

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.55% to close the week at 86,462.61 points from 85,139 points in the previous week due to share price gains in AIRTEL (0.04%), FDHB (0.15%), ILLOVO (10.39%), NBM (0.002%), NBS (6.67%), NICO (0.68%), NITL (11.11%), STANDARD (0.001%) and TNM (0.22%), which offset share price losses in FMBCH (-0.60%) and ICON (-5.06%). The market traded 2,690,752 shares at a consideration of K301.54m in 180 trades compared to 8,265,614 shares traded at a consideration of K605.52m in 182 trades in the previous week. The year-to-date return on MASI stands at 39.37% compared to 3.87% for the same period in 2022 (Source: MSE).

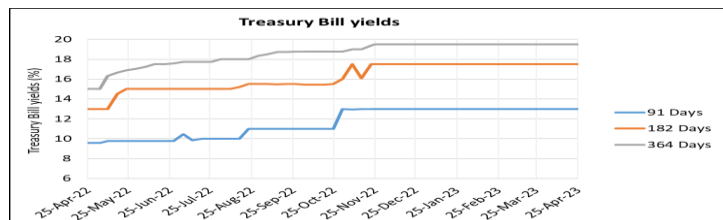
Dividends announced

Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NBS	2nd Interim declared	1.55	18-Apr-23	21-Apr-23	5-May-23
NICO	2nd Interim declared	4.00	2-May-23	5-May-23	12-May-23
FDHB	Final proposed	0.58	16-May-23	19-May-23	26-May-23
STANDARD	Final proposed	51.14	TBA	TBA	TBA
NITL	Final proposed	2.35	TBA	TBA	TBA
SUNBIRD	Final proposed	1.50	TBA	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA	TBA
NBM	Final proposed	33.11	TBA	TBA	TBA
NICO	Final proposed	1.00	TBA	TBA	TBA

Published annual financial results				
Company	2022 profit after tax (K'b)	Movement	2021 profit after tax (K'b)	
Listed banks				
FDH Bank Plc	22,932	97%	11,659	
First Capital Bank Plc	18,270	24%	14,767	
National Bank of Malawi Plc	45,944	34%	34,210	
NBS Bank Plc	18,905	146%	7,693	
Standard Bank Plc	39,202	58%	24,769	
Unlisted banks				
CDH Investment Bank Ltd	7,534	55%	4,863	
Ecobank Ltd	18,171	120%	8,274	
MyBucks Banking Corporation Ltd	(2,945)	-305%	(728)	
Listed non-bank companies				
NICO Holdings Plc	37,569	105%	18,299	
Sunbird Tourism Plc	3,051	307%	0,749	

Government securities

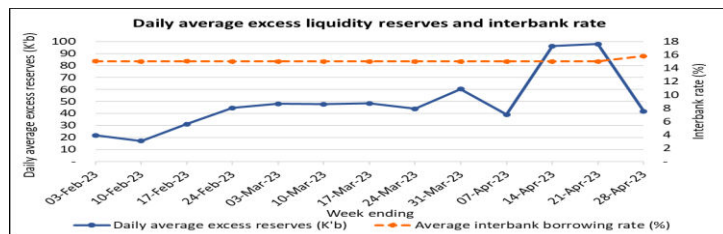
Government raised K18.51b during the week's auction for Treasury Bills (TBs) compared to K23.79b raised in the previous week. The auction registered no rejection rate on the submitted bids. The average TB yield slightly decreased to 16.6596% during the week from 16.6655% in the previous week due to a decrease in the 91-day TB yield to 12.9789% from 12.99964%. The 182-day and 364-day yields were constant at 17.5000% and 19.5000%, respectively (Source: RBM).



Maturities of Government securities for the week amounted to K10.12b. RBM conducted outright purchase of securities amounting to K0.01b. These transactions resulted in a net withdrawal of K8.38b from the market compared to a net withdrawal of K26.14b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K41.85b from K97.99b in the previous week. Daily average interbank borrowing increased to K49.43b from K39.78b in the previous week. The average interbank borrowing rate increased to 15.82% from 15.00%. Borrowing on the Lombard facility increased to the average of K72.38b per day from K62.44b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha marginally appreciated against USD by 0.06% to trade at K1034.8605 per USD as at 28th April 2023 from K1035.5045 per USD as at 21st April 2023. The Kwacha also appreciated against GBP, and ZAR by 0.04% and 0.93%, respectively, but depreciated against EUR by 0.64% during the period. Gross official foreign exchange reserves stood at USD280.66m (1.12 months import cover) on 28th February 2023 compared to USD279.22m (1.12 months import cover) on 31st January 2023 (Source: RBM). The recommended minimum import cover is 3 months. As at the end of week 3 of the 2023 tobacco marketing season, on 28th April 2023, the country had cumulatively realised USD28.37m from 13.83m kgs of tobacco sold at an average price of USD2.05/kg, compared to USD0.96m that was realised from 0.60m kgs of tobacco sold at an average price of USD1.49/kg during the same period in 2022 (Source: AHL).

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Stock market				
	28-Apr-23	% Δ		21-Apr-23
MASI	86,462.61	1.55%		85,139.00
DSI	70,512.35	1.76%		69,296.18
FSI	8,202.52	-0.59%		8,251.57
Traded volume	2,690,752	-67.45%		8,265,614
Number of trades	180	-1.10%		182
Value of shares traded (K'm)	301.54	-50.20%		605.52
Market capitalisation (K'm)	4,662,055.08	1.54%		4,591,570.77
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	80.08	0.04%		80.05
FDHB	38.90	0.15%		38.84
ILLOVO	850.03	10.39%		770.02
NBM	2000.09	0.002%		2000.05
NBS	80.00	6.67%		75.00
NICO	150.00	0.68%		148.98
NITL	250.00	11.11%		225.00
STANDARD	2250.04	0.001%		2250.01
TNM	17.94	0.22%		17.90
Losers				
	Closing price (K)	% Δ		Opening price (K)
FMBCH	163.00	-0.60%		163.99
ICON	11.26	-5.06%		11.86
Treasury Bill auctions				
	Auction date	25-Apr-23	% pts Δ	14-Apr-23
Amount offered - cost value (K'm)		38,419.00	0.00%	38,419.00
Applied - cost value (K'm)		18,514.49	-22.19%	23,793.51
Allotted - cost value (K'm)		18,514.49	-22.19%	23,793.51
Overall rejection rate		0.00%	0.00%	0.00%
91 days yield		12.9789%	-0.0175%	12.9964%
182 days yield		17.5000%	0.0000%	17.5000%
364 days yield		19.5000%	0.0000%	19.5000%
All-type yield		16.6596%	-0.0058%	16.6655%
Treasury Note and Bond auctions				
	Auction date	18-Apr-23	28, 29, 30 & 31 March 2023	21-Mar-23
Tenors		7 years	2,3,5,7 & 10 years	5 years
Coupon rate		13.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%	12.50%
Amount offered - cost value (K'b)		57.40		56.64
Total applied - cost value (K'b)		20.15		15.84
Total allotted - cost value (K'b)		20.15		15.83
Allotted - weighted average ytm		27.50%	22.75%, 24.00%, 26.25%, 27.50% & 28.50%	26.25%
Current yields for Treasury Notes and Bonds				
	Tenor	Last auction's yield	Last auction	Next auction
2-year TN		22.75%	31-Mar-23	06-Jun-23
3-year TN		24.00%	31-Mar-23	16-May-23
5-year TN		26.25%	31-Mar-23	02-May-23
5-year Development Bond		26.00%	29-Nov-22	27-Jun-23
7-year TN		27.50%	18-Apr-23	13-Jun-23
7-year Development Bond		27.50%	28-Feb-23	TBA
10-year TN		28.50%	31-Mar-23	30-May-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
02-May-23		5	52.76	12.50%
16-May-23		3	61.66	11.00%
30-May-23		10	34.26	15.00%
06-Jun-23		2	77.02	10.00%
13-Jun-23		7	47.40	13.50%
27-Jun-23		5 year IDB	10.00	13.50%
Projected maturities				
	Week ending	28-Apr-23	5-May-23	12-May-23
TBs, PNs & TNs (K'm)		10,123	6,795	12,775
OMO repos (K'm)		0	0	0
OMO reverse repos (K'm)		0	0	0
Reference rate				
	Apr-23	% pts Δ		Mar-23
Rate	17.30%	0.00		17.30%
Inflation rate				
	Mar-23	% pts Δ		Feb-23
Rate	27.0%	0.3		26.7%
Cumulative tobacco sales as at end of week 3 of the 2023 season				
	Date	28-Apr-23	% Δ	2022 same period
Volume (million kg)		13.83	2204.96%	0.60
Value (USD'million)		28.37	2854.77%	0.96
Average price (USD/kg)		2.05	37.58%	1.49
Closing TT mid exchange rates				
	28-Apr-23	% Δ		21-Apr-23
USD	1034.8605	-0.06%		1035.5045
GBP	1325.2216	-0.04%		1325.8055
EUR	1171.0091	0.64%		1163.5809
ZAR	57.8897	0.93%		58.4349
Gross official foreign exchange reserves position				
	28-Feb-23	31-Jan-23		31-Dec-22
Reserves (USD'm)	280.66	279.22		304.65
Import cover (months)	1.12	1.12		1.22

Sources: MSE, RBM, NSO

Monetary policy rate raised to 22%

During its second meeting of 2023 held on 26th and 27th April, the Monetary Policy Committee (MPC) decided to increase the Policy rate to 22% from 18% and the Liquidity Reserve Requirement (LRR) ratio on domestic currency deposits to 5.75% from 3.75%. The MPC made this decision in order to address inflationary pressures which are expected to remain elevated in 2023. The LRR ratio on foreign currency deposits was maintained at 3.75% and the Lombard rate was maintained at 20 basis points above the Policy rate, effectively increasing it to 22.2% from 18.2%. The projection for headline inflation rate for 2023 was revised upwards to 24.5% from the 18.2% projected during the previous MPC meeting (Source: RBM).

