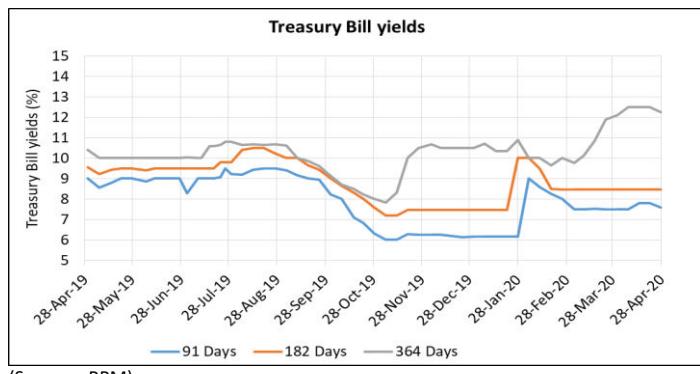


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) marginally lost by 0.04% to close the week at 28,857.39 points from 28,869.69 points recorded in the previous week due to share price losses in ICON, SUNBIRD and TNM which outweighed a share price gain in NBM. A total of 35,364,151 shares were traded at a consideration of K160.25m compared to 3,535,529 shares traded at a consideration of K693.22m in the previous week. This represents an increase of 51.72% in traded volume and a decrease of 76.88% in traded value. The year-to-date return on MASI stands at -4.61% compared to -6.37% in the corresponding period in 2019 (Source: MSE).

Government securities

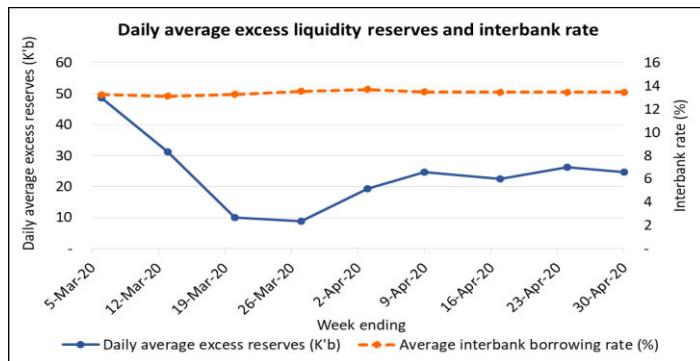
Government raised K6.30b during the week's auction for Treasury Bills (TB) against an offer for subscription of the same amount. The auction registered a rejection rate of 49.91%. In the previous week, K3.17b was raised against an offer for subscription of K12.30b. The all-type average TB yield decreased to 9.43% from 9.59% in the previous week due a decrease in the 91-day yield to 7.58% from 7.80% and a decrease in the 364-day yield to 12.26% from 12.51%. The 182-day yield was constant at 8.46%. There was no auction for Treasury Notes during the week. Maturities of Government securities for the week amounted to K5.40b, resulting in a net withdrawal of K0.90b from the market (Source: RBM).



(Sources: RBM)

Market liquidity and interbank market activity

Liquidity levels decreased during the week but generally remained stable. The average daily excess reserves decreased to K24.67b from K26.36b recorded in the previous week. As a result, borrowing on the interbank market slightly increased to an average of K6.83b per day from K6.76b per day in the previous week. The average interbank borrowing rate marginally decreased to 13.46% from 13.47%. Borrowing on the Lombard Facility decreased to an average of K15.41b per day from K30.54b per day in the preceding week (Source: RBM).


Foreign exchange market developments

The Kwacha was stable at K736.4403 per USD during the week but depreciated against all the other major trading currencies, namely, GBP, EUR and ZAR. Gross official foreign exchange reserves were last recorded at USD785.31m (3.76 months of import cover) on 29th February 2020, a slight decrease from USD786.71m (3.76 months of import cover) recorded on 31st January 2020 (Source: RBM).

Stock market			
	30-Apr-20	% Δ	24-Apr-20
MASI	28,857.39	↓ -0.04%	28,869.69
DSI	24,097.69	↓ -0.05%	24,108.66
FSI	1,993.51	⇒ 0.00%	1,993.51
Traded volume	5,364,151	↑ 51.72%	3,535,529
Number of trades	44	↓ -12.00%	50
Value of shares traded (K'm)	160.26	↓ -76.88%	693.22
Market capitalisation (K'm)	1,501,515.90	↓ -0.04%	1,502,146.37
Gainers	Closing price (K)	% Δ	Opening price (K)
NBM	550.00	↑ 1.84%	540.02
Losers	Closing price (K)	% Δ	Opening price (K)
ICON	10.45	↓ -0.10%	10.46
SUNBIRD	12.00	↓ -0.01%	12.01
TNM	24.99	↓ -2.04%	25.51
Treasury Bill auctions			
	28-Apr-20	% pts Δ	21-Apr-20
Amount offered - cost value (K'm)	6,297.00	↓ -48.79%	12,297.00
Applied - cost value (K'm)	12,571.69	↑ 287.22%	3,246.66
Allotted - cost value (K'm)	6,297.47	↑ 98.86%	3,166.75
Overall rejection rate	49.91%	↑ 47.45	2.46%
91 days yield	7.58%	↓ -2.83%	7.80%
182 days yield	8.46%	⇒ 0.00%	8.46%
364 days yield	12.26%	↓ -1.93%	12.51%
All-type yield	9.43%	↓ -1.61%	9.59%
Treasury Note auctions			
	21-Apr-20	14-Apr-20	7-Apr-20
Date			
Tenor	10 Years	5 Years Development bond	3 Years
Coupon rate	15.00%	12.50%	11.00%
Amount offered - cost value (K'b)	8.86	21.00	32.62
Applied - cost value (K'b)	11.62	25.51	24.84
Allotted - cost value (K'b)	4.36	21.00	22.18
Allotted - weighted average ytm	21.70%	17.73%	14.50%
Current yields for Treasury Notes			
	Last auction's yield	Last auction	Next auction
Tenor			
2- year	12.38%	10-Mar-20	19-May-20
3-year	14.50%	7-Apr-20	16-Jun-20
5-year	17.73%	14-Apr-20	5-May-20
7-year	19.08%	24-Mar-20	2-Jun-20
10-year	21.70%	21-Apr-20	Tba
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last coupon rate
5-May-20	5	44.11	10.50%
19-May-20	2	34.09	10.00%
2-Jun-20	7	20.07	13.50%
16-Jun-20	3	27.48	11.00%
Projected maturities			
Week ending	24-Apr-20	1-May-20	Apr-20
TBs, PNs & TNs (K'm)	6,021	5,403	36,961
OMO (K'm)	0	0	0
Reference rate			
Rate	13.20%	% pts Δ	Mar-20
	13.20%	↓ -0.10	13.30%
Inflation rate			
Rate	Mar-20	% pts Δ	Feb-20
	9.8%	↓ -1.2	11.0%
Indicative opening mid exchange rates			
	30-Apr-20	% Δ	24-Apr-20
USD	736.4403	⇒ 0.00%	736.4403
GBP	917.7519	↓ 1.10%	907.7363
EUR	800.4370	↓ 1.05%	792.1152
ZAR	40.6334	↓ 5.73%	38.4309
Gross official foreign exchange reserves position			
	29-Feb-20	31-Jan-20	31-Dec-19
Reserves (USD'm)	785.31	786.71	846.55
Import cover (months)	3.76	3.76	4.05

(Sources: MSE, RBM, NSO)

COVID-19 update

Malawi registered 4 new cases of Coronavirus disease (COVID-19) during the week, bringing the total number of confirmed cases in the country to 37 as at 30th April 2020, of which 7 have recovered and 3 have died. On 28th April 2020, the President announced restructuring of the special cabinet committee on coronavirus to form a Taskforce which would include various stakeholders including medical experts, the academia, the opposition and representatives of various associations. On the same day, the High Court sustained the injunction against a 21-day national lockdown.

Globally, as at 30th April 2020, there were more than 3,222,107 confirmed cases of COVID-19 worldwide with more than 992,592 recoveries and 228,757 deaths (Source: Johns Hopkins University and Medicine). Countries around the world continue to work to flatten the curve of new infections. Those that have managed to flatten the curve or bend it downwards, have started to slowly ease some restrictions. Efforts are beginning to mount towards stimulating economic growth.

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