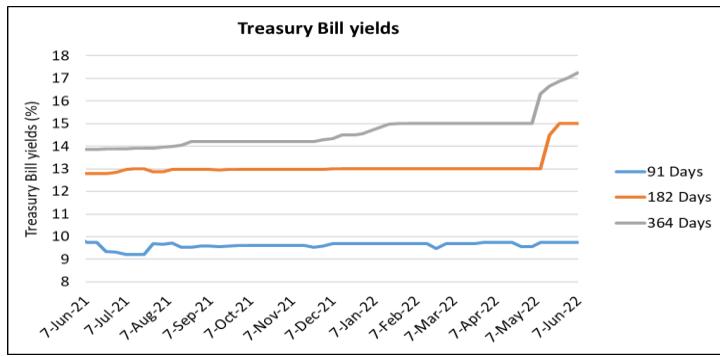


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -1.12% to close the week at 49,718.86 points from 50,283.02 points in the previous week due to share price losses in FDHB (-0.14%), FMBCH (-9.09%) and ICON (-0.08%), which offset share price gains in AIRTEL (0.06%), NBM (0.002%), NITL (0.01%), STANDARD (0.001%) and SUNBIRD (0.01%). The market traded 2,619,091 shares at a consideration of K62.41m in 65 trades, compared to 9,870,326 shares traded at a consideration of K304.72m in 90 trades in the previous week. The year-to-date return on MASI stands at 9.59% compared to 4.52% for the same period in 2021 (Source: MSE).

Government securities

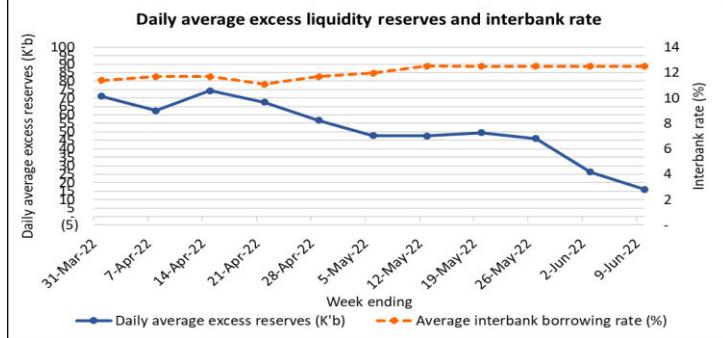
Government raised K26.25b during the week's auction for Treasury Bills (TBs) compared to K13.43b raised in the previous week. The auction registered 6.17% rejection on the submitted bids. The average TB yield increased to 14.0401% from 13.9277% in the previous week as the average 364-day yield increased to 17.3703% from 17.0332%, while the 91-day and 182-day yields were constant at 9.7500% and 15.0000%, respectively (Source: RBM).



Government also raised K3.87b through auctions of 3-year and 5-year Treasury notes (TN) during the week. Maturities of Government securities for the week amounted to K15.86b and maturities of OMO reverse repos amounted to K4.11b. This resulted in a net withdraw of K18.37b from the market compared to a net withdraw of K9.41b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K16.02b from K26.33b in the previous week. Daily average interbank borrowing increased to an average of K13.88b from K6.79b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility increased to the average of K34.68b per day during the week from K28.57b per day in the previous week (Source: RBM).


Foreign exchange market developments

The Kwacha appreciated by -0.12% to trade at K1027.9475/USD as at 9th June 2022 from K1029.2258/USD as at 2nd June 2022. The Kwacha, however, depreciated against GBP, EUR and ZAR by 0.74%, 0.28% and 2.12%, respectively, during the period. Gross official foreign exchange reserves stood at USD363.27 (1.45 months of imports) on 30th April 2022 compared to USD374.48 (1.50 months of imports) on 31st March 2022. The recommended minimum import cover is 3 months. As at 3rd June 2022, the tobacco market had cumulatively realized US\$82.616m from 39,807,273kgs of tobacco sold at an average price of US\$2.08/kg (Source: AHL).

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Stock market				
	10-Jun-22		% Δ	3-Jun-22
MASI	49,718.86	⬇️	-1.12%	50,283.02
DSI	39,042.04	⬆️	0.01%	39,039.71
FSI	6,638.60	⬇️	-8.84%	7,282.68
Traded volume	2,619,091	⬇️	-73.47%	9,870,326
Number of trades	65	⬇️	-27.78%	90
Value of shares traded (K'm)	62.41	⬇️	-79.52%	304.72
Market capitalisation (K'm)	2,696,773.75	⬇️	-1.17%	2,728,590.17
Gainers	Closing price (K)		% Δ	Opening price (K)
AIRTEL	48.54	⬆️	0.06%	48.51
NBM	1000.19	⬆️	0.002%	1000.17
NITL	110.03	⬆️	0.01%	110.02
STANDARD	1600.03	⬆️	0.001%	1600.02
SUNBIRD	80.01	⬆️	0.01%	80.00
Losers	Closing price (K)		% Δ	Opening price (K)
FDHB	14.48	⬇️	-0.14%	14.50
FMBCH	130.00	⬇️	-9.09%	143.00
ICON	11.99	⬇️	-0.08%	12.00
Treasury Bill auctions				
Auction date	7 & 9 June 2022		% pts Δ	31-May-22
Amount offered - cost value (K'm)	20,820.00	⬆️	32.91%	15,665.00
Applied - cost value (K'm)	27,971.06	⬆️	101.89%	13,854.86
Allotted - cost value (K'm)	26,245.12	⬆️	95.42%	13,430.26
Overall rejection rate	6.17%	⬆️	3.106	3.06%
91 days yield	9.7500%	➡️	0.0000%	9.7500%
182 days yield	15.0000%	➡️	0.0000%	15.0000%
364 days yield	17.3703%	⬆️	0.3371%	17.0332%
All-type yield	14.4041%	⬆️	0.1124%	13.9277%
Treasury Note and Bond auctions				
Auction date	6-Jun-22		31-May-22	24-May-22
Tenors	3 & 5 years		5 years	2 & 3 years
Coupon rate	11.00% & 12.50%		12.50%	10.00% & 11.00%
Amount offered - cost value (K'b)			42.81	
Total applied - cost value (K'b)	3.87		13.80	28.19
Total allotted - cost value (K'b)	3.87		13.80	27.33
Allotted - weighted average ytm	22.00% & 24.00%		23.95%	18.50% & 21.90%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield		Last auction	Next auction
2 years	18.50%		24-May-22	TBA
3 years	22.00%		6-Jun-22	28-Jun-22
5 years	24.00%		6-Jun-22	TBA
7 years	22.33%		4-May-22	TBA
7-Year Development Bond	22.47%		8-Mar-22	TBA
10 years	22.98%		18-Jan-22	14-Jun-22
10-year infrastructure bond	23.35%		26-Apr-24	TBA
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor	Amount (K'b)	Previous coupon rate	
14-Jun-22	10	27.45	15.00%	
28-Jun-22	3	57.45	11.00%	
Projected maturities				
Week ending	10-Jun-22	17-Jun-22	24-Jun-22	
TBs, PNs & TNs (K'm)	15,858	8,767	18,308	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	4,113	0	32,894	
Reference rate				
Rate	Jun-22	% pts Δ	May-22	
	13.80%	0.30	13.50%	
Inflation rate				
Rate	Apr-22	% pts Δ	Mar-22	
	15.7%	1.6	14.1%	
Closing TT mid exchange rates				
USD	9-Jun-22	% Δ	2-Jun-22	
	1027.9475	⬆️	-0.12%	1029.2258
GBP	1376.3012	⬇️	0.74%	1366.1774
EUR	1177.9934	⬇️	0.28%	1174.6784
ZAR	72.9860	⬇️	2.12%	71.4738
Gross official foreign exchange reserves position				
Reserves (USD'm)	30-Apr-22		31-Mar-22	28-Feb-22
	363.27		374.48	385.40
Import cover (months)	1.45		1.50	1.54

Sources: MSE, RBM, NSO, AHL