

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 2.40% to close the week at 27,783.20 points from 27,130.95 points the previous week, on account of share price gains in BHL, NICO and TNM. The rest of the companies registered no price movement. The market registered an increase in the volume of shares traded to 20,378,616 from 6,678,449 and an increase in the value of traded shares to K1.32b from K1.22b. The year-to-date return on the MASI stands at negative 4.14% compared to 28.32% recorded during a corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

| Annual general meetings | | | |
|-------------------------|-----------|----------|------------------------------|
| Company | Date | Time | Venue |
| OMU | 24-May-19 | 14:00hrs | Mutual Place, Sandton |
| NBM | 6-Jun-19 | 14:00hrs | NBM Learning & Growth Centre |
| NICO | 7-Jun-19 | 15:30hrs | Ryalls Hotel |

Government securities

Government raised a total of K8.82b during an auction for Treasury Bills (TBs) during the week, slightly higher than a total of K8.05b that was raised during the TB auction for the previous week. Applications for TBs during the auction amounted to K15.95b, representing a rejection rate of 44.70%, compared to the rejection rate of 59.20% in the previous week. Maturities for the week amounted to K11.09b, resulting in a net injection of K2.27b. There were no open market operations during the week, as was the case in the previous week (Source: RBM). The all-type average TB yield decreased to 9.26% during the week from 9.65% registered in the preceding week, as the 91-day TB yield decreased to 8.57% from 9.00%, the 182-day TB yield decreased to 9.22% from 9.54% and the 364-day TB yield decreased to 10.00% from 10.39% (Source: RBM).

Interbank market activity

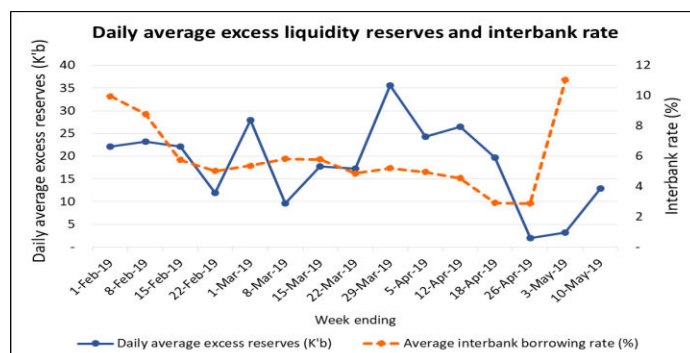
Excess liquidity reserves increased to an average of K12.95b per day during the week from an average of K3.16b per day in the previous week. There was no activity on the interbank market during the week, compared to an average of K6.30b per day that was borrowed on the interbank market at an average rate of 11.03% in the previous week. Consequently, the amount accessed on the Lombard facility significantly increased to a total of K154.55b during the week from a total of K34.95b in the preceding week. The Lombard rate declined to 13.9% from 14.9% following a Policy rate cut by the Monetary Policy Committee on 3rd May 2019 from 14.5% to 13.5% (Source: RBM).

Foreign exchange market developments

On the one hand, the Kwacha registered a marginal depreciation of 0.13% against USD during the week as the USD/MWK indicative middle rate increased to 737.3337 from 736.4070. On the other hand, it marginally depreciated by 0.20% and appreciated by 0.20% and 0.04% against ZAR, GBP and EUR, respectively. Gross official forex reserves stood at USD760.70 (3.60 months of import cover) on 31st March 2019, decreasing by 9.17% from USD837.49m (4.01 months of import cover) on 28th February 2019 (Source: RBM). The generally accepted minimum level of import cover is three months.

| Stock market | | | |
|---|-------------------|-----------------|--------------------------|
| | 10-May-19 | % Δ | 3-May-19 |
| MASI | 27,783.20 | ↑ 2.40% | 27,130.95 |
| DSI | 20,915.94 | ↑ 2.89% | 20,327.48 |
| FSI | 4,521.94 | → 0.00% | 4,521.94 |
| Traded volume | 20,378,616 | ↑ 205.14% | 6,678,449 |
| Number of trades | 116 | ↑ 39.76% | 83 |
| Value of shares traded (K'm) | 1,317.61 | ↑ 8.23% | 1,217.44 |
| Market capitalisation (K'm) | 1,311,399.98 | ↑ 2.36% | 1,281,167.24 |
| Gainers | | | |
| | Current price (K) | % Δ | Previous price (K) |
| BHL | 12.95 | ↑ 3.60% | 12.50 |
| NICO | 46.98 | ↑ 9.26% | 43.00 |
| TNM | 28.06 | ↑ 10.04% | 25.50 |
| Losers | | | |
| None | | | |
| Treasury Bill auctions | | | |
| Auction date | 7-May-19 | % pts Δ | 30-Apr-19 |
| 91 days yield | 8.57% | ↓ -0.43 | 9.00% |
| 182 days yield | 9.22% | ↓ -0.32 | 9.54% |
| 364 days yield | 10.00% | ↓ -0.39 | 10.39% |
| All-type yield | 9.26% | ↓ -0.38 | 9.65% |
| Applied - cost value (K'm) | 15,948.21 | ↓ -19.22% | 19,742.85 |
| Allotted - cost value (K'm) | 8,819.75 | ↓ 9.50% | 8,054.67 |
| Overall rejection rate | 44.70% | ↓ -14.50 | 59.20% |
| Upcoming Treasury Note auctions | | | |
| Tenor | Auction date | Settlement date | Previous auction's yield |
| 2 years | 28-May-19 | 30-May-19 | 17.32% |
| 3 years | 25-Jun-19 | 27-Jun-19 | 14.77% |
| Projected maturities | | | |
| Week ending | 10-May-19 | 17-May-19 | 24-May-19 |
| TBs, PNs & TNs (K'm) | 11,090 | 9,028 | 5,662 |
| OMO (K'm) | 0 | 0 | 0 |
| Inflation | | | |
| Rate | Mar-19 | % pts Δ | Feb-19 |
| | 9.30% | ↑ 1.40 | 7.90% |
| Cumulative tobacco sales for 2019 versus 2018 | | | |
| | Week 1 2019 | % Δ | Week 1 2018 |
| Volume (Kg) | 5,724,372 | ↑ 30.18% | 4,397,197 |
| Value (USD) | 7,348,108 | ↑ 28.28% | 5,728,313 |
| Average price (USD/Kg) | 1.28 | ↓ -1.54% | 1.30 |
| RBM indicative mid exchange rates | | | |
| | 10-May-19 | % Δ | 3-May-19 |
| USD | 737.3337 | ↓ 0.13% | 736.4070 |
| GBP | 959.1524 | ↑ -0.20% | 961.0848 |
| ZAR | 51.1571 | ↓ 0.20% | 51.0539 |
| EUR | 824.8991 | ↑ -0.04% | 825.2177 |
| Gross official foreign exchange reserves position | | | |
| | 31-Mar-19 | 28-Feb-19 | 31-Jan-19 |
| Reserves (USD'm) | 760.70 | 837.49 | 790.28 |
| Import cover (months) | 3.60 | 4.01 | 3.78 |

(Sources: MSE, RBM, NSO)



(Source: RBM)

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