



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Wednesday, 13th May 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 15 th May 2020	12 th May 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-45,235	-35,599	
Excess Reserves before OMO	-45,645	-39,118	
Excess Reserves after OMO			-410
Required Reserves	47,338	47,338	47,338

ii. Known Projected Transactions

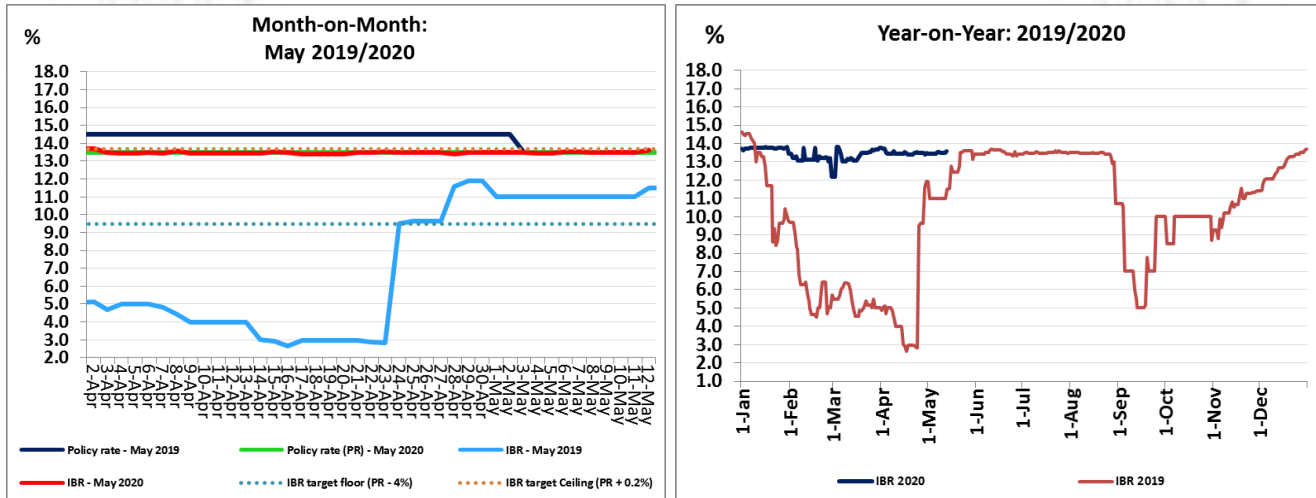
	Week ending 15 th May 2020	Week ending 22 nd May 2020	Week ending 29 th May 2020	End Month May 2020
Maturity of normal TBs/TNs/PNs	11,021	5,478	3,417	27,462
Maturity of OMO Repos	0	0	0	0

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	8.80	13.60
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	27.80	13.70

Weighted Average Interbank Rates

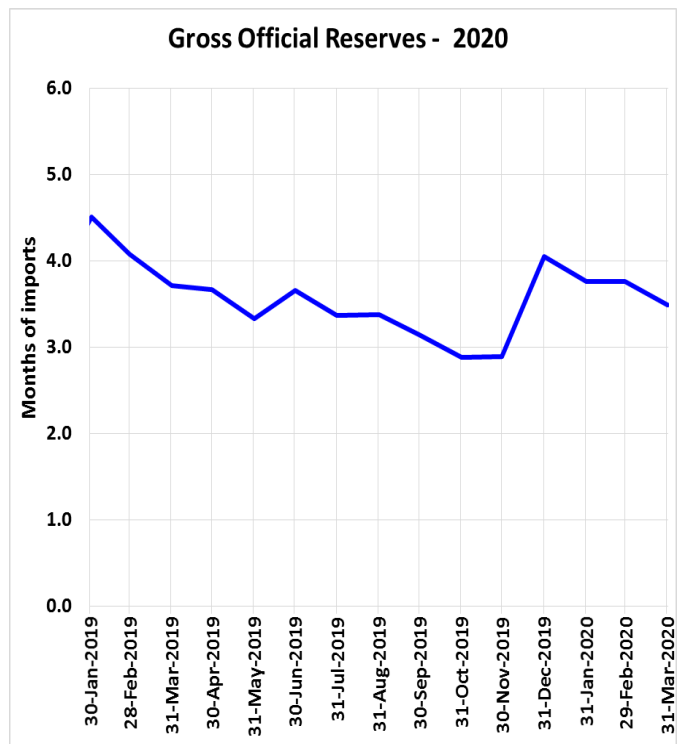


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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

Date (US\$ million)	Reserves (US\$ million)	Import Cover * (Months)
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

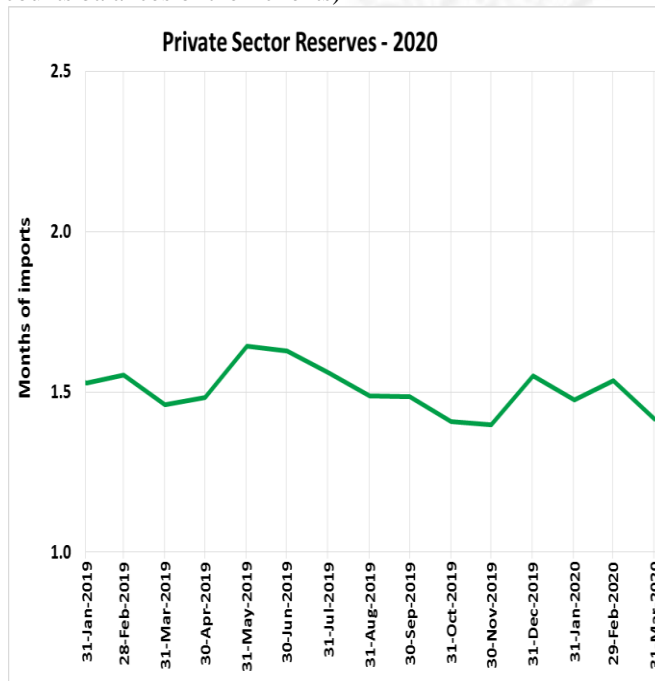
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date (US\$ mn)	ADB's Own Position	FCDA	Total	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
24 th Apr 2020	29.80	32.75
30 th Apr 2020	16.93	30.38
8 th May 2020	20.93	35.52
On 12 th May 2020	6.54	4.17

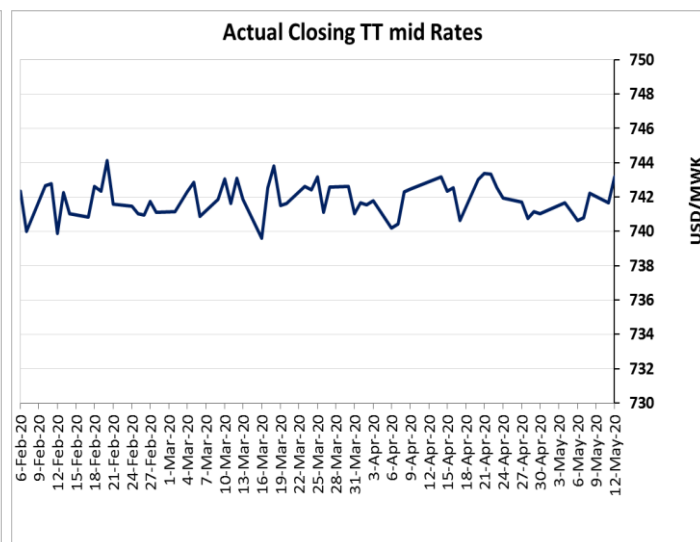
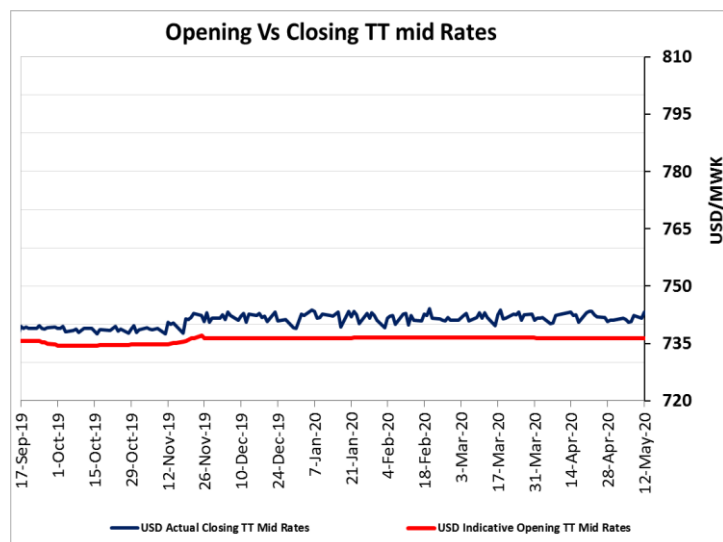


iii. Exchange Rate Developments

	12 th May 2020 (Opening Rates)			12 th May 2020 (Closing Rates)			Today's Opening rates
	Middle	Buying	Selling	Middle	Buying	Selling	
MWK/USD	736.5641	729.2721	743.8561	743.1757	742.6423	744.7092	736.5641
MWK/GBP	908.2572	899.2654	917.2489	918.5370	914.2973	922.7767	904.2061
MWK/EUR	796.6677	788.7807	804.5547	808.5992	804.0614	813.1370	799.0984
MWK/ZAR	39.8856	39.4908	40.2805	41.0353	40.6870	41.3835	40.0808

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

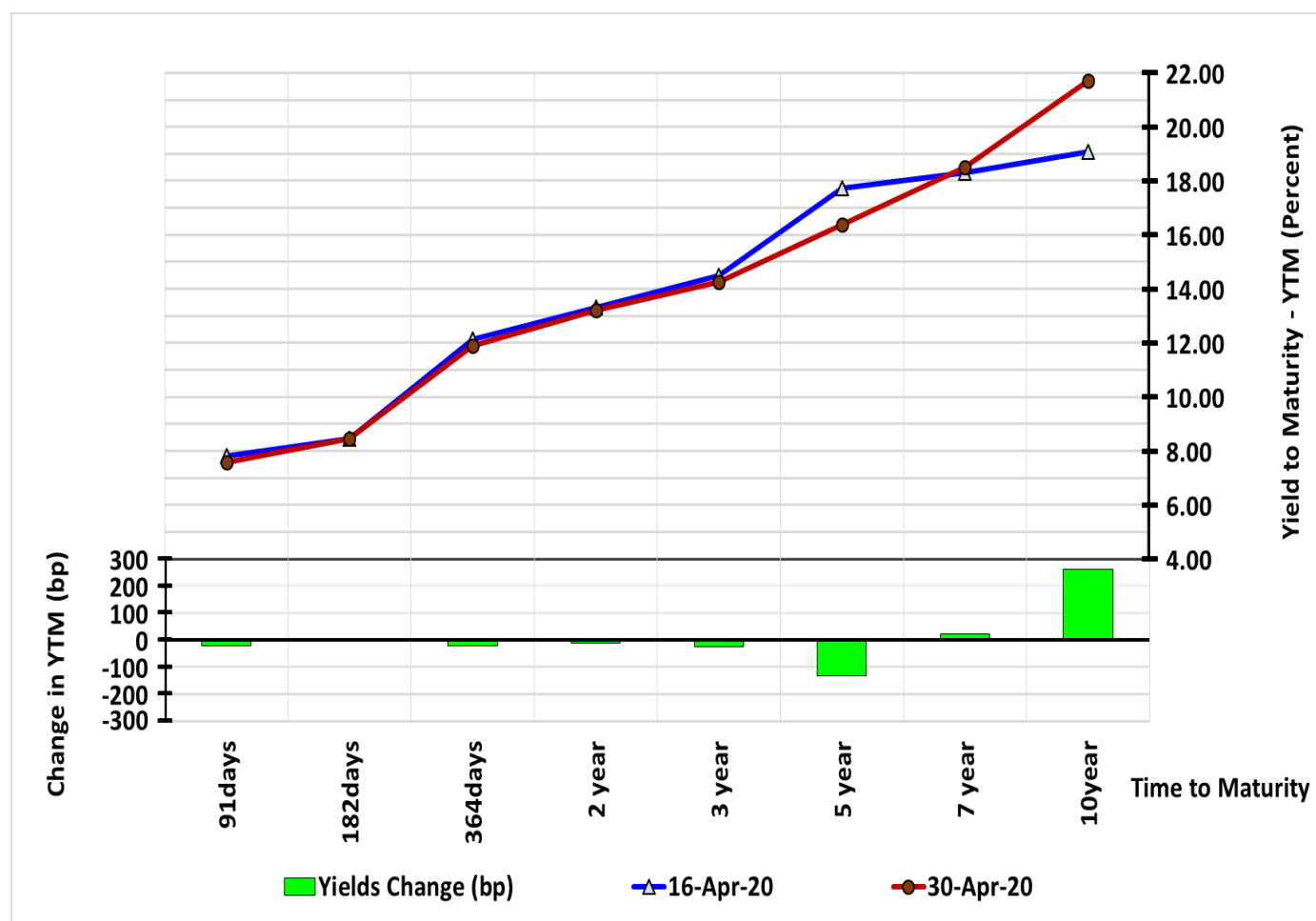
The closing reported rates are actual trade-weighted market average TT rates.



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
16 April 2020	7.80	8.45	12.13	13.31	14.50	17.73	18.29	19.06
30 th April 2020	7.57	8.45	11.91	13.20	14.26	16.39	18.51	21.70
16 – 30 Apr 2020 Change in Yield (Bp)	(23)	0	(22)	(12)	(24)	(134)	22	263

NOTE: The 91 day, 182 day and 364 day Treasury bill yields (7.5791%, 8.4556% and 12.2638% respectively) have been converted to semi-annual bond basis as at 30th April 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.