

MASI gains

The MASI gained 1.38% to close the week at 21480.88 points on account of share price increases in NBS and TNM. The rest of the counters registered no price movements. Total value traded decreased by 63.14% to K466.57m. A total of 37,324,932 shares were transacted during the week compared to 57,344,640 shares traded the previous week. Year to date return on the MASI stands at 61.26% (2016: -6.58%) (Source: MSE).

Corporate update

The board of BHL declared a second interim dividend of K0.50 per share to be paid on 29th December 2017 to shareholders who will be on the register by 22nd December 2017 (Source: MSE).

Kwacha exchange rate movements

During the week, the Kwacha appreciated against most major trading currencies albeit remaining stable against the USD. Gross official reserves decreased to USD746.77m (3.57 months of imports) as at 6th December 2017 from USD761.07m (3.64 months of imports) recorded on 1st December, 2017 (Source: RBM). In the short to medium term, we expect the Kwacha to remain fairly stable against major trading currencies owing to improved supply of forex in the market which is enough to offset current demand arising from foreign bill payments including importation of agricultural inputs.

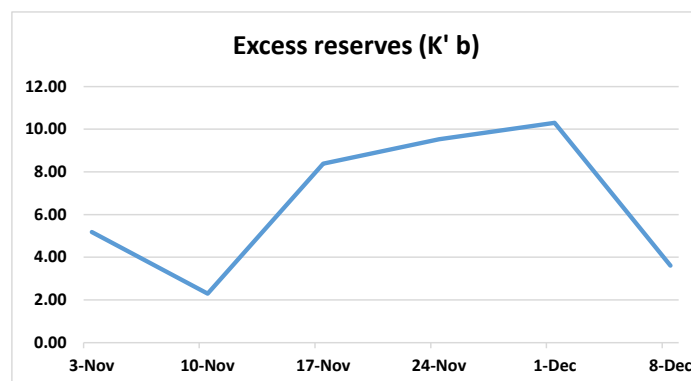
Treasury Bill yields marginally drop

At the TB auction held during the week, K5.02b was raised. The average all type TB rate slightly decreased to 15.30% from 15.46% observed the previous week. The auction registered a 17.67% rejection (Source: RBM). Looking forward, we expect Treasury Bill yields to face a downward pressure as the authorities target cheaper funds. However, this will be lessened by subsiding liquidity in the market.

Interbank market

Liquidity decreased to a daily average of K3.61b from K10.31b the previous week. Consequently, the average overnight interbank rate increased to 16.14% from 15.11%. The daily average volume traded on the interbank market was K11.25b from K7.88b the previous week. Access to the Lombard Facility decreased to K19.25b from K25.93b. Total maturities for the week amounted to K23.10b. RBM mopped up K14.08b 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 increase due to generally subsiding liquidity in the market.

Stock market indices			
	8-Dec-17	% Δ	1-Dec-17
MASI	21480.88	↑ 1.38%	21189.04
DSI	16168.72	↑ 1.63%	15909.39
FSI	3516.49	→ 0.00%	3516.49
Market capitalisation (K' b)	10,565.39	↑ 0.14%	10,550.98
Deals	37	↑ 105.56%	18
Value of shares traded (K' m)	466.57	↓ -63.14%	1,265.72
Gainers	Current price (K)	% Δ	Previous price (K)
NBS	8.50	↑ 21.43%	7.00
TNM	14.00	↑ 7.69%	13.00
Losers	Current price (K)	% Δ	Previous price (K)
None			
Treasury Bill yields			
Tenor (days)	5-Dec-17	% pts Δ	28-Nov-17
91	14.99%	↑ 0.11%	14.88%
182	14.91%	↓ -0.58%	15.50%
364	16.00%	↓ 0.00%	16.00%
All-type	15.30%	↓ -0.16%	15.46%
Overall rejection rate	14.67%	↓ -17.73%	32.40%
Alloted (K' b)	5.02	↑ 108.98%	2.40
Expected maturities			
Week ending	8-Dec-17	15-Dec-17	22-Dec-17
TBs, PNs & TNs	6,054	1,019	18,242
OMO	17,049	17,492	8,776
Inflation			
Month	Oct-17	% pts Δ	Sep-17
Rate	8.30%	↓ -0.10%	8.40%
RBM indicative middle exchange rates			
Currency	8-Dec-17	% Δ	1-Dec-17
USD	725.41	→ 0.00%	725.41
GBP	978.95	↑ -0.24%	981.27
ZAR	52.80	↑ -0.08%	52.84
EUR	853.45	↑ -1.23%	864.11
Gross official foreign exchange reserve position			
	6-Dec-17	1-Dec-17	24-Nov-17
Reserves (USD'm)	746.77	761.07	766.45
Import cover (months)	3.57	3.64	3.67



Source: RBM

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