



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Monday, 20th April 2020

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	Today	Week ending 24 th April 2020	17 th April 2020
Autonomous Transactions (+= Net injection / - = Net withdrawal)	-28,811	-22,803	
Excess Reserves before OMO	-6,071	-63	
Excess Reserves after OMO			22,740
Required Reserves	45,722	45,722	45,722

ii. Known Projected Transactions

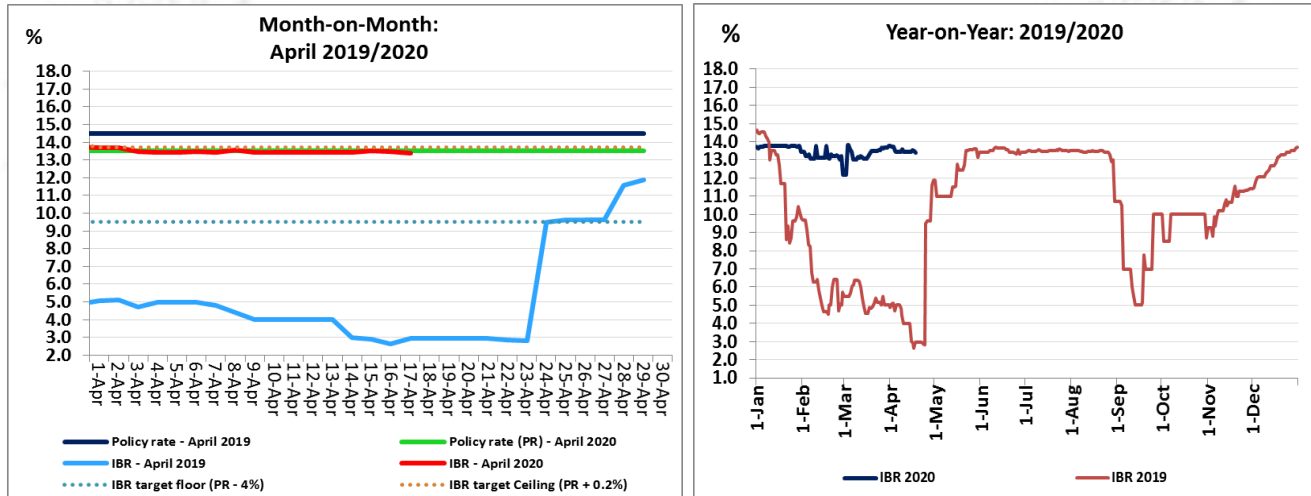
	Week ending 10 th Apr 2020	Week ending 17 th Apr 2020	Week ending 24 th Apr 2020	End Month Apr 2020
Maturity of normal TBs/TNs/PNs	9,205	5,637	6,021	36,961
Maturity of OMO Repos	0	0	0	0

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	12.00	13.40
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	32.65	13.70

Weighted Average Interbank Rates

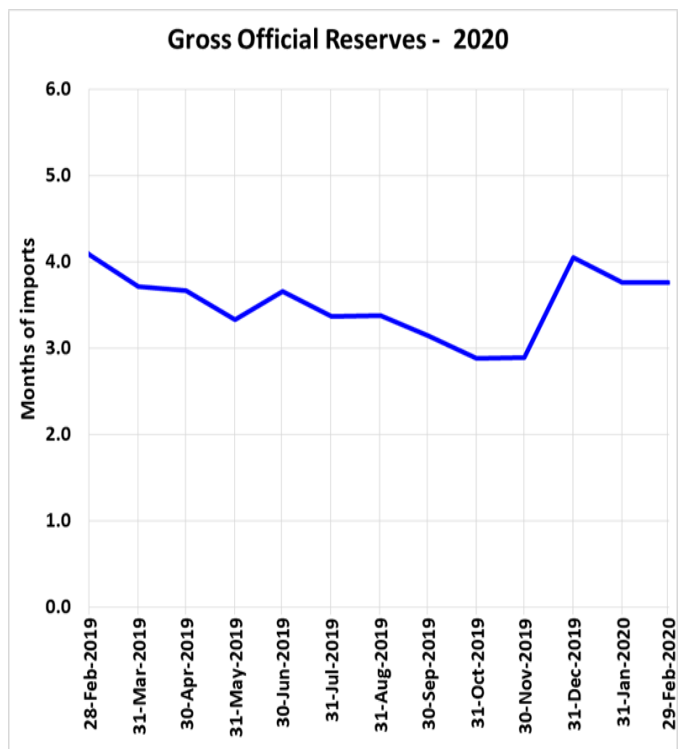


C. FOREIGN EXCHANGE MARKET DEVELOPMENTS

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)
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
31-Jan-20	786.71	3.76
29-Feb-20	785.31	3.76

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



ii. Private Sector Foreign Exchange Reserves

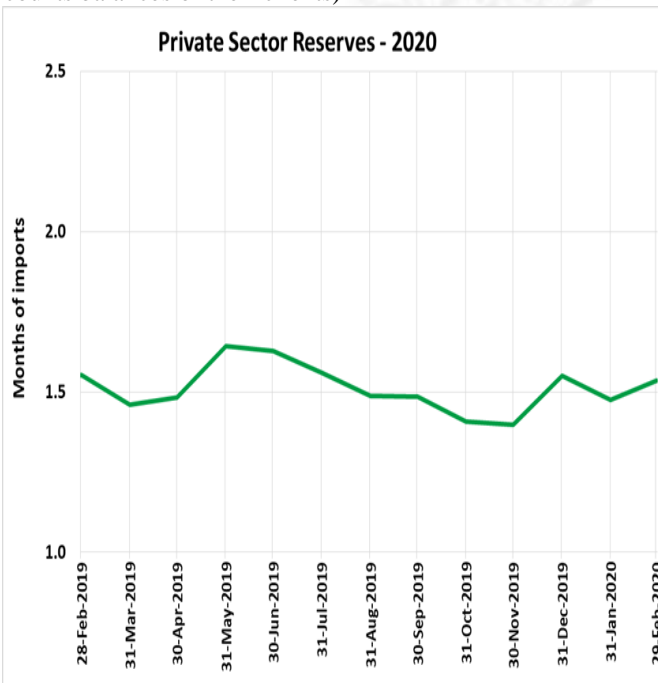
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date (US\$ mn)	ADB's Own Position	FCDA	Total	Import Cover * (Months)
30 th November 2019	3.50	288.73	292.23	1.40
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

* 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
03 rd Apr 2020	24.19	32.66
9 th Apr 2020	21.21	20.81
17 th Apr 2020	26.10	28.93
On 17 th Apr 2020	6.40	10.78

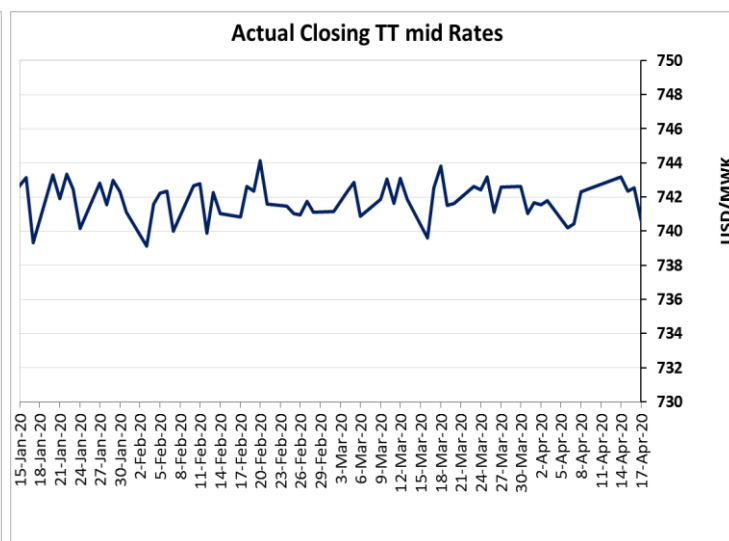
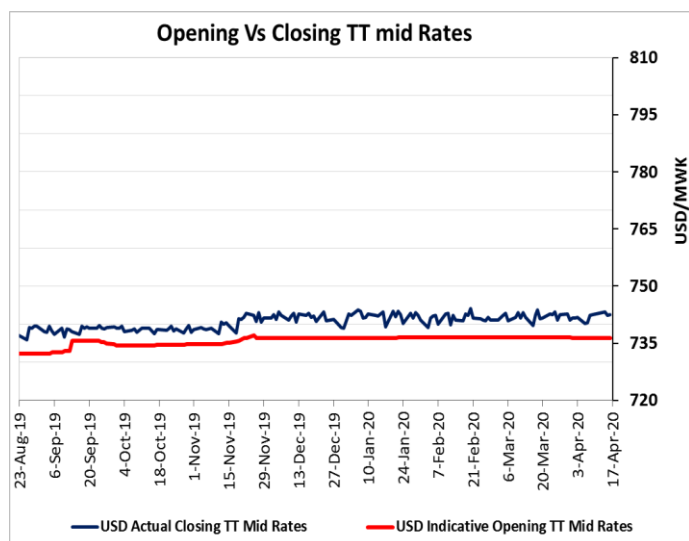


iii. Exchange Rate Developments

	17 th Apr 2020 (Opening Rates)			17 th Apr 2020 (Closing Rates)			Today's Opening rates
	Middle	Buying	Selling	Middle	Buying	Selling	
MWK/USD	736.4403	729.1495	743.7311	740.6232	739.2819	741.9644	736.4403
MWK/GBP	918.3411	909.2495	927.4326	925.3079	919.1431	931.4729	918.4147
MWK/EUR	798.614	791.0543	806.8738	806.7891	800.5211	813.0572	800.1424
MWK/ZAR	39.2768	38.880	39.6657	40.0681	39.7347	39.7347	39.1176

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

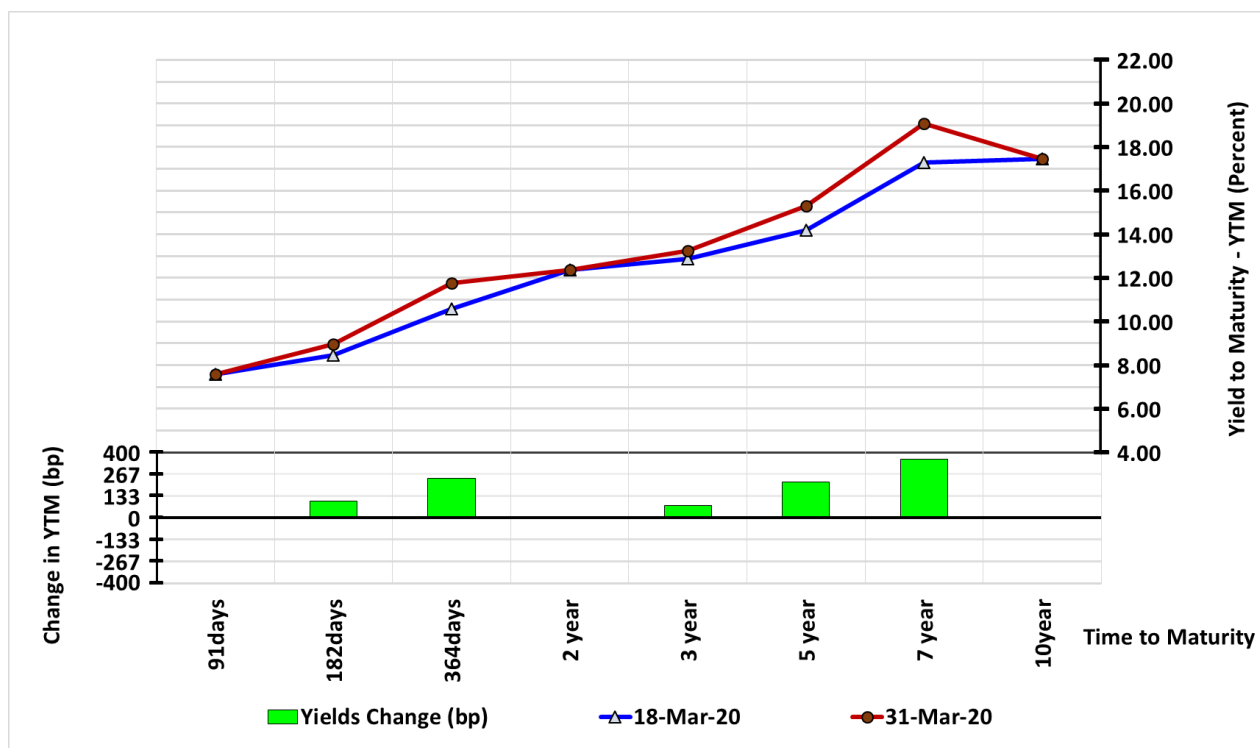
The closing reported rates are actual trade-weighted market average TT rates.



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
23 March 2020	7.58	8.45	10.56	12.38	12.88	14.18	17.29	17.47
31 March 2020	7.57	8.96	11.76	12.38	13.25	15.28	19.08	17.47
23 Mar – 31 Mar 2020 Change in Yield (Bp)	(1)	51	120	0	37	110	178	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.