

### Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost by 0.38% to close the week at 29,413.02 points from 29,525.76 points the previous week due to share price losses in TNM and NBM. A total of 11,845,898 shares were traded on the Exchange at a consideration of K596.81m, compared to 6,621,563 shares which were traded in the previous week at a consideration of K1.22b. The year-to-date return on the MASI stands at 1.48% compared to 44.75% recorded during the corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

### Corporate news

National Bank of Malawi Plc posted a profit after tax of K9.13b for the six months ended 30<sup>th</sup> June 2019, up by 7% when compared to K8.54b posted in the previous corresponding period. Both interest and non-interest income grew during the period as customer deposits and loan book grew by 8% and 21%, respectively (Source: MSE).

ICON Properties Plc reported a profit after tax of K1.28b for the two months ended 31<sup>st</sup> December 2018, having commenced its activities on 1<sup>st</sup> November 2018 (Source: MSE).

### Government securities

Government raised a total of K520.64m during auctions for Treasury Bills (TB) during the week, compared to K18.53b that was raised during TB auctions in the previous week. There were no auctions for Treasury Notes during the week as was the case in the previous week. Total maturities for the week amounted to K2.88b, resulting in a net injection of K2.36b into the market. There were no open market operations (OMO) during the week. The all-type average TB yield was constant at 9.93% as the 91-day TB yield decreased to 9.21% from 9.28%, the 182-day TB yield was stable at 9.79% and the 364-day TB yield increased to 10.80% from the average of 10.73% in the previous week. (Source: RBM).

### Interbank market activity

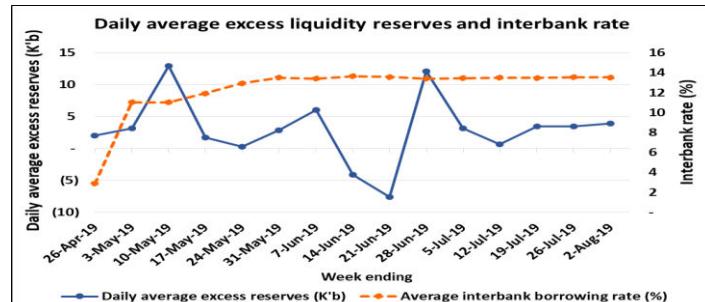
Liquidity levels remained low during the week as excess liquidity reserves slightly increased to an average of K3.93b per day from K3.46b in the previous week. Borrowing on the interbank market increased to an average of K12.01b per day from K10.58b per day during the previous week and the average interbank borrowing rate marginally decreased to 13.52% from 13.55%. The amount accessed on the Lombard facility increased to a total of K68.80b from K43.10b in the preceding week at a fixed rate of 13.90% (Source: RBM).

### Foreign exchange market developments

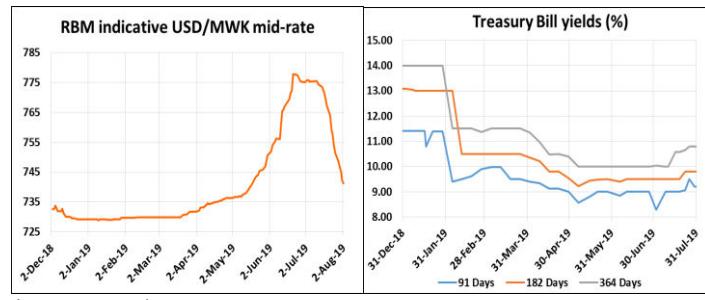
The Kwacha appreciated against all the major trading currencies during the week, with the USD/MWK indicative middle rate closing the week at 741.2437 from 751.4433 in the previous week (Source: RBM). Gross official forex reserves stood at USD765.82m (3.66 months of import cover) on 30<sup>th</sup> June 2019, up from USD693.00m (3.30 months of import cover) on 31<sup>st</sup> May 2019 (Source: RBM).

Stock market				
	2-Aug-19	% Δ	26-Jul-19	
MASI	29,413.02	↓ -0.38%	29,525.76	
DSI	22,387.89	↓ -0.45%	22,489.61	
FSI	4,520.31	⇒ 0.00%	4,520.31	
Traded volume	11,845,898	↑ 78.90%	6,621,563	
Number of trades	92	↑ 95.74%	47	
Value of shares traded (K'm)	596.81	↓ -51.26%	1,224.37	
Market capitalisation (K'm)	1,387,035.06	↓ -0.38%	1,392,260.76	
Gainers	Current price (K)	% Δ	Previous price (K)	
None				
Losers	Current price (K)	% Δ	Previous price (K)	
TNM	26.48	↓ -1.93%	27.00	
NBM	370.01	↓ 0.00%	370.02	
Treasury Bill auctions				
Auction date	30-Jul-19	% pts Δ	23, 25 & 26 July 2019	
91 days yield	9.21%	↓ -0.07	9.28%	
182 days yield	9.79%	⇒ 0.00	9.79%	
364 days yield	10.80%	↑ 0.07	10.73%	
All-type yield	9.93%	↑ 0.00	9.93%	
Applied - cost value (K'm)	5,692.49	↓ -69.34%	18,565.46	
Allotted - cost value (K'm)	520.64	↓ -97.19%	18,527.01	
Overall rejection rate	90.85%	↑ 90.65	0.21%	
Projected maturities				
Week ending	26-Jul-19	31-Jul-19	2-Aug-19	
TBs, PNs & TNs (K'm)	19,414	76,857	2,884	
OMO (K'm)	0	36,458	0	
Inflation				
Rate	Jun-19	% pts Δ	May-19	
9.00%	↑ 0.10	8.90%		
Cumulative tobacco sales as at 26 July 2019 (week 14) versus 2018				
Week 14 2019		% Δ	Week 14 2018	
Volume (Kg' million)	114.60	↓ -16.72%	137.61	
Value (USD' million)	170.56	↓ -28.85%	239.71	
Average price (USD/Kg)	1.49	↓ -14.37%	1.74	
RBM indicative mid exchange rates				
	2-Aug-19	% Δ	26-Jul-19	
USD	741.2437	↑ -1.36%	751.4433	
GBP	897.1273	↑ -4.07%	935.1712	
ZAR	50.6532	↑ -4.98%	53.3059	
EUR	821.0756	↑ -1.93%	837.2581	
Gross official foreign exchange reserves position				
30-Jun-19	31-May-19	30-Apr-19		
Reserves (USD'm)	765.82	696.30	766.10	
Import cover (months)	3.66	3.33	3.67	

(Sources: MSE, RBM, NSO)



(Source: RBM)



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