

Foreign exchange market developments

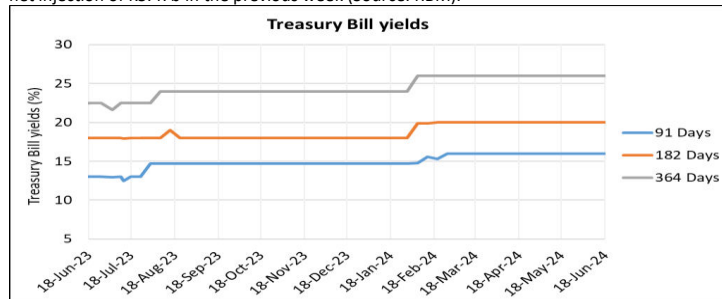
During the week the Kwacha depreciated against USD and ZAR but appreciated against GBP and EUR, as indicated by TT middle exchange rates below:

| Closing TT middle exchange rates as at the end of the week | | | | |
|--|------------------------|-----------|------------------------|--|
| Currency | 21-Jun-24 | % Δ | 14-Jun-24 | |
| USD | 1750.4259 | ↓ 0.07% | 1749.2849 | |
| GBP | 2274.0684 | ↑ -1.15% | 2300.4976 | |
| EUR | 1926.0909 | ↑ -0.19% | 1929.7951 | |
| ZAR | 100.0657 | ↓ 3.28% | 96.8923 | |
| Opening foreign exchange bureaux middle rates as at the end of the week | | | | |
| Currency | 10-Jun-24 | % Δ | 31-May-24 | |
| USD | 1922.4388 | → 0.00% | 1922.4388 | |
| GBP | 2461.4375 | ↓ 0.14% | 2457.9167 | |
| EUR | 2110.7083 | ↓ 0.14% | 2107.7292 | |
| ZAR | 103.2500 | ↑ -0.68% | 103.9583 | |
| Foreign exchange reserves position | | | | |
| | 31-May-24 | 30-Apr-24 | 31-Mar-24 | |
| Total foreign exchange reserves (Aggregate of RBM, Banks & Total import cover (months) | 610.18 | 603.07 | 552.94 | |
| | 2.44 | 2.41 | 2.21 | |
| Cumulative tobacco sales as at the end of week 10 | | | | |
| Date | Week 10 2024 (21 June) | % Δ | Week 10 2023 (23 June) | |
| Volume (million kg) | 100.43 | ↑ 6.51% | 94.29 | |
| Value (USD 'million) | 290.69 | ↑ 33.04% | 218.50 | |
| Average price (USD/Kg) | 2.89 | ↑ 24.57% | 2.32 | |

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K32.37b from auction of Treasury Bills and K14.55b from auction of Treasury Notes and Bonds during the week. Maturities of Government securities for the week amounted to K43.66b, resulting in a net withdrawal of K3.26b from the market, compared to a net injection of K5.47b in the previous week (Source: RBM).



| Treasury Bill auctions | | | | |
|-----------------------------------|-----------|------------|-----------|--|
| Auction date | 18-Jun-24 | % pts Δ | 11-Jun-24 | |
| Amount offered - cost value (K'm) | 15,758.00 | → 0.00% | 15,758.00 | |
| Applied - cost value (K'm) | 32,373.24 | ↑ 1456.51% | 2,079.86 | |
| Allotted - cost value (K'm) | 32,373.24 | ↑ 1456.51% | 2,079.86 | |
| Overall rejection rate | 0.00% | → 0.00% | 0.00% | |
| 91 days yield | 16.0000% | → 0.0000% | 16.0000% | |
| 182 days yield | 20.0000% | → 0.0000% | 20.0000% | |
| 364 days yield | 26.0000% | → 0.0000% | 26.0000% | |
| All-type yield | 20.6667% | → 0.0000% | 20.6667% | |

| Treasury Note and Bond auctions | | | | |
|-----------------------------------|------------------------|-----------|------------------------|--|
| Auction dates | 20-Jun-24 | 18-Jun-24 | 10-Jun-24 | |
| Tenor | 5-year TN & 10-year DB | 5-year TN | 3-year TN & 10-year DB | |
| Coupon rate | 12.50% & 16.00% | 12.50% | 11.00% & 16.00% | |
| Amount offered - cost value (K'b) | | 47.22 | | |
| Total applied - cost value (K'b) | 9.17 | 5.38 | 0.36 | |
| Total allotted - cost value (K'b) | 9.17 | 5.38 | 0.36 | |
| Allotted - weighted average ytm | 32.00% & 35.00% | 32.00% | 30.00% & 35.00% | |

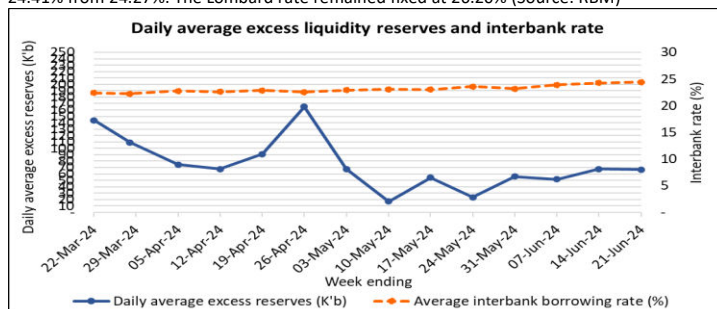
| Current yields for Treasury Notes and Bonds | | | | |
|---|----------------------|--------------|--------------|--|
| Tenor | Last auction's yield | Last auction | Next auction | |
| 2-year TN | 28.75% | 07-Jun-24 | TBA | |
| 3-year TN | 30.00% | 10-Jun-24 | 25-Jun-24 | |
| 5-year TN | 32.00% | 20-Jun-24 | TBA | |
| 5-year Development Bond | 28.00% | 28-Nov-23 | TBA | |
| 7-year TN | 34.00% | 31-May-24 | TBA | |
| 7-year Development Bond | 32.00% | 16-Jan-24 | TBA | |
| 10-year TN | 35.00% | 31-May-24 | TBA | |
| 10-year Development Bond | 35.00% | 20-Jun-24 | TBA | |

| Upcoming auctions of Treasury Notes and Bonds | | | | |
|---|---------------|--------------|----------------------------|--|
| Auction date | Tenor (years) | Amount (K'b) | Last auction's coupon rate | |
| 25-Jun-24 | 3 | 54.51 | 11.00% | |
| Projected maturities | | | | |
| Week ending | 21-Jun-24 | 28-Jun-24 | 5-Jul-24 | |
| TBs, PNs & TNs (K'm) | 43,664 | 82,965 | 11,184 | |
| OMO repos (K'm) | 0 | 0 | 0 | |
| OMO reverse repos (K'm) | 0 | 26,171 | 0 | |

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K66.94b during the week from K67.78b in the previous week. Daily average interbank borrowing decreased to K78.88b from K102.04b. Borrowing on the Lombard facility increased to an average of K77.11b per day, compared to K72.70b per day in the previous week. The average interbank borrowing rate increased to 24.41% from 24.27%. The Lombard rate remained fixed at 26.20% (Source: RBM)



| Policy Rate | | | |
|-----------------------|-----------|---------|-----------|
| | 03-May-24 | % pts Δ | 01-Feb-24 |
| Rate | 26.00% | → 0.00 | 26.00% |
| Market Reference Rate | | | |
| | Jun-24 | % pts Δ | May-24 |
| Rate | 25.10% | ↑ 0.10 | 25.00% |
| Inflation Rate | | | |
| | May-24 | % pts Δ | Apr-24 |
| Rate | 32.7% | ↑ 0.40 | 32.3% |

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.95% to close the week at 118,993.92 points from 117,873.18 points in the previous. The market traded 7,919,434 shares at a consideration of K522.75m in 221 trades, compared to 9,149,378 shares traded at a consideration of K992.92m in 146 trades in the previous week. The year-to-date return on MASI stood at 7.25% as at the end of the week compared to 70.63% for the same period in 2023 (Source: MSE).

| Stock market trading activity | | | | |
|-------------------------------|-------------------|-----------|-------------------|--|
| | 21-Jun-24 | % Δ | 14-Jun-24 | |
| MASI | 118,993.92 | ↑ 0.95% | 117,873.18 | |
| DSI | 91,072.45 | ↑ 1.10% | 90,083.74 | |
| FSI | 18,912.90 | ↑ 0.06% | 18,902.00 | |
| Traded volume | 7,919,434 | ↓ -13.44% | 9,149,378 | |
| Number of trades | 221 | ↑ 51.37% | 146 | |
| Value of shares traded (K'm) | 522.75 | ↓ -47.35% | 992.92 | |
| Market capitalisation (K'm) | 6,432,919.43 | ↑ 0.94% | 6,372,838.17 | |
| Gainers | | | | |
| | Closing price (K) | % Δ | Opening price (K) | |
| FDHB | 85.03 | ↑ 14.06% | 74.55 | |
| FMBCH | 377.99 | ↑ 0.06% | 377.77 | |
| TNM | 16.00 | ↑ 3.16% | 15.51 | |
| Losers | | | | |
| | Closing price (K) | % Δ | Opening price (K) | |
| AIRTEL | 49.53 | ↓ -3.11% | 51.12 | |
| ICON | 15.97 | ↓ -0.19% | 16.00 | |
| NICO | 199.36 | ↓ -0.01% | 199.37 | |
| NITL | 411.43 | ↓ -0.002% | 411.44 | |

Corporate news

| Dividends announced | | | | | |
|---------------------|----------------|--------------------|------------------|----------------------|--------------|
| Company | Dividend type | Dividend (K/share) | Ex-dividend date | Last day to register | Payment date |
| STANDARD | Final declared | 54.97 | 3-Jul-24 | 5-Jul-24 | 26-Jul-24 |
| MPICO | Final proposed | 0.38 | 10-Jul-24 | 12-Jul-24 | 26-Jul-24 |
| NBM | Final proposed | 49.32 | 17-Jul-24 | 19-Jul-24 | 2-Aug-24 |
| NITL | Final proposed | 5.00 | TBA | TBA | TBA |
| NBS | Final proposed | 0.64 | TBA | TBA | TBA |
| ICON | Final proposed | 0.14 | TBA | TBA | TBA |
| SUNBIRD | Final declared | 5.70 | TBA | TBA | TBA |
| PCL | Final proposed | 37.00 | TBA | TBA | TBA |
| NICO | Final proposed | 2.00 | TBA | TBA | TBA |
| FMBCH | Final proposed | 0.43 cents | TBA | TBA | TBA |

| Annual general meetings | | | |
|-------------------------|------------------------------------|-----------|-----------|
| Company | Venue | Date | Time |
| NBM | Sunbird Mount Soche Hotel | 27-Jun-24 | 14:00 hrs |
| MPICO | Amaryllis Hotel | 28-Jun-24 | 11:00 hrs |
| FMBCH | First Capital Bank Training Centre | 28-Jun-24 | 16:00 hrs |

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