

Malawi Stock Exchange (MSE) trading activity

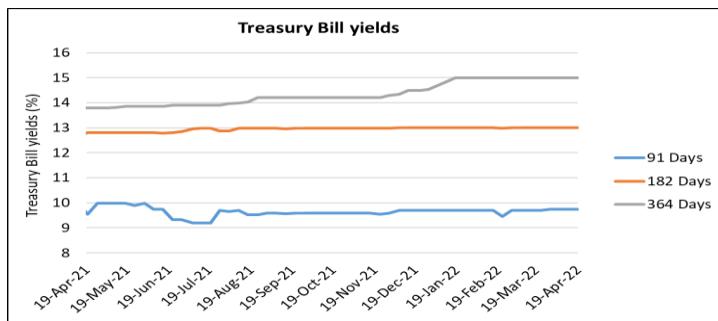
The Malawi All Share Index (MASI) registered a gain of 0.77% to close the week at 46,801.61 points from 46,441.69 points in the previous week due to share price gains in FMBCH (9.30%), NBM (0.001%) and NITL (0.009%), which offset share price losses in FDHB (-0.13%), ICON (-0.39%), NBS (-0.04%) and TNM (-0.06%). The market traded 15,849,770 shares at a consideration of K3.20b in 84 trades as compared to 22,616,553 shares traded at a consideration of K3.29b in 83 trades in the previous week. The year-to-date return on MASI stands at 3.16% compared to 2.68% for the same period in 2021 (Source: MSE).

Corporate news

Telekom Networks Malawi Plc announced the appointment of Mr Ted Sauti-Phiri as Chairman of the company's Board of Directors. Mr Sauti-Phiri is a Malawian with over 20-years' experience and knowledge in telecoms having worked in several countries in Africa for various companies, including Airtel, Helios Towers, Vodafone and Econet. He currently serves as the Regional Finance Director of Multichoice for Southern Africa Countries excluding South Africa. He has served on several boards in Malawi, including CDH Investment Bank, Marsh and Malawi Accountants Board. He holds a Master of Business Administration Degree from Liverpool University, a Bachelor of Science Honours Degree in Chemistry and Computer Science from University of Malawi and is a Fellow of the Chartered Association of Certified Accountants of the UK (Source: MSE).

Government securities

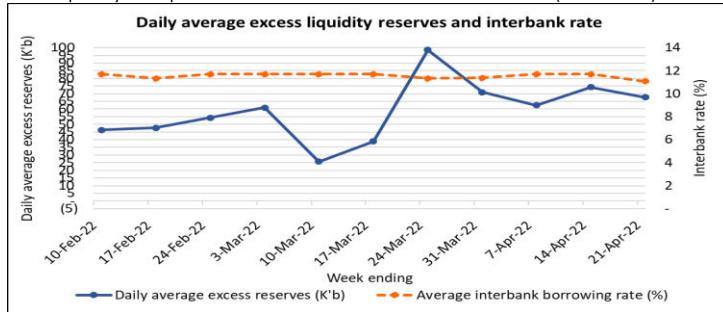
Government raised K40.00m during the week's auction for Treasury Bills (TBs) compared to K9.56b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable 12.5800% as activity was only registered on the 364-day tenor at the previous week's yield of 15.0000% (Source: RBM).



Government also raised K36.52b through auction of a 3-year Treasury Note (TN), bringing the total amount raised in auctions of Treasury securities during the week to K36.56b. Maturities of Government securities for the week amounted to K13.13b while maturities of OMO reverse repos mounted to K8.20b. RBM conducted OMO reverse repos amounting to K8.00b. These transactions resulted in a net withdrawal of K23.63b from the market compared to a net withdrawal of K2.84b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K67.66b from K74.32b in the previous week. Daily average interbank borrowing increased to the average of K15.54b compared to K12.80b in the previous week. The average interbank borrowing rate decreased to 11.08% from 11.70%. Borrowing on the Lombard Facility increased to the average of K23.87b per day during the week, compared to K11.17b per day in the previous week. The Lombard rate remained at 12.20% (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by 0.09% to trade at K823.8454/USD as at 21st April 2022 from K824.5632/USD as at 14th April 2022. During the same period, the Kwacha also appreciated against GBP, EUR and ZAR by 0.80%, 0.74% and 4.32%, respectively. Gross official forex reserves stood at USD374.48 million (1.50 months of import cover) as at 31st March 2022, down from USD385.40 million (1.54 months of import cover) as at 28th February 2022 (Source: RBM). The recommended minimum import cover is 3 months. The 2022 tobacco marketing season was officially opened on 31st March 2022. As at 21st April 2022, the market had cumulatively realised US\$1,575,995.51 from 994,443kgs of tobacco sold at an average price of \$1.58/kg (Source: AHL).

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.

CDH House, 5 Independence Drive, PO Box 1444, Blantyre, Malawi | <http://www.cdh-malawi.com> | Email: ckamamkhudza@cdh-malawi.com | Tel: +265 (0) 1 821 300; Fax: +265 (0) 1 822 826

Stock market			
22-Apr-22		% Δ	14-Apr-22
MASI	46,801.61	0.77%	46,441.69
DSI	37,592.20	-0.03%	37,602.09
FSI	5,175.11	8.87%	4,753.49
Traded volume	15,849,770	-29.92%	22,616,553
Number of trades	84	1.20%	83
Value of shares traded (K' m)	3,195.71	-2.96%	3,293.23
Market capitalisation (K' m)	2,538,731.70	0.81%	2,518,407.51
Gainers	Closing price (K)	% Δ	Opening price (K)
FMBCH	100.00	9.30%	91.49
NBM	948.54	0.001%	948.53
NITL	110.01	0.009%	110.00
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	15.37	-0.13%	15.39
ICON	12.63	-0.39%	12.68
NBS	22.79	-0.04%	22.80
TNM	17.39	-0.06%	17.40
Treasury Bill auctions			
Auction date	19-Apr-22	% pts Δ	12-Apr-22
Amount offered - cost value (K' m)	23,635.00	0.00%	23,635.00
Applied - cost value (K' m)	40.00	-99.58%	9,564.94
Allotted - cost value (K' m)	40.00	-99.58%	9,564.94
Overall rejection rate	0.00%	0.00%	0.00%
91 days yield	9.7400%	0.0000%	9.7400%
182 days yield	13.0000%	0.0000%	13.0000%
364 days yield	15.0000%	0.0000%	15.0000%
All-type yield	12.5800%	0.0000%	12.5800%
Treasury Note and Bond auctions			
Auction date	19-Apr-22	29 & 31 March 2022	22-Mar-22
Tenors	3 years	2, 3, 5, & 7 years	5 years
Coupon rate	11.00%	1.00%, 11.00%, 12.50% & 13.50	12.50%
Amount offered - cost value (K' b)	62.45		48.15
Total applied - cost value (K' b)	36.52	122.43	17.87
Total allotted - cost value (K' b)	36.52	121.98	17.09
Allotted - weighted average ytm	19.50%	.00%, 19.50%, 21.00% & 22.00%	20.98%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2 years	17.00%	31-Mar-22	17-May-22
3 years	19.50%	19-Apr-22	28-Jun-22
5 years	21.00%	31-Mar-22	31-May-22
7 years	22.00%	31-Mar-22	3-May-22
7-Year Development Bond	22.47%	8-Mar-22	TBA
10 years	22.98%	18-Jan-22	14-Jun-22
10-year infrastructure bond	23.25%	17-Aug-21	26-Apr-22
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor	Amount (K' b)	Coupon rate
26-Apr-22	10-Year IDB	20.02	16.00%
3-May-22	7	31.90	
17-May-22	2	51.35	
31-May-22	5	42.81	
14-Jun-22	10	27.45	
28-Jun-22	3	57.45	
OMO reverse repos			
Date	Tenor	Allotted (K' b)	Average yield
19-Apr-22	91 days	800.00%	10.00%
Projected maturities			
Week ending	22-Apr-22	29-Apr-22	6-May-22
TBs, PNs & TNs (K' m)	13,128	19,878	4,527
OMO repos (K' m)	0	0	0
OMO reverse repos (K' m)	8,197	15,303	18,519
Reference rate			
Rate	Apr-22	% pts Δ	Mar-22
	12.20%	0.00	12.20%
Inflation rate			
Rate	Mar-22	% pts Δ	Feb-22
	14.1%	1.1	13.0%
Closing TT mid exchange rates			
USD	823.8454	% Δ	824.5632
GBP	1203.1190	-0.80%	1212.8623
EUR	1000.1299	-0.74%	1007.5413
ZAR	64.4255	-4.32%	67.3336
Gross official foreign exchange reserves position			
Reserves (USD'm)	31-Mar-22	28-Feb-22	31-Jan-22
Import cover (months)	1.50	1.54	1.60

Sources: MSE, RBM, NSO, AHL

March 2022 inflation

The year-on-year headline inflation rate stood at 14.1% in March 2022 from 13.0% in February 2022 and compared to 9.4% in March 2021. Food inflation rate increased to 17.1% in March 2022, from 15.3% in February (11.7% in March 2021), while non-food inflation rate increased to 10.5% in March 2022 from 10.1% in February 2022 (6.9% in March 2021).

