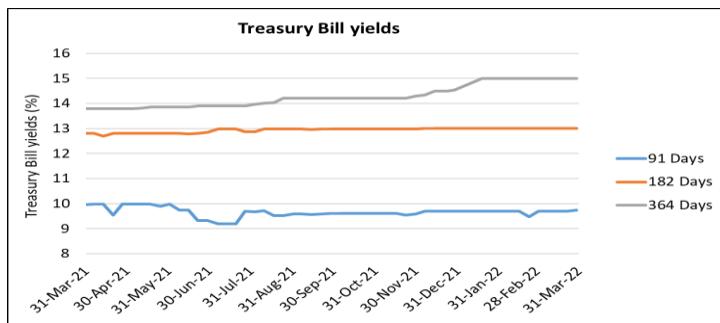


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.46% to close the week at 45,956.50 points from 45,746.97 points in the previous week due to share price gains in FDHB (10.28%), FMBCH (0.01%), NBM (0.001%) and NITL (14.74%), which offset share price losses in ICON (-0.78%) and NBS (-0.04%). The market traded 2,823,541 shares at a consideration of K103.99m in 67 trades during the week, compared to 770,560 shares traded at a consideration of K26.06m in 46 trades in the previous week. The year-to-date return on MASI stands at 1.30% compared to 0.53% for the same period in 2021 (Source: MSE).

Government securities

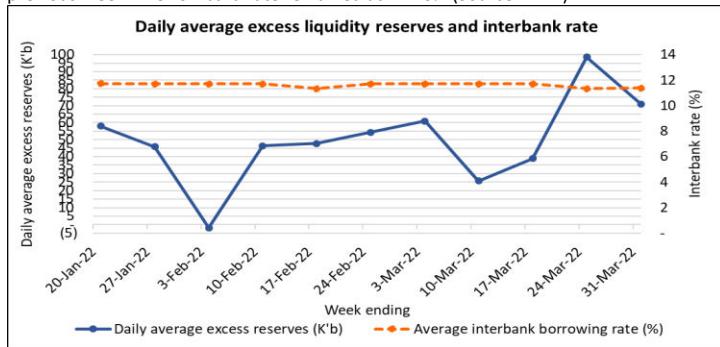
Government raised K17.55b during the week's auction for Treasury Bills (TBs) compared to K13.04b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.5797% from 12.5667% in the previous week, due to an increase in the 91-day yield to 9.7390% from 9.7000%. The 182-day and 364-day yields were stable at 13.0000% and 15.0000%, respectively (Source: RBM).



The Government also raised K121.98b in auctions of Treasury Notes (2, 3, 5 and 7 years) during the week. The RBM conducted OMO reverse repos of K22.55b and outright purchase of securities of K85.20b. Maturities of Government securities for the week amounted to K42.08b while maturities of OMO reverse repos amounted to K15.41b. These transactions resulted in a net withdrawal of K5.11b from the market compared to a net withdrawal of K49.68b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K70.97b from K98.57b in the previous week. Daily average interbank borrowing increased to the average of K15.44b compared to K12.10b in the previous week. The average interbank borrowing rate increased to 11.38% from 11.33%. Borrowing on the Lombard Facility increased to the average of K39.20b per day during the week, compared to K35.95b per day in the previous week. The Lombard rate remained at 12.20% (Source: RBM).


Foreign exchange market developments

The Kwacha appreciated by 0.07% to trade at K823.6030/USD as at 31st March 2022 from K824.2099/USD as at 24th March 2022. In the same period, the Kwacha also appreciated against GBP, EUR and ZAR by 1.60%, 11.81% and 2.71%, respectively. Gross official forex reserves stood at USD385.40 million (1.54 months of import cover) as at 28th February 2022, down from USD399.98 million (1.60 months of import cover) as at 31st January 2022 (Source: RBM). The recommended minimum import cover is 3 months. The 2022 tobacco marketing season was officially opened on 31st March 2022.

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| Stock market | | | |
|---|---------------------------------|--------------|-------------------------|
| 1-Apr-22 | % Δ | 25-Mar-22 | |
| MASI | 45,956.50 | ▲ 0.46% | 45,746.97 |
| DSI | 37,615.73 | ▲ 0.50% | 37,429.68 |
| FSI | 4,184.71 | ▲ 0.01% | 4,184.21 |
| Traded volume | 2,823,541 | ▲ 266.43% | 770,560 |
| Number of trades | 67 | ▲ 45.65% | 46 |
| Value of shares traded (K' m) | 103.99 | ▲ 298.99% | 26.06 |
| Market capitalisation (K' m) | 2,491,008.03 | ▲ 0.45% | 2,479,779.39 |
| Gainers | Closing price (K) | % Δ | Opening price (K) |
| FDHB | 15.56 | ▲ 10.28% | 14.11 |
| FMBCH | 80.01 | ▲ 0.01% | 80.00 |
| NBM | 948.01 | ▲ 0.001% | 948.00 |
| NITL | 109.00 | ▲ 14.74% | 95.00 |
| Losers | Closing price (K) | % Δ | Opening price (K) |
| ICON | 12.69 | ▼ -0.78% | 12.79 |
| NBS | 22.79 | ▼ -0.04% | 22.80 |
| Treasury Bill auctions | | | |
| Auction date | 29-Mar-22 | % pts Δ | 22-Mar-22 |
| Amount offered - cost value (K' m) | 7,541.00 | ▲ 0.00% | 7,541.00 |
| Applied - cost value (K' m) | 17,546.16 | ▲ 34.58% | 13,037.36 |
| Allotted - cost value (K' m) | 17,546.16 | ▲ 34.58% | 13,037.36 |
| Overall rejection rate | 0.00% | ▲ 0.00% | 0.00% |
| 91 days yield | 9.7390% | ▲ 0.0390% | 9.7000% |
| 182 days yield | 13.0000% | ▲ 0.0000% | 13.0000% |
| 364 days yield | 15.0000% | ▲ 0.0000% | 15.0000% |
| All-type yield | 12.5797% | ▲ 0.0130% | 12.5667% |
| Treasury Note and Bond auctions | | | |
| Auction date | 29 & 31 March 2022 | 22-Mar-22 | 22-Mar-22 |
| Tenors | 2, 3, 5, & 7 years | 5 years | 2, 3 & 7 years |
| Coupon rate | 10.00%, 11.00%, 12.50% & 13.50% | 12.50% | 10.00%, 11.00% & 13.50% |
| Amount offered - cost value (K' b) | 48.15 | | |
| Total applied - cost value (K' b) | 122.43 | 17.87 | 24.43 |
| Total allotted - cost value (K' b) | 121.98 | 17.09 | 21.56 |
| Allotted - weighted average ytm | 17.00%, 19.50%, 21.00% & 22.00% | 20.98% | 16.96%, 19.47% & 21.99% |
| Current yields for Treasury Notes | | | |
| Tenor | Last auction's yield | Last auction | Next auction |
| 2 years | 17.00% | 31-Mar-22 | TBA |
| 3 years | 19.50% | 31-Mar-22 | TBA |
| 5 years | 21.00% | 31-Mar-22 | TBA |
| 7 years | 22.00% | 31-Mar-22 | TBA |
| 7-Year Development Bond | 22.47% | 8-Mar-22 | TBA |
| 10 years | 22.98% | 18-Jan-22 | TBA |
| 10-year infrastructure bond | 23.25% | 17-Aug-21 | TBA |
| Projected maturities | | | |
| Week ending | 1-Apr-22 | 8-Apr-22 | 15-Apr-22 |
| TBs, PNs & TNs (K' m) | 42,083 | 2,665 | 6,719 |
| OMO repos (K' m) | 0 | 0 | 0 |
| OMO reverse repos (K' m) | 15,407 | 0 | 0 |
| Reference rate | | | |
| Rate | Mar-22 | % pts Δ | Feb-22 |
| | 12.20% | ▲ 0.00 | 12.20% |
| Inflation rate | | | |
| Rate | Feb-22 | % pts Δ | Jan-22 |
| | 13.0% | ▲ 0.9 | 12.1% |
| Closing TT mid exchange rates | | | |
| USD | 31-Mar-22 | % Δ | 24-Mar-22 |
| 823.6030 | ▲ -0.07% | 824.2099 | |
| GBP | 1214.2164 | ▲ -1.60% | 1233.9261 |
| EUR | 1031.3247 | ▲ -11.81% | 1169.4576 |
| ZAR | 66.8957 | ▲ -2.71% | 68.7583 |
| Gross official foreign exchange reserves position | | | |
| Reserves (USD'm) | 28-Feb-22 | 31-Jan-22 | 31-Dec-21 |
| 385.40 | 399.98 | 429.17 | 1.72 |
| Import cover (months) | 1.54 | 1.60 | |

Sources: MSE, RBM, NSO, AHL

| Published annual financial results | | | |
|------------------------------------|------------------------------|----------|------------------------------|
| Company | 2021 profit after tax (K' b) | Movement | 2020 profit after tax (K' b) |
| Standard Bank Plc | 24,769 | ▲ 4% | 23,743 |
| National Investment Trust Plc | 4,671 | ▲ 216% | 1,479 |
| Old Mutual Group Plc (Rb) | 6,662 | ▲ 31% | 5,097 |
| Sunbird Tourism Plc | 0.749 | ▲ 164% | (1,180) |

Source: MSE

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 85,640 as at 31st March 2022, out of which 2,407 were reported to be active. COVID-19 infections averaged 8 positive cases this week compared to 4 positive cases in the previous week. So far, 80,330 people have recovered while 2,626 have died from the disease. A total of 2,035,601 doses have been administered in the country so far, 766 have received their booster doses, while 892,414 people are fully vaccinated, representing 4.55% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 488,457m and 6,143m deaths as at 31st March 2022 (Source: Johns Hopkins University and Medicine).