



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.37% to close the week at 45,367.68 points from 44,755.61 points in the previous week due to share price gains in AIRTEL (8.11%) and NBM (0.001%) which offset a share price loss in FDHB (-0.19%). The market traded 2,318,174 shares at a consideration of K116.19m in 46 trades during the week, compared to 5,638,073 shares traded at a consideration of K381.57m in 55 trades in the previous week. The 2021 return on MASI stands at 40.05% compared to 7.08% recorded in 2020 (Source: MSE).

Corporate news

FDH Bank Plc has announced the appointment Mr. Noel Mkulichi as its Managing Director with effect from 1st January 2022. Mr. Mkulichi served as Chairperson of FDH Financial Holdings Limited for the past three years and has served on boards of various other companies in Malawi. Before joining FDH Group, he served in various capacities with the Reserve Bank of Malawi including as Director of Bank Supervision. He holds a Master's Degree in Banking and Finance and a Bachelor's Degree in Social Science (Source: FDHB).

Dividends

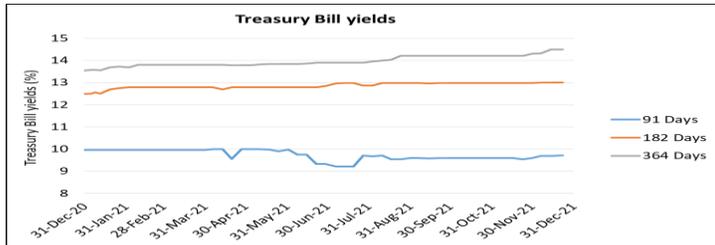
Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Final	4.00	11-Mar-22	31-Mar-22
FDHB	Second interim	0.43	31-Dec-21	14-Jan-22
TNM	Second interim	0.15	7-Jan-22	21-Jan-22

Expected financial results for the year ended 31st December 2021

Company	Expected change for FY 2021	FY 2020 profit after tax (K'b)
Airtel Malawi Plc	↑	35%
Blantyre Hotels Plc	↓	-93%
FMB Capital Holdings Plc (US\$' million)	↑	40%
MPICO Plc	↑	40%
National Bank of Malawi Plc	↑	30%
National Investment Trust Plc	↑	200%
Press Corporation Plc	↑	50%
Sunbird Tourism Plc	↑	150%
Telekom Networks Malawi Plc	↑	20%

Government securities

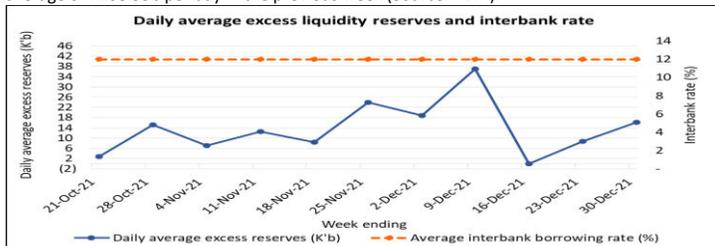
Government raised K7.29b during the week's auction for Treasury Bills (TBs) compared to K5.83b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.4127% from 12.3993% in the previous week, due to an increase in the 364-day yield to 14.5400% from 14.5000% in the previous week. The 91-day and 182-day yields were constant at 9.6980% and 13.0000% (Source: RBM).



Maturities of Government securities for the week amounted to K18.72b compared to K20.79b in the previous week. This resulted in a net injection of K11.43b into the market, compared to a net injection of K113.09b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K16.19b from K8.68b recorded in the previous week. Daily interbank borrowing averaged K21.00b compared to K3.93b 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 K11.42 per day, decreasing from an average of K108.55b per day in the previous week (Source: RBM).



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Stock market			
	31-Dec-21	% Δ	24-Dec-21
MASI	45,367.68	↑ 1.37%	44,755.61
DSI	37,061.70	↑ 1.49%	36,517.07
FSI	4,223.15	↓ 0.00%	4,223.15
Traded volume	2,318,174	↓ -58.88%	5,638,073
Number of trades	46	↓ -16.36%	55
Value of shares traded (K'm)	116.19	↓ -69.55%	381.57
Market capitalisation (K'm)	2,462,680.71	↑ 1.35%	2,429,883.08
Gainers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	40.00	↑ 8.11%	37.00
NBM	810.12	↑ 0.001%	810.11
Losers	Closing price (K)	% Δ	Opening price (K)
FDHB	15.81	↓ -0.19%	15.84
Treasury Bill auctions			
	29-Dec-21	% pts Δ	21 & 23 Dec 2021
Amount offered - cost value (K'm)	15,962.00	→ 0.00%	15,962.00
Applied - cost value (K'm)	7,286.44	↑ 25.05%	5,826.89
Allotted - cost value (K'm)	7,286.44	↑ 25.05%	5,826.89
Overall rejection rate	0.00%	→ 0.00	0.00%
91 days yield	9.6980%	→ 0.0000%	9.6980%
182 days yield	13.0000%	→ 0.0000%	13.0000%
364 days yield	14.5400%	↑ 0.0400%	14.5000%
All-type yield	12.4127%	↑ 0.0133%	12.3993%
Treasury Note and Bond auctions			
	21 & 23 Dec 2021	14-Dec-21	8-Dec-21
Tenors	2, 3 & 5 years	2, 3 & 5 years	2, 3 & 5 years
Coupon rate	10.00%, 11.00% & 12.50%	10.00%, 11.00% & 12.50%	10.00%, 11.00% & 12.50%
Amount offered - cost value (K'b)	47.44		
Total applied - cost value (K'b)	143.01	0.14	33.61
Total allotted - cost value (K'b)	143.01	0.14	32.34
Allotted - weighted average ytm	16.64%, 19.04% & 20.35%	16.67%, 19.00% & 20.53%	16.67%, 19.12% & 20.95%
Current yields for Treasury Notes			
	Tenor	Last auction's yield	Last auction
	2 years	16.64%	23-Dec-21
	3 years	19.04%	23-Dec-21
	5 years	20.35%	23-Dec-21
	7 years	20.94%	23-Nov-21
	10 years	22.50%	26-Oct-21
	10-year infrastructure bond	23.25%	17-Aug-21
			TBA
Projected maturities			
	Week ending	31-Dec-21	7-Jan-22
	TBs, PNs & TNs (K'm)	18,720	9,825
	OMO repos (K'm)	0	0
	OMO reverse repos (K'm)	0	0
			26,613
Reference rate			
	Dec-21	% pts Δ	Nov-21
	Rate	→ 0.00	12.20%
Inflation rate			
	Nov-21	% pts Δ	Oct-21
	Rate	↑ 1.3	9.8%
Closing mid exchange rates			
	30-Dec-21	% Δ	23-Dec-21
	USD	↑ -0.10%	823.0900
	GBP	↓ 1.48%	1207.7490
	EUR	↓ 2.41%	1109.4908
	ZAR	↑ -3.88%	60.3212
Gross official foreign exchange reserves position			
	30-Nov-21	31-Oct-21	30-Sep-21
	Reserves (USD'm)	389.26	405.66
	Import cover (months)	1.56	1.62
			2.09

Sources: MSE, RBM, NSO, AHL

Foreign exchange market developments

The Kwacha appreciated by -0.10% and 3.88% to trade at K822.2697 per USD and 57.9783 per ZAR, respectively as at 30th December 2021 from K823.0900 as at 23rd December 2021. The Kwacha, however, depreciated against GBP and EUR by 1.48% and 2.41%, respectively. Gross official forex reserves were recorded at USD389.26m (1.56 months of import cover) on the 30th November 2021 from USD405.66m (1.62 months of import cover) recorded on 31st October 2021 (Source: RBM). The recommended minimum import cover is 3 months.

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 75,075 as at 31st December 2021, out of which 12,334 were reported to be active. COVID-19 new infections averaged 767 this week compared to 827 cases in the previous week. So far, 60,145 people have recovered while 2,364 have died from the disease. Cumulatively, 1,095,139 and 397,536 people have received the first and second doses of AstraZeneca vaccine, respectively, while 308,233 people have received Johnson and Johnson vaccine. Cumulatively 705,769 people are fully vaccinated representing 3.6% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 290.22m, with recoveries of more than 254.66m and 5.44m deaths as at 31st December 2021 (Source: Johns Hopkins University and Medicine).