



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 2.52% to close the week at 44,334.15 points from 43,242.74 points in the previous week due to share price gains in FDHB (13.22%), FMBCH (7.38%), MPICO (0.05%) and NBM (9.58%) which offset share price losses in AIRTEL (-0.03%) and TNM (-0.04%). The market traded 2,201,549 shares at a consideration of K48.53m in 59 trades during the week, compared to 2,543,515 shares traded at a consideration of K81.49m in 105 trades in the previous week. The year-to-date return on MASI stands at 36.86% compared to 4.74% for the same period in 2020 (Source: MSE).

Corporate news

- FMB Capital Holdings Plc expects its consolidated profit after tax for the year ending 31st December 2021 to be more than 40% higher than that of the year ended 31st December 2020.
- Press Corporation Plc expects its profit after tax for the year ending 31st December 2021 to be higher than the previous corresponding period by more than 50%.

Dividends

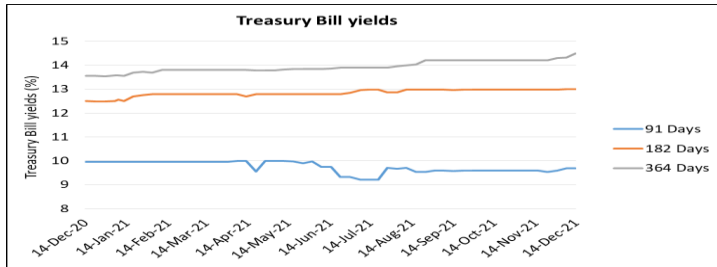
| Company | Dividend type | Dividend (K) | Last day to register | Payable |
|---------|----------------|--------------|----------------------|-----------|
| ILLOVO | Final | 4.00 | 11-Mar-22 | 31-Mar-22 |
| FDHB | Second interim | 0.43 | 31-Dec-21 | 14-Jan-22 |

Coupon payment

| Company | Medium term loan | Last day to register | Payment date | Payment period |
|---------|------------------|----------------------|--------------|---------------------------|
| MyBucks | K9.00b | 24-Dec-21 | 31-Dec-21 | 1 Oct 2021 to 31 Dec 2021 |

Government securities

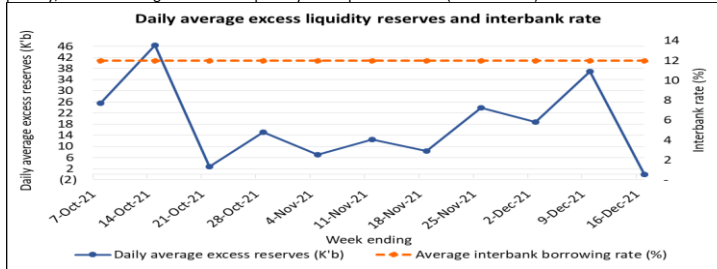
Government raised K4.27b during the week's auction for Treasury Bills (TBs) compared to K7.28b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.3982% from 12.3397% in the previous week, due to increases in the 91-day and 364-day yields to 9.6952% and 14.5000%, respectively, from 9.6889% and 14.3309% in the previous week. The 182-day yield was constant at 12.9993% as per the previous week (Source: RBM).



Government also raised K0.14b through auction of 3-year and 5-year Treasury Notes, bringing the total amount raised through auction of Treasury securities during the week to K4.41b. Maturities of Government securities for the week amounted to K5.96b. This resulted in a net injection of K1.55b into the market, compared to a net withdrawal of K27.30b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased significantly to -K0.07b from K36.95b recorded in the previous week. Daily interbank borrowing averaged K16.40b compared to K7.70b in the previous week. The average interbank borrowing rate was stable at 11.98%. Borrowing on the Lombard Facility averaged K108.16 per day, from an average of K110.63b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by 0.02% to trade at K824.3667 per USD as at 16th December 2021 from K824.5643 as at 9th December 2021. The Kwacha, however, depreciated against GBP, EUR and ZAR by 2.51%, 0.35% and 0.37%, respectively. Gross official forex reserves were last recorded at USD389.26m (1.56 months of import cover) on 30th November 2021 from USD405.66m (1.62 months of import cover) recorded on 31st October 2021 (Source: RBM). The recommended minimum import cover is 3 months.

COVID-19 update

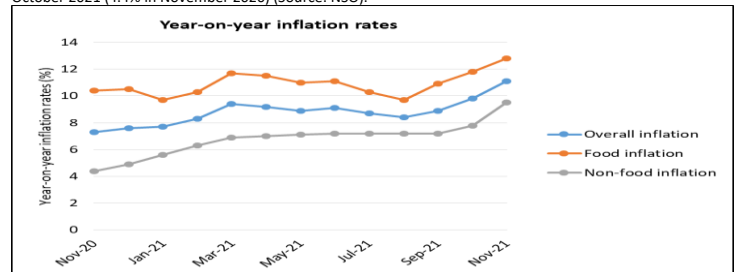
Cumulative confirmed COVID-19 cases in Malawi stood at 63,944 as at 17th December 2021, out of which 2,326 were reported to be active cases. COVID-19 infections averaged 250 this week compared to 25 cases in the previous week. So far, 59,075 people have recovered while 2,311 have died from the disease. Cumulatively, 978,933 and 365,983 people were reported to have received the first and second doses AstraZeneca vaccine, respectively, while 283,841 people have received the Johnson and Johnson vaccine. Cumulatively 649,824 people are said to be fully vaccinated representing 3.3% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 274.11m, with recoveries of more than 244.91m and 5.35m deaths as at 17th December 2021 (Source: Johns Hopkins University and Medicine).

| Stock market | | | |
|---|-----------------------------|-------------------------|------------------------|
| MASI | 17-Dec-21 | 44,334.15 | % Δ 2.52% |
| DSI | | 36,142.05 | % Δ 2.14% |
| FSI | | 4,223.15 | % Δ 6.90% |
| Traded volume | | 2,201,549 | % Δ -13.44% |
| Number of trades | | 59 | % Δ -43.81% |
| Value of shares traded (K'm) | | 48.53 | % Δ -40.45% |
| Market capitalisation (K'm) | | 2,407,299.53 | % Δ 2.52% |
| Gainers | | | |
| FDHB | Closing price (K) | 15.84 | % Δ 13.22% |
| FMBCH | | 80.00 | % Δ 7.38% |
| MPICO | | 20.70 | % Δ 0.05% |
| NBM | | 810.00 | % Δ 9.58% |
| Losers | | | |
| AIRTEL | Closing price (K) | 37.00 | % Δ -0.03% |
| TNM | | 22.92 | % Δ -0.04% |
| Treasury Bill auctions | | | |
| Auction date | 14-Dec-21 | | % pts Δ |
| Amount offered - cost value (K'm) | 15,962.00 | | 0.00% |
| Applied - cost value (K'm) | 4,270.75 | | -41.32% |
| Allotted - cost value (K'm) | 4,270.75 | | -41.32% |
| Overall rejection rate | 0.00% | | 0.00% |
| 91 days yield | 9.6952% | | 0.0063% |
| 182 days yield | 12.9993% | | 0.0000% |
| 364 days yield | 14.5000% | | 0.1691% |
| All-type yield | 12.3982% | | 0.0585% |
| Treasury Note and Bond auctions | | | |
| Auction date | 14-Dec-21 | 8-Dec-21 | 23-Nov-21 |
| Tenors | 2, 3 & 5 years | 2, 3 & 5 years | 7 years |
| Coupon rate | 10.00%, 11.00% & 12.50% | 10.00%, 11.00% & 12.50% | 13.50% |
| Amount offered - cost value (K'b) | | | 30.00 |
| Total applied - cost value (K'b) | 0.14 | 33.61 | 5.47 |
| Total allotted - cost value (K'b) | 0.14 | 32.34 | 5.47 |
| Allotted - weighted average ytm | 16.67%, 19.00% & 20.53% | 16.67%, 19.12% & 20.95% | 20.94% |
| Current yields for Treasury Notes | | | |
| Tenor | Last auction's yield | Last auction | Next auction |
| 2 years | 16.67% | 14-Dec-21 | TBA |
| 3 years | 19.00% | 14-Dec-21 | TBA |
| 5 years | 20.53% | 14-Dec-21 | TBA |
| 7 years | 20.94% | 23-Nov-21 | TBA |
| 10 years | 22.50% | 26-Oct-21 | TBA |
| 10-year infrastructure bond | 23.25% | 17-Aug-21 | TBA |
| Upcoming Treasury Note auctions | | | |
| Auction date | Tenor | Amount (K'b) | Coupon rate |
| 21-Dec-21 | 3 years | 47.44 | 11.00% |
| TBA | 10-year infrastructure bond | 20.00 | 16% (previous auction) |
| Projected maturities | | | |
| Week ending | 17-Dec-21 | 24-Dec-21 | 31-Dec-21 |
| TBs, PNs & TNs (K'm) | 5,961 | 20,789 | 18,720 |
| OMO repos (K'm) | 0 | 0 | 0 |
| OMO reverse repos (K'm) | 0 | 0 | 0 |
| Reference rate | | | |
| Rate | Dec-21 | % pts Δ | Nov-21 |
| | 12.20% | 0.00 | 12.20% |
| Inflation rate | | | |
| Rate | Nov-21 | % pts Δ | Oct-21 |
| | 11.1% | 1.3 | 9.8% |
| Closing mid exchange rates | | | |
| | 16-Dec-21 | % Δ | 9-Dec-21 |
| USD | 824.3667 | -0.02% | 824.5643 |
| GBP | 1232.0177 | 2.51% | 1201.8693 |
| EUR | 1098.6700 | 0.35% | 1094.8236 |
| ZAR | 61.5784 | 0.37% | 61.3542 |
| Gross official foreign exchange reserves position | | | |
| Reserves (USD'm) | 30-Nov-21 | 31-Oct-21 | 30-Sep-21 |
| | 389.26 | 405.66 | 521.87 |
| Import cover (months) | 1.56 | 1.62 | 2.09 |

Sources: MSE, RBM, NSO, AHL

November 2021 inflation

The year-on-year headline inflation rate stood at 11.1% in November 2021 from 9.8% in October 2021 and compared to 7.3% in November 2020. Food inflation rate stood at 12.8% in November 2021, up from 11.8% in October 2021 (10.4% in November 2020), while non-food inflation rate increased to 9.5% from 7.8% in October 2021 (4.4% in November 2020) (Source: NSO).



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