



MASI rises

During the week, the MASI rose by 2.64% to 15112.97 points on account of price gains in NBM, Sunbird and TNM which offset a 16.67% price loss in NBS. A total of 5, 353,126 shares were traded at K699.34mn compared to 1,359,049 shares transacted at K29.91mn the previous week. Year to date return on the MASI stands at 13.7% (2016: -11.8%). (Source: MSE).

Corporate updates

NBS announced the appointment of Mr Kwanele Ngwenya as CEO of the bank effective 1st April 2017. Prior to joining NBS, Mr Ngwenya was CEO of Opportunity Bank of Malawi (OBM). (Source: MSE)

The Malawi Government announced the appointment of Mr Dalitso Kabambe as Governor of the Reserve Bank of Malawi effective 21st April 2017. Prior to the appointment, Mr Kabambe was PS in the Ministry of Foreign Affairs and International Cooperation. Among other roles in the civil service, he served as Budget Director in the Ministry of Finance, and as deputy director of economic planning in the Ministry of Economic Planning and Development. (Source: Malawi Government)

March 2017 inflation at 15.8%

The headline inflation for March 2017 stands at 15.8% compared to 22.1% registered in March 2016, and 16.1% in February 2017. Food inflation stands at 17.0% from 17.5% in February 2017 while Non Food inflation stands at 14.5% from 14.6% the previous month. (Source: NSO). We expect inflation to ease further on account of improved food supply, stability of the exchange rate following the opening of the tobacco market, and low international oil prices.

Kwacha depreciates

During the week, the Kwacha depreciated against most major trading currencies albeit marginally appreciating against the USD. Gross official reserves decreased to USD577.27 (2.76 months of imports) as at 19th April 2017 from USD579.84mn (2.77 months of imports) recorded on 13th April 2017. In the short to medium term, we expect the Kwacha to remain generally stable as the tobacco market is open.

Treasury Bill auction raises 9.43bn

At the Treasury Bill auction held during the week, K9.43bn was raised. The average yield remained at 22.42%. The auction registered a 0.19% rejection. (Source: RBM). We expect Treasury bill yields to remain around 22% in the short to medium term.

Interbank market

Liquidity decreased during the week to a daily average of K1.86bn from K6.31bn the previous week. The weekly average overnight interbank rate decreased to 21.23% from 21.88%. Total volume traded on the interbank market to Thursday was K12.33bn from K9.76 the previous week. Access to the Lombard Facility was at K12.49bn. Total maturities for the week amounted to K27.29bn. RBM withdrew from the market K7.23bn through OMOs at an average rate of 20.83%. (Source: RBM). The interbank rate is expected to remain stable about 2% below the policy rate.

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Stock market indices				
	21-Apr-17		% pts Δ	13-Apr-17
MASI	15112.97		2.64%	14724.04
DSI	11863.36		2.68%	11554.05
FSI	2308.87		0.00%	2308.87
Market capitalisation (K' bn)	9,702.37		0.17%	9,685.50
Deals	19		11.76%	17
Value of shares traded (K' mn)	699.34		2238.15%	29.91
Gainers				
	Current price (K)		Δ	Previous price (K)
NBM	260.15		8.40%	240.00
SUNBIRD	61.00		4.27%	58.50
TNM	8.38		19.71%	7.00
Losers				
	Current price (K)		Δ	Previous price (K)
NBS	5.00		-16.67%	6.00
Treasury bill yields				
Tenor (days)	18-Apr-17		Δ	11-Apr-17
91	21.32%		-0.16%	21.48%
182	22.49%		0.04%	22.45%
364	23.46%		0.15%	23.31%
All-type	22.42%		0.00%	22.42%
Overall rejection rate	0.19%		-23.28%	23.47%
Alloted (K' bn)	9.43		38.50%	6.81
Expected maturities				
Week ending	21-Apr-17	28-Apr-17	5-May-17	
TBs, PNs & TNs	5,430	4,937	3,526	
OMO	21,860	4,853	3,580	
Inflation rates				
Month	Mar-17		Δ	Feb-17
Rate	15.80%		-0.30%	16.10%
Cumulative Tobacco sales (Week 1)				
Year	2017		Δ	2016
Volume (Kg)	1,349,317		11.81%	1,206,768
Value (USD)	1,821,387		49.71%	1,216,643
Average price (USD/ Kg)	1.35		33.89%	1.01
RBM - Mid exchange rates				
Currency	21-Apr-17		Δ	13-Apr-17
USD	726.20		0.00%	726.21
GBP	930.20		1.97%	912.19
ZAR	55.20		1.97%	54.13
EUR	778.27		0.44%	774.87
Gross official foreign exchange reserve position				
	19-Apr-17	13-Apr-17	7-Apr-17	
Reserves (USD'mn)	577.27	579.84	576.57	
Import cover (months)	2.76	2.77	2.76	
Government bonds (Interest due dates 30 June & 31 Dec)				
Counter bonds	(K'mn)	Maturity date	Coupon rate	
MW3YNR	106,870	30-Jun-17	15.00%	