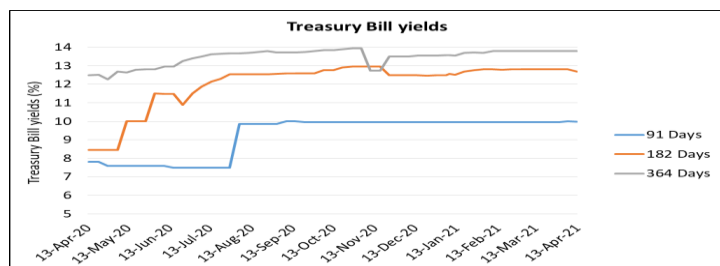


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 1.05% to close the week at 32,901.81 from 32,561.09 points in the previous week due to share price gains in AIRTEL (3.79%), FMCH (10.66%) and STANDARD (0.001%) which outweighed share price losses in ICON (-0.16%) and MPICO (-0.05%). The market traded a total of 2,074,082 shares at a consideration of K67.47m in 67 trades during the week compared to a total of 1,332,132 shares traded at a consideration of K30.71m in 41 trades in the previous week, representing increases of 55.70% and 119.73% in traded volume and value, respectively. The year-to-date return on MASI stands at 1.57% compared to -3.93% for the same period in 2020. On the debt market, the price of NFB03 note gained by 0.20% to close the week at 100.2026 from 100.0000 in the previous week, as the market traded a total of 10,000 notes at a consideration of K1.00m in 2 trades (Source: MSE).

Government securities

Government raised K2.72b during the week's auction for Treasury Bills (TBs) compared to K0.89b raised in the previous week, representing an increase of 208.86% in the amount raised. The auction registered a rejection rate of 0.07% on the submitted bids. The all-type average TB yield decreased to 12.1616% from 12.1972% in the previous week following decreases across all tenors, namely 91 days, 182 days and 364 days.

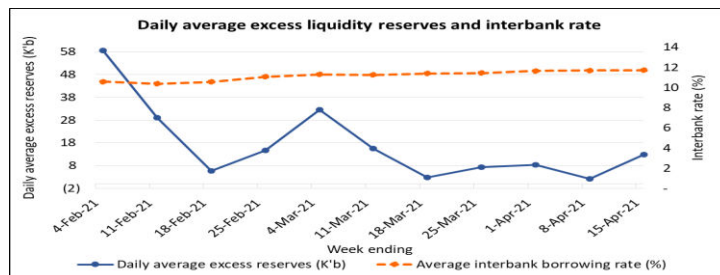


Data source: RBM

Maturities of Government securities and OMO reverse repos for the week amounted to K4.08b and K69.74b, respectively. This resulted in a net withdrawal of K68.38b from the market, compared to a net withdrawal of K9.13b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K12.78b from K2.27b recorded in the previous week. Consequently, borrowing on the Lombard Facility averaged K18.42b per day during the week, decreasing from an average of K24.27b per day in the previous week at a fixed rate of 12.20%. Interbank borrowing for the week also decreased to an average of K24.50b per day from the average of K29.73b per day in the previous week. The average interbank borrowing rate increased to 11.72% from 11.69% (Source: RBM).



Data source: RBM

Foreign exchange market developments

The market closing USD/MWK mid-rate decreased to K790.5266 on Thursday, 15th April 2021 from K791.8674 on Thursday, 8th April 2021 in the previous week, representing a Kwacha appreciation of 0.17%. During the same period, the Kwacha, however, depreciated against GBP, EUR and ZAR by 0.04%, 1.16% and 0.63%, respectively. Gross official forex reserves were last recorded at USD410.16m (1.96 months of import cover) on the 31st March 2021 from USD483.38m (2.31 months of import cover) recorded on the 28th February 2021 (Source: RBM). The reserves were below the recommended minimum of 3 months of import cover. The situation is expected to prevail until the onset of the 2021 tobacco marketing season.

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 33,919 as at 16th April 2021, out of which 932 were reported to be still active. Daily new infections of COVID-19 were reported to be 17 cases. Although the new infection rates are low, Government has cautioned the public to stay vigilant against an impending third wave. So far, 31,717 people have recovered while 1,136 have died from the disease. The first dose of the Oxford-AstraZeneca vaccine had been administered to a total of 251,368 people as at 16th April 2021 (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 139.98m, with recoveries of more than 118.92m and 3.00m deaths as at 16th April 2021 (Source: Worldometer).

Stock market				
	16-Apr-21		% Δ	9-Apr-21
MASI	32,901.81	↑	1.05%	32,561.09
DSI	27,900.12	↑	0.69%	27,709.05
FSI	1,757.52	↑	8.87%	1,614.33
Traded volume	2,074,082	↑	55.70%	1,332,132
Number of trades	67	↑	63.41%	41
Value of shares traded (K'm)	67.47	↑	119.73%	30.71
Market capitalisation (K'm)	1,788,618.20	↑	1.05%	1,770,008.09
Gainers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	29.01	↑	3.79%	27.95
FMCH	30.01	↑	10.66%	27.12
STANDARD	1200.13	↑	0.001%	1200.12
Losers				
	Closing price (K)		% Δ	Opening price (K)
ICON	12.16	↓	-0.16%	12.18
MPICO	20.88	↓	-0.05%	20.89
Debt market				
	Closing price (K)		% Δ	Opening price (K)
Symbol	100.2026	↑	0.20%	100.0000
NFB03				
Treasury Bill auctions				
	13-Apr-21		% pts Δ	6-Apr-21
Auction date	13-Apr-21			6-Apr-21
Amount offered - cost value (K'm)	4,830.00	↑	0.00%	4,830.00
Applied - cost value (K'm)	2,736.82	↑	208.86%	886.10
Allotted - cost value (K'm)	2,734.94	↑	208.65%	886.10
Overall rejection rate	0.07%	↑	0.07	0.00%
91 days yield	9.9885%	↓	-0.03%	9.9917%
182 days yield	12.6965%	↓	-0.81%	12.8000%
364 days yield	13.7997%	↓	-0.002%	13.8000%
All-type yield	12.1616%	↓	-0.29%	12.1972%
Treasury Note auctions				
	6-Apr-21	23-Mar-21		9-Mar-21
Auction date	6-Apr-21	23-Mar-21		9-Mar-21
Tenors	3 years	5 years		2 years
Coupon rate	11.00%	12.50%		10.00%
Amount offered - cost value (K'b)	43.73	23.47		38.34
Total applied - cost value (K'b)	19.61	21.24		40.86
Total allotted - cost value (K'b)	18.83	20.99		38.57
Allotted - weighted average ytm	18.80%	19.98%		16.50%
Current yields for Treasury Notes				
	Tenor	Last auction's yield	Last auction	Next auction
	2-year	16.50%	9-Mar-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%	9-Feb-21	20-Apr-21
	10-year	22.50%	16-Feb-21	4-May-21
Upcoming Treasury Note auctions				
	Auction date	Tenor	Amount (K'b)	Last coupon rate
	20-Apr-21	7	20.00	13.50%
	4-May-21	10	9.95	15.00%
	18-May-21	2	21.00	10.00%
	1-Jun-21	5	20.47	12.50%
	15-Jun-21	7	28.86	13.50%
Projected maturities				
	Week ending	16-Apr-21	23-Apr-21	30-Apr-21
	TBs, PNs & TNs (K'm)	4,075	8,320	16,865
	OMO repos (K'm)	0	0	0
	OMO reverse repos (K'm)	69,735	19,180	10,554
Reference rate				
	Apr-21		% pts Δ	Mar-21
Rate	12.10%	↑		11.90%
Inflation rate				
	Feb-21		% pts Δ	Jan-21
Rate	8.3%	↑	0.6	7.7%
Actual market closing mid exchange rates				
	15-Apr-21		% Δ	8-Apr-21
USD	790.5266	↑	-0.17%	791.8674
GBP	1139.5391	↓	0.04%	1139.0765
EUR	1010.9299	↓	1.16%	999.3671
ZAR	58.4644	↓	0.63%	58.1006
Gross official foreign exchange reserves position				
	31-Mar-21	28-Feb-21		31-Jan-21
Reserves (USD'm)	410.16	483.38		502.98
Import cover (months)	1.96	2.31		2.41

Data sources: MSE, RBM, NSO, AHL

Published financial results

Company	2020 profit after tax (K'b)	Movement	2019 profit after tax (K'b)
Banks			
CDH Investment Bank Ltd	3,086	↑	34%
Ecobank Ltd	7,750	↑	9%
FDH Bank Plc	14,956	↑	188%
First Capital Bank Plc	8,026	↑	21%
MyBucks Banking Corporation	2,243	↑	53%
National Bank of Malawi Plc	22,450	↑	31%
NBS Bank Plc	7,050	↑	58%
Standard Bank Plc	23,743	↑	50%
Listed non-bank companies			
Airtel Malawi Plc	22,091	↑	39%
Blantyre Hotels Plc	0.252	↓	-46%
Illovo Sugar Plc	2,739	↓	-73%
National Investment Trust Plc	1,480	↓	-17%
Old Mutual Group Plc (Rb)	5,097	↓	-46%
Sunbird Tourism Plc	1,180	↓	-53%
Unlisted non-bank financial institutions			
Bridgepath Capital Ltd (12 months in 2020 Vs 3 months in 2019)	0.037	↑	306%
Emertus reinsurance company Ltd	0.266	↓	-30%
First Discount House Ltd	3,258	↑	45%
NBM Development Bank Ltd	0.060	↑	378%

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.