

## Foreign exchange market developments

During the week, the Kwacha appreciated against the USD, GBP, EUR and ZAR as indicated in the table below:

Closing TT mid exchange rates			
Currency	12-May-23	% Δ	5-May-23
USD	1034.7012	↑ -0.01%	1034.7947
GBP	1328.9935	↑ -0.68%	1338.0843
EUR	1162.5796	↑ -1.00%	1174.2836
ZAR	54.9560	↑ -5.27%	58.0140

Gross official foreign exchange reserves position			
	28-Feb-23	31-Jan-23	31-Dec-22
Reserves (USD 'm)	280.66	279.22	304.65
Import cover (months)	1.12	1.12	1.22
Benchmark import cover (months)	3.00	3.00	3.00

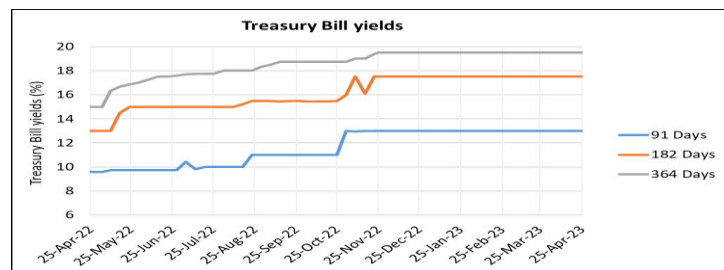
  

Cumulative tobacco sales - week 5 as at 12 May 2023			
Date	Week 5 2023	% Δ	Week 5 2022
Volume (million kg)	30.09	↑ 713.31%	3.70
Value (USD 'million)	64.60	↑ 826.84%	6.97
Average price (USD/Kg)	2.15	↑ 14.36%	1.88

Data source: Reserve Bank of Malawi (RBM) and AHL

## Government securities

The government has temporarily suspended Treasury Bill auctions in compliance with the Third Schedule (Provisions for General Borrowing) of the Public Finance Management (PFM) Act 2022 section 44(2). Auctions for Treasury Notes will continue as per the published calendar on the RBM website. Consequently, there was no auction of Treasury Bills or Treasury notes during the week. Maturities of Government securities for the week amounted to K12.78b, resulting in a net injection of the same amount into the market, compared to a net withdrawal of K12.22b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	25-Apr-23	% pts Δ	14-Apr-23
Amount offered - cost value (K'm)	38,419.00	→ 0.00%	38,419.00
Applied - cost value (K'm)	18,514.49	↓ -22.19%	23,793.51
Allotted - cost value (K'm)	18,514.49	↓ -22.19%	23,793.51
Overall rejection rate	0.00%	→ 0.00%	0.00%
91 days yield	12.9789%	↓ -0.0175%	12.9964%
182 days yield	17.5000%	→ 0.0000%	17.5000%
364 days yield	19.5000%	→ 0.0000%	19.5000%
All-type yield	16.6596%	↓ -0.0058%	16.6655%

Treasury Note and Bond auctions			
Auction date	2-May-23	18-Apr-23	28, 29, 30 & 31 March 2023
Tenors	5 years	7 years	2,3,5,7 & 10 years
Coupon rate	12.50%	13.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%
Amount offered - cost value (K'b)	52.76	57.40	
Total applied - cost value (K'b)	19.02	20.15	80.56
Total allotted - cost value (K'b)	19.02	20.15	80.56
Allotted - weighted average ytm	28.00%	27.50%	22.75%, 24.00%, 26.25%, 27.50% & 28.50%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	22.75%	31-Mar-23	06-Jun-23
3-year TN	24.00%	31-Mar-23	16-May-23
5-year TN	28.00%	02-May-23	TBA
5-year Development Bond	26.00%	29-Nov-22	27-Jun-23
7-year TN	27.50%	18-Apr-23	13-Jun-23
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	28.50%	31-Mar-23	30-May-23
10-year Development Bond	23.35%	26-Apr-22	TBA

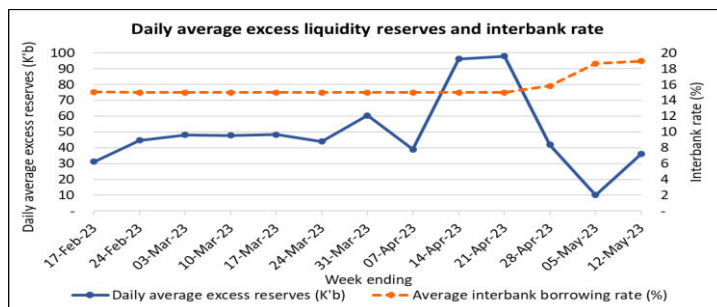
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Previous auction coupon rate
16-May-23	3	61.66	11.00%
30-May-23	10	34.26	15.00%
06-Jun-23	2	77.02	10.00%
13-Jun-23	7	47.40	13.50%
27-Jun-23	5 year IDB	10.00	13.50%

Projected maturities			
Week ending	12-May-23	19-May-23	26-May-23
TBs, PNs & TNs (K'm)	12,775	24,999	39,809
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K36.01b during the week, from K10.07b in the previous week. Daily average interbank borrowing decreased to K22.88b from K30.88b. Borrowing on the Lombard facility decreased to the average of K110.14b per day from K122.38b per day in the previous week. The average interbank borrowing rate increased to 18.99% from 18.67% and the Lombard rate remained fixed at 22.20% (Source: RBM).



Policy Rate			
Rate	27-Apr-23	% pts Δ	2-Feb-23
	22.00%	↑ 4.00	18.00%

Market Reference Rate			
Rate	May-23	% pts Δ	Apr-23
	20.00%	↑ 2.70	17.30%

Inflation Rate			
Rate	Mar-23	% pts Δ	Feb-23
	27.0%	↑ 0.3	26.7%

## Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 6.01% to close the week at 97,562.43 points from 92,032.31 points in the previous week due to share price gains in AIRTEL (6.63%), FDHB (13.11%), ILLOVO (15.00%), MPICO (0.10%), NBM (0.002%), NBS (4.46%), NICO (2.31%), NITL (9.09%), OMU (10.00%), STANDARD (0.003%), SUNBIRD (14.99%) and TNM (32.07%), which offset share price losses in FMBCH (-2.30%) and PCL (-0.0005%). The market traded 22,744,623 shares at a consideration of K1.12b in 355 trades, compared to 9,218,144 shares traded at a consideration of K908.59m in 157 trades in the previous week. The year-to-date return on MASI stands at 57.27% compared to 6.03% for the same period in 2022.

Stock market trading activity			
	12-May-23	% Δ	05-May-23
MASI	97,562.43	↑ 6.01%	92,032.31
DSI	80,374.87	↑ 6.72%	75,315.07
FSI	8,220.63	↓ -2.11%	8,398.22
Traded volume	22,744,623	↑ 146.74%	9,218,144
Number of trades	355	↑ 126.11%	157
Value of shares traded (K'm)	1,117.52	↑ 22.99%	908.59
Market capitalisation (K'm)	5,257,758.23	↑ 5.98%	4,960,986.28

Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	85.54	↑ 6.63%	80.22
FDHB	65.04	↑ 13.11%	57.50
ILLOVO	1121.27	↑ 15.00%	975.00
MPICO	20.58	↑ 0.10%	20.56
NBM	2000.26	↑ 0.002%	2000.21
NBS	94.01	↑ 4.46%	90.00
NICO	164.99	↑ 2.31%	161.26
NITL	300.00	↑ 9.09%	275.00
OMU	1127.51	↑ 10.00%	1025.01
STANDARD	2250.11	↑ 0.003%	2250.04
SUNBIRD	138.00	↑ 14.99%	120.01
TNM	27.10	↑ 32.07%	20.52

Losers	Closing price (K)	% Δ	Opening price (K)
FMBCH	163.11	↓ -2.30%	166.95
PCL	2,181.28	↓ -0.0005%	2,181.29

Data source: MSE

Dividends announced					
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NICO	2nd Interim declared	4.00	2-May-23	5-May-23	12-May-23
FDHB	Final proposed	0.58	16-May-23	19-May-23	26-May-23
STANDARD	Final proposed	51.14	TBA	TBA	TBA
NITL	Final proposed	2.35	TBA	TBA	TBA
SUNBIRD	Final proposed	1.50	TBA	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA	TBA
NBM	Final proposed	32.11	TBA	TBA	TBA
NICO	Final proposed	1.00	TBA	TBA	TBA

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