



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

The Malawi All Share Index (MASI) registered a gain of 2.18% to close the week at 40,349.78 points from 39,490.82 points in the previous week due to share price gains in ILLOVO (31.78%), NBM (0.003%) and TNM (0.28%) which offset share price losses in AIRTEL (-0.02%), FDHB (-0.07%) and PCL (-0.001%). The market traded 12,693,602 shares at a consideration of K396.01m in 93 trades during the week, compared to 3,734,844 shares traded at a consideration of K209.11m in 79 trades in the previous week. The year-to-date return on MASI stands at 24.56% compared to 4.50% for the same period in 2020 (Source: MSE).

**Corporate news**

**Published financial results for the half year ended 30<sup>th</sup> June 2021**

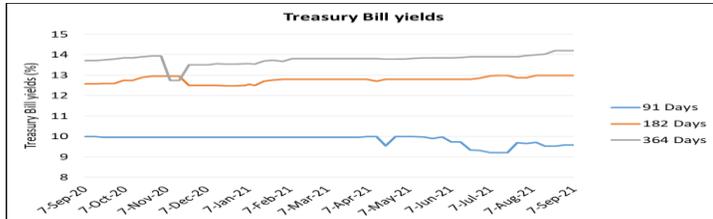
Company	H1 2021 profit after tax (K'm)		Change (%)	H1 2020 profit after tax (K'm)	
	2021	2020		2021	2020
<b>Listed banks</b>					
FDH Bank Plc	4,550	3,224	41%	3,224	
First Capital Bank Plc	5,448	3,913	39%	3,913	
MyBucks Banking Corporation Plc	414	1,879	-78%	1,879	
National Bank of Malawi Plc	12,754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

**Dividends**

Company	Dividend type	Dividend per share (K)	Last day to register	Payable
ICON	Final	0.12	27-Aug-21	10-Sept-21
NBM	Interim	10.71	03-Sept-21	24-Sept-21
STANDARD	Interim	28.55	10-Sept-21	23-Sept-21
NBS	Interim	0.60	10-Sept-21	24-Sept-21
TNM	Interim	0.18	17-Sept-21	24-Sept-21
OMU	Interim	ZAR0.25	17-Sept-21	11-Oct-21
PCL	Interim	6.00	15-Oct-21	29-Oct-21

**Government securities**

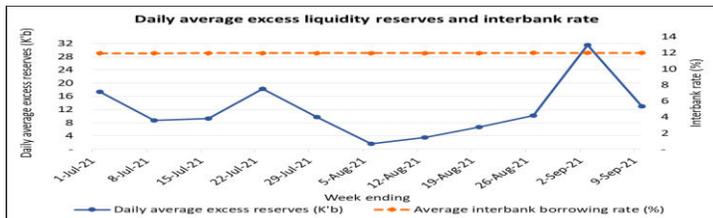
Government raised K11.71b during the week's auction for Treasury Bills (TBs) compared to K14.06b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield decreased to 12.2567% from 12.2598% in the previous week, due to a decrease in the 182-day yield to 12.9800% from 12.9895% in the previous week. The 91-day and 364-day yields were stable at 9.5900%, respectively, as per the previous week (Source: RBM).



Maturities of Government securities for the week amounted to K11.57b. This resulted in a net withdrawal of K0.14b from the market, compared to a net withdrawal of K20.42b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves decreased to K12.94b from K31.54b recorded in the previous week. Daily interbank borrowing averaged K22.68b as compared to K12.87b in the previous week. The average interbank borrowing rate was stable at 11.98% as per the previous week. Borrowing on the Lombard Facility averaged K86.72b per day, increasing from an average of K73.23b per day in the previous week (Source: RBM).



**Foreign exchange market developments**

The Kwacha depreciated by 0.15% to trade at K820.2649 per USD as at 9<sup>th</sup> September 2021 from K819.0673 as at 2<sup>nd</sup> September 2021. The Kwacha also depreciated against ZAR by 1.45%. It however appreciated against GBP and EUR by -0.18% and -1.72%, respectively. Gross official forex reserves were last recorded at USD604.50m (2.42 months of import cover) on 31<sup>st</sup> August 2021, increasing from USD404.18m (1.62 months of import cover) on 31<sup>st</sup> July 2021. The reserves were below the recommended minimum of 3 months of import cover.

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Stock market				
	10-Sep-21		% Δ	3-Sep-21
MASI	40,349.78	↑	2.18%	39,490.82
DSI	33,198.05	↑	2.36%	32,433.74
FSI	3,455.20	→	0.00%	3,455.20
Traded volume	12,693,602	↑	239.87%	3,734,844
Number of trades	93	↑	17.72%	79
Value of shares traded (K'm)	396.01	↑	89.46%	209.02
Market capitalisation (K'm)	2,191,908.17	↑	2.14%	2,145,880.91
<b>Gainers</b>				
	Closing price (K)		% Δ	Opening price (K)
ILLOVO	265.60	↑	31.78%	201.55
NBM	675.02	↑	0.003%	675.00
TNM	18.01	↑	0.28%	17.96
<b>Losers</b>				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	39.99	↓	-0.02%	40.00
FDHB	13.59	↓	-0.07%	13.60
PCL	1,494.98	↓	-0.001%	1,494.99
<b>Treasury Bill auctions</b>				
	7-Sep-21		% pts Δ	31-Aug-21
Amount offered - cost value (K'm)	16,134.00	↑	17.90%	13,684.00
Applied - cost value (K'm)	11,708.76	↓	-19.22%	14,494.92
Allotted - cost value (K'm)	11,708.76	↓	-16.71%	14,057.13
Overall rejection rate	0.00%	→	-3.02	3.02%
91 days yield	9.5900%	→	0.0000%	9.5900%
182 days yield	12.9800%	↓	-0.0095%	12.9895%
364 days yield	14.2000%	↓	0.0000%	14.2000%
All-type yield	12.2567%	↓	-0.0032%	12.2598%
<b>Treasury Note and Bond auctions</b>				
	31-Aug-21		17-Aug-21	3-Aug-21
Tenors	5 years		10 year infrastructure bond	3 years
Coupon rate	12.50%		16.00%	11.00%
Amount offered - cost value (K'b)	41.92		20.00	37.55
Total applied - cost value (K'b)	16.83		26.90	26.51
Total allotted - cost value (K'b)	14.97		13.35	22.37
Allotted - weighted average ytm	20.26%		23.25%	18.99%
<b>Current yields for Treasury Notes</b>				
	Tenor	Last auction's yield	Last auction	Next auction
	2-year	16.63%	13-Jul-21	14-Sep-21
	3-year	18.99%	3-Aug-21	TBA
	5-year	20.26%	31-Aug-21	TBA
	7-year	21.36%	27-Jul-21	TBA
	10-year	23.25%	17-Aug-21	28-Sep-21
<b>Upcoming Treasury Note auctions</b>				
	Auction date	Tenor	Amount (K'b)	Last coupon rate
	14-Sep-21	2	24.20	10.00%
	28-Sep-21	10	16.34	15.00%
<b>Projected maturities</b>				
	Week ending	10-Sep-21	17-Sep-21	24-Sep-21
	TBs, PNs & TNs (K'm)	11,572	5,932	4,232
	OMO repos (K'm)	0	0	0
	OMO reverse repos (K'm)	0	0	0
<b>Reference rate</b>				
	Rate	Sep-21	% pts Δ	Aug-21
		12.20%	→	12.20%
<b>Inflation rate</b>				
	Rate	Jul-21	% pts Δ	Jun-21
		8.7%	↓	-0.4
				9.1%
<b>Cummulative tobacco sales - Week 20</b>				
	Date	2-Sep-21	% Δ	Final 2020
	Volume (Kg)	123,289,531.00	↑	8.13%
	Value (USD)	196,797,158.11	↑	12.47%
	Average price (USD/Kg)	1.60	↑	4.58%
				1.53
<b>Closing mid exchange rates</b>				
	9-Sep-21		% Δ	2-Sep-21
	USD	820.2649	↓	0.15%
	GBP	1191.3524	↑	-0.18%
	EUR	1040.0112	↑	-1.72%
	ZAR	62.2354	↓	1.45%
				61.3468
<b>Gross official foreign exchange reserves position</b>				
	31-Aug-21		31-Jul-21	30-Jun-21
	Reserves (USD'm)	604.50	404.18	424.99
	Import cover (months)	2.42	1.62	1.70

Sources: MSE, RBM, NSO, AHL

**COVID-19 update**

Cumulative confirmed COVID-19 cases in Malawi stood at 61,052 as at 10<sup>th</sup> September 2021, out of which 8,436 were reported to be active. The 7-day average of daily infections decreased to 46 during the week from 72 in the previous week. So far, 50,152 people have recovered while 2,232 have died from the disease. The first and second doses of the Oxford-AstraZeneca vaccine were reported to have been administered to cumulatively 485,541 and 225,772 people respectively, while 222,228 people were reported to have received the Johnson & Johnson vaccine. Cumulatively, 448,000 people were fully vaccinated as at 10<sup>th</sup> September 2021, representing 2.40% of the total population (18.63m in 2019) (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 224.06m, with recoveries of more than 200.66m and 4.62m deaths as at 10<sup>th</sup> September 2021 (Source: Johns Hopkins University and Medicine).