

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost by 0.14% to close the week at 27,687.33 points from 27,726.75 points reported in the previous week due to share price losses in FMBCH, ICON, NBS and SUNBIRD which outweighed share price gains in MPICO and TNM. The market registered significant increases in the value of shares traded during the week to K2.51b from K338.05m the previous week, and in the volume of traded shares to 154,872,234 from 1,862,552. The year-to-date return on the MASI stands at negative 4.47% compared to 7.34% recorded during a corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

Corporate news

Expected profit movements for 2018			
	Expected 2018 PAT (K'b)	Expected movement	2017 PAT (K'b)
BHL	0.35	↓ -30%	0.51
MPICO	6.62	↑ 30%	5.09
NBS	0.33	↑ 130%	(1.09)
NITL	1.67	↓ -25%	2.22
TNM	16.39	↑ 25%	13.11

Published financial results for 2018			
	2018 PAT (K'b)	Movement	2017 PAT (K'b)
Listed company			
ILLOVO	16.45	↑ 113%	7.74
Unlisted financial institutions			
FDH Bank	5.97	↑ 694%	(1.00)
First Discount House	1.13	↓ -17%	1.35

Government securities

A total of K36.03b was raised through auctions for Government securities during the week: - K27.10b for Treasury Bills (TB) and K8.93b for a 2 year Treasury Note (TN) compared to K11.61b that was raised through a TB auction in the previous week. There was no auction for TNs in the previous week. Total maturities for the week amounted K31.11b, resulting in a net withdrawal of K4.92b. There were no open market operations conducted by RBM (Source: RBM).

All applications for TBs were allotted during the week, while 84.00% of total applications for the 2 year TN was rejected. The rejection rate for TBs for the previous week was 34.54% (Source: RBM).

The average yield for TBs increased to 10.59% during the week from 10.54% the previous week, on account of an increase in the 91-day yield to 9.90% from 9.63% while the 182-day yield was constant at 10.50% and the 364-day yield decreased to 11.38% from 11.50%. The average yield for the 2-year TN stood at 14.77% (Source: RBM).

Interbank market activity

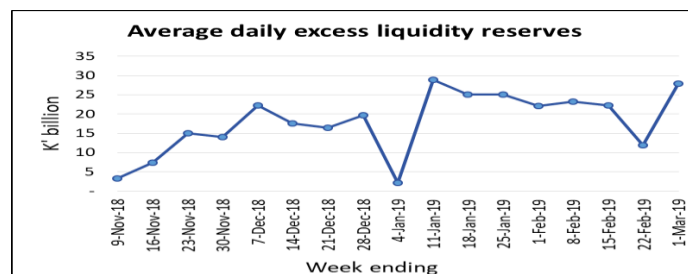
Liquidity levels increased during the week as excess liquidity reserves increased to an average of K27.96b per day compared to an average of K11.91b per day in the previous week. Consequently, the volume traded on the interbank market increased to a daily average of K9.39b from K3.13b per day the previous week. However, the average overnight interbank rate increased to 5.38% from 5.03% for the previous week. A total of K6.20b was accessed on the Lombard Facility during the week at a fixed rate of 14.90% (Source: RBM).

Foreign exchange market developments

The Kwacha was relatively stable during the week as it registered a 0.36% appreciation against ZAR and depreciations of 0.01%, 1.80% and 0.36% against USD, GBP and EUR, respectively. The indicative middle rate for USD/MWK closed the week at 729.8927 from 729.8427 the preceding week. Gross official forex reserves stood at USD790.28m (3.78 months of import cover) on 31st January 2019, an increase of 4.64% from USD755.22m (3.61 months of import cover) reported on 31st December 2018 (Source: RBM).

Stock market				
	1-Mar-19	% Δ	22-Feb-19	
MASI	27,687.33	↓ -0.14%	27,726.75	
DSI	20,829.45	↓ -0.17%	20,864.56	
FSI	4,521.94	↓ -0.01%	4,522.44	
Traded volume	154,872,234	↑ 8215.06%	1,862,552	
Number of trades	71	↑ 4.41%	68	
Value of shares traded (K'm)	2,505.86	↑ 641.28%	338.05	
Market capitalisation (K'b)	1,293.72	↓ -0.14%	1,295.55	
Gainers				
	Current price (K)	% Δ	Previous price (K)	
MPICO	13.04	↑ 0.08%	13.03	
TNM	25.01	↑ 0.04%	25.00	
Losers				
	Current price (K)	% Δ	Previous price (K)	
FMBCH	85.00	↓ -0.01%	85.01	
ICON	11.94	↓ -0.08%	11.95	
NBS	9.99	↓ -0.10%	10.00	
SUNBIRD	138.00	↓ -4.83%	145.00	
Treasury Bill auctions				
Auction date	26-Feb-19	% pts Δ	19-Feb-19	
91 days yield	9.90%	↑ 0.28	9.63%	
182 days yield	10.50%	→ 0.00	10.50%	
364 days yield	11.38%	↓ -0.12	11.50%	
All-type yield	10.59%	↑ 0.05	10.54%	
Applied - cost value (K'm)	27,102.24	↑ 52.76%	17,742.05	
Allotted - cost value (K'm)	27,102.24	↑ 133.37%	11,613.62	
Overall rejection rate	0.00%	↓ -34.54	34.54%	
Treasury Note auctions				
Week ending	26-Feb-19	29-Jan-19	25-Jan-19	
Tenor	3 Years	2 Years	7 Years	
Coupon rate	9.00%	10.00%	15.50%	
Applied for - face value (K'b)	64.06	38.33	16.00	
Allotted - face value (K'b)	10.33	23.79	16.00	
Allotted - cost value (K'b)	8.93	20.95	11.67	
Allotted - weighted average ytm	14.77%	17.32%	24.00%	
Upcoming Treasury Note auctions				
Tenor	Auction date	Settlement date	Previous auction's yield	
5 years	26-Mar-19	28-Mar-19	20.50%	
7 years	23-Apr-19	25-Apr-19	24.00%	
2 years	28-May-19	30-May-19	17.32%	
Projected maturities				
Week ending	1-Mar-19	22-Feb-19	Feb-19	
TBs, PNs & TNs (K'm)	31,106	13,406	53,737	
OMO (K'm)	36,554	26,292	60,320	
Inflation				
Rate	Jan-19	% pts Δ	Dec-18	
	8.80%	↓ -1.10	9.90%	
RBM indicative mid exchange rates				
	1-Mar-19	% Δ	22-Feb-19	
USD	729.8927	↓ 0.01%	729.8427	
GBP	967.9837	↓ 1.80%	950.8391	
ZAR	51.8673	↓ -0.36%	52.0573	
EUR	829.8880	↓ 0.34%	827.0577	
Gross official foreign exchange reserves position				
	31-Jan-19	31-Dec-18	30-Nov-18	
Reserves (USD'm)	790.28	755.22	631.21	
Import cover (months)	3.78	3.61	3.04	

(Sources: MSE, RBM, NSO, TCC)



(Source: RBM)

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