

### Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained marginally by 0.01% to close the week at 29,958.16 points from 29,956.00 points the previous week, due to a marginal share price gain in TNM. A total of 1,288,560 shares were traded on the Exchange at a consideration of K153.51m, compared to 4,582,384 shares traded in the previous week at a consideration of K197.36m. This represents a 71.88% decrease in volume and a 22.22% decrease in value since the previous week. The year-to-date return on the MASI stands at 3.36% compared to 42.64% recorded during a corresponding period in 2018. There was no trade on the listed bond market (Source: MSE).

### Corporate news

NITL expects its profit after tax (PTA) for the half year ended 30<sup>th</sup> June 2019 to be lower by about 50% than the K1.43b PTA reported in the previous corresponding period (Source: MSE).

MSE released a market report for Q2 2019. The stock market was bullish during the quarter as it registered a return on index of 9.71%. It also registered an increase in total traded value despite a decrease in total volume of shares traded. 8 counters registered gains while 4 counters registered losses. Top gainers were MPICO (49.20%), NBM (17.46%), PCL (16.67%), TNM (15.73%) and NICO (15.56%) and decliners were ICON (-9.09%), NBS (-9.09%), OMU (-0.53%) and BHL (-0.08%) (Source: MSE).

### Government securities

Government raised a total of K9.94b from auctions for Treasury Bills (K9.76b) and a 3-year Treasury Note (K0.18b) during the week, compared to K12.33b that was raised in the previous week from auctions for Treasury Bills (K5.66b) and a 3-year Treasury Note (K6.67b) week. Maturities for the week amounted to K47.28b, resulting in a net injection of K37.34b. There were no open market operations (OMO) during the week as was the case in the previous week. The all-type (average) TB yield decreased to 9.28% from 9.50% the previous week due to a decrease in the 91-day TB yield to 8.28% from 9.00% while the 182-day TB yield was constant at 9.50% and the 364-day TB yield increased to 10.04% from 10.00%. The average yield for the 3-year TN was 14.00%, up from 13.72% in the previous week (Source: RBM).

### Interbank market activity

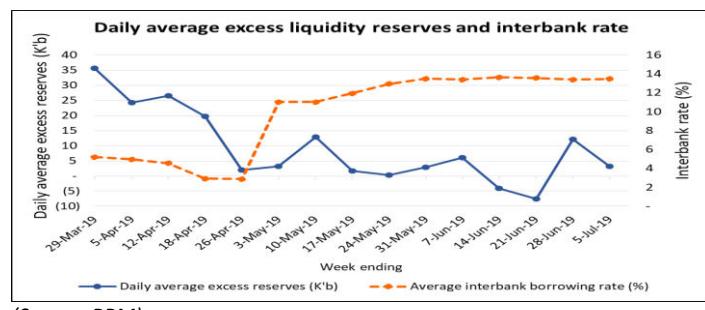
Liquidity levels decreased during the week as excess liquidity reserves decreased to an average of K3.12b per day from an average of K12.13b per day in the previous week. Borrowing on the interbank market increased to an average of K25.46b per day from K11.59b per day during the previous week and the average interbank borrowing rate increased to 13.46% from 13.40%. The amount accessed on the Lombard facility increased to a total of K84.30b at a fixed rate of 13.9%, up from K23.71b in the preceding week (Source: RBM).

### Foreign exchange market developments

The Kwacha marginally depreciated against USD and ZAR during the week but appreciated against GBP and EUR. The USD/MWK indicative middle rate closed the week at 775.2560 from 775.1643 in the previous week (Source: RBM). Gross official forex reserves stood at USD766.10m (3.67 months of import cover) on 30<sup>th</sup> April 2019 (Source: RBM).

Stock market			
	5-Jul-19	% Δ	28-Jun-19
MASI	29,958.16	↑ 0.01%	29,956.00
DSI	22,879.72	↑ 0.01%	22,877.77
FSI	4,520.31	↑ 0.00%	4,520.31
Traded volume	1,288,560	↓ -71.88%	4,582,384
Number of trades	52	↑ 0.00%	52
Value of shares traded (K'm)	153.51	↓ -22.22%	197.36
Market capitalisation (K'm)	1,412,232.13	↑ 0.01%	1,412,128.98
<b>Gainers</b>	<b>Current price (K)</b>	<b>% Δ</b>	<b>Previous price (K)</b>
TNM	29.00	↑ 0.03%	28.99
<b>Losers</b>	<b>Current price (K)</b>	<b>% Δ</b>	<b>Previous price (K)</b>
None			
Treasury Bill auctions			
Auction date	2-Jul-19	% pts Δ	28-Jun-19
91 days yield	8.28%	↓ -0.72	9.00%
182 days yield	9.50%	↑ 0.00	9.50%
364 days yield	10.04%	↑ 0.04	10.00%
All-type yield	9.28%	↓ -0.22	9.50%
Applied - cost value (K'm)	9,764.46	↑ 72.63%	5,656.42
Allotted - cost value (K'm)	9,764.46	↑ 72.63%	5,656.42
Overall rejection rate	0.00%	↑ 0.00	0.00%
Treasury Note auctions			
Date	3-Jul-19	27-Jun-19	6-Jun-19
Tenor	3 Years	3 Years	2 Years
Coupon rate	9.00%	9.00%	8.00%
Applied for - face value (K'b)	0.20	15.04	3.00
Allotted- face value (K'b)	0.20	12.97	3.00
Allotted - cost value (K'b)	0.18	6.67	2.79
Allotted - weighted average ytm	14.00%	13.72%	12.20%
Projected maturities			
<b>Week ending</b>	<b>5-Jul-19</b>	<b>12-Jul-19</b>	<b>19-Jul-19</b>
TBs, PNs & TNs (K'm)	10,817	29,872	16,753
OMO (K'm)	36,458	0	0
Inflation			
May-19	% pts Δ	Apr-19	
Rate	8.90%	↓ -0.20	9.10%
Cumulative tobacco sales as at 28 June 2019 (week 10) versus 2018			
Week 10 2019	% Δ	Week 10 2018	
Volume (Kg'million)	75.59	↓ -23.34%	98.60
Value (USD'million)	109.86	↓ -34.08%	166.65
Average price (USD/Kg)	1.45	↓ -14.20%	1.69
RBM indicative mid exchange rates			
	5-Jul-19	% Δ	28-Jun-19
USD	775.2560	↓ -0.01%	775.1643
GBP	975.5046	↑ -0.70%	982.3657
ZAR	55.1336	↓ 0.57%	54.8226
EUR	873.9461	↑ -0.89%	881.8269
Gross official foreign exchange reserves position			
	30-Apr-19	31-Mar-19	28-Feb-19
Reserves (USD'm)	766.10	775.45	837.49
Import cover (months)	3.67	3.71	4.01

(Sources: MSE, RBM, NSO)



(Source: RBM)

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