

MASI gains

The MASI gained by 0.52% during the week to close at 21711.40 points due to a share price increase in TNM to K15.00 from K14.50 the previous week. Total value traded increased by 1826.28% to K40.17m from K2.09m recorded the previous week. A total of 1,758,287 shares were traded during the week compared to 232,700 shares transacted the previous week. Year to date return on the MASI stands at 0.52% (2017: 0.26%) (Source: MSE).

Kwacha exchange rate movements

During the week, the Kwacha marginally depreciated against major trading currencies. Gross official reserves slightly decreased to USD761.93m (3.63 months of imports) as at 5th January 2018 from USD761.97m (3.65 months of imports) recorded on 29th December 2017 (Source: RBM). In the short to medium term, we expect the Kwacha to remain fairly stable on account of improved supply of forex in the market which is enough to offset current demand arising from foreign bill payments including importation of agricultural inputs.

Treasury Bill yields drop

At the TB auction held on 2nd January 2018, K1.33b was raised. The average all type TB rate decreased to 14.50% from 14.53% observed the previous week. The auction registered no rejection (Source: RBM). Looking forward, we expect Treasury Bill yields to continue to face a downward pressure as the market realigns itself to the revised Policy rate.

Interbank market

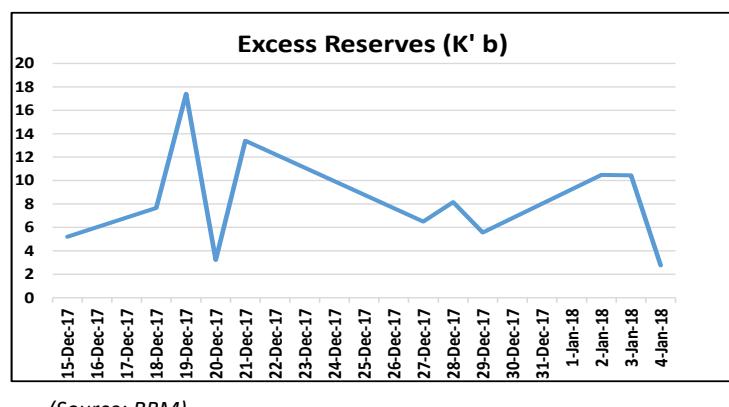
Liquidity marginally decreased to a daily average of K7.31b from K7.32b the previous week. The average overnight interbank rate increased to 14.95% from 14.77% the preceding week. The daily average volume traded on the interbank market increased to K15.25b from K15.00b the previous week. Access to the Lombard Facility increased to K39.95b from K28.81b. Total maturities for the week amounted K49.35b. The authorities mopped up K27.97b from the market through OMOs during the week (Source: RBM). In the near term, the interbank rate could face a downward pressure as the market continues to respond to the recent Policy rate cut.

Revised commercial banks' base lending rates

Commercial banks' base lending rates			
Bank	Current rate	Previous rate	Change
CDHIB	24.50%	26.00%	⬇ -1.50%
Ecobank	25.00%	28.00%	⬇ -3.00%
FDH	25.00%	27.50%	⬇ -2.50%
FMB	23.00%	25.00%	⬇ -2.00%
NBM	23.00%	25.00%	⬇ -2.00%
NBS	25.50%	27.50%	⬇ -2.00%
Nedbank	25.00%	27.50%	⬇ -2.50%
Standard	23.00%	25.00%	⬇ -2.00%

Stock market indices			
	5-Jan-18	% Δ	29-Dec-17
MASI	21711.4	⬆ 0.5247%	21598.07
DSI	16375.9	⬆ 0.6346%	16272.64
FSI	3519.43	➡ 0.00%	3519.43
Market capitalisation (K' b)	10,614.51	⬆ 0.05%	10,609.49
Deals	22	⬆ 633.33%	3
Value of shares traded (K' m)	40.17	⬆ 1826.28%	2.09
Gainers	Current price (K)	% Δ	Previous price (K)
TNM	15.00	⬆ 3.4483%	14.50
Losers	Current price (K)	% Δ	Previous price (K)
None			
Treasury Bill yields			
Tenor (days)	2-Jan-18	% pts Δ	27-Dec-17
91	14.00%	⬇ -0.50%	14.50%
182	14.50%	➡ 0.00%	14.50%
364	15.00%	⬇ -0.09%	15.09%
All-type	14.50%	⬇ -0.03%	14.53%
Overall rejection rate	0.00%	➡ 0.00%	0.00%
Allotted (K' b)	1.33	⬆ 47.79%	0.90
Expected maturities			
Week ending	5-Jan-18	12-Jan-18	19-Jan-18
TBs, PNs & TNs	6,597	6,483	16,381
OMO	42,748	28,680	15,230
Inflation			
Month	Nov-17	% pts Δ	Oct-17
Rate	7.70%	⬇ -0.60%	8.30%
RBM - mid exchange rates			
Currency	5-Jan-18	% Δ	29-Dec-17
USD	725.61	⬇ 0.00%	725.58
GBP	984.65	⬇ 0.84%	976.49
ZAR	58.99	⬇ 0.85%	58.49
EUR	876.10	⬇ 1.08%	866.71
Gross official foreign exchange reserve position			
	3-Jan-18	29-Dec-17	22-Dec-17
Reserves (USD'm)	761.93	761.97	767.64
Import cover (months)	3.63	3.65	3.67

(Source: MSE, RBM)



(Source: RBM)

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