Weekly market update – 31st March 2023

Malawi Stock Exchange (MSE) trading activity

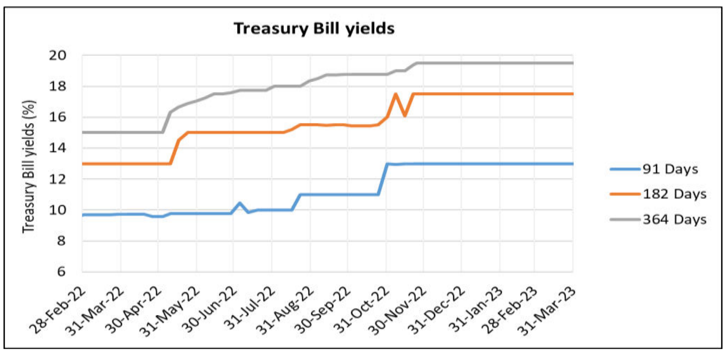
The Malawi All Share Index (MASI) registered a gain of 3.57% to close the week at 80,298.12 points from 77,528.64 points in the previous week due to share price gains in AIRTEL (0.01%), FDHB (1.25%), ILLOVO (7.14%), NBM (10.38%), NBS (11.31%), NICO (0.11%), NITL (0.005%), OMU (0.002%), STANDARD (0.005%) and TNM (9.15%), which offset share price losses in FMBCH (-0.01%), ICON (-0.08%) and PCL (-0.001%). The market traded 5,863,909 shares at a consideration of K372.93m in 153 trades compared to 7,031,081 shares traded at a consideration of K325.31m in 116 trades in the previous week. The year-to-date return on MASI stands at 29.44% compared to 1.22% 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
NBM	2nd Interim declared	21.42	14-Mar-23	17-Mar-23	6-Apr-23
ILLIOVO	Final declared	5.44	21-Mar-23	24-Mar-23	31-Mar-23
OMU	Final proposed	28.91	11-Apr-23	14-Apr-23	17-Apr-23
Standard	Final proposed	51.14	TBA	TBA	TBA
FDHB	Final proposed	0.58	TBA	TBA	TBA
NITL	Final proposed	2.35	TBA	TBA	TBA

Government securities

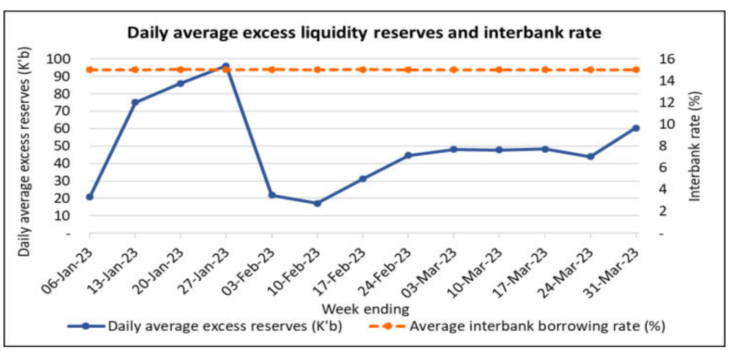
Government raised K63.74b during the week's auction for Treasury Bills (TBs) compared to K11.11b raised in the previous week. The auction registered a rejection rate of 0.01% on the submitted bids. The average TB yield was constant at 16.67% during the week as the 91-day, 182-day and 364-day yields were constant at 13.00%, 17.50% and 19.5%, respectively (Source: RBM).



The Government also raised K80.56b through auction of 2, 3, 5, 7 and 10 year Treasury Notes (TNs) during the week. Maturities of Government securities for the week amounted to K52.26b and maturities of OMO reverse repos amounted to K8.07b. There was outright purchase of securities by the RBM that amounted to K139.64b These transactions resulted in a net injection of K39.53b into the market compared to a net withdrawal of K3.36b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K60.36b from K43.94b in the previous week. Daily average interbank borrowing increased to K25.12b from K20.48b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility increased to the average of K93.57b per day from K87.89b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha marginally appreciated against USD by 0.20% to trade at K1033.8003 per USD as at 31st March 2023 from K1035.8404 per USD as at 24th March 2023. The Kwacha, however, depreciated against GBP (0.72%), EUR (0.60%) and ZAR (2.40%) 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. The recommended minimum import cover is 3 months.

Stock market			
	31-Mar-23	% Δ	24-Mar-23
MASI	80,298.12	3.57%	77,528.64
DSI	64,886.76	3.95%	62,422.06
FSI	8,381.79	-0.01%	8,382.28
Traded volume	5,863,909	-16.60%	7,031,081
Number of trades	153	31.90%	116
Value of shares traded (K'm)	372.93	14.64%	325.31
Market capitalisation (K'm)	4,331,205.28	3.54%	4,182,980.94
Gainers	**Closing price (K)**	**% Δ**	**Opening price (K)**
AIRTEL	75.01	0.01%	75.00
FDHB	38.98	1.25%	38.50
ILLOVO	750.00	7.14%	700.00
NBM	1766.29	10.381%	1600.17
NBS	62.89	11.31%	56.50
NICO	136.00	0.11%	135.85
NITL	200.01	0.005%	200.00
OMU	880.04	0.002%	880.02
STANDARD	2200.60	0.005%	2200.50
TNM	15.50	9.15%	14.20
Losers	**Closing price (K)**	**% Δ**	**Opening price (K)**
FMBCH	166.98	-0.01%	166.99
ICON	11.89	-0.08%	11.90
PCL	2,181.30	-0.001%	2,181.32
Treasury Bill auctions			
Auction date	**28, 30 & 31 March 2023**	**% pts Δ**	**21-Mar-23**
Amount offered -cost value (K'm)	17,847.00	0.00%	17,847.00
Applied - cost value (K'm)	63,751.71	473.66%	11,113.09
Alloted - cost value (K'm)	63,743.37	473.59%	11,113.09
Overall rejection rate	0.01%	0.01	0.00%
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	**28, 29, 30 & 31 March 2023**	**21-Mar-23**	**13 & 14 March 2023**
Tenors	2,3,5,7 & 10 years	5 years	2 years
Coupon rate	!0.00%, 11.00%, 12.50%, 13.50% & 15.00%	12.50%	10.00%
Amount offered -cost value (K'b)		56.64	61.64
Total applied - cost value (K'b)	80.56	15.84	38.91
Total allotted - cost value (K'b)	80.56	15.83	35.57
Allotted - weighted average ytm	22.75%, 24.00%, 26.25%, 27.50% & 28.50%	26.25%	22.75%
Current yields for Treasury Notes and Bonds			
Tenor	**Last auction's yield**	**Last auction**	**Next auction**
2-year TN	22.75%	31-Mar-23	TBA
3-year TN	24.00%	31-Mar-23	TBA
5-year TN	26.25%	31-Mar-23	TBA
5-year Development Bond	26.00%	29-Nov-22	TBA
7-year TN	27.50%	31-Mar-23	TBA
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	28.50%	31-Mar-23	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA
Projected maturities			
Week ending	**31-Mar-23**	**7-Apr-23**	**14-Apr-23**
TBs, PNs & TNs (K'm)	52,263	11,768	40,450
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	8,066	0	0
Reference rate			
	Mar-23	**% pts Δ**	**Feb-23**
Rate	17.30%	0.00	17.30%
Inflation rate			
	Feb-23	**% pts Δ**	**Jan-23**
Rate	26.7%	0.8	25.9%
Closing TT mid exchange rates			
	31-Mar-23	**% Δ**	**24-Mar-23**
USD	1033.8002	-0.20%	1035.8404
GBP	1315.3298	0.72%	1305.8696
EUR	1156.6584	0.60%	1149.7097
ZAR	59.7596	2.40%	58.3614
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

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