



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Thursday, 26th March 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 27 th March 2020	25 th March 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-36,637	-43,742	
Excess Reserves before OMO	-24,913	-31,298	
Excess Reserves after OMO			12,444
Required Reserves	58,003	58,003	58,003

ii. Known Projected Transactions

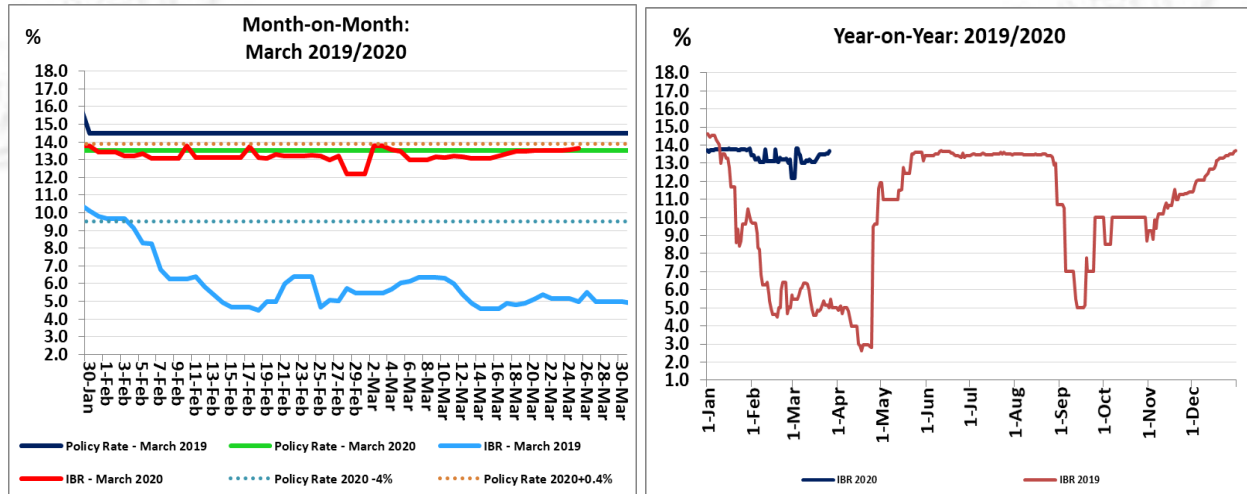
	Week ending 13 th Mar 2020	Week ending 20 th Mar 2020	Week ending 27 th Mar 2020	End Month Mar 2020
Maturity of normal TBs/TNs/PNs	8,687	11,055	16,831	41,858
Maturity of OMO Repos	0	0	0	14,731

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	13.50	13.66
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	4.45	13.90

Weighted Average Interbank Rates

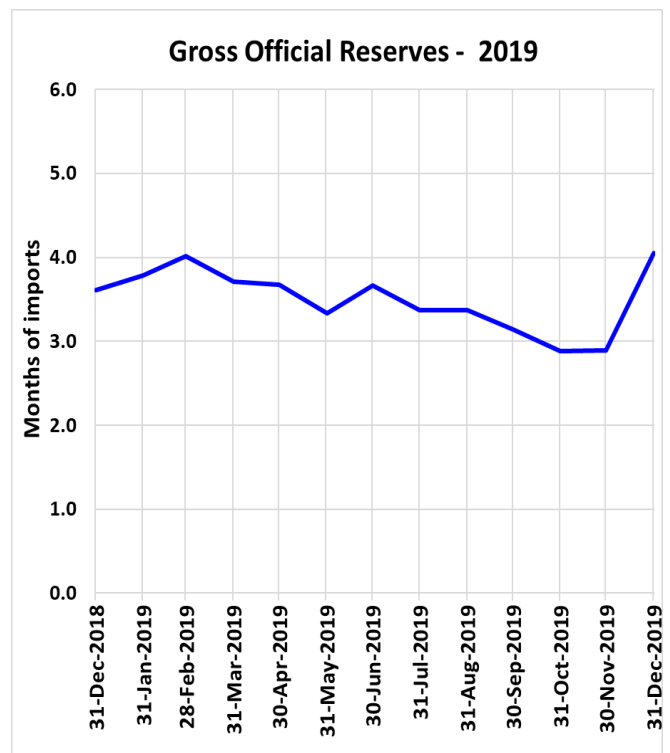


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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)
31 st Jan 2019	790.28	3.78
28 th Feb 2019	837.49	4.01
31 st Mar 2019	775.45	3.71
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

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



ii. Private Sector Foreign Exchange Reserves

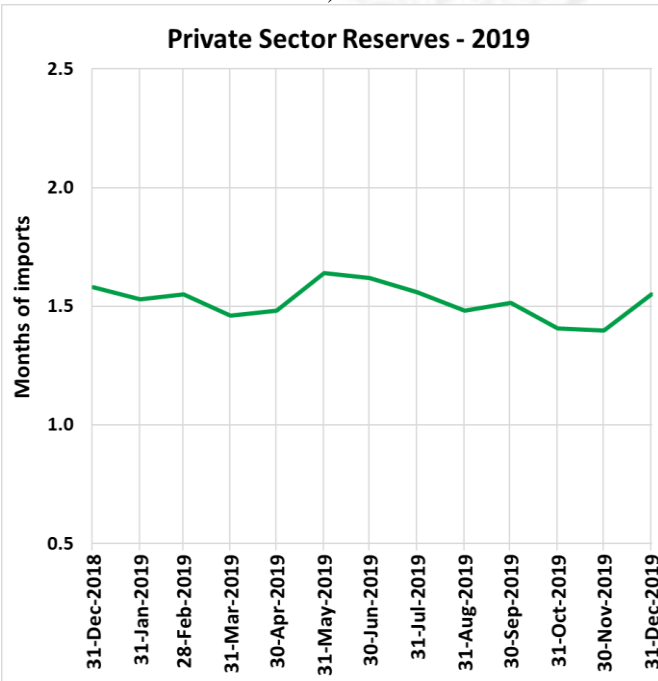
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date (US\$ mn)	ADB's Own Position	FCDA	Total	Import Cover * (Months)
30 th September 2019	2.43	313.86	316.30	1.51
31 st October 2019	2.18	291.75	293.93	1.41
30 th November 2019	3.50	288.73	292.23	1.40
31 st December 2019	6.70	317.37	324.07	1.55

* 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
6 th March 2020	16.37	21.63
13 th March 2020	21.82	36.64
20 th March 2020	25.90	36.68
On 25 th Mar 2020	4.20	4.57

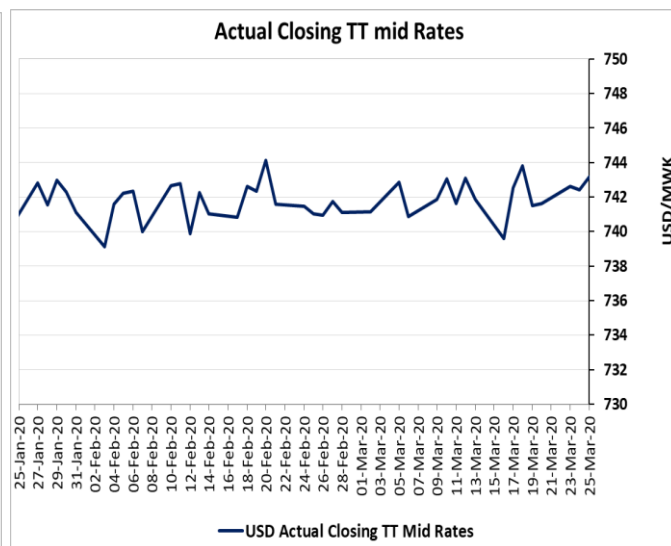
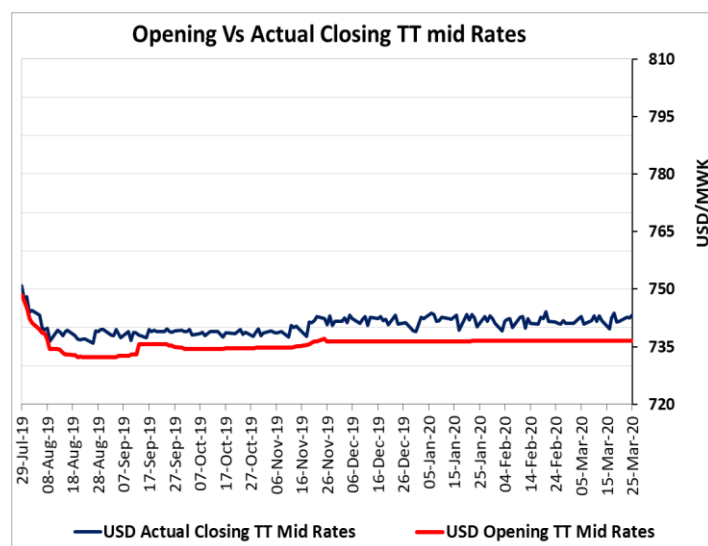


iii. Exchange Rate Developments

	25 th Mar 2020 (Opening Rates)			25 th Mar 2020 (Closing Rates)			Today's Opening rates
	Middle	Buying	Selling	Middle	Buying	Selling	
MWK/USD	736.5803	729.2882	743.8724	743.1749	741.8206	744.5293	736.5803
MWK/GBP	871.5955	862.9667	880.2243	879.7515	874.6841	884.8189	873.2159
MWK/EUR	795.2121	787.3395	803.0847	802.0517	796.9789	807.1246	803.6091
MWK/ZAR	42.1578	41.7404	42.5751	43.0405	42.8372	43.2438	42.4344

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

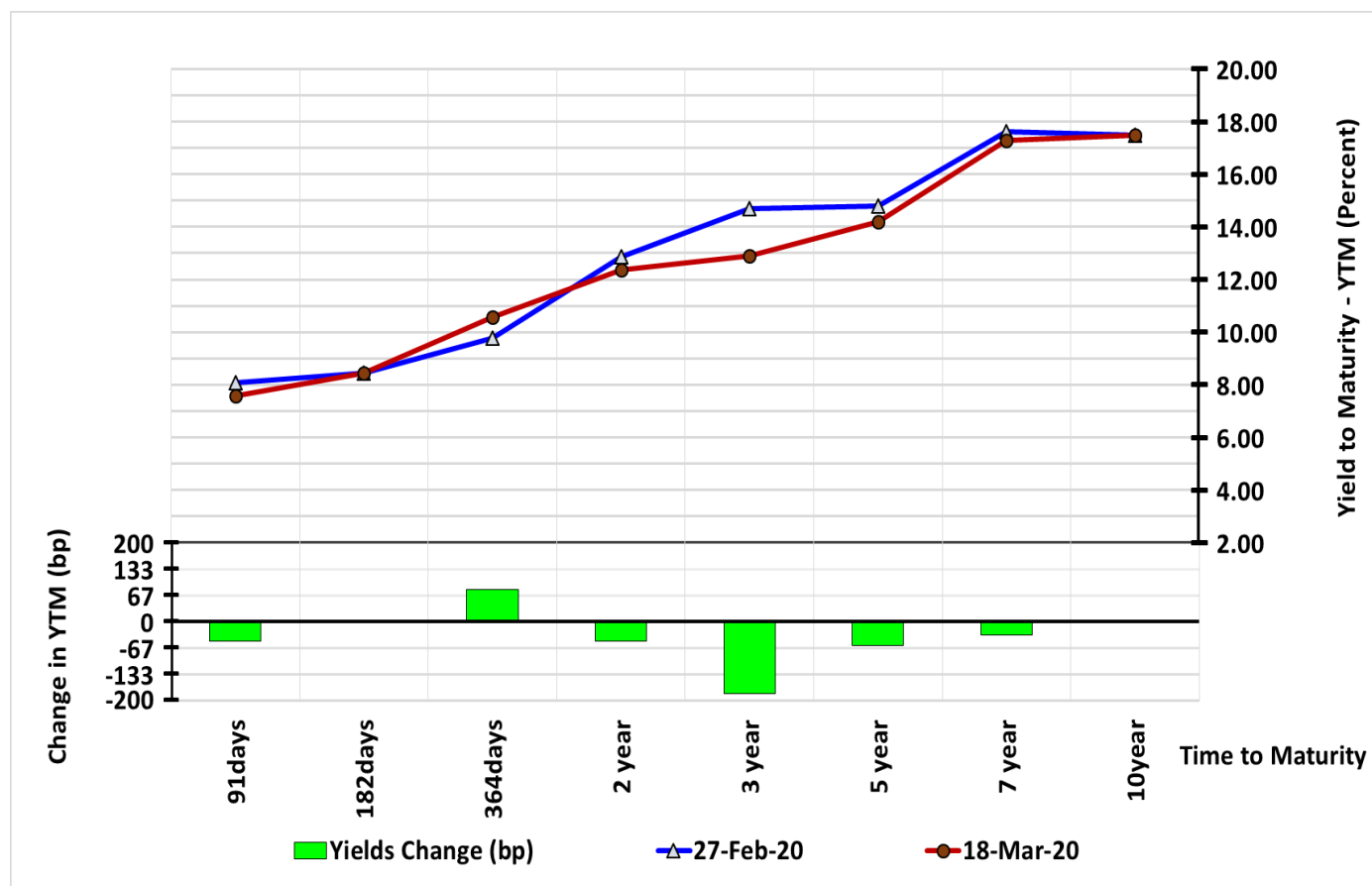
The closing reported rates are average weighted rates based on actual market transactions.



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
27 Feb 2020	8.08	8.45	9.76	12.86	14.70	14.79	17.63	17.47
18 March 2020	7.58	8.45	10.56	12.38	12.88	14.18	17.29	17.47
27 Feb – 18 Mar 2020 Change in Yield (Bp)	(49)	0	80	(48)	(181)	(60)	(34)	0

NOTE: The 91 day and 364 day Treasury bill yields (7.5114% and 10.8477% respectively) have been converted to semi-annual bond basis as at 18th March 2020.



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.