

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 3.77% to close the week at 73,947.88 points from 71,258.32 points in the previous week due to share price gains in AIRTEL (9.68%), ILLOVO (11.66%), NBM (0.01%), NBS (7.27%), NICO (15.00%), NITL (6.04%), STANDARD (0.02%), SUNBIRD (14.29%) and TNM (0.07%), which offset share price losses in FDHB (-0.17%), FMBCH (-0.01%) and PCL (-0.001%). The market traded 9,048,305 shares at a consideration of K628.57m in 150 trades compared to 3,233,350 shares traded at a consideration of K126.18m in 73 trades in the previous week. The year-to-date return on MASI stands at 19.20% compared to -0.24% for the same period in 2022 (Source: MSE).

Corporate announcements

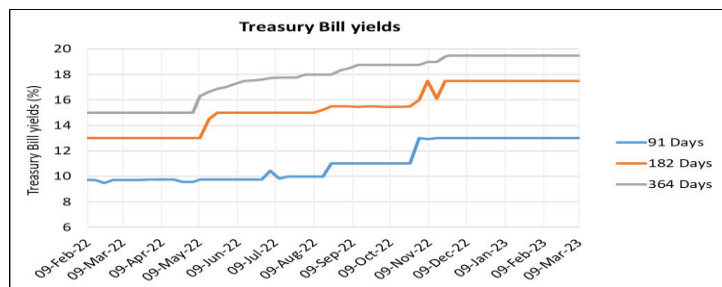
Standard Bank Malawi Plc made a profit after tax (PAT) of K39.20b during the year ended 31st December 2022, representing a 58% increase from the PAT of K24.77b posted in the previous year. Total revenue grew by 40% driven by growth in both net interest income (49%) and non-interest revenue (28%). Growth in net interest income was driven by growth in loans and advances to customers (14%) and financial investments (99%). The growth in interest earning assets was due to growth in deposits from customers (48%). Non-interest revenue grew by 28% on account of growth in net fees and commissions (15%) and trading revenue (35%), both driven by increase in transaction volumes, (Source: Standard Bank).

Dividends announced

Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NBM	2nd Interim declared	21.42	14-Mar-23	17-Mar-23	6-Apr-23
ILLOVO	Final proposed	5.44	21-Mar-23	24-Mar-23	31-Mar-23
Standard	Final proposed	51.14	TBA	TBA	TBA

Government securities

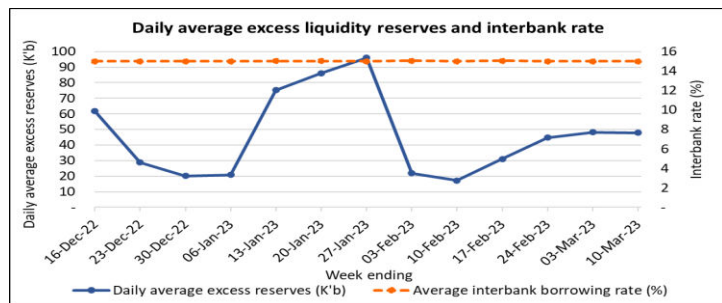
Government raised K15.23b during the week's auctions for Treasury Bills (TBs) compared to K16.88b raised in the previous week. The auctions registered a rejection rate of 3.06% on the submitted bids. The average TB yield was constant at 16.6667% from the previous week as the 91-day, 182-day and 364-day yields remained at 13.00%, 17.50% and 19.50% respectively (Source: RBM).



The Government also raised K7.86b through auction of 2-year and 3-year Treasury Notes (TNs). Maturities of Government securities amounted to K25.57b and access on the rediscounting standing facility amounted to K3.30b. These transactions resulted in a net withdrawal of K5.78b from the market compared to a net withdrawal of K7.45b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K47.77b from K48.14b in the previous week. Daily average interbank borrowing decreased to K15.51b from K33.38b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility decreased to the average of K66.66b per day from K67.33b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha appreciated against the USD by -0.22% to trade at K1033.3549 per USD as at the end of the week from K1035.6035 per USD as at the end of the previous week. The Kwacha also appreciated against GBP (-0.06%), EUR (-0.28%) and ZAR (-1.82%) during the period. Gross official foreign exchange reserves stood at USD279.22m (1.12 months import cover) on 31st January 2023 compared to USD304.65m (1.22 months import cover) on 31st December 2022. The recommended minimum import cover is 3 months.

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Stock market				
	10-Mar-23		% Δ	02-Mar-23
MASI	73,947.88	↑	3.77%	71,258.32
DSI	59,235.87	↑	4.21%	56,842.30
FSI	8,382.28	↓	-0.01%	8,382.77
Traded volume	9,048,305	↑	179.84%	3,233,350
Number of trades	150	↑	105.48%	73
Value of shares traded (K'm)	628.57	↑	398.16%	126.18
Market capitalisation (K'm)	3,991,107.55	↑	3.75%	3,846,990.43
Gainers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	68.00	↑	9.68%	62.00
ILLOVO	670.01	↑	11.66%	600.05
NBM	1600.14	↑	0.01%	1600.05
NBS	45.02	↑	7.27%	41.97
NICO	103.50	↑	15.00%	90.00
NITL	200.00	↑	6.04%	188.60
STANDARD	2200.37	↑	0.02%	2200.02
SUNBIRD	120.00	↑	14.29%	105.00
TNM	14.03	↑	0.07%	14.02
Losers				
	Closing price (K)		% Δ	Opening price (K)
FDHB	34.93	↓	-0.17%	34.99
FMBCH	166.99	↓	-0.01%	167.00
PCL	2,181.32	↓	-0.001%	2,181.34
Treasury Bill auctions				
Auction date	7 & 9 March 2023		% pts Δ	28-Feb-23
Amount offered - cost value (K'm)	17,847.00	↓	-25.75%	24,035.00
Applied - cost value (K'm)	15,719.53	↓	-17.42%	19,035.89
Allotted - cost value (K'm)	15,238.13	↓	-9.75%	16,884.30
Overall rejection rate	3.06%	↓	-8.24	11.30%
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	9-Mar-23			21-Feb-23
Tenors	2 & 3 & 5 years			7 year IDB
Coupon rate	10.00% & 11.00%			14.50%
Amount offered - cost value (K'b)				10.00
Total applied - cost value (K'b)	7.86			17.92
Total allotted - cost value (K'b)	7.86			17.92
Allotted - weighted average ytm	22.75% & 24.00%			27.50%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2-year TN	22.75%	09-Mar-23		14-Mar-23
3-year TN	24.00%	09-Mar-23		TBA
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%	28-Feb-23		TBA
10-year TN	28.50%	21-Feb-23		TBA
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-Mar-23	2	61.64		10.00%
21-Mar-23	5	56.64		12.50%
Projected maturities				
Week ending	10-Mar-23	17-Mar-23		24-Mar-23
TBs, PNs & TNs (K'm)	25,569	85,713		23,578
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	0		0
Reference rate				
Rate	Mar-23		% pts Δ	Feb-23
	17.30%	→	0.00	17.30%
Inflation rate				
Rate	Jan-23		% pts Δ	Dec-22
	25.9%	↑	0.5	25.4%
Closing TT mid exchange rates				
	10-Mar-23		% Δ	2-Mar-23
USD	1033.3549	↑	-0.22%	1035.6035
GBP	1271.4940	↑	-0.06%	1272.2617
EUR	1125.1085	↑	-0.28%	1128.3206
ZAR	56.9891	↑	-1.82%	58.0457
Gross official foreign exchange reserves position				
	31-Jan-23	31-Dec-22		30-Nov-22
Reserves (USD'm)	279.22	304.65		338.87
Import cover (months)	1.12	1.22		1.36

Sources: MSE, RBM, NSO

Expected financial results for the year ended 31st December 2022

Company	2022 expected profit after tax (K'b)	Expected movement	2021 profit after tax (K'b)
Listed banks			
FDH Bank Plc	17.249	↑	11.499
FMB Capital Holdings Plc (US\$' million)	52.580	↑	40.446
National Bank of Malawi Plc	44.473	↑	34.210
NBS Bank Plc	18.461	↑	7.692
Listed non-bank companies			
Blantyre Hotels Plc	(0.601)	↑	(0.752)
ICON Properties Plc	14.827	↑	8.722
Illovo Sugar Malawi Plc	32.000	↑	20.469
National Investment Trust Plc	6.305	↑	4.670
MPICO Plc	7.707	↑	6.423
NICO Holdings Plc	34.768	↑	18.299
Sunbird Tourism Plc	2.547	↑	0.749
Telekom Networks Malawi Plc	0.969	↓	9.690

Source: MSE