



RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Tuesday, 15th June 2021

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	15 June 2021	Week ending 18 June 2021	14 June 2021
Central Bank Monetary Transactions with Banking System (+= Net injection / - = Net withdrawal)	-29,561	-104,113	
Excess Reserves before Open Market Operations	-24,561	-92,266	
Excess Reserves after Central Bank Operations			5,412
Required Reserves	58,074	58,074	58,074

ii. Known Projected Transactions

	Weekending				Month of		
	18-Jun-21	25-Jun-21	02-Jul-21	9-Jul-21	Jun-21	Jul-21	Aug-21
Maturity of Normal Treasury Securities	6,318	11,912	17,162	8,702	47,992	71,268	89,679
Maturity of OMO Repos	0	0	0	0	0	0	0
Maturity of OMO Reverse-Repos	30,336	0	0	17,373	45,738	67,516	35,876

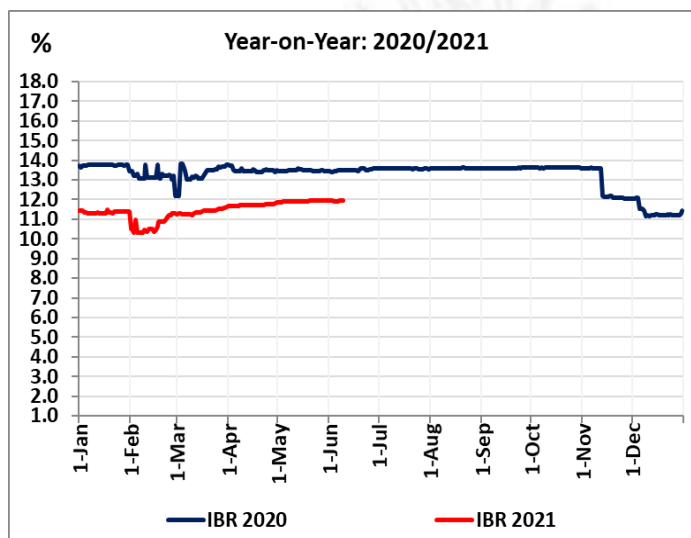
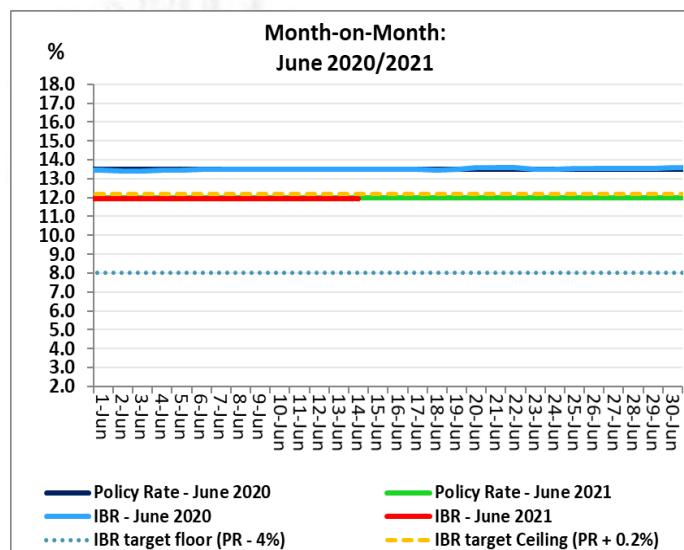
B. INTER-BANK MARKET DEVELOPMENTS

i. Previous Trading Day's Domestic Money Market Activity

	Volume (MWK' Billion)	Average Rate (%)	Number of Trades
(a) Inter-Bank Market Borrowing			
O/N	17.85	11.95	8
7 days	-	-	-
14 days	-	-	-
21 days	-	-	-
(b) RBM Open Market Operations			
(i) Repos	-	-	-
(ii) Reverse Repos	-	-	-
30 days	-	-	-
60 days	-	-	-
91 days	-	-	-
(iii) Outright Sale of Securities	-	-	-
(iv) Outright Purchase of Securities	-	-	-
(c) Access on Re-discounting Standing Facility	-	-	-
(d) Access on Lombard Standing Facility¹	27.52	12.20	4

¹ The number of trades in this item refers to number of banks that accessed the Lombard facility.

ii. Weighted Average Interbank Market Rates



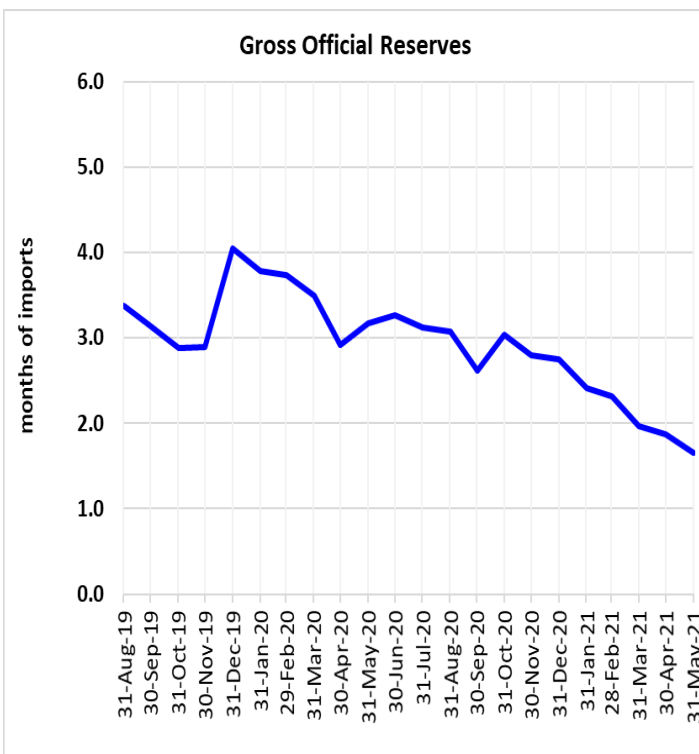
C. FOREIGN EXCHANGE MARKET DEVELOPMENT

i. Gross Official Foreign Exchange Reserves Position

(Foreign exchange reserves under the direct control of the Central Bank)

Date	Reserves (US\$ mn)	Import Cover * (Months)
30 Apr 2020	610.13	2.92
31 May 2020	662.98	3.17
30 Jun 2020	682.66	3.27
31 Jul 2020	651.41	3.12
31 Aug 2020	642.86	3.08
30 Sep 2020	546.99	2.62
31 Oct 2020	635.05	3.04
30 Nov 2020	584.89	2.80
31 Dec 2020	574.26	2.75
31 Jan 2021	502.98	2.41
28 Feb 2021	483.38	2.31
31 Mar 2021	410.16	1.96
30 Apr 2021	392.01	1.88
31 May 2021	414.41	1.66

* US\$250.0 million import requirement per month is used in the calculations from May 2021 onwards while US\$209.0 million is used in the preceding months.



ii. Private Sector Foreign Exchange Reserves

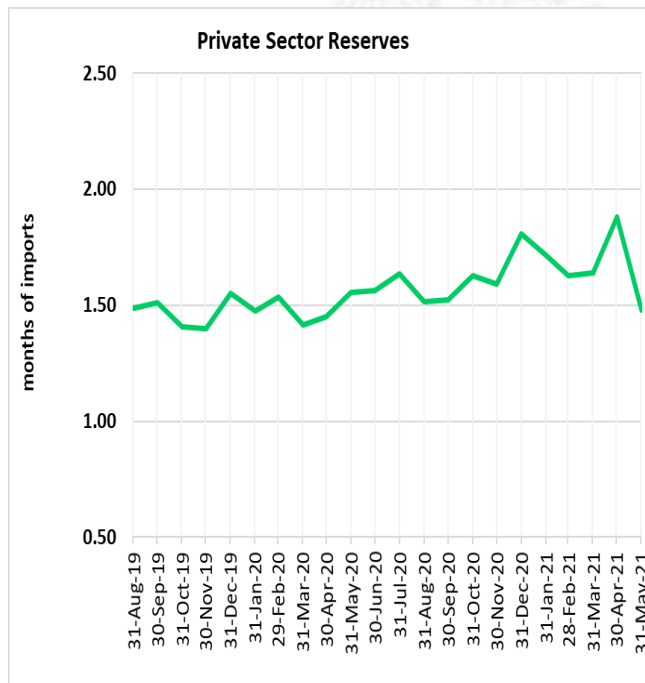
(Foreign reserves under the direct control of authorized dealer banks (ADB) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date	ADB's Own Position (US\$ mn)	FCDA (US\$ mn)	Total Reserves (US\$ mn)	Import Cover * (Months)
28 Feb 2021	2.55	337.95	340.50	1.63
31 Mar 2021	-0.13	342.71	342.58	1.64
30 Apr 2021	-0.18	392.78	392.61	1.88
31 May 2021	5.12	364.43	369.64	1.48

* US\$250.0 million import requirement per month is used in the calculations from May 2021 onwards while US\$209.0 million is used in the preceding months.

ADB's FOREIGN EXCHANGE TRADING ACTIVITY

	ADB's Purchases (US\$ mn)	ADB's Sales (US\$ mn)
24 May – 28 May 2021	31.20	31.21
31 May – 04 June 2021	24.96	37.80
07 June – 11 June 2021	34.87	30.78
14 – 14 June 2021	7.46	7.25

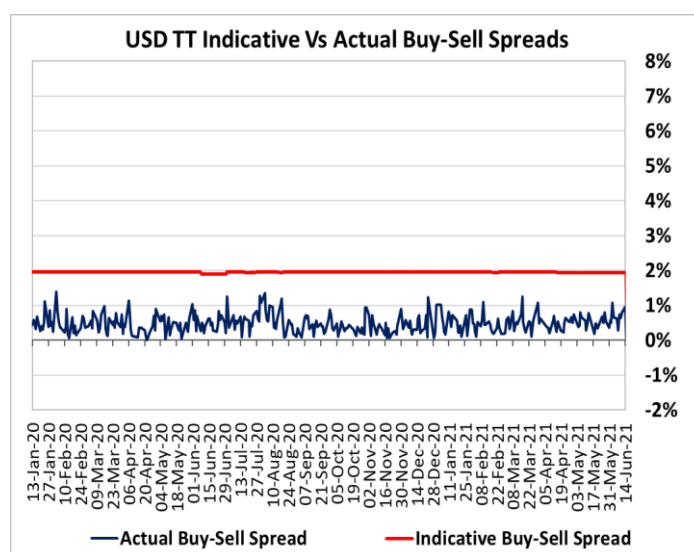
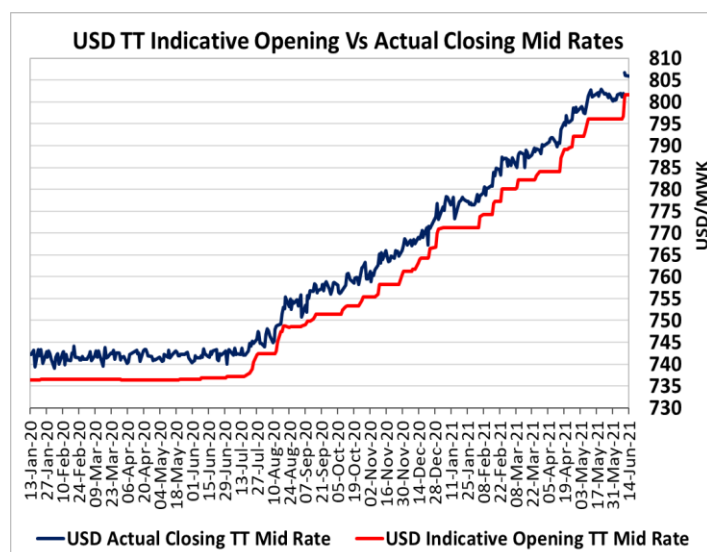


iii. Kwacha Exchange Rate Developments

	14 June 2021 (Opening Rates)			14 June 2021 (Closing Rates)			15 June 2021 (Opening rates)
	Middle	Buying	Selling	Middle	Buying	Selling	Middle
MWK/USD	801.5914	793.7358	809.4470	805.9146	802.0835	809.7457	801.5914
MWK/GBP	1131.1256	1120.0406	1142.2107	1192.4531	1189.8544	1195.0519	1131.4463
MWK/EUR	970.0859	960.5791	979.5928	1049.8113	1044.2641	1055.3585	972.5708
MWK/ZAR	58.4144	57.8419	58.9868	63.0907	62.4575	63.7239	58.3612

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

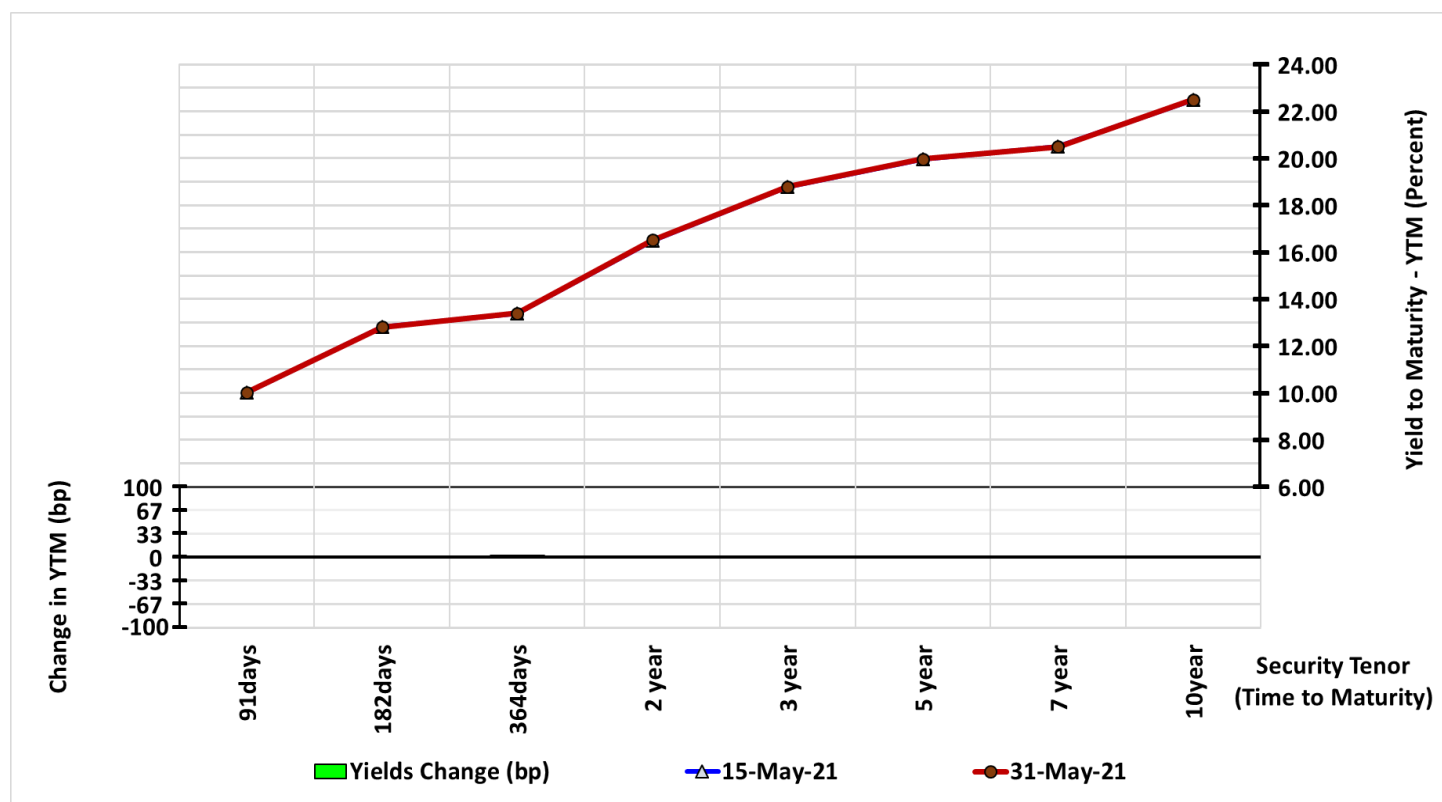
The reported closing rates are actual trade-weighted market average TT rates.



D. YIELD CURVE FOR GOVERNMENT SECURITIES

Tenor	91 day	182 day	364 day	2 Year	3 Year	5 Year	7 Year	10 Year
15 May 2021	10.02	12.80	13.38	16.50	18.80	19.98	20.50	22.50
31 May 2021	10.02	12.80	13.40	16.51	18.80	19.98	20.50	22.50
15 – 31 May 2021 Change in Yield (Bp)	0	0	3	1	0	0	0	0

NOTE: The 91-day, 182-day and 364-day Treasury bill yields converted to semi-annual bond basis. Bp means basis points.



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