

MASI gains

The Malawi All Share Index (MASI) gained by 1.41% to close the week at 27092.17 points due to share price increases in PCL, OML, STANDARD and SUNBIRD. Total value traded decreased by 28.58% to K259.11m from K362.81m recorded the previous week. A total of 1,871,987 shares were traded during the week compared to 8,002,154 shares that switched hands the previous week. Year to date return on the MASI stands at 25.44% (2017: 13.94%). There was no trade on the listed government securities during the week (Source: MSE).

Kwacha exchange rate movements

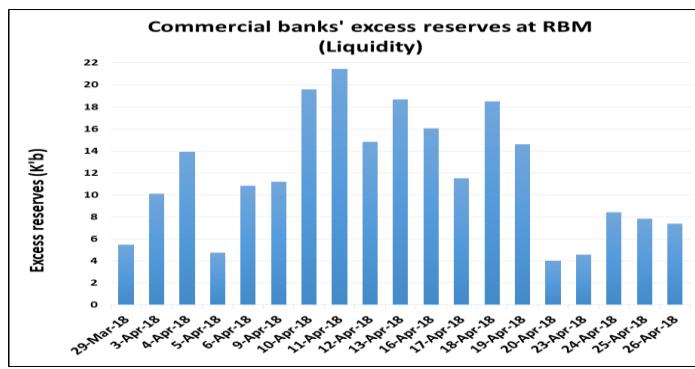
The Kwacha appreciated against GBP, EUR and ZAR during the week but marginally depreciated against USD. Gross official reserves slightly increased to USD639.69m (3.06 months of imports) as at 25th April 2018 from USD636.9m (3.05 months of imports) recorded on 20th April 2018 (Source: RBM). We expect the Kwacha to maintain ground in the medium term backed by an improvement in foreign exchange reserves during the Tobacco marketing season.

Treasury Bills

The Malawi Government raised a total of K5.96b through Treasury Bill auctions during the week, compared to K14.28b raised during the previous week. The average yield was steady at 14.50%. The auctions registered no rejection (Source: RBM). Looking forward, Treasury bill yields could remain steady for some time amid uncertainties regarding inflation. If inflation remains relatively low in the medium term, the yields could decline as the authorities target cheaper funds.

Interbank market

Liquidity decreased during the week to a daily average of K6.24b from K15.88b the previous week. Consequently, the average overnight interbank rate marginally increased to 14.02% from 13.99%. The daily average volume traded on the interbank market increased to K9.33b from K3.99b the previous week. A total of K15.74b was accessed on the Lombard Facility during the week at a rate of 18.00%, compared to K5.02b during the previous week at the same rate. No mop-up open market operations (OMO) were conducted by RBM. (Source: RBM). We expect increased upward liquidity pressures during the agricultural marketing season and the RBM to intensify mop up operations during the period in order to reduce unfavorable effects of liquidity on inflation.



(Source: RBM)

Stock market indices			
	27-Apr-18	% Δ	20-Apr-18
MASI	27092.17	1.41%	26714.45
DSI	18158.46	1.75%	17846.11
FSI	6743.62	0.49%	6710.76
Market capitalisation (K' b)	15,654.62	11.91%	13,988.06
Deals	30	-38.78%	49
Value of shares traded (K' m)	259.11	-28.58%	362.81
Gainers	Current price (K)	% Δ	Previous price (K)
PCL	680.00	12.96%	602.00
OML	2935.00	12.88%	2600.00
STANDARD	631.43	3.51%	610.00
SUNBIRD	137.13	2.21%	134.16
Losers	Current price (K)	% Δ	Previous price (K)
None			
Average Treasury Bill yields			
Tenor (days)	Auction held on	% pts Δ	Auctions held on
	24 April 2018		17 & 19 April 2018
91	14.00%	0.00	14.00%
182	14.50%	0.00	14.50%
364	15.00%	0.00	15.00%
All-type	14.50%	0.00	14.50%
Overall rejection rate	0.00%	0.00	0.00%
Allotted (K' b)	5.96	-58.28%	14.28
Expected maturities			
Week ending	27-Apr-18	Apr-18	May-18
	TBs, PNs & TNs	3,725	116,785
OMO	40,544	114,506	67,553
Inflation			
Month	Mar-18	% pts Δ	Feb-18
	Rate	9.90%	7.80%
Cumulative tobacco sales (week 2)			
Year	2018	% Δ	2017
	Volume (Kg)	236.40%	3,751,609
Value (USD)	17,979,267	196.84%	6,056,929
	Average price (USD/Kg)	1.42	1.61
RBM indicative mid exchange rates			
Currency	27-Apr-18	% Δ	20-Apr-18
	USD	725.9181	725.6117
GBP	1011.0587	-1.02%	1021.5162
ZAR	58.6094	-3.33%	60.6278
EUR	879.0868	-1.83%	895.4774
Gross official foreign exchange reserve position			
Reserves (USD'm)	25-Apr-18	20-Apr-18	13-Apr-18
	639.69	636.9	645.97
Import cover (months)	3.06	3.05	3.09

(Sources: MSE, RBM, NSO, TCC)

Published financial statements

	2017 PAT (K' b)	Movement	2016 PAT (K' b)
Listed companies			
NICO	11.12	895%	(1.40)
NITL	2.22	307%	(1.07)
NBM	19.15	15%	16.61
PCL	39.67	159%	15.31
STANDARD	12.16	-37%	19.43
SUNBIRD	2.43	82%	1.34
TNM	13.11	60%	8.21
Unlisted banks			
CDHIB	0.25	-74%	0.98
ECOBANK	3.86	-9%	4.26
FDH	(0.34)	96%	(7.77)
NBS	(1.09)	87%	(8.40)
NFB	(1.84)	3%	(1.90)
Asset managers			
CAM	0.50	47%	0.34
NICO AM	0.56	81%	0.31
Old Mutual IG	0.36	57%	0.23
Stock brokers			
SML	0.14	-48%	0.27

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