



**Malawi Stock Exchange (MSE) trading activity**

The Malawi All Share Index (MASI) registered a gain of 1.20% to close the week at 69,470.88 points from 68,646.26 points in the previous week due to share price gains in FDHB (16.73%), NBM (0.002%), NICO (13.63%), OMU (0.001%) and TNM (0.14%), which offset a share price loss in NBS (-0.05%). The market traded 16,659,190 shares at a consideration of K580.21 in 118 trades compared to 8,817,028 shares traded at a consideration of K1.32b in 136 trades in the previous week. The year-to-date return on MASI stands at 11.98% compared to -1.61% for the same period in 2022 (Source: MSE).

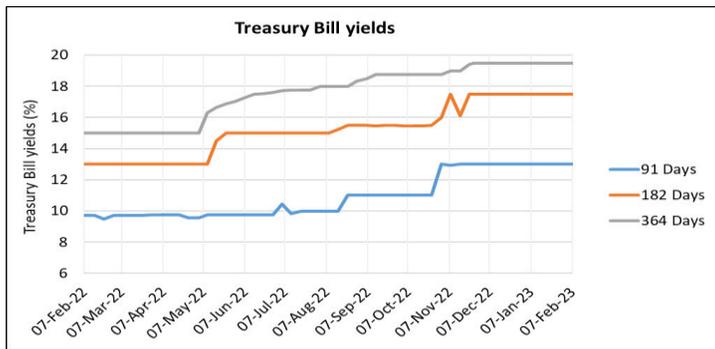
**Corporate news**

**Annual general meeting**

Company	Venue	Date	Time
ILLIOVO	Ryalls Hotel, Blantyre	22-Feb-23	14:00 hrs

**Government securities**

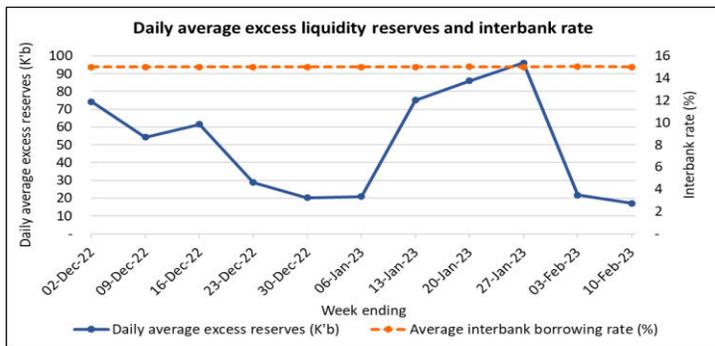
Government raised K11.87b during the week's auction for Treasury Bills (TBs) compared to K10.58b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield was constant at 16.67% during the week as the 91-day, 182-day and 364-day yields were constant at 13.00%, 17.50% and 19.50%, respectively (Source: RBM).



Maturities of Government securities for the week amounted to K28.80b. This resulted in a net injection of K16.93b into the market compared to a net withdrawal of K9.08b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves decreased to K17.13b from K21.80b in the previous week. Daily average interbank borrowing increased to K27.80b from K23.34b in the previous week. The average interbank borrowing rate marginally decreased to 15.00% from 15.05% in the previous week. Borrowing on the Lombard facility slightly decreased to the average of K70.77b per day during the week from K71.23b per day in the previous week (Source: RBM).



**Foreign exchange market developments**

During the week, the Kwacha depreciated against the USD by 0.38% to trade at K1035.4381 per USD from K1031.5313 per USD in the previous week. However, the Kwacha, appreciated against GBP (-0.48%), EUR (-1.67%) and ZAR (-3.90%) during the period. Gross official foreign exchange reserves stood at USD304.65m (1.22 months import cover) on 31<sup>st</sup> December 2022 compared to USD338.87m (1.36 months import cover) on 30<sup>th</sup> November 2022. The recommended minimum import cover is 3 months.

Stock market				
	10-Feb-23		% Δ	03-Mar-23
MASI	69 470,88	↑	1,20%	68 646,26
DSI	55 255,88	↑	1,35%	54 522,12
FSI	8 377,58	→	0,00%	8 377,58
Traded volume	16 659 190	↑	88,94%	8 817 028
Number of trades	118	↓	-13,24%	136
Value of shares traded (K'm)	580,21	↓	-56,04%	1 319,91
Market capitalisation (K'm)	3 750 816,41	↑	1,17%	3 707 522,83
Gainers				
	Closing price (K)		% Δ	Opening price (K)
FDHB	35,02	↑	16,73%	30,00
NBM	1550,04	↑	0,002%	1550,01
NICO	75,00	↑	13,64%	66,00
OMU	838,01	↑	0,001%	838,00
TNM	14,01	↑	0,14%	13,99
Losers				
	Closing price (K)		% Δ	Opening price (K)
NBS	38,48	↓	-0,05%	38,50
Treasury Bill auctions				
Auction date	7-Feb-23		% pts Δ	31-Jan-23
Amount offered - cost value (K'm)	24 035,00	↑	17,52%	20 452,00
Applied - cost value (K'm)	11 872,81	↑	7,30%	11 065,06
Allotted - cost value (K'm)	11 872,81	↑	12,17%	10 584,24
Overall rejection rate	0,00%	↓	-4,35	4,35%
91 days yield	13,0000%	→	0,0000%	13,0000%
182 days yield	17,5000%	→	0,0000%	17,5000%
364 days yield	19,5000%	→	0,0000%	19,5000%
All-type yield	16,6667%	→	0,0000%	16,6667%
Treasury Note and Bond auctions				
Auction date	31-Jan-23	24-Jan-23	11 & 20 Jan 2023	
Tenors	7 years	5 years	2, 3 & 5 years	
Coupon rate	13.50%	12.50%	10.00%, 11.00% & 12.50%	
Amount offered - cost value (K'b)	26,14	51,64	56,64	
Total applied - cost value (K'b)	27,15	29,46	55,06	
Total allotted - cost value (K'b)	11,53	29,16	54,78	
Allotted - weighted average ytm	27,50%	26,19%	22.66%, 24.00%, 26.00%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	22,75%	20-Jan-23	28-Feb-23	
3-year TN	24,00%	20-Jan-23	14-Feb-23	
5-year TN	26,19%	24-Jan-23	21-Mar-23	
5-year Development Bond	26,00%	29-Nov-22	TBA	
7-year TN	27,50%	31-Jan-23	TBA	
7-Year Development Bond	27,50%	25-Nov-22	28-Feb-23	
10-year TN	28,50%	28-Dec-22	21-Feb-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)	Previous auction coupon rate	
14-Feb-23	3	68,28	11,00%	
21-Feb-23	10	21,09	15,00%	
28-Feb-23	7-year IDB	10,00	14,50%	
14-Mar-23	2	61,64	10,00%	
21-Mar-23	5	56,64	12,50%	
Projected maturities				
Week ending	10-Feb-23	17-Feb-23	24-Feb-23	
TBs, PNs & TNs (K'm)	28 802	22 380	45 148	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	2 537	
Reference rate				
Rate	Feb-23	% pts Δ	Jan-23	
	17,30%	→	17,30%	
Inflation rate				
Rate	Dec-22	% pts Δ	Nov-22	
	25,4%	↓	-0,4	
Closing TT mid exchange rates				
	10-Feb-23	% Δ	3-Feb-23	
USD	1035,4381	↓	1031,5313	
GBP	1290,0639	↑	1296,2877	
EUR	1141,5529	↑	1160,9069	
ZAR	59,5233	↑	61,9372	
Gross official foreign exchange reserves position				
	31-Dec-22	30-Nov-22	31-Oct-22	
Reserves (USD'm)	304,65	338,87	326,06	
Import cover (months)	1,22	1,36	1,30	

Sources: MSE, RBM, NSO, AHL

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