

Foreign exchange market developments

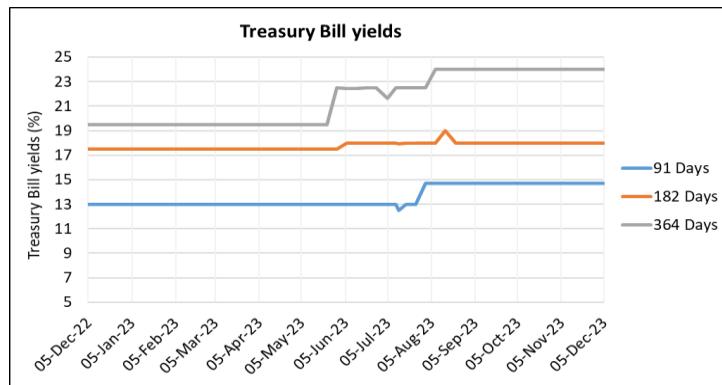
During the week, the Kwacha depreciated against the USD and ZAR but appreciated against the GBP and EUR as indicated in the table below:

Currency	Closing TT middle exchange rates as at the end of the week		
	8-Dec-23	% Δ	1-Dec-23
USD	1699.7385	⬇️ 0.16%	1696.9885
GBP	2202.2283	⬆️ -0.31%	2209.0959
EUR	1883.5445	⬆️ -1.17%	1905.8265
ZAR	92.4935	⬇️ 0.37%	92.1527
Gross official foreign exchange reserves position			
	30-Sep-23	31-Aug-23	31-Jul-23
Reserves (USD'm)	242.68	239.56	267.91
Import cover (months)	0.97	0.96	1.07
Benchmark import cover (months)	3.00	3.00	3.00

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K17.02b from auction of Treasury Bills and K21.33b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K47.82b, resulting in a net injection of K9.47b into the market, compared to a net injection of K44.30b in the previous week (Source: RBM).

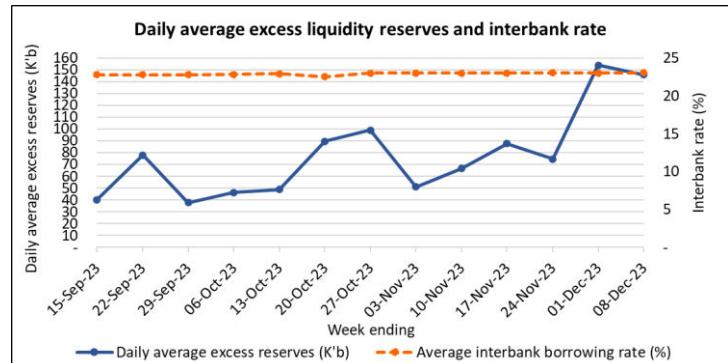


Treasury Bill auctions			
Auction date	5-Dec-23	% pts Δ	28-Nov-23
Amount offered -cost value (K'm)	6,287.00	⬇️ -39.43%	10,380.00
Applied - cost value (K'm)	17,015.77	⬆️ 592.11%	2,458.52
Allotted - cost value (K'm)	17,015.77	⬆️ 592.11%	2,458.52
Overall rejection rate	0.00%	➡️ 0.00	0.00%
91 days yield	14.7000%	➡️ 0.0000%	14.7000%
182 days yield	18.0000%	➡️ 0.0000%	18.0000%
364 days yield	24.0000%	➡️ 0.0000%	24.0000%
All-type yield	18.9000%	➡️ 0.0000%	18.9000%
Treasury Note and Bond auctions			
Auction date	28-Nov-23	28-Nov-23	28-Nov-23
Tenors	2, 3, 5 & 10 yr TNs	5-yr DB	2, 3, 5 & 10 yr TNs
Coupon rate	10.00%, 11.00%, 12.50% & 15.00%	13.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%
Amount offered -cost value (K'b)	K19.51b for the 10-yr TN	15.00	
Total applied - cost value (K'b)	21.33	10.44	65.18
Total allotted - cost value (K'b)	21.33	5.88	65.18
Allotted - weighted average ytm	26.75%, 28.00%, 30.00% & 33.00%	30.00%	26.75%, 28.00%, 30.00%, 32.00% & 33.00%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	26.75%	05-Dec-23	TBA
3-year TN	28.00%	05-Dec-23	12-Dec-23
5-year TN	30.00%	05-Dec-23	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	32.00%	28-Nov-23	26-Dec-23
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	33.00%	05-Dec-23	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
12-Dec-23	3	33.64	11.00%
26-Dec-23	7	27.43	13.50%
Projected maturities			
Week ending	8-Dec-23	15-Dec-23	22-Dec-23
TBs, PNs & TNs (K'm)	47,819	40,600	13,568
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K145.85b during the week from K153.85b in the previous week. Daily average interbank borrowing decreased to K18.94b from K19.95b. Borrowing on the Lombard facility increased to the average of K61.40b per day from K54.48b per day in the previous week. The average interbank borrowing rate marginally increased to 23.02% from 23.00%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate		
Rate	27-Oct-23	% pts Δ
Market Reference Rate		
Rate	Dec-23	% pts Δ
Inflation Rate		
Rate	Oct-23	% pts Δ

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -2.10% to close the week at 110,706.19 points from 113,079.47 points in the previous week due to share price losses in AIRTEL (-10.00%), FDHB (-0.01%), ICON (-0.06%), NBS (-0.37%), NITL (-0.002%), PCL (-0.0004%) and TNM (-14.50%), which offset share price gains in BHL (15.01%) and ILLOVO (0.002%). The market traded 1,521,109 shares at a consideration of K322.08m in 112 trades, compared to 17,621,279 shares traded at a consideration of K4.08b in 216 trades in the previous week. The year-to-date return on MASI stands at 78.45% compared to 31.84% for the same period in 2022 (Source: MSE).

Stock market trading activity			
	05-Dec-23	% Δ	01-Dec-23
MASI	110,706.19	⬇️ -2.10%	113,079.47
DSI	86,723.58	⬇️ -2.38%	88,835.35
FSI	15,048.88	➡️ 0.00%	15,048.88
Traded volume	1,521,109	⬇️ -91.37%	17,621,279
Number of trades	112	⬇️ -48.15%	216
Value of shares traded (K'm)	322.08	⬇️ -92.10%	4,076.23
Market Capitalisation (K'm)	5,980,236.94	⬇️ -0.08%	6,107,407.86
Gainers	Closing price (K)	% Δ	Opening price (K)
BHL	11.57	⬆️ 15.01%	10.06
ILLOVO	1250.03	⬆️ 0.00%	1250.00
Losers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	71.99	⬇️ -10.00%	79.99
FDHB	67.93	⬇️ -0.01%	67.94
ICON	17.92	⬇️ -0.06%	17.93
NBS	106.33	⬇️ -0.37%	106.73
NITL	409.99	⬇️ -0.002%	410.00
PCL	2506.99	⬇️ -0.0004%	2507.00
TNM	23.00	⬇️ -14.50%	26.90

Dividends announced				
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register
SUNBIRD	Interim declared	2.00	6-Dec-23	8-Dec-23
FDHB	Interim declared	0.95	13-Dec-23	15-Dec-23
NICO	2nd interim declared	2.00	20-Dec-23	22-Dec-23
NBS	2nd interim declared	1.20	6-Dec-23	8-Dec-23
ILLOVO	2nd interim declared	12.60	20-Dec-23	22-Dec-23
ILLOVO	Final proposed	5.80	TBA	TBA

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.