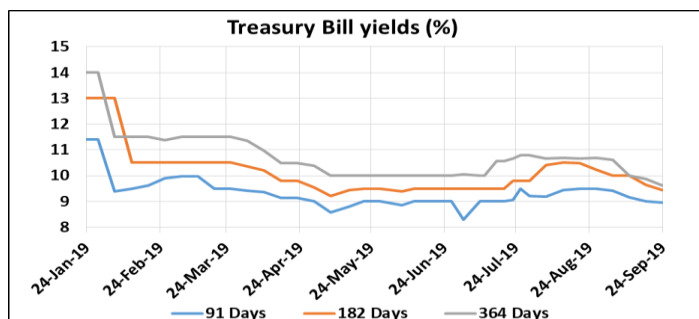


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) marginally lost by 0.01% to close the week at 29,548.44 points from 29,550.18 points the previous week due to a share price loss in SUNBIRD which outweighed share price gains in NBM and STANDARD. There was no price movement in the rest of the companies registered on the MSE. A total of 25,288,852 shares were traded at a consideration of K1.65b compared to 104,314,581 shares traded in the previous week at a consideration of K1.55b. This represents a decrease of 75.76% in traded volume and an increase of 6.27% in traded value. Year-to-date return on the MASI stands at 1.95% compared to 49.88% in the corresponding period in 2018 (Source: MSE).

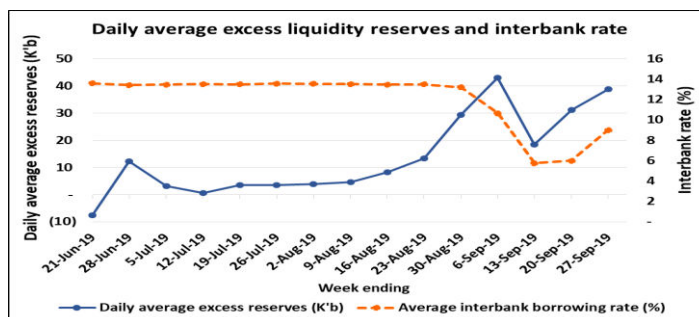
Government securities

Government raised K4.80b (against total applications of K37.78b) from Treasury Bill (TB) auctions during the week as planned- the same amount was raised in the previous week. There was also an auction for a 5-year Treasury Note (TN) during which K11.37b (against total applications of K57.56b) was raised at an average yield of 14.00%, bringing the total amount raised from auctions for Treasury securities during the week to K16.17b. Total rejections from TB and TN auctions amounted to K79.17b. There were no open market operations during the week. Maturities for the week amounted to K28.51b, resulting in a net injection of K12.34b into the market, compared to a net injection of K13.01b in the previous week. The all-type average TB yield decreased to 9.34% from 9.50% in the preceding week, as the 91-day, 182-day and 364-day yields decreased to 8.95%, 9.43% and 9.62%, respectively, from 9.00%, 9.64% and 9.87% (Source: RBM).



Interbank market activity

Excess liquidity reserves increased to an average of K38.71b per day from K31.19b per day in the previous week. However, borrowing on the interbank market increased to K7.60b from K7.20b in the previous week and the average interbank borrowing rate increased to 9.00% from 5.98%. Borrowing on the Lombard facility amounted to K6.60b at a fixed rate of 13.90% (Source: RBM).



(Source: RBM)

Stock market				
	27-Sep-19	% Δ		20-Sep-19
MASI	29,548.44	↓ -0.01%		29,550.18
DSI	22,737.43	↓ -0.01%		22,739.00
FSI	4,272.58	↓ 0.00%		4,272.58
Traded volume	25,288,852	↓ -75.76%		104,314,581
Number of trades	69	↑ 46.81%		47
Value of shares traded (K'm)	1,648.27	↑ 6.27%		1,551.03
Market capitalisation (K'm)	1,394,540.43	↓ -0.01%		1,394,621.13
Gainers	Current price (K)	% Δ		Previous price (K)
NBM	390.98	↑ 0.25%		390.00
STANDARD	670.00	↑ 3.08%		650.00
Losers	Current price (K)	% Δ		Previous price (K)
SUNBIRD	118.00	↓ -14.49%		138.00
Projected maturities				
	27-Sep-19	20-Sep-19		13-Sep-19
TBs, PNs & TNs (K'm)	28,505	4,453		4,490
OMO (K'm)	0	13,361		31,851
Treasury Note auctions				
Date	26-Sep-19	10-Sep-19		29-Aug-19
Tenor	5 Years	10 Years		3 Years
Coupon rate	10.00%	15.50%		9.00%
Amount offered - cost value (K'b)	11.37	5.29		2803.50%
Applied for - face value (K'b)	64.91	25.50		43.85
Allotted - face value (K'b)	12.37	5.98		31.00
Allotted - cost value (K'b)	11.37	5.29		28.03
Allotted - weighted average ytm	14.00%	18.04%		13.87%
Treasury Bill auctions				
Auction date	24-Sep-19	% pts Δ		17-Sep-19
Amount offered - cost value (K'm)	4,798.00	↑ 0.00%		4,798.00
Applied - cost value (K'm)	37,776.22	↑ 16.45%		32,440.50
Allotted - cost value (K'm)	4,797.65	↓ -0.005%		4,797.91
Overall rejection rate	87.30%	↑ 2.09		85.21%
91 days yield	8.95%	↓ -0.05		9.00%
182 days yield	9.43%	↓ -0.21		9.64%
364 days yield	9.62%	↓ -0.25		9.87%
All-type yield	9.34%	↓ -0.17		9.50%
Current yields for Treasury Notes				
Tenor	Current yield	Last auction		Next auction
2-year	12.20%	6-Jun-19		7-Oct-19
3-year	13.87%	29-Aug-19		TBA
5-year	14.00%	26-Sep-19		TBA
7-year	17.00%	13-Jul-19		21-Oct-19
10-year	18.04%	10-Sep-19		TBA
Upcoming Treasury Note auctions				
Auction date	Tenor	Amount (K'b)		Last coupon rate
7-Oct-19	2 years	15.87		8.00%
21-Oct-19	7 years	8.99		14.00%
Inflation				
	Aug-19	% pts Δ		Jul-19
Rate	9.50%	↑ 0.20		9.30%
Cumulative tobacco sales as at 20 September 2019 (week 22) versus 2018				
	Week 22 2019	% Δ		Week 22 2018
Volume (Kg' million)	160.87	↓ -16.55%		192.77
Value (USD' million)	232.26	↓ -28.57%		325.15
Average price (USD/Kg)	1.44	↓ -14.79%		1.69
RBM indicative mid exchange rates				
	27-Sep-19	% Δ		20-Sep-19
USD	734.8507	↑ -0.11%		735.6838
GBP	906.2914	↑ -1.88%		923.6510
ZAR	48.9017	↑ -1.89%		49.8424
EUR	802.3100	↑ -1.35%		813.2984
Gross official foreign exchange reserves position				
	30-Aug-19	31-Jul-19		30-Jun-19
Reserves (USD'm)	705.68	704.14		765.82
Import cover (months)	3.37	3.37		3.66

(Sources: MSE, RBM, NSO)

Foreign exchange market developments

The Kwacha appreciated against all the major trading currencies during the week. The USD/MWK average indicative middle rate closed the week at 734.8507 from 735.6838 in the previous week. Gross official forex reserves remain high and stood at USD705.68m (3.37 months of import cover) on 30th August 2019, a slight increase from USD704.14m (3.37 months of import cover) recorded on 31st July 2019 (Source: RBM).

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