

Malawi Stock Exchange trading activity

The Malawi All Share Index (MASI) marginally lost by 0.07% to 32,285.56 as at the close of the week from 32,306.69 the previous week, due to share price losses in NICO and OMU, which offset share price gains in BHL, MPICO and NBM. The year-to-date return on the MASI stands at 49.48% compared to 48.79% for the corresponding period in 2017. There were no trades on the listed bond market (Source: MSE).

Corporate update

Company	2018 H1 declared dividend per share (K)	Last day to register	Payable
MPICO	0.09	14-Sep-18	28-Sep-18
NBM	5.35	7-Sep-18	21-Sep-18
STANDARD	7.24	7-Sep-18	25-Sep-18
PCL	20.00	10-Aug-18	14-Sep-18
TNM	0.25	14-Sep-18	28-Sep-18
PCL	6.00	19-Oct-18	26-Oct-18
NICO	0.60	21-Sep-18	28-Sep-18
SUNBIRD	0.50	tba	tba

Published financial results for the half year ended 30th June 2018			
	H1 2018 PAT (K'm)	Movement	H1 2017 PAT (K'm)
Listed companies			
FMB Bank (Malawi only)	6,580	↑ 31%	5,035
FMB Capital Holdings PLC (USD'm)	20		
MPICO PLC	3,799	↑ 38%	2,760
National Bank fo Malawi PLC	8,541	↓ -10%	9,527
NBS Bank	479	↑ 142%	(1,136)
NICO Holdings PLC	5,973	↑ 39%	4,303
Press Corporation PLC	23,079	↑ 227%	7,061
Standard Bank	5,532	↓ -32%	8,163
Sunbird	1,173	↑ 9%	1,072
TNM	6,942	↑ 46%	4,750
Unlisted banks			
CDH Investment Bank	672	↑ 34%	503
Ecobank	2,120	↓ -1%	2,134
FDH Bank	1,342	↓ -26%	1,820
Nedbank	(1,053)	↓ -15%	(912)
New Finance Bank	820	↑ 180%	(1,022)
Discount house			
First Discount House	157	↓ -75%	634

Foreign exchange market developments

The Kwacha remained stable against the USD during the week but depreciated against ZAR, GBP and EUR. Gross official foreign exchange reserves dropped to USD742.16 (3.55 months of import cover) as at 13th September 2018 from USD745.49 (3.57 months of import cover) recorded on 7th September 2018 (Source: RBM). Exchange rate stability is expected to continue in the short term, backed by continued supply of foreign exchange from this year's tobacco auction market. As at the end of week 23 of the tobacco auctions on 14th September 2018, USD332.19m had been realized, compared to USD212.51m realized during a corresponding period in 2017, representing 56.31% increase (Source: TCC).

Government securities market

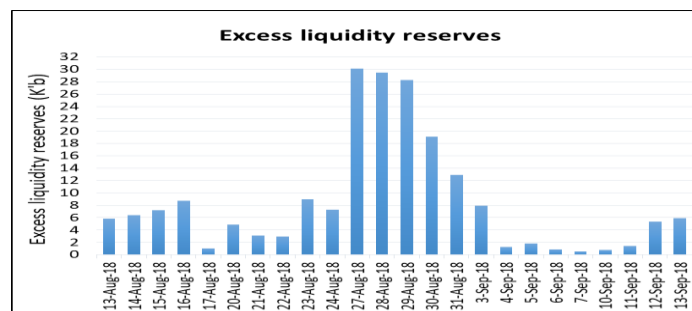
Government raised a total of K3.23b through Treasury Bill auctions conducted during the week, compared to K9.82b raised in the previous week, representing a 67% drop. The auction registered a rejection rate of 54.22%. The average yield dropped to 14.47% from 14.49% the previous week due to a drop in the 91-days yield to 13.91% from 13.98%, while the 182-days and 364-days yields remained stable at 14.50% and 15.00%, respectively (Source: RBM). Treasury Bill yields are expected to remain stable as no policy rate changes are anticipated in the near term. However, persistent inflation risks threaten continued stability of interest rates in general in the medium to long term.

Stock market			
	14-Sep-18	% Δ	7-Sep-18
MASI	32,285.56	↓ -0.07%	32,306.69
DSI	21,443.49	↓ -0.10%	21,465.59
FSI	8,236.83	↓ 0.00%	8,236.83
Traded volume	4,040,274	↓ -49.18%	7,950,632
Number of trades	62	↓ -6.06%	66
Value of shares traded (K' m)	154.61	↓ -91.39%	1,795.00
Market capitalisation (K' b)	1,431.07	↓ -0.07%	1,432.01
Gainers			
	Current price (K)	% Δ	Previous price (K)
BHL	8.70	↑ 7.67%	8.08
MPICO	19.51	↑ 0.31%	19.45
NBM	311.00	↑ 0.30%	310.06
Losers			
	Current price (K)	% Δ	Previous price (K)
NICO	52.00	↓ -3.61%	53.95
OMU	2513.25	↓ 0.00%	2513.26
Treasury Bill auctions			
	11-Sep-18	% pts Δ	5 and 6 September 2018
91 days yield	13.91%	↓ -0.07	13.98%
182 days yield	14.50%	↓ 0.00	14.50%
364 days yield	15.00%	↓ 0.00	15.00%
All-type yield	14.47%	↓ -0.02	14.49%
Allotted - cost value (K' m)	3,226.33	↓ -67%	9,818.74
Overall rejection rate	54.22%	↑ 54.22	0.00%
Projected maturities			
	7-Sep-18	14-Sep-18	Sep-18
TBs, PNs & TNs	8,621	4,890	21,494
OMO	15,434	6,038	92,437
Inflation			
	Jul-18	% pts Δ	Jun-18
Rate	9.00%	↑ 0.40	8.60%
Cumulative tobacco sales as at 14th September 2018 (week 23)			
	2018	% Δ	2017
Volume (Kg)	197,234,371	↑ 85.13%	106,536,815
Value (USD)	332,187,516	↑ 56.31%	212,514,063
Average price (USD/Kg)	1.68	↓ -15.58%	1.99
% of GDP	7.17	↑ 56.31%	4.59
RBM indicative mid exchange rates			
	14-Sep-18	% Δ	7-Sep-18
USD	726.1535	↑ -0.01%	726.2091
GBP	952.4955	↓ 1.47%	938.6979
ZAR	49.1987	↓ 3.72%	47.4324
EUR	849.0913	↓ 0.56%	844.3633
Gross official foreign exchange reserves position			
	13-Sep-18	7-Sep-18	31-Aug-18
Reserves (USD'm)	742.16	745.49	753.52
Import cover (months)	3.55	3.57	3.61

(Sources: MSE, RBM, NSO, TCC)

Interbank market activity

Liquidity levels remained low during the week, with excess reserves decreasing by 43.83% to a daily average of K2.80b from K4.98b the previous week. Consequently, the total amount accessed from the Lombard Facility increased by 12.23% to K60.64b compared to K54.03b accessed during the previous week. The daily average volume traded on the interbank market decreased by 52.37% to K4.98b from K10.46b the previous week. The average overnight interbank rate increased to 15.08% from 14.09% the previous week. There were no Open Market Operations (OMO) by RBM during the week (Source: RBM).



(Source: RBM)

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