

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 1.27% to close the week at 29,669.56 points from 29,296.55 points in the previous week due to a 14.83% gain in the share price of STANDARD which outweighed a 0.52% loss in the share price of OMU. The rest of the companies registered no price movement. A total of 3,549,463 shares were traded on the Exchange at a consideration of K111.14m, compared to 5,089,229 shares traded in the previous week at a consideration of K257.85m. This represents a decrease of 30.26% in volume and a decrease of 56.90% in value since the previous week. The year-to-date return on the MASI stands at 2.37% compared to 42.32% recorded during a corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

Annual general meetings			
Company	Date	Time	Venue
STANDARD	21-Jun-19	9:30hrs	BICC
SUNBIRD	24-Jun-19	15:30hrs	Sunbird, Mount Soche Hotel
MPICO	27-Jun-19	14:30hrs	Sunbird, Capital Hotel
TNM	4-Jul-19	14:00hrs	Amaryllis Hotel

Government securities

Government raised K7.34b from auctions for Treasury Bills (TB) during the week compared to K3.42b that was raised in the previous week from auctions for TBs (K627.29m) and a 2-year Treasury Note (K2.79b). There was no application for the 2-year Treasury Note during the week in review's auction. Maturities for the week amounted to K15.31b, resulting in a net injection of K7.97b. There were no open market operations (OMO) during the week. The all-type average TB yield increased to 9.50% from 9.42% registered in the preceding week, as the 91-day TB yield increased to 9.00% from 8.85% and the 182-day TB yield increased to 9.50% from 9.40% while the 364-day TB yield was constant at 10.00% (Source: RBM).

Interbank market activity

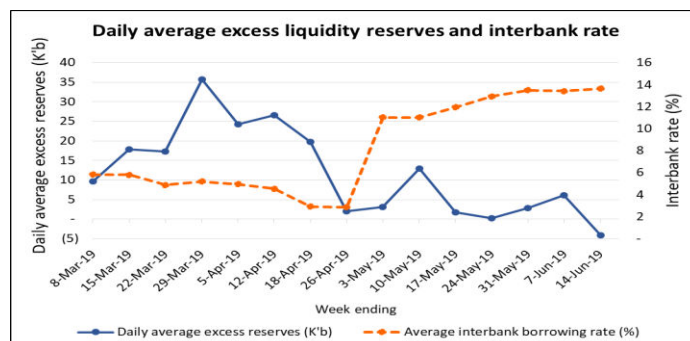
The market faced liquidity challenges during the week. Excess liquidity reserves decreased to an average of negative K4.13b per day from an average of K6.07b per day in the previous week. Consequently, Interbank borrowing increased to a total of K57.25b from K19.60b during the previous week, and the average interbank borrowing rate increased to 13.64% from 13.41%. A total of K130.65b was accessed on the Lombard facility during the week at a fixed rate of 13.9%, compared to K137.65b in the preceding week (Source: RBM).

Foreign exchange market developments

The Kwacha depreciated against all the major trading currencies during the week. The USD/MWK indicative middle rate closed the week at 766.9314 compared to 756.2607 as at the close of the previous week. Gross official forex reserves stood at USD766.10m (3.67 months of import cover) on 30th April 2019, decreasing by 1.21% from USD775.45m (3.71 months of import cover) on 31st March 2019 (Source: RBM).

Stock market				
	14-Jun-19		% Δ	7-Jun-19
MASI	29,669.56	↑	1.27%	29,296.55
DSI	22,619.34	↑	1.52%	22,281.33
FSI	4,520.31	↓	-0.04%	4,521.93
Traded volume	3,549,463	↓	-30.26%	5,089,229
Number of trades	67	↑	103.03%	33
Value of shares traded (K'm)	111.14	↓	-56.90%	257.85
Market capitalisation (K'm)	1,398,851.95	↑	1.25%	1,381,545.38
Gainers	Current price (K)		% Δ	Previous price (K)
STANDARD	573.00	↑	14.83%	499.00
Losers	Current price (K)		% Δ	Previous price (K)
OMU	2500.00	↓	-0.52%	2513.08
Treasury Bill auctions				
Auction date	11 & 13 June 2019		% pts Δ	6-Jun-19
91 days yield	9.00%	↑	0.15	8.85%
182 days yield	9.50%	↑	0.10	9.40%
364 days yield	10.00%	→	0.00	10.00%
All-type yield	9.50%	↑	0.08	9.42%
Applied - cost value (K'm)	11,279.22	↑	1698.09%	627.29
Allotted - cost value (K'm)	7,337.56	↑	1069.72%	627.29
Overall rejection rate	34.95%	↑	34.95	0.00%
Treasury Note auctions				
Date	6-Jun-19		31-May-19	28-May-19
Tenor	2 Years		2 Years	2 Years
Coupon rate	8.00%		8.00%	8.00%
Applied for - face value (K'm)	3,000.00		11,000.00	15,357.50
Allotted- face value (K'm)	3,000.00		6,000.00	42.50
Allotted - cost value (K'm)	2,790.00		5,570.00	39.39
Allotted - weighted average ytm	12.20%		12.15%	12.24%
Upcoming Treasury Note auction				
Tenor	Auction date		Settlement date	Previous auction's yield
3 years	25-Jun-19		27-Jun-19	14.77%
Projected maturities				
Week ending	14-Jun-19		21-Jun-19	28-Jun-19
TBs, PNs & TNs (K'm)	15,311		9,361	6,474
OMO (K'm)	0		4,834	4,836
Inflation				
Rate	Apr-19		% pts Δ	Mar-19
	9.10%	↓	-0.20	9.30%
Cumulative tobacco sales as at 14 June 2019 (week 8) versus 2018				
	Week 8 2019		% Δ	Week 8 2018
Volume (Kg' million)	54.39	↓	-27.08%	74.59
Value (USD' million)	77.32	↓	-36.95%	122.63
Average price (USD/Kg)	1.42	↓	-13.41%	1.64
RBM indicative mid exchange rates				
	14-Jun-19		% Δ	7-Jun-19
USD	766.9314	↓	1.41%	756.2607
GBP	972.1622	↓	1.46%	958.1822
ZAR	51.5980	↓	2.95%	50.1217
EUR	864.4084	↓	1.46%	852.0033
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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