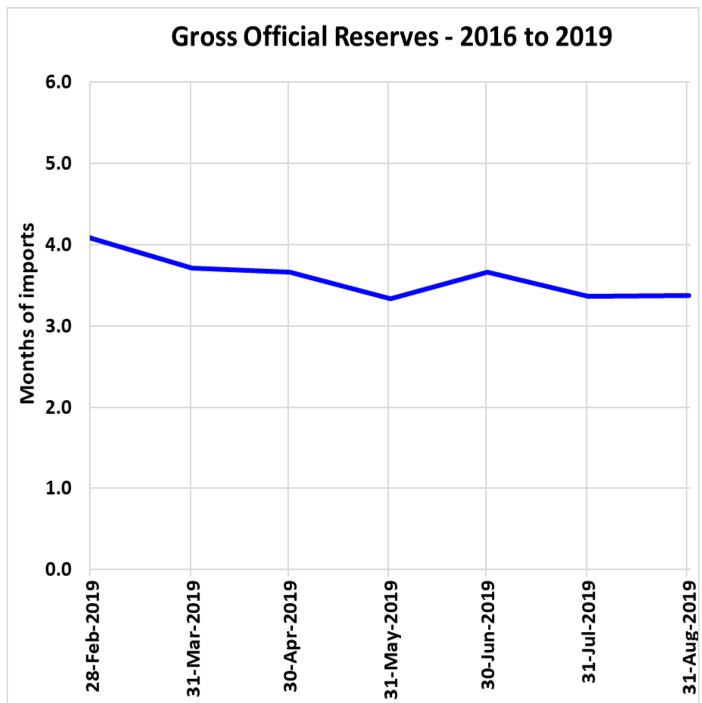
C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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)
30th Nov 2018	631.92	3.04
31 Dec 2018	755.22	3.61
31st Jan 2019	790.28	3.78
28th Feb 2019	837.49	4.01
31st Mar 2019	775.45	3.71
30th Apr 2019	766.10	3.67
31st May 2019	696.30	3.33
30th June 2019	765.82	3.66
31st July 2019	704.14	3.37
30th August 2019	705.68	3.37

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



ii. Private Sector Foreign Exchange Reserves

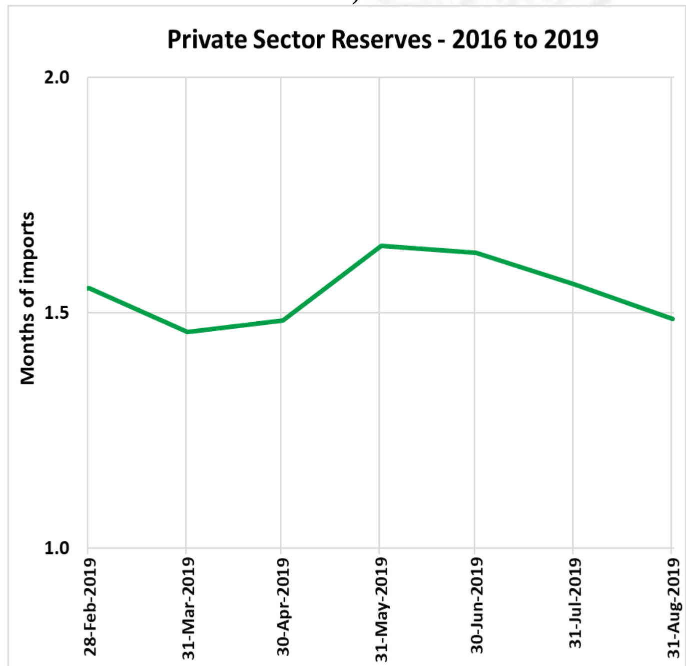
(Foreign reserves under the direct control of authorized dealer banks (ADBs) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

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

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

ADBs FOREIGN EXCHANGE TRADING ACTIVITY

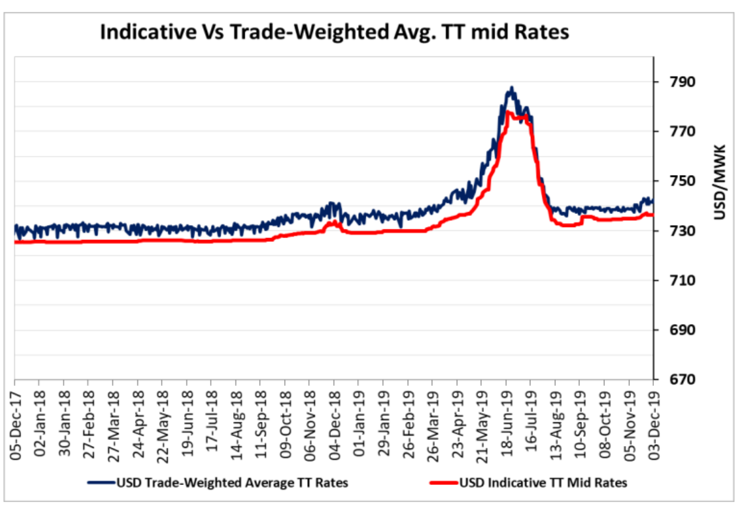
Week Ending (US$ mn)	**ADBs Purchases**	**ADBs Sales**
15th Nov 2019	29.39	37.07
22nd Nov 2019	33.14	34.00
29th Nov 2019	29.10	31.59
On 3rd Dec 2019	5.96	4.58

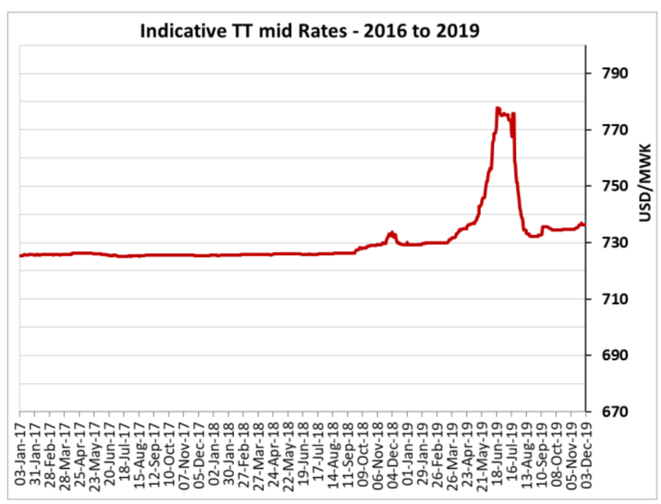


iii. Exchange Rate Developments

	27th Nov 2019	**28th Nov 2019**	**29th Nov 2019**	**2nd Dec 2019**	**3rd Dec 2019**	**Today's indicative Rates**
MWK/USD	743.1147	740.6164	741.6755	741.5423	742.5683	736.3183
MWK/GBP	951.1510	957.7028	959.0221	957.4813	962,2434	956.6984
MWK/EUR	814.3507	813.2166	817.2338	815.3765	822.6777	815.4725
MWK/ZAR	50.1663	50.1887	50.4925	50.5761	50.9789	50.2874

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.

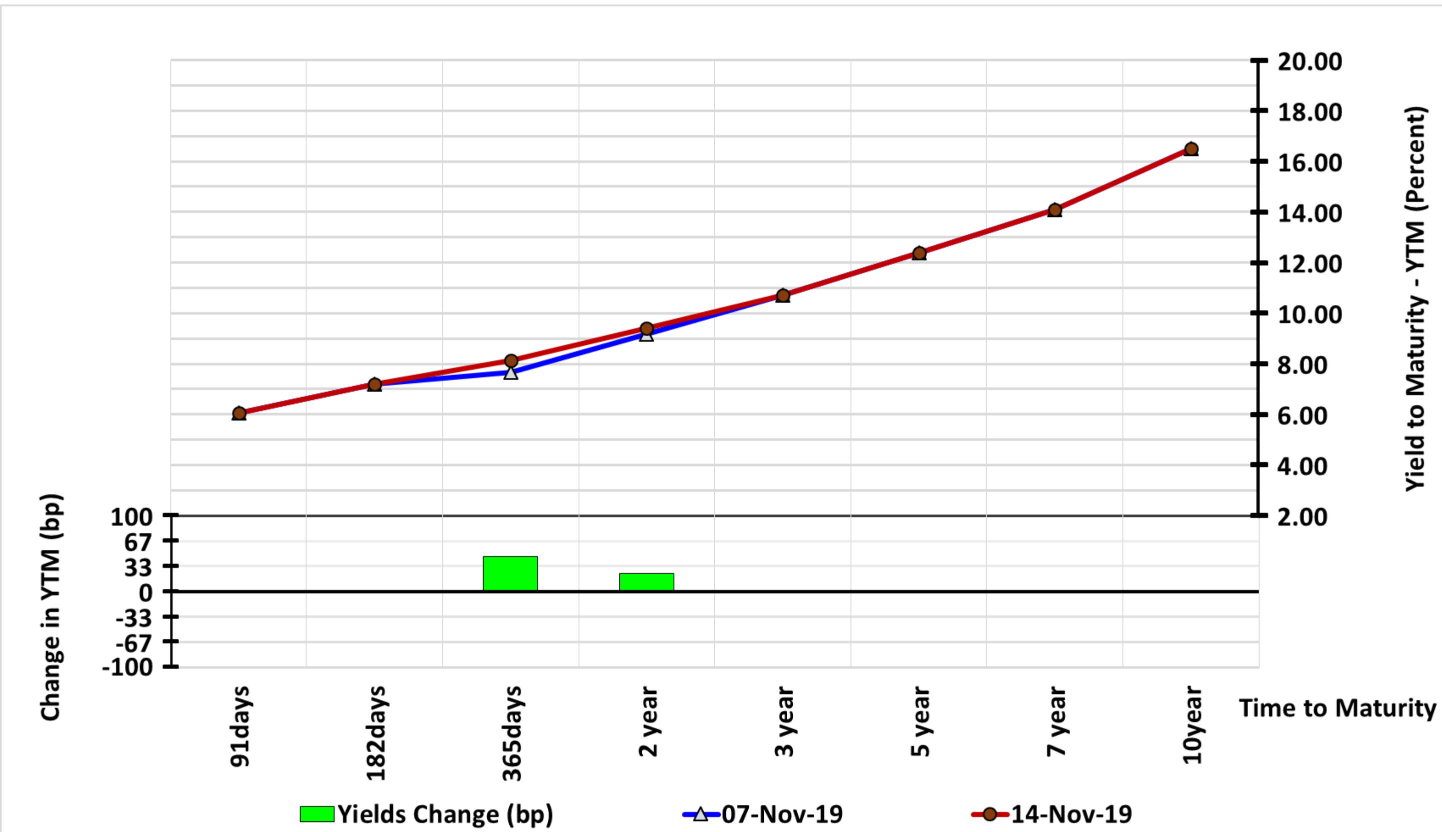




D. YIELD CURVE FOR GOVERNMENT SECURITIES (Based on actual trades)

Tenor	91 day	182 day	364 day	2 Year	3 Year	5 Year	7 Year	10 Year
7 November 2019	6.04	7.20	7.67	9.18	10.7	12.39	14.08	16.5
14 November 2019	6.04	7.20	8.14	9.42	10.70	12.39	14.08	16.5
7 Nov 2019 – 14 Nov 2019 Change in Yield (Bp)	-(0.1)	0	46.57	23.28	0	0	0	0

NOTE: The 91 day, 182 day and 364 day Treasury bill yields (5.9999%, 7.20% and 8.2996% 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.