



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

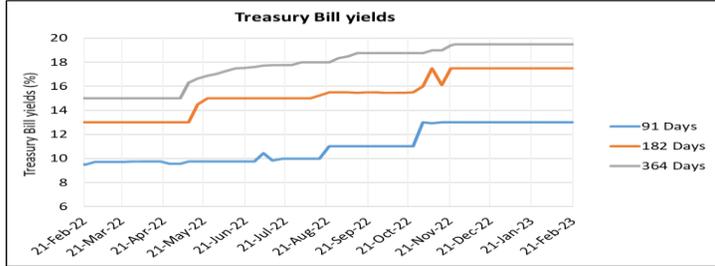
The Malawi All Share Index (MASI) registered a marginal gain of 0.01% to close the week at 70,023.82 points from 70,017.92 points in the previous week due to share price gains in AIRTEL (0.03%), ILLOVO (0.002%), NBM (0.001%), OMU (0.001%), STANDARD (0.0005%) and TNM (0.07%), which offset a share price loss in MPICO (-0.05%). The market traded 2,333,854 shares at a consideration of K144.59m in 99 trades compared to 5,457,816 shares traded at a consideration of K1.51b in 165 trades in the previous week. The year-to-date return on MASI stands at 12.88% compared to -1.40% for the same period in 2022 (Source: MSE).

**Corporate news**

Press Corporation Plc (PCL) announced the appointment of Dr Ronald Mangani as its Chief Executive Officer, effective 1<sup>st</sup> March 2023. Dr Mangani previously served as the Secretary to the Treasury of the Malawi Government between 2014 to 2017. He also chaired the Board of Old Mutual Malawi Limited and served as an independent Director on the Boards of First Capital Bank, Reserve Bank of Malawi, the Malawi Stock Exchange, MDC Limited, Malawi Institute of Management, and several others. Immediately prior to his appointment, Dr Manangani was Associate Professor of Economics at the University of Malawi. He studied economics, finance, and investments at the Universities of Malawi, York and Cape Town. He has also undertaken numerous consultancy and technical advisory assignments for various governments, the private sector, non-governmental organizations, and international development agencies on the African continent (Source: PCL).

**Government securities**

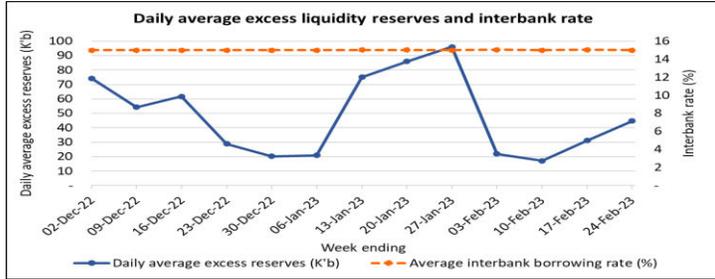
Government raised K33.18b during the week's auction for Treasury Bills (TBs) compared to K10.19b raised in the previous week. The auction registered a rejection rate of 29.49% on the submitted bids. The average TB yield was constant at 16.67% during the previous week as the 91-day, 182-day and 364-day yields were constant at 13.00%, 17.50% and 19.50%, respectively (Source: RBM).



The Government also raised K42.20b through auction of a 10-year Treasury Note (TN) at an average yield of 28.50% during the week. Maturities of Government securities for the week amounted to K45.15b and maturities of OMO reverse repos amounted to K2.54b. These transactions resulted in a net withdrawal of K32.77b from the market compared to a net withdrawal of K11.32b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves increased to K44.67b from K31.10b in the previous week. Daily average interbank borrowing increased to K31.40b from K22.02b in the previous week. The average interbank borrowing rate marginally decreased to 15.00% from 15.05% in the previous week. Borrowing on the Lombard facility increased to the average of K71.06b per day during the week from K64.39b per day in the previous week (Source: RBM).



**Foreign exchange market developments**

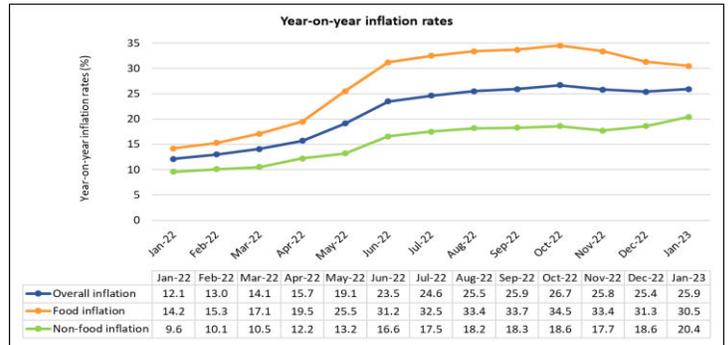
During the week, the Kwacha marginally depreciated against the USD by 0.04% to trade at K1035.0787 per USD from K1034.6629 per USD in the previous week. The Kwacha also depreciated against GBP (0.65%), EUR (0.32%) and ZAR (0.37%) during the period. Gross official foreign exchange reserves stood at USD279.22m (1.12 months import cover) on 31<sup>st</sup> January 2023 compared to USD304.65m (1.22 months import cover) on 31<sup>st</sup> December 2022. The recommended minimum import cover is 3 months.

Stock market				
	24-Feb-23		% Δ	17-Feb-23
MASI	70,023.82	↑	0.01%	70,017.92
DSI	55,743.83	↑	0.01%	55,738.58
FSI	8,382.77	→	0.00%	8,382.77
Traded volume	2,333,854	↓	-57.24%	5,457,816
Number of trades	99	↓	-40.00%	165
Value of shares traded (K'm)	144.59	↓	-90.40%	1,506.61
Market capitalisation (K'm)	3,780,840.41	↑	0.01%	3,780,524.01
Gainers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	58.14	↑	0.03%	58.12
ILLOVO	600.05	↑	0.002%	600.04
NBM	1600.03	↑	0.001%	1600.01
OMU	880.01	↑	0.001%	880.00
STANDARD	2200.02	↑	0.0005%	2200.01
TNM	14.02	↑	0.07%	14.01
Losers				
	Closing price (K)		% Δ	Opening price (K)
MPICO	20.58	↓	-0.05%	20.59
Treasury Bill auctions				
Auction date	21-Feb-23		% pts Δ	14-Feb-23
Amount offered - cost value (K'm)	24,035.00	→	0.00%	24,035.00
Applied - cost value (K'm)	47,064.14	↑	75.80%	26,771.12
Allotted - cost value (K'm)	33,182.65	↑	225.73%	10,187.27
Overall rejection rate	29.49%	↓	-32.45	61.95%
91 days yield	13.0000%	→	0.0000%	13.0000%
182 days yield	17.5000%	→	0.0000%	17.5000%
364 days yield	19.5000%	→	0.0000%	19.5000%
All-type yield	16.6667%	→	0.0000%	16.6667%
Treasury Note and Bond auctions				
Auction date	21-Feb-23	14-Jan-23	31-Jan-23	
Tenors	10 years	3 years	7 years	
Coupon rate	15.00%	11.00%	13.50%	
Amount offered - cost value (K'b)	21.09	68.28	26.14	
Total applied - cost value (K'b)	42.21	25.70	27.15	
Total allotted - cost value (K'b)	42.20	23.99	11.53	
Allotted - weighted average ytm	28.50%	24.00%	27.50%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2-year TN	22.75%	20-Jan-23	28-Feb-23	
3-year TN	24.00%	14-Feb-23	TBA	
5-year TN	26.19%	24-Jan-23	21-Mar-23	
5-year Development Bond	26.00%	29-Nov-22	TBA	
7-year TN	27.50%	31-Jan-23	TBA	
7-Year Development Bond	27.50%	25-Nov-22	28-Feb-23	
10-year TN	28.50%	21-Feb-23	TBA	
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	
28-Feb-23	7-year IDB	10.00	14.50%	
14-Mar-23	2	61.64	10.00%	
21-Mar-23	5	56.64	12.50%	
Projected maturities				
Week ending	24-Feb-23	3-Mar-23	10-Mar-23	
TBs, PNs & TNs (K'm)	45,148	27,475	25,569	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	2,537	8,132	0	
Reference rate				
Rate	Feb-23	% pts Δ	Jan-23	
	17.30%	0.00	17.30%	
Inflation rate				
Rate	Jan-23	% pts Δ	Dec-22	
	25.9%	0.5	25.4%	
Closing TT mid exchange rates				
	24-Feb-23	% Δ	17-Feb-23	
USD	1035.0787	↓	1034.6629	
GBP	1277.6574	↓	1269.3874	
EUR	1123.1003	↓	1119.5142	
ZAR	58.2078	↓	57.9927	
Gross official foreign exchange reserves position				
	31-Jan-23	31-Dec-22	30-Nov-22	
Reserves (USD'm)	279.22	304.65	338.87	
Import cover (months)	1.12	1.22	1.36	

Sources: MSE, RBM, NSO, AHL

**January 2023 Inflation 25.9%.**

Year-on-year headline inflation rate stood at 25.9% in January 2023, an increase from the 25.4% recorded in December 2022. Food and Non-Food Inflation rates stood at 30.5% and 20.4%, respectively, in January 2023.



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