



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 0.49% to close the week at 45,565.29 points from 45,344.25 points in the previous week due to share price gains in FMBCH (0.05%), NBM (2.77%), STANDARD (0.001%) and TNM (0.29%), which offset share price losses in ICON (-0.47%) and ILLOVO (-0.003%). The market traded 10,235,677 shares at a consideration of K656.45m in 68 trades during the week, compared to 33,868,010 shares traded at a consideration of K948.94m in 82 trades in the previous week. The year-to-date return on MASI stands at 0.44% compared to 0.60% for the same period in 2021 (Source: MSE).

Corporate news

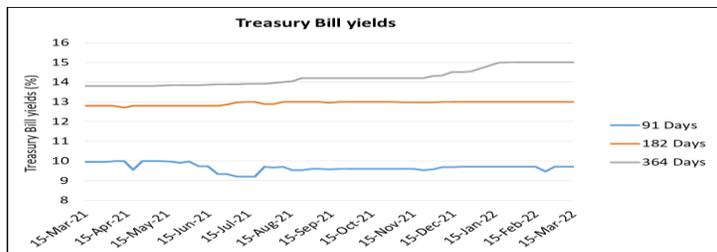
- **Press Corporation Plc (PCL)** completed the disposal of its 100% stake in Peoples Trading Centre Limited to Tafika Holdings Limited. The disposal was a strategic move for PCL to move out of retail business and concentrate on capital intensive investments (Source: MSE).
- **Old Mutual Plc (OMU)** published its preliminary annual financial results for the year ended 31st December 2021. The Group registered a 45% increase in headline earnings from R5.09b to R7.21b (Source: MSE).

Upcoming dividends

Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Final	4.00	25-Mar-22	31-Mar-22
NBM	2nd Interim	15.00	11-Mar-22	31-Mar-22
OMU	Final	0.51 cents	19-Apr-22	23-May-22
STANDARD	Final	8.52	TBA	TBA

Government securities

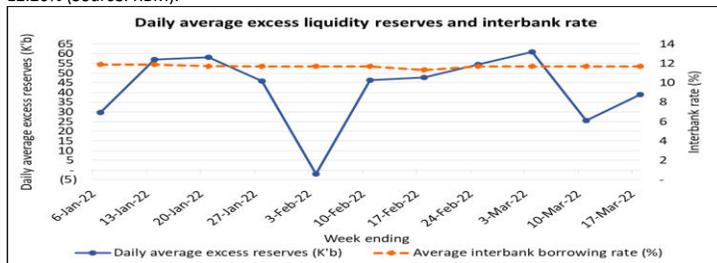
Government raised K25.73b during the week's auction for Treasury Bills (TBs) compared to K10.26b raised in the previous week. The auction registered a rejection rate of 3.26% on the submitted bids. The all-type average TB yield slightly decreased to 12.5664% from 12.5667% in the previous week due to a marginal decrease in the 365-day yield to 14.9992% from 15.0000%. The 91-day and 182-day yields were stable at 9.7000% and 13.0000%, respectively (Source: RBM).



Maturities of Government securities for the week amounted to K25.43b, resulting in a net withdrawal of K0.31b from the market compared to a net withdrawal of K5.56b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K38.88b from K25.62b in the previous week. Daily average interbank borrowing decreased to the average of K14.84b compared to K16.20b in the previous week. The average interbank borrowing rate was steady at 11.70%. Borrowing on the Lombard Facility decreased to the average of K13.48b per day during the week, compared to K37.45b per day in the previous week. The Lombard rate remained at 12.20% (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.12% to trade at K824.3912/USD as at 17th March 2022 from K823.4418/USD as at 10th March 2022. In the same period, the Kwacha also depreciated against EUR and ZAR by 0.53% and 5.06%, respectively, but appreciated against GBP by 1.03%. Gross official forex reserves stood at USD385.40 million (1.54 months of import cover) as at 28th February 2022, down from USD399.98 million (1.60 months of import cover) as at 31st January 2022 (Source: RBM). The recommended minimum import cover is 3 months.

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Stock market			
	18-Mar-22	% Δ	11-Mar-22
MASI	45,565.29	↑ 0.49%	45,344.25
DSI	37,268.01	↑ 0.53%	37,072.88
FSI	4,184.21	↑ 0.05%	4,182.23
Traded volume	10,235,677	↓ -69.78%	33,868,010
Number of trades	68	↓ -17.07%	82
Value of shares traded (K'm)	656.45	↓ -30.82%	948.94
Market capitalisation (K'm)	2,469,981.89	↑ 0.48%	2,458,132.51
Gainers			
	Closing price (K)	% Δ	Opening price (K)
FMBCH	80.00	↑ 0.05%	79.96
NBM	925.00	↑ 2.77%	900.04
STANDARD	1400.09	↑ 0.001%	1400.08
TNM	17.50	↑ 0.29%	17.45
Losers			
	Closing price (K)	% Δ	Opening price (K)
ICON	12.79	↓ -0.47%	12.85
ILLOVO	305.42	↓ -0.003%	305.43
Treasury Bill auctions			
Auction date	15-Mar-22	% pts Δ	8-Mar-22
Amount offered - cost value (K'm)	7,541.00	→ 0.00%	7,541.00
Applied - cost value (K'm)	26,601.12	↑ 159.36%	10,256.54
Allotted - cost value (K'm)	25,733.88	↑ 150.90%	10,256.54
Overall rejection rate	3.26%	↑ 3.26	0.00%
91 days yield	9.7000%	→ 0.0000%	9.7000%
182 days yield	13.0000%	→ 0.0000%	13.0000%
364 days yield	14.9992%	↓ -0.0008%	15.0000%
All-type yield	12.5664%	↓ -0.0003%	12.5667%
Treasury Note and Bond auctions			
Auction date	8-Mar-22	1-Mar-22	22-Feb-22
Tenors	7-Year Infrastructure Development Bond	2 years	7 years
Coupon rate	14.50%	10.00%	13.50%
Amount offered - cost value (K'b)	10.00	43.61	58.15
Total applied - cost value (K'b)	8.63	50.21	6.64
Total allotted - cost value (K'b)	8.63	50.21	6.59
Allotted - weighted average ytm	22.47%	16.85%	21.98%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2 years	16.85%	1-Mar-22	TBA
3 years	19.33%	8-Feb-22	TBA
5 years	20.78%	25-Jan-22	22-Mar-22
7 years	21.98%	22-Feb-22	TBA
7-Year Development Bond	22.47%	8-Mar-22	TBA
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)	Coupon rate
22-Mar-21	5 years	48.15	12.50%
Projected maturities			
Week ending	18-Mar-22	25-Mar-22	1-Apr-22
TBs, PNs & TNs (K'm)	25,425	3,980	42,083
OMO repos (K'm)	0	1,028	0
OMO reverse repos (K'm)	0	150,215	15,407
Reference rate			
Rate	Mar-22	% pts Δ	Feb-22
	12.20%	→ 0.00	12.20%
Inflation rate			
Rate	Jan-22	% pts Δ	Dec-21
	12.1%	↑ 0.6	11.5%
Closing TT mid exchange rates			
	17-Mar-22	% Δ	10-Mar-22
USD	824.3912	↓ 0.12%	823.4418
GBP	1257.3739	↑ -1.03%	1270.4181
EUR	1243.3794	↓ 0.53%	1236.8763
ZAR	68.3050	↓ 5.06%	65.0147
Gross official foreign exchange reserves position			
	28-Feb-22	31-Jan-22	31-Dec-21
Reserves (USD'm)	385.40	399.98	429.17
Import cover (months)	1.54	1.60	1.72

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 85,539 as at 17th March 2022, out of which 65,082 were reported to be active. COVID-19 infections averaged 8 positive cases this week compared to 11 positive cases in the previous week. So far, 77,556 people have recovered while 2,624 have died from the disease.

A total of 1,999,094 doses have been administered in the country so far, 415 have received booster doses, while 863,025 people are fully vaccinated, representing 4.22% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 466.043m and 6.06m deaths as at 18th March 2022 (Source: Johns Hopkins University and Medicine).