

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 1.19% to close the week at 28,114.09 points from 27,783.20 points the previous week, on account of share price gains in NBM, NICO and TNM. The rest of the companies registered no price movement. The market registered a decrease in the volume of shares traded to 4,818,225 from 20,378,616 and a decrease in the value of traded shares to K346.27m from K1.32b. The year-to-date return on the MASI stands at negative 3.00% compared to 28.87% 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
OMU	24-May-19	14:00hrs	Mutual Place, Sandton
NITL	5-Jun-19	10:00hrs	Mount Soche Hotel
NBS	5-Jun-19	15:30hrs	Ryalls Hotel
NBM	6-Jun-19	14:00hrs	NBM Learning & Growth Centre
NICO	7-Jun-19	15:30hrs	Ryalls Hotel

Government securities

Government raised a total of K9.81b during an auction for Treasury Bills (TBs) during the week, 11.23% higher than a total of K8.82b that was raised during the TB auction for the previous week. No application for TBs during the auction was rejected, compared to the rejection rate of 44.70% in the previous week. Maturities for the week amounted to K9.03b, resulting in a net withdrawal of K0.78b. There were no open market operations during the week, as was the case in the previous week (Source: RBM). The all-type average TB yield increased to 9.42% during the week from 9.26% registered in the preceding week, as the 91-day TB yield increased to 8.80% from 8.57% and the 182-day TB yield increased to 9.45% from 9.22% while the 364-day TB yield was constant at 10.00% (Source: RBM).

Interbank market activity

Excess liquidity reserves decreased to an average of K1.74b per day during the week from an average of K12.95b per day in the previous week. An average of K5.03b per day was borrowed on the interbank market at an average rate of 11.93%, compared to no interbank borrowing during the previous week. Consequently, the amount accessed on the Lombard facility decreased to a total of K108.00b from a total of K154.55b in the preceding week. The Lombard rate was constant at 13.9% (Source: RBM).

Foreign exchange market developments

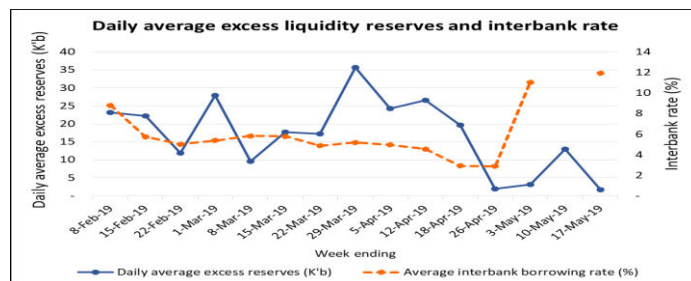
On the one hand, the Kwacha registered a depreciation of 0.43% against USD during the week as the USD/MWK indicative middle rate increased to 740.5040 from 737.3337. On the other hand, it depreciated by 1.12% and 0.35% and appreciated by 1.26% against ZAR, EUR and GBP, respectively. Gross official forex reserves stood at USD760.70 (3.60 months of import cover) on 31st March 2019, decreasing by 9.17% from USD837.49m (4.01 months of import cover) on 28th February 2019 (Source: RBM).

Inflation

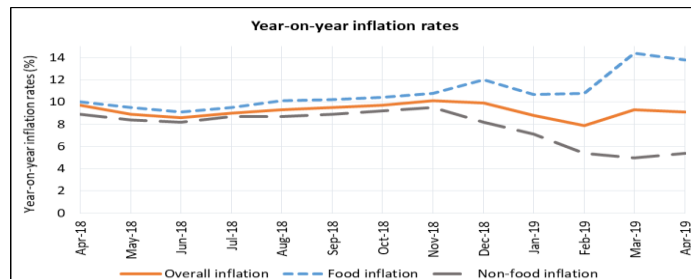
Year-on-year headline inflation rate decreased to 9.1% in April 2019 from 9.3% in March 2019, on account of a decrease in year-on-year food inflation rate to 13.8% from 14.4% the preceding month which outweighed an increase in non-food inflation rate to 5.4% from 5.0% (Source: NSO).

Stock market				
	17-May-19	% Δ		10-May-19
MASI	28,114.09	↑ 1.19%		27,783.20
DSI	21,214.47	↑ 1.43%		20,915.94
FSI	4,521.94	→ 0.00%		4,521.94
Traded volume	4,818,225	↓ -76.36%		20,378,616
Number of trades	62	↓ -46.55%		116
Value of shares traded (K'm)	346.27	↓ -73.72%		1,317.61
Market capitalisation (K'm)	1,326,737.17	↑ 1.17%		1,311,399.98
Gainers				
	Current price (K)	% Δ		Previous price (K)
NBM	340.00	↑ 6.25%		320.01
NICO	48.50	↑ 3.24%		46.98
TNM	28.50	↑ 1.57%		28.06
Losers				
None				
Treasury Bill auctions				
Auction date	15-May-19	% pts Δ		7-May-19
91 days yield	8.80%	↑ 0.24		8.57%
182 days yield	9.45%	↑ 0.23		9.22%
364 days yield	10.00%	→ 0.00		10.00%
All-type yield	9.42%	↑ 0.15		9.26%
Applied - cost value (K'm)	9,810.58	↓ -38.48%		15,948.21
Allotted - cost value (K'm)	9,810.58	↑ 11.23%		8,819.75
Overall rejection rate	0.00%	↓ -44.70		44.70%
Upcoming Treasury Note auctions				
Tenor	Auction date	Settlement date		Previous auction's yield
2 years	28-May-19	30-May-19		17.32%
3 years	25-Jun-19	27-Jun-19		14.77%
Projected maturities				
Week ending	17-May-19	24-May-19		31-May-19
TBs, PNs & TNs (K'm)	9,028	5,662		30,752
OMO (K'm)	0	0		15,744
Inflation				
Rate	Apr-19	% pts Δ		Mar-19
	9.10%	↓ -0.20		9.30%
RBM indicative mid exchange rates				
	17-May-19	% Δ		10-May-19
USD	740.5040	↓ 0.43%		737.3337
GBP	947.1046	↑ 1.26%		959.1524
ZAR	51.7300	↓ 1.12%		51.1571
EUR	827.8094	↓ 0.35%		824.8991
Gross official foreign exchange reserves position				
	31-Mar-19	28-Feb-19		31-Jan-19
Reserves (USD'm)	760.70	837.49		790.28
Import cover (months)	3.60	4.01		3.78

(Sources: MSE, RBM, NSO)



(Source: RBM)



(Source: NSO)

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