



Foreign exchange market developments

During the week, the Kwacha depreciated against the USD, GBP, EUR and ZAR as indicated in the table below:

Closing TT mid exchange rates			
Currency	2-Jun-23	% Δ	26-May-23
USD	1034.3132	↓ 0.02%	1034.1025
GBP	1334.0831	↓ 2.12%	1306.3824
EUR	1148.5040	↓ 0.75%	1139.9597
ZAR	54.0018	↓ 0.48%	53.7446

Gross official foreign exchange reserves position			
	28-Feb-23	31-Jan-23	31-Dec-22
Reserves (USD'm)	280.66	279.22	304.65
Import cover (months)	1.12	1.12	1.22
Benchmark import cover (months)	3.00	3.00	3.00

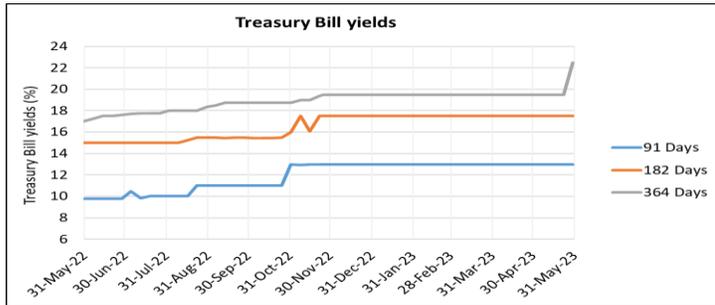
Cumulative tobacco sales			
Date	Week 8 2023 as at 2 June	% Δ	Week 8 2022 as at 20 May
Volume (million kg)	61.42	↑ 286.29%	15.90
Value (USD'million)	138.70	↑ 326.77%	32.50
Average price (USD/kg)	2.26	↑ 10.78%	2.04

Data source: Reserve Bank of Malawi (RBM) and AHL

Government securities

The government resumed Treasury Bill auctions which were temporarily suspended on 9th May 2023 in compliance with the Public Finance Management (PFM) Act 2022. During this week's auctions, the government raised K14.21b from Treasury Bills (TB) and K14.25b from a 10-year Treasury Note (TN). The 91-day, 182-day and 364-day TB yields were at 13.00%, 17.50% and 22.49%, respectively, while the average yield for the 10-year TN was at 31.22%.

Maturities of Government securities for the week amounted to K28.91b, resulting in a net injection of K0.45b into the market, compared to a net injection of K20.54b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	30-May-23	% pts Δ	25-Apr-23
Amount offered - cost value (K'm)	8,539.00	↓ -77.77%	38,419.00
Applied - cost value (K'm)	22,836.79	↑ 23.35%	18,514.49
Allotted - cost value (K'm)	14,209.22	↓ -23.25%	18,514.49
Overall rejection rate	37.78%	↑ 37.78	0.00%
91 days yield	13.0000%	↑ 0.0211%	12.9789%
182 days yield	17.5000%	↑ 0.0000%	17.5000%
364 days yield	22.4943%	↑ 2.9943%	19.5000%
All-type yield	17.6648%	↑ 1.0051%	16.6596%

Treasury Note and Bond auctions			
Auction date	30 May & 1 Jun 2023	23 & 25 May 2023	16-May-23
Tenors	10	2, 3, 5 & 7 years	3 years
Coupon rate	15.00%	10.0%, 11.0%, 12.5% & 13.5%	11.00%
Amount offered - cost value (K'b)	34.26		61.66
Total applied - cost value (K'b)	15.08	27.79	36.14
Total allotted - cost value (K'b)	14.25	19.27	32.14
Allotted - weighted average ytm	31.22%	24.75%, 26.00%, 28.00% & 29.50%	26.00%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	24.75%	25-May-23	06-Jun-23
3-year TN	26.00%	25-May-23	TBA
5-year TN	28.00%	25-May-23	TBA
5-year Development Bond	26.00%	29-Nov-22	27-Jun-23
7-year TN	29.50%	25-May-23	13-Jun-23
7-year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	31.25%	01-Jun-23	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA

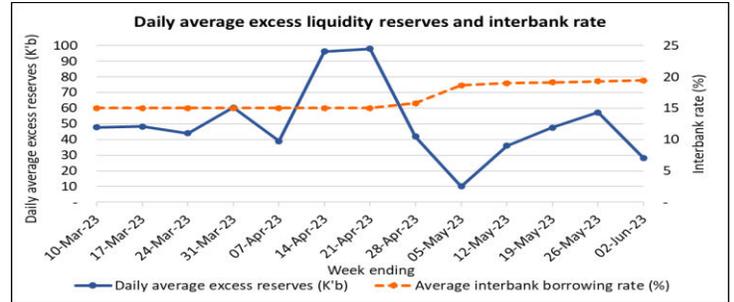
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Previous auction coupon rate
06-Jun-23	2	77.02	10.00%
13-Jun-23	7	47.40	13.50%
27-Jun-23	5 year IDB	10.00	13.50%

Projected maturities			
Week ending	2-Jun-23	9-Jun-23	16-Jun-23
TBs, PNs & TNs (K'm)	28,908	49,379	26,444
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K28.25b during the week, from K57.38b in the previous week. Daily average interbank borrowing increased to K23.32b from K13.76b. Borrowing on the Lombard facility decreased to the average of K83.37b per day from K96.08b per day in the previous week. The average interbank borrowing rate increased to 19.45% from 19.31% and the Lombard rate remained fixed at 22.20% (Source: RBM).



Policy Rate			
Rate	27-Apr-23	% pts Δ	2-Feb-23
	22.00%	↑ 4.70	17.30%

Market Reference Rate			
Rate	Jun-23	% pts Δ	May-23
	21.00%	↑ 1.00	20.00%

Inflation Rate			
Rate	Mar-23	% pts Δ	Mar-23
	28.8%	↑ 1.8	27.0%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.98% to close the week at 102,869.06 points from 101,868.17 points in the previous week due to share price gains in AIRTEL (0.02%), FMBCH (16.11%), ILLOVO (0.001%), NBM (0.001%) and TNM (1.64%), which offset share price losses in FDHB (-0.66%), NBS (-5.14%) and NICO (-1.20%). The market traded 39,848,898 shares at a consideration of K6.29b in 272 trades, compared to 18,777,906 shares traded at a consideration of K1.33b in 311 trades in the previous week. The year-to-date return on MASI stands at 65.82% compared to 10.88% for the same period in 2022.

Stock market trading activity			
	02-Jun-23	% Δ	26-May-23
MASI	102,869.06	↑ 0.98%	101,868.17
DSI	83,316.44	↓ -0.28%	83,550.90
FSI	10,494.25	↑ 15.86%	9,057.45
Traded volume	39,848,898	↑ 112.21%	18,777,906
Number of trades	272	↓ -12.54%	311
Value of shares traded (K'm)	6,293.81	↑ 374.42%	1,326.63
Market capitalisation (K'm)	5,546,916.24	↑ 1.04%	5,489,746.22

Gainers			
Company	Closing price (K)	% Δ	Opening price (K)
AIRTEL	100.05	↑ 0.02%	100.03
FMBCH	209.00	↑ 16.11%	180.00
ILLOVO	1121.43	↑ 0.001%	1121.42
NBM	2000.31	↑ 0.001%	2000.29
TNM	28.46	↑ 1.64%	28.00

Losers			
Company	Closing price (K)	% Δ	Opening price (K)
FDHB	64.45	↓ -0.66%	64.88
NBS	88.45	↓ -5.14%	93.24
NICO	163.00	↓ -1.20%	164.98

Dividends announced					
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
FMBCH	2nd interim declared	0.3381 US cents	6-Jun-23	9-Jun-23	16-Jun-23
ILLOVO	interim declared	10.80	20-Jun-23	23-Jun-23	30-Jun-23
STANDARD	Final proposed	51.14	3-Jul-23	7-Jul-23	21-Jul-23
MPICO	Final proposed	0.22	11-Jul-23	14-Jul-23	28-Jul-23
NITL	Final proposed	2.35	TBA	TBA	TBA
SUNBIRD	Final proposed	1.50	TBA	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA	TBA
NBM	Final proposed	32.11	TBA	TBA	TBA
NICO	Final proposed	1.00	TBA	TBA	TBA
ICON	Final proposed	0.13	TBA	TBA	TBA

Annual general meetings			
Company	Venue	Date	Time
FMBCH	First Capital Bank Training Centre, Blantyre	19-Jun-23	16:00 hrs
STANDARD	Bingu International Conference Centre	22-Jun-23	9:00hrs
NICO	Ryalls Hotel, Blantyre	28-Jun-23	10:00 hrs
MPICO	Sunbird Capital Hotel	30-Jun-23	10:00 hrs

Data source: MSE

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