

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 1.81% to close the week at 29,246.80 points from 28,728.11 points in the previous week due to share price gains in MPICO and PCL which outweighed share price losses in NBM and OMU. The market traded a total of 39,717,395 shares at a consideration of K1.73b, compared to 71,242,281 shares traded in the previous week at a consideration of K4.63b, representing a decrease of 44.25% in volume and a decrease of 62.62% in value. The year-to-date return on the MASI stands at 0.91% compared to 39.10% recorded during a corresponding period in 2018. There was no trade on the listed bond market (*Source: MSE*).

Government securities

Government raised K8.26b from auctions for Treasury Bills (K2.65b) and a 2-year Treasury Note (K5.61b) during the week compared to K791.13m that was raised from a Treasury Bill (TB) auction in the previous week. Maturities for the week amounted to K35.82b, resulting in a net injection of K27.56b. There were no open market operations (OMO) during the week. The average TB yields were constant across all tenors, namely 91 days, 182 days and 364 days. The yield for the 2-year TN averaged 12.20% (*Source: RBM*).

Interbank market activity

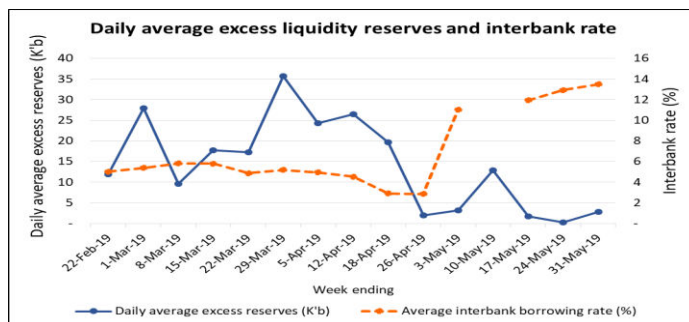
Liquidity levels remained low during the week despite excess liquidity reserves increasing to an average of K2.85b per day from an average of K0.28b per day in the previous week. The amount borrowed on the interbank market slightly increased to an average of K8.56b per day from an average of K8.18b per day during the previous week, and the average interbank borrowing rate increased to 13.50% from 12.93%. A total of K133.70b was accessed on the Lombard facility during the week at a fixed rate of 13.9%, compared to K157.20b in the preceding week (*Source: RBM*).

Foreign exchange market developments

During the week, the Kwacha depreciated by 0.69%, 0.06% and 0.20% against the USD, GBP and EUR, respectively, and appreciated by 2.03% against ZAR. The USD/MWK indicative middle rate closed the week at 750.5765 compared to 745.4261 as at the close of the previous week. Gross official forex reserves stood at USD766.10m (3.67 months of import cover) on 30th April 2019, decreasing by 1.21% from USD775.45m (3.71 months of import cover) on 31st March 2019 (*Source: RBM*).

Stock market				
	31-May-19	% Δ	24-May-19	
MASI	29,246.80	↑ 1.81%	28,728.11	
DSI	22,235.79	↑ 2.15%	21,768.45	
FSI	4,521.93	↓ 0.00%	4,521.94	
Traded volume	39,717,395	↓ -44.25%	71,242,281	
Number of trades	95	↓ 21.79%	78	
Value of shares traded (K'm)	1,732.26	↓ -62.62%	4,633.86	
Market capitalisation (K'm)	1,379,206.06	↑ 1.77%	1,355,197.84	
Gainers				
	Current price (K)	% Δ	Previous price (K)	
MPICO	19.50	↑ 5.41%	18.50	
PCL	1400.00	↑ 16.67%	1200.00	
Losers				
	Current price (K)	% Δ	Previous price (K)	
NBM	364.99	↓ -1.35%	370.00	
OMU	2513.08	↓ -0.01%	2513.23	
Treasury Bill auctions				
	28-May-19	% pts Δ	21-May-19	
Auction date	28-May-19		21-May-19	
91 days yield	9.00%	→ 0.00	9.00%	
182 days yield	9.50%	→ 0.01	9.49%	
364 days yield	10.00%	→ 0.00	10.00%	
All-type yield	9.50%	→ 0.00	9.50%	
Applied - cost value (K'm)	2,653.99	↑ 235.47%	791.13	
Allotted - cost value (K'm)	2,653.99	↑ 235.47%	791.13	
Overall rejection rate	0.00%	→ 0.00	0.00%	
Treasury Note auctions				
	31-May-19	28-May-19	23-Apr-19	
Date	31-May-19	28-May-19	23-Apr-19	
Tenor	2 Years	2 Years	7 Years	
Coupon rate	8.00%	8.00%	12.00%	
Applied for - face value (K'm)	11,000.00	15,357.50	12,330.00	
Allotted - face value (K'm)	6,000.00	42.50	11,330.00	
Allotted - cost value (K'm)	5,570.00	39.39	8,330.00	
Allotted - weighted average ytm	12.15%	12.24%	19.00%	
Upcoming Treasury Note auction				
	Auction date	Settlement date	Previous auction's yield	
Tenor	25-Jun-19	27-Jun-19	14.77%	
3 years				
Projected maturities				
	24-May-19	31-May-19	May-19	
Week ending	24-May-19	31-May-19	May-19	
TBs, PNs & TNs (K'm)	5,662	20,075	55,828	
OMO (K'm)	0	15,744	15,744	
Inflation				
	Apr-19	% pts Δ	Mar-19	
Rate	9.10%	↓ -0.20	9.30%	
Cumulative tobacco sales for 2019 versus 2018				
	Week 5 2019	% Δ	Week 5 2018	
Volume (Kg)	27,792,178	↓ -30.23%	39,836,540	
Value (USD)	37,737,426	↓ -39.17%	62,042,271	
Average price (USD/Kg)	1.36	↓ -12.82%	1.56	
RBM indicative mid exchange rates				
	31-May-19	% Δ	24-May-19	
USD	750.5765	↓ 0.69%	745.4261	
GBP	946.3269	↓ 0.06%	945.7221	
ZAR	50.6496	↑ 2.03%	51.7004	
EUR	835.1665	↓ 0.20%	833.5355	
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)

Note: There was no trade on the interbank market during the week ending 10th May 2019

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