



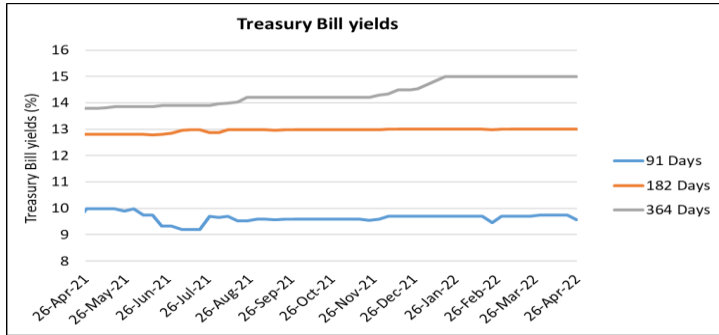
**Malawi Stock Exchange (MSE) trading activity**

The Malawi All Share Index (MASI) registered a gain of 0.28% to close the week at 46,934.16 points from 46,801.61 points in the previous week due to share price gains in AIRTEL (0.05%), FMBCH (11.00%) and ILLOVO (0.02%), which offset share price losses in FDHB (-0.52%), ICON (-4.99%), NBS (-0.04%), PCL (-0.05%) and TNM (-7.99%). The market traded 14,548,386 shares at a consideration of K601.83m in 58 trades, compared to 15,849,770 shares traded at a consideration of K3.20b in 84 trades in the previous week. The year-to-date return on MASI stands at 3.45% compared to 3.05% for the same period in 2021 (Source: MSE).

On 25<sup>th</sup> April 2022, the MSE registered its first trade on a Government of Malawi Treasury Note security with symbol T0SNT. A total of 1,000 certificates with a face value of K1,000,000.00 were transacted at a dirty price of K84.3890 (Source: MSE).

**Government securities**

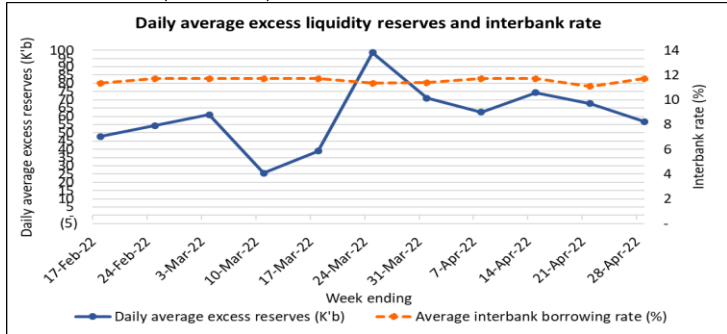
Government raised K3.49b during the week's auction for Treasury Bills (TBs) compared to K40.00m raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield decreased to 12.5230% from 12.5800% in the previous week on account of a decrease in the 91-day yield to 9.5691% from 9.7400%. The 182-day and 364-day yields were stable at 13.0000% and 15.0000%, respectively (Source: RBM).



Government also raised K0.50b through auction of a 10-year Development Bond (DB), bringing the total amount raised in auctions of Treasury securities during the week to K3.99b. Maturities of Government securities for the week amounted to K19.88b while maturities of OMO reverse repos amounted to K15.30b. RBM conducted outright purchase of securities amounting to K4.03b during the week. These transactions resulted in a net injection of K4.62b into the market compared to a net withdrawal of K23.63b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves decreased to K56.88b from K67.66b in the previous week. Daily average interbank borrowing decreased to the average of K14.54b compared to K15.54b in the previous week. The average interbank borrowing rate increased to 11.70% from 11.08%. Borrowing on the Lombard Facility increased to the average of K39.99b per day during the week, compared to K23.87b per day in the previous week. The Lombard rate remained at 12.20% (Source: RBM).



**Foreign exchange market developments**

The Kwacha depreciated by 0.02% to trade at K824.0260/USD as at 28<sup>th</sup> April 2022 from K823.8454/USD as at 21<sup>st</sup> April 2022. The Kwacha, however, appreciated against GBP, EUR and ZAR by 4.39%, 3.40% and 6.36%, respectively, during the same period. Gross official forex reserves stood at USD374.48 million (1.50 months of import cover) as at 31<sup>st</sup> March 2022, down from USD385.40 million (1.54 months of import cover) as at 28<sup>th</sup> February 2022 (Source: RBM). The recommended minimum import cover is 3 months. As at 28<sup>th</sup> April 2022, the 2022 tobacco market had cumulatively realised US\$5,639,283.60 from 3,006,095kgs of tobacco sold at an average price of \$1.88/kg (Source: AHL).

Stock market				
	29-Apr-22	% Δ		22-Apr-22
MASI	46,934.16	0.28%	↑	46,801.61
DSI	37,283.40	-0.82%	↓	37,592.20
FSI	5,720.11	10.53%	↑	5,175.11
Traded volume	14,548,386	-8.21%	↓	15,849,770
Number of trades	58	-30.95%	↓	84
Value of shares traded (K'm)	601.83	-81.17%	↓	3,195.71
Market capitalisation (K'm)	2,547,176.32	0.33%	↑	2,538,731.70
Gainers				
AIRTEL	42.02	0.05%	↑	42.00
FMBCH	111.00	11.00%	↑	100.00
ILLOVO	305.50	0.02%	↑	305.43
Losers				
FDHB	15.29	-0.52%	↓	15.37
ICON	12.00	-4.99%	↓	12.63
NBS	22.78	-0.04%	↓	22.79
PCL	1899.00	-0.05%	↓	1900.00
TNM	16.00	-7.99%	↓	17.39
Debt market				
Symbol	Closing price (K)	% Δ		Opening price (K)
T0SNT	84.3890	10.61%	↑	76.2976
Treasury Bill auctions				
Auction date	26-Apr-22	% pts Δ		19-Apr-22
Amount offered - cost value (K'm)	23,635.00	0.00%	→	23,635.00
Applied - cost value (K'm)	3,494.99	8637.48%	↑	40.00
Allotted - cost value (K'm)	3,494.99	8637.48%	↑	40.00
Overall rejection rate	0.00%	0.00%	→	0.00%
91 days yield	9.5691%	-0.1709%	↓	9.7400%
182 days yield	13.0000%	0.0000%	→	13.0000%
364 days yield	15.0000%	0.0000%	→	15.0000%
All-type yield	12.5230%	-0.0570%	↓	12.5800%
Treasury Note and Bond auctions				
Auction date	26-Apr-22			29 & 31 March 2022
Tenors	10 year Development Bond	3 years		2, 3, 5, & 7 years
Coupon rate	16.00%	11.00%		10.00%, 11.00%, 12.50% & 13.50%
Amount offered - cost value (K'b)	20.02	62.45		
Total applied - cost value (K'b)	0.50	36.52		122.43
Total allotted - cost value (K'b)	0.50	36.52		121.98
Allotted - weighted average ytm	23.35%	19.50%		17.00%, 19.50%, 21.00% & 22.00%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2 years	17.00%	31-Mar-22		17-May-22
3 years	19.50%	19-Apr-22		28-Jun-22
5 years	21.00%	31-Mar-22		31-May-22
7 years	22.00%	31-Mar-22		3-May-22
7-Year Development Bond	22.47%	8-Mar-22		TBA
10 years	22.98%	18-Jan-22		14-Jun-22
10-year Development Bond	23.35%	26-Apr-22		TBA
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor	Amount (K'b)		Previous coupon rate
3-May-22	7	31.90		13.50%
17-May-22	2	51.35		10.00%
31-May-22	5	42.81		12.50%
14-Jun-22	10	27.45		15.00%
28-Jun-22	3	57.45		11.00%
Projected maturities				
Week ending	29-Apr-22	6-May-22		13-May-22
TBs, PNs & TNs (K'm)	19,878	4,527		13,824
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	15,303	18,519		0
Reference rate				
Rate	Apr-22	% pts Δ		Mar-22
	12.20%	0.00	→	12.20%
Inflation rate				
Rate	Mar-22	% pts Δ		Feb-22
	14.1%	1.1	↑	13.0%
Closing TT mid exchange rates				
	28-Apr-22	% Δ		21-Apr-22
USD	824.0260	0.02%	↓	823.8454
GBP	1150.3610	-4.39%	↓	1203.1190
EUR	966.1040	-3.40%	↓	1000.1299
ZAR	60.3279	-6.36%	↓	64.4255
Gross official foreign exchange reserves position				
	31-Mar-22	28-Feb-22		31-Jan-22
Reserves (USD'm)	374.48	385.40		399.98
Import cover (months)	1.50	1.54		1.60

Sources: MSE, RBM, NSO, AHL

Published annual financial results				
Company	2021 profit after tax (K'b)	Movement	2020 profit after tax (K'b)	
<b>Listed banks</b>				
FDH Bank Plc	11,659	↓	-17%	13,989
First Capital Bank Plc	14,767	↑	84%	8,026
National Bank of Malawi Plc	34,210	↑	52%	22,449
NBS Bank Plc	7,692	↑	9%	7,050
Standard Bank Plc	24,769	↑	4%	23,743
<b>unlisted banks</b>				
CDH Investment Bank Ltd	4,862	↑	58%	3,086
Ecobank Ltd	8,274	↑	7%	7,750
<b>Listed non-bank companies</b>				
National Investment Trust Plc	4,671	↑	216%	1,479
Old Mutual Group Plc (Rb)	6,662	↑	31%	5,097
Sunbird Tourism Plc	0,749	↑	164%	(1,180)
Telekom Networks Malawi Plc	9,690	↑	25%	7,730
<b>Unlisted non-bank financial institutions</b>				
Bridgepath Capital Ltd	0,019	↓	-50%	0,037
Cedar Capital Ltd	0,144	↓	167%	0,054
Continental Capital Ltd	0,039	↓	-41%	0,065
Continental Holdings Ltd	5,386	↑	66%	3,251
NBM Capital Markets Ltd	0,582	↑	40%	0,416
NICO Asset Managers Ltd	1,403	↓	-33%	2,098
NICO Pension Services Ltd	0,431	↓	1%	0,425
Old Mutual Life Assurance Company (Malawi) Ltd	11,406	↑	31%	8,735
Stock Brokers Malawi Ltd	0,196	↑	13%	0,174
Vision Fund Malawi Ltd	0,207	↑	178%	(0,266)

**Disclaimer:** The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.