

Malawi Stock Exchange (MSE) trading activity

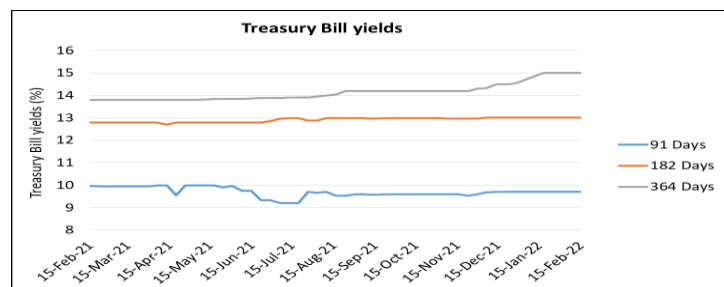
The Malawi All Share Index (MASI) registered a loss of -0.45% to close the week at 44,519.42 points from 44,720.06 points in the previous week due to share price losses in FDHB (-0.07%), FMBCH (-0.01%), ILLOVO (-0.32%), NBS (-0.04%) and TNM (-5.21%), which offset a marginal share price gain in STANDARD (0.001%). The market traded 2,888,227 shares at a consideration of K721.02m in 48 trades during the week, compared to 4,574,029 shares traded at a consideration of K95.12m in 92 trades in the previous week. The year-to-date return on MASI stands at -1.87% compared to 1.05% for the same period in 2021 (Source: MSE).

Corporate news

- National Bank of Malawi Plc announced a second interim dividend of K7.00b, representing K15 per share. Last day to register is 11th March 2022 and payment date is 31st March 2022. A first dividend of K5.00b was paid in September 2021 in respect of 2021 profits (Source: MSE).
- FMB Capital Holdings Plc expects the group's consolidated US dollar profit after tax for the year ended 31st December 2021 to be more than 75% higher than that of the previous corresponding period (Source: MSE).

Government securities

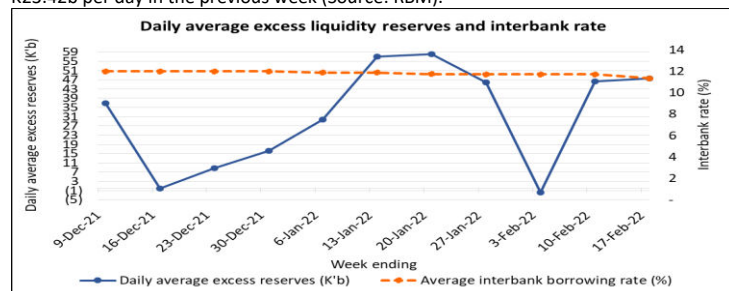
Government raised K6.84b during the week's auction for Treasury Bills (TBs) compared to K23.79b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable at 12.5667%, as the 91-day, 182-day and 364-day yields were constant at 9.7000%, 13.0000% and 15.0000%, respectively (Source: RBM).



Maturities of Government securities for the week amounted to K4.42b, resulting in a net withdrawal of K2.42b from the market compared to a net withdrawal of K50.63b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves slightly increased to K47.69b from K46.36b in the previous week. Daily interbank borrowing increased to the average of K31.86b compared to K19.12b in the previous week. The average interbank borrowing rate decreased to 11.33% from 11.70% in the preceding week. Borrowing on the Lombard Facility decreased to the average of K5.84b per day during the week, compared to K23.42b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by 0.05% to trade at K823.3366 against USD as at 17th February 2022, from K823.7414 as at 10th February 2022. During the same period, however, the Kwacha depreciated against GBP, EUR and ZAR by 0.96%, 5.76% and 1.46%, respectively. Gross official forex reserves stood at USD399.98 million (1.60 months of import cover) as at 31st January 2022, down from USD429.17 million (1.72 months of import cover) as at 31st December 2021. The recommended minimum import cover is 3 months.

Stock market				
	18-Feb-22	% Δ		11-Feb-22
MASI	44,519.42	↓ -0.45%		44,720.06
DSI	36,339.33	↓ -0.49%		36,517.47
FSI	4,181.74	↓ -0.01%		4,182.23
Traded volume	2,888,227	↓ -36.86%		4,574,029
Number of trades	48	↓ -47.83%		92
Value of shares traded (K'm)	721.02	↑ 658.04%		95.12
Market capitalisation (K'm)	2,413,933.21	↓ -0.44%		2,424,685.64
Gainers				
	Closing price (K)	% Δ		Opening price (K)
STANDARD	1400.05	↑ 0.001%		1400.04
Losers				
	Closing price (K)	% Δ		Opening price (K)
FDHB	15.23	↓ -0.07%		15.24
FMBCH	79.95	↓ -0.01%		79.96
ILLOVO	299.00	↓ -0.32%		299.97
NBS	22.85	↓ -0.04%		22.86
TNM	18.00	↓ -5.21%		18.99
Treasury Bill auctions				
	15-Feb-22	% pts Δ		8-Feb-22
Auction date	15-Feb-22			8-Feb-22
Amount offered - cost value (K'm)	28,366.00	0.00%		28,366.00
Applied - cost value (K'm)	6,843.27	↓ -71.24%		23,792.52
Allotted - cost value (K'm)	6,843.27	↓ -71.24%		23,792.52
Overall rejection rate	0.00%	0.00%		0.00%
91 days yield	9.7000%	0.0000%		9.7000%
182 days yield	13.0000%	0.0000%		13.0000%
364 days yield	15.0000%	0.0000%		15.0000%
All-type yield	12.5667%	0.0000%		12.5667%
Treasury Note and Bond auctions				
	8-Feb-22	25-Jan-22		18-Jan-22
Auction date	8-Feb-22	25-Jan-22		18-Jan-22
Tenors	3 years	5 years		10 years
Coupon rate	11.00%	12.50%		15.00%
Amount offered - cost value (K'b)	58.15	13.50%		17.15
Total applied - cost value (K'b)	77.43	23.18		5.89
Total allotted - cost value (K'b)	77.43	23.18		5.89
Allotted - weighted average ytm	19.33%	20.78%		22.98%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction		Next auction
2 years	16.70%	12-Jan-22		1-Mar-22
3 years	19.33%	8-Feb-22		TBA
5 years	20.78%	25-Jan-22		22-Mar-21
7 years	20.94%	23-Nov-21		22-Feb-22
10 years	22.98%	18-Jan-22		TBA
10-year infrastructure bond	23.25%	17-Aug-21		TBA
Upcoming Treasury Note auctions				
Auction date	Tenor	Amount (K'b)		Last auction's coupon rate
22-Feb-22	7 years	58.15		13.50%
1-Mar-22	2 years	43.61		10.00%
8-Mar-22	7-year IDB	10.00		
22-Mar-21	5 years	48.15		12.50%
Projected maturities				
Week ending	18-Feb-22	25-Feb-22		4-Mar-22
TBs, PNs & TNs (K'm)	4,421	36,535		42,426
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	35,637		7,207
Reference rate				
Rate	Feb-22	% pts Δ		Jan-22
	12.20%	0.00		12.20%
Inflation rate				
Rate	Dec-21	% pts Δ		Nov-21
	11.5%	0.4		11.1%
Closing TT mid exchange rates				
	17-Feb-22	% Δ		10-Feb-22
USD	823.3366	↑ -0.05%		823.7414
GBP	1290.1448	↓ 0.96%		1277.8988
EUR	1197.8056	↓ 5.76%		1132.6104
ZAR	65.1426	↓ 1.46%		64.2066
Gross official foreign exchange reserves position				
	31-Jan-22	31-Dec-21		30-Nov-21
Reserves (USD'm)	399.98	429.17		389.26
Import cover (months)	1.60	1.72		1.56

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 85,179 as at 18th February 2022, out of which 7,906 were reported to be active. COVID-19 infections averaged 29 positive cases this week compared to 35 positive cases in the previous week. So far, 74,429 people have recovered while 2,602 have died from the disease. Cumulatively, 1,098,898 and 399,078 people have received the first and second doses of AstraZeneca vaccine, respectively, 394,836 people have received the Johnson and Johnson vaccine, while 15,610 and 646 people have received the first and second doses of Pfizer vaccine as of 18th February 2022. Cumulatively 794,560 people are fully vaccinated representing 4.05% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 420.079m and 5.86m deaths as at 18th February 2022 (Source: Johns Hopkins University and Medicine).

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