



**Malawi Stock Exchange (MSE) trading activity**

The Malawi All Share Index (MASI) registered a gain of 0.95% to close the week at 44,755.61 points from 44,334.15 points in the previous week due to share price gains in NBM (0.01%) and PCL (10.94%) which offset a share price loss in NITL (-0.01%). The market traded 5,638,073 shares at a consideration of K381.57m in 55 trades during the week, compared to 2,201,549 shares traded at a consideration of K48.53m in 59 trades in the previous week. The year-to-date return on MASI stands at 38.17% compared to 4.49% for the same period in 2020 (Source: MSE).

**Corporate news**

**Dividends**

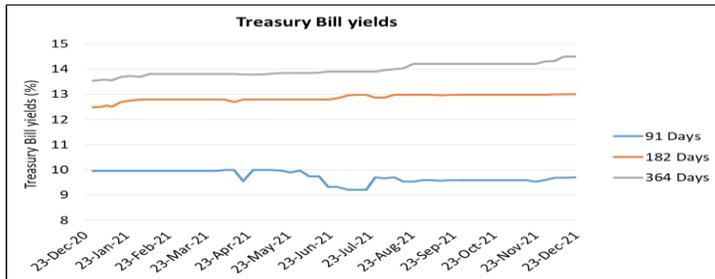
Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Final	4.00	11-Mar-22	31-Mar-22
FDHB	Second interim	0.43	31-Dec-21	14-Jan-22
TNM	Second interim	0.15	7-Jan-22	21-Jan-22

**Expected financial results for the year ending 31<sup>st</sup> December 2021**

Company	Expected change for FY 2021	FY 2020 profit after tax (K'b)
Airtel Malawi Plc	↑	22.09
FMB Capital Holdings Plc (US\$' million)	↑	21.28
MPICO Plc	↑	4.34
Press Corporation Plc	↑	19.90
Sunbird Tourism Plc	↑	1.18

**Government securities**

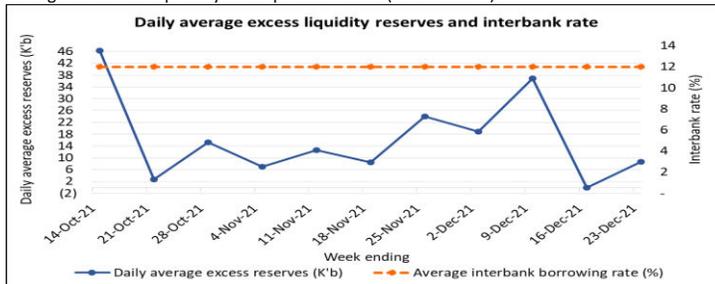
Government raised K5.83b during the week's auctions for Treasury Bills (TBs) compared to K4.27b raised in the previous week. The auctions registered no rejection on the submitted bids. The all-type average TB yield increased to 12.3993% from 12.3982% in the previous week, due to increases in the 91-day and 182-day yield to 9.6980% and 13.0000%, respectively, from 9.6952% and 12.9993% in the previous week. The 364-day yield was constant at 14.5000% as per the previous week (Source: RBM).



Government also raised K143.01b through auctions of 2-year, 3-year and 5-year Treasury Notes, bringing the total amount raised through auction of Government securities during the week to K148.84b. The RBM conducted OMO reverse repos amounting to K241.14b aimed at injecting liquidity in the banking system. Maturities of Government securities for the week amounted to K20.79b. This resulted in a net injection of K113.09b into the market, compared to a net withdrawal of K27.30b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves increased to K8.68b from -K0.07b recorded in the previous week. Daily Interbank borrowing averaged K3.93b as compared to K16.40b in the previous week. The average interbank borrowing rate was stable at 11.98% as per the previous week. Borrowing on the Lombard Facility averaged K108.55b per day, increasing from an average of K108.16b per day in the previous week (Source: RBM).



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Stock market				
	24-Dec-21		% Δ	17-Dec-21
MASI	44,755.61	↑	0.95%	44,334.15
DSI	36,517.07	↑	1.04%	36,142.05
FSI	4,223.15	→	0.00%	4,223.15
Traded volume	5,638,073	↑	156.10%	2,201,549
Number of trades	55	↓	-6.78%	59
Value of shares traded (K'm)	381.57	↑	686.23%	48.53
Market capitalisation (K'm)	2,429,883.08	↑	0.94%	2,407,299.53
Gainers		Closing price (K)	% Δ	Opening price (K)
NBM	810.11	↑	0.01%	810.00
PCL	1900.00	↑	10.94%	1712.62
Losers		Closing price (K)	% Δ	Opening price (K)
NITL	94.98	↓	-0.01%	94.99
Treasury Bill auctions				
Auction date	21 & 23 Dec 2021		% pts Δ	14-Dec-21
Amount offered - cost value (K'm)	15,962.00	→	0.00%	15,962.00
Applied - cost value (K'm)	5,826.89	↑	36.44%	4,270.75
Allotted - cost value (K'm)	5,826.89	↑	36.44%	4,270.75
Overall rejection rate	0.00%	→	0.00	0.00%
91 days yield	9.6980%	↑	0.0028%	9.6952%
182 days yield	13.0000%	↑	0.0007%	12.9993%
364 days yield	14.5000%	→	0.0000%	14.5000%
All-type yield	12.3993%	↑	0.0012%	12.3982%
Treasury Note and Bond auctions				
Auction date	21 & 23 Dec 2021		% pts Δ	14-Dec-21
Tenors	2, 3 & 5 years			2, 3 & 5 years
Coupon rate	10.00%, 11.00% & 12.50%			10.00%, 11.00% & 12.50%
Amount offered - cost value (K'b)	47.44			
Total applied - cost value (K'b)	143.01		0.14	33.61
Total allotted - cost value (K'b)	143.01		0.14	32.34
Allotted - weighted average ytm	16.64%, 19.04% & 20.35%		16.67%, 19.00% & 20.53%	16.67%, 19.12% & 20.95%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction	Next auction	
2 years	16.64%	23-Dec-21	TBA	
3 years	19.04%	23-Dec-21	TBA	
5 years	20.35%	23-Dec-21	TBA	
7 years	20.94%	23-Nov-21	TBA	
10 years	22.50%	26-Oct-21	TBA	
10-year infrastructure bond	23.25%	17-Aug-21	TBA	
OMO reverse repos - 23 Dec 2021				
Tenor	Allotted (K'b)	Average yield		
33 days	60.00	9.63%		
61 days	35.00	10.89%		
91 days	146.14	11.10%		
Total	241.14	10.54%		
Projected maturities				
Week ending	24-Dec-21	31-Dec-21	7-Jan-22	
TBs, PNs & TNs (K'm)	20,789	18,720	9,825	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	0	
Reference rate				
Rate	Dec-21	% pts Δ	Nov-21	
	12.20%	→	0.00	12.20%
Inflation rate				
Rate	Nov-21	% pts Δ	Oct-21	
	11.1%	↑	1.3	9.8%
Closing mid exchange rates				
	23-Dec-21	% Δ	16-Dec-21	
USD	823.0900	↑	-0.15%	824.3667
GBP	1207.7490	↑	-1.97%	1232.0177
EUR	1109.4908	↓	0.98%	1098.6700
ZAR	60.3212	↑	-2.04%	61.5784
Gross official foreign exchange reserves position				
Reserves (USD'm)	30-Nov-21	31-Oct-21	30-Sep-21	
	389.26	405.66	521.87	
Import cover (months)	1.56	1.62	2.09	

Sources: MSE, RBM, NSO, AHL

**Foreign exchange market developments**

The Kwacha appreciated by -0.15% to trade at K823.0900 per USD as at 23<sup>rd</sup> December 2021 from K824.3667 as at 16<sup>th</sup> December 2021. The Kwacha also appreciated against the GBP and ZAR by -1.97% and -2.04%, but depreciated against EUR by 0.98%. Gross official forex reserves were last recorded at USD389.26m (1.56 months of import cover) on the 30<sup>th</sup> November 2021 from USD405.66m (1.62 months of import cover) recorded on 31<sup>st</sup> October 2021 (Source: RBM). The recommended minimum import cover is 3 months.

**COVID-19 update**

Cumulative confirmed COVID-19 cases in Malawi stood at 69,735 as at 24<sup>th</sup> December 2021, out of which 7,624 were reported to be active. COVID-19 infections averaged 827 this week compared to 250 cases in the previous week. So far, 59,557 people have recovered while 2,322 have died from the disease. Cumulatively, 1,060,993 and 386,054 people have received the first and second doses of AstraZeneca vaccine, respectively, while 283,841 people have received Johnson and Johnson vaccine. Cumulatively, 669,895 people are fully vaccinated representing 3.42% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 280.56m, with recoveries of more than 248.83m and 5.40m deaths as at 24<sup>th</sup> December 2021 (Source: Johns Hopkins University and Medicine).