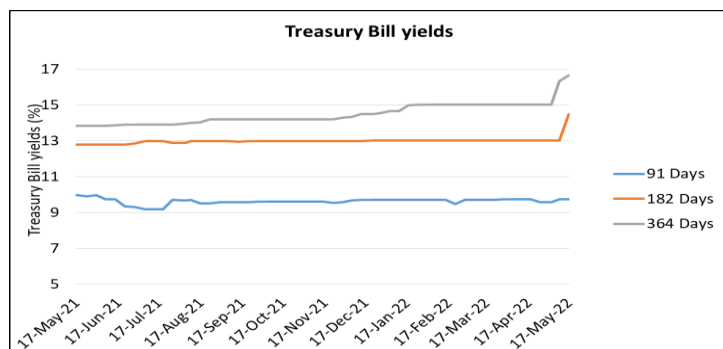


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.46% to close the week at 49,788.91 points from 49,070.30 points in the previous week due to share price gains in AIRTEL (9.95%) and TNM (0.13%), which offset share price losses in FMBCH (-0.041%), NBS (-0.044%) and NICO (-15%). The market traded 3,804,741 shares at a consideration of K0.170b in 46 trades as compared to 10,650,520 shares traded at a consideration of K2.29b in 79 trades in the previous week. The year-to-date return on MASI stands at 9.75% compared to 3.75% for the same period in 2021 (Source: MSE).

Government securities

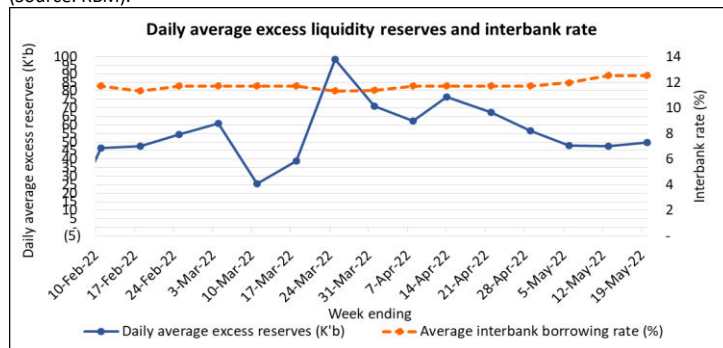
Government raised K20.13b during the week's auction for Treasury Bills (TBs) compared to K1.39b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield increased to 13.6360% from 13.0208% the previous week as the 182-day and the 364-day yields increased to 14.5000% and 16.6581%, respectively, from 13.0000% and 16.3125%. The 91-day yield was constant at 9.7500% (Source: RBM).



Government also raised K19.27b through the 2-Year Treasury note (TN). Maturities of Government securities for the week amounted to K9.17b. Access to RBM's re-discounting standing facility amounted to K3.63b. This resulted in a net withdraw of K26.59b from the market compared to a net injection of K24.29b into the market in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K49.59b from K47.67b in the previous week. Daily average interbank borrowing decreased to an average of K12.08b from K17.32b in the previous week. The average interbank borrowing rate was constant at 12.50% from the previous week. Borrowing on the Lombard facility decreased to the average of K12.96b per day during the week from K24.78b per day in the previous week (Source: RBM).



Foreign exchange market developments

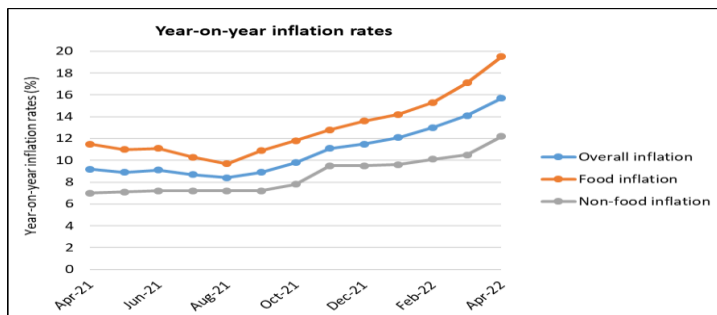
The Kwacha Kwacha depreciated by 0.08% to trade at K824.3165/USD as at 19th May 2022 from K823.6918/USD as at 12th May 2022. The Kwacha also depreciated against the GBP (1.39%) and the EUR (0.57%). However, the Kwacha appreciated against the ZAR (-3.76%). Gross official foreign exchange reserves stood at USD363.27 (1.45 months of imports) on 30th April 2022 compared to USD374.48 (1.50 months of imports) on 31st March 2022. The recommended minimum import cover is 3 months. At the end of week 8 of the tobacco market, US\$29.661mn had been realized from 14,540,609kgs of tobacco sold at an average price of \$2.04/kg (Source: AHL).

Stock market				
	20-May-22	% Δ		13-May-22
MASI	49,788.91	1.46%		49,070.30
DSI	38,506.87	1.69%		37,865.12
FSI	7,401.66	-0.04%		7,404.64
Traded volume	3,804,741	-64.28%		10,650,520
Number of trades	46	-41.77%		79
Value of shares traded (K'm)	170.88	-92.54%		2,289.54
Market capitalisation (K'm)	2,704,287.24	1.44%		2,665,788.12
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	47.28	9.953%		43.00
TNM	14.99	0.134%		14.97
Losers				
	Closing price (K)	% Δ		Opening price (K)
FMBCH	144.94	-0.041%		145.00
NBS	22.78	-0.044%		22.79
NICO	46.75	-15.000%		55.00
Treasury Bill auctions				
	17-May-22	% pts Δ		10-May-22
Auction date	17-May-22			10-May-22
Amount offered - cost value (K'm)	15,665.00	0.00%		15,665.00
Applied - cost value (K'm)	20,125.59	796.83%		2,244.09
Allotted - cost value (K'm)	20,125.59	1348.85%		1,389.07
Overall rejection rate	0.00%	-38.10%		38.10%
91 days yield	9.7500%	0.0000%		9.7500%
182 days yield	14.5000%	1.5000%		13.0000%
364 days yield	16.6581%	0.3456%		16.3125%
All-type yield	13.6360%	0.6152%		13.0208%
Treasury Note and Bond auctions				
	17-May-22		4-May-22	26-Apr-22
Tenors	2 Years		7 Years	10 Years
Coupon rate	10.00%		13.50%	16.00%
Amount offered - cost value (K'b)	51.35		31.90	20.02
Total applied - cost value (K'b)	30.37		2.87	0.50
Total allotted - cost value (K'b)	19.27		2.87	0.50
Allotted - weighted average ytm	18.12%		23.33%	23.35%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction		Next auction
2 years	18.12%	17-May-22		24-May-22
3 years	19.50%	19-Apr-22		28-Jun-22
5 years	21.00%	31-Mar-22		31-Mar-22
7 years	22.33%	4-May-22		TBA
7-Year Development Bond	22.47%	8-Mar-22		TBA
10 years	22.98%	18-Jan-22		26-May-22
10-year infrastructure bond	23.35%	26-Apr-24		TBA
Projected maturities				
	20-May-22	27-May-22		3-Jun-22
TBs, PNs & TNs (K'm)	9,178	54,169		12,924
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	0		7,198
Reference rate				
Rate	May-22	% pts Δ		Apr-22
	13.50%	1.30		12.20%
Inflation rate				
Rate	Apr-22	% pts Δ		Mar-22
	15.7%	1.6		14.1%
Cumulative tobacco sales - Week 8				
Date	19-May-22	% Δ		3-Jun-21
Volume (Kg)	14,540,609.00	-71.32%		50,705,713.00
Value (USD)	29,661,430.77	-64.35%		83,212,208.25
Average price (USD/Kg)	2.04	24.39%		1.64
Closing TT mid exchange rates				
	19-May-22	% Δ		12-May-22
USD	824.3165	0.08%		823.6918
GBP	1137.6523.0000	1013760.27%		1122.0997
EUR	971.4381	0.57%		965.9448
ZAR	56.3539	-3.76%		58.5561
Gross official foreign exchange reserves position				
	30-Apr-22	31-Mar-22		28-Feb-22
Reserves (USD'm)	363.27	374.48		385.40
Import cover (months)	1.45	1.50		1.54

Sources: MSE, RBM, NSO, AHL

April 2022 inflation

The year-on-year headline inflation rate stood at 15.7% in April 2022 from 14.1% in March 2022 and compared to 9.2% in April 2021. Food inflation rate increased to 19.5% in April 2022, from 17.1% in March 2022 (11.5% in April 2021), while non-food inflation rate increased to 12.2% in April 2022 from 10.5% in March 2022 (7.0% in April 2021).



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