

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.06% to close the week at 32,562.96 from 32,581.65 points in the previous week due to a share price loss in TNM of 0.61% which outweighed a share price gain in STANDARD of 0.001%. The market traded a total of 4,331,220 shares at a consideration of K85.50m in 46 trades during the week compared to a total of 6,079,402 shares traded at a consideration of K197.27m in 63 trades in the previous week. The year-to-date return on MASI stands at 0.53% compared to -3.59% for the same period in 2020 (Source: MSE).

Corporate news

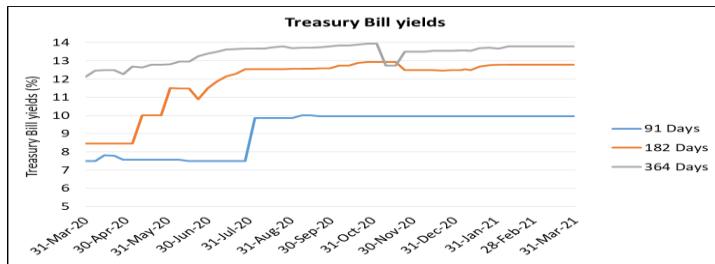
RBM has suspended the portfolio manager's licence for Alliance Capital Limited on grounds that the company contravened financial services laws. The suspension of licence shall be for a period of twelve months from the date of the order, the 2nd of April, 2021 (Source: RBM).

Published financial results

Company	2020 profit after tax (K'b)		2019 profit after tax (K'b)	
	Movement		Movement	
Banks				
National Bank of Malawi Plc	22.450	↑	31%	17.155
NBS Bank Plc	7.050	↑	58%	4.458
Standard Bank Plc	23.743	↑	50%	15.879
Listed non-bank companies				
Illovo Sugar Plc	2.739	↓	-73%	10.083
National Investment Trust Plc	1.480	↓	-17%	1.780
Old Mutual Group Plc (Rb)	5.097	↓	-46%	9.386
Sunbird Tourism Plc	1.180	↓	-53%	2.530

Government securities

Government raised K3.15b during the week's auction for Treasury Bills (TBs) compared to K2.50b raised in the previous week, representing an increase of 26.13%. The auction registered no rejection on the submitted bids. The all-type average TB yield remained stable at 12.18% as per the previous week due to the 91-day, 182-day and 364-day yields remaining constant at 9.95%, 12.80% and 13.80%, respectively, since the previous week (Source: RBM).

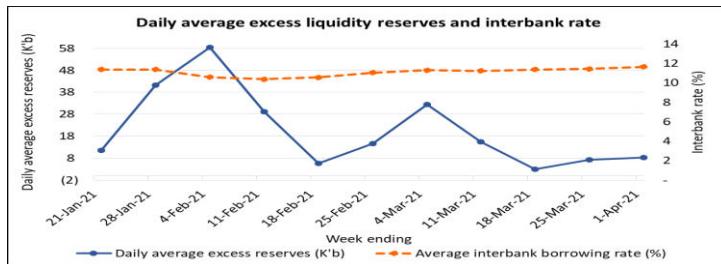


Data source: RBM

Maturities of Government securities for the week amounted to K15.62b and OMO reverse repo maturities during the week amounted to K10.17b, resulting in a net injection of K2.30b into the market, compared to a net withdrawal of K22.45b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K8.38b from K7.26b recorded in the previous week. Interbank borrowing for the week averaged K16.49b per day compared to the average of K16.92b per day in the previous week. The average interbank borrowing rate increased to 11.65% from 11.45%. Borrowing on the Lombard Facility amounted to K35.83b during the week from K61.35b in the previous week at a fixed rate of 12.20% (Source: RBM).



Data source: RBM

Foreign exchange market developments

The market closing USD/MWK mid-rate increased to K790.2961 on 30th March 2021 from K788.6246 on 23rd March 2021 in the previous week, representing a depreciation of 0.21%. During the same period, the Kwacha appreciated against GBP, EUR and ZAR by 0.93%, 0.82% and 1.28%, respectively. Gross official forex reserves were last recorded at USD483.38m (2.31 months of import cover) on the 28th February 2021 from USD502.98m (2.41 months of import cover) recorded on 31st January 2021 (Source: RBM). The reserves were below the recommended minimum of 3 months of import cover. The situation is expected to prevail until the onset of the 2021 tobacco marketing season.

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CDH House, 5 Independence Drive, PO Box 1444, Blantyre, Malawi | <http://www.cdh-malawi.com> | Email: ckamamkhudza@cdh-malawi.com | Tel: +265 (0) 1 821 300; Fax: +265 (0) 1 822 826

Stock market			
	1-Apr-21	% Δ	26-Mar-21
MASI	32,562.96	↓ -0.06%	32,581.65
DSI	27,710.72	↓ -0.06%	27,727.36
FSI	1,614.33	↑ 0.00%	1,614.33
Traded volume	4,331,220	↓ -28.76%	6,079,402
Number of trades	46	↓ -26.98%	63
Value of shares traded (K'm)	85.50	↓ -56.66%	197.27
Market capitalisation (K'm)	1,770,108.50	↓ -0.06%	1,771,110.20
Gainers	Closing price (K)	% Δ	Opening price (K)
STANDARD	1200.12	↑ 0.001%	1200.11
Losers	Closing price (K)	% Δ	Opening price (K)
TNM	16.39	↓ -0.61%	16.49
Treasury Bill auctions			
Auction date	30-Mar-21	% pts Δ	23-Mar-21
Amount offered -cost value (K'm)	2,580.00	↑ 0.00%	2,580.00
Applied - cost value (K'm)	3,152.27	↑ 26.13%	2,499.19
Allotted - cost value (K'm)	3,152.27	↑ 26.13%	2,499.19
Overall rejection rate	0.00%	↑ 0.00%	0.00%
91 days yield	9.95%	↑ 0.00%	9.95%
182 days yield	12.80%	↑ 0.00%	12.80%
364 days yield	13.80%	↑ 0.00%	13.80%
All-type yield	12.18%	↑ 0.00%	12.18%
Treasury Note auctions			
Auction date	23-Mar-21	9-Mar-21	16-Feb-21
Tenors	5 years	2 years	10 years
Coupon rate	12.50%	10.00%	15.00%
Amount offered -cost value (K'b)	23.47	38.34	10.64
Total applied - cost value (K'b)	21.24	40.86	8.15
Total allotted - cost value (K'b)	20.99	38.57	7.58
Allotted - weighted average ytm	19.98%	16.50%	22.50%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2-year	16.50%	9-Mar-21	18-May-21
3-year	18.66%	2-Feb-21	6-Apr-21
5-year	19.98%	23-Mar-21	1-Jun-21
7-year	20.50%	9-Feb-21	20-Apr-21
10-year	22.50%	16-Feb-21	4-May-21
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Coupon rate
6-Apr-21	3	43.73	11.00%
20-Apr-21	7	20.00	TBA
4-May-21	10	9.95	TBA
18-May-21	2	21.00	TBA
1-Jun-21	5	20.47	TBA
Projected maturities			
Week ending	2-Apr-21	9-Apr-21	16-Apr-21
TBs, PNs & TNs (K'm)	15,616	10,594	4,075
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	10,170	0	69,735
Reference rate			
Rate	Mar-21	% pts Δ	Feb-21
	11.90%	↓ -0.10	12.00%
Inflation rate			
Rate	Feb-21	% pts Δ	Jan-21
	8.3%	↑ 0.6	7.7%
Actual market closing mid exchange rates			
	30-Mar-21	% Δ	23-Mar-21
USD	790.2961	↓ 0.21%	788.6246
GBP	1139.6167	↑ 0.93%	1150.2668
EUR	993.0378	↑ -0.82%	1001.2465
ZAR	56.1303	↑ -1.28%	56.8553
Gross official foreign exchange reserves position			
	28-Feb-21	31-Jan-21	31-Dec-20
Reserves (USD'm)	483.38	502.98	574.26
Import cover (months)	2.31	2.41	2.75

Data sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 33,639 as at 2nd April 2021, out of which 1,896 were reported to be still active. Daily new infections of COVID-19 were reported to be 30 cases. Although the new infection rates are low, Government has cautioned the public to stay vigilant against an impending third wave. So far, 30,490 people have recovered while 1,119 have died from the disease. The first dose of the Oxford-AstraZeneca vaccine had been administered to a total of 154,801 people as at 2nd April 2021 (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 130.3m, with recoveries of more than 101m and 2.7m deaths as at 2nd April 2021 (Source: Johns Hopkins University and Medicine).