



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Monday, 22nd June 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 26 th June 2020	19 th June 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-39,484	-47,311	
Excess Reserves before OMO	-16,616	-55,243	
Excess Reserves after OMO			22,454
Required Reserves	47,664	47,664	47,664

ii. Known Projected Transactions

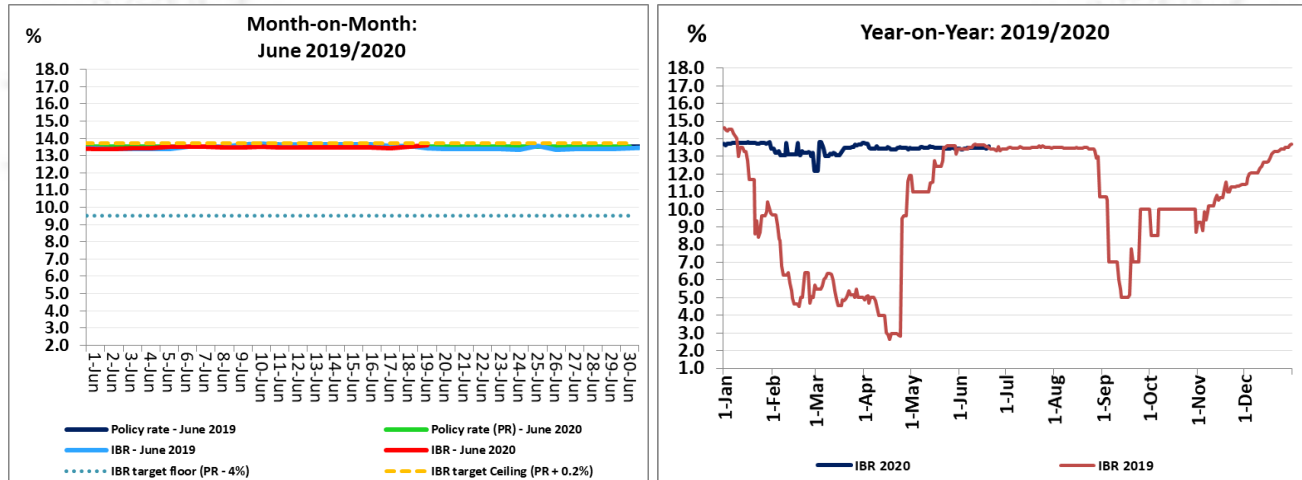
	Week ending 12 th June 2020	Week ending 19 th June 2020	Week ending 26 th June 2020	Month of June 2020	Month of July 2020
Maturity of normal Treasury Securities	4,042	2,586	3,558	24,971	31,499
Maturity of OMO Repos	0	0	0	0	0

B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

(a) Inter-bank borrowing	Volume (MWK' Billion)	Average rate (%)
O/N	5.80	13.59
7 days	-	-
20 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	36.48	13.70

Weighted Average Interbank Rates

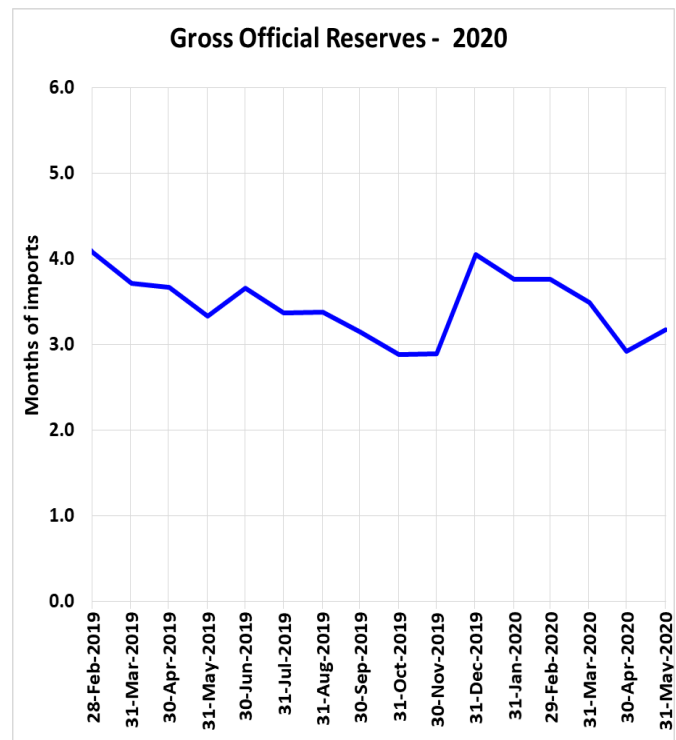


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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

Date	Reserves (US\$ million)	Import Cover * (Months of Imports)
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 st -Jan-20	786.71	3.76
29 th -Feb-20	785.31	3.76
31 st Mar 20	730.17	3.49
30 th April 20	610.13	2.92
31 st May 20	662.98	3.17

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



ii. Private Sector Foreign Exchange Reserves

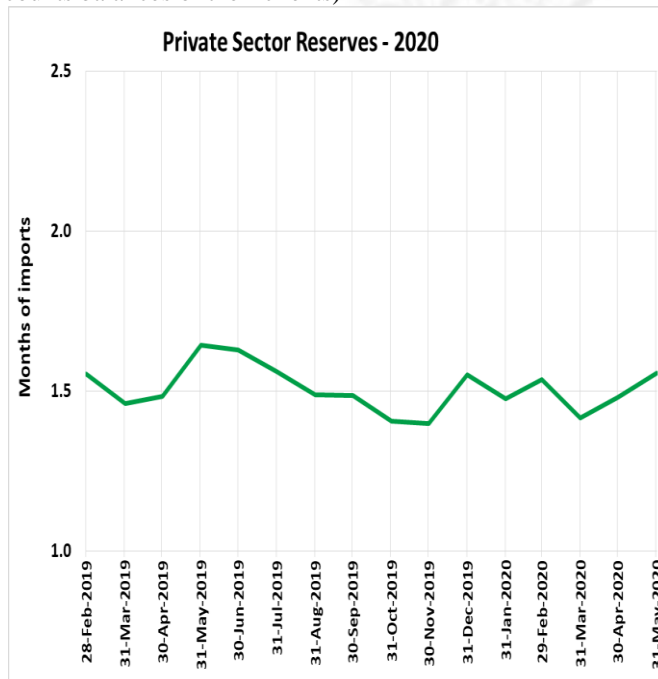
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date	ADB's Own Position (US\$ mn)	FCDA (US\$ mn)	Total (US\$ mn)	Import Cover * (Months)
29 th February 2020	4.23	316.57	320.8	1.53
31 st March 2020	-4.56	300.11	295.55	1.41
30 th April 2020	-3.09	306.37	303.27	1.45
31 st May 2020	-4.50	329.46	324.96	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
05 th June 2020	25.40	27.09
12 th June 2020	27.75	29.16
19 th June 2020	25.94	28.19
On 19 th June 2020	6.87	4.75

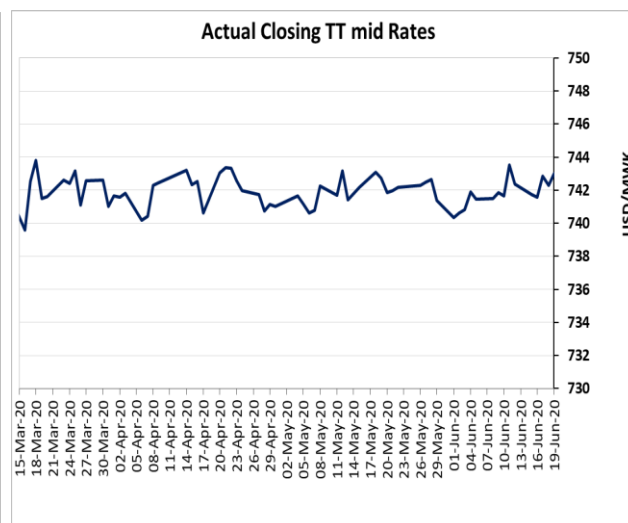
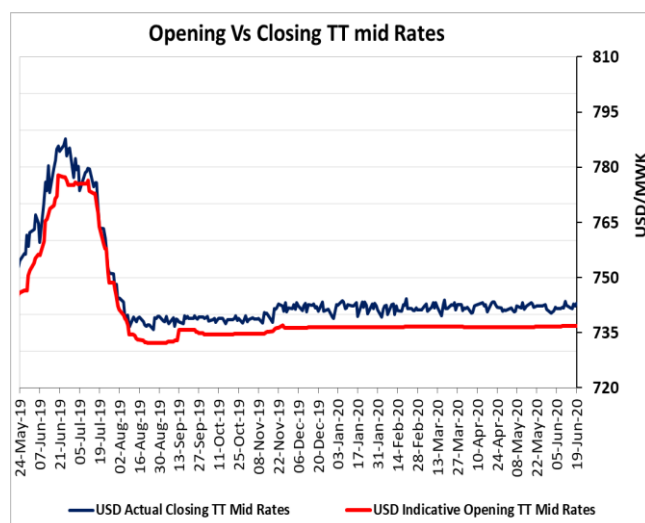


iii. Exchange Rate Developments

	19 th June 2020 (Opening Rates)			19 th June 2020 (Closing Rates)			Today's Opening rates
	Middle	Buying	Selling	Middle	Buying	Selling	
MWK/USD	737.0659	729.7689	744.3629	743.0219	741.9480	744.0959	737.0659
MWK/GBP	917.3522	908.2704	926.4340	930.0115	923.6822	936.3409	912.2665
MWK/EUR	829.6194	818.4359	834.8029	841.4186	835.0998	847.7374	825.0716
MWK/ZAR	42.2988	42.8801	43.1277	43.8180	43.6585	43.9775	42.4206

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

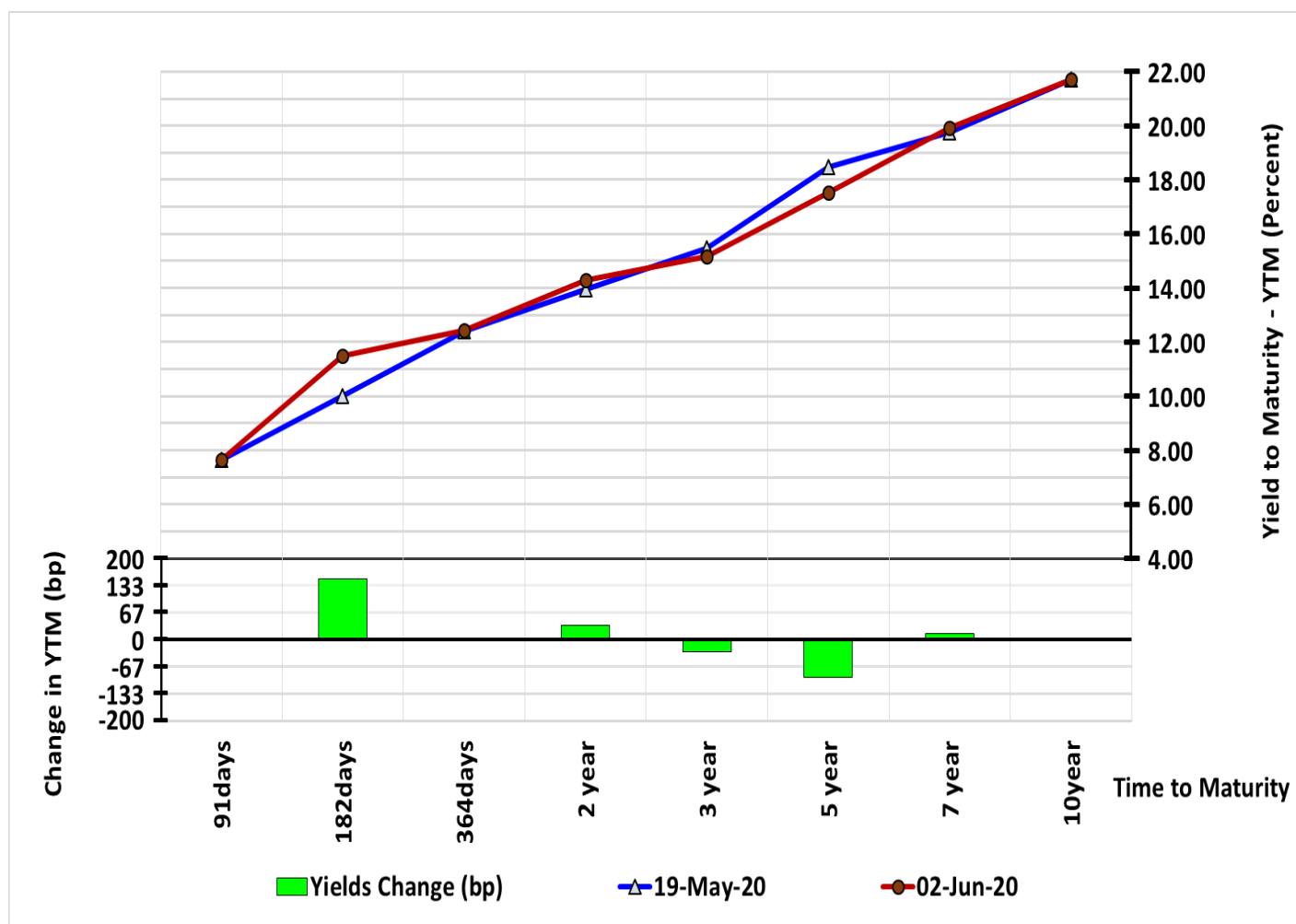
The closing reported rates are actual trade-weighted market average TT rates.



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
19 th May 2020	7.65	10.00	12.40	13.96	15.46	18.47	19.76	21.70
02 nd June 2020	7.65	11.50	12.42	14.30	15.15	17.53	19.91	21.70
19 May – 02 June 2020 Change in Yield (Bp)	0	150	2	34	(31)	(94)	15	0

NOTE: The 91-day, 182-day and 364-day Treasury bill yields of 7.5791%, 11.5000% and 12.8036% respectively have been converted to semi-annual bond basis.



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