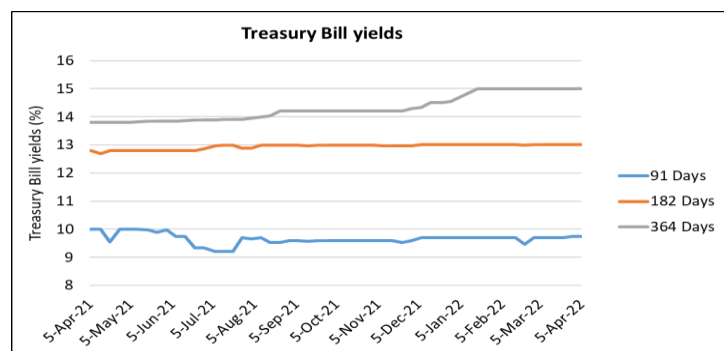


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.12% to close the week at 46,013.69 points from 45,956.50 points in the previous week due to share price gains in FDHB (1.54%), FMBCH (0.65%), NBM (0.05%), NBS (0.04%) and STANDARD (0.001%), which offset a share price loss in ICON (-0.08%). The market traded 3,698,101 shares at a consideration of K163.05m in 83 trades during the week, compared to 2,823,541 shares traded at a consideration of K103.99m in 67 trades in the previous week. The year-to-date return on MASI stands at 1.42% compared to 0.52% for the same period in 2021 (Source: MSE).

Government securities

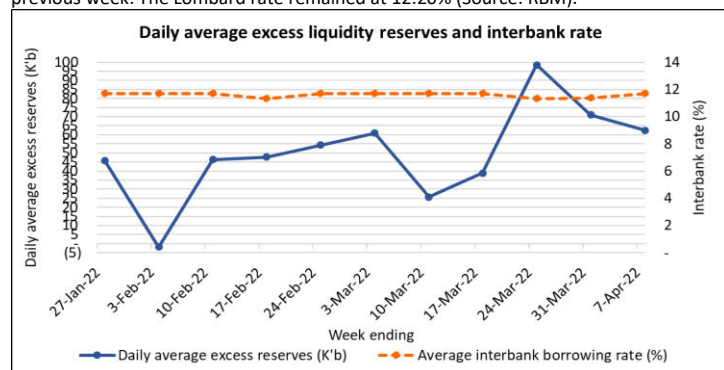
Government raised K10.16b during the week's auction for Treasury Bills (TBs) compared to K17.55b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable at 12.5797% as the 91-day, 182-day and 364-day yields were stable at 9.7390%, 13.0000% and 15.0000%, respectively (Source: RBM).



Maturities of Government securities for the week amounted to K2.67b, resulting in a net withdrawal of K7.49b from the market compared to a net withdrawal of K5.11b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K62.48b from K70.97b in the previous week. Daily average interbank borrowing decreased to the average of K14.40b compared to K15.44b in the previous week. The average interbank borrowing rate increased to 11.70% from 11.38%. Borrowing on the Lombard Facility decreased to the average of K19.03b per day during the week, compared to K39.20b per day in the previous week. The Lombard rate remained at 12.20% (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.05% to trade at K823.9977/USD as at 7th April 2022 from K823.6030/USD as at 31st March 2022. The Kwacha, however, appreciated against GBP, EUR and ZAR by 0.41%, 1.53% and 1.71%, respectively, during the same period. Gross official forex reserves stood at USD374.48 million (1.50 months of import cover) as at 31st March 2022, down from USD385.40 million (1.54 months of import cover) as at 28th February 2022 (Source: RBM). The recommended minimum import cover is 3 months. The 2022 tobacco marketing season was officially opened on 31st March 2022. As at 6th April 2022, the market had cumulatively realised US\$330,094.46 from 244,077 kgs of tobacco sold at an average price of \$1.35/kg (Source: AHL).

Stock market			
	8-Apr-22	% Δ	1-Apr-22
MASI	46,013.69	0.12%	45,956.50
DSI	37,646.44	0.08%	37,615.73
FSI	4,210.47	0.62%	4,184.71
Traded volume	3,698,101	30.97%	2,823,541
Number of trades	83	23.88%	67
Value of shares traded (K'm)	163.05	56.79%	103.99
Market capitalisation (K'm)	2,494,136.02	0.13%	2,491,008.03
Gainers			
	Closing price (K)	% Δ	Opening price (K)
FDHB	15.80	1.54%	15.56
FMBCH	80.53	0.65%	80.01
NBM	948.50	0.05%	948.01
NBS	22.80	0.04%	22.79
STANDARD	1400.10	0.001%	1400.09
Losers			
	Closing price (K)	% Δ	Opening price (K)
ICON	12.68	-0.08%	12.69
Treasury Bill auctions			
	5-Apr-22	% pts Δ	29-Mar-22
Auction date	5-Apr-22		29-Mar-22
Amount offered - cost value (K'm)	7,541.00	0.00%	7,541.00
Applied - cost value (K'm)	10,159.41	-42.10%	17,546.16
Allotted - cost value (K'm)	10,159.41	-42.10%	17,546.16
Overall rejection rate	0.00%	0.00%	0.00%
91 days yield	9.7390%	0.0000%	9.7390%
182 days yield	13.0000%	0.0000%	13.0000%
364 days yield	15.0000%	0.0000%	15.0000%
All-type yield	12.5797%	0.0000%	12.5797%
Treasury Note and Bond auctions			
	29 & 31 March 2022	22-Mar-22	22-Mar-22
Tenors	2, 3, 5, & 7 years	5 years	2, 3 & 7 years
Coupon rate	10.00%, 11.00%, 12.50% & 13.50%	12.50%	10.00%, 11.00% & 13.50%
Amount offered - cost value (K'b)		48.15	
Total applied - cost value (K'b)		17.87	24.43
Total allotted - cost value (K'b)		121.98	21.56
Allotted - weighted average ytm	17.00%, 19.50%, 21.00% & 22.00%	20.98%	16.96%, 19.47% & 21.99%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2 years	17.00%	31-Mar-22	TBA
3 years	19.50%	31-Mar-22	TBA
5 years	21.00%	31-Mar-22	TBA
7 years	22.00%	31-Mar-22	TBA
7-Year Development Bond	22.47%	8-Mar-22	TBA
10 years	22.98%	18-Jan-22	TBA
10-year infrastructure bond	23.25%	17-Aug-21	TBA
Projected maturities			
Week ending	8-Apr-22	15-Apr-22	22-Apr-22
TBs, PNs & TNs (K'm)	2,665	6,719	13,128
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	8,197
Reference rate			
Rate	Apr-22	% pts Δ	Mar-22
	12.20%	0.00	12.20%
Inflation rate			
Rate	Feb-22	% pts Δ	Jan-22
	13.0%	0.9	12.1%
Closing TT mid exchange rates			
	7-Apr-22	% Δ	31-Mar-22
USD	823.9977	0.05%	823.6030
GBP	1209.2915	-0.41%	1214.2164
EUR	1015.5145	-1.53%	1031.3247
ZAR	65.7518	-1.71%	66.8957
Gross official foreign exchange reserves position			
	31-Mar-22	28-Feb-22	31-Jan-22
Reserves (USD'm)	374.48	385.40	399.98
Import cover (months)	1.50	1.54	1.60

Sources: MSE, RBM, NSO, AHL

Published annual financial results			
Company	2021 profit after tax (K'b)	Movement	2020 profit after tax (K'b)
Listed banks			
National Bank of Malawi Plc	34,210	52%	22,449
Standard Bank Plc	24,769	4%	23,743
Listed non-bank companies			
National Investment Trust Plc	4,671	216%	1,479
Old Mutual Group Plc (Rb)	6,662	31%	5,097
Sunbird Tourism Plc	0,749	164%	(1,180)
Unlisted non-bank financial institutions			
Cedar Capital Ltd	0,144	167%	0,054

Source: MSE

Revised fuel pump prices

The Malawi Energy Regulatory Authority (MERA) adjusted upwards fuel pump prices effective 10th April 2022 as follows:

Product	Previous pump prices in MWK/Litre	New pump prices in MWK/Litre	% Change
Petrol	1150.00	1380.00	20.00%
Diesel	1120.00	1470.00	31.25%
Kerosene	833.20	956.00	14.74%

The increase in fuel prices is expected to push up inflation in the near term.

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.