

## Malawi Stock Exchange (MSE) trading activity

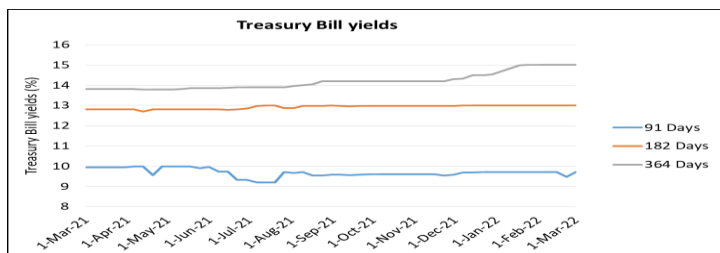
The Malawi All Share Index (MASI) registered a gain of 1.24% to close the week at 45,260.25 points from 44,705.26 points in the previous week due to share price gains in ILLOVO (2.83%) and NBM (10.84%), which offset share price losses in FDHB (-7.05%), NBS (-0.04%) and TNM (-5.50%). The market traded 2,607,273 shares at a consideration of K122.14m in 58 trades during the week, compared to 26,880,012 shares traded at a consideration of K463.63m in 71 trades in the previous week. The year-to-date return on MASI stands at -0.24% compared to 1.85% for the same period in 2021 (Source: MSE).

## Upcoming dividends

Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Final	4.00	11-Mar-22	31-Mar-22
NBM	Final	15.00	11-Mar-22	31-Mar-22

## Government securities

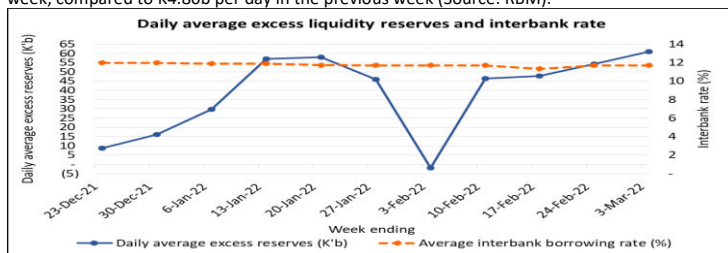
Government raised K11.22b during the week's auction for Treasury Bills (TBs) compared to K35.32b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.5667% from 12.4867% in the previous week, as the 91-day, 182-day and 364-day yields increased to 9.7000%, 13.0000% and 15.0000%, respectively, from 9.4684%, 12.9921% and 14.9996% (Source: RBM).



Government also raised K50.21b during a 2-year Treasury Note (TN) auction, bringing the total amount raised in auctions of Government securities during the week to K61.43b. Maturities of Government securities for the week amounted to K42.43b. RBM conducted OMO reverse repo auctions amounting to K7.00b and maturities of OMO reverse repos for the week amounted to K7.21b. This resulted in a net withdrawal of K19.21b from the market compared to a net withdrawal of K26.01b in the previous week (Source: RBM).

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K60.93b from K54.36b in the previous week. Daily average interbank borrowing decreased to the average of K22.15b compared to K30.02b in the previous week. The average interbank borrowing rate was steady at 11.70%. Borrowing on the Lombard Facility increased to the average of K11.66b per day during the week, compared to K4.80b per day in the previous week (Source: RBM).



## Foreign exchange market developments

The Kwacha depreciated by 0.06% to trade at K824.1706/USD as at 2<sup>nd</sup> March 2022 from K823.7014/USD as at 24<sup>th</sup> February 2022. The Kwacha also depreciated against EUR and ZAR by 6.44% and 0.84%, respectively, but appreciated against GBP by -3.90% in the same period. Gross official forex reserves stood at USD385.40 million (1.54 months of import cover) as at 28<sup>th</sup> February 2022, down from USD399.98 million (1.60 months of import cover) as at 31<sup>st</sup> January 2022 (Source: RBM). The recommended minimum import cover is 3 months.

## COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 85,396 as at 4<sup>th</sup> March 2022, out of which 6,543 were reported to be active. COVID-19 infections averaged 14 positive cases this week compared to 20 positive cases in the previous week. So far, 76,004 people have recovered while 2,617 have died from the disease. A total of 1,947,751 COVID-19 vaccine doses have been administered in the country so far, 58 have received their booster doses, while 819,689 people are fully vaccinated representing 4.18% of the total Malawian population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 445.636m and 5.997m deaths as at 6<sup>th</sup> March 2022 (Source: Johns Hopkins University and Medicine).

Stock market			
	4-Mar-22	% Δ	25-Feb-22
MASI	45,260.25	↑ 1.24%	44,705.26
DSI	36,998.14	↑ 1.35%	36,504.30
FSI	4,182.23	↑ 0.00%	4,182.23
Traded volume	2,607,273	↓ -90.30%	26,880,012
Number of trades	58	↓ -18.31%	71
Value of shares traded (K'm)	122.14	↓ -73.66%	463.63
Market capitalisation (K'm)	2,453,631.73	↑ 1.23%	2,423,892.72
Gainers			
	Closing price (K)	% Δ	Opening price (K)
ILLOVO	305.43	↑ 2.83%	297.03
NBM	900.02	↑ 10.84%	812.00
Losers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	14.11	↓ -7.05%	15.18
NBS	22.81	↓ -0.04%	22.82
TNM	17.00	↓ -5.50%	17.99
Treasury Bill auctions			
	1-Mar-22	% pts Δ	22-Feb-22
Auction date	1-Mar-22		22-Feb-22
Amount offered - cost value (K'm)	7,541.00	↓ -73.42%	28,366.00
Applied - cost value (K'm)	11,220.79	↓ -68.23%	35,322.17
Allotted - cost value (K'm)	11,220.79	↓ -68.23%	35,322.17
Overall rejection rate	0.00%	↑ 0.00%	0.00%
91 days yield	9.7000%	↑ 0.2316%	9.4684%
182 days yield	13.0000%	↑ 0.0079%	12.9921%
364 days yield	15.0000%	↑ 0.0004%	14.9996%
All-type yield	12.5667%	↑ 0.0800%	12.4867%
Treasury Note and Bond auctions			
	1-Mar-22	22-Feb-22	8-Feb-22
Auction date	1-Mar-22	22-Feb-22	8-Feb-22
Tenors	2 years	7 years	3 years
Coupon rate	10.00%	13.50%	11.00%
Amount offered - cost value (K'b)	43.61	58.15	58.15
Total applied - cost value (K'b)	50.21	6.64	77.43
Total allotted - cost value (K'b)	50.21	6.59	77.43
Allotted - weighted average ytm	16.85%	21.98%	19.33%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2 years	16.85%	1-Mar-22	TBA
3 years	19.33%	8-Feb-22	TBA
5 years	20.78%	25-Jan-22	22-Mar-22
7 years	21.98%	22-Feb-22	TBA
10 years	22.98%	18-Jan-22	TBA
10-year infrastructure bond	23.25%	17-Aug-21	TBA
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last auction's coupon rate
8-Mar-22	7-year IDB	10.00	14.50%
22-Mar-21	5 years	48.15	12.50%
Projected maturities			
Week ending	4-Mar-22	11-Mar-22	18-Mar-22
TBs, PNs & TNs (K'm)	42,426	11,904	25,576
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	7,207	2,569	0
Reference rate			
Rate	Mar-22	% pts Δ	Feb-22
	12.20%	↑ 0.00	12.20%
Inflation rate			
Rate	Jan-22	% pts Δ	Dec-21
	12.1%	↑ 0.6	11.5%
Closing TT mid exchange rates			
	2-Mar-22	% Δ	24-Feb-22
USD	824.1706	↓ 0.06%	823.7014
GBP	1241.6594	↓ -3.90%	1292.0526
EUR	1199.6049	↓ 6.44%	1126.9889
ZAR	64.6079	↓ 0.84%	64.0678
Gross official foreign exchange reserves position			
	28-Feb-22	31-Jan-22	31-Dec-21
Reserves (USD'm)	385.40	399.98	429.17
Import cover (months)	1.54	1.60	1.72

Sources: MSE, RBM, NSO, AHL

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%	22.09
Blantyre Hotels Plc	↓	-93%	(0.45)
Illovo Sugar Malawi Plc (Year ended 28 February 2022)	↑	45%	2.74
FMB Capital Holdings Plc (US\$' million)	↑	75%	21.28
MPICO Plc	↑	40%	4.34
National Bank of Malawi Plc	↑	30%	22.45
National Investment Trust Plc	↑	200%	1.48
NBS Bank Plc	↑	20%	7.05
Press Corporation Plc	↑	50%	19.90
Sunbird Tourism Plc	↑	150%	1.18
Telekom Networks Malawi Plc	↑	20%	7.73

Source: MSE

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