

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.05% to close the week at 41,313.01 points from 41,333.29 points in the previous week due to share price losses in AIRTEL (-4.83%), ICON (-0.17%), NBS (-0.04%), PCL (-0.001%) and TNM (-0.09%) which offset share price gains in FMBCH (15.00%), ILLOVO (0.004%), NBM (0.14%) and NITL (3.26%). The market traded 26,924,801 shares at a consideration of K1.14b in 79 trades during the week, compared to 410,596 shares traded at a consideration of K31.16m in 37 trades in the previous week. The year-to-date return on MASI stands at 27.54% compared to 3.37% for the same period in 2020 (Source: MSE).

Corporate news

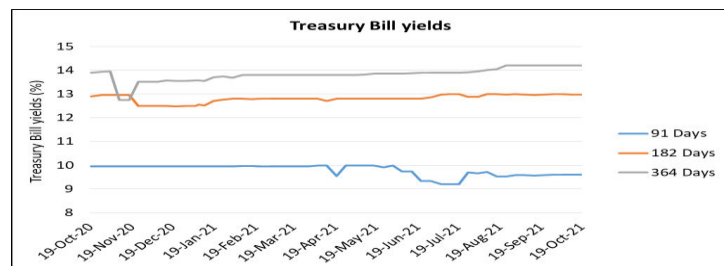
FDH Bank Plc announced that the shareholders of its holding company, FDH Financial Holdings Limited, are engaged in discussions which may result in changes in the shareholding structure of FDH Financial Holdings Limited. The public is, therefore, advised to exercise caution and consult their professional advisors before dealing in FDHB shares until the result of the discussions is known.

Dividends

Company	Dividend type	Dividend (K)	Last day to register	Payable
PCL	Interim	6.00	15-Oct-21	29-Oct-21
NITL	Interim	0.60	22-Oct-21	29-Oct-21
NICO	Interim	0.50	22-Oct-21	04-Nov-21

Government securities

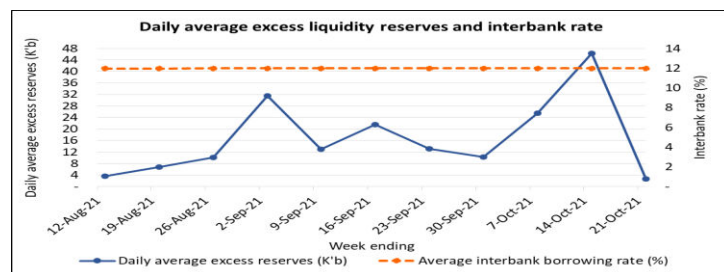
Government raised K8.18b during the week's auction for Treasury Bills (TBs) compared to K7.55b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable at 12.26% as per the previous week, due to the 91-day, 182-day and 364-day yield remaining constant at 9.60%, 12.98% and 14.20%, respectively (Source: RBM).



Government also raised K7.22b through auction of a 5-year Treasury Note. Maturities of Government securities for the week amounted to K6.40b. The market also paid back to RBM K8.20b in OMO Reverse Repo maturities. These operations by RBM and Government resulted in a net withdrawal of K17.20b from the market during the week, compared to a net withdrawal of K34.57b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves significantly decreased to K2.72b from K46.34b recorded in the previous week. Daily Interbank borrowing averaged K18.36b as compared to K9.78b in the previous week. The average interbank borrowing rate was stable at 11.98% since the previous week. Borrowing on the Lombard Facility averaged K72.28 per day, increasing from an average of K69.25b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha marginally depreciated by 0.01% to trade at K822.8261 against USD as on Thursday, 21st October 2021 from K822.7739 as on Wednesday, 13th October 2021. The Kwacha also depreciated against GBP, EUR and ZAR by 2.72%, 0.38% and 2.99%, respectively. Gross official forex reserves were last recorded at USD521.87m (2.09 months of import cover) on 30th September 2021 from USD604.50m (2.42 months of import cover) recorded on 31st August 2021 (Source: RBM). The recommended minimum import cover is 3 months.

Stock market				
	22-Oct-21		% Δ	14-Oct-21
MASI	41,313.01	↓	-0.05%	41,333.29
DSI	34,059.02	↓	-1.00%	34,402.94
FSI	3,450.25	↑	13.72%	3,034.07
Traded volume	26,924,801	↑	6457.49%	410,596
Number of trades	79	↑	113.51%	37
Value of shares traded (K'm)	1,137.32	↑	3549.41%	31.16
Market capitalisation (K'm)	2,243,510.09	↓	-0.003%	2,243,571.78
Gainers				
	Closing price (K)		% Δ	Opening price (K)
FMBCH	64.40	↑	15.00%	56.00
ILLOVO	265.00	↑	0.004%	264.99
NBM	701.01	↑	0.14%	700.00
NITL	95.00	↑	3.26%	92.00
Losers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	38.01	↓	-4.83%	39.94
ICON	12.07	↓	-0.17%	12.09
NBS	22.98	↓	-0.04%	22.99
PCL	1494.95	↓	-0.001%	1494.96
TNM	23.23	↓	-0.09%	23.25
Treasury Bill auctions				
	19-Oct-21		% pts Δ	12-Oct-21
Amount offered - cost value (K'm)	8,194.00	→	0.00%	8,194.00
Applied - cost value (K'm)	8,184.20	↑	8.41%	7,549.46
Allotted - cost value (K'm)	8,184.20	↑	8.41%	7,549.46
Overall rejection rate	0.00%	→	0.00	0.00%
91 days yield	9.6000%	→	0.0000%	9.6000%
182 days yield	12.9800%	→	0.0000%	12.9800%
364 days yield	14.2000%	→	0.0000%	14.2000%
All-type yield	12.2600%	→	0.0000%	12.2600%
Treasury Note and Bond auctions				
	19-Oct-21	12-Oct-21		28-Sep-21
Auction date	19-Oct-21	12-Oct-21		28-Sep-21
Tenors	2 years	10 years		10 years
Coupon rate	12.50%	10.00%		15.00%
Amount offered - cost value (K'b)	45.89	15.00		16.34
Total applied - cost value (K'b)	7.22	25.88		5.77
Total allotted - cost value (K'b)	7.22	25.88		3.74
Allotted - weighted average ytm	20.53%	16.64%		23.25%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction		Next auction
2-year	16.64%	12-Oct-21		TBA
3-year	18.99%	3-Aug-21		9-Nov-21
5-year	20.53%	19-Oct-21		TBA
7-year	21.36%	27-Jul-21		23-Nov-21
10-year	23.25%	28-Sep-21		26-Oct-21
Upcoming Treasury Note auctions				
Auction date	Tenor	Amount (K'b)		Coupon rate
26-Oct-21	10	12.64		TBA
9-Nov-21	3	45.00		TBA
23-Nov-21	7	30.00		TBA
Projected maturities				
Week ending	22-Oct-21	29-Oct-21		5-Nov-21
TBs, PNs & TNs (K'm)	6,397	12,393		2,257
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	8,199	26,863		20,598
Reference rate				
Rate	Oct-21		% pts Δ	Sep-21
	12.20%	→	0.00	12.20%
Inflation rate				
Rate	Sep-21		% pts Δ	Aug-21
	8.9%	↑	0.5	8.4%
Closing mid exchange rates				
	21-Oct-21		% Δ	13-Oct-21
USD	822.8261	↓	0.01%	822.7739
GBP	1211.6812	↓	2.72%	1179.5561
EUR	1064.7123	↓	0.38%	1060.7171
ZAR	61.4335	↓	2.99%	59.6512
Gross official foreign exchange reserves position				
	30-Sep-21	31-Aug-21		31-Jul-21
Reserves (USD'm)	521.87	604.50		404.18
Import cover (months)	2.09	2.42		1.62

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 61,747 as at 22nd October 2021, out of which 2,151 were reported to be active. Daily new infections averaged 7 during the week, as was the case in the previous week. Cumulatively, 57,068 people have recovered while 2,296 have died from the disease. In response to the reduction in the active cases, the Government of Malawi has recently eased COVID-19 restrictions. The first and second doses of the Oxford-AstraZeneca vaccine were reported to have been administered to 646,675 and 275,483 people, respectively, while 255,951 people were reported to have received the Johnson & Johnson vaccine. Cumulatively, 531,434 people were fully vaccinated as at 22nd October 2021, representing 2.85% of the estimated total population of 18.63m (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 243.33m, with recoveries of more than 220.49m and 4.94m deaths as at 22nd October 2021 (Source: Johns Hopkins University and Medicine).

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