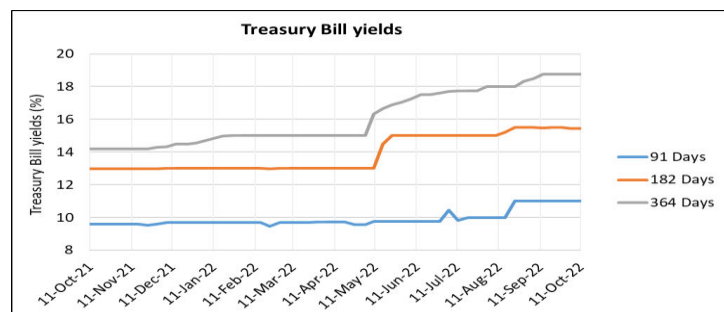


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.01% to close the week at 54,376.68 points from 54,369.11 points in the previous week due to share price gains in AIRTEL (0.02%), FMBCH (0.01%), ILLOVO (0.01%), NBM (0.04%), NITL (0.01%), STANDARD (0.05%) and SUNBIRD (0.01%), which offset share price losses in FDHB (-0.13%), NBS (-0.09%) and PCL (-0.0005%). The market traded 8,347,734 shares at a consideration of K1.01b in 193 trades compared to 8,816,264 shares traded at a consideration of K1.86b in 121 trades in the previous week. The year-to-date return on MASI stands at 19.86% compared to 27.60% for the same period in 2021 (Source: MSE).

Government securities

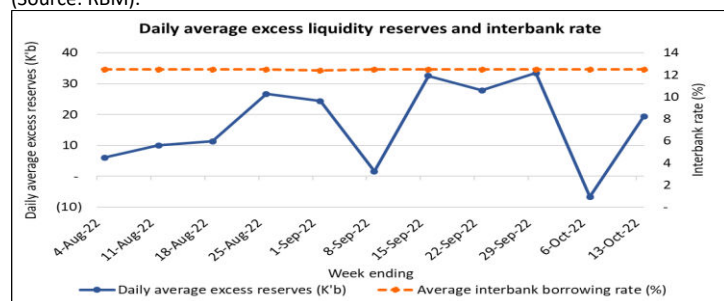
Government raised K14.41b during the week's auction for Treasury Bills (TBs) compared to K6.40b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield was stable at 15.0680% as the 91-day, 182-day and 364-day yields were constant at 11.0000%, 15.4540% and 18.7500%, respectively, during the week (Source: RBM).



Government also raised K198.10b during the week through auction of 2, 3, 5, 7 and 10 year Treasury Notes (TNs). Maturities of Government securities for the week amounted to K43.68b and the RBM conducted outright purchase of securities amounting to K194.55b. These transactions resulted in a net injection of K25.72b into the market compared to a net withdrawal of K15.08b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K19.40b from -K6.67b in the previous week. Daily average interbank borrowing increased to an average of K23.60b from K16.90b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility decreased to K76.80b from K246.90b in the previous week. The Lombard rate remains fixed at 14.20% (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated marginally by -0.004% to trade at K1034.8959/USD as of 13th October 2022 from K1034.9409/USD on 6th October 2022. The Kwacha also appreciated against GBP (-2.52%), EUR (-1.91%) and ZAR (-2.65%) during the period. Gross official foreign exchange reserves stood at USD357.18m (1.43 months of import cover) on 30th September 2022, down from USD378.89 (1.52 months of import cover) on 31st August 2022. The recommended minimum import cover is 3 months.

Stock market				
	14-Oct-22	% Δ		7-Oct-22
MASI	54,376.68	0.01%		54,369.11
DSI	44,370.98	0.01%		44,364.63
FSI	5,126.05	0.01%		5,125.56
Traded volume	8,347,734	-5.31%		8,816,264
Number of trades	193	59.50%		121
Value of shares traded (K'm)	1,014.56	-45.35%		1,856.39
Market capitalisation (K'm)	2,940,201.44	0.01%		2,939,794.28
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	51.19	0.02%		51.18
FMBCH	100.07	0.01%		100.06
ILLOVO	500.05	0.01%		500.02
NBM	1161.51	0.04%		1161.00
NITL	112.00	0.01%		111.99
STANDARD	1841.00	0.05%		1840.12
SUNBIRD	80.03	0.01%		80.02
Losers				
	Closing price (K)	% Δ		Opening price (K)
FDHB	14.96	-0.13%		14.98
NBS	22.63	-0.09%		22.65
PCL	2,181.40	-0.0005%		2,181.41
Treasury Bill auctions				
	11-Oct-22	% pts Δ		4-Oct-22
Amount offered - cost value (K'm)	23,179.00	0.00%		23,179.00
Applied - cost value (K'm)	14,411.93	125.27%		6,397.54
Allotted - cost value (K'm)	14,411.93	125.27%		6,397.54
Overall rejection rate	0.00%	0.00		0.00%
91 days yield	11.0000%	0.0000%		11.0000%
182 days yield	15.4540%	0.0000%		15.4540%
364 days yield	18.7500%	0.0000%		18.7500%
All-type yield	15.0680%	0.0000%		15.0680%
Treasury Note and Bond auctions				
	10 & 11 Oct 2022	27-Sep-22		21-Sep-22
Tenors	2,3,5,7 & 10 years	10 years		2 & 3 years
Coupon rate	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	15.00%		10.00% & 11.00%
Amount offered - cost value (K'b)		27.68		
Total applied - cost value (K'b)	198.10	26.90		18.73
Total allotted - cost value (K'b)	198.10	26.90		18.71
Allotted - weighted average ytm	21.50%, 23.00%, 25.00%, 26.50% & 27.50%	27.50%		21.50% & 23.00%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2 years	21.50%	10-Oct-22		18-Oct-22
3 years	23.00%	11-Oct-22		13-Dec-22
5 years	25.00%	10-Oct-22		15-Nov-22
7 years	26.50%	10-Oct-22		25-Oct-22
7-Year Development Bond	26.75%	2-Sep-22		TBA
10 years	27.50%	10-Oct-22		27-Dec-22
10-year infrastructure bond	23.35%	26-Apr-24		TBA
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)		Previous auction coupon rate
18-Oct-22	2	59.30		10%
25-Oct-22	7	31.54		14%
1-Nov-22	2	57.30		10%
15-Nov-22	5	54.61		13%
22-Nov-22	7	7.00		14%
29-Nov-22	5	13.00		13%
13-Dec-22	3	47.30		11%
27-Dec-22	10	31.54		15%
Projected maturities				
Week ending	14-Oct-22	21-Oct-22		28-Oct-22
TBs, PNs & TNs (K'm)	43,675	26,333		9,849
OMO repos (K'm)	0	9,104		0
OMO reverse repos (K'm)	0	8,199		5,310
Reference rate				
	Oct-22	% pts Δ		Sep-22
Rate	13.90%	0.00		13.90%
Inflation rate				
	Aug-22	% pts Δ		Jul-22
Rate	25.5%	0.9		24.6%
Closing TT mid exchange rates				
	13-Oct-22	% Δ		6-Oct-22
USD	1034.8959	-0.004%		1034.9409
GBP	1178.0365	-2.52%		1208.5308
EUR	1032.5415	-1.91%		1052.6932
ZAR	58.0728	-2.65%		59.6558
Gross official foreign exchange reserves position				
	30-Sep-22	31-Aug-22		31-Jul-22
Reserves (USD'm)	357.18	378.89		372.99
Import cover (months)	1.43	1.52		1.49

Sources: MSE, RBM, NSO, AHL

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.