

Malawi Stock Exchange (MSE) trading activity

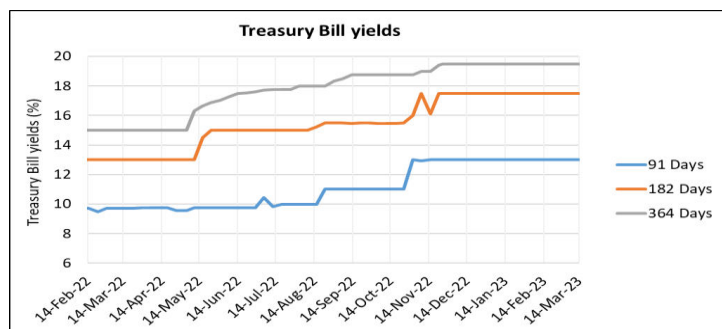
The Malawi All Share Index (MASI) registered a gain of 1.32% to close the week at 74,925.62 points from 73,947.88 points in the previous week due to share price gains in AIRTEL (0.03%), ILLOVO (4.48%), NBM (0.001%), NBS (11.06%), NICO (14.98%) and TNM (0.29%), which offset price losses in FDHB (-0.09%), FMBCH (-0.01%) and ICON (-0.08%). The market traded 4,447,426 shares at a consideration of K339.97m in 145 trades compared to 9,048,305 shares traded at a consideration of K628.57m in 150 trades in the previous week. The year-to-date return on MASI stands at 20.78% compared to 0.43% for the same period in 2022 (Source: MSE).

Dividends announced

Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NBM	2nd Interim declared	21.42	14-Mar-23	17-Mar-23	6-Apr-23
ILLOVO	Final declared	5.44	21-Mar-23	24-Mar-23	31-Mar-23
STANDARD	Final proposed	51.14	TBA	TBA	TBA
OMU	Final proposed	ZAR0.51	11-Apr-23	14-Apr-23	17-Apr-23

Government securities

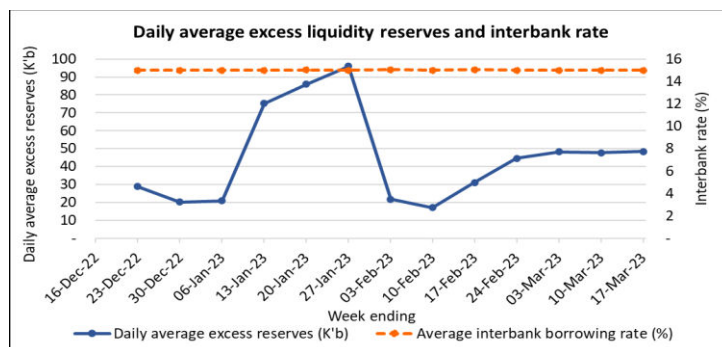
Government raised K35.69b during the week's auction for Treasury Bills (TBs) compared to K15.24b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield was constant at 16.67% during the week as the 91-day, 182-day and 364-day yields were constant at 13.00%, 17.50% and 19.50%, respectively (Source: RBM).



The Government also raised K35.57b through auction of a 2-year Treasury Note (TN) at an average yield of 22.75%. Maturities of Government securities for the week amounted to K85.71b and access on the rediscounting standing facility amounted to K850.00m. These transactions resulted in a net injection of K15.30b into the market compared to a net withdrawal of K5.78b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K48.35b from K47.77b in the previous week. Daily average interbank borrowing increased to K16.64b from K15.51b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility increased to the average of K79.98b per day from K66.66b per day in the previous week (Source: RBM).



Foreign exchange market developments

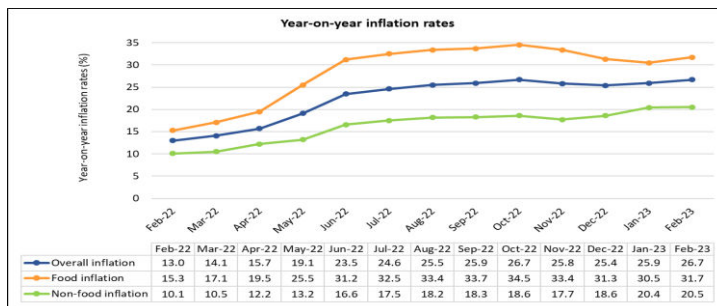
During the week, the Kwacha marginally depreciated against USD by 0.08% to trade at K1034.1899 per USD as at the end of the week from K1033.3549 per USD as at the end of the previous week. The Kwacha also depreciated against GBP (1.76%), EUR (0.68%) and ZAR (2.13%) during the period. Gross official foreign 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-Mar-23	% Δ		10-Mar-23
MASI	74,925.62	1.32%		73,947.88
DSI	60,106.26	1.47%		59,235.87
FSI	8,381.78	-0.01%		8,382.28
Traded volume	4,447,426	-50.85%		9,048,305
Number of trades	145	-3.33%		150
Value of shares traded (K'm)	339.97	-45.91%		628.57
Market capitalisation (K'm)	4,043,498.09	1.31%		3,991,107.55
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	68.02	0.03%		68.00
ILLOVO	700.00	4.48%		670.01
NBM	1600.16	0.001%		1600.14
NBS	50.00	11.06%		45.02
NICO	119.00	14.98%		103.50
TNM	14.07	0.29%		14.03
Losers				
	Closing price (K)	% Δ		Opening price (K)
FDHB	34.50	-0.09%		34.93
FMBCH	166.98	-0.01%		166.99
ICON	11.90	-0.08%		11.91
Treasury Bill auctions				
Auction date	13 & 14 March 2023	% pts Δ		7 & 9 March 2023
Amount offered - cost value (K'm)	17,847.00	0.00%		17,847.00
Applied - cost value (K'm)	35,686.24	127.02%		15,719.53
Allotted - cost value (K'm)	35,686.24	134.19%		15,238.13
Overall rejection rate	0.00%	-3.06%		3.06%
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 & 14 March 2023		9-Mar-23	28-Feb-23
Tenors	2 years		2 & 3 & years	7 year IDB
Coupon rate	10.00%		10.00% & 11.00%	14.50%
Amount offered - cost value (K'b)	61.64		7.86	10.00
Total applied - cost value (K'b)	38.91		7.86	17.92
Total allotted - cost value (K'b)	35.57		7.86	17.92
Allotted - weighted average ytm	22.75%		22.75% & 24.00%	27.50%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2-year TN	22.75%	14-Mar-23		TBA
3-year TN	24.00%	09-Mar-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%	28-Feb-23		TBA
10-year TN	28.50%	21-Feb-23		TBA
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
14-Mar-23	2	61.64		10.00%
21-Mar-23	5	56.64		12.50%
Projected maturities				
Week ending	17-Mar-23	24-Mar-23		31-Mar-23
TBs, PNs & TNs (K'm)	85,713	23,578		52,263
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	0		8,066
Reference rate				
Rate	Mar-23	% pts Δ		Feb-23
	17.30%	0.00		17.30%
Inflation rate				
Rate	Feb-23	% pts Δ		Jan-23
	26.7%	0.8		25.9%
Closing TT mid exchange rates				
	17-Mar-23	% Δ		10-Mar-23
USD	1034.1899	0.08%		1033.3549
GBP	1293.9063	1.76%		1271.4940
EUR	1132.7754	0.68%		1125.1085
ZAR	58.2005	2.13%		56.9891
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

February 2023 Inflation rate at 26.7%.

Year-on-year headline inflation rate stood at 26.7% in February 2023, an increase from the 25.9% recorded in January 2023. Food and Non-Food Inflation rates increased to 31.7% and 20.5%, respectively, in February 2023, from 30.5% and 20.4% in January 2023 (Source: NSO).



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