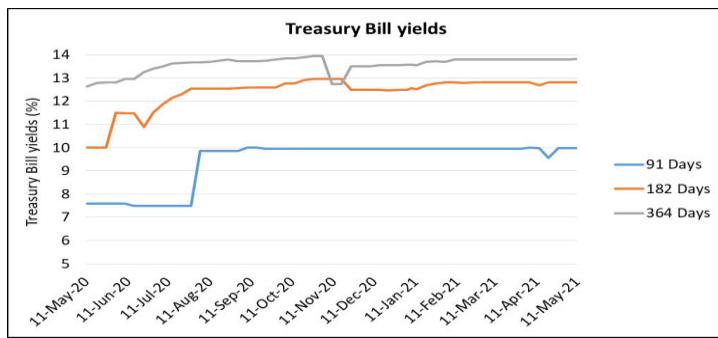


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of 0.10% to close the week at 33,398.30 points from 33,433.19 points in the previous week due to a share price loss in MPICO (-9.00%) which offset share price gains in AIRTEL (0.03%), FMBCH (3.03%) and NBM (-0.002%). The market traded a total of 90,829,075 shares at a consideration of K1.89b in 27 trades during the week, compared to a total of 2,873,234 shares traded at a consideration of K95.80m in 49 trades in the previous week, representing increases in both traded volume and value. The year-to-date return on MASI stands at 3.10% compared to -5.79% for the same period in 2020 (Source: MSE).

Government securities

Government raised K5.82b during the week's auction for Treasury Bills (TBs) compared to K90.12m raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield slightly increased to 12.2033% from 12.1943% in the previous week due to an increase in the 364-day yield to 13.8200% from 13.7930% in the previous week. The 91-day and 182-day yields were stable at 9.9899% and 12.8000%, respectively (Source: RBM).

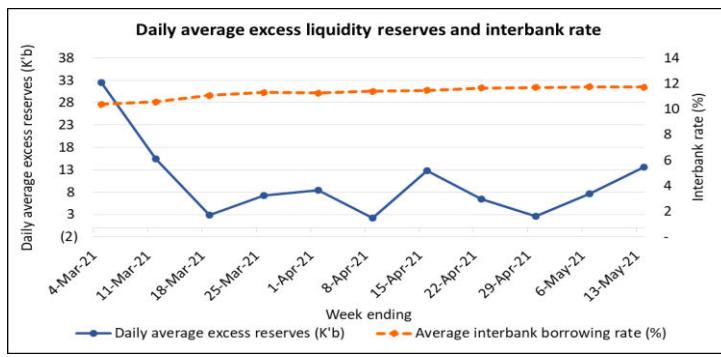


Data source: RBM

Maturities of Government securities for the week amounted to K1.45b, resulting in a net withdrawal of K4.37b from the market, compared to a net injection of K38.07b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K13.61b from K7.66b last week. Consequently, borrowing on the Lombard Facility decreased to K35.37b per day compared to K41.51b in the previous week. The Lombard rate remains fixed at 12.20% as previously set by the MPC. Interbank borrowing for the week increased to K24.80b per day from the average of K15.99b per day in the previous week. The average interbank borrowing rate increased to 11.93% from 11.89% in the previous week (Source: RBM).



Data source: RBM

Foreign exchange market developments

The closing USD/MWK mid-rate decreased to K802.7708 on Wednesday, 12th May 2021 from K798.7038 on Wednesday, 5th May 2021, representing a Kwacha depreciation of 0.51%. During the same period, the Kwacha also depreciated against GBP and ZAR by 2.27% and 2.39%, respectively, but appreciated against EUR by 0.07%. The gross official forex reserves were last recorded at USD392.01m (1.88 months of import cover) on 30th April 2021 from USD410.16m (1.96 months of import cover) recorded on 31st March 2021 (Source: RBM). The reserves were below the recommended minimum of 3 months of import cover. In the fourth week, as at 11th May 2021, the tobacco market had cumulatively raked in USD30.80m compared to USD27.56m as at the end of the fourth week in 2020 (Source: AHL).

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Stock market			
MASI	13-May-21	% Δ	7-May-21
DSI	33,398.30	↓ -0.10%	33,433.19
FSI	28,187.11	↓ -0.25%	28,256.95
Traded volume	1,955.20	↑ 2.60%	1,905.66
Number of trades	90,829,075	↑ 3061.21%	2,873,234
Value of shares traded (K'm)	27	↓ -44.90%	49
Market capitalisation (K'm)	1,893.63	↑ 1876.64%	95.80
Gainers	1,815,796.48	↓ -0.09%	1,817,456.71
AIRTEL	Closing price (K)	% Δ	Opening price (K)
FMBCH	31.02	↑ 0.03%	31.01
NBM	34.00	↑ 3.03%	33.00
Losers	650.07	↑ 0.002%	650.06
MPICO	19.00	↓ -9.00%	20.88
Treasury Bill auctions			
Auction date	11-May-21	% pts Δ	4-May-21
Amount offered - cost value (K'm)	9,861.00	➡ 0.00%	9,861.00
Applied - cost value (K'm)	5,819.13	↑ 6357.09%	90.12
Allotted - cost value (K'm)	5,819.13	↑ 6357.09%	90.12
Overall rejection rate	0.00%	➡ 0.00%	0.00%
91 days yield	9.9899%	➡ 0.00%	9.9899%
182 days yield	12.8000%	➡ 0.00%	12.8000%
364 days yield	13.8200%	↑ 0.03%	13.7930%
All-type yield	12.2033%	↑ 0.01%	12.1943%
Treasury Note auctions			
Auction date	4-May-21	20-Apr-21	6-Apr-21
Tenors	10 years	7 years	3 years
Coupon rate	15.00%	13.50%	11.00%
Amount offered - cost value (K'b)	9.95	20.00	43.73
Total applied - cost value (K'b)	3.06	10.77	19.61
Total allotted - cost value (K'b)	3.06	9.71	18.83
Allotted - weighted average ytm	22.50%	20.50%	18.80%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2-year	16.50%	9-May-21	18-May-21
3-year	18.80%	6-Apr-21	29-Jun-21
5-year	19.98%	23-Mar-21	1-Jun-21
7-year	20.50%	20-Apr-21	15-Jun-21
10-year	22.50%	4-May-21	TBA
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last coupon rate
18-May-21	2	21.00	10.00%
1-Jun-21	5	20.47	12.50%
15-Jun-21	7	28.86	13.50%
29-Jun-21	3	34.34	11.00%
Projected maturities			
Week ending	14-May-21	21-May-21	28-May-21
TBs, PNs & TNs (K'm)	1,448	36,040	11,185
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	11,302	0
Reference rate			
Rate	May-21	% pts Δ	Apr-21
	12.10%	➡ 0.00	12.10%
Inflation rate			
Rate	Mar-21	% pts Δ	Feb-21
	9.4%	↑ 1.1	8.3%
Cumulative tobacco sales			
Year	11-May-21	% Δ	Week 4 2020
Volume (Kg)	18,493,125.00	↑ 2.91%	17,970,662.00
Value (USD)	30,803,027.08	↑ 11.76%	27,560,803.86
Average price (USD/Kg)	1.67	↑ 9.15%	1.53
Actual market closing mid exchange rates			
USD	12-May-21	% Δ	5-May-21
	802.7708	↓ 0.51%	798.7038
GBP	1182.8085	↓ 2.27%	1156.5926
EUR	1031.4377	↓ -0.07%	1032.1643
ZAR	60.9495	↓ 2.39%	59.5281
Gross official foreign exchange reserves position			
Reserves (USD'm)	30-Apr-21	31-Mar-21	28-Feb-21
	392.01	410.16	483.38
Import cover (months)		1.88	2.31

Data sources: MSE, RBM, NSO, AHL

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 34,200 as at 13th May 2021, out of which 737 were reported to be still active. Daily local and imported new infections of COVID-19 were reported to be 14 cases. So far, 32,176 people have recovered while 1,153 have died from the disease. The first dose of the Oxford-AstraZeneca vaccine was reported to have been administered to a total of 330,348 people (Source: Ministry of Health). The second dose will be administered from June 2021 onwards. Globally, total confirmed cases of COVID-19 amounted to 162.6m, with recoveries of more than 141.5m and 3.4m deaths as at 13th May 2021 (Source: Johns Hopkins University & Medicine).