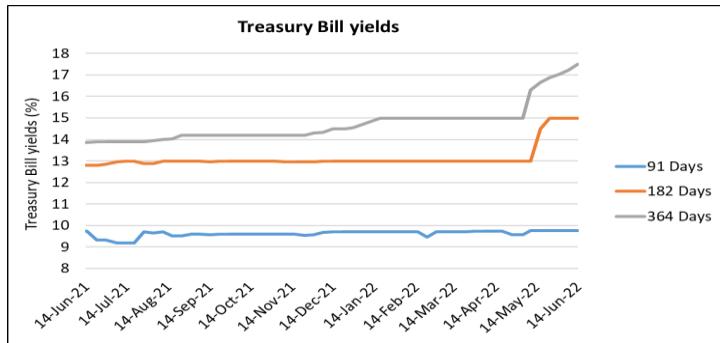


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.15% to close the week at 49,644.80 points from 49,718.86 points in the previous week due to share price losses in FMBCH (-1.55%) and NITL (-0.03%), which offset share price gains in AIRTEL (0.12%), ICON (0.08%) and NBM (0.001%). The market traded 38,147,540 shares at a consideration of K662.37m in 67 trades, compared to 2,619,091 shares traded at a consideration of K62.41m in 65 trades in the previous week. The year-to-date return on MASI stands at 9.43% compared to 5.34% for the same period in 2021 (Source: MSE).

Government securities

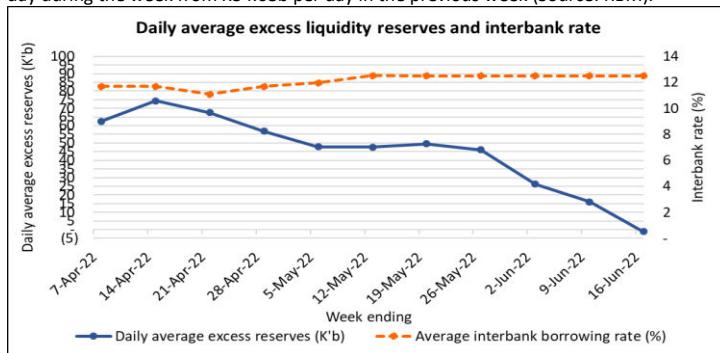
Government raised K3.72b during the week's auction for Treasury Bills (TBs) compared to K26.25b raised in the previous week. The auction registered 32.99% rejection on the submitted bids. The average TB yield slightly increased to 14.0833% from 14.0401% in the previous week as the 364-day yield increased to 17.5000% from the average of 17.3703% in the previous week, while the 91-day and 182-day yields were constant at 9.7500% and 15.0000%, respectively (Source: RBM).



Government also raised K7.77b through auction of a 10-year Treasury note (TN) during the week. Maturities of Government securities for the week amounted to K8.77b. This resulted in a net withdraw of K2.72b from the market compared to a net withdraw of K18.37b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K-1.15b from K16.02b in the previous week. Daily average interbank borrowing increased to an average of K19.80b from K13.88b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility decreased to the average of K16.68b per day during the week from K34.68b per day in the previous week (Source: RBM).


Foreign exchange market developments

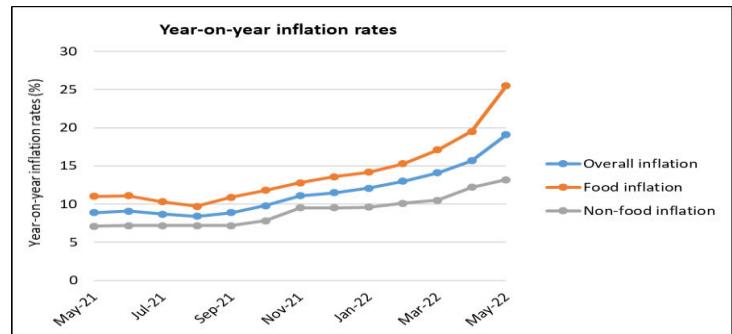
The Kwacha depreciated by 0.12% to trade at K1029.1652/USD as at 16th June 2022 from K1027.9475/USD as at 9th June 2022. The Kwacha, however, appreciated against GBP, EUR and ZAR by -3.62%, -2.87% and -3.68%, respectively, during the period. Gross official foreign exchange reserves stood at USD388.22 (1.55 months of imports) on 31st May 2022 compared to USD363.27 (1.45 months of imports) on 30th April 2022. The recommended minimum import cover is 3 months. As at the end of week 12 of this year's tobacco marketing season on 17th June 2022, the country had cumulatively realized \$107.73m from 51.85m kgs of tobacco sold at an average price of \$2.08/kg. During a comparative period last year, the tobacco market had cumulatively realised \$155.20m from 94.40m kgs (Source: AHL).

Stock market			
17-Jun-22		% Δ	10-Jun-22
MASI	49,644.80	↓ -0.15%	49,718.86
DSI	39,054.12	↑ 0.03%	39,042.04
FSI	6,539.01	↓ -1.50%	6,638.60
Traded volume	38,147,540	↑ 1356.52%	2,619,091
Number of trades	67	↑ 3.08%	65
Value of shares traded (K'm)	662.37	↑ 961.40%	62.41
Market capitalisation (K'm)	2,692,560.09	↓ -0.16%	2,696,773.75
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	48.60	↑ 0.12%	48.54
ICON	12.00	↑ 0.08%	11.99
NBM	1,000.20	↑ 0.001%	1,000.19
Losers	Closing price (K)	% Δ	Opening price (K)
FMBCH	127.99	↓ -1.55%	130.00
NITL	110.00	↓ -0.03%	110.03
Treasury Bill auctions			
Auction date	14-Jun-22	% pts Δ	7 & 9 June 2022
Amount offered - cost value (K'm)	20,820.00	↑ 0.00%	20,820.00
Applied - cost value (K'm)	5,544.89	↓ -80.18%	27,971.06
Allotted - cost value (K'm)	3,715.65	↓ -85.84%	26,245.12
Overall rejection rate	32.99%	↑ 26.819	6.17%
91 days yield	9.7500%	↑ 0.0000%	9.7500%
182 days yield	15.0000%	↑ 0.0000%	15.0000%
364 days yield	17.5000%	↑ 0.1297%	17.3703%
All-type yield	14.0833%	↑ 0.0432%	14.0401%
Treasury Note and Bond auctions			
Auction date	14 & 16 June 2022	6-Jun-22	31-May-22
Tenors	10 years	3 & 5 years	5 years
Coupon rate	15.00%	11.00% & 12.50%	12.50%
Amount offered - cost value (K'b)	27.45		42.81
Total applied - cost value (K'b)	22.49	3.87	13.80
Total allotted - cost value (K'b)	7.77	3.87	13.80
Allotted - weighted average ytm	24.06% & 26.50%	22.00% & 24.00%	23.95%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2 years	18.50%	24-May-22	TBA
3 years	22.00%	6-Jun-22	28-Jun-22
5 years	24.00%	6-Jun-22	TBA
7 years	22.33%	4-May-22	TBA
7-Year Development Bond	22.47%	8-Mar-22	TBA
10 years	26.50%	16-Jun-22	TBA
10-year Infrastructure bond	23.35%	26-Apr-24	TBA
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor	Amount (K'b)	Previous coupon rate
28-Jun-22	3	57.45	11.00%
Projected maturities			
Week ending	17-Jun-22	24-Jun-22	1-Jul-22
TBs, PNs & TNs (K'm)	8,767	19,898	33,821
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	32,894	23,157
Reference rate			
Rate	Jun-22	% pts Δ	May-22
	13.80%	↑ 0.30	13.50%
Inflation rate			
Rate	May-22	% pts Δ	Apr-22
	19.1%	↑ 3.4	15.7%
Closing TT mid exchange rates			
USD	1029.1652	↓ 0.12%	1027.9475
GBP	1326.4250	↑ -3.62%	1376.3012
EUR	1144.1620	↓ -2.87%	1177.9934
ZAR	70.3018	↓ -3.68%	72.9860
Gross official foreign exchange reserves position			
Reserves (USD'm)	388.22	363.27	374.48
Import cover (months)	1.55	1.45	1.50

Sources: MSE, RBM, NSO, AHL

May 2022 inflation

The year-on-year headline inflation rate stood at 19.1% in May 2022 from 15.7% in April 2022 and compared to 8.9% in May 2021. Food inflation rate increased to 25.5% in May 2022, from 19.5% in April 2022 (11.0% in May 2021), while non-food inflation rate increased to 13.2% in May 2022 from 12.2% in April 2022 (7.1% in May 2021).



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