

### Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 2.42% to close the week at 30,252.27 points from 29,538.36 points recorded in the previous week due to marginal share price gains in NBM, NBS and NICO which outweighed a marginal share price loss in ILLOVO. There were no price movements in the rest of the companies registered on MSE. A total of 217,936 shares were traded at a consideration of K32.74m in 25 trades compared to 1,111,024 shares traded in the previous week at a consideration of K18.35m in 16 trades. This represents a decrease of 80.38% in traded volume and an increase of 78.36% in traded value. The year-to-date return on the MASI stands at 0.0002% compared to 0.38% recorded for the corresponding period in 2019 (Source: MSE).

### Corporate news

Airtel Malawi Plc released a pre-listing statement on 27<sup>th</sup> December 2019 in respect of its Initial Public Offer (IPO) of 2,200,000,000 shares (at a price of K12.69 per share), which represent 20% of the company's issued capital. The IPO opened at 08.00hrs on 27<sup>th</sup> December 2019 and is expected to close at 17:00hrs on 31<sup>st</sup> January 2020 (Source: MSE).

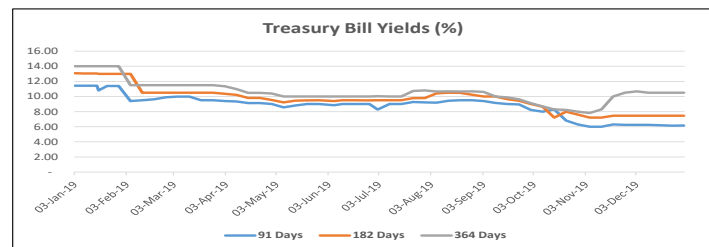
### Dividend announcements

Company	Dividend type	Declared/Proposed	Dividend per share (K)	Last day to register	Payable
TNM	2nd Interim	Declared	0.25	3-Jan-20	17-Jan-20
ILLOVO	Final	Proposed	0.50	13-Mar-20	31-Mar-20

(Source: MSE)

### Government securities

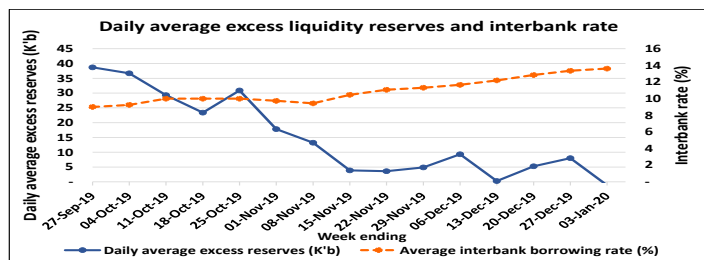
Government raised K5.8b from a Treasury Bill (TB) auction held on 31<sup>st</sup> December 2019, against the offered amount of K9.96b and total applications of K7.62b. RBM's Open Market Operations (OMO) Reverse Repo attracted total applications of K16.5b at an average rate of 13.72% and with no rejection. Maturities for the week amounted to K5.12b, resulting in a net injection of K15.82b into the market compared to a net injection of K10.52m in the previous week. The all-type average TB yield slightly increased to 8.04% from 8.03% in the preceding week due to a marginal increase in the 91-day yield to 6.15% from 6.14% while the 182-day and 364-day yields were stable at 7.46% and 10.50%, respectively (Source: RBM).



(Source: RBM)

### Interbank market activity

Liquidity in the market was tight during the week, with daily average liquidity reserves in a deficit of K1.15b compared to an average of K8.00b per day recorded in the previous week. Consequently, borrowing on the interbank market increased to an average of K14.09b per day from K8.45b per day in the previous week and the average interbank borrowing rate increased to 13.62% from 13.35%. Borrowing on the Lombard Facility decreased to an average of K25.08b per day from K33.52b per day in the preceding week. (Source: RBM).



(Source: RBM)

Stock market			
	03-Jan-20	% Δ	27-Dec-19
MASI	30,252.27	↑ 2.42%	29,538.36
DSI	23,599.81	↑ 2.81%	22,955.71
FSI	4,024.86	↓ 0.00%	4,024.86
Traded volume	217,936	↓ -80.38%	1,111,024
Number of trades	25	↑ 56.25%	16
Value of shares traded (K'm)	32.74	↑ 78.36%	18.35
Market capitalisation (K'm)	1,428,756.24	↑ 2.37%	1,395,610.71
Gainers			
	Current price (K)	% Δ	Previous price (K)
NBM	525.00	↑ 14.116%	460.06
NBS	13.50	↑ 7.57%	12.55
NICO	48.50	↑ 0.02%	48.49
Losers			
	Current price (K)	% Δ	Previous price (K)
ILLOVO	152.99	↓ -0.01%	153.00
Projected maturities			
	20-Dec-19	27-Dec-19	Dec-19
TBs, PNs & TNs (K'm)	6,065	12,368	36,085
OMO (K'm)	0	0	7,493
Treasury Note auctions			
	17-Dec-19	4-Dec-19	19-Nov-19
Tenor	2 Years	5 Years	10 Years
Coupon rate	8.00%	10.50%	15.50%
Amount offered - cost value (K'b)	36.79	22.86	12.63
Applied for - face value (K'b)	7.16	42.50	16.64
Allotted - face value (K'b)	4.16	26.49	13.47
Allotted - cost value (K'b)	3.94	22.86	12.63
Allotted - weighted average ytm	12.27%	14.45%	17.47%
Treasury Bill auctions			
	31-Dec-19	% pts Δ	24-Dec-19
Amount offered - cost value (K'm)	9,960.00	↑ 381.86%	2,067.00
Applied - cost value (K'm)	7,617.35	↑ 109.29%	3,639.69
Allotted - cost value (K'm)	5,815.06	↑ 216.57%	1,836.91
Overall rejection rate	23.66%	↓ -25.87	49.53%
91 days yield	6.15%	↑ 0.01	6.14%
182 days yield	7.46%	↑ 0.00	7.46%
364 days yield	10.50%	↑ 0.00	10.50%
All-type yield	8.04%	↑ 0.00	8.03%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2-year	12.27%	17-Dec-19	TBA
3-year	10.70%	05-Nov-19	21-Jan-20
5-year	14.45%	04-Dec-19	18-Feb-20
7-year	13.73%	24-Oct-19	07-Jan-20
10-year	17.47%	19-Nov-19	04-Feb-20
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last coupon rate
07-Jan-20	7	24.35	14.00%
21-Jan-20	3	29.37	9.00%
04-Feb-20	10	8.13	15.50%
18-Feb-20	5	31.36	10.00%
Reference rate			
Rate	Dec-19	% pts Δ	Nov-19
	12.50%	↑ 0.20	12.30%
Inflation rate			
Rate	Nov-19	% pts Δ	Oct-19
	10.4%	↑ 0.8	9.6%
RBM indicative mid exchange rates			
	3-Jan-20	% Δ	27-Dec-19
USD	736.4016	↓ 0.00%	736.4016
GBP	965.4961	↓ 1.30%	953.1246
ZAR	51.9364	↓ 0.38%	51.7416
EUR	822.1924	↓ 0.69%	816.5221
Gross official foreign exchange reserves position			
	31-Oct-19	30-Sep-19	30-Aug-19
Reserves (USD'm)	589.90	656.04	705.68
Import cover (months)	2.80	3.14	3.37

(Sources: MSE, RBM, NSO)

### Foreign exchange market developments

The Kwacha was stable against the USD, trading at an average mid-rate of K736.4016 per USD during the week but depreciated against GBP, ZAR and EUR. Gross official foreign exchange reserves were last reported at USD656.04m (3.14 months of import cover) on 31<sup>st</sup> October 2019, a decrease from USD656.04m (3.14 months of import cover) recorded on 30<sup>th</sup> September 2019 (Source: RBM).

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