



**Malawi Stock Exchange (MSE) trading activity**

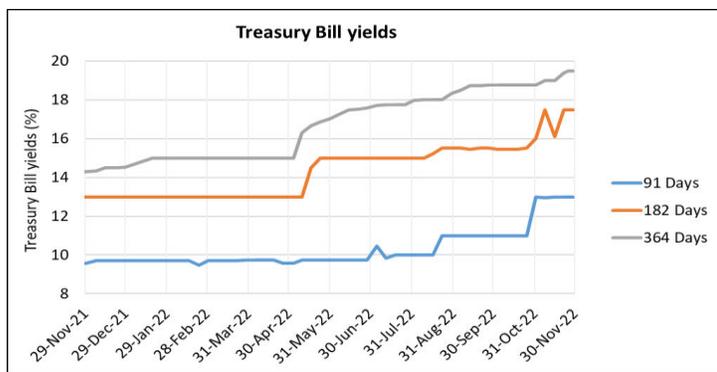
The Malawi All Share Index (MASI) registered a gain of 0.66% to close the week at 59,794.17 points from 59,400.97 points in the previous week due to share price gains in AIRTEL (0.73%), ILLOVO (0.002%), NBM (0.28%), NICO (0.002%), STANDARD (0.0005%) and TNM (12.22%), which offset share price losses in MPICO (-0.05%) and NBS (-0.04%). The market traded 280,122,871 shares at a consideration of K4.59b in 84 trades compared to 75,689,987 shares traded at a consideration of K4.62b in 106 trades in the previous week. The year-to-date return on MASI stands at 31.81% compared to 30.72% for the same period in 2021 (Source: MSE).

**Corporate news**

Upcoming dividend				
Company	Dividend type	Dividend (K/share)	Last day to register	Payable
MPICO	Interim declared	0.14	9-Dec-22	16-Dec-22

**Government securities**

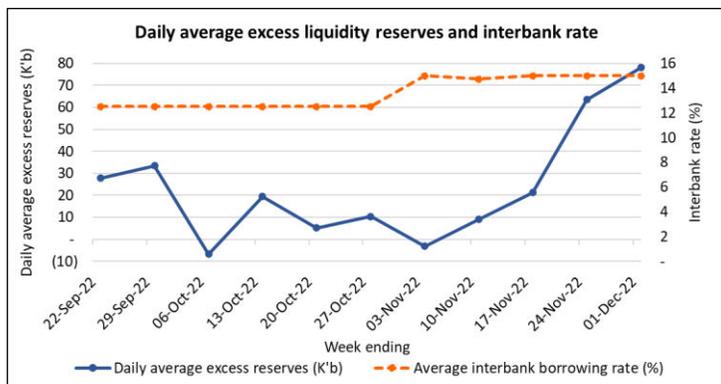
Government raised K24.39b during the week's auction for Treasury Bills (TBs) compared to K18.81b raised in the previous week. The auction registered a rejection rate of 6.63% on the submitted bids. The average TB yield increased to 16.6664% from 16.6484% recorded in the previous week on the account of an increase in the 364-day yield to 19.4992% from 19.4451%. The 91-day and 182-day yields were constant at 13.0000% and 17.5000%, respectively (Source: RBM).



The Government also raised K5.34b through auction of a 5-year Development Bond (DB) at an average yield of 26.00% during the week. Maturities of Government securities for the week amounted to K20.17b and maturities of OMO reverse repos amounted to K7.08b. The RBM conducted OMO reverse repos amounting to K7.00b and access on Rediscounting Standing Facility amounted to K1.04b during the week. This resulted in a net withdrawal of K8.60b from the market compared to a net withdrawal of K14.06b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves increased to K77.97b from K63.41b in the previous week. Daily average interbank borrowing increased to K8.44b from K5.70b in the previous week. The average interbank borrowing rate remained constant at 15.00%. Borrowing on the Lombard facility increased to an average of K46.34b per day during the week from K34.28b per day in the previous week (Source: RBM).



Stock market				
	02-Dec-22		% Δ	25-Nov-22
MASI	59 794,17	↑	0,66%	59 400,97
DSI	48 809,88	↑	0,72%	48 460,00
FSI	5 613,43	↔	0,00%	5 613,43
Traded volume	280 122 871	↑	270,09%	75 689 987
Number of trades	84	↓	-20,75%	106
Value of shares traded (K'm)	4 585,39	↓	-0,83%	4 623,79
Market capitalisation (K'm)	3 227 931,72	↑	0,66%	3 206 862,00
Gainers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	55,51	↑	0,73%	55,11
ILLOVO	500,11	↑	0,002%	500,10
NBM	1504,17	↑	0,28%	1500,01
NICO	55,01	↑	0,02%	55,00
STANDARD	2000,11	↑	0,0005%	2000,10
TNM	13,50	↑	12,22%	12,03
Losers				
	Closing price (K)		% Δ	Opening price (K)
MPICO	20,64	↓	-0,05%	20,65
NBS	22,58	↓	-0,04%	22,59
Treasury Bill auctions				
Auction date	29-Nov-22		% pts Δ	22 & 25 Nov 2022
Amount offered - cost value (K'm)	15 362,00	↔	0,00%	15 362,00
Applied - cost value (K'm)	26 120,26	↓	-39,61%	43 252,82
Allotted - cost value (K'm)	24 389,01	↑	29,63%	18 814,31
Overall rejection rate	6,63%	↓	-49,87	56,50%
91 days yield	13,0000%	↔	0,0000%	13,0000%
182 days yield	17,5000%	↔	0,0000%	17,5000%
364 days yield	19,4992%	↑	0,0541%	19,4451%
All-type yield	16,6664%	↑	0,0180%	16,6484%
Treasury Note and Bond auctions				
Auction date	29-Nov-22		22 & 25 Nov 2022	15-Nov-22
Tenors	5-year DB		2 & 5 year TNs & 7-year DB	5 years
Coupon rate	13,50%		10,00%, 12,50% & 14,50%	12,50%
Amount offered - cost value (K'b)	13,00			54,61
Total applied - cost value (K'b)	6,76		33,72	10,32
Total allotted - cost value (K'b)	5,34		24,98	7,72
Allotted - weighted average ytm	26,00%		22,50%, 26,00% & 27,48%	25,98%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2 years	22,50%	25-Nov-22	TBA	
3 years	23,00%	11-Oct-22	13-Dec-22	
5 years	26,00%	29-Nov-22	TBA	
7 years	26,50%	25-Oct-22	TBA	
7-Year Development Bond	27,50%	25-Nov-22	TBA	
10 years	27,50%	10-Oct-22	27-Dec-22	
10-year infrastructure bond	23,35%	26-Apr-24	TBA	
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Previous auction coupon rate	
13-Dec-22	3	47,30	11,00%	
27-Dec-22	10	31,54	15,00%	
Projected maturities				
Week ending	2-Dec-22	9-Dec-22	16-Dec-22	
TBs, PNs & TNs (K'm)	20 166	25 877	7 826	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	7 081	0	0	
Reference rate				
Rate	Nov-22	% pts Δ	Nov-22	
	17,30%	↑	0,70	
Inflation rate				
Rate	Oct-22	% pts Δ	Sep-22	
	26,7%	↑	0,8	
Closing TT mid exchange rates				
	1-Dec-22		% Δ	24-Nov-22
USD	1035,4608	↓	0,002%	1035,4385
GBP	1290,1905	↓	0,50%	1283,8120
EUR	1109,0737	↑	-0,07%	1109,8943
ZAR	61,7690	↑	-1,27%	62,5639
Gross official foreign exchange reserves position				
	31-Oct-22	30-Sep-22	31-Aug-22	
Reserves (USD'm)	326,06	357,18	378,89	
Import cover (months)	1,30	1,43	1,52	

Sources: MSE, RBM, NSO, AHL

**Foreign exchange market developments**

The Kwacha slightly depreciated by -0.002% to trade at K1035.4608/USD as of 1<sup>st</sup> December 2022 from K1035.4385/USD on 24<sup>th</sup> November 2022. The Kwacha also depreciated against the GBP by 0.50% during the period. It, however, appreciated against the EUR by -0.07% and the ZAR by -1.27%. Gross official foreign exchange reserves stood at USD326.06m (1.30 months import cover) on 31<sup>st</sup> October 2022 compared to USD357.18m (1.43 months import cover) on 30<sup>th</sup> September 2022. The recommended minimum import cover is 3 months.

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