

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.17% to close the week at 41,712.84 points from 41,231.09 points in the previous week due to share price gains in NBM (0.001%), PCL (14.56%) and STANDARD (0.001%) which offset share price losses in AIRTEL (-0.03%), NBS (-0.09%) and TNM (-0.09%). The market traded 3,816,567 shares at a consideration of K245.20m in 60 trades during the week, compared to 137,020,675 shares traded at a consideration of K2.12b in 88 trades in the previous week. The year-to-date return on MASI stands at 28.77% compared to 2.36% for the same period in 2020 (Source: MSE).

Corporate news
Airtel plc-unclaimed dividends

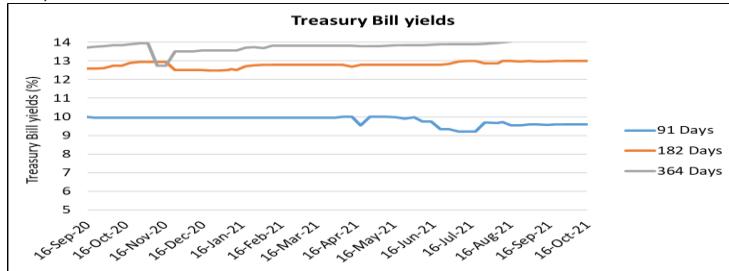
Some of the Airtel plc listed shareholders have unclaimed dividends currently being held by the company due to outdated and missing contact details. The said shareholders have been requested to provide their updated contact details not later than the 20th of December 2021 to custodymalawi@standardbank.co.mw.

Dividends

Company	Dividend type	Dividend (K)	Last day to register	Payable
ILLOVO	Second Interim	10.00	10-Dec-21	13-Dec-21

Government securities

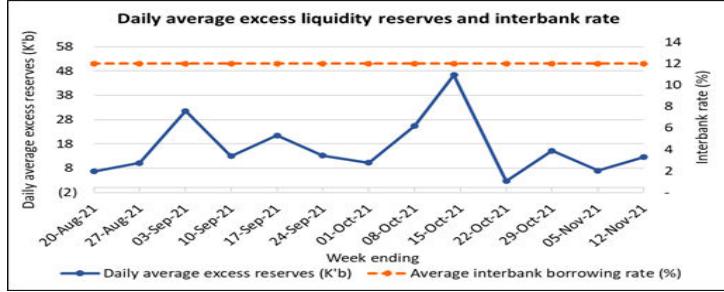
Government raised K133.15m during the week's auction for Treasury Bills (TBs) compared to K877.27m raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield was stable at 12.2600% as per the previous week, due to the 91-day, 182-day and 364-day yield remaining constant since the previous week (Source: RBM).



During the week, Government also raised K21.33b through auction of a 3-year Treasury Note. The auction registered no rejection on the bids submitted. Maturities of Government securities amounted to K12.21b. This resulted in a net withdrawal of K25.15b from the market, compared to a net withdrawal from the market of K17.21b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K12.52b from K7.04b recorded in the previous week. Daily Interbank borrowing averaged K23.36b as compared to K11.94b in the previous week. The average interbank borrowing rate was stable at 11.98% as per the previous week. Borrowing on the Lombard Facility averaged K105.85 per day, decreasing from an average of K117.61b per day in the previous week. (Source: RBM).


Foreign exchange market developments

During the week, the Kwacha appreciated by -0.05% to trade at K822.5123 per USD as at 11th November 2021 from K822.9157 as at 4th November 2021. The kwacha also appreciated against the EUR and ZAR by -1.87% and -0.37%. It, however, depreciated against the GBP by 0.70%. Gross official forex reserves were last recorded at USD405.66m (1.62 months of import cover) on 31st October 2021 from USD521.87m (2.09 months of import cover) recorded on 30th September 2021 (Source: RBM).

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.

Stock market				
	12-Nov-21	% Δ	05-Nov-21	
MASI	41,712.84	1.17%	41,231.09	
DSI	34,585.49	1.25%	34,156.83	
FSI	3,232.25	0.00%	3,232.25	
Traded volume	3,816,567	-97.21%	137,020,675	
Number of trades	60	-31.82%	88	
Value of shares traded (K'm)	245.20	-88.45%	2,123.66	
Market capitalisation (K'm)	2,264,397.80	1.15%	2,238,583.72	
Gainers	Closing price (K)	% Δ	Opening price (K)	
NBM	701.06	0.001%	701.05	
PCL	1,712.62	14.56%	1,494.95	
STANDARD	1,250.01	0.001%	1,250.00	
Losers	Closing price (K)	% Δ	Opening price (K)	
AIRTEL	38.29	-0.03%	38.30	
NBS	22.94	-0.09%	22.96	
TNM	22.98	-0.09%	23.00	
Treasury Bill auctions				
	Auction date	9-Nov-21	2-Nov-21	
Amount offered - cost value (K'm)	17,009.00	% pts Δ	17,009.00	
Applied - cost value (K'm)	133.15	0.00%	877.27	
Allotted - cost value (K'm)	133.15	-84.82%	877.27	
Overall rejection rate	0.00%	0.00%	0.00%	
91 days yield	9.6000%	0.0000%	9.6000%	
182 days yield	12.9800%	0.0000%	12.9800%	
364 days yield	14.2000%	0.0000%	14.2000%	
All-type yield	12.2600%	0.0000%	12.2600%	
Treasury Note auctions				
	Auction date	9-Nov-21	19-Oct-21	
Tenors	3 years	10 years	5 years	
Coupon rate	11.00%	15.00%	12.50%	
Amount offered - cost value (K'b)	45.00	12.64	45.89	
Total applied - cost value (K'b)	21.33	3.72	7.22	
Total allotted - cost value (K'b)	21.33	3.53	7.22	
Allotted - weighted average ytm	19.00%	22.50%	20.53%	
Current yields for Treasury Notes				
	Tenor	Last auction's yield	Last auction	
2-year	16.63%	12-Oct-21	TBA	
3-year	19.00%	09-Nov-21	TBA	
5-year	20.53%	09-Oct-21	TBA	
7-year	21.36%	27-Jul-21	23-Nov-21	
10-year	22.50%	26-Oct-21	TBA	
10-year infrastructure bond	23.25%	17-Aug-21	07-Dec-21	
Upcoming Treasury Note auctions				
	Auction date	Tenor	Amount (K'b)	Previous Coupon rate
23-Nov-21	7	30.00	13.50%	
07-Dec-21	10 year infrastructure bond	20.00	16.00%	
Projected maturities				
	Week ending	12-Nov-21	19-Nov-21	26-Nov-21
TBs, PNs & TNs (K'm)	12,205	8,989	15,889	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	0	
Reference rate				
	Rate	Nov-21	% pts Δ	Oct-21
		12.20%	0.00	12.20%
Inflation rate				
	Rate	Sep-21	% pts Δ	Aug-21
		8.9%	0.5	8.4%
Indicative opening mid exchange rates				
	USD	11-Nov-21	% Δ	4-Nov-21
	822.5123	-0.05%	822.9157	
	GBP	1197.6100	0.70%	1189.3364
	EUR	1043.8413	-1.87%	1063.6793
	ZAR	58.1596	-0.37%	58.3742
Gross official foreign exchange reserves position				
	Reserves (USD'm)	31-Oct-21	30-Sep-21	31-Aug-21
	405.66	521.87	604.50	
	Import cover (months)	1.62	2.09	2.42

*US\$250.0m import requirement per month is used in the calculation from May 21 while US\$209.0m is used in the preceding months.

Sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 61,841 as at 12th November 2021, out of which 733 were reported to be active. COVID-19 infections averaged 4 this week compared to 2 cases in the previous week. So far, 58,574 people have recovered while 2,302 have died from the disease.

Cumulatively, 721,661 and 305,373 people have received the first and second dose AstraZeneca vaccine respectively while 266,473 people have received Johnson and Johnson vaccine. Cumulatively 571,846 people are fully vaccinated representing 3.71% of the total Malawi population (15.4 million). Globally, total confirmed cases of COVID-19 amounted to 252.14m, with recoveries of more than 228.26m and 5.08m deaths as at 12th November 2021 (Source: Johns Hopkins University and Medicine).