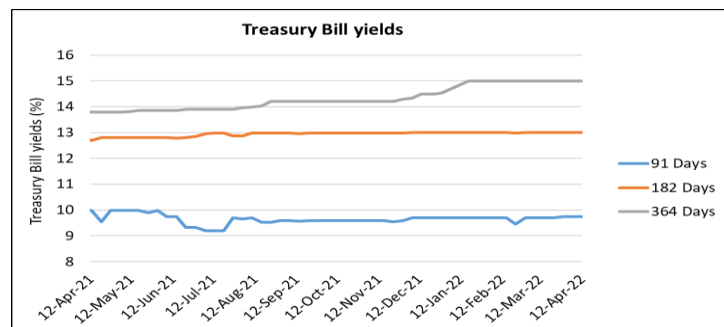


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.93% to close the week at 46,441.69 points from 46,013.69 points in the previous week due to share price gains in FMBCH (13.61%), ILOVO (0.003%), NBM (0.003%), NITL (0.92%) and STANDARD (0.001%), which offset a share price loss in FDHB (-2.59%). The market traded 22,616,553 shares at a consideration of K3.29b in 83 trades as compared to 3,698,101 shares traded at a consideration of K163.05m in 83 trades in the previous week. The year-to-date return on MASI stands at 2.37% compared to 1.74% for the same period in 2021 (Source: MSE).

Government securities

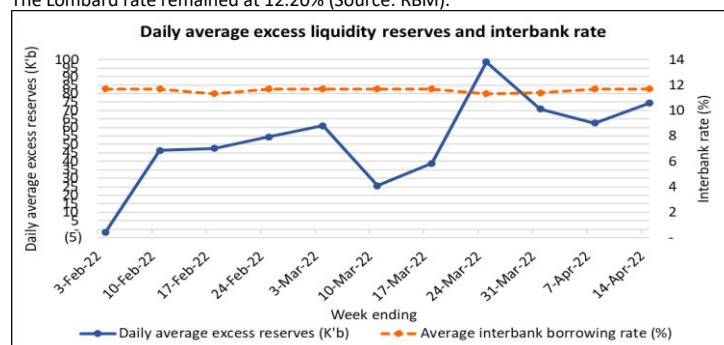
Government raised K9.56b during the week's auction for Treasury Bills (TBs) compared to K10.16b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield marginally increased to 12.5800% from 12.5797% in the previous week, due to a marginal increase in the 91-day yield to 9.7400% from 9.7390%. The 182-day and 364-day yields were stable at 13.0000% and 15.0000%, respectively (Source: RBM).



Maturities of Government securities for the week amounted to K6.72b, resulting in a net withdrawal of K2.84b from the market compared to a net withdrawal of K7.49b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K74.32b from K62.48b in the previous week. Daily average interbank borrowing decreased to the average of K12.80b compared to K14.40b in the previous week. The average interbank borrowing rate was stable at 11.70%. Borrowing on the Lombard Facility decreased to the average of K11.17b per day during the week, compared to K19.03b per day in the previous week. The Lombard rate remained at 12.20% (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.07% to trade at K824.5632/USD as at 14th April 2022 from K823.9977/USD as at 7th April 2022. During the same period, the Kwacha also depreciated against GBP and ZAR by 0.30% and 2.41%, respectively, but appreciated against EUR by 0.79%. Gross official forex reserves stood at USD374.48 million (1.50 months of import cover) as at 31st March 2022, down from USD385.40 million (1.54 months of import cover) as at 28th February 2022 (Source: RBM). The recommended minimum import cover is 3 months. The 2022 tobacco marketing season was officially opened on 31st March 2022. As at 13th April 2022, the market had cumulatively realised US\$961,785.69 from 647,085kgs of tobacco sold at an average price of \$1.49/kg (Source: AHL).

Stock market				
	14-Apr-22	% Δ		8-Apr-22
MASI	46,441.69	0.93%		46,013.69
DSI	37,602.09	-0.12%		37,646.44
FSI	4,753.49	12.90%		4,210.47
Traded volume	22,616,553	511.57%		3,698,101
Number of trades	83	0.00%		83
Value of shares traded (K'm)	3,293.23	1919.71%		163.05
Market capitalisation (K'm)	2,518,407.51	0.97%		2,494,136.02
Gainers				
	Closing price (K)	% Δ		Opening price (K)
FMBCH	91.49	13.61%		80.53
ILOVO	305.43	0.003%		305.42
NBM	948.53	0.003%		948.50
NITL	110.00	0.92%		109.00
STANDARD	1400.11	0.001%		1400.10
Losers				
	Closing price (K)	% Δ		Opening price (K)
FDHB	15.39	-2.59%		15.80
Treasury Bill auctions				
	12-Apr-22	% pts Δ		5-Apr-22
Auction date	12-Apr-22	0.00%		5-Apr-22
Amount offered - cost value (K'm)	7,541.00	0.00%		7,541.00
Applied - cost value (K'm)	9,564.94	-5.85%		10,159.41
Allotted - cost value (K'm)	9,564.94	-5.85%		10,159.41
Overall rejection rate	0.00%	0.00%		0.00%
91 days yield	9.7400%	0.0010%		9.7390%
182 days yield	13.0000%	0.0000%		13.0000%
364 days yield	15.0000%	0.0000%		15.0000%
All-type yield	12.5800%	0.0003%		12.5797%
Treasury Note and Bond auctions				
	29 & 31 March 2022	22-Mar-22		22-Mar-22
Auction date	29 & 31 March 2022	22-Mar-22		22-Mar-22
Tenors	2, 3, 5, & 7 years	5 years		2, 3 & 7 years
Coupon rate	10.00%, 11.00%, 12.50% & 13.50%	12.50%		10.00%, 11.00% & 13.50%
Amount offered - cost value (K'b)		48.15		
Total applied - cost value (K'b)	122.43	17.87		24.43
Total allotted - cost value (K'b)	121.98	17.09		21.56
Allotted - weighted average ytm	17.00%, 19.50%, 21.00% & 22.00%	20.98%		16.96%, 19.47% & 21.99%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction		Next auction
2 years	17.00%	31-Mar-22		TBA
3 years	19.50%	31-Mar-22		TBA
5 years	21.00%	31-Mar-22		TBA
7 years	22.00%	31-Mar-22		TBA
7-Year Development Bond	22.47%	8-Mar-22		TBA
10 years	22.98%	18-Jan-22		TBA
10-year infrastructure bond	23.25%	17-Aug-21		TBA
Projected maturities				
	15-Apr-22	22-Apr-22		29-Apr-22
Week ending	15-Apr-22	22-Apr-22		29-Apr-22
TBs, PNs & TNs (K'm)	6,719	13,128		19,878
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	8,197		15,303
Reference rate				
	Apr-22	% pts Δ		Mar-22
Rate	12.20%	0.00		12.20%
Inflation rate				
	Feb-22	% pts Δ		Jan-22
Rate	13.0%	0.9		12.1%
Closing TT mid exchange rates				
	14-Apr-22	% Δ		7-Apr-22
USD	824.5632	0.07%		823.9977
GBP	1212.8623	0.30%		1209.2915
EUR	1007.5413	-0.79%		1015.5145
ZAR	67.3336	2.41%		65.7518
Gross official foreign exchange reserves position				
	31-Mar-22	28-Feb-22		31-Jan-22
Reserves (USD'm)	374.48	385.40		399.98
Import cover (months)	1.50	1.54		1.60

Sources: MSE, RBM, NSO, AHL

Published annual financial results				
Company	2021 profit after tax (K'b)	Movement	2020 profit after tax (K'b)	
Listed banks				
First Capital Bank Plc	14,767	84%	8,026	
National Bank of Malawi Plc	34,210	52%	22,449	
Standard Bank Plc	24,769	4%	23,743	
unlisted banks				
CDH Investment Bank Ltd	4,862	58%	3,086	
Listed non-bank companies				
National Investment Trust Plc	4,671	216%	1,479	
Old Mutual Group Plc (Rb)	6,662	31%	5,097	
Sunbird Tourism Plc	0,749	164%	(1,180)	
Unlisted non-bank financial institutions				
Cedar Capital Ltd	0,144	167%	0,054	
Stock Brokers Malawi Ltd	0,196	13%	0,174	

Sources: MSE, The Nation and The Daily Times

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.