

Foreign exchange market developments

During the week, the Kwacha depreciated against the USD, GBP, EUR and ZAR as indicated in the table below.

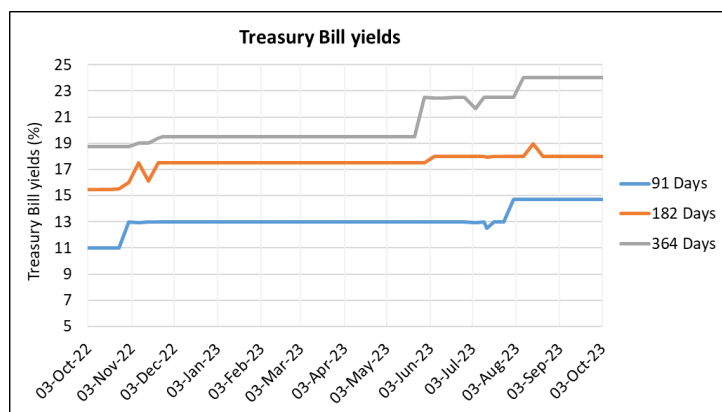
Closing TT middle exchange rates as at the end of the week				
Currency	6-Oct-23	% Δ	29-Sep-23	
USD	1179.2481	4.68%	1126.5027	
GBP	1494.5213	5.83%	1412.1697	
EUR	1280.6890	4.53%	1225.2157	
ZAR	61.6070	1.55%	60.6693	
Gross official foreign exchange reserves position				
	31-Aug-23	31-Jul-23	30-Jun-23	
Reserves (USD'm)	239.56	267.91	321.53	
Import cover (months)	0.96	1.07	1.29	
Benchmark import cover (months)	3.00	3.00	3.00	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K26.65m from auctions of Treasury Bills and K52.69b from auctions of Treasury Notes during the week.

Maturities of Government securities for the week amounted to K16.97b. These transactions resulted in a net injection of K19.99b into the market, compared to a net injection of K19.99b in the previous week (Source: RBM).

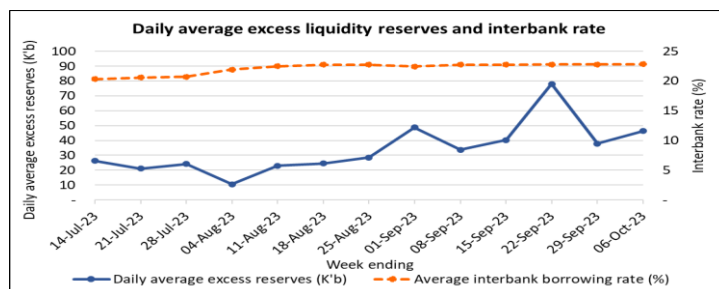


Treasury Bill auctions				
Auction date	3-Oct-23	% pts Δ	26-Sep-23	
Amount offered - cost value (K'm)	6,901.00	75.24%	3,938.00	
Applied - cost value (K'm)	26.65	166.50%	10.00	
Allotted - cost value (K'm)	26.65	166.50%	10.00	
Overall rejection rate	0.00%	0.00	0.00%	
91 days yield	14.7000%	0.0000%	14.7000%	
182 days yield	18.0000%	0.0000%	18.0000%	
364 days yield	24.0000%	0.0000%	24.0000%	
All-type yield	18.9000%	0.0000%	18.9000%	
Treasury Note and Bond auctions				
Auction date	2-Oct-23	25 & 26 Sep 2023	19 & 22 Sep 2023	
Tenors	2, 3, 5 & 10 years	5 & 7 years	2, 3, 5 & 10 years	
Coupon rate	10.00%, 11.00%, 12.50% & 15.00%	12.50% & 13.00%	10.00%, 11.00%, 12.50% & 15.00%	
Amount offered - cost value (K'b)	50.25	15.70	15.70	
Total applied - cost value (K'b)	52.69	7.39	7.39	
Total allotted - cost value (K'b)	52.69	7.39	7.39	
Allotted - weighted average ytm	26.75%, 28.00%, 30.00% & 33.00%	30.00% & 32.00%	26.75%, 28.00%, 30.00% & 33.00%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	26.75%	02-Oct-23	10-Oct-23	
3-year TN	28.00%	02-Oct-23	14-Nov-23	
5-year TN	30.00%	02-Oct-23	31-Oct-23	
5-year Development Bond	28.00%	27-Jun-23	TBA	
7-year TN	32.00%	25-Sep-23	17-Oct-23	
7-Year Development Bond	27.50%	28-Feb-23	TBA	
10-year TN	33.00%	02-Oct-23	05-Dec-23	
10-year Development Bond	23.35%	26-Apr-22	TBA	
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
10-Oct-23	2	36.87	10.00%	
17-Oct-23	7	27.74	13.50%	
31-Oct-23	5	28.82	12.50%	
14-Nov-23	3	33.96	11.00%	
21-Nov-23	2	36.79	10.00%	
28-Nov-23	5 year IDB	15.00	13.50%	
05-Dec-23	10	19.51	10.00%	
12-Dec-23	3	33.64	11.00%	
26-Dec-23	7	27.43	13.50%	
Projected maturities				
Week ending	6-Oct-23	13-Oct-23	20-Oct-23	
TBs, PNs & TNs (K'm)	16,973	23,242	49,059	
OMO repos (K'm)	0	20,184	0	
OMO reverse repos (K'm)	0	0	0	

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K46.44b during the week from K37.81b in the previous week. Daily average interbank borrowing decreased to K29.88b from K40.82b. Borrowing on the Lombard facility increased to the average of K85.80b per day from K63.53b per day in the previous week. The average interbank borrowing rate marginally increased to 22.83% from 22.80%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate				
Rate	27-Jul-23	24.00%	% pts Δ	27-Apr-23
			2.00	22.00%
Market Reference Rate				
Rate	Oct-23	23.50%	% pts Δ	Sep-23
			0.10	23.40%
Inflation Rate				
Rate	Aug-23	28.6%	% pts Δ	Jul-23
			0.20	28.4%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -2.53% to close the week at 115,434.24 points from 118,426.19 points in the previous week due to share price losses in AIRTEL (-0.46%), FDHB (-0.03%), FMBCH (-20.49%), NBS (-0.92%), NICO (-1.25%) and TNM (-0.13%). The market traded 5,174,762 shares at a consideration of K659.63m in 220 trades, compared to 36,779,870 shares traded at a consideration of K4.89b in 225 trades in the previous week. The year-to-date return on MASI stands at 86.08% compared to 19.82% for the same period in 2022 (Source: MSE).

Stock market trading activity				
	06-Oct-23	% Δ	29-Sep-23	
MASI	115,434.24	-2.53%	118,426.19	
DSI	89,810.34	0.71%	89,173.86	
FSI	16,479.62	-20.36%	20,692.42	
Traded volume	5,174,762	-85.93%	36,779,870	
Number of trades	220	-2.22%	225	
Value of shares traded (K'm)	659.63	-86.51%	4,891.25	
Market capitalisation (K'm)	6,233,796.22	-2.67%	6,404,492.20	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
NBM	2102.00	0.04%	2101.12	
NITL	402.00	0.24%	401.05	
STANDARD	3000.01	11.11%	2700.01	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	99.99	-0.46%	100.45	
FDHB	69.00	-0.03%	72.21	
FMBCH	330.00	-20.49%	415.03	
NBS	107.99	-0.92%	108.99	
NICO	158.00	-1.25%	160.00	
TNM	29.84	-0.13%	29.88	

Dividends announced					
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NBS	Interim declared	1.20	19-Sep-23	22-Sep-23	6-Oct-23
NICO	Interim declared	2.00	19-Sep-23	22-Sep-23	6-Oct-23
OMU	Interim declared	18.53	17-Oct-23	20-Oct-23	23-Oct-23
NITL	Interim declared	1.50	17-Oct-23	20-Oct-23	27-Oct-23
PCL	Interim declared	9.00	10-Oct-23	13-Oct-23	27-Oct-23
ICON	Interim declared	0.13	10-Oct-23	13-Oct-23	27-Oct-23
FMBCH	Interim declared	US\$0.21 cents	7-Nov-23	10-Nov-23	15-Nov-23
SUNBIRD	Interim declared	2.00	TBA	TBA	TBA

Published bank financial results for the half year ended 30th June 2023				
Company	H1 2023 profit after tax (K'm)	Change (%)	H1 2022 profit after tax (K'm)	
Listed banks				
FDH Bank Plc	15,015	72%	8,707	
First Capital Bank Plc	16,787	128%	7,360	
National Bank of Malawi Plc	35,483	60%	22,118	
NBS Bank Plc	12,157	139%	5,090	
Standard Bank Malawi Plc	26,922	70%	15,835	
Unlisted banks				
CDH Investment Bank Ltd	5,463	118%	2,503	
Centenary Bank Ltd	970	201%	(959)	
Ecobank Ltd	14,287	78%	8,031	
Listed non-bank companies				
Airtel Malawi Plc	18,991	113%	8,901	
Blantyre Hotels Plc	(494)	-6%	(466)	
MPICO Plc	5,082	61%	3,161	
National Investment Trust Plc	16,490	1027%	1,463	
NICO Holdings Plc	30,784	160%	11,822	
Press Corporation Plc	34,287	115%	15,977	
Sunbird Tourism Plc	1,587	296%	400	
Telekom Networks Malawi Plc	780	158%	(1,340)	

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