



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 2.52% to close the week at 42,345.40 points from 41,305.45 points in the previous week due to share price gains in FMBCH (8.22%), ILLOVO (1.89%), MPICO (15.00%), NBM (0.001%), NBS (0.26%), STANDARD (12.00%) and SUNBIRD (0.01%) which offset share price losses in AIRTEL (-0.21%) and ICON (-43.86%). The market traded 57,261,881 shares at a consideration of K1.22b in 66 trades during the week, compared to 31,933,951 shares traded at a consideration of K619.12m in 81 trades in the previous week. The year-to-date return on MASI stands at 30.72% compared to 3.07% for the same period in 2020 (Source: MSE).

Corporate news

Dividends

Company	Dividend type	Dividend	Last day to register	Payable
ILLOVO	Second Interim	K10.00	10-Dec-21	13-Dec-21

Published financial results

Listed Companies	2021 Profit after tax (K' billion)		Movement	2020 Profit after tax (K' billion)
ILLOVO	20.47	↑	647.32%	2.74

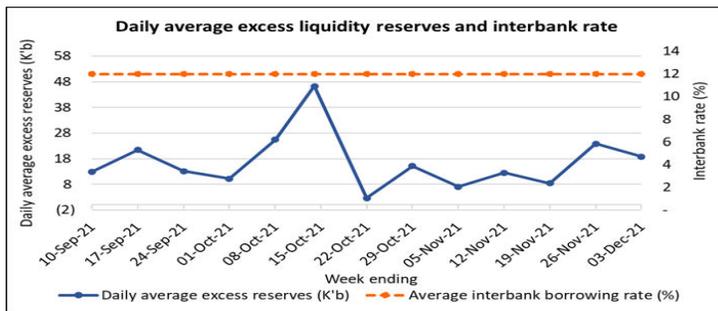
Government securities

Government raised K4.65b during the week's auction for Treasury Bills (TBs) compared to K8.82b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased marginally to 12.2853% from 12.2368% in the previous week, due to an increase in the 91-day and 364-day yield to 9.5837% and 14.2973%, from 9.5353% and 14.2000% in the previous week, respectively. The 182-day yield was stable at 12.9750% (Source: RBM).

Maturities of Government securities and OMO reverse repos for the week amounted to K16.18b and K7.21b, respectively. This resulted in a net withdrawal of K4.33b from the market, compared to a net injection of K1.6b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K18.81b from K23.91b recorded in the previous week. Daily interbank borrowing averaged K9.36b compared to K10.35b in the previous week. The average interbank borrowing rate was stable at 11.98% since last week. Borrowing on the Lombard Facility averaged K103.97 per day, a decrease from an average of K108.84b per day reported in the previous week. (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha appreciated by -0.17% to trade at K822.4158 per USD as at 3rd December 2021 from K823.8489 as at 25th November 2021. The kwacha, however, depreciated against the GBP, EUR and ZAR by 0.33%, 4.93% and 0.67%. The gross official forex reserves were last recorded at USD395.46m (1.58 months of import cover) on 19th November 2021 from USD398.56m (1.59 months of import cover) recorded on 12th November 2021 (Source: RBM).

Stock market			
	03-Dec-21	% Δ	26-Nov-21
MASI	42,345.40	↑ 2.52%	41,305.45
DSI	34,956.70	↑ 2.15%	34,222.60
FSI	3,477.00	↑ 7.56%	3,232.74
Traded volume	57,261,881	↑ 79.31%	31,933,951
Number of trades	66	↓ -18.52%	81
Value of shares traded (K'm)	1,222.25	↑ 97.42%	619.12
Market capitalisation (K'm)	2,298,895.69	↑ 2.51%	2,242,569.13
Gainers			
	Closing price (K)	% Δ	Opening price (K)
FMBCH	64.94	↑ 8.22%	60.01
ILLOVO	270.01	↑ 1.89%	265.00
MPICO	20.70	↑ 15.00%	18.00
NBM	701.12	↑ 0.001%	701.11
NBS	22.92	↑ 0.26%	22.86
STANDARD	1,400.00	↑ 12.00%	1,250.03
SUNBIRD	90.01	↑ 0.01%	90.00
Losers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	38.20	↓ -0.21%	38.28
ICON	12.89	↓ -43.86%	22.96
Treasury Bill auctions			
	30-Nov-21	% pts Δ	23-Nov-21
Auction date	17,009.00	⇒ 0.00%	17,009.00
Amount offered - cost value (K'm)	4,645.53	↓ -47.31%	8,816.56
Applied - cost value (K'm)	4,645.53	↓ -47.31%	8,816.56
Allotted - cost value (K'm)	0.00%	⇒ 0.00%	0.00%
Overall rejection rate	9.5837%	↑ 0.5076%	9.5353%
91 days yield	12.9750%	⇒ 0.0000%	12.9750%
182 days yield	14.2973%	↑ 0.6852%	14.2000%
364 days yield	12.2853%	↑ 0.3969%	12.2368%
All-type yield			
Treasury Note auctions			
	23-Nov-21	9-Nov-21	26-Oct-21
Auction date	7 years	3 years	10 years
Tenors	13.50%	11.00%	15.00%
Coupon rate	30.00	45.00	12.64
Amount offered - cost value (K'b)	5.47	21.33	3.72
Total applied - cost value (K'b)	5.47	21.33	3.53
Total allotted - cost value (K'b)	20.94%	19.00%	22.50%
Allotted - weighted average ytm			
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2-year	16.63%	12-Oct-21	TBA
3-year	19.00%	09-Nov-21	TBA
5-year	20.53%	09-Oct-21	TBA
7-year	20.94%	26-Nov-21	TBA
10-year	22.50%	26-Oct-21	TBA
10-year infrastructure bond	23.25%	17-Aug-21	07-Dec-21
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Previous Coupon rate
07-Dec-21	10 year infrastructure bond	20.00	16.00%
Projected maturities			
Week ending	3-Dec-21	10-Dec-21	17-Dec-21
TBs, PNs & TNs (K'm)	16,184	12,315	5,961
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	7,207	0	0
Reference rate			
Rate	Dec-21	% pts Δ	Nov-21
	12.20%	⇒ 0.00	12.20%
Inflation rate			
Rate	Oct-21	% pts Δ	Sep-21
	9.8%	↑ 0.9	8.9%
Indicative opening mid exchange rates			
	3-Dec-21	% Δ	25-Nov-21
USD	822.4158	↑ -0.17%	823.8489
GBP	1187.1572	↓ 0.33%	1183.2228
EUR	1115.5908	↓ 4.93%	1063.1756
ZAR	57.1358	↓ 0.67%	56.7576
Gross official foreign exchange reserves position			
	19-Nov-21	12-Nov-21	5-Nov-21
Reserves (USD'm)	395.46	398.56	402.20
Import cover (months)	1.58	1.59	1.61

*US\$250.0m import requirement per month is used in the calculation from May 21 while US\$209.0m is used in the preceding months.

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 61,949 as at 3rd December 2021, out of which 596 were reported to be active. COVID-19 infections averaged 9 this week compared to 4 cases in the previous week. From the total confirmed cases of 61,949, so far, 58,814 people have recovered while 2,307 have died from the disease. Cumulatively, 846,486 and 333,573 people were reported to have received the first and second dose AstraZeneca vaccine, respectively while 281,236 people were reported to have received the Johnson and Johnson vaccine. Cumulatively, 614,809 people were reported to have been fully vaccinated representing 3.99% of the total Malawi population (15.4 million). Globally, total confirmed cases of COVID-19 amounted to 265.56m, with recoveries of more than 239.54m and 5.25m deaths as at 3rd December 2021 (Source: Johns Hopkins University and Medicine).

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