

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 3.47% to close the week at 77,528.64 points from 74,925.62 points in the previous week due to share price gains in AIRTEL (10.26%), FDHB (10.35%), FMBCH (0.01%), NBM (0.001%), NBS (13.00%), NICO (14.16%), OMU (0.001%), STANDARD (0.01%) and TNM (0.92%). The market traded 7,031,081 shares at a consideration of K325.31m in 116 trades compared to 4,447,426 shares traded at a consideration of K339.97m in 145 trades in the previous week. The year-to-date return on MASI stands at 24.97% compared to 0.40% for the same period in 2022 (Source: MSE).

Corporate news

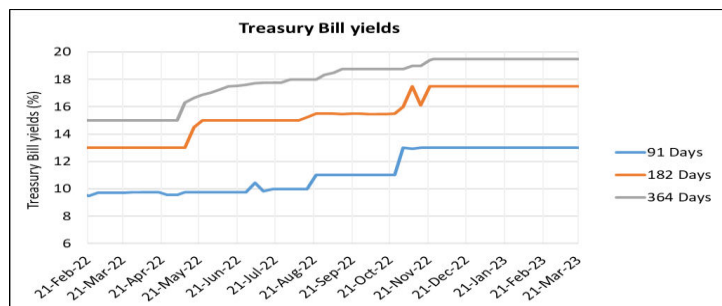
- FDH Bank Plc registered a profit after tax (PAT) of K22.93b for the year ended 31st December 2022, up by 97% from the PAT of K11.66b registered in a similar period in 2021. Total income for the bank grew by 58% to K69.89b in 2022 as net interest income increased by 47% to K37.30b and non-interest income increased by 74% to K32.55b during the year (Source: FDHB, MSE).
- Telekom Networks Malawi Plc announced the appointment of Mr. Michel A. Hebert as the company's new Chief Executive Officer effective 15th March 2023. Mr. Hebert is a highly experienced telecom executive that has led telecom and technology companies for the past 25 years in Africa and Middle East. As either CEO or CxO he has transformed organisations, delivered growth, and opened new markets for well-known telecom companies such as Orange (Egypt), Ooredoo (Tunisia), Djazzy (Algeria), Comium (Cote D'Ivoire), Digicel (Papua New Guinea), AT Kearney (USA), and more recently, Sudatel Group (Sudan). He is Canadian educated as an electronic engineer from the University of Waterloo (BSc) in Canada and holds an MBA from the University of Chicago's Booth School of Business in USA (Source: TNM, MSE).

Dividends announced

Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NBM	2nd Interim declared	21.42	14-Mar-23	17-Mar-23	6-Apr-23
ILLIOVO	Final declared	5.44	21-Mar-23	24-Mar-23	31-Mar-23
OMU	Final proposed	ZAR0.51	11-Apr-23	14-Apr-23	17-Apr-23
Standard	Final proposed	51.14	TBA	TBA	TBA
FDHB	Final proposed	0.58	TBA	TBA	TBA

Government securities

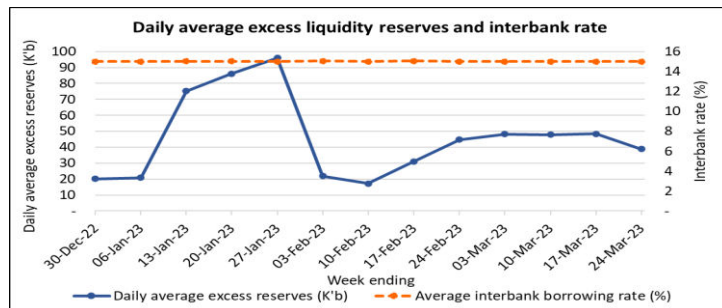
Government raised K11.11b during the week's auction for Treasury Bills (TBs) compared to K35.69b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield was constant at 16.67% during the previous week as the 91-day, 182-day and 364-day yields were stable at 13.00%, 17.50% and 19.50%, respectively (Source: RBM).



The Government also raised K15.83b through auction of a 5-year Treasury Note (TN) at an average yield of 26.25%. Maturities of Government securities for the week amounted to K23.58b. These transactions resulted in a net withdrawal of K3.36b from the market compared to a net injection of K15.30b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K38.91b from K48.35b in the previous week. Daily average interbank borrowing increased to K20.85b from K16.64b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility increased to the average of K86.40b per day from K79.98b per day in the previous week (Source: RBM).



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Stock market				
	24-Mar-23		% Δ	17-Mar-23
MASI	77,528.64	↑	3.47%	74,925.62
DSI	62,422.06	↑	3.85%	60,106.26
FSI	8,382.28	↑	0.01%	8,381.78
Traded volume	7,031,081	↑	58.09%	4,447,426
Number of trades	116	↓	-20.00%	145
Value of shares traded (K'm)	325.31	↓	-4.31%	339.97
Market capitalisation (K'm)	4,182,980.94	↑	3.45%	4,043,498.09
Gainers	Closing price (K)		% Δ	Opening price (K)
AIRTEL	75.00	↑	10.26%	68.02
FDHB	38.50	↑	10.35%	34.89
FMBCH	166.99	↑	0.01%	166.98
NBM	1600.17	↑	0.001%	1600.16
NBS	56.50	↑	13.00%	50.00
NICO	135.85	↑	14.16%	119.00
OMU	880.02	↑	0.001%	880.01
STANDARD	2200.50	↑	0.01%	2200.37
TNM	14.20	↑	0.92%	14.07
Losers	Closing price (K)		% Δ	Opening price (K)
None				
Treasury Bill auctions				
Auction date	21-Mar-23		% pts Δ	13 & 14 March 2023
Amount offered - cost value (K'm)	17,847.00	→	0.00%	17,847.00
Applied - cost value (K'm)	11,113.09	↓	-68.86%	35,686.24
Allotted - cost value (K'm)	11,113.09	↓	-68.86%	35,686.24
Overall rejection rate	0.00%	→	0.00	0.00%
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-Mar-23		13 & 14 March 2023	9-Mar-23
Tenors	5 years		2 years	2 & 3 & years
Coupon rate	12.50%		10.00%	10.00% & 11.00%
Amount offered - cost value (K'b)	56.64		61.64	
Total applied - cost value (K'b)	15.84		38.91	7.86
Total allotted - cost value (K'b)	15.83		35.57	7.86
Allotted - weighted average ytm	26.25%		22.75%	22.75% & 24.00%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield		Last auction	Next auction
2-year TN	22.75%		14-Mar-23	TBA
3-year TN	24.00%		09-Mar-23	TBA
5-year TN	26.25%		21-Mar-23	TBA
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%		28-Feb-23	TBA
10-year TN	28.50%		21-Feb-23	TBA
10-year Development Bond	23.35%		26-Apr-22	TBA
Projected maturities				
Week ending	24-Mar-23		31-Mar-23	7-Apr-23
TBs, PNs & TNs (K'm)	23,578		52,263	11,768
OMO repos (K'm)	0		0	0
OMO reverse repos (K'm)	0		8,066	0
Reference rate				
Rate	Mar-23		% pts Δ	Feb-23
	17.30%	→	0.00	17.30%
Inflation rate				
Rate	Feb-23		% pts Δ	Jan-23
	26.7%	↑	0.8	25.9%
Closing TT mid exchange rates				
	23-Mar-23		% Δ	17-Mar-23
USD	1035.8329	↓	0.16%	1034.1899
GBP	1312.9420	↓	1.47%	1293.9063
EUR	1157.5402	↓	2.19%	1132.7754
ZAR	58.3113	↓	0.19%	58.2005
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

Foreign exchange market developments

During the week, the Kwacha marginally depreciated against USD by 0.16% to trade at K1035.8329 per USD as at 23rd March 2023 from K1034.1899 per USD as at 17th March 2023. The Kwacha also depreciated against GBP (1.47%), EUR (2.19%) and ZAR (0.19%) during the period. Gross official foreign exchange reserves stood at USD279.22m (1.12 months import cover) on 31st January 2023 compared to USD304.65m (1.22 months import cover) on 31st December 2022. The recommended minimum import cover is 3 months.