



# RESERVE BANK OF MALAWI

## FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Tuesday, 10<sup>th</sup> December 2019

### A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

#### i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 13 <sup>th</sup> December 2019	9 <sup>th</sup> December 2019
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-37,430	-27,994	
Excess Reserves before OMO	-39,896	-30,459	
Excess Reserves after OMO			-2,466
Required Reserves	54,434	54,434	54,434

#### ii. Known Projected Transactions

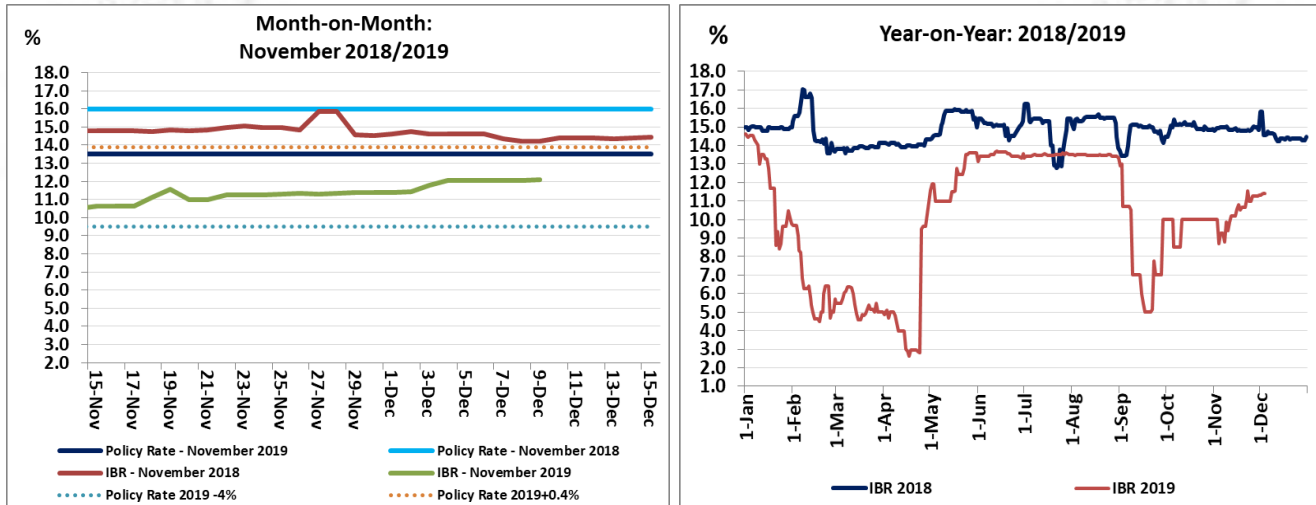
	End Month Nov 2019	Week ending 6 <sup>th</sup> Dec 2019	Week ending 13 <sup>th</sup> Dec 2019	End Month Dec 2019
Maturity of normal TBs/TNs/PNs	36,908	9,336	7,581	36,085
Maturity of OMO Repos	4,869	0	0	7,493

### 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	15.00	12.08
2 days	-	-
7 days	-	-
<b>(b) RBM Open market operations</b>		
<b>(i) Repos</b>		
O/N	-	-
7 days	-	-
14 days	-	-
30 days	-	-
60 days	-	-
91 days	-	-
<b>(ii) Reverse Repos</b>		
7 days	-	-
30 days	-	-
60 days	-	-
<b>(c) Access on the Lombard Facility</b>	37.60	13.90

## Weighted Average Interbank Rates

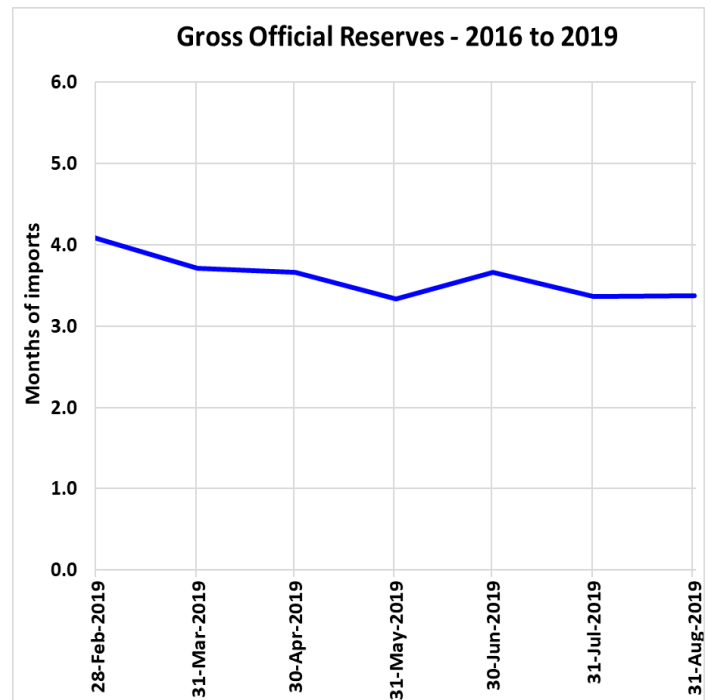


## C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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

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



## ii. Private Sector Foreign Exchange Reserves

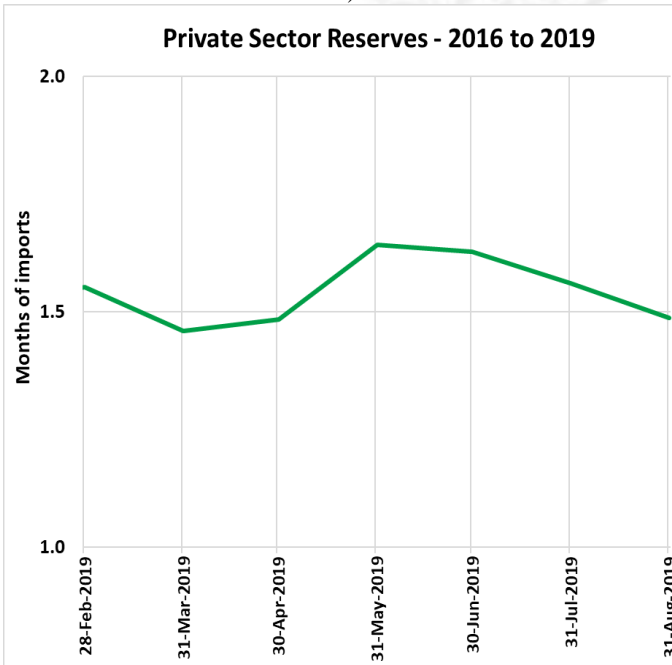
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

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

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

### ADB's FOREIGN EXCHANGE TRADING ACTIVITY

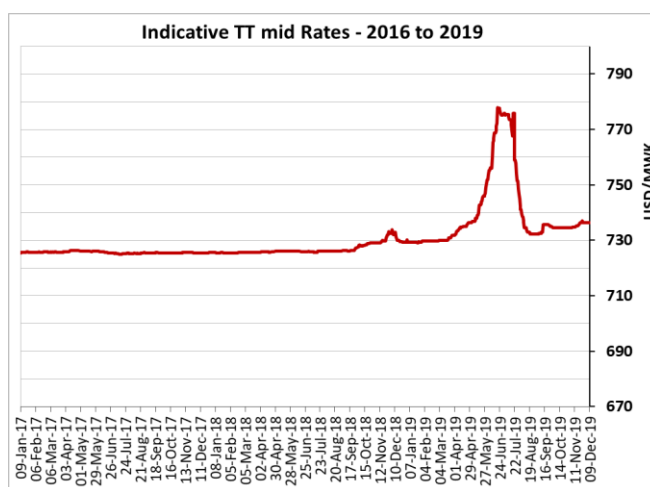
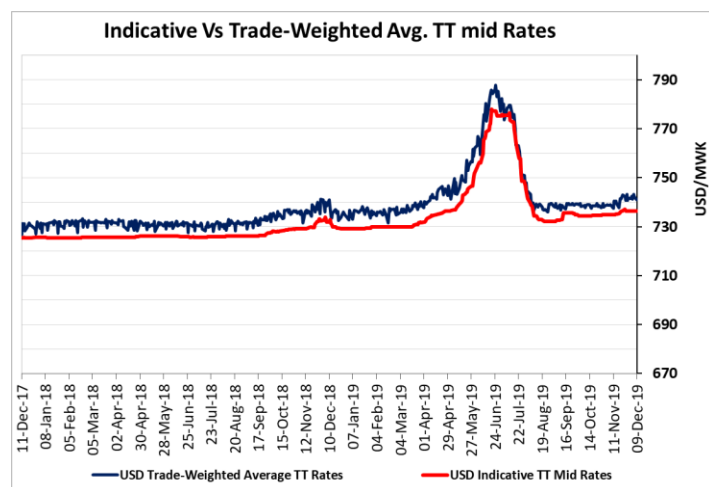
Week Ending (US\$ mn)	ADB's Purchases	ADB's Sales
22 <sup>nd</sup> Nov 2019	33.14	34.00
29 <sup>th</sup> Nov 2019	29.10	31.59
6 <sup>th</sup> Dec 2019	38.28	38.73
On 9 <sup>th</sup> Dec 2019	6.46	6.64



## iii. Exchange Rate Developments

	3 <sup>rd</sup> Dec 2019	4 <sup>th</sup> Dec 2019	5 <sup>th</sup> Dec 2019	6 <sup>th</sup> Dec 2019	9 <sup>th</sup> Dec 2019	Today's indicative Rates
MWK/USD	742.5683	741.2742	743.1279	742.2446	741.0500	736.3183
MWK/GBP	962.2434	961.4631	973.5973	971.5092	972.6491	968.4058
MWK/EUR	822.6777	820.2000	819.2934	823.0097	819.6538	814.7362
MWK/ZAR	50.9789	50.8898	50.7458	50.8381	50.6881	50.1942

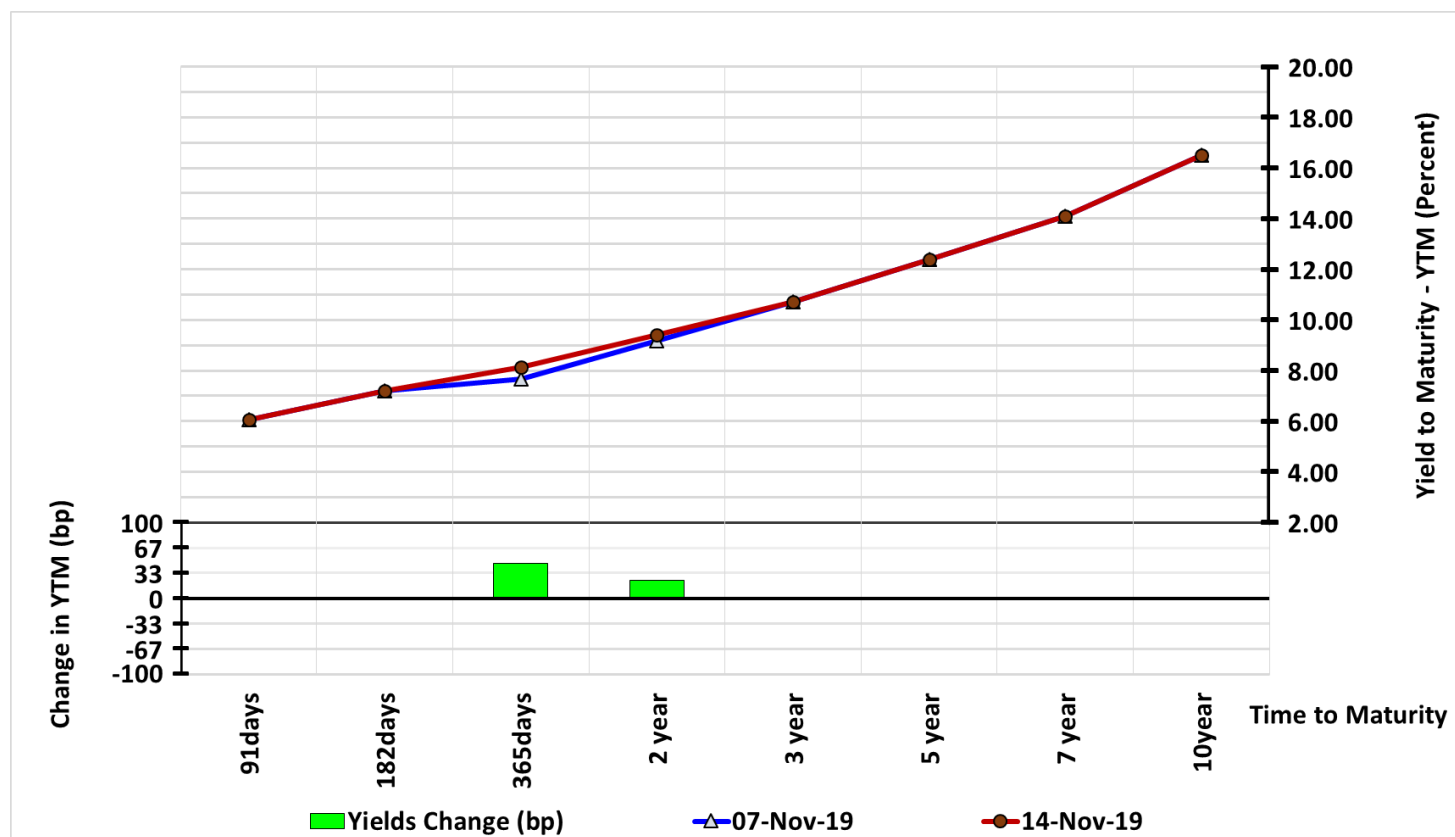
Note: Reported rates are closing weighted average TT mid-rates based on actual trades except for today's rates that are indicative and based on market consensus.



#### 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.