



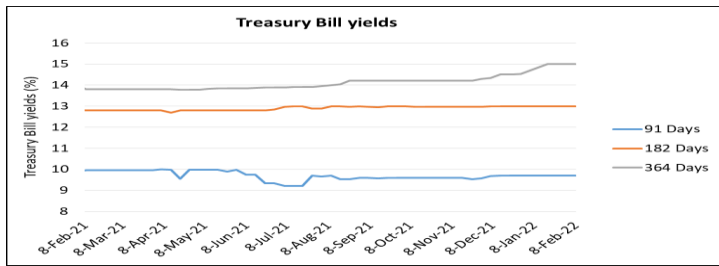
Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.01% to close the week at 44,720.06 points from 44,714.57 points in the previous week due to share price gains in FDHB (10.60%) and NBM (0.001%), which offset share price losses in FMBCH (-0.03%) and TNM (-4.86%). The market traded 4,574,029 shares at a consideration of K95.12m in 92 trades during the week, compared to 9,062,794 shares traded at a consideration of K183.66m in 64 trades in the previous week. The year-to-date return on MASI stands at -1.43% compared to 1.05% for the same period in 2021 (Source: MSE).

Expected financial results for the year ended 31st December 2021			
Company	Expected change for FY 2021	FY 2020 profit after tax (K'b)	
Airtel Malawi Plc	↑	35%	22.09
Blantyre Hotels Plc	↓	-93%	(0.45)
FMB Capital Holdings Plc (US\$' million)	↑	40%	21.28
MPICO Plc	↑	40%	4.34
National Bank of Malawi Plc	↑	30%	22.45
National Investment Trust Plc	↑	200%	1.48
Press Corporation Plc	↑	50%	19.90
Sunbird Tourism Plc	↑	150%	1.18
Telekom Networks Malawi Plc	↑	20%	7.73

Government securities

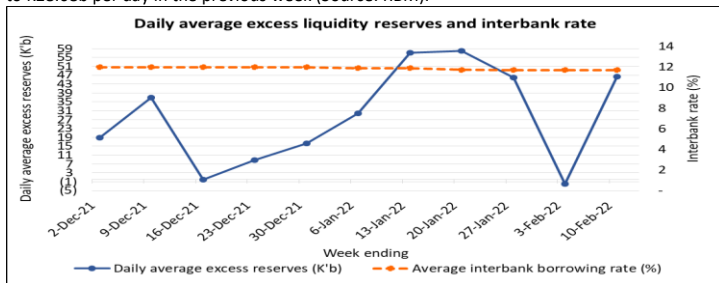
Government raised K23.79b during the week's auction for Treasury Bills (TBs) compared to K10.90b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable at 12.5667%, as the 91-day, 182-day and 364-day yields were constant at 9.7000%, 13.0000% and 15.0000%, respectively. The Government also auctioned a 3-year Treasury Note (TN) and raised K77.43b at an average yield of 19.33% during the week (Source: RBM).



Maturities of Government securities for the week amounted to K14.17b. RBM conducted an outright purchase of securities from the market amounting to K46.89b and an outright sale of securities of K10.47b. This resulted in a net withdrawal of K50.63b from the market compared to a net injection of K16.35b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K46.36b from K-1.89b in the previous week. Daily interbank borrowing decreased to the average of K19.12b compared to K11.41b in the previous week. The average interbank borrowing rate was stable at 11.70%. Borrowing on the Lombard Facility decreased to the average of K23.42b per day during the week, compared to K28.68b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.03% to trade at K823.7414 against USD as at 10th February 2022, from K823.5230 as at 3rd February 2022. During the same period, the Kwacha also depreciated against GBP and ZAR by 15.54% and 19.56%, respectively, and appreciated by 3.78% against EUR. Gross official forex reserves stood at USD399.98 million (1.60 months of import cover) as at 31st January 2022, down from USD429.17 million (1.72 months of import cover) as at 31st December 2021. The recommended minimum import cover is 3 months.

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Stock market				
	11-Feb-22	% Δ	4-Feb-22	
MASI	44,720.06	↑ 0.01%	44,714.57	
DSI	36,517.47	↑ 0.02%	36,511.81	
FSI	4,182.23	↓ -0.02%	4,183.22	
Traded volume	4,574,029	↓ -49.53%	9,062,794	
Number of trades	92	↑ 43.75%	64	
Value of shares traded (K'm)	95.12	↓ -48.21%	183.66	
Market capitalisation (K'm)	2,424,685.64	↑ 0.01%	2,424,393.87	
Gainers				
	Closing price (K)	% Δ	Opening price (K)	
FDHB	15.24	↑ 10.60%	13.78	
NBM	810.14	↑ 0.001%	810.13	
Losers				
	Closing price (K)	% Δ	Opening price (K)	
FMBCH	79.96	↓ -0.03%	79.98	
TNM	18.99	↓ -4.86%	19.96	
Treasury Bill auctions				
	Auction date	8-Feb-22	% pts Δ	1-Feb-22
Amount offered - cost value (K'm)		28,366.00	→ 0.00%	28,366.00
Applied - cost value (K'm)		23,792.52	↑ 118.36%	10,896.12
Allotted - cost value (K'm)		23,792.52	↑ 118.36%	10,896.12
Overall rejection rate		0.00%	→ 0.00%	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%	→ 0.0000%	15.0000%
All-type yield		12.5667%	→ 0.0000%	12.5667%
Treasury Note and Bond auctions				
	Auction date	8-Feb-22	25-Jan-22	18-Jan-22
Tenors		3 years	5 years	10 years
Coupon rate		11.00%	12.50%	15.00%
Amount offered - cost value (K'b)		58.15	53.15	17.15
Total applied - cost value (K'b)		77.43	23.18	5.89
Total allotted - cost value (K'b)		77.43	23.18	5.89
Allotted - weighted average ytm		19.33%	20.78%	22.98%
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	19.33%	8-Feb-22	TBA
	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
	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	11-Feb-22	18-Feb-22	25-Feb-22
	TBs, PNs & TNs (K'm)	14,167	4,421	36,535
	OMO repos (K'm)	0	0	0
	OMO reverse repos (K'm)	0	0	35,637
Reference rate				
	Rate	Feb-22	% pts Δ	Jan-22
		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				
		10-Feb-22	% Δ	3-Feb-22
	USD	823.7414	↓ 0.03%	823.5230
	GBP	1277.8988	↓ 1.04%	1264.7112
	EUR	1132.6104	↑ -3.78%	1177.0906
	ZAR	64.2066	↓ 1.50%	63.2601
Gross official foreign exchange reserves position				
		31-Jan-21	31-Dec-21	30-Nov-21
	Reserves (USD'm)	399.98	429.17	389.26
	Import cover (months)	1.60	1.72	1.56

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 84,974 as at 11th February 2022, out of which 10,013 were reported to be active. COVID-19 infections averaged 35 positive cases this week compared to 71 positive cases in the previous week. So far, 72,138 people have recovered while 2,591 have died from the disease. Cumulatively, 1,098,898 and 399,078 people have received the first and second doses of AstraZeneca vaccine, respectively, 385,492 people have received the Johnson and Johnson vaccine, while 11,098 and 427 people have received the first and second doses of Pfizer vaccine as of 11th February 2022. Cumulatively 784,997 people are fully vaccinated representing 4% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 406.4m and 5.79m deaths as at 10th February 2022 (Source: Johns Hopkins University and Medicine).