

Malawi Stock Exchange (MSE) trading activity

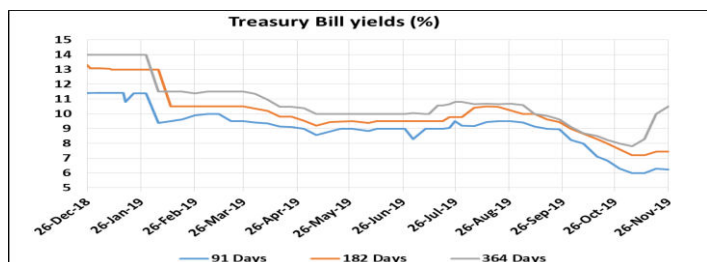
The Malawi Stock Exchange registered a negative return on index during the week despite significant increases in both traded volume and value. The Malawi All Share Index (MASI) lost by 1.40% to close the week at 29,215.33 points from 29,629.37 points recorded in the previous week due to a 15% share price loss in ILLOVO which outweighed marginal share price gains in ICON and NBM. There was no price movement in the rest of the companies registered on the MSE. A total of 289,028,718 shares were traded at a consideration of K5.96b in 134 trades compared to 1,734,274 shares traded in the previous week at a consideration of K62.47m in 38 trades. The year-to-date return on the MASI stands at 0.80% compared to 24.27% recorded for the corresponding period in 2018 (Source: MSE).

Corporate news

NBS Bank Plc expects its profit after tax (PAT) for the year ending 31st December 2019 to be approximately 100% higher than the PAT recorded in the previous corresponding period. In the financial year 2018, NBS reported a PAT of K1.699b (Source: MSE).

Government securities

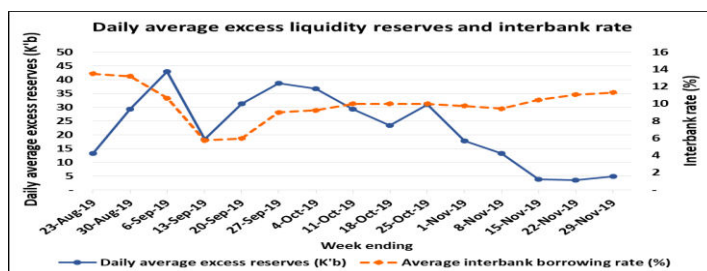
From the Treasury Bill (TB) auction held on 29th November 2019, Government raised K8.16b against an offered amount of K8.88b. The full application amount was allotted. There was no auction for Treasury Notes (TNs) and no open market operations (OMOs) during the week. Maturities for the week amounted to K6.92b, resulting in a net withdrawal of K1.24b from the market, compared to a net withdrawal of K6.35b in the previous week. The all-type average TB yield increased to 8.07% from 7.92% in the preceding week due to an increase in the 364-day yield to 10.50% from 10.00% while the 91-day yield decreased to 6.24% from 6.29% and the 182-day was constant at 7.46% (Source: RBM). Rates have been on increase for the past two weeks due to lower levels of liquidity and perceived inflationary pressures.



(Source: RBM)

Interbank market activity

Liquidity levels remained low during the week. However, excess liquidity reserves slightly increased to an average of K4.88b per day from K3.59b per day in the previous week. Consequently, borrowing on the interbank market decreased to an average of K8.12b per day from K10.20b per day in the previous week and the average interbank borrowing rate increased to 11.31% from 11.07%. Borrowing on the Lombard Facility increased to an average of K19.13b per day from K11.06b per day in the preceding week (Source: RBM).



(Source: RBM)

Stock market				
	29-Nov-19		% Δ	22-Nov-19
MASI	29,215.33	↓	-1.40%	29,629.37
DSI	22,664.27	↓	-1.62%	23,037.92
FSI	4,024.86	→	0.00%	4,024.86
Traded volume	289,028,718	↑	16565.69%	1,734,274
Number of trades	134	↑	252.63%	38
Value of shares traded (K'm)	5,957.55	↑	9436.53%	62.47
Market capitalisation (K'm)	1,380,557.13	↓	-1.37%	1,399,748.66
Gainers	Current price (K)		% Δ	Previous price (K)
ICON	10.50	↑	0.10%	10.49
NBM	460.03	↑	0.002%	460.02
Losers	Current price (K)		% Δ	Previous price (K)
ILLOVO	153.00	↓	-15.00%	180.00
Projected maturities				
Week ending	22-Nov-19	29-Nov-19	Nov-19	
TBs, PNs & TNs (K'm)	14,703	6,922	36,908	
OMO (K'm)	0	0	4,869	
Treasury Bill auctions				
Auction date	26-Nov-19		% pts Δ	19-Nov-19
Amount offered -cost value (K'm)	8,882.00	→	0.00%	8,882.00
Applied - cost value (K'm)	8,162.59	↓	-3.06%	8,420.11
Alloted - cost value (K'm)	8,162.59	↓	-3.06%	8,420.11
Overall rejection rate	0.00%	→	0.00	0.00%
91 days yield	6.24%	↓	-0.05	6.29%
182 days yield	7.46%	→	0.00	7.46%
364 days yield	10.50%	↑	0.50	10.00%
All-type yield	8.07%	↑	0.15	7.92%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction	Next auction	
2- year	10.12%	8-Oct-19	17-Dec-19	
3-year	10.70%	5-Nov-19	21-Jan-20	
5-year	14.00%	26-Sep-19	3-Dec-19	
7-year	13.73%	24-Oct-19	7-Jan-20	
10-year	17.47%	19-Nov-19	4-Feb-20	
Upcoming Treasury Note auctions				
Auction date	Tenor	Amount (K'b)	Last coupon rate	
3-Dec-19	5	22.86	10.00%	
17-Dec-19	2	36.79	8.00%	
7-Jan-20	7	24.35	14.00%	
21-Jan-20	3	29.37	9.00%	
4-Feb-20	10	8.13	15.50%	
18-Feb-20	5	31.36	10.00%	
Reference rate				
	Nov-19		% pts Δ	Oct-19
Rate	12.30%	↑	0.30	12.00%
Inflation				
	Oct-19		% pts Δ	Sep-19
Rate	9.60%	↑	0.40	9.20%
RBM indicative mid exchange rates				
	29-Nov-19		% Δ	22-Nov-19
USD	736.3183	↑	-0.03%	736.5113
GBP	951.0287	↑	-0.03%	951.2780
ZAR	49.9358	↑	-0.45%	50.1612
EUR	810.6864	↑	-0.51%	814.8025
Gross official foreign exchange reserves position				
	30-Sep-19	30-Aug-19	31-Jul-19	
Reserves (USD'm)	656.04	705.68	704.14	
Import cover (months)	3.14	3.37	3.37	

(Sources: MSE, RBM, NSO)

Foreign exchange market developments

The Kwacha marginally appreciated against all the major trading currencies during the week. The indicative average USD/MWK middle rate was 736.3183 compared to 736.5113 for the preceding week. Gross official foreign exchange reserves amounted to USD656.04m (3.14 months of import cover) as at 30th September 2019, representing a decrease from USD705.68m (3.37 months of import cover) recorded on 30th August 2019 (Source: RBM).

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