



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.55% to close the week at 40,572.00 points from 40,349.78 points in the previous week due to share price gains in FDHB (12.66%), NBM (0.03%) and NITL (0.01%) which offset share price losses in FMBCH (-0.02%) and NBS (-0.04%). During the week, the market traded 10,413,181 shares at a consideration of K217.33m in 63 trades, compared to 12,693,602 shares traded at a consideration of K396.01m in 93 trades in the previous week. The year-to-date return on MASI stands at 25.25% compared to 3.94% for the same period in 2020 (Source: MSE).

Corporate news

ICON Properties Plc announced the appointment of Mr Eric Chapola as the Board Chairman of the company with effect from 25th August 2021.

Coupon payment

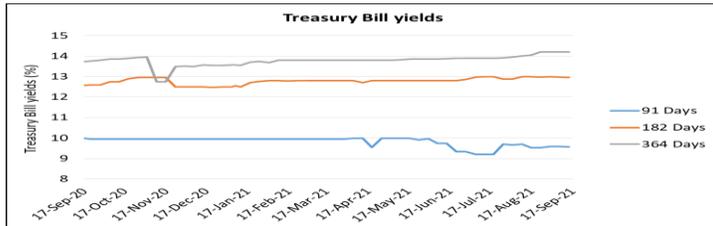
Company	Medium Term Loan	Last day to register	Pmt date	Pmt period
MYBUCKS	K9b	24-Sept-21	30-Sept-21	1 July 21 to 30 Sept 21

Published financial results for the half year ended 30th June 2021

Company	H1 2021 profit after tax (K'm)	Change (%)	H1 2020 profit after tax (K'm)
Listed banks			
FDH Bank Plc	4,550	41%	3,224
First Capital Bank Plc	5,448	39%	3,913
MyBucks Banking Corporation Plc	414	-78%	1,879
National Bank of Malawi Plc	12,754	41%	9,071
NBS Bank Plc	4,395	55%	2,844
Standard Bank Plc	11,578	-8%	12,633
Unlisted banks			
CDH Investment Bank Ltd	2,891	212%	927
Ecobank Ltd	4,305	8%	4,004
Listed companies			
Airtel Malawi Plc	11,346	-1%	11,415
MPICO Plc	2,841	13%	2,507
NICO Holdings Plc	7,027	-8%	7,642
Press Corporation Plc	12,872	10%	11,683
Telekom Networks Malawi Plc	4,511	19%	3,780
Unlisted financial institutions			
First Discount House Ltd	2,132	51%	1,412

Government securities

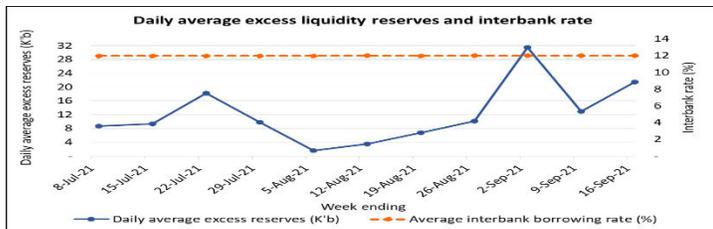
Government raised K3.51b during the week's auction for Treasury Bills (TBs) compared to K11.71b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield decreased to 12.2417% from 12.2567% in the previous week, due to a decrease in the 91-day, 182-day and 364-day yields to 9.5677%, 12.9575% and 14.1999%, respectively, from 9.5900%, 12.9800% and 14.2000% in the previous week (Source: RBM).



During the week, Government also raised K12.71b through auction of a 2-year Treasury Note. Maturities of Government securities amounted to K5.93b. This resulted in a net withdrawal of K10.29b from the market, compared to a net withdrawal of K0.14b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K21.48b from K12.94b recorded in the previous week. Daily interbank borrowing averaged K19.92b as compared to K22.67b in the previous week. The average interbank borrowing rate was stable at 11.98% as per the previous week. Borrowing on the Lombard Facility averaged K96.32b per day, increasing from an average of K86.72b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by 0.17% to trade at K818.8491 per USD as at 16th September 2021 from K820.2649 per USD as at 9th September 2021. The Kwacha also appreciated against EUR and ZAR by 0.28% and 1.71%, respectively. It, however, depreciated against GBP by 0.26%. Gross official forex reserves were last recorded at USD604.50m (2.42 months of import cover) on 31st August 2021, increasing from USD404.18m (1.62 months of import cover) on 31st July 2021. The reserves were below the recommended minimum of 3 months of import cover. The tobacco market was officially closed on 9th September 2021 after 21 weeks. The country realised USD197.05m during the 2021 tobacco selling season, compared to USD174.97m realised in the 2020 season, representing an increase of 12.62% (Source: AHL).

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Stock market				
	17-Sep-21		% Δ	10-Sep-21
MASI	40,572.00	↑	0.55%	40,349.78
DSI	33,396.17	↑	0.60%	33,198.05
FSI	3,454.70	↓	-0.01%	3,455.20
Traded volume	10,413,181	↓	-17.97%	12,693,602
Number of trades	63	↓	-32.26%	93
Value of shares traded (K'm)	217.33	↓	-45.12%	396.01
Market capitalisation (K'm)	2,203,814.32	↑	0.54%	2,191,908.17
Gainers				
	Closing price (K)		% Δ	Opening price (K)
FDHB	15.31	↑	12.66%	13.59
NBM	675.21	↑	0.03%	675.02
NITL	80.71	↑	0.01%	80.70
Losers				
	Closing price (K)		% Δ	Opening price (K)
FMBCH	64.49	↓	-0.02%	64.50
NBS	26.32	↓	-0.04%	26.33
Treasury Bill auctions				
	Auction date	7-Sep-21	% pts Δ	7-Sep-21
Amount offered - cost value (K'm)	16,134.00	↓	0.00%	16,134.00
Applied - cost value (K'm)	3,507.92	↓	-70.04%	11,708.76
Allotted - cost value (K'm)	3,507.92	↓	-70.04%	11,708.76
Overall rejection rate	0.00%	↓	0.00%	0.00%
91 days yield	9.5677%	↓	-0.0223%	9.5900%
182 days yield	12.9575%	↓	-0.0225%	12.9800%
364 days yield	14.1999%	↓	-0.0001%	14.2000%
All-type yield	12.2417%	↓	-0.0150%	12.2567%
Treasury Note and Bond auctions				
	Auction date	14-Sep-21	31-Aug-21	17-Aug-21
Tenors	2 years	5 years	10 year infrastructure bond	
Coupon rate	10.00%	12.50%	16.00%	
Amount offered - cost value (K'b)	24.20	41.92	20.00	
Total applied - cost value (K'b)	16.23	16.83	26.90	
Total allotted - cost value (K'b)	12.71	14.97	13.35	
Allotted - weighted average ytm	16.63%	20.26%	23.25%	
Current yields for Treasury Notes				
	Tenor	Last auction's yield	Last auction	Next auction
	2-year	16.63%	14-Sep-21	TBA
	3-year	18.99%	3-Aug-21	TBA
	5-year	20.26%	31-Aug-21	TBA
	7-year	21.36%	27-Jul-21	TBA
	10-year	23.25%	17-Aug-21	28-Sep-21
Upcoming Treasury Note auctions				
	Auction date	Tenor	Amount (K'b)	Last coupon rate
	28-Sep-21	10	16.34	15.00%
Projected maturities				
	Week ending	17-Sep-21	24-Sep-21	1-Oct-21
TBs, PNs & TNs (K'm)	5,932	4,232	13,656	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	0	
Reference rate				
	Sep-21	% pts Δ	Aug-21	
Rate	12.20%	0.00	12.20%	
Inflation rate				
	Jul-21	% pts Δ	Jun-21	
Rate	8.7%	-0.4	9.1%	
Cumulative tobacco sales - Week 21				
	Date	Final 2021	% Δ	Final 2020
Volume (Kg)	123,654,341.00	↑	8.45%	114,024,274.00
Value (USD)	197,050,177.65	↑	12.62%	174,974,671.24
Average price (USD/Kg)	1.59	↑	3.92%	1.53
Closing mid exchange rates				
	16-Sep-21	% Δ	9-Sep-21	
USD	818.8491	↑	820.2649	
GBP	1194.4121	↓	1191.3524	
EUR	1037.1309	↑	1040.0112	
ZAR	61.1732	↑	62.2354	
Gross official foreign exchange reserves position				
	31-Aug-21	31-Jul-21	30-Jun-21	
Reserves (USD'm)	604.50	404.18	424.99	
Import cover (months)	2.42	1.62	1.70	

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 61,287 as at 17th September 2021, out of which 7,040 were reported to be active. The 7-day average of daily infections decreased to 34 during the week from 46 in the previous week. So far, 51,763 people have recovered while 2,252 have died from the disease. The first and second doses of the Oxford-AstraZeneca vaccine were reported to have been administered to cumulatively 505,226 and 236,943 people respectively, while 232,661 people were reported to have received the Johnson & Johnson vaccine. Cumulatively, 469,604 people were fully vaccinated as at 17th September 2021, representing 2.52% of the total population (18.63m in 2019) (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 228.05m, with recoveries of more than 204.71m and 4.69m deaths as at 17th September 2021 (Source: Johns Hopkins University and Medicine).