



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Thursday, 30th January 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 31 st January 2020	29 th January 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-5,707	-8,087	4,970
Excess Reserves before OMO	20,964	19,590	30,503
Excess Reserves after OMO			26,671
Required Reserves	55,311	55,311	55,311

ii. Known Projected Transactions

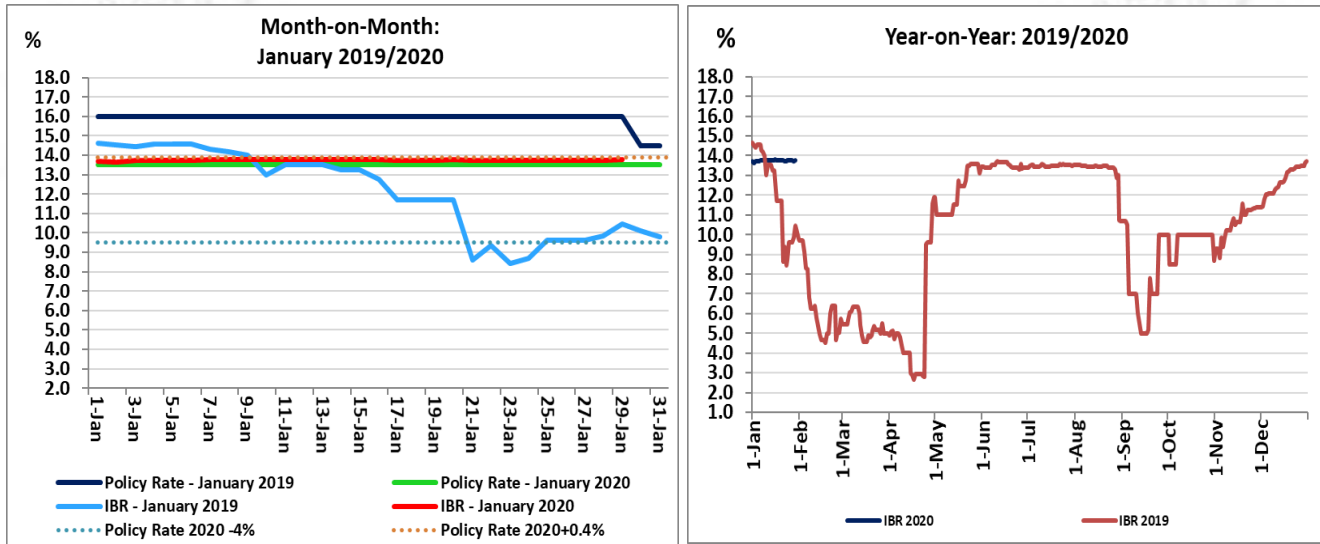
	Week ending 17 th Jan 2020	Week ending 24 th Jan 2020	Week ending 30 th Jan 2020	End Month Jan 2020
Maturity of normal TBs/TNs/PNs	36,616	16,482	16,482	88,113
Maturity of OMO Repos	0	0	0	25,672

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	11.05	13.78
2 days	-	-
7 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	-	-

Weighted Average Interbank Rates

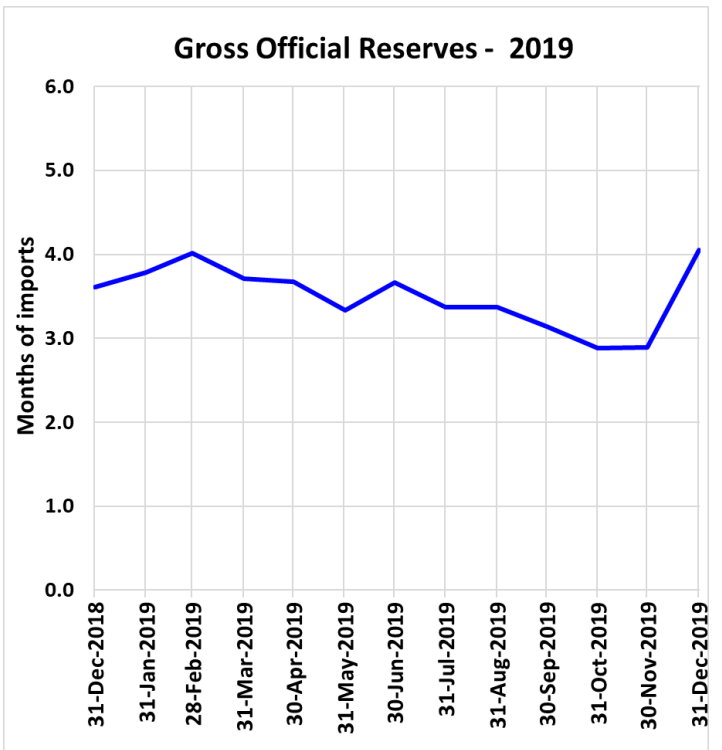


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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

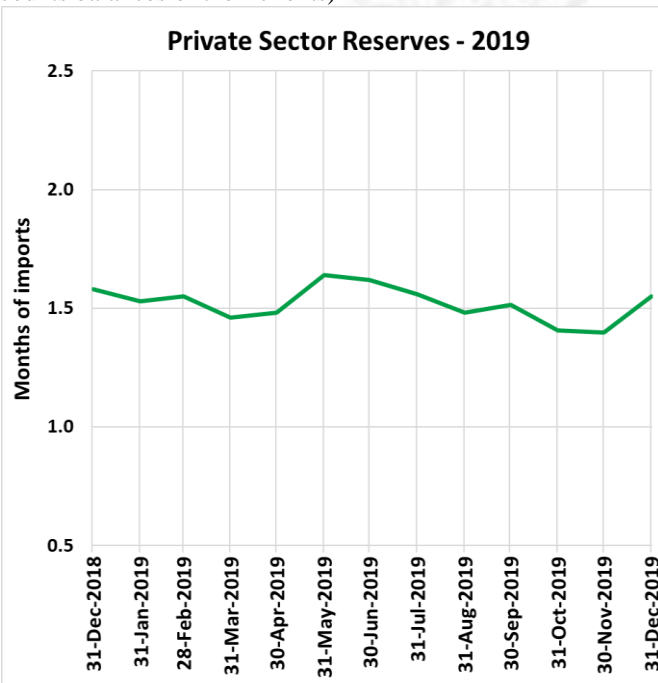
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

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

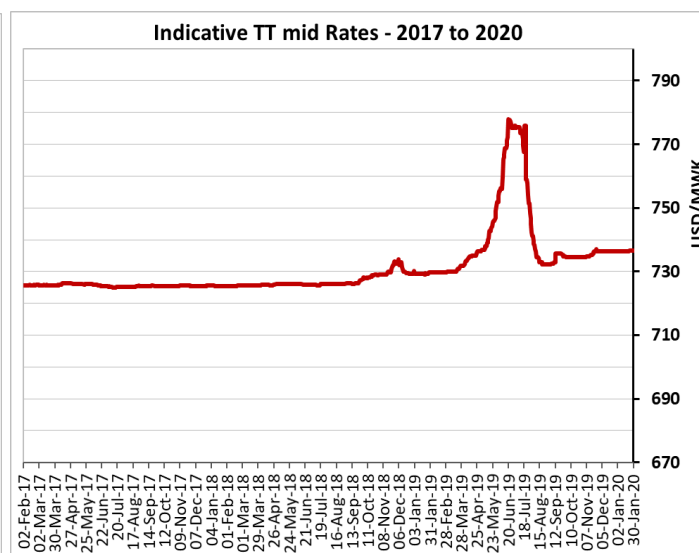
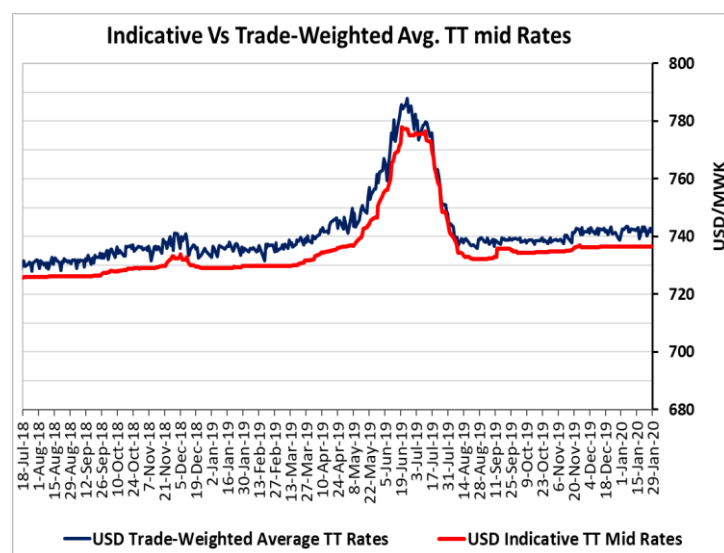
Week Ending (US\$ mn)	ADB's Purchases	ADB's Sales
10 th Jan 2020	28.06	25.92
17 th Jan 2020	18.33	30.21
24 th Jan 2020	30.06	23.56
On 28 th Jan 2020	3.96	3.68



iii. Exchange Rate Developments

	23 rd Jan 2020	24 th Jan 2020	27 th Jan 2020	28 th Jan 2020	29 th Jan 2020	Today's indicative Rates
MWK/USD	742.4493	740.1479	742.8298	741.5630	742.9867	736.5198
MWK/GBP	974.1381	974.7392	964.7093	969.2409	964.1091	958.5805
MWK/EUR	822.9578	820.1750	816.4834	815.8399	817.8593	811.3502
MWK/ZAR	51.8760	51.4657	51.4561	50.7735	51.1788	50.3074

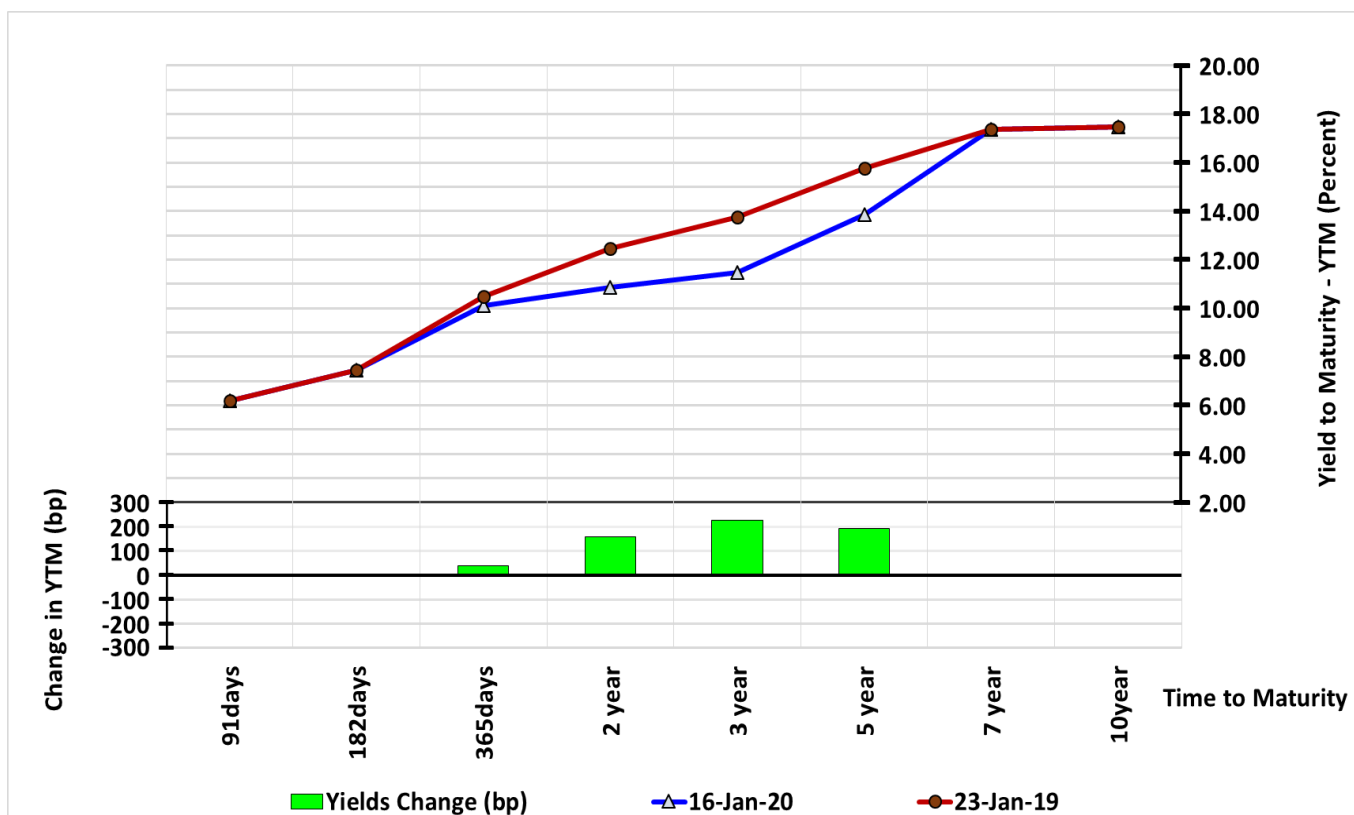
Note: Reported rates are closing weighted average TT mid-rates based on actual trades except for today's rates that are indicative and based on market consensus.



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
16 January 2020	6.19	7.45	10.10	10.86	11.48	13.84	17.36	17.47
23 January 2020	6.19	7.45	10.48	12.44	13.73	15.76	17.36	17.47
16 Jan 2020 – 23 Jan 2019 Change in Yield (Bp)	0	0	38	158	225	191	0	0

NOTE: The 91 day, 182 day and 364 day Treasury bill yields (6.1500%, 7.20% and 10.7600% 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.