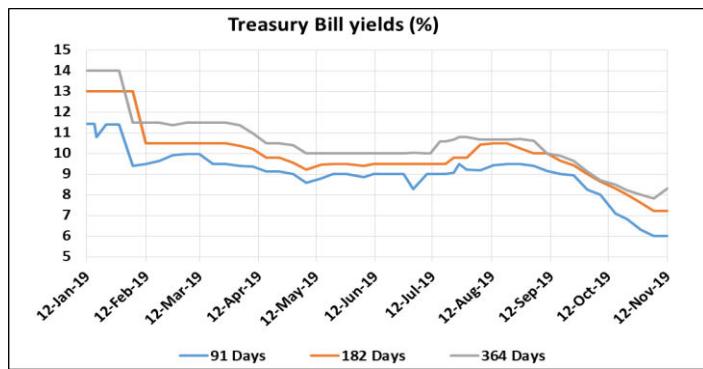


**Malawi Stock Exchange (MSE) trading activity**

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**

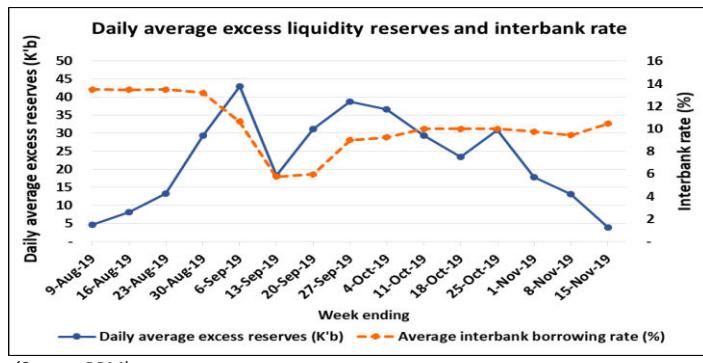
Government raised the planned amount of K8.88b from this week's Treasury Bill (TB) auction held on 12<sup>th</sup> November 2019. The same amount was raised in the previous week's TB auction. Total applications for TBs during the week amounted to K16.48b, representing a rejection rate of 46.12%. There 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)

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| 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              |
| <b>Gainers</b>   | <b>Current price (K)</b> | <b>% Δ</b>   | <b>Previous price (K)</b> |
| NBM  | 460.03                   | ↑ 0.00%      | 460.01                    |
| <b>Losers</b>  | <b>Current price (K)</b> | <b>% Δ</b>   | <b>Previous price (K)</b> |
| FMBCH  | 75.00                    | ↓ -6.25%     | 80.00                     |
| <b>Projected maturities</b>                              |                          |              |                           |
| 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                     |
| <b>Treasury Bill auctions</b>                            |                          |              |                           |
| 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%                     |
| <b>Current yields for Treasury Notes</b>                 |                          |              |                           |
| 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                 |
| <b>Upcoming Treasury Note auctions</b>                   |                          |              |                           |
| 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%                    |
| <b>Reference rate</b>                                    |                          |              |                           |
| Rate   | Nov-19                   | % pts Δ      | Oct-19                    |
|  | 12.30%                   | ↑ 0.30       | 12.00%                    |
| <b>Inflation</b>   |                          |              |                           |
| Rate   | Sep-19                   | % pts Δ      | Aug-19                    |
|  | 9.20%                    | ↓ -0.30      | 9.50%                     |
| <b>RBM indicative mid exchange rates</b>                 |                          |              |                           |
|  | 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                  |
| <b>Gross official foreign exchange reserves position</b> |                          |              |                           |
|  | 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).