

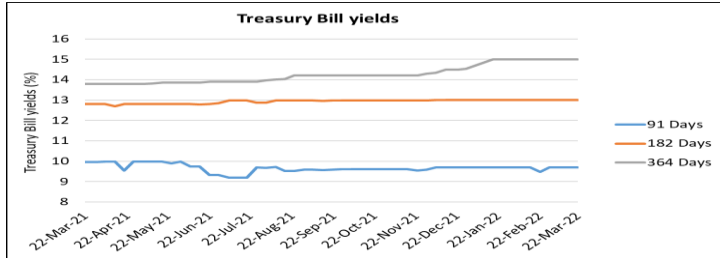


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.40% to close the week at 45,746.97 points from 45,565.29 points in the previous week due to a share price gain in NBM (2.49%) which offset a share price loss in TNM (-0.57%). The market traded 770,560 shares at a consideration of K26.06m in 46 trades during the week, compared to 10,235,677 shares traded at a consideration of K656.45m in 68 trades in the previous week. The year-to-date return on MASI stands at 0.84% compared to 0.58% for the same period in 2021 (Source: MSE).

Government securities

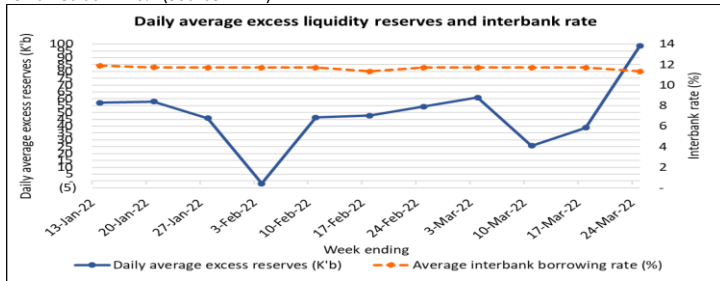
Government raised K13.04b during the week's auction for Treasury Bills (TBs) compared to K25.73b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield slightly increased to 12.5667% from 12.5664% in the previous week due to a marginal increase in the 365-day yield to 15.0000% from 14.9992%. The 91-day and 182-day yields were stable at 9.7000% and 13.0000%, respectively (Source: RBM).



The Government also raised K38.65b in auctions of Treasury Notes (2, 3, 5 and 7 years), bringing the total amount raised in auctions of Treasury securities during the week to K51.69b. The RBM conducted OMO repos of K8.16b, OMO reverse repos of K32.00b and Outright purchase of securities of K123.38b during the week. Maturities of Government securities for the week amounted to K3.98b, maturities of OMO repos amounted to K1.03b while maturities of OMO reverse repos amounted to K150.22b. These transactions resulted in a net withdrawal of K49.68b from the market compared to a net withdrawal of K0.31b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K98.57b from K38.88b in the previous week. Daily average interbank borrowing decreased to the average of K12.10b compared to K14.84b in the previous week. The average interbank borrowing rate decreased to 11.33% from 11.70%. Borrowing on the Lombard Facility increased to the average of K35.95b per day during the week, compared to K13.48b per day in the previous week. The Lombard rate remained at 12.20% (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by 0.02% to trade at K824.2099/USD as at 24th March 2022 from K824.3912/USD as at 17th March 2022. In the same period, the Kwacha also appreciated against GBP and EUR by 1.86% and 5.95%, respectively, but depreciated against ZAR by 0.66%. Gross official forex reserves stood at USD385.40 million (1.54 months of import cover) as at 28th February 2022, down from USD399.98 million (1.60 months of import cover) as at 31st January 2022 (Source: RBM). The recommended minimum import cover is 3 months.

COVID-19 update

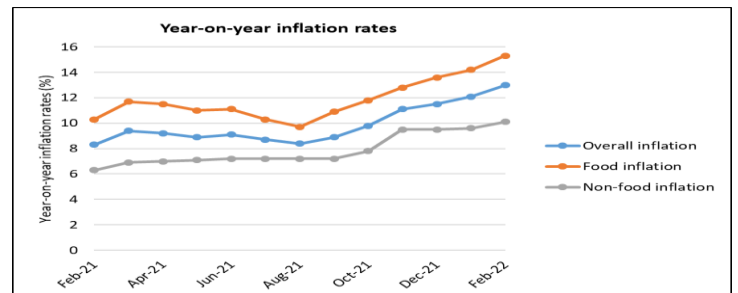
Cumulative confirmed COVID-19 cases in Malawi stood at 85,586 as at 24th March 2022, out of which 4,040 were reported to be active. COVID-19 infections averaged 4 positive cases this week compared to 8 positive cases in the previous week. So far, 78,653 people have recovered while 2,626 have died from the disease. A total of 2,015,128 doses have been administered in the country so far, 524 have received their booster doses, while 875,931 people are fully vaccinated, representing 4.46% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 480.465m and 6.122m deaths as at 27th March 2022 (Source: Johns Hopkins University and Medicine).

Stock market				
	25-Mar-22		% Δ	18-Mar-22
MASI	45,746.97	↑	0.40%	45,565.29
DSI	37,429.68	↑	0.43%	37,268.01
FSI	4,184.21	↔	0.00%	4,184.21
Traded volume	770,560	↓	-92.47%	10,235,677
Number of trades	46	↓	-32.35%	68
Value of shares traded (K'm)	26.06	↓	-96.03%	656.45
Market capitalisation (K'm)	2,479,779.39	↑	0.40%	2,469,981.89
Gainers				
NBM	948.00	↑	2.49%	925.00
Losers				
TNM	17.40	↓	-0.57%	17.50
Treasury Bill auctions				
Auction date	22-Mar-22		% pts Δ	15-Mar-22
Amount offered - cost value (K'm)	7,541.00	↔	0.00%	15,411.00
Applied - cost value (K'm)	13,037.36	↓	-50.99%	26,601.12
Allotted - cost value (K'm)	13,037.36	↓	-49.34%	25,733.88
Overall rejection rate	0.00%	↓	-3.26%	3.26%
91 days yield	9.7000%	↔	0.0000%	9.7000%
182 days yield	13.0000%	↔	0.0000%	13.0000%
364 days yield	15.0000%	↑	0.0008%	14.9992%
All-type yield	12.5667%	↑	0.0003%	12.5664%
Treasury Note and Bond auctions				
Auction date	22-Mar-22			8-Mar-22
Tenors	5 years	2, 3 & 7 years		7-Year Infrastructure Development Bond
Coupon rate	12.50%	10.00%, 11.00%, 13.50%		14.50%
Amount offered - cost value (K'b)	48.15			10.00
Total applied - cost value (K'b)	17.87	24.43		8.63
Total allotted - cost value (K'b)	17.09	21.56		8.63
Allotted - weighted average ytm	20.98%	16.96%, 19.47% & 21.99%		22.47%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction	Next auction	
2 years	16.96%	22-Mar-22	TBA	
3 years	19.47%	22-Mar-22	TBA	
5 years	20.98%	22-Mar-22	TBA	
7 years	21.99%	22-Mar-22	TBA	
7-Year Development Bond	22.47%	8-Mar-22	TBA	
10 years	22.98%	18-Jan-22	TBA	
10-year infrastructure bond	23.25%	17-Aug-21	TBA	
Projected maturities				
Week ending	25-Mar-22	1-Apr-22	8-Apr-22	
TBs, PNs & TNs (K'm)	3,980	42,083	2,665	
OMO repos (K'm)	1,028	0	0	
OMO reverse repos (K'm)	150,215	15,407	0	
Reference rate				
Rate	Mar-22	% pts Δ	Feb-22	
	12.20%	0.00	12.20%	
Inflation rate				
Rate	Feb-22	% pts Δ	Jan-22	
	13.0%	0.9	12.1%	
Closing TT mid exchange rates				
	24-Mar-22	% Δ	17-Mar-22	
USD	824.2099	-0.02%	824.3912	
GBP	1233.9261	-1.86%	1257.3739	
EUR	1169.4576	-5.95%	1243.3794	
ZAR	68.7583	0.66%	68.3050	
Gross official foreign exchange reserves position				
	28-Feb-22	31-Jan-22	31-Dec-21	
Reserves (USD'm)	385.40	399.98	429.17	
Import cover (months)	1.54	1.60	1.72	

Sources: MSE, RBM, NSO, AHL

February 2022 inflation

The year-on-year headline inflation rate stood at 13.0% in February 2022 from 12.1% in January 2022 and compared to 8.3% in February 2021. Food inflation rate increased to 15.3% in February 2022, from 14.2% in January 2022 (10.3% in February 2021), while non-food inflation rate increased to 10.1% in February 2022 from 9.6% in January 2022 (6.3% in February 2021).



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