

Malawi Stock Exchange (MSE) trading activity

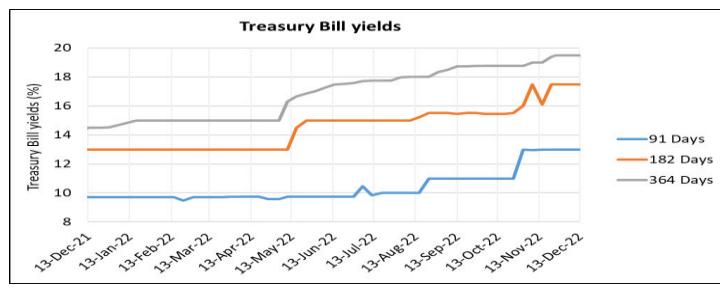
The Malawi All Share Index (MASI) registered a gain of 0.99% to close the week at 60,720.29 points from 60,127.53 points in the previous week due to share price gains in AIRTEL (1.62%), FDHB (9.93%), NBM (0.002%), NBS (14.92%), NITL (11.59%), STANDARD (0.0005%) and SUNBIRD (0.01%). The market traded 55,119,096 shares at a consideration of K948.29m in 67 trades compared to 22,758,686 shares traded at a consideration of K555.80m in 93 trades in the previous week. The year-to-date return on MASI stands at 33.84% compared to 36.46% for the same period in 2021 (Source: MSE).

Corporate news

Upcoming dividend				
Company	Dividend type	Dividend (K/share)	Last day to register	Payable
ILLOVO	2 nd interim	10.00	16-Dec-22	19-Dec-22
FDHB	2 nd interim	0.87	23-Dec-22	30-Dec-22
ILLOVO	Final proposed	5.44	TBA	TBA

Government securities

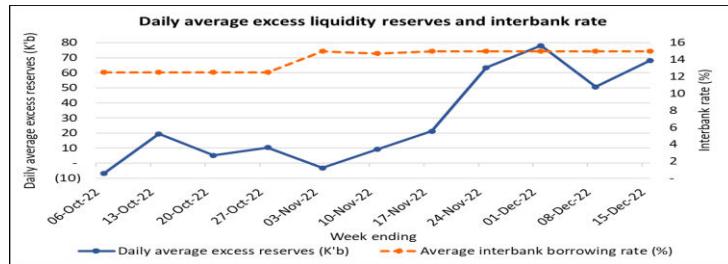
Government raised K26.09b during the week's auction for Treasury Bills (TBs) compared to K29.63b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield were constant at 16.67% during the week as 91-day, 182-day and 364-day yields were constant at 13.00%, 17.50% and 19.50%, respectively (Source: RBM).



The Government also raised K7.66b through auction of a 3-year Treasury Note (TN) at an average yield of 23.00% during the week. Maturities of Government securities for the week amounted to K7.83b. This resulted in a net withdrawal of K25.92b from the market compared to a net injection of K1.15b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K68.16b from K50.60b in the previous week. Daily average interbank borrowing increased to K17.10b from K13.34b in the previous week. The average interbank borrowing rate was constant at 15.00%. Borrowing on the Lombard facility decreased to an average of K50.72b per day during the week from K56.60b per day in the previous week. The Lombard rate remained fixed at 18.20% (Source: RBM).



Foreign exchange market developments

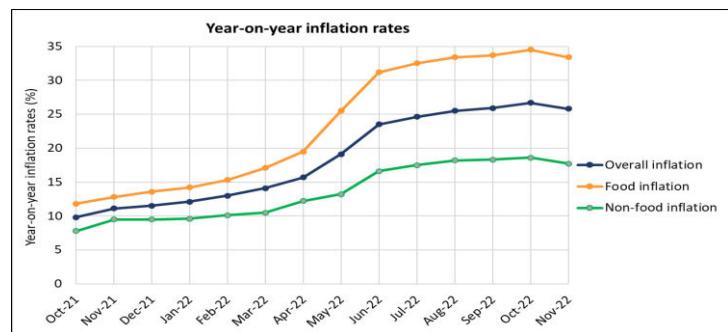
The Kwacha slightly depreciated by 0.07% to trade at K1035.5845/USD as of 15th December 2022 from K1034.8775/USD on 8th December 2022. The Kwacha also depreciated against GBP (1.53%) and EUR (1.42%) but appreciated against ZAR (-0.11%) during the period. Gross official foreign exchange reserves stood at USD338.87m (1.36 months import cover) on 30th November 2022 compared to USD326.06m (1.30 months import cover) on 31st October 2022 (Source: RBM). The recommended minimum import cover is 3 months.

Stock market			
16-Dec-22	% Δ	0.99%	09-Dec-22
MASI	60,720.29	0.99%	60,127.53
DSI	49,634.42	1.07%	49,106.99
FSI	5,612.81	0.00%	5,612.81
Traded volume	55,119,096	142.19%	22,758,686
Number of trades	67	-27.96%	93
Value of shares traded (K'm)	948.29	70.62%	555.80
Market capitalisation (K'm)	3,277,504.69	0.98%	3,245,742.25
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	56.50	1.62%	55.60
FDHB	16.50	9.93%	15.01
NBM	1540.23	0.002%	1540.20
NBS	25.95	14.92%	22.58
NITL	124.99	11.59%	112.01
STANDARD	2000.13	0.0005%	2000.12
SUNBIRD	92.05	0.01%	92.04
Losers	Closing price (K)	% Δ	Opening price (K)
None			
Treasury Bill auctions			
Auction date	13-Dec-22	% pts Δ	6-Dec-22
Amount offered - cost value (K'm)	26,823.00	0.00%	26,823.00
Applied - cost value (K'm)	26,092.19	-30.62%	37,606.21
Allotted - cost value (K'm)	26,092.19	-11.95%	29,634.23
Overall rejection rate	0.00%	-21.20	21.00%
91 days yield	13.0000%	0.0000%	13.0000%
182 days yield	17.5000%	0.0000%	17.5000%
364 days yield	19.5000%	0.0000%	19.5000%
All-type yield	16.6667%	0.0000%	16.6667%
Treasury Note and Bond auctions			
Auction date	13-Dec-22	22 & 25 Nov 2022	22 & 25 Nov 2022
Tenors	3-year TN	5-year DB	2 & 5 year TNs & 7-year DB
Coupon rate	11.00%	13.50%	10.00%, 12.50% & 14.50%
Amount offered - cost value (K'b)	47.30	13.00	
Total applied - cost value (K'b)	56.86	6.76	33.72
Total allotted - cost value (K'b)	7.66	5.34	24.98
Allotted - weighted average ytm	23.00%	26.00%	22.50%, 26.00% & 27.48%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	22.50%	25-Nov-22	TBA
3-year TN	23.00%	13-Dec-22	TBA
5-year TN	26.00%	25-Nov-22	TBA
5-year Development Bond	26.00%	29-Nov-22	TBA
7-year TN	26.50%	25-Oct-22	TBA
7-Year Development Bond	27.50%	25-Nov-22	TBA
10-year TN	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	27-Dec-22	16-Dec-22	30-Dec-22
Tenor (years)	10	31.54	31.54
Amount (K'b)			15.00%
Projected maturities			
Week ending	16-Dec-22	23-Dec-22	30-Dec-22
TBs, PNs & TNS (K'm)	7,826	22,682	23,364
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	9,938	8,160
Reference rate			
Rate	Dec-22	% pts Δ	Nov-22
	17.30%	0.70	16.60%
Inflation rate			
Rate	Nov-22	% pts Δ	Oct-22
	25.8%	-0.9	26.7%
Closing TT mid exchange rates			
15-Dec-22	% Δ	8-Dec-22	
USD	1035,5845	0.07%	1034,8775
GBP	1317,2330	1.53%	1297,3229
EUR	1136,2672	1.42%	1120,4069
ZAR	61,5662	-0.11%	61,6369
Gross official foreign exchange reserves position			
Reserves (USD'm)	338,87	326,06	357,18
Import cover (months)	1,36	1,30	1,43

Sources: MSE, RBM, NSO, AHL

November 2022 headline inflation rate at 25.7%

The year-on-year headline inflation rate stood at 25.8% in November 2022, down from 26.7% in October 2022 (11.1% in November 2021). Food inflation rate decreased to 33.4% in November 2022 from 34.5% in October 2022, while non-food inflation rate decreased to 17.7% from 18.6% in the previous month (Source: NSO).



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