

MSE trading activity

The Malawi All Share Index (MASI) gained by 0.67% to close the week at 30739.20 points on account of share price increases in BHL and TNM which offset price losses in MPICO, NBS, and NICO. Year to date return on the MASI stands at 42.32% (same period 2017:17.00%). There was no trade on the listed government securities during the week (Source: MSE).

TNM is expecting its profit after tax for the half year ending 30th June 2018 to be approximately 40% higher than the previous corresponding period (Source: MSE).

Upcoming annual general meetings

| Company | Date | Time | Venue |
|----------|-----------|----------|---|
| NBS | 21-Jun-18 | 10:00hrs | Ryalls Hotel, Blantyre |
| STANDARD | 28-Jun-18 | 9:30hrs | Bingu International Conference Centre, Lilongwe |
| MPICO | 28-Jun-18 | 14:30hrs | Sunbird Capital Hotel, Lilongwe |
| PCL | 13-Jul-18 | 14:00hrs | NBM Learning and Growth Centre, Blantyre |

Foreign exchange market developments

The Kwacha was relatively stable against the USD during the week, mainly backed by forex inflows from ongoing tobacco sales. So far, USD145.46 has been realized from the auction sales. The local currency, however, appreciated against the GBP and ZAR while depreciating against the EUR. Gross official reserves increased to USD667.60 (3.19 months of imports) as at 13th June 2018 from USD660.56m (3.16 months of imports) recorded on 8th June 2018 (Source: RBM). The Kwacha is expected to remain stable in the short to medium term as foreign exchange inflows continue during the Tobacco market season.

Treasury Bill market

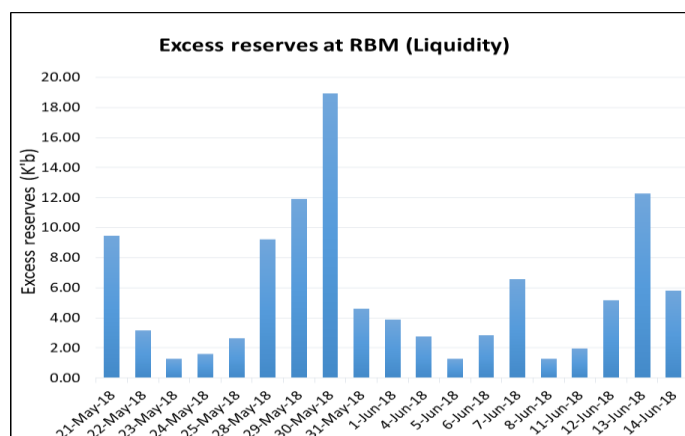
Government raised a total of K8.65b through the Treasury Bill auction conducted on 12th June 2018, compared to K7.98b raised in the previous week. The auction registered a rejection rate of 25.65%. The average yield marginally declined to 14.49% from 14.50% recorded in the previous week (Source: RBM). Looking forward, Treasury Bill yields could remain broadly stable in the short term, amid uncertainties regarding inflation. In the medium term, if inflation remains relatively low, the yields could decline further as authorities target cheaper funds.

Interbank market activity

Liquidity increased during the week, with excess reserves increasing by 52.68% to a daily average of K5.29b from K3.47b the previous week. Consequently, the total amount accessed on the Lombard Facility decreased to K19.60b from K48.96b accessed during the previous week at the fixed rate of 18.00%. The daily average volume traded on the interbank market decreased to K8.89b from K10.04b the previous week. The average overnight interbank rate declined to 15.09% from 15.28%. The RBM mopped up K2.53b from the market through Open market operations (OMO) during the week, compared to K5.28b the previous week (Source: RBM).

| Stock market indices | | | |
|--|------------------------------|-----------|-----------------------------|
| | 14-Jun-18 | % Δ | 8-Jun-18 |
| MASI | 30,739.20 | ↑ 0.67% | 30533.93 |
| DSI | 20,035.54 | ↑ 0.94% | 19848.41 |
| FSI | 8,237.82 | ↔ 0.00% | 8237.82 |
| Market capitalisation (K' b) | 16,037.79 | ↑ 0.06% | 16,028.70 |
| Gainers | | | |
| | Current price (K) | % Δ | Previous price (K) |
| BHL | 7.00 | ↑ 30.11% | 5.38 |
| TNM | 24.01 | ↑ 4.39% | 23.00 |
| Losers | | | |
| | Current price (K) | % Δ | Previous price (K) |
| MPICO | 19.49 | ↓ -1.07% | 19.70 |
| NBS | 8.66 | ↓ -0.46% | 8.70 |
| NICO | 46.00 | ↓ -3.62% | 47.73 |
| Average Treasury Bill yields | | | |
| | Auction held on 12 June 2018 | | Auction held on 5 June 2018 |
| Tenor (days) | | % Δ | |
| 91 | 13.98% | ↓ -0.02 | 14.00% |
| 182 | 14.50% | ↔ 0.00 | 14.50% |
| 364 | 15.00% | ↔ 0.00 | 15.00% |
| All-type | 14.50% | ↔ 0.00 | 14.50% |
| Overall rejection (K'm) | 929.58 | ↑ 25.65% | 739.82 |
| Allotted (K' m) | 8,650.08 | ↑ 8.44% | 7,977.13 |
| Expected maturities | | | |
| Week ending | 15-Jun-18 | 22-Jun-18 | 29-Jun-18 |
| TBs, PNs & TNs | 4,841 | 4,666 | 21,907 |
| OMO | 5,446 | 23,126 | 23,094 |
| Inflation | | | |
| Month | Apr-18 | % pts Δ | Mar-18 |
| Rate | 9.70% | ↓ -0.20 | 9.90% |
| Cumulative tobacco sales (week 9) | | | |
| Year | 2018 | % Δ | 2017 |
| Volume (Kg) | 87,131,819 | ↑ 57.59% | 55,290,279 |
| Value (USD) | 145,455,481 | ↑ 38.68% | 104,884,287 |
| Average price (USD/Kg) | 1.67 | ↓ -12.11% | 1.90 |
| % of GDP | 3.14 | ↑ 38.68% | 2.26 |
| RBM indicative mid exchange rates | | | |
| Currency | 14-Jun-18 | % Δ | 8-Jun-18 |
| USD | 726.0535 | ↓ 0.00% | 726.0368 |
| GBP | 972.7665 | ↑ -0.10% | 973.7606 |
| ZAR | 54.7791 | ↑ -1.32% | 55.5116 |
| EUR | 857.2514 | ↓ 0.21% | 855.4166 |
| Gross official foreign exchange reserve position | | | |
| | 13-Jun-18 | 8-Jun-18 | 1-Jun-18 |
| Reserves (USD'm) | 667.60 | 660.56 | 665.72 |
| Import cover (months) | 3.19 | 3.16 | 3.19 |

(Sources: MSE, RBM, NSO, TCC)



(Source: RBM)

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