

MASI steady

The Malawi All Share Index (MASI) was steady at 27092.17 points during the week as no counter registered price movement. However, the total value traded increased by 580.06% to K1.76b from K259.11m recorded the previous week. A total of 43,680,044 shares were traded during the week compared to 1,871,987 shares that switched hands the previous week. Year to date return on the MASI stands at 25.44% (2017:14.16%). There was no trade on the listed government securities during the week (Source: MSE).

Exchange rate movements

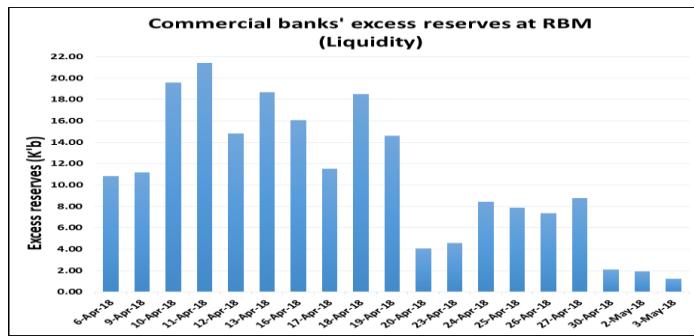
The Kwacha appreciated against GBP, EUR and ZAR during the week but marginally depreciated against USD. Gross official reserves decreased to USD634.21m (3.03 months of imports) as at 2nd May 2018 from USD640.56m (3.06 months of imports) recorded on 27th April 2018 (Source: RBM). We expect the Kwacha to remain stable in the medium term backed by an improvement in foreign exchange reserves during the Tobacco marketing season and following the approval of the new IMF extended credit facility.

Treasury Bill auctions

The Malawi Government raised a total of K8,592.38m through Treasury Bill auctions during the week, compared to K5,957.86m raised during the previous week. K0.35m was rejected out of a total application of K8,592.73m. The average yield was steady at 14.50%. (Source: RBM). Looking forward, Treasury Bill yields could remain steady for some time amid uncertainties regarding inflation. If inflation remains relatively low in the medium term, the yields could decline as the authorities target cheaper funds.

Interbank market activity

Liquidity decreased by 43.75% during the week to a daily average of K3.51b from K6.24b the previous week. Consequently, the average overnight interbank rate increased to 14.30% from 14.02%. The daily average volume traded on the interbank market decreased to K6.65b from K9.33b the previous week. A total of K64.84b was accessed on the Lombard Facility at a rate of 18.00%, compared to K15.74b during the previous week at the same rate. No mop-up open market operations (OMO) were conducted by RBM. (Source: RBM). We expect increased upward liquidity pressures during the agricultural marketing season and the RBM to intensify mop-up operations during the period in order to reduce unfavorable effects of liquidity on inflation.



(Source: RBM)

Stock market indices			
	4-May-18	% Δ	27-Apr-18
MASI	27092.17	➡ 0.00%	27092.17
DSI	18158.46	➡ 0.00%	18158.46
FSI	6743.62	➡ 0.00%	6743.62
Market capitalisation (K' b)	15,654.62	➡ 0.00%	15,654.62
Deals	18	⬇ -40.00%	30
Value of shares traded (K' m)	1,762.11	⬆ 580.06%	259.11
Gainers	Current price (K)	% Δ	Previous price (K)
None			
Losers	Current price (K)	% Δ	Previous price (K)
None			
Average Treasury Bill yields			
Tenor (days)	Auctions held on 2 and 3 May 2018	% pts Δ	Auction held on 24 April 2018
91	14.00%	➡ 0.00	14.00%
182	14.50%	➡ 0.00	14.50%
364	15.00%	➡ 0.00	15.00%
All-type	14.50%	➡ 0.00	14.50%
Overall rejection (K'm)	0.35	⬆ 35.00	0.00
Alloted (K' m)	8,592.38	⬆ 44.22%	5,957.86
Expected maturities			
Week ending	4-May-18	11-May-18	18-May-18
TBs, PNs & TNs	4,820	6,205	8,064
OMO	2,665	12,833	2,932
Inflation			
Month	Mar-18	% pts Δ	Feb-18
Rate	9.90%	⬆ 2.10	7.80%
Cumulative tobacco sales (week 3)			
Year	2018	% Δ	2017
Volume (Kg)	21,038,112	⬆ 148.71%	8,459,028
Value (USD)	31,090,255	⬆ 116.60%	14,353,984
Average price (USD/Kg)	1.48	⬇ -12.91%	1.70
RBM indicative mid exchange rates			
Currency	4-May-18	% Δ	27-Apr-18
USD	726.0382	⬇ 0.02%	725.9181
GBP	985.5969	⬆ -2.52%	1011.0587
ZAR	57.6569	⬆ -1.63%	58.6094
EUR	870.2294	⬆ -1.01%	879.0868
Gross official foreign exchange reserve position			
	2-May-18	27-Apr-18	20-Apr-18
Reserves (USD'm)	634.21	640.56	636.9
Import cover (months)	3.03	3.06	3.05

(Sources: MSE, RBM, NSO, TCC)

Published financial statements

	2017 PAT (K'b)	Movement	2016 PAT (K'b)
Listed companies			
NICO	11.12	⬆ 895%	(1.40)
NITL	2.22	⬆ 307%	(1.07)
NBM	19.15	⬆ 15%	16.61
NBS	(1.09)	⬆ 87%	(8.40)
PCL	39.67	⬆ 159%	15.31
STANDARD	12.16	⬇ -37%	19.43
SUNBIRD	2.43	⬆ 82%	1.34
TNM	13.11	⬆ 60%	8.21
Unlisted banks			
CDHIB	0.25	⬇ -74%	0.98
ECOBANK	3.86	⬇ -9%	4.26
FDH	(0.34)	⬆ 96%	(7.77)
NFB	(1.84)	⬆ 3%	(1.90)
Asset managers			
CAM	0.50	⬆ 47%	0.34
NBM CM	0.54	⬆ 24%	0.44
NICO AM	0.56	⬆ 81%	0.31
Old Mutual IG	0.36	⬆ 57%	0.23
Stock brokers			
SML	0.14	⬇ -48%	0.27
CCL	0.005	⬆ 78%	0.003
Discount houses			
First Discount House	1.35	⬆ 76%	0.77

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