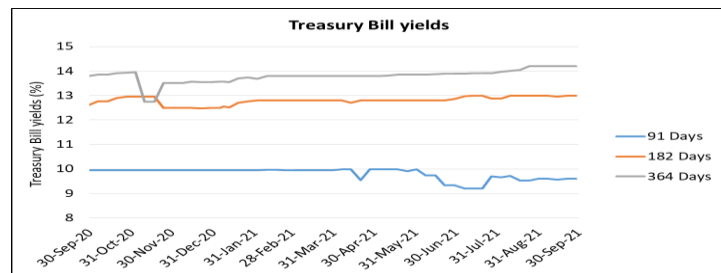


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.84% to close the week at 41,681.86 points from 41,333.34 points in the previous week due to share price gains in AIRTEL (0.03%), SUNBIRD (0.01%) and TNM (11.88%), which offset share price losses in FDHB (-1.74%), ILLOVO (-0.23%) and NBS (-4.75%). The market traded 151,753,873 shares at a consideration of K5.13b in 164 trades during the week, compared to 26,440,432 shares traded at a consideration of K652.87m in 58 trades in the previous week. The year-to-date return on MASI stands at 28.68% compared to 5.18% for the same period in 2020 (Source: MSE).

Government securities

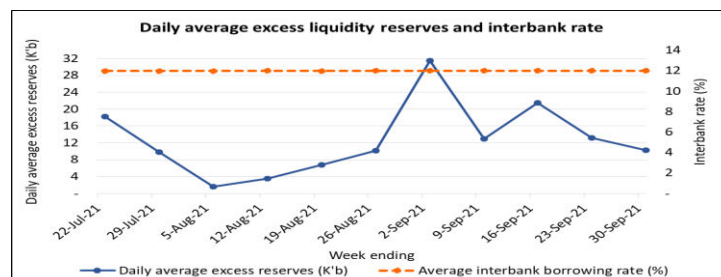
Government raised K8.81b during the week's auction for Treasury Bills (TBs) compared to K11.81b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.2613% from 12.2573% in the previous week, due to increases in the 91-day, 182-day and 364-day yields to 9.5998%, 12.9840% and 14.2000%, respectively, from 9.5904%, 12.9815% and 14.1999% in the previous week (Source: RBM).



Government also raised K3.74b through auction of a 10-year Treasury Note. Maturities of Government securities amounted to K13.66b. This resulted in a net injection of K1.11b into the market, compared to a net withdrawal of K7.58b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K10.22b from K13.20b recorded in the previous week. Daily interbank borrowing averaged K18.50b as compared to K18.20b in the previous week. The average interbank borrowing rate was stable at 11.98% as per the previous five consecutive weeks. Borrowing on the Lombard Facility averaged K84.93b per day, decreasing from an average of K103.70b per day in the previous week. The Lombard rate remained at 12.20% as previously set by the Monetary Policy Committee (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.01% to trade at K822.1655 per USD as at 30th September 2021 from K822.0592 as at 23rd September 2021. The Kwacha, however, appreciated against GBP, EUR and ZAR by -1.42%, -0.98% and -1.87%, respectively. Gross official forex reserves were last recorded at USD604.50m (2.42 months of import cover) on 31st August 2021, increasing from USD404.18m (1.62 months of import cover) on 31st July 2021. The reserves were below the recommended minimum of 3 months of import cover (Source: RBM).

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 61,597 as at 1st October 2021, out of which 3,630 were reported to be active. The 7-day average of daily infections decreased to 17 during the week from 27 in the previous week. So far, 55,453 people have recovered while 2,282 have died from the disease. The first and second doses of the Oxford-AstraZeneca vaccine were reported to have been administered to cumulatively 564,228 and 254,711 people respectively, while 243,990 people were reported to have received the Johnson & Johnson vaccine. Cumulatively, 498,701 people were fully vaccinated as at 1st October 2021, representing 2.68% of the total population (18.63m in 2019) (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 234.64m, with recoveries of more than 211.39m and 4.79m deaths as at 1st October 2021 (Source: Johns Hopkins University and Medicine).

Stock market			
	1-Oct-21	% Δ	24-Sep-21
MASI	41,681.86	↑ 0.84%	41,333.34
DSI	34,383.73	↑ 0.91%	34,073.61
FSI	3,454.70	↑ 0.00%	3,454.70
Traded volume	151,753,873	↑ 473.95%	26,440,432
Number of trades	164	↑ 182.76%	58
Value of shares traded (K'm)	5,125.85	↑ 685.12%	652.87
Market capitalisation (K'm)	2,263,285.77	↑ 0.83%	2,244,610.24
Gainers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	39.99	↑ 0.03%	39.98
SUNBIRD	90.01	↑ 0.01%	90.00
TNM	23.16	↑ 11.88%	20.70
Losers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	16.98	↓ -1.74%	17.28
ILLOVO	265.00	↓ -0.23%	265.60
NBS	25.07	↓ -4.75%	26.32
Treasury Bill auctions			
	28-Sep-21	% pts Δ	21-Sep-21
Amount offered - cost value (K'm)	16,134.00	↑ 0.00%	16,134.00
Applied - cost value (K'm)	8,809.30	↓ -25.38%	11,805.16
Allotted - cost value (K'm)	8,809.30	↓ -25.38%	11,805.16
Overall rejection rate	0.00%	↑ 0.00%	0.00%
91 days yield	9.5998%	↑ 0.0094%	9.5904%
182 days yield	12.9840%	↑ 0.0025%	12.9815%
364 days yield	14.2000%	↑ 0.0001%	14.1999%
All-type yield	12.2613%	↑ 0.0040%	12.2573%
Treasury Note and Bond auctions			
	28-Sep-21	14-Sep-21	31-Aug-21
Auction date	28-Sep-21	14-Sep-21	31-Aug-21
Tenors	10 years	2 years	5 years
Coupon rate	15.00%	10.00%	12.50%
Amount offered - cost value (K'b)	16.34	24.20	41.92
Total applied - cost value (K'b)	5.77	16.23	16.83
Total allotted - cost value (K'b)	3.74	12.71	14.97
Allotted - weighted average ytm	23.25%	16.63%	20.26%
Current yields for Treasury Notes			
	Tenor	Last auction's yield	Last auction
	2-year	16.63%	14-Sep-21
	3-year	18.99%	3-Aug-21
	5-year	20.26%	31-Aug-21
	7-year	21.36%	27-Jul-21
	10-year	23.25%	28-Sep-21
Projected maturities			
	Week ending	1-Oct-21	8-Oct-21
	TBs, PNs & TNs (K'm)	13,656	13,656
	OMO repos (K'm)	0	0
	OMO reverse repos (K'm)	0	0
Reference rate			
	Rate	Sep-21	% pts Δ
		12.20%	↑ 0.00
Inflation rate			
	Rate	Aug-21	% pts Δ
		8.4%	↓ -0.3
Closing mid exchange rates			
		30-Sep-21	% Δ
	USD	822.1655	↓ 0.01%
	GBP	1170.4731	↑ -1.42%
	EUR	1026.1367	↑ -0.98%
	ZAR	58.8950	↑ -1.87%
Gross official foreign exchange reserves position			
		31-Aug-21	31-Jul-21
	Reserves (USD'm)	604.50	404.18
	Import cover (months)	2.42	1.62

Sources: MSE, RBM, NSO, AHL

Published financial results for the half year ended 30th June 2021

Company	H1 2021 profit after tax (K'm)	Change (%)	H1 2020 profit after tax (K'm)
Listed banks			
FDH Bank Plc	4,550	↑ 41%	3,224
National Bank of Malawi Plc	12,754	↑ 41%	9,071
NBS Bank Plc	4,395	↑ 55%	2,844
Standard Bank Plc	11,578	↓ -8%	12,633
Unlisted banks			
CDH Investment Bank Ltd	2,891	↑ 212%	927
Ecobank Ltd	4,305	↑ 8%	4,004
First Capital Bank Plc	5,448	↑ 39%	3,913
MyBucks Banking Corporation Plc	414	↓ -78%	1,879
Listed companies			
Airtel Malawi Plc	11,346	↓ -1%	11,415
FMB Capital Holdings Plc (US\$'000)	13,092	↓ -8%	14,290
MPICO Plc	2,841	↑ 13%	2,507
National Investment Trust Plc	1,231	↑ 239%	364
NICO Holdings Plc	7,027	↓ -8%	7,642
Press Corporation Plc	12,872	↑ 10%	11,683
Sunbird Tourism Plc	(476)	↑ 60%	(1,180)
Telekom Networks Malawi Plc	4,511	↑ 19%	3,780
Unlisted financial institutions			
First Discount House Ltd	2,132	↑ 51%	1,412

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