

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 2.91% to close the week at 85,139.00 points from 82,734.42 points in the previous week due to share price gains in AIRTEL (0.04%), NBS (7.14%), NICO (30.10%), OMU (0.001%), STANDARD (2.24%) and TNM (10.43%), which offset share price losses in FDHB (-0.36%), FMBCH (-1.78%) and ICON (-0.08%). The market traded 8,265,614 shares at a consideration of K605.52b in 182 trades compared to 3,973,697 shares traded at a consideration of K254.58b in 131 trades in the previous week. The year-to-date return on MASI stands at 37.24% compared to 2.49% for the same period in 2022 (Source: MSE).

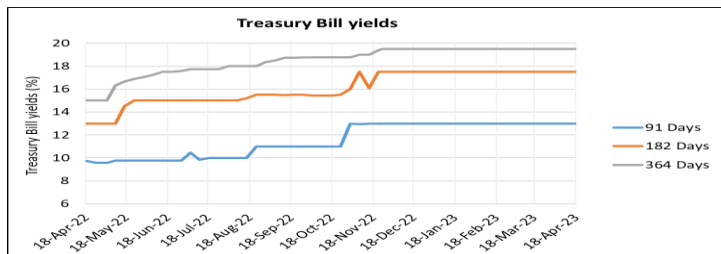
Dividends announced

| Company | Dividend type | Dividend (K/share) | Last day to trade | Last day to register | Payable |
|----------|----------------------|--------------------|-------------------|----------------------|-----------|
| NBS | 2nd Interim declared | 1.55 | 18-Apr-23 | 21-Apr-23 | 5-May-23 |
| NICO | 2nd Interim declared | 4.00 | 2-May-23 | 5-May-23 | 12-May-23 |
| FDHB | Final proposed | 0.58 | 16-May-23 | 19-May-23 | 26-May-23 |
| STANDARD | Final proposed | 51.14 | TBA | TBA | TBA |
| NITL | Final proposed | 2.35 | TBA | TBA | TBA |
| SUNBIRD | Final proposed | 1.50 | TBA | TBA | TBA |
| NBS | Final proposed | 0.90 | TBA | TBA | TBA |

| Published annual financial results | | | | |
|------------------------------------|-----------------------------|----------|-----------------------------|--|
| Company | 2022 profit after tax (K'b) | Movement | 2021 profit after tax (K'b) | |
| Listed banks | | | | |
| FDH Bank Plc | 22.932 | 97% | 11.659 | |
| First Capital Bank Plc | 18.270 | 24% | 14.767 | |
| National Bank of Malawi Plc | 45.944 | 34% | 34.210 | |
| NBS Bank Plc | 18.905 | 146% | 7.693 | |
| Standard Bank Plc | 39.202 | 58% | 24.769 | |
| Unlisted banks | | | | |
| CDH Investment Bank Ltd | 7.534 | 55% | 4.863 | |
| Ecobank Ltd | 18.171 | 120% | 8.274 | |
| Listed non-bank companies | | | | |
| NICO Holdings Plc | 37.569 | 105% | 18.299 | |
| Sunbird Tourism Plc | 3.051 | 307% | 0.749 | |

Government securities

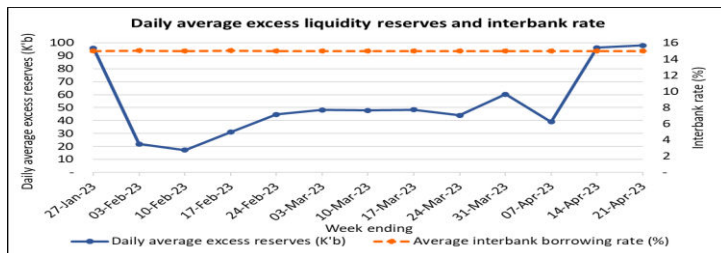
Government raised K23.79b during the week's auction for Treasury Bills (TBs) compared to K6.85b raised in the previous week. The auction registered no rejection rate on the submitted bids. The average TB yield was stable at 16.665% during the week as the 91-day, 182-day and 364-day yields were constant at 12.9964%, 17.5000% and 19.5000%, respectively (Source: RBM).



The Government also raised K20.15b through auction of a 7-year Treasury Note at a weighted average of 27.50% during the week. Maturities of Government securities for the week amounted to K17.80b. These transactions resulted in a net withdrawal of K26.14b from the market compared to a net injection of K33.60b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K97.99b from K96.27b in the previous week. Daily average interbank borrowing increased to K39.78b from K31.38b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility decreased to the average of K62.44b per day from K73.20b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha marginally depreciated against USD by 0.05% to trade at K1035.5045 per USD as at 21st April 2023 from K1034.9694 per USD as at 14th April 2023. However, the Kwacha appreciated against GBP, EUR and ZAR by 0.51%, 1.19% and 0.36%, respectively during the period. Gross official foreign exchange reserves stood at USD280.66m (1.12 months import cover) on 28th February 2023 compared to USD279.22m (1.12 months import cover) on 31st January 2023. The recommended minimum import cover is 3 months. The Tobacco Commission announced that the 2023 tobacco marketing season was opened on 12th April at Lilongwe Floors.

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| Stock market | | | | |
|---|----------------------|---|--|------------------------------|
| | 21-Apr-23 | % Δ | | 14-Apr-23 |
| MASI | 85,139.00 | 2.91% | | 82,734.42 |
| DSI | 69,296.18 | 3.36% | | 67,040.96 |
| FSI | 8,251.57 | -1.76% | | 8,399.21 |
| Traded volume | 8,265,614 | 108.01% | | 3,973,697 |
| Number of trades | 182 | 38.93% | | 131 |
| Value of shares traded (K'm) | 605.52 | 137.85% | | 254.58 |
| Market capitalisation (K'm) | 4,591,570.77 | 2.88% | | 4,463,086.12 |
| Gainers | | | | |
| | Closing price (K) | % Δ | | Opening price (K) |
| AIRTEL | 80.05 | 0.04% | | 80.02 |
| NBM | 2000.05 | 10.50% | | 1810.03 |
| NBS | 75.00 | 7.14% | | 70.00 |
| NICO | 148.98 | 3.10% | | 144.50 |
| OMU | 1025.01 | 0.001% | | 1025.00 |
| STANDARD | 2250.01 | 2.24% | | 2200.61 |
| TNM | 17.90 | 10.43% | | 16.21 |
| Losers | | | | |
| | Closing price (K) | % Δ | | Opening price (K) |
| FDHB | 38.84 | -0.36% | | 38.98 |
| FMBCH | 163.99 | -1.78% | | 166.97 |
| ICON | 11.86 | -0.08% | | 11.87 |
| Treasury Bill auctions | | | | |
| Auction date | 14-Apr-23 | % pts Δ | | 14-Apr-23 |
| Amount offered - cost value (K'm) | 38,419.00 | 0.00% | | 38,419.00 |
| Applied - cost value (K'm) | 23,793.51 | 247.35% | | 6,849.93 |
| Allotted - cost value (K'm) | 23,793.51 | 247.35% | | 6,849.93 |
| Overall rejection rate | 0.00% | 0.00 | | 0.00% |
| 91 days yield | 12.9964% | 0.0000% | | 12.9964% |
| 182 days yield | 17.5000% | 0.0000% | | 17.5000% |
| 364 days yield | 19.5000% | 0.0000% | | 19.5000% |
| All-type yield | 16.6655% | 0.0000% | | 16.6655% |
| Treasury Note and Bond auctions | | | | |
| Auction date | 18-Apr-23 | 28, 29, 30 & 31 March 2023 | | 21-Mar-23 |
| Tenors | 7 years | 2, 3, 5, 7 & 10 years | | 5 years |
| Coupon rate | 13.50% | 10.00%, 11.00%, 12.50%, 13.50% & 15.00% | | 12.50% |
| Amount offered - cost value (K'b) | 57.40 | | | 56.64 |
| Total applied - cost value (K'b) | 20.15 | 80.56 | | 15.84 |
| Total allotted - cost value (K'b) | 20.15 | 80.56 | | 15.83 |
| Allotted - weighted average ytm | 27.50% | 22.75%, 24.00%, 26.25%, 27.50% & 28.50% | | 26.25% |
| Current yields for Treasury Notes and Bonds | | | | |
| Tenor | Last auction's yield | Last auction | | Next auction |
| 2-year TN | 22.75% | 31-Mar-23 | | 06-Jun-23 |
| 3-year TN | 24.00% | 31-Mar-23 | | 16-May-23 |
| 5-year TN | 26.25% | 31-Mar-23 | | 02-May-23 |
| 5-year Development Bond | 26.00% | 29-Nov-22 | | 27-Jun-23 |
| 7-year TN | 27.50% | 18-Apr-23 | | 13-Jun-23 |
| 7-year Development Bond | 27.50% | 28-Feb-23 | | TBA |
| 10-year TN | 28.50% | 31-Mar-23 | | 30-May-23 |
| 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 |
| 02-May-23 | 5 | 52.76 | | 12.50% |
| 16-May-23 | 3 | 61.66 | | 11.00% |
| 30-May-23 | 10 | 34.26 | | 15.00% |
| 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 | 21-Apr-23 | 28-Apr-23 | | 5-May-23 |
| TBs, PNs & TNs (K'm) | 17,795 | 10,123 | | 6,795 |
| OMO repos (K'm) | 0 | 0 | | 0 |
| OMO reverse repos (K'm) | 0 | 0 | | 0 |
| Reference rate | | | | |
| Rate | Apr-23 | % pts Δ | | Mar-23 |
| | 17.30% | 0.00 | | 17.30% |
| Inflation rate | | | | |
| Rate | Mar-23 | % pts Δ | | Feb-23 |
| | 27.0% | 0.3 | | 26.7% |
| Closing TT mid exchange rates | | | | |
| | 21-Apr-23 | % Δ | | 14-Apr-23 |
| USD | 1035.5045 | 0.05% | | 1034.9694 |
| GBP | 1325.8055 | -0.51% | | 1332.5373 |
| EUR | 1163.5809 | -1.19% | | 1177.5543 |
| ZAR | 58.4349 | -0.36% | | 58.6448 |
| Gross official foreign exchange reserves position | | | | |
| Reserves (USD'm) | 28-Feb-23 | 31-Jan-23 | | 31-Dec-22 |
| | 280.66 | 279.22 | | 304.65 |
| Import cover (months) | 1.12 | 1.12 | | 1.22 |

Sources: MSE, RBM, NSO

March 2023 inflation rate at 27%

The year-on-year headline inflation rate increased to 27.0% in March 2023 from 26.7% recorded in February 2023, due to an increase in food inflation rate to 32.4% in March 2023 from 31.7% in February 2023. Non-food inflation rate, on the other hand, slightly decreased to 20.2% in March 2023 from 20.5% in February 2023 (Source: NSO).

