



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Thursday, 28th May 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 29 th May 2020	27 th May 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	12,970	-6,082	
Excess Reserves before OMO	2,532	9,420	
Excess Reserves after OMO			15,502
Required Reserves	47,446	47,446	47,446

ii. Known Projected Transactions

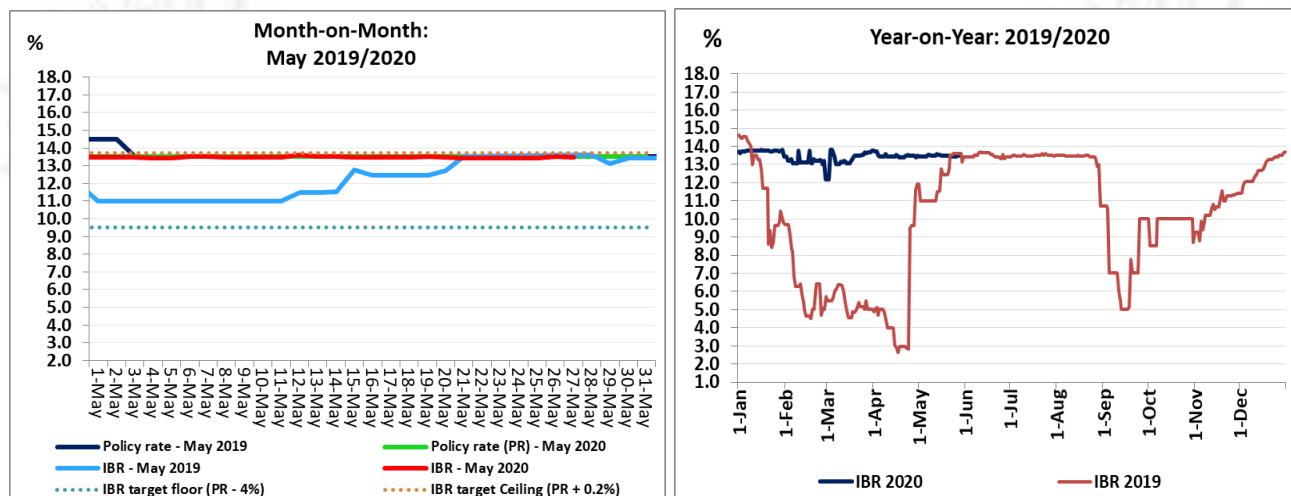
	Week ending 22 nd May 2020	Week ending 29 th May 2020	Week ending 05 th June 2020	Month of May 2020	Month of June 2020
Maturity of normal Treasury Securities	13,816	5,677	5,340	40,867	24,971
Maturity of OMO Repos	0	0	0	0	0

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	12.40	13.50
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	25.60	13.70

Weighted Average Interbank Rates

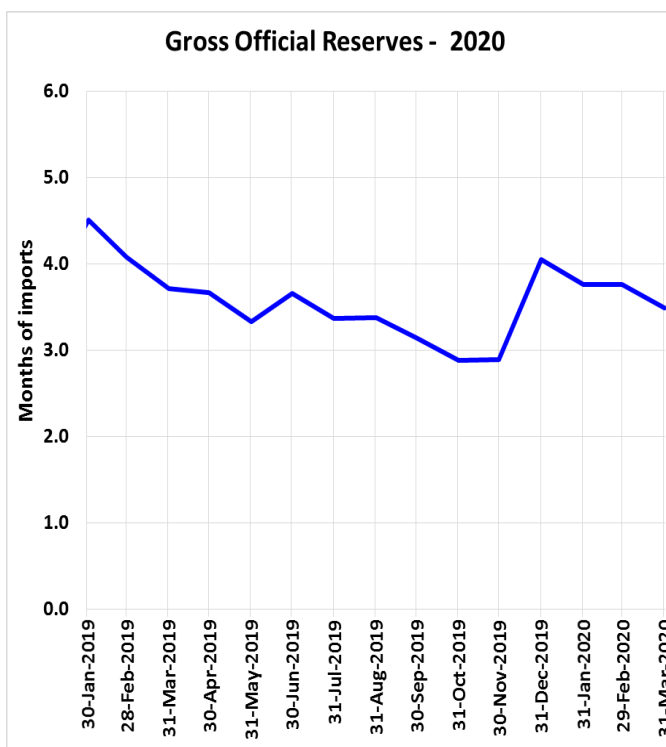


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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

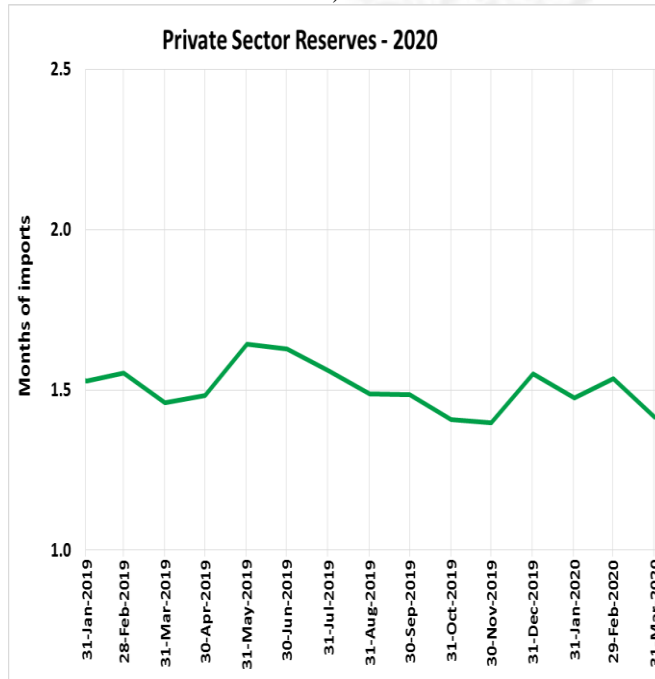
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

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
8 th May 2020	20.93	35.52
15 th May 2020	28.05	33.67
22 nd May 2020	7.28	16.82
On 27 th May 2020	5.21	6.66

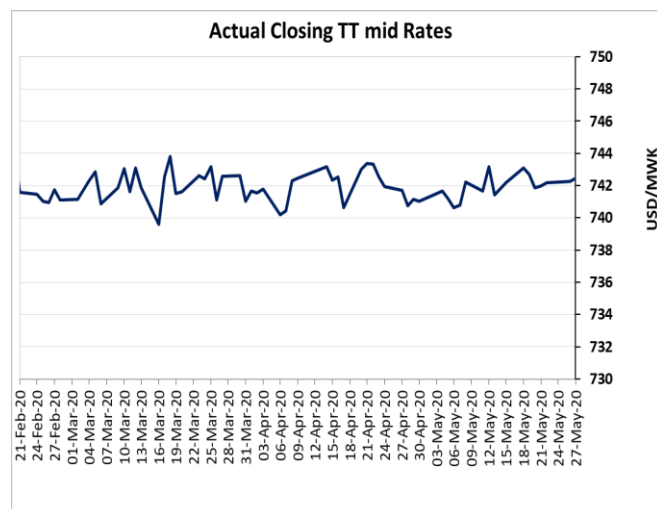
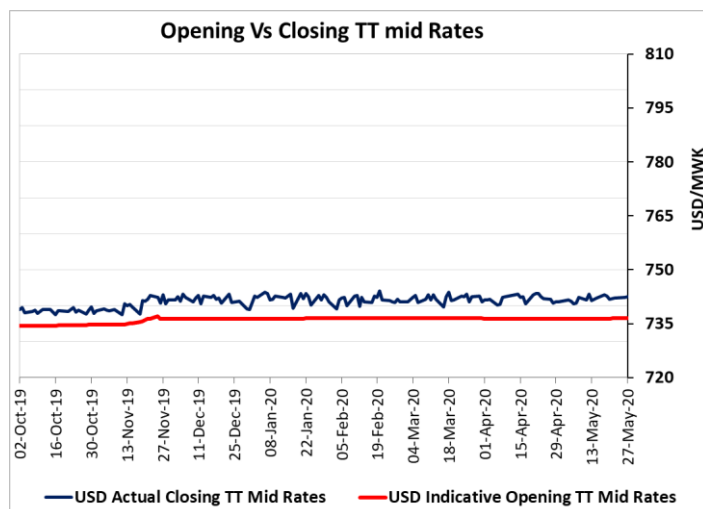


iii. Exchange Rate Developments

	27 th May 2020 (Opening Rates)			27 th May 2020 (Closing Rates)			
	Middle	Buying	Selling	Middle	Buying	Selling	Today's Opening rates
MWK/USD	736.5641	729.2721	743.8561	742.4821	740.9050	744.0592	736.5641
MWK/GBP	907.4470	898.4632	916.4307	918.7972	913.8651	923.7294	904.1324
MWK/EUR	806.9060	798.9176	814.8943	823.6578	819.2170	828.0986	811.8410
MWK/ZAR	42.2812	41.8626	42.6998	43.4002	43.0644	43.7361	42.5256

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

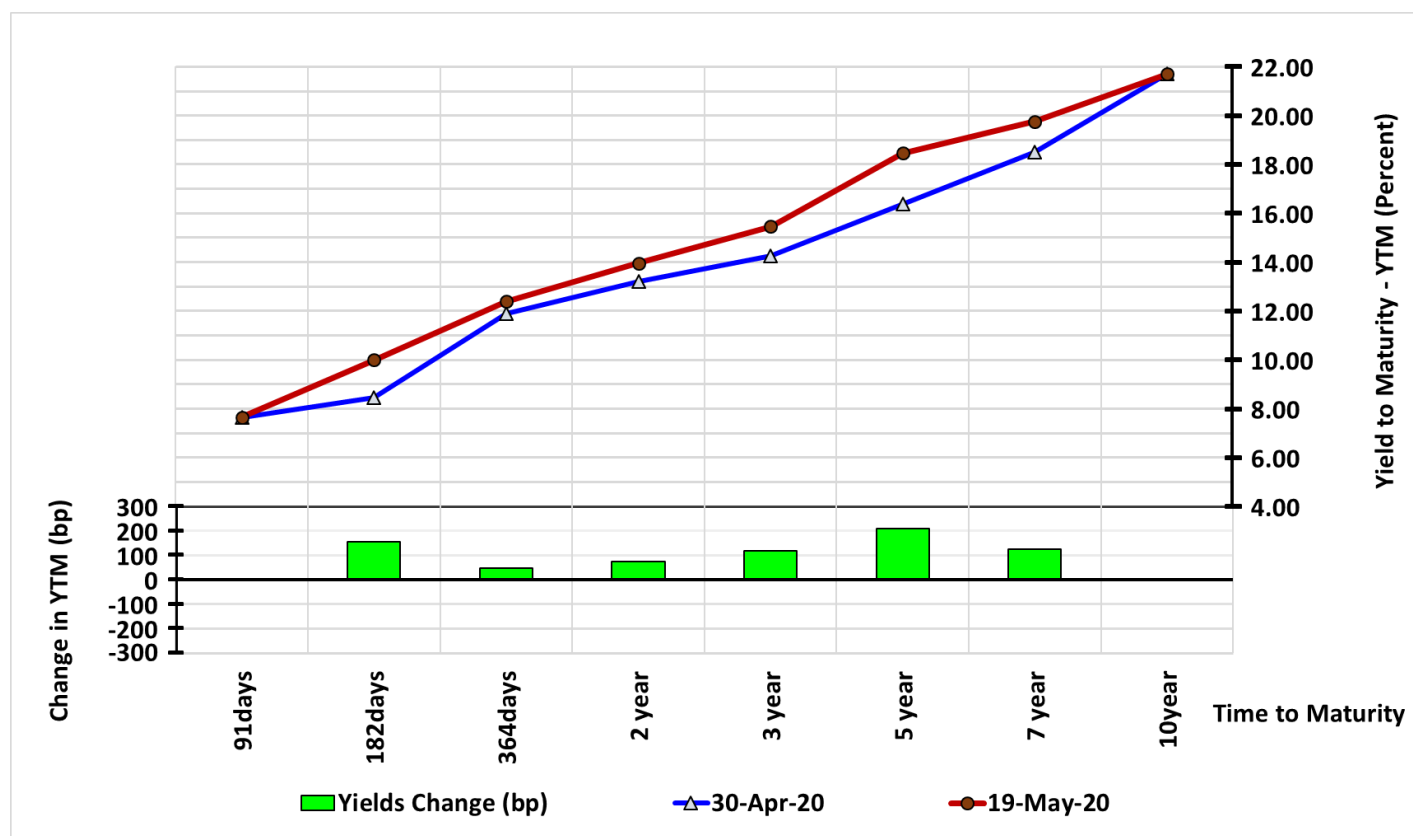
The closing reported rates are actual trade-weighted market average TT rates.



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
30 th April 2020	7.65	8.46	11.91	13.20	14.26	16.39	18.51	21.70
19 th May 2020	7.65	10.00	12.40	13.96	15.46	18.47	19.76	21.70
30 Apr – 19 May 2020 Change in Yield (Bp)	0	154	49	76	120	208	125	0

NOTE: The 91-day, 182-day and 364-day Treasury bill yields of 7.5791%, 10.0000% and 12781% respectively have been converted to semi-annual bond basis.



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.