



Foreign exchange market developments

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

Closing TT middle exchange rates as at the end of the week			
Currency	31-May-24	% Δ	24-May-24
USD	1750.7584	↓ 0.05%	1749.8223
GBP	2285.2186	↓ 0.23%	2279.9509
EUR	1951.1424	↓ 0.52%	1941.0044
ZAR	95.1403	↑ -1.82%	96.9050

Opening foreign exchange bureaux middle rates as at the end of the week			
Currency	30-Apr-24	% Δ	26-Apr-24
USD	1920.0417	→ 0.00%	1920.0417
GBP	2436.4167	↓ 0.14%	2432.8958
EUR	2093.5417	↓ 0.05%	2092.5417
ZAR	102.4167	↓ 0.35%	102.0625

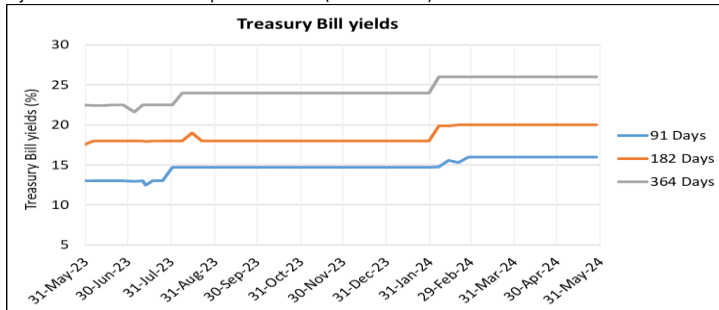
Foreign exchange reserves position			
	30-Apr-24	31-Mar-24	29-Feb-24
Total foreign exchange reserves			
(Aggregate of RBM, Banks & FCDAs)	603.07	552.94	540.33
Total import cover (months)	2.41	2.21	2.16

Cumulative tobacco sales as at the end of week 7			
Date	Week 7 2024 (31 May)	% Δ	Week 7 2023 (26 May)
Volume (million kg)	64.73	↑ 28.56%	50.35
Value (USD/million)	182.00	↑ 62.34%	112.11
Average price (USD/Kg)	2.81	↑ 26.01%	2.23

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K35.32m from auction of Treasury Bills and K93.55b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K14.82b, resulting in a net withdrawal of K78.77b from the market, compared to a net injection of K23.20b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	28-May-24	% pts Δ	21-May-24
Amount offered - cost value (K'm)	14,399.00	→ 0.00%	14,399.00
Applied - cost value (K'm)	35.32	↓ -99.45%	6,460.39
Allotted - cost value (K'm)	35.32	↓ -99.45%	6,460.39
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	31-May-24	28-May-24	21-May-24
Tenor	2, 3, 5, 7 & 10-year TNs	7-year TN	10-year IDB
Coupon rate	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	13.50%	16.00%
Amount offered - cost value (K'b)		46.89	3.95
Total applied - cost value (K'b)	93.55	3.39	0.27
Total allotted - cost value (K'b)	93.55	3.39	0.27
Allotted - weighted average ytm	28.75%, 30.00%, 32.00%, 34.00% & 35.00%	34.00%	35.00%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	28.75%	31-May-24	04-Jun-24
3-year TN	30.00%	31-May-24	25-Jun-24
5-year TN	32.00%	31-May-24	18-Jun-24
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	23.35%	21-May-24	TBA

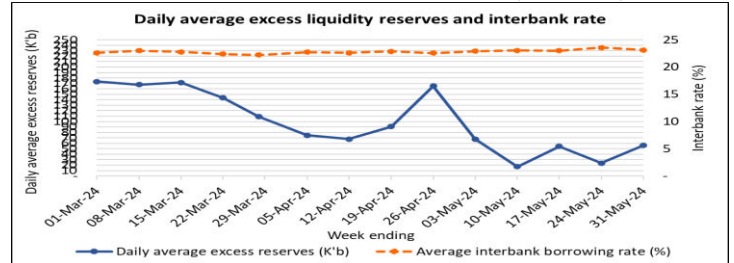
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
04-Jun-24	2	59.52	10.00%
18-Jun-24	5	47.22	12.50%
25-Jun-24	3	54.51	11.00%

Projected maturities			
Week ending	31-May-24	7-Jun-24	14-Jun-24
TBs, PNs & TNs (K'm)	14,821	42,160	7,911
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 K55.93b during the week from K23.55b in the previous week. Daily average interbank borrowing increased to K54.52b from K52.15b. Borrowing on the Lombard facility increased to an average of K116.86b per day, compared to K96.77b per day in the previous week. The average interbank borrowing rate decreased to 23.16% from 23.58%. The Lombard rate remained fixed at 26.20% (Source: RBM)



Policy Rate			
Rate	03-May-24	% pts Δ	01-Feb-24
	26.00%	→ 0.00	26.00%

Market Reference Rate			
Rate	May-24	% pts Δ	Apr-24
	25.00%	↑ 0.10	24.90%

Inflation Rate			
Rate	Apr-24	% pts Δ	Mar-24
	32.3%	↑ 0.50	31.8%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.04% to close the week at 115,418.29 points from 114,231.25 points in the previous. The market traded 42,140,309 shares at a consideration of K4.27b in 270 trades, compared to 30,652,189 shares traded at a consideration of K1.70b in 214 trades in the previous week. The year-to-date return on MASI stood at 4.03% as at the end of the week compared to 66.83% for the same period in 2023 (Source: MSE).

Stock market trading activity			
	31-May-24	% Δ	24-May-24
MASI	115,418.29	↑ 1.04%	114,231.25
DSI	87,814.00	↑ 1.22%	86,756.60
FSI	19,011.00	↓ -0.01%	19,012.49
Traded volume	42,140,309	↑ 37.48%	30,652,189
Number of trades	270	↑ 26.17%	214
Value of shares traded (K'm)	4,270.93	↑ 150.63%	1,704.11
Market capitalisation (K'm)	6,241,586.23	↑ 1.03%	6,177,983.10

Gainers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	51.21	↑ 0.04%	51.19
FDHB	74.52	↑ 14.05%	65.34
NBS	90.79	↑ 0.09%	90.71

Losers			
	Closing price (K)	% Δ	Opening price (K)
FMCH	379.97	↓ -0.01%	380.00
ICON	16.79	↓ -0.06%	16.80
ILLOVO	1355.14	↓ -0.001%	1355.15
NICO	199.40	↓ -0.03%	199.45
NITL	411.47	↓ -0.002%	411.48

Corporate news

Airtel Malawi Plc announced that the Annual General Meeting that was scheduled for 31st May 2024 was convened and subsequently adjourned to a later date as the Board of Directors considered it necessary to withdraw the company's audited financial statements for the year ended 31st December 2023 together with its dividend recommendation of K0.977 per share. Airtel intends to revise its financial statements for the year ended 31st December 2023 along with the restatement of the financial statements for the year ended 31st December 2022. This decision was made in consultation with its statutory auditors, as a result of a re-assessment of the accounting treatment for certain US\$ indexed tower lease contracts recorded on its balance sheet. The impact of this revision is expected to result in a negative retained earnings position on the balance sheet as of 31st December 2023 (Source: Airtel, MSE).

Dividends announced					
Company	Dividend type	Dividend (K/share)	Ex-dividend date	Last day to register	Payment date
FDHB	Final declared	1.02	12-Jun-24	14-Jun-24	20-Jun-24
STANDARD	Final proposed	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 proposed	5.70	TBA	TBA	TBA
PCL	Final proposed	37.00	TBA	TBA	TBA
NICO	Final proposed	2.00	TBA	TBA	TBA
FMCH	Final proposed	0.43 cents	TBA	TBA	TBA

Annual general meetings			
Company	Venue	Date	Time
STANDARD	Sunbird Mount Soche Hotel	20-Jun-24	09:00 hrs
NBM	Sunbird Mount Soche Hotel	27-Jun-24	14:00 hrs
MPICO	Amaryllis Hotel	28-Jun-24	11:00 hrs
FMCH	First Capital Bank Training Centre	28-Jun-24	16:00 hrs

Source: MSE

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