

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

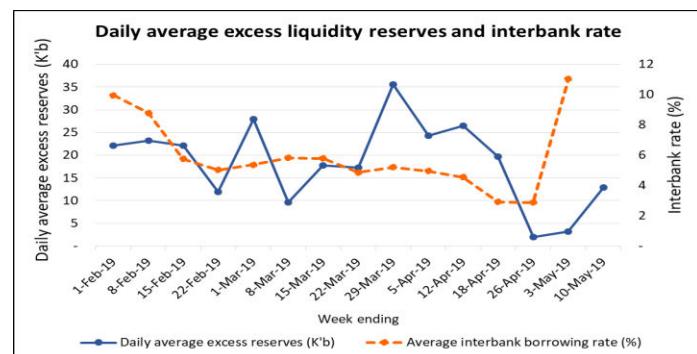
Excess liquidity reserves increased to an average of K12.95b per day during the week from an average of K3.16b per day in the previous week. There was no activity on the interbank market during the week, compared to an average of K6.30b per day that was borrowed on the interbank market at an average 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	Current price (K)	% Δ	Previous price (K)
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, PN's & 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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