



Foreign exchange market developments

During the week, the Kwacha depreciated against the USD, GBP, EUR and ZAR as indicated in the table below:

Closing TT middle exchange rates as at the end of the week				
Currency	1-Sep-23		% Δ	25-Aug-23
USD	1125.3523	↓	2.94%	1093.1803
GBP	1467.2471	↓	4.02%	1410.5951
EUR	1256.3171	↓	3.33%	1215.8076
ZAR	60.9615	↓	2.75%	59.3273

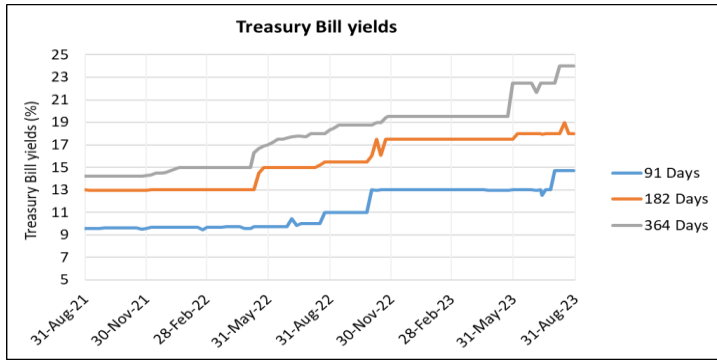
Gross official foreign exchange reserves position			
	31-Jul-23	30-Jun-23	31-May-23
Reserves (USD'm)	267.91	321.53	194.82
Import cover (months)	1.07	1.29	0.78
Benchmark import cover (months)	3.00	3.00	3.00

Data source: Reserve Bank of Malawi (RBM) and AHL

Government securities

The Government raised K7.00b from auction of Treasury Bills and K0.46b from auction of a 10-year Treasury Note during the week.

Maturities of Government securities for the week amounted to K2.11b. These transactions resulted in a net withdrawal of K5.35b from the market, compared to a net withdrawal of K55.05b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	29-Aug-23		% pts Δ	22 & 25 August 2023
Amount offered - cost value (K'm)	6,177.00	↓	0.00%	6,177.00
Applied - cost value (K'm)	7,003.00	↓	-83.65%	42,823.29
Allotted - cost value (K'm)	7,003.00	↓	-83.60%	42,694.42
Overall rejection rate	0.00%	↓	-0.30	0.30%
91 days yield	14.7000%	↓	0.0000%	14.7000%
182 days yield	18.0000%	↓	0.0000%	18.0000%
364 days yield	24.0000%	↓	0.0000%	24.0000%
All-type yield	18.9000%	↓	0.0000%	18.9000%

Treasury Note and Bond auctions				
Auction date	29-Aug-23	25-Aug-23	15-Aug-23	
Tenors	10 years	2, 3 & 5 years	2 years	
Coupon rate	15.00%	10.00%, 11.00% & 12.50%	10.00%	
Amount offered - cost value (K'b)	26.61		48.15	
Total applied - cost value (K'b)	1.04	38.29	17.09	
Total allotted - cost value (K'b)	0.46	38.29	17.09	
Allotted - weighted average ytm	32.83%	26.75%, 28.00% & 30.00%	26.59%	

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	26.75%	25-Aug-23	12-Sep-23	
3-year TN	28.00%	25-Aug-23	05-Sep-23	
5-year TN	30.00%	25-Aug-23	26-Sep-23	
5-year Development Bond	28.00%	27-Jun-23	TBA	
7-year TN	30.46%	08-Aug-23	TBA	
7-Year Development Bond	27.50%	28-Feb-23	TBA	
10-year TN	32.83%	29-Aug-23	19-Sep-23	
10-year Development Bond	23.35%	26-Apr-22	TBA	

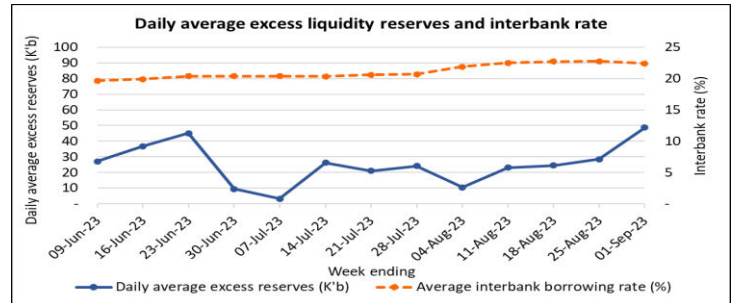
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
05-Sep-23	3	62.81	11.00%	
12-Sep-23	2	48.15	10.00%	
19-Sep-23	10	15.70	15.00%	
26-Sep-23	5	50.25	12.50%	

Projected maturities				
Week ending	1-Sep-23	8-Sep-23	15-Sep-23	
TBs, PNs & TNs (K'm)	2,105	4,962	39,521	
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 K48.70b during the week from K28.47b in the previous week. Daily average interbank borrowing slightly decreased to K31.06b from K31.50b. Borrowing on the Lombard facility decreased to the average of K80.41b per day from K126.99b per day in the previous week. The average interbank borrowing rate decreased to 22.44% from 22.77%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate				
Rate	27-Jul-23	% pts Δ	27-Apr-23	
	24.00%	↑ 2.00	22.00%	

Market Reference Rate				
Rate	Sep-23	% pts Δ	Aug-23	
	23.40%	↑ 0.70	22.70%	

Inflation Rate				
Rate	Jul-23	% pts Δ	Jun-23	
	28.4%	↑ 1.10	27.3%	

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.91% to close the week at 119,078.70 points from 116,845.17 points in the previous week due to share price gains in AIRTEL (0.03%), FMBCH (14.65%), ILLOVO (0.001%), NBM (0.05%) and PCL (0.04%), which offset share price losses in FDHB (-0.03%), ICON (-0.05%), MPICO (-0.05%), NBS (-0.02%), NICO (0.01%) and STANDARD (-0.04%). The market traded 16,547,614 shares at a consideration of K1.83b in 257 trades, compared to 5,849,247 shares traded at a consideration of K697.58m in 392 trades in the previous week. The year-to-date return on MASI stands at 91.95% compared to 20.03% for the same period in 2022.

Stock market trading activity				
	01-Sep-23	% Δ	25-Aug-23	
MASI	119,078.70	↑ 1.91%	116,845.17	
DSI	90,337.56	↑ 0.00%	90,333.35	
FSI	19,947.76	↑ 14.54%	17,415.02	
Traded volume	16,547,614	↑ 182.90%	5,849,247	
Number of trades	257	↓ -34.44%	392	
Value of shares traded (K'm)	1,832.34	↑ 162.67%	697.58	
Market capitalisation (K'm)	6,437,622.75	↑ 2.00%	6,311,703.69	

	Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	100.47	↑ 0.03%	100.44	
FMBCH	400.00	↑ 14.65%	348.88	
ILLOVO	1121.42	↑ 0.001%	1121.41	
NBM	2101.00	↑ 0.05%	2100.02	
PCL	2508.00	↑ 0.04%	2507.00	

	Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	75.98	↓ -0.03%	76.00	
ICON	18.96	↓ -0.05%	18.97	
MPICO	20.55	↓ -0.05%	20.56	
NBS	131.94	↓ -0.02%	131.97	
NICO	162.99	↓ -0.01%	163.01	
STANDARD	2500.04	↓ -0.04%	2501.00	

Published bank financial results for the half year ended 30th June 2023				
Company	H1 2023 profit after tax (K'm)	Change (%)	H1 2022 profit after tax (K'm)	
Listed banks				
FDH Bank Plc	15,015	↑ 72%	8,707	
First Capital Bank Plc	16,787	↑ 128%	7,360	
National Bank of Malawi Plc	35,483	↑ 60%	22,118	
NBS Bank Plc	12,157	↑ 139%	5,090	
Standard Bank Malawi Plc	26,922	↑ 70%	15,835	
Unlisted banks				
CDH Investment Bank Ltd	5,463	↑ 118%	2,503	
Centenary Bank Ltd	970	↑ 201%	(959)	
Ecobank Ltd	14,287	↑ 78%	8,031	
Listed non-bank companies				
Airtel Malawi Plc	18,991	↑ 113%	8,901	
MPICO Plc	5,082	↑ 61%	3,161	
National Investment Trust Plc	16,490	↑ 1027%	1,463	

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