

## Malawi Stock Exchange (MSE) trading activity

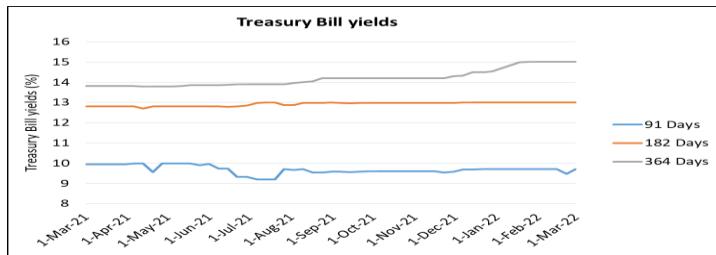
The Malawi All Share Index (MASI) registered a gain of 1.24% to close the week at 45,260.25 points from 44,705.26 points in the previous week due to share price gains in ILOVO (2.83%) and NBM (10.84%), which offset share price losses in FDHB (-7.05%), NBS (-0.04%) and TNM (-5.50%). The market traded 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   |
|---------|---------------|--------------|----------------------|-----------|
| ILOVO   | Final         | 4.00         | 11-Mar-22            | 31-Mar-22 |
| NBM     | Final         | 15.00        | 11-Mar-22            | 31-Mar-22 |

## Government securities

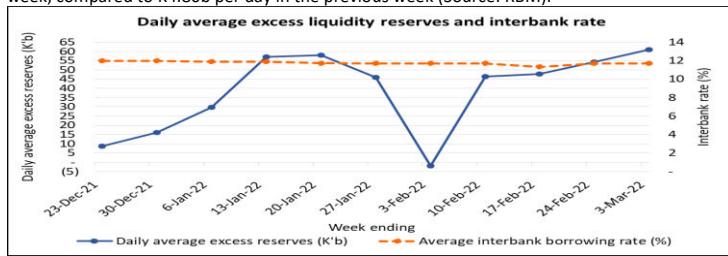
Government raised K11.22b during the week's auction for Treasury Bills (TBs) compared to K35.32b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.5667% from 12.4867% in the previous week, as the 91-day, 182-day and 364-day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

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| 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               |
| <b>Gainers</b>                                    | <b>Closing price (K)</b> | <b>% Δ</b>   | <b>Opening price (K)</b>   |
| ILOVO   | 305.43                   | 2.83%        | 297.03                     |
| NBM   | 900.02                   | 10.84%       | 812.00                     |
| <b>Losers</b>                                     | <b>Closing price (K)</b> | <b>% Δ</b>   | <b>Opening price (K)</b>   |
| FDHB  | 14.11                    | -7.05%       | 15.18                      |
| NBS   | 22.81                    | -0.04%       | 22.82                      |
| TNM   | 17.00                    | -5.50%       | 17.99                      |
| Treasury Bill auctions                            |                          |              |                            |
| Auction date                                      | 1-Mar-22                 | % pts Δ      | 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%                 | 0.0044%      | 14.9996%                   |
| All-type yield                                    | 12.5667%                 | 0.0800%      | 12.4867%                   |
| Treasury Note and Bond auctions                   |                          |              |                            |
| 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                     |                          |              |                            |
| Week ending                                       | 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 |                          |              |                            |
| 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) |
| Ilovo 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