



Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.08% to close the week at 45,329.76 points from 45,367.68 points in the previous week due to share price losses in OMU (-15.00%) and TNM (-0.09%) which offset a share price gain in STANDARD (0.001%). The market traded 10,400,154 shares at a consideration of K417.09m in 32 trades during the week, compared to 2,318,174 shares traded at a consideration of K116.19m in 46 trades in the previous week. The year-to-date return on MASI stands at -0.08% compared to 0.21% for the same period in 2021 (Source: MSE).

Corporate news

Dividends

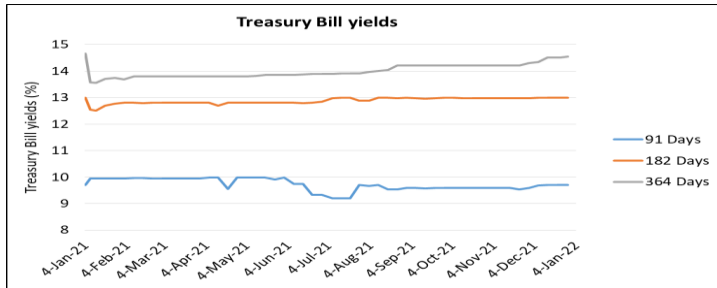
Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Final	4.00	11-Mar-22	31-Mar-22
FDHB	Second interim	0.43	31-Dec-21	14-Jan-22
TNM	Second interim	0.15	7-Jan-22	21-Jan-22

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%	22.09
Blantyre Hotels Plc	↓ -93%	(0.45)
FMB Capital Holdings Plc (US\$' million)	↑ 40%	21.28
MPICO Plc	↑ 40%	4.34
National Bank of Malawi Plc	↑ 30%	22.45
National Investment Trust Plc	↑ 200%	1.48
Press Corporation Plc	↑ 50%	19.90
Sunbird Tourism Plc	↑ 150%	1.18
Telekom Networks Malawi Plc	↑ 20%	7.73

Government securities

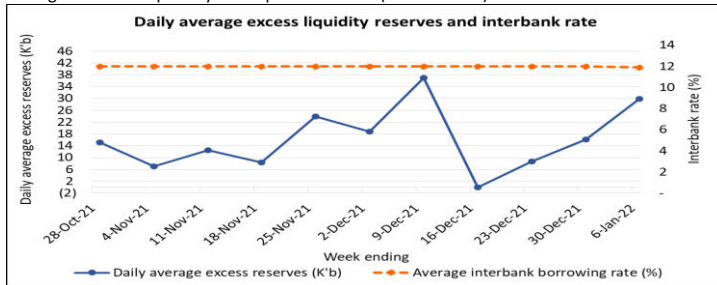
Government raised K1.14b during the week's auction for Treasury Bills (TBs) compared to K7.29b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.4493% from 12.4127% in the previous week, due to an increase in the 364-day yield to 14.6500% from 14.5400% in the previous week. The 91-day and 182-day yields were constant at 9.6980% and 13.0000%, respectively, as per the previous week (Source: RBM).



The Government also raised K2.67b from an auction of a 2-year Treasury Note at an average yield of 16.66%. This brings the total amount raised in auctions of Government securities during the week to K3.81b. Maturities of Government securities for the week amounted to K9.83b compared to K18.72b in the previous week. This resulted in a net injection of K6.02b into the market, compared to a net injection of K11.43b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K29.76b from K16.19b recorded in the previous week. Daily interbank borrowing averaged K9.13b as compared to K21.00b in the previous week. The average interbank borrowing rate decreased to 11.87% from 11.98% in the previous week. Borrowing on the Lombard Facility averaged K4.65 per day, decreasing from an average of K11.42b per day in the previous week (Source: RBM).



Stock market			
	7-Jan-22	% Δ	31-Dec-21
MASI	45,329.76	↓ -0.08%	45,367.68
DSI	37,058.44	↓ -0.01%	37,061.70
FSI	4,184.21	↓ -0.92%	4,223.15
Traded volume	10,400,154	↑ 348.64%	2,318,174
Number of trades	32	↓ -30.43%	46
Value of shares traded (K'm)	417.09	↑ 258.98%	116.19
Market capitalisation (K'm)	2,457,361.40	↓ -0.22%	2,462,680.71
Gainers			
	Closing price (K)	% Δ	Opening price (K)
STANDARD	1400.02	↑ 0.001%	1400.00
Losers			
	Closing price (K)	% Δ	Opening price (K)
OMU	1,785.00	↓ -15.00%	2,099.99
TNM	22.90	↓ -0.09%	22.92
Treasury Bill auctions			
Auction date	4-Jan-22	% pts Δ	29-Dec-21
Amount offered - cost value (K'm)	23,335.00	↑ 46.19%	15,962.00
Applied - cost value (K'm)	1,137.34	↓ -84.39%	7,286.44
Allotted - cost value (K'm)	1,137.34	↓ -84.39%	7,286.44
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	14.6500%	↑ 0.1100%	14.5400%
All-type yield	12.4493%	↑ 0.0367%	12.4127%
Treasury Note and Bond auctions			
Auction date	4-Jan-22	21 & 23 Dec 2021	14-Dec-21
Tenors	2 years	2, 3 & 5 years	2, 3 & 5 years
Coupon rate	10.00%	10.00% & 12.50%	10.00%, 11.00% & 12.50%
Amount offered - cost value (K'b)	48.61	47.44	
Total applied - cost value (K'b)	2.67	143.01	0.14
Total allotted - cost value (K'b)	2.67	143.01	0.14
Allotted - weighted average ytm	16.66%	16.64%, 19.04% & 20.35%	16.67%, 19.00% & 20.53%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2 years	16.66%	4-Jan-22	1-Mar-22
3 years	19.04%	23-Dec-21	8-Feb-22
5 years	20.35%	23-Dec-21	25-Jan-22
7 years	20.94%	23-Nov-21	22-Feb-22
10 years	22.50%	26-Oct-21	18-Jan-22
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
18-Jan-22	10 years	17.15	15.00%
25-Jan-22	5 years	53.15	12.50%
8-Feb-22	3 years	58.15	11.00%
22-Feb-22	7 years	58.15	13.50%
1-Mar-22	2 years	43.61	10.00%
8-Mar-22	7-year IDB	10.00	
22-Mar-21	5 years	48.15	12.50%
Projected maturities			
Week ending	7-Jan-22	14-Jan-22	21-Jan-22
TBs, PNs & TNs (K'm)	9,825	38,656	11,508
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	26,613	8,197
Reference rate			
Rate	Jan-22	% pts Δ	Dec-21
	12.20%	→ 0.00	12.20%
Inflation rate			
Rate	Nov-21	% pts Δ	Oct-21
	11.1%	↑ 1.3	9.8%
Closing TT mid exchange rates			
	6-Jan-22	% Δ	30-Dec-21
USD	822.3468	↓ 0.01%	822.2697
GBP	1231.1717	↓ 0.45%	1225.6357
EUR	1098.4320	↓ -3.33%	1136.2112
ZAR	59.7784	↓ 3.10%	57.9783
Gross official foreign exchange reserves position			
	30-Nov-21	31-Oct-21	30-Sep-21
Reserves (USD'm)	389.26	405.66	521.87
Import cover (months)	1.56	1.62	2.09

Sources: MSE, RBM, NSO, AHL

Foreign exchange market developments

The Kwacha depreciated by 0.01% to trade at K822.3468 per USD as at 6th January 2022 from K822.2697 as at 30th December 2021. The Kwacha also depreciated against the GBP and ZAR by 0.45% and 3.10% respectively. It, however, appreciated against the EUR by -3.33% (Source: RBM). The recommended minimum import cover is 3 months.

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 79,082 as at 7th January 2022, out of which 14,765 were reported to be active. New COVID-19 infections averaged 572 this week compared to 767 cases in the previous week. So far, 61,678 people have recovered while 2,407 have died from the disease. Cumulatively, 1,098,568 and 399,048 people have received the first and second doses of AstraZeneca vaccine, respectively, while 336,504 people have received Johnson and Johnson vaccine. Cumulatively 735,555 people are fully vaccinated, representing 3.75% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 305.32m, with recoveries of more than 259.11m and 5.49m deaths as at 7th January 2022 (Source: Johns Hopkins University and Medicine).

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