

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost by 2.55% to close the week at 29,500.15 points from 30,273.44 points recorded in the previous week due to share price losses in MPICO and TNM, which outweighed a price gain in NBS. There were no price movements in the rest of the companies registered on MSE. A total of 2,455,723 shares were traded at a consideration of K166.01m in 26 trades compared to 4,270,014 shares were traded at a consideration of K81.64m in 37 trades. The year-to-date return on the MASI stands at -2.49% compared to 0.43% recorded for the corresponding period in 2019 (Source: MSE).

Corporate news

Company	2018 FY PAT (K'b)	Expected movement	Projected 2019 FY PAT (K'b)
BHL	0.35	↑ 35%	0.47
FMBCH	12.05	↓ -70%	3.62
ICON	1.24	↑ 200%	3.72
NBS	1.70	↑ 100%	3.40
PCL	18.37	↓ -35%	11.94
STD	10.58	↑ 45%	15.34

Dividend announcements

Company	Dividend type	Declared/Proposed	Dividend amount (K)	Last day to register	Payable
ILLOVO	Final	Proposed	0.50 per share	13-Mar-20	31-Mar-20

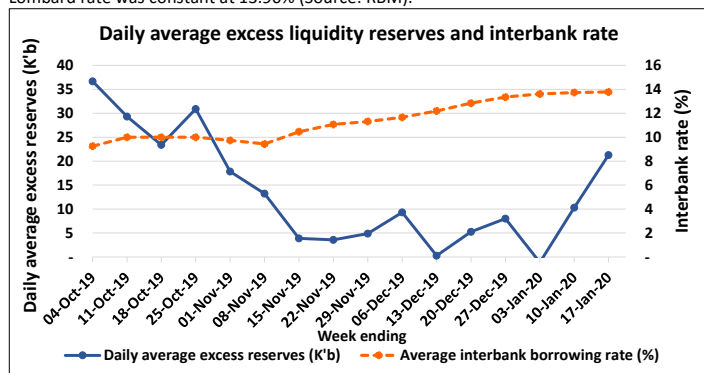
(Source: MSE)

Government securities

Government raised K11.96b from a Treasury Bill (TB) auction held during the week compared to a total of K24.12b raised from a TB and a TN auction in the previous week. The auction registered a rejection of 31.31%. The all-type average TB yield slightly dropped to 7.99% from 8.10% in the preceding week due to a drop in the 364-day yield to 10.36% from 10.69% while the 91-day and 182-day yields were stable at 6.15% and 7.46%, respectively. Maturities for the week amounted to K36.62b, resulting in a net injection of K24.66b into the market compared to a net injection of K16.82b in the previous week. (Source: RBM).

Interbank market activity

Liquidity improved in the market, with daily average excess reserves at K21.26b from an average of K10.32b in the previous week. Consequently, borrowing on the interbank market decreased to an average of K11.80b per day from K13.40b per day in the previous week. The average interbank borrowing rate remained at 13.78%. Borrowing on the Lombard Facility decreased to an average of K20.59b per day from K27.77b per day in the preceding week. The Lombard rate was constant at 13.90% (Source: RBM).



(Source: RBM)

Foreign exchange market developments

The Kwacha was stable against the USD, trading at an average mid-rate of K736.4016 per USD during the week. It registered an appreciation against ZAR and marginal depreciations against GBP and EUR. Gross official foreign exchange reserves were last recorded at USD588.70m (2.80 months of import cover) on 30th November 2019, a decrease from USD589.90m (2.80 months of import cover) recorded on 31st October 2019 (Source: RBM).

Stock market				
	17-Jan-20	% Δ	10-Jan-20	
MASI	29,500.15	↓ -2.55%	30,273.44	
DSI	22,921.24	↓ -2.95%	23,618.91	
FSI	4,024.86	↓ 0.00%	4,024.86	
Traded volume	2,455,723	↓ -42.49%	4,270,014	
Number of trades	26	↓ -29.73%	37	
Value of shares traded (K'm)	166.01	↑ 103.35%	81.64	
Market capitalisation (K'm)	1,393,894.14	↓ -2.51%	1,429,737.35	
Gainers				
	Current price (K)	% Δ	Previous price (K)	
NBS	15.00	↑ 7.07%	14.01	
Losers				
	Current price (K)	% Δ	Previous price (K)	
MPICO	19.50	↓ -0.15%	19.53	
TNM	22.10	↓ -15.00%	26.00	
Projected maturities				
	17-Jan-20	24-Jan-20	Jan-20	
Week ending	36,616	16,482	88,113	
TBs, PNs & TNs (K'm)	0	0	25,672	
OMO (K'm)				
Treasury Note auctions				
	7-Jan-20	17-Dec-19	4-Dec-19	
Tenor	7 Years	2 Years	5 Years	
Coupon rate	11.50%	8.00%	10.50%	
Amount offered - cost value (K'b)	24.35	36.79	22.86	
Applied for - face value (K'b)	16.24	7.16	42.50	
Allotted - face value (K'b)	16.24	4.16	26.49	
Allotted - cost value (K'b)	12.48	3.94	22.86	
Allotted - weighted average ytm	17.36%	12.27%	14.45%	
Treasury Bill auctions				
	14-Jan-20	% pts Δ	7-Jan-20	
Amount offered - cost value (K'm)	11,960.00	0.00%	11,960.00	
Applied for - cost value (K'm)	17,411.65	↑ 49.60%	11,638.42	
Allotted - cost value (K'm)	11,960.06	↑ 2.76%	11,638.42	
Overall rejection rate	31.31%	↑ 31.31	0.00%	
91 days yield	6.15%	↓ 0.00	6.15%	
182 days yield	7.46%	↓ 0.00	7.46%	
364 days yield	10.36%	↓ -0.34	10.69%	
All-type yield	7.99%	↓ -0.11	8.10%	
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction	Next auction	
2-year	12.27%	17-Dec-19	TBA	
3-year	10.70%	05-Nov-19	21-Jan-20	
5-year	14.45%	04-Dec-19	18-Feb-20	
7-year	17.36%	07-Jan-20	TBA	
10-year	17.47%	19-Nov-19	04-Feb-20	
Upcoming Treasury Note auctions				
Auction date	Tenor	Amount (K'b)	Last coupon rate	
21-Jan-20	3	29.37	9.00%	
04-Feb-20	10	8.13	15.50%	
18-Feb-20	5	31.36	10.00%	
Reference rate				
	Jan-20	% pts Δ	Dec-19	
Rate	13.10%	↑ 0.60	12.50%	
Inflation rate				
	Nov-19	% pts Δ	Oct-19	
Rate	10.4%	↑ 0.8	9.6%	
RBM indicative mid exchange rates				
	17-Jan-20	% Δ	10-Jan-20	
USD	736.4016	↓ 0.00%	736.4016	
GBP	963.7288	↓ 0.01%	963.6551	
ZAR	51.2041	↑ -1.25%	51.8545	
EUR	820.2777	↓ 0.29%	817.9213	
Gross official foreign exchange reserves position				
	30-Nov-19	31-Oct-19	30-Sep-19	
Reserves (USD'm)	588.70	589.90	656.04	
Import cover (months)	2.80	2.80	3.14	

(Sources: MSE, RBM, NSO)

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