

MASI gains

The Malawi All Share Index (MASI) gained by 1.41% to close the week at 24825.04 points due to share price increases in FMBCH, NICO and MPICO. Total value traded increased by 19.10% to K299.69m from K251.62m recorded the previous week. A total of 16,671,503 shares were traded during the week compared to 7,726,523 shares transacted the previous week. Year to date return on the MASI stands at 14.94% (2017: 5.90%). There was no trade on the listed government securities during the week (Source: MSE).

Corporate news

BHL reported a profit after tax of K506.54m for the year ended 30th September 2017 (2016: K414.07m). The 22.33% increase is largely attributed to growth in revenue (from K3.5b to K4.1b) due to increased room occupancy and improved average room rates. The Directors are expected to propose a final dividend of K19.4m (15t per share) at the forth coming AGM, bringing total dividend for the year to K148m, representing 115t per share (2016: 100t per share) (*Source: MSE*). The news is expected to excite demand on the counter. However, low liquidity due to unavailability of shares may hamper price discovery on the counter.

Treasury Bills

The Malawi Government raised a total of K9.21b through Treasury Bill auctions during the week, compared to K17.64b raised the previous week. The average yield was steady at 14.50%. The auctions registered no rejection (Source: RBM). Looking forward, we expect TB yields to remain fairly steady in the short term. In the medium term, yields on government securities could face a downward pressure as the authorities look for cheaper funds.

Interbank market

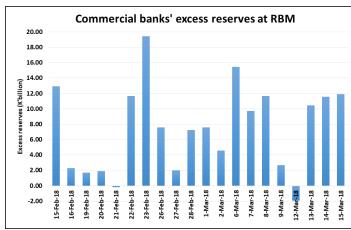
Liquidity decreased to a daily average of K5.67b from K10.34b the previous week. Consequently, the average overnight interbank rate marginally increased to 13.83% from 13.79% the preceding week. The daily average volume traded on the interbank market increased to K10.66b from K8.87b the previous week. The banks accessed a total of K5.99b on the Lombard Facility during the week at a rate of 18.00%. RBM mopped up K9.53b from the system through OMOS at a rate of 15.00% (Source: RBM). We expect liquidity conditions to remain subdued in the near term as the RBM intensifies mop up operations to keep inflation low.

Kwacha exchange rate movements

The Kwacha was relatively steady during the week, registering marginal appreciations against the USD and EUR and marginal depreciations against the GBP and ZAR. Gross official reserves dropped to USD655.55m (3.14 months of imports) as at 14th March 2018 from USD678.47m (3.25 months of imports) recorded on 9th March 2018 (Source: RBM). We expect the kwacha to remain broadly stable in the short to medium term, and foreign exchange reserves to continue facing pressure from the monetary authorities' stabilization efforts.

Stock market indices 16-Mar-18					
MASI 24825.04		Stock market in	dices		
DSI		16-Mar-18	% Δ	9-Mar-18	
FSI	MASI	24825.04	1.41%	24480.64	
Market capitalisation (K' b) 10,900.18 10,14% 10,884.92 Value of shares traded (K' m) 299.69 19.10% 251.62 Gainers Current price (K) % Δ Previous price (K) FMBCH 95.00 ↑ 5.38% 90.15 NICO 46.78 ↑ 3.96% 45.00 MPICO 16.90 ↑ 5.62% 16.00 Losers Current price (K) % Δ Previous price (K) None Treasury Bill yields Tenor (days) 13-Mar-18 % pts Δ 6 to 9 Mar 2018 91 14.00% ⇒ 0.00 14.00% 364 15.00% ⇒ 0.00 14.50% 364 15.00% ⇒ 0.00 14.50% All-type 14.50% ⇒ 0.00 14.50% Overall rejection rate 0.00% ⇒ 0.00 0.00% Alloted (K' b) 9.21 → 47.79% 17.64 Expected maturities Week ending 16-Mar-18 23-Mar-18 Mar-18 TBs, PNs & TNs 8,543 8,204 <td>DSI</td> <td>17864.42</td> <td>1 0.45%</td> <td>17783.69</td>	DSI	17864.42	1 0.45%	17783.69	
Deals 35 -28.57% 49 Value of shares traded (K' m) 299.69 19.10% 251.62 Gainers Current price (K) % Δ Previous price (K) FMBCH 95.00 5.38% 90.15 NICO 46.78 3.96% 45.00 MPICO 16.90 5.62% 16.00 Losers Current price (K) % Δ Previous price (K) None Treasury Bill yields Tenor (days) 13-Mar-18 % pts Δ 6 to 9 Mar 2018 91 14.00% 0.00 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 rate 0.00% 0.00 0.00% Alloted (K' b) 9.21 -47.79% 17.64 Expected maturities Week ending 16-Mar-18 23-Mar-18 Mar-18 TBs, PNs & TNs 8,543 8,204 55,757	FSI	4912.84	1 5.16%	4671.99	
Value of shares traded (K' m) 299.69 ↑ 19.10% 251.62 Gainers Current price (K) % Δ Previous price (K) FMBCH 95.00 ↑ 5.38% 90.15 NICO 46.78 ↑ 3.96% 45.00 MPICO 16.90 ↑ 5.62% 16.00 Losers Current price (K) % Δ Previous price (K) None Treasury Bill yields Tenor (days) 13-Mar-18 % pts Δ 6 to 9 Mar 2018 91 14.00% → 0.00 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 rate 0.00% → 0.00 0.00% All-type 14.50% → 0.00 0.00% Expected maturities Week ending 16-Mar-18 23-Mar-18 Mar-18 TBS, PNs & TNs 8,543 8,204 55,757 <td co<="" td=""><td>Market capitalisation (K' b)</td><td>10,900.18</td><td>1 0.14%</td><td>10,884.92</td></td>	<td>Market capitalisation (K' b)</td> <td>10,900.18</td> <td>1 0.14%</td> <td>10,884.92</td>	Market capitalisation (K' b)	10,900.18	1 0.14%	10,884.92
Gainers Current price (K) % Δ Previous price (K) FMBCH 95.00 5.38% 90.15 NICO 46.78 3.96% 45.00 MPICO 16.90 5.62% 16.00 Losers Current price (K) % Δ Previous price (K) None	Deals	35	- -28.57%	49	
FMBCH 95.00 ↑ 5.38% 90.15 NICO 46.78 ↑ 3.96% 45.00 MPICO 16.90 ↑ 5.62% 16.00 Losers Current price (K) % Δ Previous price (K) None Treasury Bill yields Tenor (days) 13-Mar-18 % pts Δ 6 to 9 Mar 2018 91 14.00% → 0.00 14.00% 182 14.50% → 0.00 14.50% 364 15.00% → 0.00 15.00% All-type 14.50% → 0.00 15.00% All-type 14.50% → 0.00 14.50% Overall rejection rate 0.00% → 0.00 0.00% Alloted (K' b) 9.21	Value of shares traded (K' m)	299.69	1 9.10%	251.62	
NICO	Gainers	Current price (K)	% Δ	Previous price (K)	
MPICO 16.90 ♠ 5.62% 16.00 Losers Current price (K) % Δ Previous price (K) None Treasury Bill yields Tenor (days) 13-Mar-18 % pts Δ 6 to 9 Mar 2018 91 14.00% ➡ 0.00 14.00% 182 14.50% ➡ 0.00 15.00% All-type 14.50% ➡ 0.00 15.00% All-type 14.50% ➡ 0.00 0.00 0.00% Alloted (K' b) 9.21 ➡ -47.79% 17.64 Expected maturities Week ending 16-Mar-18 23-Mar-18 Mar-18 TBs, PNs & TNs 8,543 8,204 55,757 OMO 25,977 19,213 94,665 Inflation Month Jan-18 % pts Δ Dec-17 Rate 8.10% ♠ 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 ♠ 0.00% 725.6972 GBP 1010.7423 ➡ 0.88% 1001.8976 ZAR 60.9999 ➡ 0.10% 60.9399 EUR 893.2529 ♠ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	FMBCH	95.00	1 5.38%	90.15	
Losers Current price (K) % Δ Previous price (K)	NICO	46.78	1 3.96%	45.00	
None Treasury Bill yields Tenor (days) 13-Mar-18 % pts Δ 6 to 9 Mar 2018 91	MPICO	16.90	1 5.62%	16.00	
Treasury Bill yields Tenor (days) 13-Mar-18 91 14.00% 0.00 14.00% 182 14.50% 0.00 14.50% 364 15.00% 0.00 14.50% 0.00 14.50% 0.00 14.50% 0.00 14.50% 0.00 14.50% 0.00 14.50% 0.00 0.00 0.00% All-type 14.50% 0.00 0.00 0.00% 17.64 Expected maturities Week ending 16-Mar-18 23-Mar-18 Mar-18 TBs, PNs & TNs 8,543 8,204 55,757 0MO 25,977 19,213 94,665 Inflation Month Jan-18 8 pts Δ Dec-17 Rate 8.10% 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 0SD 725.6909 0.00% 725.6972 GBP 1010.7423 0.88% 1001.8976 ZAR 60.9999 0.10% 60.9399 EUR 893.2529 0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	Losers	Current price (K)	% Δ	Previous price (K)	
Tenor (days) 13-Mar-18	None				
91 14.00% → 0.00 14.00% 182 14.50% → 0.00 14.50% 364 15.00% → 0.00 15.00% All-type 14.50% → 0.00 14.50% 0.00 0.00 0.00% Alloted (K' b) 9.21	Treasury Bill yields				
182 14.50% → 0.00 14.50% 364 15.00% → 0.00 15.00% All-type 14.50% → 0.00 15.00% Overall rejection rate 0.00% → 0.00 0.00% Alloted (K' b) 9.21	Tenor (days)	13-Mar-18	% pts ∆	6 to 9 Mar 2018	
364 15.00% → 0.00 15.00% All-type 14.50% → 0.00 14.50% Overall rejection rate 0.00% → 0.00 0.00% Alloted (K' b) 9.21	91	14.00%	⇒ 0.00	14.00%	
All-type 14.50% → 0.00 14.50% Overall rejection rate 0.00% → 0.00 0.00% Alloted (K' b) 9.21	182	14.50%	⇒ 0.00	14.50%	
Overall rejection rate 0.00% 0.00 0.00% Alloted (K' b) 9.21 4-47.79% 17.64 Expected maturities Week ending 16-Mar-18 23-Mar-18 Mar-18 TBs, PNs & TNs 8,543 8,204 55,757 OMO 25,977 19,213 94,665 Inflation Month Jan-18 % pts Δ Dec-17 Rate 8.10% 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 0.00% 725.6972 GBP 1010.7423 0.88% 1001.8976 ZAR 60.9999 0.10% 60.9399 EUR 893.2529 0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	364	15.00%	⇒ 0.00	15.00%	
Alloted (K' b) 9.21	All-type	14.50%	→ 0.00	14.50%	
Expected maturities	Overall rejection rate	0.00%	→ 0.00	0.00%	
Week ending 16-Mar-18 23-Mar-18 Mar-18 TBs, PNs & TNs 8,543 8,204 55,757 OMO 25,977 19,213 94,665 Inflation Month Jan-18 % pts Δ Dec-17 Rate 8.10% 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 0.00% 725.6972 GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	Alloted (K' b)	9.21	-47.79%	17.64	
TBs, PNs & TNs 8,543 8,204 55,757 OMO 25,977 19,213 94,665 Inflation Month Jan-18 % pts Δ Dec-17 Rate 8.10% ↑ 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 ↑ 0.00% 725.6972 GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	, ,				
OMO 25,977 19,213 94,665 Inflation Month Jan-18 % pts Δ Dec-17 Rate 8.10% 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 0.00% 725.6972 GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	Week ending	16-Mar-18	23-Mar-18	Mar-18	
Inflation Month Jan-18 % pts Δ Dec-17	TBs, PNs & TNs	8,543	8,204	55,757	
Month Jan-18 % pts Δ Dec-17 Rate 8.10% 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 0.00% 725.6972 GBP 1010.7423 0.88% 1001.8976 ZAR 60.9999 0.10% 60.9399 EUR 893.2529 1-0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	ОМО	25,977	19,213	94,665	
Rate 8.10% ↑ 1.00 7.10% RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 ↑ 0.00% 725.6972 GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9999 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06					
RBM indicative exchange rates Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 ↑ 0.00% 725.6972 GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	Month	Jan-18	% pts ∆	Dec-17	
Currency 16-Mar-18 % Δ 9-Mar-18 USD 725.6909 ↑ 0.00% 725.6972 GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	Rate	8.10%	1.00	7.10%	
USD 725.6909 ↑ 0.00% 725.6972 GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	RBM indicative exchange rates				
GBP 1010.7423 ↓ 0.88% 1001.8976 ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	Currency	16-Mar-18	% Δ	9-Mar-18	
ZAR 60.9999 ↓ 0.10% 60.9399 EUR 893.2529 ↑ -0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	USD	725.6909	1 0.00%	725.6972	
EUR 893.2529 1-0.06% 893.7687 Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	GBP	1010.7423	. 0.88%	1001.8976	
Gross official foreign exchange reserve position 14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	ZAR	60.9999	. 0.10%	60.9399	
14-Mar-18 9-Mar-18 2-Mar-18 Reserves (USD'm) 655.55 678.47 683.06	EUR	893.2529	·0.06%	893.7687	
Reserves (USD'm) 655.55 678.47 683.06	Gross official foreign exchange reserve position				
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Import cover (months) 3.14 3.25 3.27	Reserves (USD'm)	655.55	678.47	683.06	
Import cover (mondis)	Import cover (months)	3.14	3.25	3.27	

(Sources: MSE, RBM, NSO)



(Source: RBM)

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