

MSE trading activity

The Malawi All Share Index (MASI) lost by 2.13% to close the week at 31,263.67 from 31,942.84 the previous week, due to a share price drop in FMBCH which offset share price gains in NBM and NITL. 938,975 shares were traded during the week compared to 10,179,117 the previous week, representing a 90.78% decrease. The year-to-date return on the MASI stands at 44.75% compared to 27.14% for the corresponding period in the previous year. There were no trades on the listed bond market (Source: MSE).

Foreign exchange market developments

The Kwacha remained stable against USD during the week, while appreciating against EUR and depreciating against GBP and ZAR. Gross official foreign exchange reserves dropped to USD757.18m (3.62 months of import cover) as at 25th July 2018 from USD758.59m (3.63 months of import cover) recorded on 20th July 2018 (Source: RBM). The Kwacha is expected to remain stable in the short term as foreign exchange inflows continue from the ongoing tobacco auction sales. As at the end of week 15 of the tobacco auctions on 20th July 2018, USD257.08m had been realised, compared to USD198.65m realised during a corresponding period in 2017 (Source: TCC).

Treasury Bill market

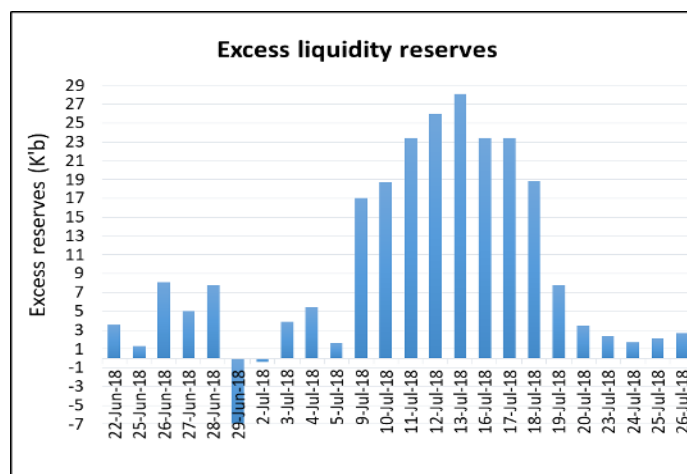
Government raised a total of K11.76b through Treasury Bill auctions conducted during the week, a decrease of 62.26% when compared to K31.15b raised in the previous week. The auctions registered a zero rejection rate. The average yield was steady at 14.50% (Source: RBM). Treasury Bill yields are expected to remain stable in the near-term. However, persistent inflation risks threaten continued stability of interest rates in general in the medium to long term.

Interbank market activity

Liquidity levels decreased during the week, with excess reserves decreasing by 87.85% to a daily average of K2.47b from K20.31b the previous week. Consequently, access on the Lombard Facility increased to K46.20b compared to K1.30b accessed during the previous week. The daily average volume traded on the interbank market increased to K6.83b from K4.42b the previous week. The average overnight interbank rate increased to 13.73% from 13.48% the previous week. The RBM mopped up a total of K15.97b from the market through Open Market Operations (OMO) during the week (Source: RBM).

Stock market indices			
	27-Jul-18	% Δ	20-Jul-18
MASI	31,263.67	↓ -2.13%	31942.84
DSI	20,513.69	↑ 0.50%	20412.09
FSI	8,237.82	↓ -8.27%	8980.99
Traded volume	938,975	↓ -90.78%	10,179,117
Market capitalisation (K' b)	1,385.77	↓ -2.13%	1,415.88
Gainers			
	Current price (K)	% Δ	Previous price (K)
NITL	75.00	↑ 2.74%	73.00
NBM	310.00	↑ 3.33%	300.00
Losers			
	Current price (K)	% Δ	Previous price (K)
FMBCH	160.00	↓ -8.57%	175.00
Treasury Bill auctions			
Auctions held on 24, 25 & 26 July 2018		% Δ	Auctions held on 17, 18 & 19 July 2018
Tenor (days)			
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 (K'm)	0.00		0.00
Allotted (K' m)	11,758.00	↓ -62.26%	31,153.46
Projected maturities			
Week ending	27-Jul-18	Jul-18	Aug-18
TBs, PNs & TNs	8,685	44,387	23,320
OMO	26,112	71,034	46,528
Inflation			
Month	Jun-18	% pts Δ	May-18
Rate	8.60%	↓ -0.30	8.90%
Cumulative tobacco sales as at 20th July 2018 (week 15)			
Year	2018	% Δ	2017
Volume (Kg)	147,339,725	↑ 47.35%	99,995,297
Value (USD)	257,083,141	↑ 29.42%	198,648,248
Average price (USD/Kg)	1.74	↓ -12.56%	1.99
% of GDP	5.55	↑ 29.42%	4.29
RBM indicative mid exchange rates			
Currency	27-Jul-18	% Δ	20-Jul-18
USD	725.9868	→ 0.00%	725.9868
GBP	951.3331	↓ 0.58%	945.8882
ZAR	54.9574	↓ 2.39%	53.6754
EUR	845.3390	↓ -0.19%	846.9362
Gross official foreign exchange reserves position			
	25-Jul-18	20-Jul-18	13-Jul-18
Reserves (USD'm)	757.18	758.59	761.51
Import cover (months)	3.62	3.63	3.64

(Sources: MSE, RBM, NSO, TCC)



(Source: RBM)

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