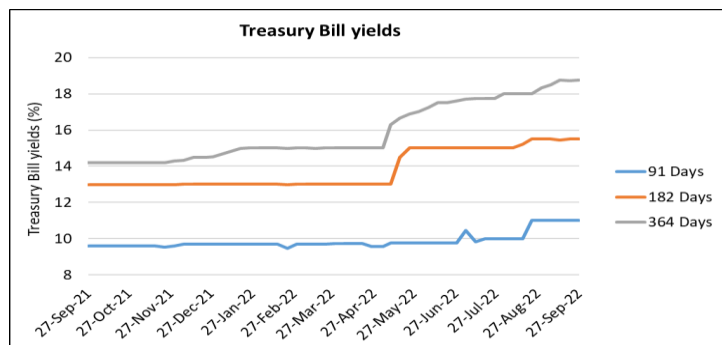


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.01% to close the week at 54,389.92 points from 54,397.73 points in the previous week due to share price losses in FDHB (-0.07%), NBS (-0.13%), PCL (-0.001%) and TNM (-0.41%), which offset share price gains in AIRTEL (0.04%), ILLOVO (0.002%), NICO (0.02%) and STANDARD (0.001%). The market traded 1,997,864 shares at a consideration of K118.61m in 77 trades compared to 97,014,078 shares traded at a consideration of K1.70b in 52 trades in the previous week. The year-to-date return on MASI stands at 19.89% compared to 28.27% for the same period in 2021 (Source: MSE).

Government securities

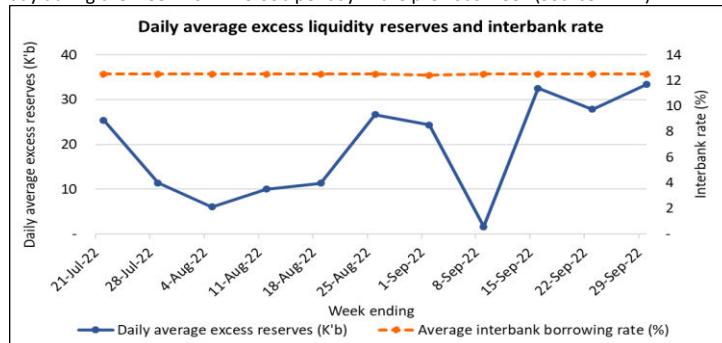
Government raised K16.09b during the week's auction for Treasury Bills (TBs) compared to K15.10b raised in the previous week. The auction registered a rejection rate of 17.23% on the submitted bids. The average TB yield increased to 15.0832% from 15.0832% in the previous week on account of an increase in the 364-day yield to 18.7500% from 18.7399%, while the 182-day yield decreased to 15.4997% from 15.5000%. The 91-day yield was constant at 11.0000% (Source: RBM).



The Government also raised K26.90b through auction of a 10-year Treasury note during the week at an average yield of 27.50%. Maturities of Government securities for the week amounted to K19.82b and maturities of OMO reverse repos amounted to K23.24b. RBM conducted outright purchase of securities amounting to K0.74b and OMO reverse Repos amounting to K15.75b. These transactions resulted in a net withdrawal of K29.92b from the market compared to a net withdrawal of K32.18b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K33.42b from K27.82b in the previous week. Daily average interbank borrowing decreased to an average of K22.98b from K28.14b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility increased to the average of K26.38b per day during the week from K23.00b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by -0.09% to trade at K1034.8660/USD as of 29th September 2022 from K1035.7917/USD on 22nd September 2022. The Kwacha also appreciated against GBP (-4.28%), EUR (-2.03%) and ZAR (-1.57%) during the period. Gross official foreign exchange reserves stood at USD378.89m (1.52 months of import cover) on 31st August 2022 compared to USD372.99m (1.49 months of import cover) on 31st July 2022 (Source: RBM). The recommended minimum import cover is 3 months.

Stock market				
	30-Sep-22	% Δ		23-Sep-22
MASI	54,389.92	↓ -0.01%		54,397.73
DSI	44,360.30	↓ -0.02%		44,367.25
FSI	5,154.73	↓ 0.00%		5,154.73
Traded volume	1,997,864	↓ -97.94%		97,014,078
Number of trades	77	↓ 48.08%		52
Value of shares traded (K'm)	118.61	↓ -93.00%		1,694.43
Market capitalisation (K'm)	2,943,422.46	↓ -0.01%		2,943,840.96
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	51.18	↑ 0.04%		51.16
ILLOVO	500.01	↑ 0.002%		500.00
NICO	50.96	↑ 0.02%		50.95
STANDARD	1840.10	↑ 0.001%		1840.08
Losers				
	Closing price (K)	% Δ		Opening price (K)
FDHB	14.99	↓ -0.07%		15.00
NBS	22.66	↓ -0.13%		22.69
PCL	2181.41	↓ -0.001%		2181.43
TNM	12.01	↓ -0.41%		12.06
Treasury Bill auctions				
	20-Sep-22	% pts Δ		20-Sep-22
Amount offered - cost value (K'm)	22,173.00	↓ 0.00%		22,173.00
Applied - cost value (K'm)	19,436.66	↓ -5.60%		20,588.69
Allotted - cost value (K'm)	16,088.13	↓ 6.57%		15,095.64
Overall rejection rate	17.23%	↓ -9.45		26.68%
91 days yield	11.0000%	↓ 0.0000%		11.0000%
182 days yield	15.4997%	↓ -0.0003%		15.5000%
364 days yield	18.7500%	↑ 0.0101%		18.7399%
All-type yield	15.0832%	↑ 0.0033%		15.0800%
Treasury Note and Bond auctions				
	27-Sep-22	21-Sep-22	13 & 14 Sep 2022	2,3 & 7 years
Tenors	10 years	2 & 3 years	10.00%, 11.00%, 12.50% & 13.50%	
Coupon rate	15.00%	10.00% & 11.00%	10.00%, 11.00%, 12.50% & 13.50%	
Amount offered - cost value (K'b)	27.68			
Total applied - cost value (K'b)	26.90	18.73		102.54
Total allotted - cost value (K'b)	26.90	18.71		102.54
Allotted - weighted average ytm	27.50%	21.50% & 23.00%	21.34%, 23.29%, 25.00% & 26.50%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2 years	21.50%	21-Sep-22		TBA
3 years	23.00%	21-Sep-22		TBA
5 years	25.00%	14-Sep-22		TBA
7 years	26.50%	14-Sep-22		TBA
7-Year Development Bond	26.75%	2-Sep-22		TBA
10 years	27.50%	27-Sep-22		TBA
10-year infrastructure bond	23.35%	26-Apr-24		TBA
Projected maturities				
	30-Sep-22	7-Oct-22		14-Oct-22
TBs, PNs & TNs (K'm)	19,822	17,150		43,675
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	23,237	15,331		0
Reference rate				
	Sep-22	% pts Δ		Aug-22
Rate	13.90%	↑ 0.10		13.80%
Inflation rate				
	Aug-22	% pts Δ		Jul-22
Rate	25.5%	↑ 0.9		24.6%
Closing TT mid exchange rates				
	29-Sep-22	% Δ		22-Sep-22
USD	1034.8660	↑ -0.09%		1035.7917
GBP	1149.2605	↑ -4.28%		1200.5927
EUR	1028.0066	↑ -2.03%		1049.3451
ZAR	58.8624	↑ -1.57%		59.8035
Gross official foreign exchange reserves position				
	31-Aug-22	31-Jul-22		30-Jun-22
Reserves (USD'm)	378.89	372.99		415.73
Import cover (months)	1.52	1.49		1.66

Sources: MSE, RBM, NSO, AHL

Published financial results for the half year ended 30th June 2022

Company	H1 2022 profit after tax (K'm)	Change (%)	H1 2021 profit after tax (K'm)
Listed banks			
FDH Bank Plc	8,499	↑ 94%	4,376
National Bank of Malawi Plc	22,118	↑ 73%	12,754
NBS Bank Plc	5,090	↑ 16%	4,395
Standard Bank Plc	15,835	↑ 37%	11,578
Unlisted banks			
CDH Investment Bank Ltd	2,503	↓ -13%	2,891
Ecobank Ltd	8,031	↑ 87%	4,305
Listed companies			
Airtel Malawi Plc	8,901	↓ -22%	11,346
Blantyre Hotels Plc	(484)	↑ 19%	(599)
FMB Capital Holdings Plc (US\$'000)	25,243	↑ 93%	13,092
ICON Properties Plc	4,524	↑ 47%	3,071
MPICO Plc	3,161	↑ 11%	2,841
National Investment Trust Plc	1,463	↑ 19%	1,231
NICO Holdings Plc	11,822	↑ 68%	7,027
Old Mutual Plc (Rm)	5,222	↑ 75%	2,984
Press Corporation Plc	15,977	↑ 24%	12,872
Telekom Networks Malawi Plc	(1,340)	↓ -130%	4,510

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