

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost marginally by 0.01% to close the week at 29,953.83 points from 29,958.16 points the previous week, due to a marginal share price loss in TNM. A total of 870,946 shares were traded on the Exchange at a consideration of K26.00m, compared to 1,288,560 shares which were traded in the previous week at a consideration of K153.51m. This represents decreases of 32.41% and 83.06% in volume and value, respectively, since the previous week. The year-to-date return on the MASI stands at 3.35% compared to 43.69% recorded during the corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

Annual general meetings			
Company	Date	Time	Venue
PCL	18-Jul-19	14.00hrs	NBM Learning & Growth Centre
FMBCH	6-Aug-19	15:30hrs	First Capital Bank Training Centre

Government securities

Government raised a total of K6.78b from auctions for Treasury Bills during the week, compared to K9.94b that was raised in the previous week from auctions for Treasury Bills (K9.76b) and a 3-year Treasury Note (K0.18b). There was no auction for Treasury Notes during the week under review. Total maturities for the week amounted to K29.87b, resulting in a net injection of K23.09b into the market. There were no open market operations (OMO) during the week as was the case in the previous week. The all-type average TB yield increased to 9.50% from 9.28% the previous week as the 91-day TB yield increased to 9.00% from 8.28% while the 182-day TB yield was constant at 9.50% and the 364-day TB yield marginally decreased to 10.00% from 10.04% (Source: RBM).

Interbank market activity

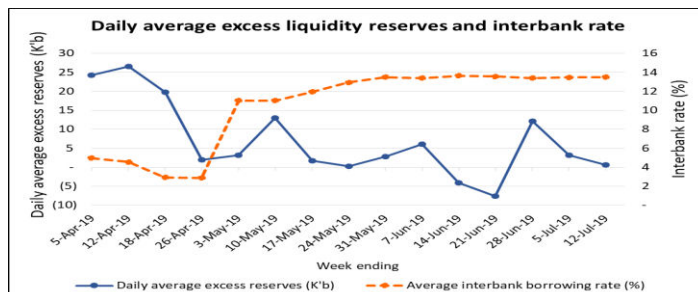
Despite a net injection, liquidity levels remained low during the week; excess liquidity reserves decreased to an average of K0.64b per day from an average of K3.12b per day in the previous week. Borrowing on the interbank market decreased to an average of K8.45b per day from K25.46b per day during the previous week and the average interbank borrowing rate increased to 13.51% from 13.46%. The amount accessed on the Lombard facility decreased to a total of K81.21b at a fixed rate of 13.90% from K84.30b in the preceding week (Source: RBM).

Foreign exchange market developments

The Kwacha marginally appreciated against USD, GBP and EUR during the week but depreciated against ZAR. The USD/MWK indicative middle rate closed the week at 774.3823 from 775.2560 in the previous week (Source: RBM). Gross official forex reserves stood at USD766.10m (3.67 months of import cover) on 30th April 2019 (Source: RBM).

Stock market				
	12-Jul-19		% Δ	5-Jul-19
MASI	29,953.83	↓	-0.01%	29,958.16
DSI	22,875.81	↓	-0.02%	22,879.72
FSI	4,520.31	→	0.00%	4,520.31
Traded volume	870,946	↓	-32.41%	1,288,560
Number of trades	34	↓	-34.62%	52
Value of shares traded (K'm)	26.00	↓	-83.06%	153.51
Market capitalisation (K'm)	1,412,102.41	↓	-0.01%	1,412,232.13
Gainers	Current price (K)		% Δ	Previous price (K)
None				
Losers	Current price (K)		% Δ	Previous price (K)
TNM	28.98	↓	-0.07%	29.00
Treasury Bill auctions				
Auction date	9 & 11 July 2019		% pts Δ	2-Jul-19
91 days yield	9.00%	↑	0.72	8.28%
182 days yield	9.50%	↑	0.00	9.50%
364 days yield	10.00%	↓	-0.04	10.04%
All-type yield	9.50%	↑	0.22	9.28%
Applied - cost value (K'm)	6,775.64	↓	-30.61%	9,764.46
Allotted - cost value (K'm)	6,775.64	↓	-30.61%	9,764.46
Overall rejection rate	0.00%	→	0.00	0.00%
Treasury Note auctions				
Date	3-Jul-19		27-Jun-19	6-Jun-19
Tenor	3 Years		3 Years	2 Years
Coupon rate	9.00%		9.00%	8.00%
Applied for - face value (K'b)	0.20		15.04	3.00
Allotted - face value (K'b)	0.20		12.97	3.00
Allotted - cost value (K'b)	0.18		6.67	2.79
Allotted - weighted average ytm	14.00%		13.72%	12.20%
Projected maturities				
Week ending	5-Jul-19		12-Jul-19	Jul-19
TBs, PNs & TNs (K'm)	10,997		29,872	76,857
OMO (K'm)	8,626		0	36,458
Inflation				
	May-19		% pts Δ	Apr-19
Rate	8.90%	↓	-0.20	9.10%
Cumulative tobacco sales as at 12 July 2019 (week 12) versus 2018				
	Week 12 2019		% Δ	Week 12 2018
Volume (Kg' million)	94.05	↓	-20.52%	118.34
Value (USD' million)	138.92	↓	-31.95%	204.15
Average price (USD/Kg)	1.48	↓	-14.45%	1.73
RBM indicative mid exchange rates				
	12-Jul-19		% Δ	5-Jul-19
USD	774.3823	↑	-0.11%	775.2560
GBP	971.2303	↑	-0.44%	975.5046
ZAR	55.7302	↓	1.08%	55.1336
EUR	872.6514	↑	-0.15%	873.9461
Gross official foreign exchange reserves position				
	30-Apr-19		31-Mar-19	28-Feb-19
Reserves (USD'm)	766.10		775.45	837.49
Import cover (months)	3.67		3.71	4.01

(Sources: MSE, RBM, NSO)



(Source: RBM)

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