

Foreign exchange market developments

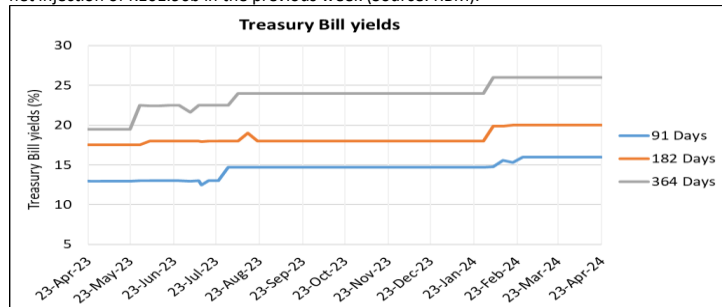
The Kwacha appreciated against USD but depreciated against GBP, EUR and ZAR during the week, as indicated by TT middle exchange rates below:

Closing TT middle exchange rates as at the end of the week				
Currency	26-Apr-24	% Δ	19-Apr-24	
USD	1749.5967	↑ -0.01%	1749.8387	
GBP	2247.7178	↓ 0.43%	2238.0483	
EUR	1929.0304	↓ 0.63%	1916.8759	
ZAR	94.1851	↓ 1.26%	93.0142	
Opening foreign exchange bureaux middle rates as at the end of the week				
Currency	19-Apr-24	% Δ	9-Apr-24	
USD	1919.0000	↓ 0.12%	1916.7513	
GBP	2432.2083	↑ -0.33%	2440.1665	
EUR	2088.1250	↑ -0.57%	2100.0119	
ZAR	102.2917	↑ -0.55%	102.8604	
Foreign exchange reserves position				
	29-Feb-24	31-Jan-24	31-Dec-23	
Gross official foreign exchange reserves (USD'm)	143.60	178.06	242.58	
Gross official reserves import cover (months)	0.57	0.71	0.97	
Benchmark import cover for official reserves (months)	3.00	3.00	3.00	
Private sector foreign exchange reserves (USD'm)	396.72	401.88	433.01	
Private sector reserves import cover (months)	1.59	1.61	1.73	
Total economy foreign exchange reserves (USD'm)	540.32	579.94	675.59	
Total economy import cover (months)	2.16	2.32	2.70	

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K26.28b from auction of Treasury Bills and K21.65b from auction of a 10-year Treasury Note during the week. Maturities of Government securities for the week amounted to K47.46b, resulting in a net withdrawal of K0.47b from the market, compared to a net injection of K101.96b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	23-Apr-24	% pts Δ	16-Apr-24	
Amount offered - cost value (K'm)	15,149.00	0.00%	15,149.00	
Applied - cost value (K'm)	26,280.26	↑ 89.34%	13,879.91	
Allotted - cost value (K'm)	26,280.26	↑ 89.34%	13,879.91	
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	23-Apr-24	16-Apr-24	25, 26, 27 & 28 Mar 2024	
Tenor	10	2	2, 3, 5 & 10 TNs	
Coupon rate	15.00%	10.00%	10.0%, 11.0%, 12.5% & 15.0%	
Amount offered - cost value (K'b)	44.21	57.60	K60.221b for the 2-yr TN	
Total applied - cost value (K'b)	21.67	0.06	120.14	
Total allotted - cost value (K'b)	21.65	0.06	120.14	
Allotted - weighted average ytm	35.00%	28.75%	28.75%, 30.0%, 32.0% & 35.0%	

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	16-Apr-24	04-Jun-24
3-year TN	30.00%	28-Mar-24	14-May-24
5-year TN	32.00%	28-Mar-24	30-Apr-24
5-year Development Bond	28.00%	21-Nov-23	TBA
7-year TN	34.00%	21-Mar-24	28-May-24
7-Year Development Bond	32.00%	16-Jan-24	TBA
10-year TN	35.00%	23-Apr-24	TBA
10-year Development Bond	23.35%	26-Apr-22	21-May-24

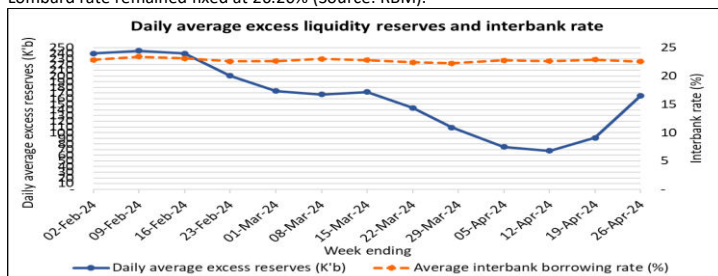
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
30-Apr-24	5	47.22	12.50%
14-May-24	3	54.25	11.00%
21-May-24	10-year IDB	3.95	16.00%
28-May-24	7	46.89	13.50%
04-Jun-24	2	59.52	10.00%
18-Jun-24	5	47.22	12.50%
25-Jun-24	3	54.51	11.00%

Projected maturities			
Week ending	26-Apr-24	3-May-24	10-May-24
TBs, PNs & TNs (K'm)	37,456	10,548	6,936
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K165.07b during the week from K90.82b in the previous week. Daily average interbank borrowing decreased to K37.70b from K56.37b. There was no borrowing on the Lombard facility during the week as was the case in the previous week. The average interbank borrowing rate decreased to 22.56% from 22.88%. The Lombard rate remained fixed at 26.20% (Source: RBM).



Policy Rate			
Rate	01-Feb-24	% pts Δ	27-Oct-23
	26.00%	↑ 2.00	24.00%
Market Reference Rate			
Rate	Apr-24	% pts Δ	Mar-24
	24.90%	↓ 0.00	24.90%
Initiation Rate			
Rate	Mar-24	% pts Δ	Feb-24
	31.8%	↓ -1.70	33.5%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.11% to close the week at 115,521.91 points from 115,649.31 points in the previous. The market traded 10,075,488 shares at a consideration of K1.85b in 240 trades, compared to 22,463,128 shares traded at a consideration of K2.44b in 238 trades in the previous week. The year-to-date return on MASI stood at 4.12% as at the end of the week compared to 40.06% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	26-Apr-24	% Δ	19-Apr-24
MASI	115,521.91	↓ -0.11%	115,649.31
DSI	86,959.22	↑ 0.20%	86,781.61
FSI	20,220.39	↓ -1.80%	20,591.98
Traded volume	10,075,488	↓ -55.15%	22,463,128
Number of trades	240	↑ 0.84%	238
Value of shares traded (K'm)	1,854.76	↓ -23.89%	2,437.01
Market capitalisation (K'm)	6,250,117.06	↓ -0.12%	6,257,858.38
Gainers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	51.01	↑ 1.69%	50.16
ILLOVO	1355.16	↑ 0.37%	1350.15
NBM	2400.14	↑ 0.0004%	2400.13
STANDARD	3950.26	↑ 0.001%	3950.23
SUNBIRD	195.04	↑ 0.01%	195.03
TNM	12.10	↑ 0.33%	12.06
Losers			
	Closing price (K)	% Δ	Opening price (K)
FMBCB	404.38	↓ -1.82%	411.88
NBS	108.99	↓ -0.80%	109.87
NICO	199.50	↓ -0.04%	199.58

Published annual financial results			
Company	2023 profit after tax (K'b)	2022 profit after tax (K'b)	Movement
Listed banks			
FDH Bank Plc	35,647	55%	22,932
National Bank of Malawi Plc	71,959	57%	45,944
NBS Bank Plc	29,378	55%	18,905
Standard Bank Plc	52,520	34%	39,202
Unlisted banks			
CDH Investment Bank Ltd	11,141	48%	7,534
Ecobank Ltd	30,317	50%	20,148
Listed non-bank companies			
Airtel Malawi Plc	1,409	↓ -96%	36,925
Blantyre Hotels Plc	(0,793)	↓ -70%	(0,466)
Ilovo Sugar Plc	56,758	↑ 113%	26,630
ICON Properties Plc	19,159	↑ 15%	16,706
MPICO Plc	7,067	↓ -13%	8,137
National Investment Trust Plc	21,505	↑ 207%	6,994
Old Mutual Group Plc (Rbn)	7,380	↑ 26%	5,854
Press Corporation Plc	75,046	↑ 107%	36,338
Sunbird Tourism Plc	5,252	↑ 72%	3,051
Unlisted non-bank financial institutions			
Bridgeway Capital Ltd	0,107	↑ 151%	0,043
Continental Asset Management Ltd	0,712	↓ -31%	1,037
Continental Capital Ltd	0,120	↑ 91%	0,063
Continental Holdings Ltd	11,679	↑ 40%	8,366
Continental Pension Services Company Ltd	0,008	↑ 131%	(0,025)
Continental Unrestricted Pension Fund (net investment income after tax)	3,689	↑ 232%	1,113
Export Development Fund	9,700	↓ -52%	20,387
FINCA	0,766	↑ 34%	0,571
Malawi Agricultural and Industrial Investment Corporation Plc	2,520	↑ 249%	0,722
Microloan Foundation	0,200	↑ 159%	0,077
NBM Capital	3,411	↑ 176%	1,234
NBM Development Bank Ltd	0,893	↑ 193%	0,304
NBM Pensions Administration Ltd	0,142	↓ -16%	0,168
NICO Asset Managers Ltd	3,452	↑ 26%	2,730
NICO Life	26,449	↑ 68%	15,766
NICO Pension	0,870	↑ 30%	0,670
Old Mutual Investment Group Ltd	1,439	↓ -8%	1,564
Old Mutual Protektor Pension Fund (increase in net assets available for benefits)	9,701	↑ 87%	5,200
Old Mutual Pension Services Company Ltd	0,728	↑ 52%	0,478
Old Mutual Unit Trust Company (Malawi) Ltd	0,375	↑ 26%	0,297
Old Mutual Unit Trust Balanced Fund	5,385	↑ 114%	2,518
Old Mutual Unit Trust Interest Bearing Assets Fund	11,525	↑ 102%	5,701
Old Mutual Unrestricted Pension Fund (increase in net assets available for benefits)	0,222	↑ 70%	0,130
Reunion Insurance Company Ltd	1,122	↑ 210%	0,362
Stock Brokers Malawi Ltd	0,384	↑ 20%	0,320

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