RESERVE BANK OF MALAWI

FINANCIAL MARKET DEVELOPMENTS

(In Millions of Malawi Kwacha, unless otherwise specified)

Monday, 27th March 2023

A. THE BANKING SYSTEM LIQUIDITY EXPECTATIONS

i. Liquidity Conditions

	Projections		Actuals
	27 Mar 2023	Week ending 31 Mar 2023	24 Mar 2023
Central Bank Monetary Transactions with Banking System (+= Net liquidity injection / - = Net withdrawal)	-87,143	-144,677	
Excess Reserves before Open Market Operations	-23,392	-80,926	
Excess Reserves after all Central Bank Operations			64,046
Required Reserves	96,104	96,104	96,104

ii. Known Projected Transactions

	Weekending				Month of		
	31-Mar-23	07-Apr-23	14-Apr-23	21-Apr-23	Mar-23	Apr-23	May-23
Maturity of Normal Treasury Securities	52,263	11,768	40,450	17,795	234,035	80,819	101,722
Maturity of OMO Repos	0	0	0	0	0	0	0
Maturity of OMO Reverse-Repos	8,066	0	0	0	8,066	0	0

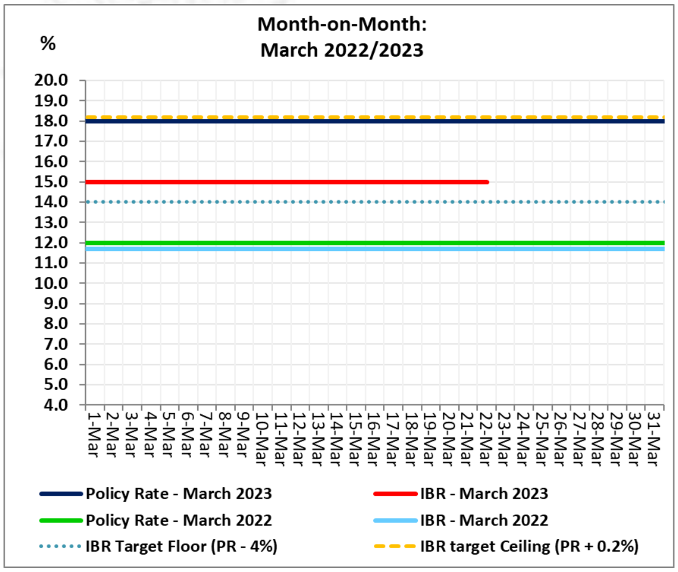
B. INTER-BANK MARKET DEVELOPMENTS

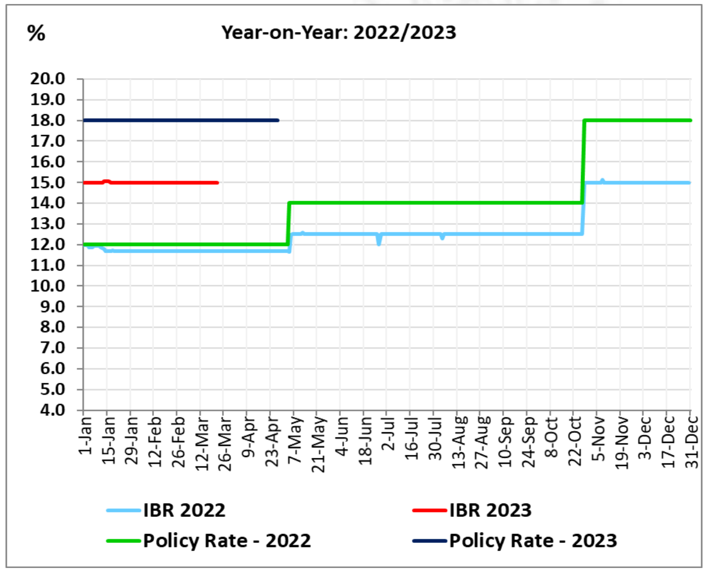
i. Previous Trading Day's Domestic Money Market Activity

	Volume (MWK' Billion)	Average Rate (%)	Number of Trades
(a) Inter-Bank Market Borrowing			
O/N	8.50	15.00	3
7 days	10.50	15.00	3
14 days	-	-	-
30 days	-	-	-
(b) RBM Open Market Operations			
(i) Repos			
30 days	-	-	-
60 days	-	-	-
90 days	-	-	-
(ii) Reverse Repos			
30 days	-	-	-
60 days	-	-	-
90 days	-	-	-
(iii) Outright Sale of Securities	-	-	-
(iv) Outright Purchase of Securities	-	-	-
(c) Access on Re-discounting Standing Facility	-	-	-
(d) Access on Lombard Standing Facility[1]	93.86	18.20	1

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

ii. Weighted Average Interbank Market Rates





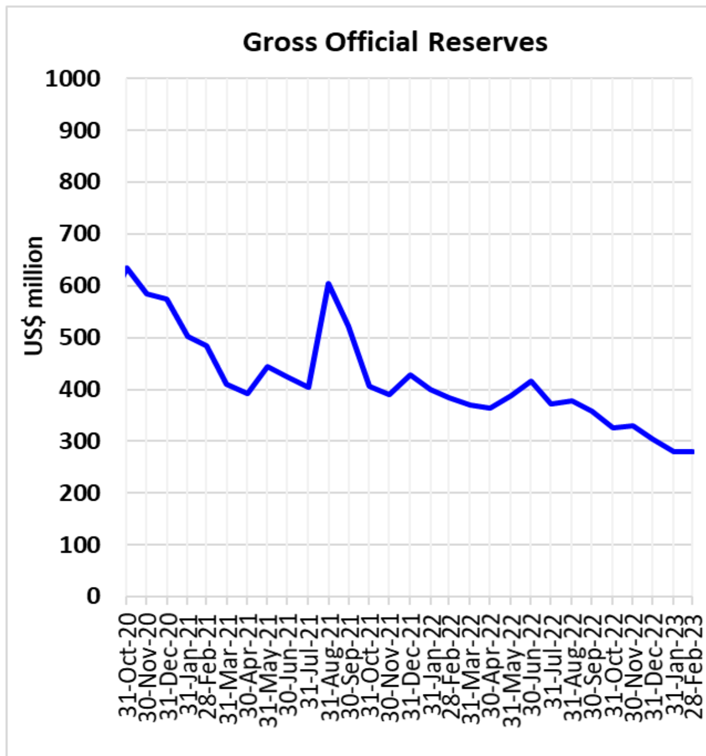
C. FOREIGN EXCHANGE MARKET DEVELOPMENT

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)
28 Feb 2022	385.40	1.54
31 Mar 2022	374.48	1.50
30 Apr 2022	363.27	1.45
31 May 2022	388.22	1.55
30 June 2022	415.73	1.66
31 July 2022	372.99	1.49
31 Aug 2022	378.89	1.52
30 Sep 2022	357.18	1.43
31 Oct 2022	326.06	1.30
30 Nov 2022	338.87	1.36
31 Dec 2022	304.65	1.22
31 Jan 2023	279.22	1.12
28 Feb 2023	280.66	1.12

*** US$250.0 million monthly import requirement 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

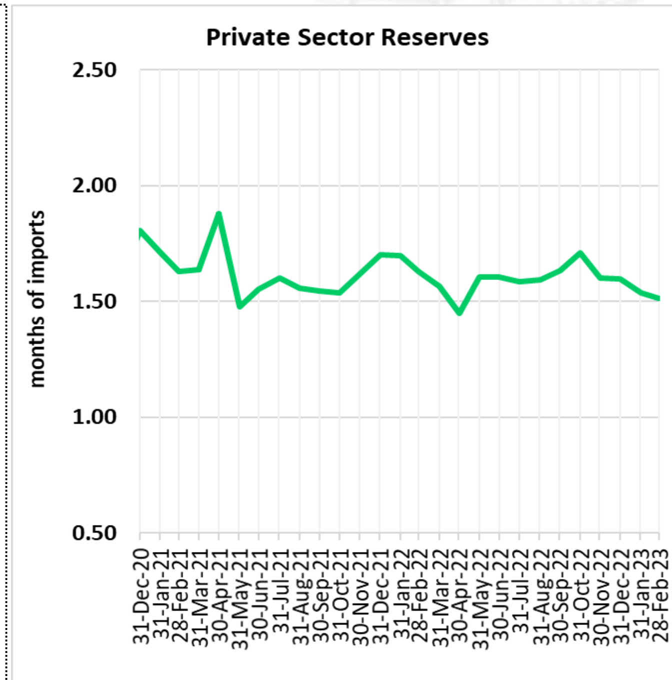
(Foreign reserves under the direct control of authorized dealer banks (ADBs) which consists of ADBs own forex positions and foreign currency denominated accounts balances of their clients)

Date	ADBs Own Position (US$ mn)	FCDA (US$ mn)	Total Reserves (US$ mn)	Import Cover * (Months)
30 Nov 2022	8.99	391.78	400.77	1.60
31 Dec 2022	9.13	390.06	399.20	1.60
31 Jan 2023	8.30	376.07	384.37	1.54
28 Feb 2023	12.80	365.74	378.54	1.51

*** US$250.0 million import requirement per month is used in the calculations.**

ADBs FOREIGN EXCHANGE TRADING ACTIVITY

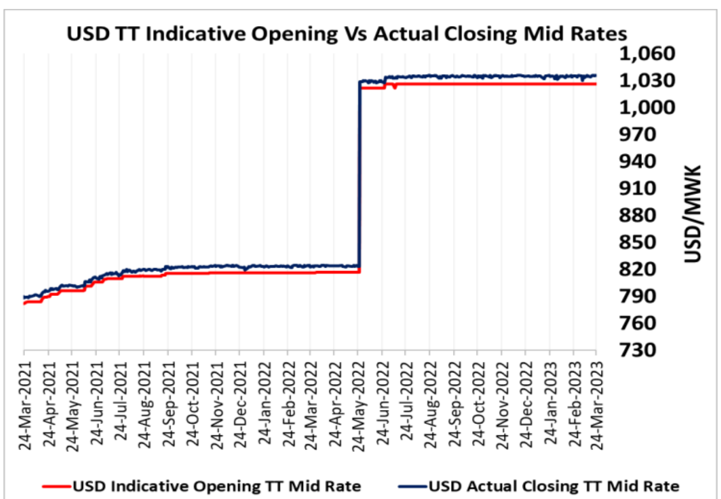
	ADBs Purchases (US$ mn)	ADBs Sales (US$ mn)
27 Feb – 03 Mar 2023	17.38	17.97
06 Mar – 10 Mar 2023	30.20	27.60
13 Mar – 17 Mar 2023	24.83	26.14
24 Mar 2023	6.58	6.68

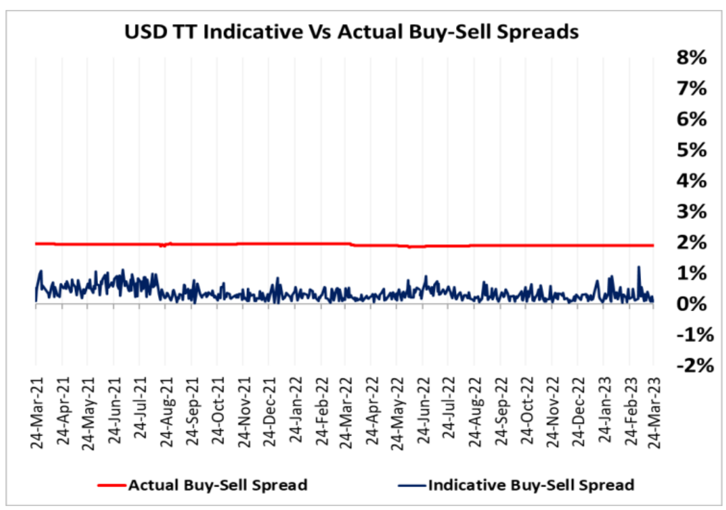


iii. Kwacha Exchange Rate Developments

	24 Mar 2023 (Opening Rates)			24 Mar 2023 (Closing Rates)			27 Mar 2023 (Opening rates)
	Middle	Buying	Selling	Middle	Buying	Selling	Middle
MWK/USD	1026.4349	1016.6212	1036.2486	1035.8404	1035.4314	1036.2494	1026.4349
MWK/GBP	1298.6988	1286.2820	1311.1157	1305.8696	1300.0290	1311.7102	1293.7298
MWK/EUR	1145.1893	1134.2402	1156.1385	1149.7097	1143.5796	1155.8398	1138.5288
MWK/ZAR	58.4146	57.8561	58.9731	58.3614	57.8563	58.8664	58.2055

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 Feb 2023	13.21	17.50	18.64	22.56	24.00	26.19	27.50	28.50
28 Feb 2023	13.21	17.50	18.64	22.56	24.00	26.19	27.50	28.50
15 Feb 2023 – 28 Feb 2023 Change in Yield (Bp)	0	0	0	0	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.