



Malawi Stock Exchange (MSE) trading activity

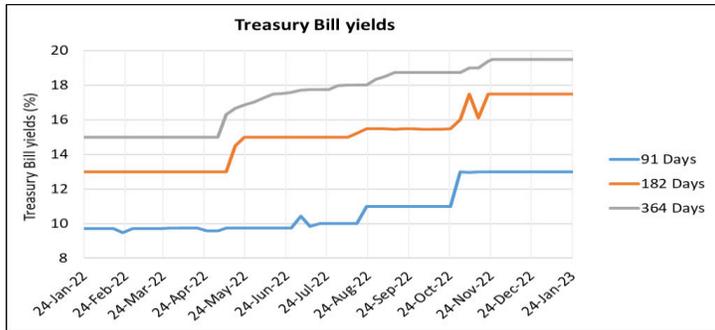
The Malawi All Share Index (MASI) registered a gain of 2.08% to close the week at 68,449.55 points from 67,055.81 points in the previous week due to share price gains in AIRTEL (1.79%), FDHB (11.54%), ILLOVO (11.11%), NBM (0.004%) and NICO (1.54%), which offset price losses in BHL (-0.09%), ICON (-0.17%), MPICO (-0.05%), OMU (-14.85%) and TNM (-0.07%). The market traded 6,956,981 shares at a consideration of K445.22m in 159 trades compared to 28,302,243 shares traded at a consideration of K377.71b in 70 trades in the previous week. The year-to-date return on MASI stands at 10.34% compared to -1.94% for the same period in 2022 (Source: MSE).

Corporate news

Dividends announced				
Company	Dividend type	Dividend (K/share)	Last day to register	Payable
STANDARD	2nd Interim declared	12.78	20-Jan-23	30-Jan-23
ILLOVO	Final proposed	5.44	TBA	TBA

Government securities

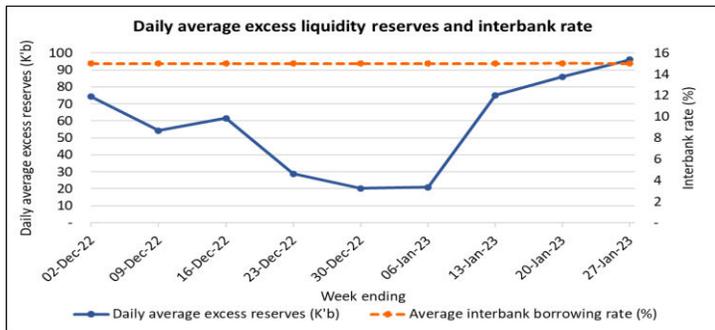
Government raised K32.57b during the week's auction for Treasury Bills (TBs) compared to K18.01b raised in the previous week. The auction registered no rejections on the submitted bids. The average all-type TB yield was constant at 16.67% as the 91-day, 182-day and 364-day yields were constant 13.00%, 17.50% and 19.5%, respectively (Source: RBM).



Government also raised K29.16b through auction of a 5-year Treasury Note (TN) during the week. Maturities of Government securities for the week amounted to K58.08b and maturities of OMO reverse repos amounted to K5.08b. RBM conducted OMO repos that amounted to K2.50b. These transactions resulted in a net withdrawal of K11.23b from the market compared to a net withdrawal of K36.22b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K96.01b from K86.02b in the previous week. Daily average interbank borrowing increased to K15.25b from K8.64b in the previous week. The average interbank borrowing rate remained constant at 15.00%. Borrowing on the Lombard facility decreased to an average of K63.36b per day during the week from K67.44b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by -0.01% to trade at K1035.2009 per USD on 27th January 2023 from K1035.3115 per USD on 20th January 2023. The Kwacha also appreciated against GBP (-0.62%) during the week. It, however, depreciated against EUR (0.41%) and ZAR (0.12%) during the period. Gross official foreign exchange reserves stood at USD304.65m (1.22 months import cover) as at 31st December 2022, decreasing from USD338.87m (1.36 months import cover) as at 30th November 2022 (Source: RBM). The recommended minimum import cover is 3 months.

Stock market				
	27-Jan-23	% Δ		20-Jan-23
MASI	68 449.55	↑ 2.08%		67 055.81
DSI	54 347.03	↑ 2.36%		53 092.71
FSI	8 377.67	↓ -0.22%		8 395.75
Traded volume	6 956 981	↓ -75.42%		28 302 243
Number of trades	159	↑ 127.14%		70
Value of shares traded (K'm)	445.22	↑ 17.88%		377.71
Market capitalisation (K'm)	3 696 989.48	↑ 2.02%		3 623 843.33
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	58.04	↑ 1.79%		57.02
FDHB	28.99	↑ 11.54%		25.99
ILLOVO	600.00	↑ 11.11%		540.00
NBM	1543.09	↑ 0.004%		1543.03
NICO	66.00	↑ 1.54%		65.00
Losers				
	Closing price (K)	% Δ		Opening price (K)
BHL	10.96	↓ -0.09%		10.97
ICON	11.92	↓ -0.17%		11.94
MPICO	20.59	↓ -0.05%		20.60
OMU	838.67	↓ -14.85%		984.99
TNM	13.99	↓ -0.07%		14.00
Treasury Bill auctions				
	Auction date	24-Jan-23	% pts Δ	17-Jan-23
Amount offered - cost value (K'm)		20 452.00	0.00%	20 452.00
Applied - cost value (K'm)		32 568.27	↑ 76.13%	18 490.64
Allotted - cost value (K'm)		32 568.27	↑ 80.84%	18 009.82
Overall rejection rate		0.00%	↓ -2.60	2.60%
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	24-Jan-23	11 & 20 Jan 2023	28-Dec-22
Tenors		5 years	2, 3 & 5 years	10 years
Coupon rate		12.50%	10.00%, 11.00% & 12.50%	15.00%
Amount offered - cost value (K'b)		51.64	56.64	31.54
Total applied - cost value (K'b)		29.46	55.06	6.58
Total allotted - cost value (K'b)		29.16	54.78	6.58
Allotted - weighted average ytm		26.19%	22.66%, 24.00%, 26.00%	28.50%
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%	20-Jan-23	14-Feb-23
	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%	20-Dec-22	31-Jan-23
	7-year Development Bond	27.50%	25-Nov-22	28-Feb-23
	10-year TN	28.50%	28-Dec-22	21-Feb-23
	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
	31-Jan-23	7	26.14	13.50%
	14-Feb-23	3	68.28	11.00%
	21-Feb-23	10	21.09	15.00%
	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	27-Jan-23	3-Feb-23	10-Feb-23
	TBs, PNs & TNs (K'm)	58 079	17 539	28 802
	OMO repos (K'm)	0	0	0
	OMO reverse repos (K'm)	5 076	3 044	0
Reference rate				
	Rate	Jan-23	% pts Δ	Dec-22
		17.30%	0.00	17.30%
Inflation rate				
	Rate	Dec-22	% pts Δ	Nov-22
		25.4%	↓ -0.4	25.8%
Closing TT mid exchange rates				
		27-Jan-23	% Δ	20-Jan-23
	USD	1035.2009	↑ -0.01%	1035.3115
	GBP	1313.0108	↓ -0.62%	1321.1932
	EUR	1156.1652	↓ 0.41%	1151.4785
	ZAR	61.3435	↓ 0.12%	61.2694
Gross official foreign exchange reserves position				
	Reserves (USD'm)	31-Dec-22	30-Nov-22	31-Oct-22
		304.65	338.87	326.06
	Import cover (months)	1.22	1.36	1.30

Sources: MSE, RBM, NSO, AHL

Expected financial results for the year ended 31st December 2022

Company	2022 expected profit after tax (K'b)	Expected movement	2021 profit after tax (K'b)
Listed banks			
FDH Bank Plc	17,249	↑	11,499
FMB Capital Holdings Plc (US\$' million)	52,580	↑	40,446
National Bank of Malawi Plc	44,473	↑	34,210
NBS Bank Plc	16,153	↑	7,692
Listed non-bank companies			
Blantyre Hotels Plc	(0,601)	↑	(0,752)
ICON Properties Plc	14,827	↑	8,722
National Investment Trust Plc	6,305	↑	4,670
MPICO Plc	7,707	↑	6,423
NICO Holdings Plc	29,278	↑	18,299
Sunbird Tourism Plc	2,547	↑	0,749
Telekom Networks Malawi Plc	0,969	↓	9,690

Source: MSE

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.