

## Malawi Stock Exchange (MSE) trading activity

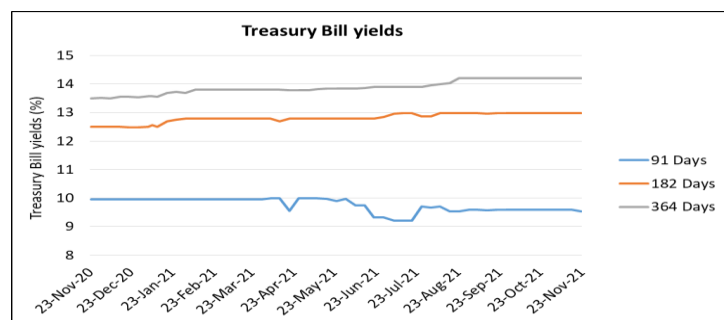
The Malawi All Share Index (MASI) registered a loss of -0.20% to close the week at 41,305.45 points from 41,389.96 points in the previous week due to share price losses in MPICO (-14.29%) and TNM (-0.04%) which offset share price gains in NBM (0.01%), NBS (3.81%) and STANDARD (0.001%). The market traded 31,933,951 shares at a consideration of K619.12m in 83 trades during the week, compared to 1,062,981 shares traded at a consideration of K37.60b in 56 trades in the previous week. The year-to-date return on MASI stands at 27.51% compared to -2.05% for the same period in 2020 (Source: MSE).

## Dividend

Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Second Interim	10.00	10-Dec-21	13-Dec-21

## Government securities

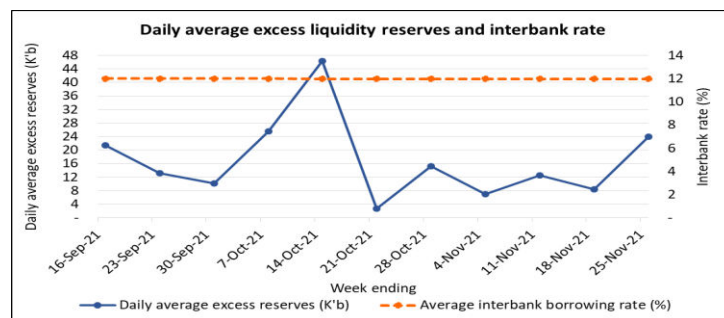
Government raised K8.82b during the week's auction for Treasury Bills (TBs) compared to K3.67m raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield decreased to 12.2368% from 12.2583% in the previous week, due to a decrease in the 91-day yield to 9.5353% from 9.6000% in the previous week. The 182-day and 364-day yields were stable at 12.9750% and 14.2000%, respectively, as per the previous week (Source: RBM).



The Government also raised K5.47b through auction of a 7-year Treasury Note, bringing the total amount raised through issuance of Government securities during the week to K14.29b. Maturities of Government securities for the week amounted to K15.89b. This resulted in a net injection of K1.60b into the market, compared to a net withdrawal of K5.32b in the previous week (Source: RBM).

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K23.91b from K8.42b recorded in the previous week. Daily Interbank borrowing averaged K10.35b as compared to K16.08b 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 K108.84 per day, increasing from an average of K107.22b per day in the previous week (Source: RBM).



## Foreign exchange market developments

During the week, the Kwacha depreciated by 0.03% to trade at K823.8489 per USD on 25<sup>th</sup> November 2021 from K823.6153 on 18<sup>th</sup> November 2021. The Kwacha also depreciated against the EUR by 0.81%. It, however, appreciated against the GBP and ZAR by -0.16% and -5.12%. Gross official forex reserves were last recorded at USD405.66m (1.62 months of import cover) on 31<sup>st</sup> October 2021 from USD521.87m (2.09 months of import cover) recorded on 30<sup>th</sup> September 2021 (Source: RBM).

Stock market			
	26-Nov-21	% Δ	19-Nov-21
MASI	41,305.45	↓ -0.20%	41,389.96
DSI	34,222.60	↓ -0.22%	34,297.80
FSI	3,232.74	↓ 0.00%	3,232.74
Traded volume	31,933,951	↑ 2904.19%	1,062,981
Number of trades	83	↑ 48.21%	56
Value of shares traded (K'm)	619.12	↑ 1546.53%	37.60
Market capitalisation (K'm)	2,242,569.13	↓ -0.20%	2,247,097.77
Gainers			
	Closing price (K)	% Δ	Opening price (K)
NBM	701.11	↑ 0.01%	701.07
NBS	22.86	↑ 3.81%	22.02
STANDARD	1,250.03	↑ 0.001%	1,250.02
Losers			
	Closing price (K)	% Δ	Opening price (K)
MPICO	18.00	↓ -14.29%	21.00
TNM	22.95	↓ -0.04%	22.96
Treasury Bill auctions			
	23-Nov-21	% pts Δ	16-Nov-21
Auction date	23-Nov-21		
Amount offered - cost value (K'm)	17,009.00	→ 0.00%	17,009.00
Applied - cost value (K'm)	8,816.56	↑ 140.15%	3,671.20
Allotted - cost value (K'm)	8,816.56	↑ 140.15%	3,671.20
Overall rejection rate	0.00%	→ 0.00%	0.00%
91 days yield	9.5353%	↓ -0.0647%	9.6000%
182 days yield	12.9750%	→ 0.0000%	12.9750%
364 days yield	14.2000%	→ 0.0000%	14.2000%
All-type yield	12.2368%	↓ -0.0216%	12.2583%
Treasury Note and Bond auctions			
	23-Nov-21	9-Nov-21	26-Oct-21
Auction date	23-Nov-21		
Tenor	7 years	3 years	10 years
Coupon rate	13.50%	11.00%	15.00%
Amount offered - cost value (K'b)	30.00	45.00	12.64
Total applied - cost value (K'b)	5.47	21.33	3.72
Total allotted - cost value (K'b)	5.47	21.33	3.53
Allotted - weighted average ytm	20.94%	19.00%	22.50%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2 years	16.64%	12-Oct-21	TBA
3 years	19.00%	9-Nov-21	21-Dec-21
5 years	20.53%	9-Oct-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	7-Dec-21
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Previous coupon rate
7-Dec-21	10 year infrastructure bond	20.00	16.00%
21-Dec-21	3 years	47.44	11.00%
Projected maturities			
	26-Nov-21	3-Dec-21	10-Dec-21
TBs, PNs & TNs (K'm)	15,889	16,184	12,315
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	7,207	0
Reference rate			
	Nov-21	% pts Δ	Oct-21
Rate	12.20%	→ 0.00	12.20%
Inflation rate			
	Oct-21	% pts Δ	Sep-21
Rate	9.8%	↑ 0.9	8.9%
Closing mid exchange rates			
	25-Nov-21	% Δ	18-Nov-21
USD	823.8489	↓ 0.03%	823.6153
GBP	1183.2228	↑ -0.16%	1185.1398
EUR	1063.1756	↓ 0.81%	1054.5809
ZAR	56.7576	↑ -5.12%	59.8199
Gross official foreign exchange reserves position			
	31-Oct-21	30-Sep-21	31-Aug-21
Reserves (USD'm)	405.66	521.87	604.50
Import cover (months)	1.62	2.09	2.42

Sources: MSE, RBM, NSO, AHL

## COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 61,886 as at 26<sup>th</sup> November 2021. Of the confirmed cases, 587 were reported to be active. COVID-19 infections averaged 4 during the week compared to 3 cases in the previous week. So far, 58,763 people have recovered while 2,304 have died from the disease, representing 3.7% of the total reported cases. Cumulatively, 800,468 and 324,251 people have received the first and second doses of AstraZeneca vaccine, respectively, while 274,288 people have received Johnson and Johnson vaccine. Cumulatively, 598,539 people were reported to be fully vaccinated representing 3.89% of the total Malawi population (15.4 million). The Ministry of Health announced that there is a new COVID variant identified in some southern African countries including South Africa and Botswana. However, the basic preventive and containment measures remain the same. Globally, total confirmed cases of COVID-19 amounted to 260.94m, with recoveries of more than 233.95m and 5.19m deaths as at 26<sup>th</sup> November 2021 (Source: Johns Hopkins University and Medicine).

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