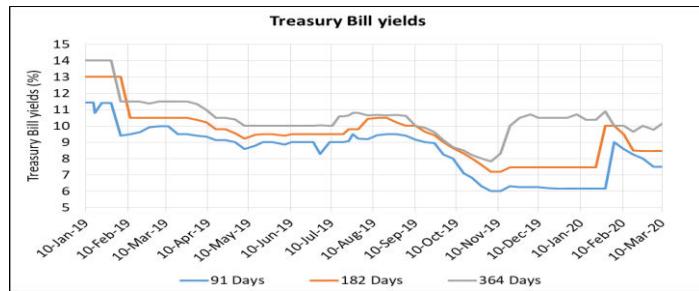


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained marginally by 0.001% to close the week at 29,187.31 points from 29,187.02 points recorded in the previous week, due to marginal share price gains in ICON, MPICO and SUNBIRD which outweighed a marginal share price loss in AIRTEL. There were no price movements in the rest of the companies registered on the MSE. A total of 16,040,289 shares were traded at a consideration of K269.69m in 62 trades compared to 2,262,310 shares traded at a consideration of K45.67m in 57 trades in the previous week. This represents increases of 609.02% and 490.54% in traded volume and value, respectively. The year-to-date return on the MASI stands at -3.52% compared to -3.54% in the corresponding period in 2019 (Source: MSE).

Government securities

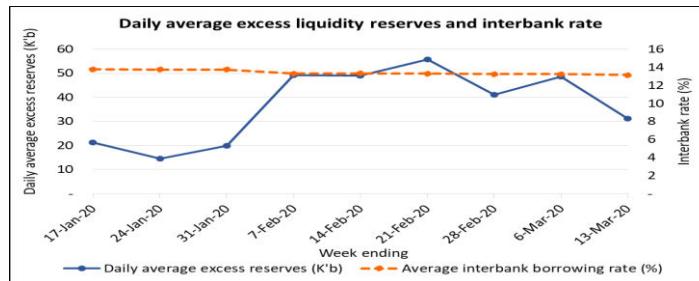
Government raised K6.26b during the week's auction for Treasury Bills (TB) against an offered amount of K9.53b. The auction registered a rejection rate of 0.15%. In the TB auction for the previous week, K9.53b was raised against an offer for subscription of the same amount. The all-type average TB yield slightly increased to 8.70% from 8.58% in the previous week due an increase in the 364-day yield to 10.14% from 9.78% while the 91-day and 182-day yields were constant at 7.50% and 8.46%, respectively (Source: RBM).



There was also an auction for a 2-year Treasury Note (TN) during which K26.59b was raised, bringing the total amount raised during the week from auctions for Government securities to K32.85b. The TN attracted an average yield of 12.38%, slightly up from 12.27% recorded in the preceding auction for a 2-year TN on 17th December 2019. Maturities of Government securities for the week amounted to K8.69b, resulting in a net withdrawal of K24.16b from the market, compared to a net injection of K15.88b in the previous week (Source: RBM).

Interbank market activity

Market liquidity levels decreased during the week; daily excess reserves averaged K31.27b from K48.64b in the previous week. Borrowing on the interbank market decreased to an average of K4.67b per day from K6.80b per day in the previous week and the average interbank borrowing rate decreased to 13.13% from 13.25%. Borrowing on the Lombard Facility amounted to K7.94b during the week compared to K23.00b in the preceding week. The Lombard rate was constant at 13.90% (Source: RBM).


Foreign exchange market developments

The Kwacha was stable at 736.5803 per USD during the week, but appreciated against GBP, ZAR and EUR by 3.01%, 4.09% and 0.20%, respectively. Gross official foreign exchange reserves were last recorded at USD846.55m (4.05 months of import cover) on 31st December 2019, an increase from USD603.82m (2.89 months of import cover) recorded on 30th November 2019 (Source: RBM). The rate is expected to remain stable due to the looming onset of the Tobacco season.

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Stock market			
	13-Mar-20	% Δ	6-Mar-20
MASI	29,187.31	▲ 0.001%	29,187.02
DSI	23,528.48	▲ 0.001%	23,528.21
FSI	3,046.35	▲ 0.00%	3,046.35
Traded volume	16,040,289	▲ 609.02%	2,262,310
Number of trades	62	▲ 8.77%	57
Value of shares traded (K'm)	269.69	▲ 490.54%	45.67
Market capitalisation (K'm)	1,521,040.56	▲ 0.002%	1,521,010.63
Gainers	Closing price (K)	% Δ	Opening price (K)
ICON	10.49	▲ 0.10%	10.48
MPICO	22.48	▲ 0.54%	22.36
SUNBIRD	120.01	▲ 0.01%	120.00
Losers	Closing price (K)	% Δ	Opening price (K)
AIRTEL	17.58	▼ -0.17%	17.61
Projected maturities			
Week ending	13-Mar-20	20-Mar-20	31-Mar-20
TBs, PNs & TNs (K'm)	8,687	11,055	41,858
OMO (K'm)	0	0	14,731
Treasury Bill auctions			
Auction date	10-Mar-20	% pts Δ	4-Mar-20
Amount offered - cost value (K'm)	9,531.00	▲ 0.00%	9,531.00
Applied - cost value (K'm)	6,270.73	▼ -82.79%	36,444.47
Allotted - cost value (K'm)	6,261.08	▼ -34.31%	9,531.28
Overall rejection rate	0.15%	▼ -73.69%	73.85%
91 days yield	7.50%	▲ 0.00%	7.50%
182 days yield	8.46%	▲ 0.00%	8.46%
364 days yield	10.14%	▲ 0.36%	9.78%
All-type yield	8.70%	▲ 0.12%	8.58%
Treasury Note auctions			
Date	10-Mar-20	18-Feb-20	4-Feb-20
Tenor	2 Years	5 Years	10 Years
Coupon rate	10.00%	10.50%	15.50%
Amount offered - cost value (K'b)	26.59	31.36	8.13
Applied for - face value (K'b)	61.09	38.02	0.00
Allotted- face value (K'b)	27.72	36.61	0.00
Allotted - cost value (K'b)	26.59	31.36	0.00
Allotted - weighted average ytm	12.38%	15.55%	
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2- year	12.38%	10-Mar-20	19-May-20
3-year	13.27%	21-Jan-20	7-Apr-20
5-year	15.55%	18-Feb-20	14-Apr-20
7-year	17.36%	7-Jan-20	24-Mar-20
10-year	17.47%	4-Feb-20	21-Apr-20
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last coupon rate
24-Mar-20	7	34.07	11.50%
7-Apr-20	3	32.62	9.00%
14-Apr-20	5-year Development Bond		
21-Apr-20	10	8.86	15.50%
5-May-20	5	44.11	10.50%
19-May-20	2	34.09	8.00%
2-Jun-20	7	20.07	11.50%
16-Jun-20	3	27.48	9.00%
Reference rate			
Rate	Mar-20	% pts Δ	Feb-20
	13.30%	▼ -0.10	13.40%
Inflation rate			
Rate	Jan-20	% pts Δ	Dec-19
	11.1%	▼ -0.4	11.5%
RBM indicative mid exchange rates			
USD	13-Mar-20	% Δ	6-Mar-20
	736.5803	▲ 0.00%	736.5803
GBP	925.5131	▲ -3.01%	954.2398
ZAR	45.0139	▲ -4.05%	46.9327
EUR	825.7065	▲ -0.20%	827.3270
Gross official foreign exchange reserves position			
Reserves (USD'm)	31-Dec-19	30-Nov-19	31-Oct-19
	846.55	603.82	601.80
Import cover (months)		2.89	2.88

(Sources: MSE, RBM, NSO)