

MASI gains

The MASI gained by 0.82% during the week to close at 21889.86 points due to share price increases in MPICO to K16.00 from K15.61 the previous week and in FMBCH to K70.00 from K67.00. Total value traded increased by 79.00% to K71.91m from K40.17m recorded the previous week. A total of 479,086 shares were traded during the week compared to 1,758,287 shares transacted the previous week. Year to date return on the MASI stands at 1.35% (2017: 0.31%) (Source: MSE).

MSE annual market performance review for 2017

On 8th January 2018, the MSE released an annual market performance review. According to the report, the stock market was buoyant in 2017 as it registered a positive return on investment of 62.14% compared to a negative return of 8.53% in 2016. The market registered a 70.09% increase in share volume traded to 698,894,283 shares compared to a traded volume of 410,895,390 shares in 2016. Traded share value amounted K13.52b in 2017, compared to K6.20b in 2016, representing a 118.14% increase. Top gainers for the year were FMB, TNM, NICO, MPICO and NITL, with registered share price gains of 182.35%, 139.67%, 100.00%, 99.36% and 76.65%, respectively (Source: MSE).

Kwacha exchange rate movements

During the week, the Kwacha marginally appreciated against major trading currencies. Gross official reserves slightly decreased to USD748.25m (3.58 months of imports) as at 10th January 2018 from USD749.46m (3.59 months of imports) recorded on 5th January 2018 (Source: RBM). We expect the Kwacha to remain fairly steady on account of stable foreign reserves backed by improved supply of forex in the market which is enough to offset current demand arising from foreign bill payments.

Treasury Bill yields steady

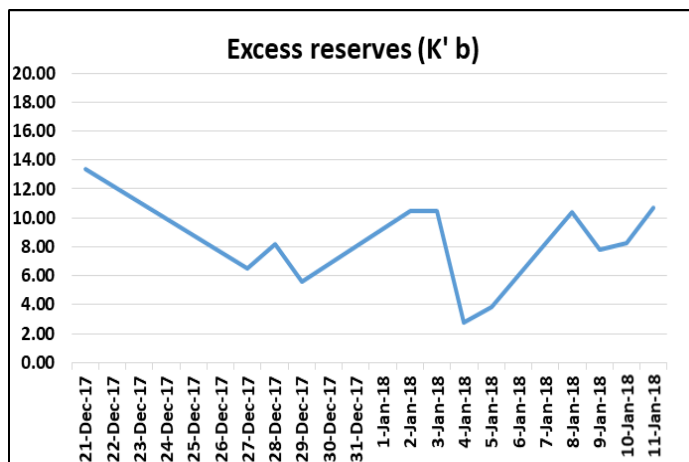
At the TB auction held on 9th January 2018, K4.31b was raised. The average all type TB rate was steady at 14.50% as observed the previous week. The auction registered a 0.22% rejection (Source: RBM). We expect Treasury Bill yields to face a downward pressure as the market continues to realign itself to the revised Policy rate.

Interbank market

Liquidity increased to a daily average of K8.19b from K7.31b the previous week. The average overnight interbank rate marginally increased to 14.99% from 14.95% the preceding week. The daily average volume traded on the interbank market decreased to K8.62b from K15.25b the previous week. Access to the Lombard Facility decreased to K3.30b from K39.95b. Total maturities for the week amounted K35.16. The authorities mopped up K38.18b from the market through OMOs during the week (Source: RBM). We expect the interbank rate to face a downward pressure as the market fully responds to the recent Policy rate cut.

Stock market indices			
	12-Jan-18	% Δ	5-Jan-18
MASI	21889.86	↑ 0.8220%	21711.4
DSI	16394.33	↑ 0.1125%	16375.9
FSI	3668.41	↑ 4.23%	3519.43
Market capitalisation (K' b)	10,622.42	↑ 0.07%	10,614.51
Deals	13	↓ -40.91%	22
Value of shares traded (K' m)	71.91	↑ 79.00%	40.17
Gainers			
	Current price (K)	% Δ	Previous price (K)
MPICO	16.00	↑ 2.4984%	15.61
FMBCH	70.00	↑ 4.478%	67.00
Losers			
	Current price (K)	% Δ	Previous price (K)
None			
Treasury Bill yields			
Tenor (days)	9-Jan-18	% pts Δ	2-Jan-18
91	14.00%	→ 0.00%	14.00%
182	14.50%	→ 0.00%	14.50%
364	15.00%	→ 0.00%	15.00%
All-type	14.50%	→ 0.00%	14.50%
Overall rejection rate	0.22%	↑ 0.22%	0.00%
Allotted (K' b)	4.31	↑ 224.28%	1.33
Expected maturities			
Week ending	12-Jan-18	19-Jan-18	26-Jan-18
TBs, PNs & TNs	6,483	16,381	10,824
OMO	28,680	19,530	8,740
Inflation			
Month	Nov-17	% pts Δ	Oct-17
Rate	7.70%	↓ -0.60%	8.30%
RBM - mid exchange rates			
Currency	11-Jan-18	% Δ	5-Jan-18
USD	725.42	↑ -0.03%	725.61
GBP	978.59	↑ -0.62%	984.65
ZAR	58.39	↑ -1.01%	58.99
EUR	866.66	↑ -1.08%	876.10
Gross official foreign exchange reserve position			
	10-Jan-18	5-Jan-18	29-Dec-17
Reserves (USD'm)	748.25	749.46	761.97
Import cover (months)	3.58	3.59	3.65

(Source: MSE, RBM)



(Source: RBM)

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