



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.03% to close the week at 45,316.01 points from 45,329.76 points in the previous week due to share price losses in FDHB (-0.06%), FMBCH (-0.02%), ICON (-0.31%), ILLOVO (-0.003%), NBS (-0.09%) and TNM (-0.17%), which offset share price gains in AIRTEL (0.02%) and SUNBIRD (0.01%). During the week, the market traded 6,141,665 shares at a consideration of K609.20m in 107 trades, compared to 10,400,154 shares traded at a consideration of K417.09m in 32 trades in the previous week. The year-to-date return on MASI stands at -0.11% compared to 1.91% for the same period in 2021 (Source: MSE).

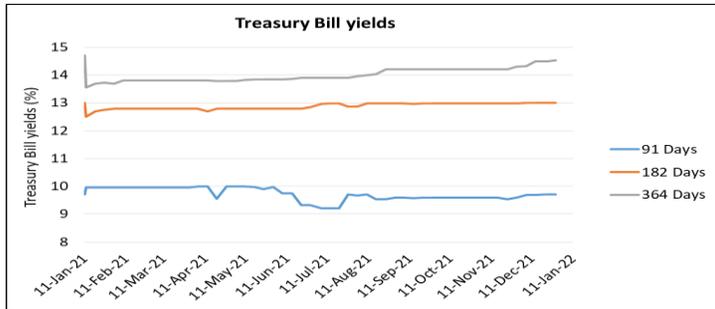
Corporate news

Dividends

| Company | Dividend type | Dividend (K) | Last day to register | Payable |
|---------|----------------|--------------|----------------------|-----------|
| ILLOVO | Final | 4.00 | 11-Mar-22 | 31-Mar-22 |
| FDHB | Second interim | 0.43 | 31-Dec-21 | 14-Jan-22 |
| TNM | Second interim | 0.15 | 7-Jan-22 | 21-Jan-22 |

Government securities

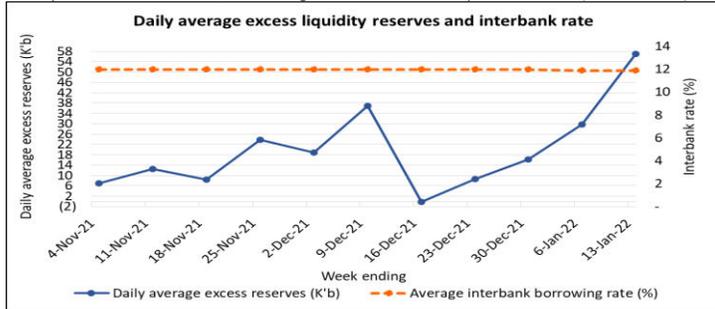
Government raised K4.53b during the week's auction for Treasury Bills (TBs) compared to K1.14b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.4671% from 12.4493% in the previous week, due to increases in the 91-day and 364-day yields to 9.7000% and 14.7012%, respectively, from 9.6980% and 14.6500% in the previous week. The 182-day yield was constant at 13.0000% (Source: RBM).



The Government also raised K22.79b through auction of a 2-year Treasury note (TN) at an average yield to maturity (YTM) of 16.70%. This brings the total amount raised in auctions of Government securities during the week to K27.32b, compared to K3.81b in the previous week. Maturities of Government securities for the week amounted to K38.66b compared to K9.83b in the previous week, and maturities of OMO reverse repos amounted to K26.61b. This resulted in a net withdrawal of K15.27b from the market, compared to a net injection of K6.02b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K57.10b from K29.76b in the previous week. Daily interbank borrowing averaged K12.14b compared to K9.13b in the previous week. The average interbank borrowing rate was stable at 11.88%. Borrowing on the Lombard Facility amounted to K2.30b, decreasing from K18.60b in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.18% to trade at K823.8540 per USD as at 13th January 2022, from K822.3468 as at 6th January 2022. The Kwacha also depreciated against the EUR and ZAR by 7.41% and 6.46% respectively. The Kwacha, however, appreciated against the GBP by -2.86%. Gross official forex reserves stood at USD429.17 million (1.72 months of import cover) as at 31st December 2021, up from USD389.26 million (1.56 months of import cover) as at 30th November 2021. The recommended minimum import cover is 3 months.

| Stock market | | | | |
|---|-----------------------------|----------------------|-------------------------|----------------------------|
| | 14-Jan-22 | % Δ | 7-Jan-22 | |
| MASI | 45,316.01 | ↓ -0.03% | 45,329.76 | |
| DSI | 37,046.97 | ↓ -0.03% | 37,058.44 | |
| FSI | 4,183.22 | ↓ -0.02% | 4,184.21 | |
| Traded volume | 6,141,665 | ↓ -40.95% | 10,400,154 | |
| Number of trades | 107 | ↑ 234.38% | 32 | |
| Value of shares traded (K'm) | 609.20 | ↑ 46.06% | 417.09 | |
| Market capitalisation (K'm) | 2,456,621.68 | ↓ -0.03% | 2,457,361.40 | |
| Gainers | | | | |
| | Closing price (K) | % Δ | Opening price (K) | |
| AIRTEL | 40.01 | ↑ 0.02% | 40.00 | |
| SUNBIRD | 90.02 | ↑ 0.01% | 90.01 | |
| Losers | | | | |
| | Closing price (K) | % Δ | Opening price (K) | |
| FDHB | 15.80 | ↓ -0.06% | 15.81 | |
| FMBCH | 79.98 | ↓ -0.02% | 80.00 | |
| ICON | 12.85 | ↓ -0.31% | 12.89 | |
| ILLOVO | 299.99 | ↓ -0.003% | 300.00 | |
| NBS | 22.88 | ↓ -0.09% | 22.90 | |
| TNM | 22.86 | ↓ -0.17% | 22.90 | |
| Treasury Bill auctions | | | | |
| | Auction date | % pts Δ | 4-Jan-22 | |
| Amount offered - cost value (K'm) | 11-Jan-22 | 0.00% | 23,335.00 | |
| Applied - cost value (K'm) | 4,529.12 | ↑ 298.22% | 1,137.34 | |
| Allotted - cost value (K'm) | 4,529.12 | ↑ 298.22% | 1,137.34 | |
| Overall rejection rate | 0.00% | 0.00 | 0.00% | |
| 91 days yield | 9.7000% | ↑ 0.0020% | 9.6980% | |
| 182 days yield | 13.0000% | 0.0000% | 13.0000% | |
| 364 days yield | 14.7012% | ↑ 0.0512% | 14.6500% | |
| All-type yield | 12.4671% | ↑ 0.0177% | 12.4493% | |
| Treasury Note and Bond auctions | | | | |
| | Auction date | 4-Jan-22 | 21 & 23 Dec 2021 | |
| Tenors | 2 years | 2 years | 2, 3 & 5 years | |
| Coupon rate | 10.00% | 10.00% | 10.00%, 11.00% & 12.50% | |
| Amount offered - cost value (K'b) | 48.61 | 47.44 | | |
| Total applied - cost value (K'b) | 27.32 | 143.01 | | |
| Total allotted - cost value (K'b) | 22.79 | 143.01 | | |
| Allotted - weighted average ytm | 16.70% | 16.66% | 16.64%, 19.04% & 20.35% | |
| Current yields for Treasury Notes | | | | |
| | Tenor | Last auction's yield | Last auction | Next auction |
| | 2 years | 16.70% | 12-Jan-22 | 1-Mar-22 |
| | 3 years | 19.04% | 23-Dec-21 | 8-Feb-22 |
| | 5 years | 20.35% | 23-Dec-21 | 25-Jan-22 |
| | 7 years | 20.94% | 23-Nov-21 | 22-Feb-22 |
| | 10 years | 22.50% | 26-Oct-21 | 18-Jan-22 |
| | 10-year infrastructure bond | 23.25% | 17-Aug-21 | TBA |
| Upcoming Treasury Note auctions | | | | |
| | Auction date | Tenor | Amount (K'b) | Last auction's coupon rate |
| | 18-Jan-22 | 10 years | 17.15 | 15.00% |
| | 25-Jan-22 | 5 years | 53.15 | 12.50% |
| | 8-Feb-22 | 3 years | 58.15 | 11.00% |
| | 22-Feb-22 | 7 years | 58.15 | 13.50% |
| | 1-Mar-22 | 2 years | 43.61 | 10.00% |
| | 8-Mar-22 | 7-year IDB | 10.00 | |
| | 22-Mar-21 | 5 years | 48.15 | 12.50% |
| Projected maturities | | | | |
| | Week ending | 14-Jan-22 | 21-Jan-22 | 28-Jan-22 |
| | TBs, PNs & TNs (K'm) | 38,656 | 11,508 | 18,201 |
| | OMO repos (K'm) | 0 | 0 | 0 |
| | OMO reverse repos (K'm) | 26,613 | 8,197 | 70,808 |
| Reference rate | | | | |
| | Rate | Jan-22 | % pts Δ | Dec-21 |
| | | 12.20% | 0.00 | 12.20% |
| Inflation rate | | | | |
| | Rate | Nov-21 | % pts Δ | Oct-21 |
| | | 11.1% | 1.3 | 9.8% |
| Closing TT mid exchange rates | | | | |
| | USD | 13-Jan-22 | % Δ | 6-Jan-22 |
| | | 823.8540 | ↓ 0.18% | 822.3468 |
| | GBP | 1195.9963 | ↓ -2.86% | 1231.1717 |
| | EUR | 1179.8561 | ↓ 7.41% | 1098.4320 |
| | ZAR | 63.6378 | ↓ 6.46% | 59.7784 |
| Gross official foreign exchange reserves position | | | | |
| | Reserves (USD'm) | 31-Dec-21 | 30-Nov-21 | 31-Oct-21 |
| | | 429.17 | 389.26 | 405.66 |
| | Import cover (months) | 1.72 | 1.56 | 1.62 |

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 82,262 as at 14th January 2022, out of which 15,092 were reported to be active. COVID-19 infections averaged 454 positive cases this week compared to 572 positive cases in the previous week. So far, 64,485 people have recovered while 2,453 have died from the disease. Cumulatively, 1,098,898 and 399,078 people have received the first and second doses of AstraZeneca vaccine, respectively, while 357,205 people have received Johnson and Johnson vaccine. Cumulatively 756,283 people are fully vaccinated, representing 3.85% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 320.73m, with recoveries of more than 264.39m and 5.52m deaths as at 14th January 2022 (Source: Johns Hopkins University and Medicine).

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