

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) marginally lost by 0.05% to close the week at 27,290.96 points from 27,303.65 points as at the close of the previous week, on account of a share price loss in NBS (-2.12%) which outweighed a marginal share price gain in MPICO (0.08%). The market registered a decrease of 62.58% in the volume of shares traded to 6,293,492 from 16,819,584 and an increase of 60.03% in the value of traded shares to K1.06b from K0.66b in the previous week. The year-to-date return on the MASI closed the week at negative 5.84% compared to 15.56% recorded during the corresponding period in 2018. There was no trade on the listed bond market (*Source: MSE*).

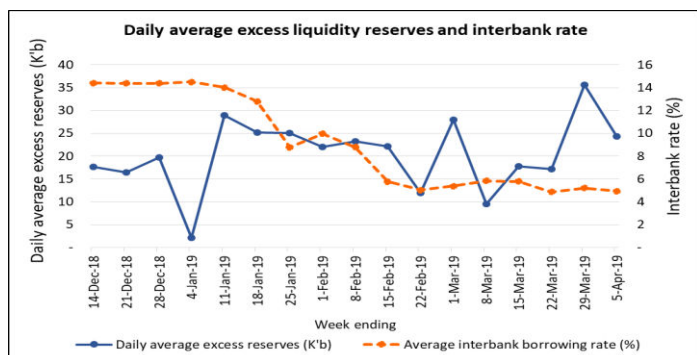
Government securities

Government raised a total of K19.42b through a Treasury Bill auction during the week compared to a total of K27.44b that was raised through auctions for Treasury Bills (K5.75b) and a 5-year Treasury Note (K21.69b) in the previous week. There were no auctions for Treasury Notes (TN) during the week. The TB auction registered a rejection rate of 65.03% compared to the rejection rate of 77.53% in a similar auction during the previous week. Maturities for the week amounted to K19.37b, resulting in a net withdrawal of K50.00m. There were no open market operations conducted by RBM during the week (*Source: RBM*).

The all-type average TB yield decreased to 10.37% during the week from 10.50% the preceding week due to a decrease in the 91-day yield to 9.40% from 9.50%, the 182-day yield to 10.36% from 10.50% and the 364-day yield to 11.35% from 11.50% (*Source: RBM*).

Interbank market activity

Liquidity levels remained elevated during the week despite excess liquidity reserves decreasing to an average of K24.28b per day compared to K35.64b in the previous week. Consequently, there was no access to the Lombard facility during the week as was the case in the preceding week. The interbank market volume increased to an average of K7.79b per day from K6.77b the previous week, and the average overnight interbank rate decreased to 4.95% from 5.21% (*Source: RBM*). We expect liquidity levels to remain elevated in the short to medium term owing to reduced reserve requirement ratio, proceeds from agricultural sales during the harvest period beginning April 2019 and increased expenditure as well as subdued demand for loans as we approach the general elections in May 2019, among other factors.



(*Source: RBM*)

Foreign exchange market developments

The Kwacha depreciated against all the major trading currencies during the week, with the USD/MWK indicative middle rate increasing by 0.18% to 733.0712 from 731.7891 the previous week. Gross official forex reserves stood at USD837.49m (4.01 months of import cover) on 28th February 2019, increasing by 6.00% from USD790.28m (3.78 months of import cover) on 31st January 2019 (*Source: RBM*).

Stock market				
	5-Apr-19	% Δ	29-Mar-19	
MASI	27,290.96	↓ -0.05%	27,303.65	
DSI	20,471.84	↓ -0.06%	20,483.29	
FSI	4,521.94	→ 0.00%	4,521.94	
Traded volume	6,293,492	↓ -62.58%	16,819,584	
Number of trades	62	↑ 5.08%	59	
Value of shares traded (K'm)	1,059.01	↑ 60.03%	661.78	
Market capitalisation (K'm)	1,275,346.76	↓ -0.05%	1,275,935.00	
Gainers	Current price (K)	% Δ	Previous price (K)	
MPICO	13.08	↑ 0.08%	13.07	
Losers	Current price (K)	% Δ	Previous price (K)	
NBS	9.69	↓ -2.12%	9.90	
Treasury Bill auctions				
Auction date	2-Apr-19	% pts Δ	26-Mar-19	
91 days yield	9.40%	↓ -0.10	9.50%	
182 days yield	10.36%	↓ -0.14	10.50%	
364 days yield	11.35%	↓ -0.15	11.50%	
All-type yield	10.37%	↓ -0.13	10.50%	
Applied - cost value (K'm)	55,529.67	↑ 117.13%	25,574.60	
Allotted - cost value (K'm)	19,420.97	↑ 237.99%	5,746.01	
Overall rejection rate	65.03%	↓ -12.51	77.53%	
Upcoming Treasury Note auctions				
Tenor	Auction date	Settlement date	Previous auction's yield	
7 years	23-Apr-19	25-Apr-19	24.00%	
2 years	28-May-19	30-May-19	17.32%	
3 years	25-Jun-19	27-Jun-19	14.77%	
Projected maturities				
Week ending	5-Apr-19	12-Apr-19	19-Apr-19	
TBs, PNs & TNs (K'm)	19,366	15,037	16,340	
OMO (K'm)	5,086	0	0	
Inflation				
Rate	Feb-19	% pts Δ	Jan-19	
	7.90%	↓ -0.90	8.80%	
RBM indicative mid exchange rates				
	5-Apr-19	% Δ	29-Mar-19	
USD	733.0712	↓ 0.18%	731.7891	
GBP	961.2030	↓ 0.49%	956.5215	
ZAR	51.9106	↓ 3.47%	50.1686	
EUR	823.0923	↓ 0.13%	822.0187	
Gross official foreign exchange reserves position				
	28-Feb-19	31-Jan-19	31-Dec-18	
Reserves (USD'm)	837.49	790.28	755.22	
Import cover (months)	4.01	3.78	3.61	

(*Sources: MSE, RBM, NSO*)

Published annual financial results for 2018			
	2018 PAT (K'b)	Movement	2017 PAT (K'b)
Listed company			
Blantyre Hotels Plc	0.35	↓ -31%	0.51
ILLOVO Sugar Malawi Plc	16.45	↑ 113%	7.74
Mpico Plc	6.78	↑ 33%	5.09
National Bank of Malawi	15.97	↓ -17%	19.15
National Investment Trust	1.42	↓ -39%	2.33
NBS Bank Plc	1.70	↑ 256%	(1.09)
Standard Bank Malawi Plc	10.58	↓ -13%	12.16
Sunbird Tourism Plc	2.56	↑ 5%	2.43
Unlisted financial institutions			
FDH Bank Ltd	5.97	↑ 694%	(1.00)
FDH Financial Holdings Ltd	7.82	↑ 8166%	0.09
First Discount House Ltd	1.13	↓ -17%	1.35
New Finance Bank Ltd	0.77	↑ 140%	-1.92

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