

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.35% to close the week at 41,458.37 points from 41,313.01 points in the previous week due to share price gains in AIRTEL (0.79%), ICON (7.29%) and NBM (0.001%) which offset share price losses in FDHB (-0.62%), NITL (-0.01%) and TNM (-0.56%). The market traded 23,287,054 shares at a consideration of K443.44m in 64 trades during the week, compared to 26,924,801 shares traded at a consideration of K1,137.32m in 79 trades in the previous week. The year-to-date return on MASI stands at 27.99% compared to 3.48% for the same period in 2020 (Source: MSE).

Corporate news
OMU- Nedbank unbundling

OMU announced that all the regulatory approvals required to implement the unbundling have been obtained. Each Old Mutual Shareholder will receive Nedbank Shares (which are listed on the Johannesburg Namibian Stock Exchanges) in the ratio 100 OMU shares for 1.31954 Nedbank shares.

Standard Bank Plc-uncollected dividends

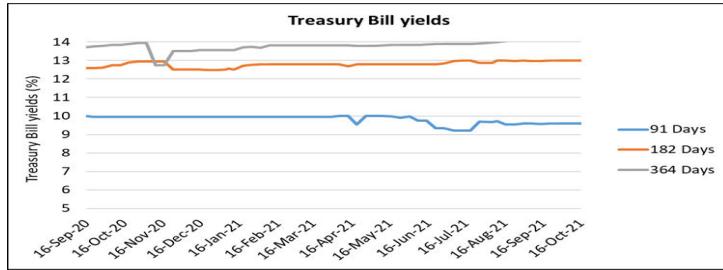
Standard Bank Plc listed shareholders that have uncollected dividends currently being held by Standard Bank Plc due to outdated and missing contact details for the period up to 31st December 2020. The said shareholders have been requested to provide their updated contact details not later than the 1st February 2022 to custodymalawi@standardbank.co.mw

Dividend

Company	Dividend type	Dividend (K)	Last day to register	Payable
NICO	Interim	0.50	22-Oct-21	04-Nov-21

Government securities

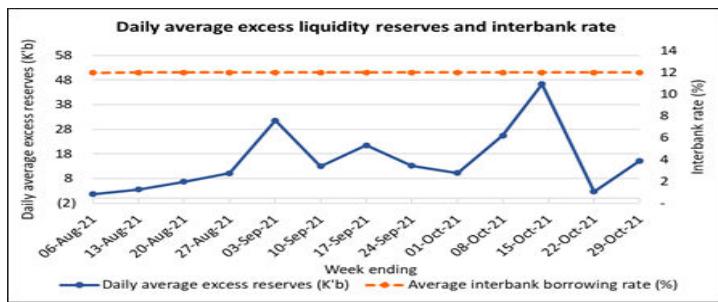
Government raised K7.15b during the week's auction for Treasury Bills (TBs) compared to K8.18b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable at 12.2613% as per the previous week, due to the 91-day, 182-day and 364-day yield remaining constant since the previous week (Source: RBM).



During the week, Government also raised K3.53b through auction of a 10-year Treasury Note. The auction registered a rejection of 5% on value of bids submitted. Maturities of Government securities amounted to K12.39b. This resulted in a net withdrawal of K25.15b from the market, compared to a net withdrawal from the market of K17.21b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K15.16b from K2.72b recorded in the previous week. Daily Interbank borrowing averaged K9.3b as compared to K18.36b in the previous week. The average interbank borrowing rate was stable at 11.98% as was the case in the previous week. Borrowing on the Lombard Facility averaged K88.82 per day, increasing from an average of K72.28b per day in the previous week (Source: RBM).


Foreign exchange market developments

During the week, the Kwacha depreciated by 0.0001% to trade at K822.8270 per USD as at 29th October 2021 from K822.8261 as at 21st October 2021. The Kwacha however appreciated against the GBP, EUR and ZAR by -0.82%, -1.34% and -2.17% respectively. Gross official forex reserves were last recorded at USD521.87m (2.09 months of import cover) on 30th September 2021 from USD604.50m (2.42 months of import cover) recorded on 31st August 2021 (Source: RBM).

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Stock market			
	29-Oct-21	% Δ	22-Oct-21
MASI	41,458.37	0.35%	41,313.01
DSI	34,188.36	0.38%	34,059.02
FSI	3,490.25	0.00%	3,450.25
Traded volume	23,287,054	-13.51%	26,924,801
Number of trades	64	-18.99%	79
Value of shares traded (K'm)	443.44	-61.01%	1,137.32
Market capitalisation (K'm)	2,251,998.88	0.35%	2,243,510.09
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	38.31	0.79%	38.01
ICON	12.95	7.29%	12.07
NBM	701.02	0.001%	701.01
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	16.05	-0.62%	16.15
NITL	94.99	-0.01%	95.00
TNM	23.10	-0.56%	23.23
Treasury Bill auctions			
Auction date	26-Oct-21	% pts Δ	19-Oct-21
Amount offered - cost value (K'm)	8,194.00	0.00%	8,194.00
Applied - cost value (K'm)	7,152.28	-12.61%	8,184.21
Allotted - cost value (K'm)	7,152.28	-12.61%	8,184.21
Overall rejection rate	0.00%	0.00	0.00%
91 days yield	9.6000%	0.0000%	9.6000%
182 days yield	12.9840%	0.0000%	12.9840%
364 days yield	14.2000%	0.0000%	14.2000%
All-type yield	12.2613%	0.0000%	12.2613%
Treasury Note auctions			
Auction date	26-Oct-21	19-Oct-21	12-Oct-21
Tenors	10 years	5 years	2 years
Coupon rate	15.00%	12.50%	10.00%
Amount offered - cost value (K'b)	12.64	45.89	15.00
Total applied - cost value (K'b)	3.72	7.22	25.88
Total allotted - cost value (K'b)	3.53	7.22	25.88
Allotted - weighted average ytm	22.50%	20.53%	16.64%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2-year	16.63%	12-Oct-21	TBA
3-year	18.99%	03-Aug-21	09-Nov-21
5-year	20.53%	09-Oct-21	TBA
7-year	21.36%	27-Jul-21	23-Nov-21
10-year	22.50%	26-Oct-21	TBA
10-year infrastructure bond	23.25%	17-Aug-21	07-Dec-21
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Previous Coupon rate
09-Nov-21	3	45.00	11.00%
23-Nov-21	7	30.00	13.50%
07-Dec-21	10 year infrastructure bond	20.00	16.00%
Projected maturities			
Week ending	29-Oct-21	5-Nov-21	12-Nov-21
TBs, PNs & TNs (K'm)	12,393	2,257	12,205
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	26,863	20,598	0
Reference rate			
Rate	Oct-21	% pts Δ	Sep-21
	12.20%	0.00	12.20%
Inflation rate			
Rate	Sep-21	% pts Δ	Aug-21
	8.9%	0.5	8.4%
Indicative opening mid exchange rates			
USD	822.8270	0.000%	822.8261
GBP	1201.7382	-0.82%	1211.6812
EUR	1050.4039	-1.34%	1064.7123
ZAR	60,1007	-2.17%	61,4335
Gross official foreign exchange reserves position			
30-Sep-21	31-Aug-21	31-Jul-21	
Reserves (USD'm)	521.87	604.50	404.18
Import cover (months)	2.09	2.42	1.62

*US\$250.0m import requirement per month is used in the calculation from May 21 while US\$209.0m is used in the preceding months.

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 61,789 as at 29th October 2021, out of which 1,970 were reported to be active. COVID-19 infections averaged 5 this week compared to 7 cases in the previous week. So far, 57,288 people have recovered while 2,299 have died from the disease.

Cumulatively, 675,261 and 290,241 people have received the first and second dose AstraZeneca vaccine, respectively, while 262,517 people have received Johnson and Johnson vaccine. Cumulatively 552,758 people are fully vaccinated representing 2.97% of the total Malawi population (18.63m). Globally, total confirmed cases of COVID-19 amounted to 246.42m, with recoveries of more than 223.89m and 4.99m deaths as at 29th October 2021 (Source: Johns Hopkins University and Medicine).