

Malawi Stock Exchange (MSE) trading activity

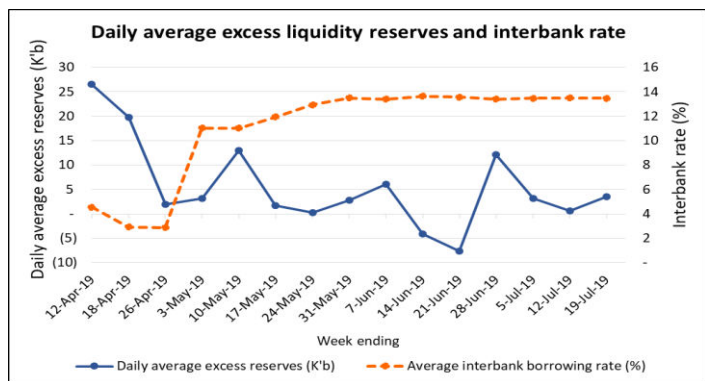
The Malawi All Share Index (MASI) gained marginally to close the week at 29,954.56 points from 29,953.83 points the previous week due to marginal share price gains in NBM and NBS. A total of 12,329,751 shares were traded on the Exchange at a consideration of K649.88m, compared to 870,946 shares which were traded in the previous week at a consideration of K26.00m. The year-to-date return on the MASI stands at 3.35% compared to 47.90% recorded during the corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

Government securities

Government raised a total of K8.11b during auctions for Treasury Bills (TB) during the week, compared to K6.78b that was raised during TB auctions in the previous week. There was no auction for Treasury Notes during the week as was the case in the previous week. Total maturities for the week amounted to K16.75b, resulting in a net injection of K8.64b into the market. There were no open market operations (OMO) during the week. The all-type average TB yield was stable at 9.50% as the 91-day, 182-day and 364-day TB yields were constant at 9.00%, 9.50% and 10.00%, respectively (Source: RBM).

Interbank market activity

Liquidity levels improved during the week as excess liquidity reserves increased to an average of K3.47b per day from an average of K0.64b per day in the previous week. Borrowing on the interbank market slightly increased to an average of K8.47b per day from K8.45b per day during the previous week and the average interbank borrowing rate decreased to 13.48% from 13.51%. The amount accessed on the Lombard facility decreased to a total of K79.60b at a fixed rate of 13.90% from K81.21b in the preceding week (Source: RBM).



(Source: RBM)

Foreign exchange market developments

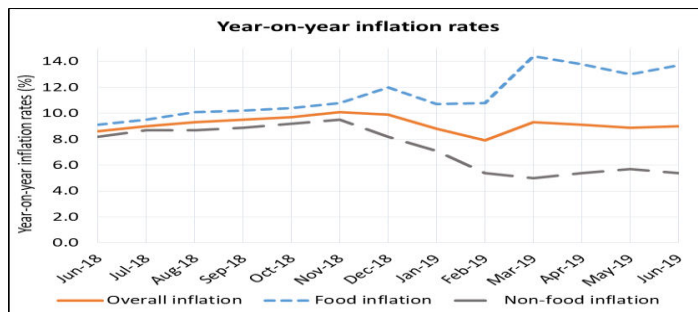
The Kwacha appreciated against all the major trading currencies during the week, with the USD/MWK indicative middle rate closing the week at 767.6186 from 774.3823 in the previous week (Source: RBM). Gross official forex reserves stood at USD693.00m (3.30 months of import cover) on 31st May 2019 (Source: RBM).

Stock market				
	19-Jul-19		% Δ	12-Jul-19
MASI	29,954.56	↑	0.002%	29,953.83
DSI	22,876.47	↑	0.00%	22,875.81
FSI	4,520.31	→	0.00%	4,520.31
Traded volume	12,329,751	↑	1315.67%	870,946
Number of trades	29	↓	-14.71%	34
Value of shares traded (K'm)	649.88	↑	2399.32%	26.00
Market capitalisation (K'm)	1,412,136.18	↑	0.00%	1,412,102.41
Gainers		Current price (K)		Previous price (K)
NBM	370.01	↑	0.003%	370.00
NBS	9.01	↑	0.11%	9.00
Losers		Current price (K)		Previous price (K)
None				
Treasury Bill auctions				
Auction date	16 & 19 July 2019		% pts Δ	9 & 11 July 2019
91 days yield	9.00%	→	0.00	9.00%
182 days yield	9.50%	→	0.00	9.50%
364 days yield	10.00%	→	0.00	10.00%
All-type yield	9.50%	→	0.00	9.50%
Applied - cost value (K'm)	9,797.42	↑	44.60%	6,775.64
Allotted - cost value (K'm)	8,107.93	↑	19.66%	6,775.64
Overall rejection rate	17.24%	↑	17.24	0.00%
Projected maturities				
Week ending	12-Jul-19		19-Jul-19	26-Jul-19
TBs, PNs & TNs (K'm)	29,872		16,753	19,414
OMO (K'm)	0		0	0
Inflation				
	Jun-19		% pts Δ	May-19
Rate	9.00%	↑	0.10	8.90%
Cumulative tobacco sales as at 12 July 2019 (week 12) versus 2018				
	Week 12 2019		% Δ	Week 12 2018
Volume (Kg' million)	94.05	↓	-20.52%	118.34
Value (USD' million)	138.92	↓	-31.95%	204.15
Average price (USD/Kg)	1.48	↓	-14.45%	1.73
RBM indicative mid exchange rates				
	19-Jul-19		% Δ	12-Jul-19
USD	767.6186	↑	-0.87%	774.3823
GBP	961.8261	↑	-0.97%	971.2303
ZAR	55.4193	↑	-0.56%	55.7302
EUR	864.1850	↑	-0.97%	872.6514
Gross official foreign exchange reserves position				
	31-May-19		30-Apr-19	31-Mar-19
Reserves (USD'm)	696.30		766.10	775.45
Import cover (months)	3.33		3.67	3.71

(Sources: MSE, RBM, NSO)

Inflation

Year-on-year headline inflation rate increased to 9.0% in June 2019 from 8.9% in May 2019 due to an increase in year-on-year food inflation rate to 13.7% from 13.0% the preceding month which outweighed a decrease in non-food inflation rate to 5.4% from 5.7%.



(Source: NSO)

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