

MASI gains

The MASI gained 2.25% to close the week at 21189.04 points. This gain was on account of share price increases in PCL and FMBCH, which offset price losses in NBM and NITL. Total value traded increased by 1,181% to K1.26b. A total of 57,344,640 shares were transacted during the week compared to 549,120 shares traded the previous week. Year to date return on the MASI stands at 59.07% (2016: -11.58%) (Source: MSE).

Corporate update

FMBCH released a notice to shareholders of FMB Plc advising them that all the remaining 49,342,803 FMB shares will be transferred to FMBCH. One FMBCH ordinary share will be issued in exchange for every one FMB ordinary share. (Source: The Nation, 1st December 2017)

TNM released a trading statement advising that profit after tax for year ending December 2017 is expected to be more than 60% higher than the previous corresponding period (Source: MSE). In 2016, the company made K8.2b in profit after tax. At a minimum of 60% growth, this translates to K13.13b in profit after tax.

Kwacha exchange rate movements

During the week, the Kwacha depreciated against most major trading currencies albeit marginally appreciating against the USD. Gross official reserves decreased to USD758.38m (3.68 months of imports) as at 29th November 2017 from USD766.45m (3.67 months of imports) recorded on 24th November, 2017 (Source: RBM). In the short to medium term, we expect the Kwacha to remain fairly stable against major trading currencies due to foreign aid support and credit facilities from development partners.

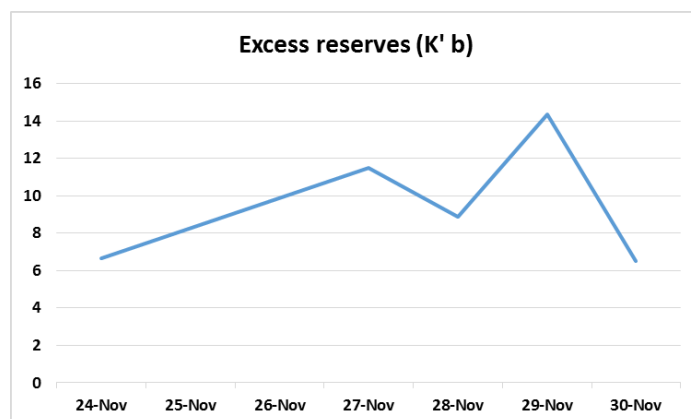
Treasury Bill auction registers 76% rejection

At the TB auction held during the week, K2.4b was raised. The average all type TB rate slightly increased to 15.46% from 15.06% observed the previous week. The auction registered a 32.40% rejection (Source: RBM). Looking forward, we expect Treasury Bill yields to face a downward pressure as liquidity is improving and the authorities target cheaper funds.

Interbank Market

Liquidity increased to a daily average of K10.31b from K9.53b the previous week. Consequently, the weekly average overnight interbank rate decreased to 15.11% from 16.72%. Total volume traded on the interbank market to Thursday was K30.41b from K34.24b the previous week. Access to the Lombard Facility was at K25.93b. Total maturities for the week amounted to K35.94b. RBM mopped up K26.23b from the market through OMOs at an average rate of 16% (Source: RBM). In the short to medium term, we expect the interbank rate to slightly decline owing to generally improving liquidity conditions in the market.

Stock market indices				
	1-Dec-17		% Δ	24-Nov-17
MASI	21189.04	↑	2.25%	20722.59
DSI	15909.39	↑	0.41%	15844.84
FSI	3516.49	↑	13.62%	3094.88
Market capitalisation (K' b)	10,550.98	↑	0.22%	10,527.96
Deals	18	↓	-10.00%	20
Value of shares traded (K' m)	1,265.72	↑	1181.22%	98.79
Gainers				
	Current price (K)		% Δ	Previous price (K)
PCL	600.00	↑	5.26%	570.00
FMBCH	67.00	↑	14.53%	58.50
Losers				
	Current price (K)		% Δ	Previous price (K)
NBM	270.01	↓	-0.01%	270.05
NITL	60.06	↓	-0.03%	60.08
Treasury Bill yields				
Tenor (days)	28-Nov-17		% pts Δ	21-Nov-17
91	14.88%	↑	0.44%	14.44%
182	15.50%	↑	0.75%	14.75%
364	16.00%	→	0.00%	16.00%
All-type	15.46%	↑	0.40%	15.06%
Overall rejection rate	32.40%	↓	-43.74%	76.15%
Alloted (K' b)	2.40	↑	277.15%	0.64
Expected maturities				
Week ending	1-Dec-17	8-Dec-17		15-Dec-17
TBs, PNs & TNs	1,463	6,054		824
OMO	34,477	13,565		15,997
Inflation				
Month	Oct-17		% pts Δ	Sep-17
Rate	8.30%	↓	-0.10%	8.40%
RBM - mid exchange rates				
Currency	1-Dec-17		% Δ	24-Nov-17
USD	725.41	↑	-0.03%	725.64
GBP	981.27	↓	1.74%	964.51
ZAR	52.84	↓	1.22%	52.20
EUR	864.11	↓	0.44%	860.31
Gross official foreign exchange reserve position				
	29-Nov-17	24-Nov-17		17-Nov-17
Reserves (USD'm)	758.38	766.45		778.17
Import cover (months)	3.68	3.67		3.72



Source: RBM

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