

Malawi Stock Exchange (MSE) trading activity

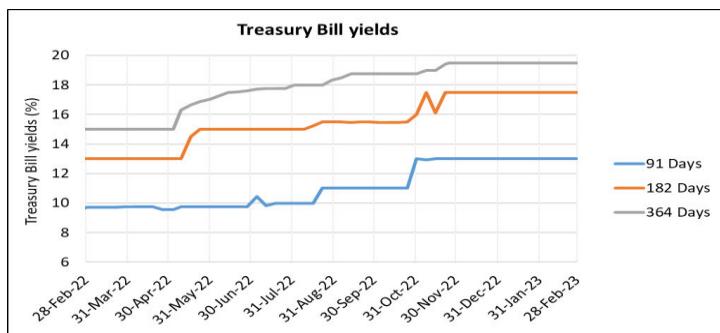
The Malawi All Share Index (MASI) registered a gain of 1.76% to close the week at 71,258.32 points from 70,023.82 points in the previous week due to share price gains in AIRTEL (6.64%), NBM (0.001%), NBS (9.18%), NICO (12.50%), and NITL (15.00%), which offset a share price loss in FDHB (-0.14%). The market traded 3,233,350 shares at a consideration of K126.18m in 73 trades compared to 2,333,854 shares traded at a consideration of K144.59m in 99 trades in the previous week. The year-to-date return on MASI stands at 14.87% compared to 0.06% for the same period in 2022 (Source: MSE).

Dividends announced

Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NBM	2nd Interim declared	21.42	14-Mar-23	17-Mar-23	6-Apr-23
ILLIOVO	Final proposed	5.44	TBA	TBA	TBA

Government securities

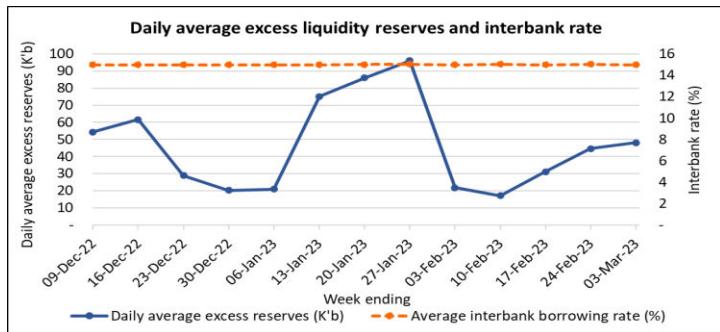
Government raised K16.88b during the week's auction for Treasury Bills (TBs) compared to K33.18b raised in the previous week. The auction registered a rejection rate of 11.30% on the submitted bids. The average TB yield was constant at 16.67% as the 91-day, 182-day and 364-day yields were constant at 13.00%, 17.50% and 19.5%, respectively (Source: RBM).



The Government also raised K17.92b through auction of a 7-year Infrastructure Development Bond (IDB) at an average yield of 27.50% during the week. Maturities of Government securities for the week amounted to K27.48b and maturities of OMO reverse repos amounted to K8.13b. The RBM conducted OMO reverse repos amounting to K8.00b during the week. These transactions resulted in a net withdrawal of K7.45b from the market compared to a net withdrawal of K32.77b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K48.14b from K44.67b in the previous week. Daily average interbank borrowing increased to K33.38b from K31.40b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility decreased to the average of K67.33b per day during the week from K71.06b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha marginally depreciated against the USD by 0.05% to trade at K1035.6035 per USD as at the end of the week from K1035.0787 per USD as at the end of the previous week. The Kwacha also depreciated against EUR (0.46%) during the period. It, however, appreciated against GBP (-0.42%) and ZAR (-0.28%). Gross official foreign exchange reserves stood at USD279.22m (1.12 months import cover) on 31st January 2023 compared to USD304.65m (1.22 months import cover) on 31st December 2022. The recommended minimum import cover is 3 months.

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Stock market			
02-Mar-23		% Δ	24-Feb-23
MASI	71,258.32	1.76%	70,023.82
DSI	56,842.30	1.97%	55,743.83
FSI	8,382.77	0.00%	8,382.77
Traded volume	3,233,350	38.54%	2,333,854
Number of trades	73	-26.26%	99
Value of shares traded (K'm)	126.18	-12.73%	144.59
Market capitalisation (K'm)	3,846,990.43	1.75%	3,780,840.41
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	62.00	6.64%	58.14
NBM	1600.05	0.001%	1600.03
NBS	41.97	9.18%	38.44
NICO	90.00	12.50%	80.00
NITL	188.60	15.00%	164.00
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	34.99	-0.14%	35.04
Treasury Bill auctions			
Auction date	28-Feb-23	% pts Δ	21-Feb-23
Amount offered -cost value (K'm)	24,035.00	0.00%	24,035.00
Applied - cost value (K'm)	19,035.89	-59.55%	47,064.14
Allotted - cost value (K'm)	16,884.30	-49.12%	33,182.65
Overall rejection rate	11.30%	-18.19	29.49%
91 days yield	13.0000%	0.0000%	13.0000%
182 days yield	17.5000%	0.0000%	17.5000%
364 days yield	19.5000%	0.0000%	19.5000%
All-type yield	16.6667%	0.0000%	16.6667%
Treasury Note and Bond auctions			
Auction date	28-Feb-23	21-Feb-23	14-Feb-23
Tenors	7 year IDB	10 years	3 years
Coupon rate	14.50%	15.00%	11.00%
Amount offered -cost value (K'b)	10.00	21.09	68.28
Total applied - cost value (K'b)	17.92	42.21	25.70
Total allotted - cost value (K'b)	17.92	42.20	23.99
Allotted - weighted average ytm	27.50%	28.50%	24.00%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	22.75%	20-Jan-23	14-Mar-23
3-year TN	24.00%	14-Feb-23	TBA
5-year TN	26.19%	24-Jan-23	21-Mar-23
5-year Development Bond	26.00%	29-Nov-22	TBA
7-year TN	27.50%	31-Jan-23	TBA
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	28.50%	21-Feb-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
14-Mar-23	2	61.64	10.00%
21-Mar-23	5	56.64	12.50%
Projected maturities			
Week ending	3-Mar-23	10-Mar-23	17-Mar-23
TBs, PNs & TNs (K'm)	27,475	25,569	85,713
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	8,132	0	0
Reference rate			
Rate	Feb-23	% pts Δ	Jan-23
	17.30%	0.00	17.30%
Inflation rate			
Rate	Jan-23	% pts Δ	Dec-22
	25.9%	0.5	25.4%
Closing TT mid exchange rates			
USD	2-Mar-23	% Δ	24-Feb-23
1035.6035	0.05%	1035.0787	
GBP	1272.2617	-0.42%	1277.6574
EUR	1128.3206	0.46%	1123.1003
ZAR	58.0457	-0.28%	58.2078
Gross official foreign exchange reserves position			
31-Jan-23	31-Dec-22	30-Nov-22	
Reserves (USD'm)	279.22	304.65	338.87
Import cover (months)	1.12	1.22	1.36

Sources: MSE, RBM, NSO

Expected financial results for the year ended 31st December 2022

Company	2022 expected profit after tax (K'b)	Expected movement	2021 profit after tax (K'b)
Listed banks			
FDH Bank Plc	17.249	50%	11.499
FMB Capital Holdings Plc (US\$' million)	52.580	30%	40.446
National Bank of Malawi Plc	44.473	30%	34.210
NBS Bank Plc	18.461	140%	7.692
Listed non-bank companies			
Blantyre Hotels Plc	(0.601)	20%	(0.752)
ICON Properties Plc	14.827	70%	8.722
Illovo Sugar Malawi Plc	32.000	56%	20.469
National Investment Trust Plc	6.305	35%	4.670
MPICO Plc	7.707	20%	6.423
NICO Holdings Plc	34.768	90%	18.299
Sunbird Tourism Plc	2.547	240%	0.749
Telekom Networks Malawi Plc	0.969	-90%	9.690

Source: MSE