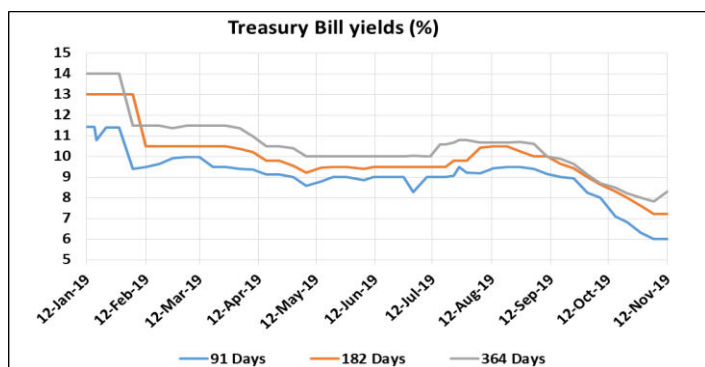


### Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost by 0.83% to close the week at 30,091.23 points from 30,343.05 points recorded in the previous week due to a share price loss in FMBCH which outweighed a marginal gain in share price of NBM. There was no price movement in the rest of the companies registered on the MSE. A total of 42,696,893 shares were traded at a consideration of K687.04m compared to 9,183,064 shares traded in the previous week at a consideration of K304.33m. This week's trading activity represents an increase of 364.95% in volume and an increase of 125.75% in value. The year-to-date return on the MASI stands at 3.82% compared to 23.89% recorded for the corresponding period in 2018 (Source: MSE).

### Government securities

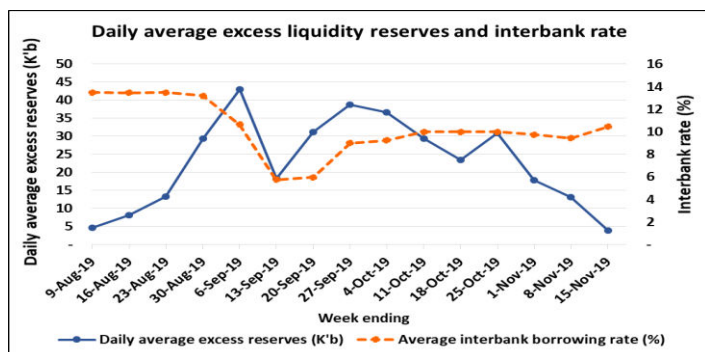
Government raised the planned amount of K8.88b from this week's Treasury Bill (TB) auction held on 12<sup>th</sup> November 2019. The same amount was raised in the previous week's TB auction. Total applications for TBs during the week amounted to K16.48b, representing a rejection rate of 46.12%. There was no auction for Treasury Notes and no open market operations during the week. Maturities for the week amounted to K5.67b, resulting in a net withdrawal of K3.21b from the market, compared to a net withdrawal of K25.87b in the previous week. The all-type average TB yield increased to 7.17% from 7.01% in the preceding week on account of an increase in the 364-day yield to 8.30% from 7.82%, while the 91-day and 182-day yields were stable at 6.00%, 7.20%, respectively (Source: RBM).



(Source: RBM)

### Interbank market activity

Excess liquidity reserves decreased to an average of K3.87b per day from K13.22b per day in the previous week. Consequently, borrowing on the interbank market increased to an average of K7.62b per day from K4.92b per day in the previous week and the average interbank borrowing rate increased to 10.46% from 9.44%. Borrowing on the Lombard Facility amounted to K38.60b, compared to K7.3b in the preceding week (Source: RBM).



(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			
	15-Nov-19	% Δ	8-Nov-19
MASI	30,091.23	↓ -0.83%	30,343.05
DSI	23,454.52	↑ 0.00%	23,454.34
FSI	4,024.86	↓ -5.80%	4,272.58
Traded volume	42,696,893	↑ 364.95%	9,183,064
Number of trades	68	↑ 6.25%	64
Value of shares traded (K'm)	687.04	↑ 125.75%	304.33
Market capitalisation (K'm)	1,421,156.66	↓ -0.84%	1,433,174.57
Gainers			
NBM	460.03	↑ 0.00%	460.01
Losers			
FMBCH	75.00	↓ -6.25%	80.00
Projected maturities			
Week ending	8-Nov-19	15-Nov-19	Nov-19
TBs, PNs & TNs (K'm)	5,001	5,673	36,908
OMO (K'm)	0	0	4,869
Treasury Bill auctions			
Auction date	12-Nov-19	% pts Δ	5-Nov-19
Amount offered - cost value (K'm)	8,882.00	→ 0.00%	8,882.00
Applied - cost value (K'm)	16,484.86	↓ -34.40%	25,128.36
Allotted - cost value (K'm)	8,882.44	→ 0.00%	8,882.44
Overall rejection rate	46.12%	↓ -18.53	64.65%
91 days yield	6.00%	↓ 0.00	6.00%
182 days yield	7.20%	→ 0.00	7.20%
364 days yield	8.30%	↑ 0.48	7.82%
All-type yield	7.17%	↑ 0.16	7.01%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2-year	10.12%	8-Oct-19	17-Dec-19
3-year	10.70%	5-Nov-19	21-Jan-20
5-year	14.00%	26-Sep-19	3-Dec-19
7-year	13.73%	24-Oct-19	7-Jan-20
10-year	18.04%	10-Sep-19	19-Nov-19
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last coupon rate
19-Nov-19	10	12.63	15.50%
3-Dec-19	5	22.86	10.00%
17-Dec-19	2	36.79	8.00%
7-Jan-20	7	24.35	14.00%
21-Jan-20	3	29.37	9.00%
4-Feb-20	10	8.13	15.50%
18-Feb-20	5	31.36	10.00%
Reference rate			
Rate	Nov-19	% pts Δ	Oct-19
Rate	12.30%	↑ 0.30	12.00%
Inflation			
Rate	Sep-19	% pts Δ	Aug-19
Rate	9.20%	↓ -0.30	9.50%
RBM indicative mid exchange rates			
	15-Nov-19	% Δ	8-Nov-19
USD	735.1807	↓ 0.06%	734.7401
GBP	946.9127	↓ 0.57%	941.5694
ZAR	49.7221	↑ -0.18%	49.8105
EUR	810.4632	↑ -0.17%	811.8143
Gross official foreign exchange reserves position			
	30-Sep-19	30-Aug-19	31-Jul-19
Reserves (USD'm)	656.04	705.68	704.14
Import cover (months)	3.14	3.37	3.37

(Sources: MSE, RBM, NSO)

### Foreign exchange market developments

The Kwacha slightly depreciated against USD and GBP during the week but appreciated against EUR and ZAR. The indicate USD/MWK middle rate increased to 735.1807 from 734.7401 the preceding week. Gross official foreign exchange reserves stood at USD656.04m (3.14 months of import cover) on 30<sup>th</sup> September 2019, representing a decrease from USD705.68m (3.37 months of import cover) recorded on 30<sup>th</sup> August 2019 (Source: RBM).