

### Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 0.97% to close the week at 29,956.00 points compared to 29,669.56 points the previous week, due to share price gains in STANDARD (9.95%) and NITL (0.01%) which outweighed a marginal share price loss in TNM (-0.03%). A total of 4,582,384 shares were traded on the Exchange at a consideration of K197.36m, compared to 902,938 shares traded in the previous week at a consideration of K241.28m. This represents a more than fourfold increase in volume and a decrease of 18.20% in value since the previous week. The year-to-date return on the MASI stands at 3.36% compared to 42.31% recorded during a corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

### Corporate news

Blantyre Hotels Plc posted a profit after tax of K195.87m during the half year ended 31<sup>st</sup> March 2019, representing an increase of 19% when compared to K165.39m reported in the previous corresponding period. Revenue for the period increased by 1.4% while direct expenses declined by 1.7% (Source: MSE).

NBS Bank Plc expects its profit after tax for the half year ending 30<sup>th</sup> June 2019 to be approximately 150% higher than K478.90m posted in a corresponding period in 2018 (Source: MSE).

### Government securities

Government raised a total of K12.33b from auctions for Treasury Bills (K5.66b) and a 3-year Treasury Note (K6.67b) during the week, compared to K4.80b that was raised in the previous week from a Treasury Bill (TB) auction. There was no auction for Treasury Notes (TN) during the previous week. Maturities for the week amounted to K11.31b, resulting in a net withdrawal of K1.02b. There were no open market operations (OMO) during the week as was the case in the previous week. TB yields were constant at 9.00%, 9.50% and 10.00% for the 91-day, 182-day and 364-day tenors, respectively. The 3-year TN traded at an average yield of 13.72% (Source: RBM).

### Interbank market activity

Liquidity levels increased during the week as excess liquidity reserves increased to an average of K12.13b per day from an average of negative K7.60b per day in the previous week. Consequently, borrowing on the interbank market decreased to an average of K11.59b per day from K20.36b per day during the previous week and the average interbank borrowing rate decreased to 13.40% from 13.57%. The amount accessed on the Lombard facility decreased to a total of K23.71b at fixed rate of 13.9%, from K53.79b in the preceding week (Source: RBM).

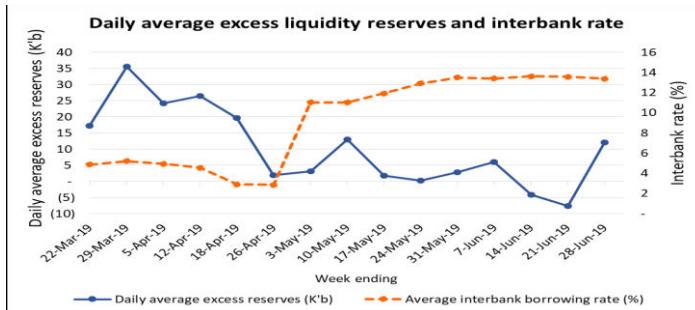
### Foreign exchange market developments

The Kwacha marginally appreciated against USD and GBP during the week but depreciated against ZAR and EUR. The USD/MWK indicative middle rate closed the week at 775.1643 from 777.8504 in the previous week (Source: RBM). Gross official forex reserves stood at USD766.10m (3.67 months of import cover) on 30<sup>th</sup> April 2019 (Source: RBM).

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Stock market			
	28-Jun-19	% Δ	21-Jun-19
MASI	29,956.00	0.97%	29,669.56
DSI	22,877.77	1.14%	22,619.34
FSI	4,520.31	0.00%	4,520.31
Traded volume	4,582,384	407.50%	902,938
Number of trades	52	30.00%	40
Value of shares traded (K'm)	197.36	-18.20%	241.28
Market capitalisation (K'm)	1,412,128.98	0.95%	1,398,851.95
Gainers	Current price (K)	% Δ	Previous price (K)
NITL	75.01	0.01%	75.00
STANDARD	630.00	9.95%	573.00
Losers	Current price (K)	% Δ	Previous price (K)
TNM	28.99	-0.03%	29.00
Treasury Bill auctions			
Auction date	28-Jun-19	% pts Δ	18-Jun-19
91 days yield	9.00%	0.00	9.00%
182 days yield	9.50%	0.00	9.50%
364 days yield	10.00%	0.00	10.00%
All-type yield	9.50%	0.00	9.50%
Applied - cost value (K'm)	5,656.42	17.89%	4,798.24
Allotted - cost value (K'm)	5,656.42	17.89%	4,798.24
Overall rejection rate	0.00%	0.00	0.00%
Treasury Note auctions			
Date	27-Jun-19	6-Jun-19	31-May-19
Tenor	3 Years	2 Years	2 Years
Coupon rate	9.00%	8.00%	8.00%
Applied for - face value (K'b)	15.04	3.00	11.00
Allotted- face value (K'b)	12.97	3.00	6.00
Allotted - cost value (K'b)	6.67	2.79	5.57
Allotted - weighted average ytm	13.72%	12.20%	12.15%
Projected maturities			
Week ending	21-Jun-19	28-Jun-19	Jun-19
TBs, PNs & TNs (K'm)	9,361	6,474	37,701
OMO (K'm)	4,834	4,836	24,535
Inflation			
Rate	May-19	% pts Δ	Apr-19
Rate	8.90%	-0.20	9.10%
Cumulative tobacco sales as at 21 June 2019 (week 9) versus 2018			
Week 9 2019	% Δ	Week 9 2018	
Volume (Kg' million)	64.53	-25.94%	87.13
Value (USD' million)	92.46	-36.44%	145.46
Average price (USD/Kg)	1.43	-14.37%	1.67
RBM indicative mid exchange rates			
	28-Jun-19	% Δ	21-Jun-19
USD	775.1643	0.35%	777.8504
GBP	982.3657	-0.46%	986.9366
ZAR	54.8226	1.33%	54.1004
EUR	881.8269	-0.45%	877.8820
Gross official foreign exchange reserves position			
	30-Apr-19	31-Mar-19	28-Feb-19
Reserves (USD'm)	766.10	775.45	837.49
Import cover (months)	3.67	3.71	4.01

(Sources: MSE, RBM, NSO)



(Source: RBM)