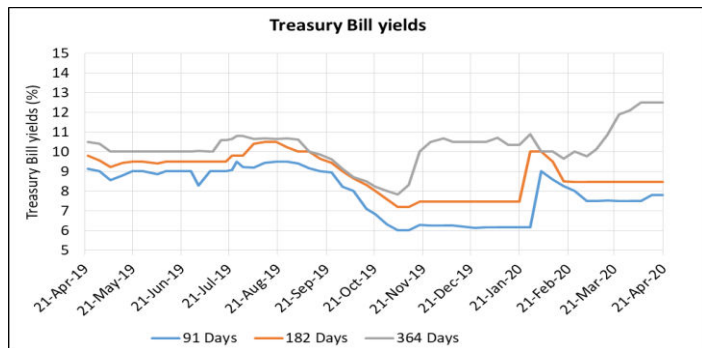


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost by 0.66% to close the week at 28,869.69 points from 29,062.81 points recorded in the previous week due to share price losses in FMBCH, NBS, NICO and TNM which outweighed share price gains in AIRTEL, NBM and STANDARD. A total of 3,535,529 shares were traded at a consideration of K693.22m compared to 3,972,191 shares traded at a consideration of K969.57m in the previous week. This represents a decrease of 10.99% in traded volume and a decrease of 28.50% in traded value. The year-to-date return on MASI stands at -4.57% compared to -6.32% in the corresponding period in 2019 (Source: MSE).

Government securities

Government raised K3.17b during the week's Treasury Bills (TB) auction against an offered amount of K12.30b. The auction registered a rejection rate of 2.46%. In the previous week, K1.56b was raised against an offer for subscription of K6.30b. The all-type average TB yield was stable at 9.59%.



(Sources: RBM)

Government also raised K4.36b through a 10 year Treasury Note (TN) auction against an offer for subscription of K8.86b and total application of K11.62b. This brings the total amount raised through auctions of Government securities during the week to K7.53b. Maturities of Government securities for the week amounted to K6.02b, resulting in a net withdrawal of K1.51b from the market (Source: RBM).

Market liquidity and interbank market activity

The market registered improved liquidity conditions during the week. The average daily excess reserves increased to K26.36b from K22.42b recorded in the previous week. As a result, borrowing on the interbank market decreased to an average of K6.76b per day from K12.55b per day. The average interbank borrowing rate was stable at 13.47%. Borrowing on the Lombard Facility increased to an average of K30.54b per day from K24.78b per day in the preceding week. (Source: RBM).

Foreign exchange market developments

The Kwacha was stable at K736.4403 per USD during the week but appreciated against all the other major trading currencies, namely, GBP, EUR and ZAR. Gross official foreign exchange reserves were last recorded at USD785.31m (3.76 months of import cover) on 29th February 2020, a slight decrease from USD786.71m (3.76 months of import cover) recorded on 31st January 2020 (Source: RBM).

COVID-19 update

Malawi registered 16 new cases of Coronavirus disease (COVID-19) during the week, bringing the total number of confirmed cases in the country to 33 as at 24th April 2020, of which 3 have recovered and 3 have died. On 24th April 2020, the High Court held an inter-parte hearing of the injunction case against the 21-day lockdown which the Malawi Government announced on 14th April 2020. Judgment on the case is expected by Wednesday, 29th April 2020.

Globally, as at 24th April 2020, the total number of confirmed COVID-19 cases reached 2,719,522, with more than 745,092 recoveries and 191,231 deaths (Source: Johns Hopkins University). However, the world curve for number of new infections per day has started to flatten. Accordingly, some countries have started to slowly ease some restrictions, although there are concerns of a resurgence in new infections. The World Health Organization's special envoy for COVID-19 has advised that countries must learn how to live with the virus since it is not known how long it will take to develop a treatment or a vaccine (Source: BBC).

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Stock market				
	24-Apr-20		% Δ	17-Apr-20
MASI	28,869.69	↓	-0.66%	29,062.81
DSI	24,108.66	↑	0.30%	24,037.08
FSI	1,993.51	↓	-12.98%	2,290.78
Traded volume	3,535,529	↓	-10.99%	3,972,191
Number of trades	50	↑	31.58%	38
Value of shares traded (K'm)	693.22	↓	-28.50%	969.57
Market capitalisation (K'm)	1,502,146.37	↓	-0.70%	1,512,780.05
Gainers	Closing price (K)		% Δ	Opening price (K)
AIRTEL	17.50	↑	2.941%	17.00
NBM	540.02	↑	0.00%	540.00
STANDARD	750.01	↑	2.74%	730.02
Losers	Closing price (K)		% Δ	Opening price (K)
FMBCH	34.00	↓	-15.00%	40.00
NBS	14.00	↓	-12.50%	16.00
NICO	48.44	↓	-0.12%	48.50
TNM	25.51	↓	-0.08%	25.53
Treasury Bill auctions				
Auction date	21-Apr-20		% pts Δ	14-Apr-20
Amount offered - cost value (K'm)	12,297.00	↑	95.28%	6,297.00
Applied - cost value (K'm)	3,246.66	↑	33.01%	2,440.83
Allotted - cost value (K'm)	3,166.75	↑	103.57%	1,555.62
Overall rejection rate	2.46%	↓	-33.81	36.27%
91 days yield	7.8000%	↓	-0.09%	7.8068%
182 days yield	8.4556%	↓	0.00%	8.4556%
364 days yield	12.5050%	↑	0.01	12.4998%
All-type yield	9.5869%	↑	-0.001	9.5874%
Treasury Note auctions				
Date	21-Apr-20		14-Apr-20	7-Apr-20
Tenor	10 Years		5 Years Development bond	3 Years
Coupon rate	15.00%		12.50%	11.00%
Amount offered - cost value (K'b)	8.86		21.00	32.62
Applied - cost value (K'b)	11.62		25.51	24.84
Allotted - cost value (K'b)	4.36		21.00	22.18
Allotted - weighted average ytm	21.70%		17.73%	14.50%
Current yields for Treasury Notes				
Tenor	Last auction's yield		Last auction	Next auction
2-year	12.38%		10-Mar-20	19-May-20
3-year	14.50%		7-Apr-20	16-Jun-20
5-year	17.73%		14-Apr-20	5-May-20
7-year	19.08%		24-Mar-20	2-Jun-20
10-year	21.70%		21-Apr-20	Tba
Upcoming Treasury Note auctions				
Auction date	Tenor		Amount (K'b)	Last coupon rate
5-May-20	5		44.11	10.50%
19-May-20	2		34.09	10.00%
2-Jun-20	7		20.07	13.50%
16-Jun-20	3		27.48	11.00%
Projected maturities				
Week ending	17-Apr-20		24-Apr-20	Apr-20
TBs, PNs & TNs (K'm)	5,637		6,021	36,961
OMO (K'm)	0		0	0
Reference rate				
	Apr-20		% pts Δ	Mar-20
Rate	13.20%	↓	-0.10	13.30%
Inflation rate				
	Mar-20		% pts Δ	Feb-20
Rate	9.8%	↓	-1.2	11.0%
Indicative opening mid exchange rates				
	24-Apr-20		% Δ	17-Apr-20
USD	736.4403	→	0.00%	736.4403
GBP	907.7363	↑	-1.15%	918.3411
EUR	792.1152	↑	-0.86%	798.9641
ZAR	38.4309	↑	-2.15%	39.2768
Gross official foreign exchange reserves position				
	29-Feb-20		31-Jan-20	31-Dec-19
Reserves (USD'm)	785.31		786.71	846.55
Import cover (months)	3.76		3.76	4.05

(Sources: MSE, RBM, NSO)

Measures to mitigate impact of COVID-19 from MNOs and MFIs

The RBM, Mobile Network Operators (MNOs) and the Microfinance Institutions (MFIs) agreed on the following measures to help mitigate the impact of COVID-19, effective 23rd April 2020:

Actions by MNOs

- Remove fees and charges on transfers on the same network.
- Reduce fees and charges on transfers across their respective networks from a minimum of K120.00 to K20.00 that will accrue to NATSWITCH.

Actions by Microfinance Institutions including financial cooperatives

- Provide a 3-month moratorium on loan repayments on a case by case basis.
- Defer all payments of dividends until the risk of COVID-19 is under control
- Suspend all capital expenditure.
- Restructure and refinance or renegotiate loans on a case by case basis.
- Innovate and encourage their customers to utilize digital platforms.

Actions by RBM

- Revise upwards daily transaction and account balance limits on nonbank mobile money services.
- Provide relief to MFIs that are within RBM's mandate on a case by case basis.