

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.07% to close the week at 38,205.50 points from 37,800.79 points in the previous week due to share price gains in MPICO (14.38%), NBM (1.52%), PCL (0.07%) and STANDARD (4.15%) which offset a share price loss in NBS (-0.04%). The market traded 4,843,684 shares at a consideration of K753.84m in 40 trades during the week, compared to 9,007,006 shares traded at a consideration of K282.67m in 70 trades in the previous week. The year-to-date return on MASI stands at 17.94% compared to 4.53% for the same period in 2020 (Source: MSE).

Corporate announcements

Published financial results for the half year ended 30th June 2021

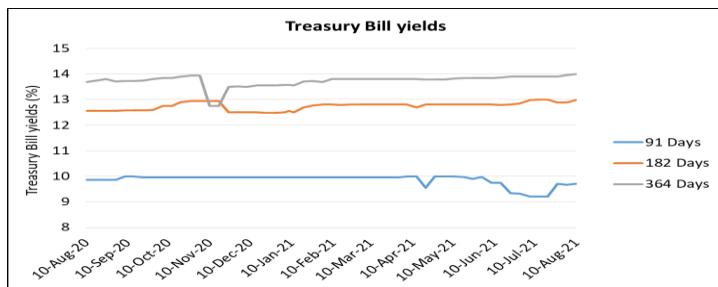
Company	H1 2021 profit after tax (K'm)	Change (%)	H1 2020 profit after tax (K'm)
CDH Investment Bank Ltd	2,891	212%	927
Ecobank Ltd	4,305	8%	4,004
FDH Bank Plc	4,550	41%	3,224
First Discount House Ltd	2,132	51%	1,412
National Bank of Malawi Plc	12,754	41%	9,071

Upcoming dividends

Company	Dividend type	Dividend (K)	Last day to register	Payable
NICO	Final	0.50	30-Jul-21	18-Aug-21
FDHB	Interim	0.33	13-Aug-21	27-Aug-21
PCL	Final	25.00	20-Aug-21	27-Aug-21
AIRTEL	Final	2.10	30-Jul-21	31-Aug-21
NITL	Final	0.80	20-Aug-21	28-Aug-21
ICON	Final	0.12	27-Aug-21	10-Sep-21
NBM	Interim	10.71	3-Sep-21	24-Sep-21

Government securities

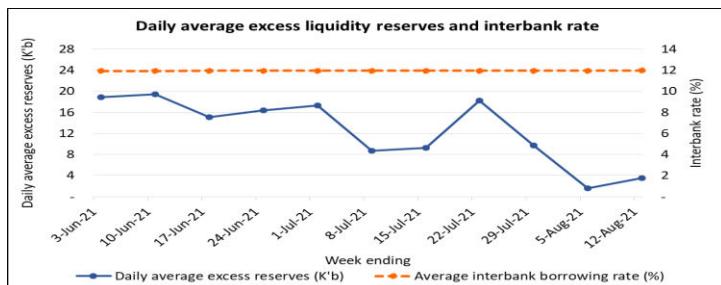
Government raised K6.65b during the week's auction for Treasury Bills (TBs) compared to K2.76b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.2308% from 12.1661% in the previous week, due to increases in the 91-day, 182-day and 364-day yields to 9.7078%, 12.9845% and 14.0000%, respectively, from 9.6650%, 12.8766% and 13.9567% in the previous week (Source: RBM).



Maturities of Government securities for the week amounted to K16.70b. This resulted in a net withdrawal of K10.05b from the market, compared to a net withdrawal of K48.37b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K3.55b from K1.63b recorded in the previous week. Daily interbank borrowing averaged K7.25b as compared to K2.25b in the previous week. The average interbank borrowing rate marginally increased to 11.97% from 11.96% in the previous week. Borrowing on the Lombard Facility averaged K57.71b per day, increasing from an average of K38.14b per day in the previous week. The Lombard rate was stable at 12.20% as previously set by the RBM (Source: RBM).


Foreign exchange market developments

During the week, the Kwacha appreciated by 0.09% to trade at K818.2028 per USD as at 12th August 2021 from K818.9368 as at 5th August 2021. The Kwacha also appreciated against ZAR by 1.92%. It, however, depreciated against GBP and EUR by 0.78% and 0.12%, respectively. Gross official forex reserves were last recorded at USD404.18m (1.62 months of import cover) on 31st July 2021 from USD424.99m (1.70 months of import cover) recorded on 30th June 2021 (Source: RBM). The reserves were below the recommended minimum of 3 months of import cover. In the seventeenth week of the 2021 marketing season, as at 12th August, the tobacco market had cumulatively raked in USD191.02m compared to USD164.20m as at 12th August 2020 (Source: AHL).

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Stock market			
13-Aug-21		% Δ	6-Aug-21
MASI	38,205.50	1.07%	37,800.79
DSI	31,270.65	1.17%	30,910.54
FSI	3,479.97	0.00%	3,479.97
Traded volume	4,843,684	-46.22%	9,007,006
Number of trades	40	-42.86%	70
Value of shares traded (K'm)	753.84	166.68%	282.67
Market capitalisation (K'm)	2,077,068.72	1.06%	2,055,382.92
Gainers	Closing price (K)	% Δ	Opening price (K)
MPICO	18.30	14.38%	16.00
NBM	660.00	1.52%	650.12
PCL	1495.00	0.07%	1494.00
STANDARD	1250.00	4.15%	1200.16
Losers	Closing price (K)	% Δ	Opening price (K)
NBS	26.34	-0.04%	26.35
Treasury Bill auctions			
Auction date	10-Aug-21	% pts Δ	3-Aug-21
Amount offered - cost value (K'm)	13,584.00	0.00%	13,584.00
Applied - cost value (K'm)	6,645.93	140.97%	2,758.03
Allotted - cost value (K'm)	6,645.93	140.97%	2,758.03
Overall rejection rate	0.00%	0.00%	0.00%
91 days yield	9.7078%	0.043%	9.6650%
182 days yield	12.9845%	0.11%	12.8766%
364 days yield	14.0000%	0.04%	13.9567%
All-type yield	12.2308%	0.06%	12.1661%
Treasury Note auctions			
Auction date	3-Aug-21	27-Jul-21	13-Jul-21
Tenors	3 years	7 years	2 years
Coupon rate	11.00%	13.50%	10.00%
Amount offered - cost value (K'b)	37.55	30.37	40.72
Total applied - cost value (K'b)	26.51	4.94	16.69
Total allotted - cost value (K'b)	22.37	4.94	15.36
Allotted - weighted average ytm	18.99%	21.36%	16.63%
Current yields for Treasury Notes			
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	20.00%	28-Jun-21	31-Aug-21
7-year	21.36%	27-Jul-21	TBA
10-year	22.54%	30-Jun-21	17-Aug-21
Upcoming Treasury Note auctions			
Auction date	17-Aug-21	10 year infrastructure bond	Last coupon rate
	31-Aug-21	5	16.00%
	14-Sep-21	2	12.50%
	28-Sep-21	10	10.00%
Projected maturities			
Week ending	13-Aug-21	20-Aug-21	27-Aug-21
TBs, PNs & TNs (K'm)	16,704	10,919	3,727
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	52,977
Reference rate			
Aug-21		% pts Δ	Jul-21
Rate	12.20%	0.00	12.20%
Inflation rate			
Jun-21		% pts Δ	May-21
Rate	9.1%	0.2	8.9%
Cumulative tobacco sales			
Date	12-Aug-21	% Δ	12-Aug-20
Volume (Kg)	118,163,556.00	9.88%	107,534,788.00
Value (USD)	191,024,854.78	16.34%	164,197,529.59
Average price (USD/Kg)	1.62	5.88%	1.53
Closing mid exchange rates			
12-Aug-21		% Δ	5-Aug-21
USD	818.2028	-0.09%	818.9368
GBP	1207.5582	0.78%	1198.2221
EUR	1039.3098	0.12%	1038.0735
ZAR	60.3184	-1.92%	61.4967
Gross official foreign exchange reserves position			
31-Jul-21		30-Jun-21	31-May-21
Reserves (USD'm)	404.18	424.99	443.25
Import cover (months)	1.62	1.70	1.77

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 57,896 as at 13th August 2021, out of which 12,871 were reported to be active. The 7-day average of daily infections decreased to 343 during the week from 487 in the previous week. So far, 42,838 people have recovered while 1,955 have died from the disease. The first and second doses of the Oxford-AstraZeneca vaccine were reported to have been administered to cumulatively 463,848 and 159,229 people respectively, while 102,120 people were reported to have received the Johnson & Johnson vaccine. Cumulatively, 261,349 people were fully vaccinated as at 13th August 2021, representing 1.40% of the total population (18.63m in 2019) (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 206.80m, with recoveries of more than 186.07m and 4.35m deaths as at 13th August 2021 (Source: Johns Hopkins University and Medicine).