

## Malawi Stock Exchange (MSE) trading activity

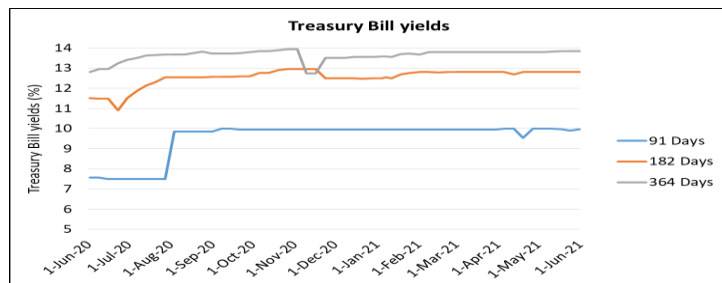
The Malawi All Share Index (MASI) registered a gain of 0.70% to close the week at 33,852.56 points from 33,616.13 points in the previous week due to share price gains in FMBCH (14.86%), ILOVO (0.01%) and NICO (5.93%) which offset share price losses in AIRTEL (-0.79%) and FDHB (-0.06%). The market traded a total of 286,960,216 shares at a consideration of K6.27b in 141 trades during the week, compared to a total of 36,188,983 shares traded at a consideration of K3.39b in 99 trades in the previous week. This represents increases of 692.95% and 84.84% in traded volume and traded value, respectively. The year-to-date return on MASI stands at 4.51% compared to -6.36% for the same period in 2020 (Source: MSE).

## Annual general meetings

Company	Venue	Date	Time
SUNBIRD	Virtual	18-Jun-21	15:30 hrs.
FMBCH	Virtual	21-Jun-21	15:00 hrs.
STANDARD	BICC/Virtual	24-Jun-21	09:00 hrs.
AIRTEL	Virtual	24-Jun-21	15:00 hrs.
NBS	Virtual	29-Jun-21	09:00 hrs.

## Government securities

Government raised K2.40b during the week's auction for Treasury Bills (TBs) compared to K2.62b raised in the previous week. The auction registered no rejection on the submitted bids. The all-type average TB yield increased to 12.2085% from 12.1833% in the previous week due to increases in the 91-day and 364-day yields to 9.9755% and 13.8500%, respectively, from 9.9000% and 13.8498% in the previous week. The 182-day yield slightly decreased to 12.7999% from 12.8000% (Source: RBM).

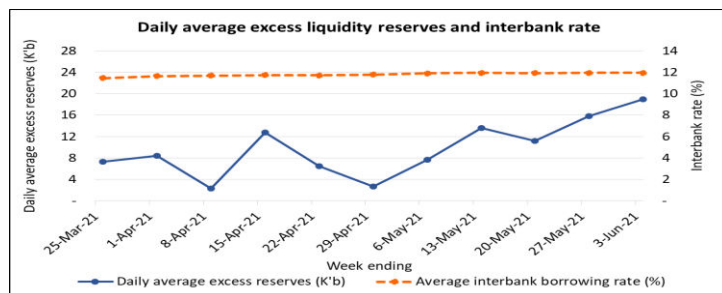


Data source: RBM

Government also raised K15.17b through auction of a 5-year Treasury Note at an average yield of 20.06% during the week. Maturities of Government securities for the week amounted to K23.73b and OMO reverse repos aimed at injecting liquidity in the market amounted to K96.18b. Consequently, there was a net injection of K102.34b into the market, compared to a net injection of K8.57b in the previous week (Source: RBM).

## Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K18.92b from K15.79b last week. Consequently, the average daily interbank borrowing decreased to K8.70b compared to K9.62b in the previous week. The average interbank borrowing rate was stable at 11.94% as per the previous week. Borrowing on the Lombard Facility averaged K57.55b per day, increasing from an average of K46.28b per day in the previous week. The Lombard rate remains fixed at 12.20% as previously set by the Monetary Policy Committee. (Source: RBM).



Data source: RBM

## Foreign exchange market developments

The closing USD/MWK mid-rate decreased to K800.5948 on Thursday, 3<sup>rd</sup> June 2021 from K800.9967 on Thursday, 27<sup>th</sup> May 2021, representing a Kwacha appreciation of 0.05%. During the same period, the Kwacha also appreciated against EUR by 0.41%. It, however, depreciated against GBP and ZAR by 0.81% and 1.54%, respectively. The gross official forex reserves were last recorded at USD414.41m (1.66 months of import cover) on 31<sup>st</sup> May 2021 from USD392.01m (1.88 months of import cover) on 30<sup>th</sup> April 2021 (Source: RBM). The reserves were below the recommended minimum of 3 months of import cover. In the seventh week, as at 2<sup>nd</sup> June 2021, the tobacco market had cumulatively raked in USD76.68m compared to USD62.34m for the corresponding period in 2020 (Source: AHL).

Stock market				
	4-Jun-21		% Δ	28-May-21
MASI	33,852.56	↑	0.70%	33,616.93
DSI	28,327.51	↑	0.02%	28,322.68
FSI	2,292.11	↑	12.88%	2,030.51
Traded volume	286,960,216	↑	692.95%	36,188,983
Number of trades	141	↑	42.42%	99
Value of shares traded (K'm)	6,271.01	↑	84.84%	3,392.72
Market capitalisation (K'm)	1,840,967.43	↑	0.73%	1,827,697.18
Gainers				
	Closing price (K)		% Δ	Opening price (K)
FMBCH	40.80	↑	14.86%	35.52
ILOVO	80.47	↑	0.01%	80.46
NICO	55.00	↑	5.93%	51.92
Losers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	32.50	↓	-0.79%	32.76
FDHB	16.40	↓	-0.06%	16.41
Treasury Bill auctions				
	1-Jun-21		% pts Δ	25-May-21
Amount offered - cost value (K'm)	5,050.00	↓	-48.79%	9,861.00
Applied - cost value (K'm)	2,399.29	↓	-21.85%	3,070.03
Allotted - cost value (K'm)	2,399.29	↓	-8.57%	2,624.29
Overall rejection rate	0.00%	↓	-14.52%	14.52%
91 days yield	9.9755%	↑	0.08%	9.9000%
182 days yield	12.7999%	↓	0.00%	12.8000%
364 days yield	13.8500%	↑	0.00%	13.8498%
All-type yield	12.2085%	↑	0.03%	12.1833%
Treasury Note auctions				
	1-Jun-21	18-May-21		4-May-21
Auction date	1-Jun-21	18-May-21		4-May-21
Tenors	5 years	10 years		10 years
Coupon rate	12.50%	10.00%		15.00%
Amount offered - cost value (K'b)	20.47	21.00		9.95
Total applied - cost value (K'b)	15.19	13.24		3.06
Total allotted - cost value (K'b)	15.17	11.47		3.06
Allotted - weighted average ytm	20.06%	16.51%		22.50%
Current yields for Treasury Notes				
Tenor	Last auction's yield	Last auction		Next auction
2-year	16.51%	18-May-21		TBA
3-year	18.80%	6-Apr-21		29-Jun-21
5-year	20.06%	1-Jun-21		TBA
7-year	20.50%	20-Apr-21		15-Jun-21
10-year	22.50%	4-May-21		TBA
Upcoming Treasury Note auctions				
Auction date	Tenor	Amount (K'b)		Last coupon rate
15-Jun-21	7	28.86		13.50%
29-Jun-21	3	34.34		11.00%
OMO reverse repos - 4 June 2021				
Tenor	Applied (K'm)	Allotted (K'm)		Average yield
31 days	22,227	5,000		10.38%
60 days	30,000	15,000		11.25%
90 days	43,950	21,000		12.01%
Total	96,177	41,000		11.21%
Projected maturities				
	4-Jun-21	11-Jun-21		18-Jun-21
TBs, PNs & TNs (K'm)	23,733	6,341		6,318
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	15,402		30,336
Reference rate				
	Jun-21		% pts Δ	May-21
Rate	12.20%	↑	0.10	12.10%
Inflation rate				
	Apr-21		% pts Δ	Mar-21
Rate	9.2%	↓	-0.2	9.4%
Cumulative tobacco sales				
Year	2-Jun-21		% Δ	Week 7 as at 6 June 2020
Volume (Kg)	46,615,123.00	↑	13.42%	41,099,956.00
Value (USD)	76,680,644.14	↑	23.00%	62,340,982.00
Average price (USD/Kg)	1.64	↑	7.89%	1.52
Actual market closing mid exchange rates				
	3-Jun-21		% Δ	27-May-21
USD	800.5948	↓	-0.05%	800.9967
GBP	1189.1914	↓	0.81%	1179.6626
EUR	1040.3199	↓	-0.41%	1044.5706
ZAR	63.1404	↓	1.54%	62.1815
Gross official foreign exchange reserves position				
	31-May-21	30-Apr-21		31-Mar-21
Reserves (USD'm)	414.41	392.01		410.16
Import cover (months)	1.66*	1.88		1.96

\* US\$250.0m import requirement per month is used in the calculations from May 2021 while US\$209.0m is used in the preceding months.

Data sources: MSE, RBM, NSO, AHL

## COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 34,371 as at 4<sup>th</sup> June 2021, out of which 334 were reported to be still active. Daily new locally transmitted and imported infections of COVID-19 were reported to be 6 cases. So far, 32,649 people have recovered while 1,156 have died from the disease. The first dose of the Oxford-AstraZeneca vaccine was reported to have been administered to a total of 358,254 people (Source: Ministry of Health). Administration of the second dose began on 4<sup>th</sup> June 2021. Globally, total confirmed cases of COVID-19 amounted to 172.60m, with recoveries of more than 156.02m and 3.71m deaths as at 4<sup>th</sup> June 2021 (Source: Johns Hopkins University & Medicine).

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