

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.79% to close the week at 70,017.92 points from 69,470.88 points in the previous week due to share price gains in AIRTEL (0.09%), FDHB (0.06%), ILLOVO (0.003%), NBM (3.22%), NICO (6.67%), OMU (5.02%) and STANDARD (0.0005%), which offset share price losses in ICON (-0.08%), NBS (-0.10%) and PCL (-0.0005%). The market traded 5,457,816 shares at a consideration of K1.51b in 165 trades compared to 16,659,190 shares traded at a consideration of K580.21m in 118 trades in the previous week. The year-to-date return on MASI stands at 12.87% compared to -1.87% for the same period in 2022 (Source: MSE).

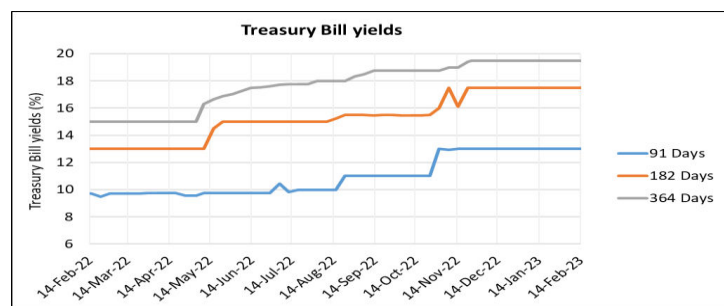
Corporate news

Annual general meeting

Company	Venue	Date	Time
ILLIOVO	Ryalls Hotel, Blantyre	22-Feb-23	14:00 hrs

Government securities

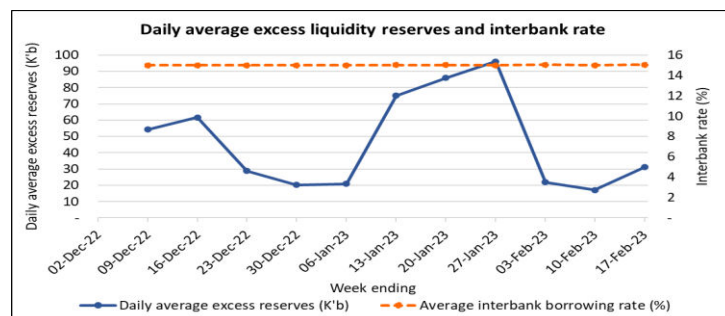
Government raised K10.19b during the week's auction for Treasury Bills (TBs) compared to K11.87b raised in the previous week. The auction registered a rejection rate of 61.95% on the submitted bids. The average TB yield was constant at 16.67% during the week as the 91-day, 182-day and 364-day yields were constant at 13.00%, 17.50% and 19.50% respectively (Source: RBM).



The government also raised K23.99b through a 3-year Treasury Note (TN) auction at an average yield of 24.00% during the week. Maturities of Government securities for the week amounted to K22.38b. There was access on the rediscounted standing facility that amounted to K0.48b. This resulted in a net withdrawal of K11.32b from the market compared to a net injection of K16.93b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K31.10b from K17.13b in the previous week. Daily average interbank borrowing decreased to K22.02b from K27.80b in the previous week. The average interbank borrowing rate marginally increased to 15.05% from 15.00% in the previous week. Borrowing on the Lombard facility decreased to the average of K64.39b per day during the week from K70.77b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha marginally appreciated against the USD by 0.07% to trade at K1034.6629 per USD from K1035.4381 per USD in the previous week. The Kwacha also appreciated against GBP (-1.60%), EUR (-1.93%) and ZAR (-2.57%) during the period. Gross official foreign exchange reserves stood at USD279.22m (1.12 months import cover) on 31st January 2023 compared to USD304.65m (1.22 months import cover) on 31st December 2022. The recommended minimum import cover is 3 months.

Stock market				
	17-Feb-23		% Δ	10-Feb-23
MASI	70,017.92	⬆️	0.79%	69,470.88
DSI	55,738.58	⬆️	0.87%	55,255.88
FSI	8,382.77	⬆️	0.06%	8,377.58
Traded volume	5,457,816	⬇️	-67.24%	16,659,190
Number of trades	165	⬆️	39.83%	118
Value of shares traded (K'm)	1,506.61	⬆️	159.66%	580.21
Market capitalisation (K'm)	3,780,524.01	⬆️	0.79%	3,750,816.41
Gainers	Closing price (K)		% Δ	Opening price (K)
AIRTEL	58.12	⬆️	0.09%	58.07
FDHB	35.04	⬆️	0.06%	35.02
ILLOVO	600.04	⬆️	0.003%	600.02
NBM	1600.01	⬆️	3.22%	1550.04
NICO	80.00	⬆️	6.67%	75.00
OMU	880.00	⬆️	5.01%	838.01
STANDARD	2200.01	⬆️	0.0005%	2200.00
Losers	Closing price (K)		% Δ	Opening price (K)
ICON	11.91	⬇️	-0.08%	11.92
NBS	38.44	⬇️	-0.10%	38.48
PCL	2,181.34	⬇️	-0.0005%	2,181.35
Treasury Bill auctions				
Auction date	14-Feb-23		% pts Δ	7-Feb-23
Amount offered -cost value (K'm)	24,035.00	➡️	0.00%	24,035.00
Applied - cost value (K'm)	26,771.12	⬆️	125.48%	11,872.81
Allotted - cost value (K'm)	10,187.27	⬇️	-14.20%	11,872.81
Overall rejection rate	61.95%	⬆️	61.95	0.00%
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	14-Feb-23		31-Jan-23	24-Jan-23
Tenors	3 years		7 years	5 years
Coupon rate	11.00%		13.50%	12.50%
Amount offered -cost value (K'b)	68.28		26.14	51.64
Total applied - cost value (K'b)	25.70		27.15	29.46
Total allotted - cost value (K'b)	23.99		11.53	29.16
Allotted - weighted average ytm	24.00%		27.50%	26.19%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield		Last auction	Next auction
2-year TN	22.75%		20-Jan-23	28-Feb-23
3-year TN	24.00%		14-Feb-23	TBA
5-year TN	26.19%		24-Jan-23	21-Mar-23
5-year Development Bond	26.00%		29-Nov-22	TBA
7-year TN	27.50%		31-Jan-23	TBA
7-Year Development Bond	27.50%		25-Nov-22	28-Feb-23
10-year TN	28.50%		28-Dec-22	21-Feb-23
10-year Development Bond	23.35%		26-Apr-22	TBA
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)		Amount (K'b)	Previous auction coupon rate
21-Feb-23	10		21.09	15.00%
28-Feb-23	7-year IDB		10.00	14.50%
14-Mar-23	2		61.64	10.00%
21-Mar-23	5		56.64	12.50%
Projected maturities				
Week ending	17-Feb-23		24-Feb-23	3-Mar-23
TBs, PNs & TNs (K'm)	22,380		45,148	27,475
OMO repos (K'm)	0		0	0
OMO reverse repos (K'm)	0		2,537	8,132
Reference rate				
Rate	Feb-23		% pts Δ	Jan-23
	17.30%	➡️	0.00	17.30%
Inflation rate				
Rate	Dec-22		% pts Δ	Nov-22
	25.4%	⬇️	-0.4	25.8%
Closing TT mid exchange rates				
	17-Feb-23		% Δ	10-Feb-23
USD	1034.6629	⬆️	-0.07%	1035.4381
GBP	1269.3874	⬆️	-1.60%	1290.0639
EUR	1119.5142	⬆️	-1.93%	1141.5529
ZAR	57.9927	⬆️	-2.57%	59.5233
Gross official foreign exchange reserves position				
	31-Jan-23		31-Dec-22	30-Nov-22
Reserves (USD'm)	279.22		304.65	338.87
Import cover (months)	1.12		1.22	1.36

Sources: MSE, RBM, NSO, AHL

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