

Malawi Stock Exchange (MSE) trading activity

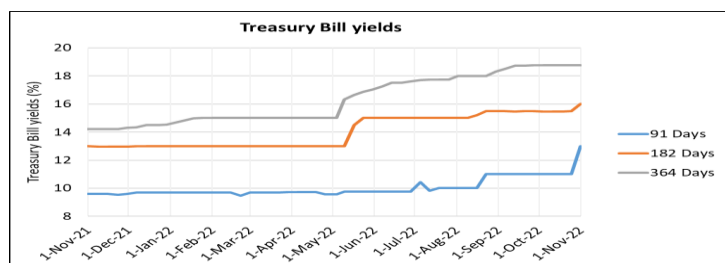
The Malawi All Share Index (MASI) registered a gain of 1.34% to close the week at 55,751.01 points from 55,011.16 points in the previous week due to share price gains in AIRTEL (1.46%), FDHB (0.07%), FMBCH (10.74%), NBM (0.001%), NICO (7.87%), STANDARD (0.001%), SUNBIRD (14.99%) and TNM (0.08%), which offset share price losses in NBS (-0.04%) and OMU (-15.00%). The market traded 12,896,741 shares at a consideration of K316.50m in 114 trades compared to 3,386,272 shares traded at a consideration of K146.21m in 64 trades in the previous week. The year-to-date return on MASI stands at 22.89% compared to 27.28% for the same period in 2021 (Source: MSE).

Corporate news

Upcoming Dividends				
Company	Dividend Type	Dividend (K)	Last day to register	Payable
SUNBIRD	Interim Declared	0.50	18/11/2022	28/11/2022

Government securities

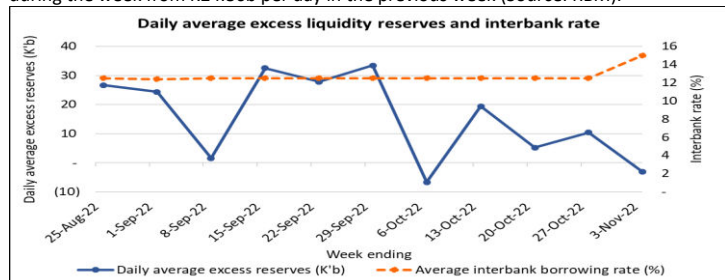
Government raised K649.44m during the week's auction for Treasury Bills (TBs) compared to K4.28b raised in the previous week. The auction registered a rejection rate of 79.41% on the submitted bids. The average TB yield increased from 15.0833% to 15.9167% this week on account of an increase in the 91-day yield from 11.00% to 13.00% and the 182-day yield from 15.50% to 16.00%. The 364-day yield was constant at 18.75% (Source: RBM).



Government also raised K2.02b through auction of a 2-year Treasury Note (TN) at an average yield of 22.50% during the week. Maturities of Government securities and OMO reverse repos amounted to K13.65b and K10.62b, respectively. The RBM conducted OMO reverse repos aimed at injecting liquidity in the banking system amounting to K7.00b and access on the rediscounting standing facility amounted to K0.06b. These transactions resulted in a net injection of K7.42b into the market compared to a net injection of K5.51b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K-3.18b from K10.36b in the previous week. Daily average interbank borrowing decreased to K21.58b from K22.94b in the previous week. The average interbank borrowing rate increased to 15.00% from 12.50%. Borrowing on the Lombard facility increased to an average of K41.16b per day during the week from K24.36b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.16% to trade at K1035.7526/USD as of 3rd November 2022 from K1034.1140/USD on 27th October 2022. The Kwacha, however, appreciated against GBP (-2.12%), EUR (-2.28%) and ZAR (-2.73%) during the period. Gross official foreign exchange reserves stood at USD357.18m (1.43 months import import) on 30th September 2022 compared to USD378.89m (1.52 months import cover) on 31st August 2022 (Source: RBM). The recommended minimum import cover is 3 months.

Stock market				
	4-Nov-22	% Δ		28-Oct-22
MASI	55,751.01	↑ 1.34%		55,011.16
DSI	45,196.56	↑ 0.58%		44,935.54
FSI	5,633.45	↑ 9.90%		5,126.05
Traded volume	12,896,741	↑ 280.85%		3,386,272
Number of trades	114	↑ 78.13%		64
Value of shares traded (K'm)	316.50	↑ 116.47%		146.21
Market capitalisation (K'm)	3,013,018.82	↑ 1.31%		2,974,199.45
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	52.01	↑ 1.46%		51.26
FDHB	14.88	↑ 0.07%		14.87
FMBCH	110.82	↑ 10.74%		100.07
NBM	1230.01	↑ 0.001%		1230.00
NICO	54.97	↑ 7.87%		50.96
STANDARD	1841.05	↑ 0.001%		1841.04
SUNBIRD	92.03	↑ 14.99%		80.03
TNM	12.02	↑ 0.08%		12.01
Losers				
	Closing price (K)	% Δ		Opening price (K)
NBS	22.61	↓ -0.04%		22.62
OMU	1,156.00	↓ -15.00%		1,359.99
Treasury Bill auctions				
	1-Nov-22	% pts Δ		25-Oct-22
Auction date	1-Nov-22			25-Oct-22
Amount offered - cost value (K'm)	15,362.00	↓ -33.72%		23,179.00
Applied - cost value (K'm)	3,154.78	↓ -47.06%		5,959.35
Allotted - cost value (K'm)	649.44	↓ -84.81%		4,276.54
Overall rejection rate	79.41%	↑ 51.18		28.24%
91 days yield	13.0000%	↑ 2.0000%		11.0000%
182 days yield	16.0000%	↑ 0.5000%		15.5000%
364 days yield	18.7500%	↑ 0.0000%		18.7500%
All-type yield	15.9167%	↑ 0.8333%		15.0833%
Treasury Note and Bond auctions				
	1-Nov-22	25-Oct-22		18-Oct-22
Auction date	1-Nov-22	25-Oct-22		18-Oct-22
Tenors	2 years	7 years		2 years
Coupon rate	10.00%	13.50%		10.00%
Amount offered - cost value (K'b)	57.30	31.54		59.30
Total applied - cost value (K'b)	2.05	4.62		7.28
Total allotted - cost value (K'b)	2.02	4.62		7.28
Allotted - weighted average ytm	22.50%	26.50%		21.50%
Current yields for Treasury Notes and Bonds				
	Tenor	Last auction		Next auction
	2 years	22.50%	1-Nov-22	TBA
	3 years	23.00%	11-Oct-22	13-Dec-22
	5 years	25.00%	10-Oct-22	15-Nov-22
	7 years	26.50%	25-Oct-22	22-Nov-22
	7-Year Development Bond	26.75%	2-Sep-22	TBA
	10 years	27.50%	10-Oct-22	27-Dec-22
	10-year infrastructure bond	23.35%	26-Apr-24	TBA
Upcoming auctions of Treasury Notes and Bonds				
	Auction date	Tenor (years)	Amount (K'b)	Previous auction coupon rate
	15-Nov-22	5	54.61	12.50%
	22-Nov-22	7	7.00	13.50%
	29-Nov-22	5	13.00	12.50%
	13-Dec-22	3	47.30	11.00%
	27-Dec-22	10	31.54	15.00%
Projected maturities				
	Week ending	4-Nov-22	11-Nov-22	18-Nov-22
	TBs, PNs & TNs (K'm)	13,645	40,352	18,409
	OMO repos (K'm)	0	0	0
	OMO reverse repos (K'm)	10,621	0	0
Reference rate				
	Nov-22	% pts Δ		Oct-22
Rate	16.60%	↑ 2.70		13.90%
Inflation rate				
	Sep-22	% pts Δ		Aug-22
Rate	25.9%	↑ 0.4		25.5%
Closing TT mid exchange rates				
	3-Nov-22	% Δ		27-Oct-22
USD	1035.7526	↓ 0.16%		1034.1140
GBP	1216.4633	↓ -2.12%		1242.8687
EUR	1046.4969	↓ -2.28%		1070.9603
ZAR	58.5979	↓ -2.73%		60.2411
Gross official foreign exchange reserves position				
	30-Sep-22	31-Aug-22		31-Jul-22
Reserves (USD'm)	357.18	378.89		372.99
Import cover (months)	1.43	1.52		1.49

Sources: MSE, RBM, NSO, AHL

Bank Reference Rate (16.6%)

November Bank reference rate has increased to 16.60% from 13.9% as at October 2022. This represents a 2.7 percentage points increase, the highest since January 2022.

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