

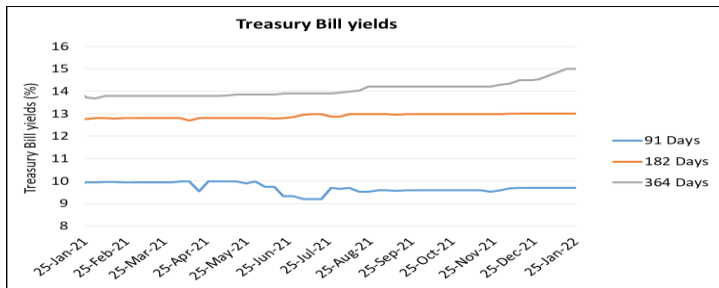


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -1.47% to close the week at 44,501.63 points from 45,165.35 points in the previous week due to share price losses in FDHB (-14.18%), NBM (-0.001%), NBS (-0.09%) and TNM (-9.42%), which offset share price gains in AIRTEL (0.17%) and NITL (0.01%). The market traded 637,060 shares at a consideration of K24.25m in 58 trades during the week, compared to 1,171,278 shares traded at a consideration of K51.17m in 59 trades in the previous week. The year-to-date return on MASI stands at -1.19% compared to 1.84% for the same period in 2021 (Source: MSE).

Government securities

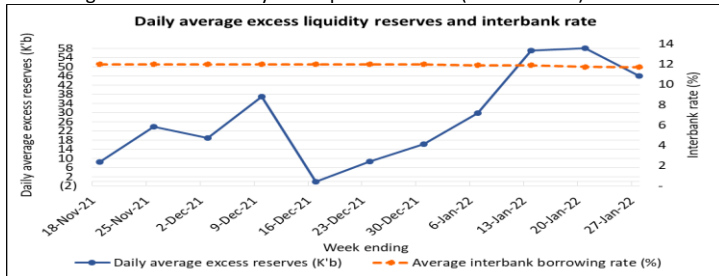
Government raised K10.48b during the week's auction for Treasury Bills (TBs) compared to K16.23b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.5667% from 12.5636% in the previous week, due to an increase in the 364-day yield to 15.0000% from 14.9907% in the previous week. The 182-day and 91-day yields remained constant at 13.0000% and 9.7000%, respectively, as per the previous week (Source: RBM).



The Government also raised K23.18b through auction of a 5-year Treasury note (TN) at an average yield to maturity (YTM) of 20.78%. This brings the total amount raised in auctions of Government securities during the week to K33.66b, compared to K22.12b in the previous week. Maturities of Government securities for the week amounted to K18.20b while maturities of OMO reverse repos amounted to K70.81b. This resulted in a net withdrawal of K86.27b from the market, compared to a net withdrawal of K18.81b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K45.88b from K58.03b in the previous week. Daily interbank borrowing increased to the average of K13.50b compared to K9.75b in the previous week. The average interbank borrowing rate decreased to 11.70% from 11.73% in the previous week. Borrowing on the Lombard Facility amounted to K42.60b during the week, compared to no borrowing on the same facility in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by 0.95% to trade at K816.4002 against USD as at 27th January 2022, from K824.2215 as at 20th January 2022. During the same period, the Kwacha also appreciated against GBP, EUR and ZAR by 13.82%, 22.79% and 15.21%, respectively. Gross official forex reserves stood at USD429.17 million (1.72 months of import cover) as at 31st December 2021, up from USD389.26 million (1.56 months of import cover) as at 30th November 2021. The recommended minimum import cover is 3 months.

Stock market			
	28-Jan-22	% Δ	21-Jan-22
MASI	44,501.63	↓ -1.47%	45,165.35
DSI	36,322.34	↓ -1.60%	36,912.92
FSI	4,183.22	↓ 0.00%	4,183.22
Traded volume	637,060	↓ -45.61%	1,171,278
Number of trades	58	↓ -1.69%	59
Value of shares traded (K'm)	24.25	↓ -52.61%	51.17
Market capitalisation (K'm)	2,412,983.94	↓ -1.45%	2,448,548.91
Gainers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	40.10	↑ 0.17%	40.03
NITL	94.99	↑ 0.01%	94.98
Losers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	13.50	↓ -14.18%	15.73
NBM	810.12	↓ -0.001%	810.13
NBS	22.87	↓ -0.09%	22.89
TNM	20.00	↓ -9.42%	22.08
Treasury Bill auctions			
Auction date	25-Jan-22	% pts Δ	18-Jan-22
Amount offered - cost value (K'm)	23,335.00	→ 0.00%	23,335.00
Applied - cost value (K'm)	10,478.15	↓ -35.43%	16,226.96
Allotted - cost value (K'm)	10,478.15	↓ -35.43%	16,226.54
Overall rejection rate	0.000%	↓ -0.003	0.00%
91 days yield	9.7000%	→ 0.0000%	9.7000%
182 days yield	13.0000%	→ 0.0000%	13.0000%
364 days yield	15.0000%	↑ 0.0093%	14.9907%
All-type yield	12.5667%	↑ 0.0031%	12.5636%
Treasury Note and Bond auctions			
Auction date	25-Jan-22	18-Jan-22	12-Jan-22
Tenors	5 years	10 years	2 years
Coupon rate	12.50%	15.00%	10.00%
Amount offered - cost value (K'b)	53.15	17.15	
Total applied - cost value (K'b)	23.18	5.89	27.32
Total allotted - cost value (K'b)	23.18	5.89	22.79
Allotted - weighted average ytm	20.78%	22.98%	16.70%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2 years	16.70%	12-Jan-22	1-Mar-22
3 years	19.04%	23-Dec-21	8-Feb-22
5 years	20.78%	25-Jan-22	22-Mar-21
7 years	20.94%	23-Nov-21	22-Feb-22
10 years	22.98%	18-Jan-22	TBA
10-year infrastructure bond	23.25%	17-Aug-21	TBA
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last auction's coupon rate
8-Feb-22	3 years	58.15	11.00%
22-Feb-22	7 years	58.15	13.50%
1-Mar-22	2 years	43.61	10.00%
8-Mar-22	7-year IDB	10.00	
22-Mar-21	5 years	48.15	12.50%
Projected maturities			
Week ending	28-Jan-22	4-Feb-22	11-Feb-22
TBs, PNs & TNs (K'm)	18,201	27,697	15,576
OMO repos (K'm)	0	7,625	0
OMO reverse repos (K'm)	70,808	23,084	0
Reference rate			
Rate	Jan-22	% pts Δ	Dec-21
	12.20%	→ 0.00	12.20%
Inflation rate			
Rate	Dec-21	% pts Δ	Nov-21
	11.5%	↑ 0.4	11.1%
Closing TT mid exchange rates			
	27-Jan-22	% Δ	20-Jan-22
USD	816.4002	↑ -0.95%	824.2215
GBP	1094.6294	↑ -13.82%	1270.2178
EUR	910.2862	↑ -22.79%	1179.0052
ZAR	52.9123	↑ -15.21%	62.4010
Gross official foreign exchange reserves position			
	31-Dec-21	30-Nov-21	31-Oct-21
Reserves (USD'm)	429.17	389.26	405.66
Import cover (months)	1.72	1.56	1.62

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 84,309 as at 28th January 2022, out of which 12,489 were reported to be active. COVID-19 infections averaged 105 positive cases this week compared to 187 positive cases in the previous week. So far, 69,035 people have recovered while 2,553 have died from the disease. Cumulatively, 1,098,898 and 399,078 people have received the first and second doses of AstraZeneca vaccine, respectively, while 372,473 people have received Johnson and Johnson vaccine. Cumulatively 771,551 people are fully vaccinated representing 3.9% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 366.97m and 5.64m deaths as at 28th January 2022 (Source: Johns Hopkins University and Medicine).

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