

Malawi Stock Exchange trading activity

The Malawi All Share Index (MASI) went up by 1.10% to 32,306.69 as at the close of the week from 31,956.43 the previous week, due to share price increases in PCL, NBS, TNM, BHL, NBM and OMU, which offset share price losses in NICO and FMBCH. The year-to-date return on the MASI stands at 49.58% compared to 49.80% for the corresponding period in 2017. There were no trades on the listed bond market (Source: MSE).

Corporate update

Company	2018 H1 declared dividend per share (K)	Last day to register	Payable
MPICO	0.09	14-Sep-18	28-Sep-18
NBM	5.35	7-Sep-18	21-Sep-18
STANDARD	7.24	7-Sep-18	25-Sep-18
PCL	20.00	10-Aug-18	14-Sep-18
TNM	0.25	14-Sep-18	28-Sep-18
PCL	6.00	19-Oct-18	26-Oct-18
NICO	0.60	21-Sep-18	28-Sep-18

Published financial results for the half year ended 30th June 2018			
	H1 2018 PAT (K'm)	Movement	H1 2017 PAT (K'm)
Listed companies			
FMB Bank (Malawi only)	6,580 ▲	31%	5,035
FMB Capital Holdings PLC (USD'm)	20		
MPICO PLC	3,799 ▲	38%	2,760
National Bank fo Malawi PLC	8,541 ▼	-10%	9,527
NBS Bank	479 ▲	142%	(1,136)
NICO Holdings PLC	5,973 ▲	39%	4,303
Press Corporation PLC	23,079 ▲	227%	7,061
Standard Bank	5,532 ▼	-32%	8,163
TNM	6,942 ▲	46%	4,750
Unlisted banks			
CDH Investment Bank	672 ▲	34%	503
Ecobank	2,120 ▼	-1%	2,134
FDH Bank	1,342 ▼	-26%	1,820
Nedbank	(1,053) ▼	-15%	(912)
New Finance Bank	820 ▲	180%	(1,022)
Discount house			
First Discount House	157 ▼	-75%	634

Foreign exchange market developments

The Kwacha remained broadly stable against the USD during the week while appreciating against the ZAR, EUR and GBP. Gross official foreign exchange reserves slightly dropped to USD751.91 (3.60 months of import cover) as at 5th September 2018 from USD753.52 (3.61 months of import cover) recorded on 31st August 2018 (Source: RBM). Exchange rate stability is expected to continue in the short term, backed by continued supply of foreign exchange from this year's tobacco auction market. However, the Tobacco sales are coming to a close; it is expected that the last auction floor (Mzuzu) will close on 11th September 2018. As at the end of week 22 of the tobacco auctions on 7th September 2018, USD325.15m had been realized, compared to USD212.51m realized during a corresponding period in 2017, representing a 53% increase (Source: TCC).

Government securities market

Government raised a total of K9.82b through Treasury Bill auctions conducted during the week, compared to K48.72b raised in the previous week, representing an 80% drop. The auction registered no rejection. The average yield increased to 14.49% from 14.40% the previous week (Source: RBM). Treasury Bill yields are expected to remain stable in the near-term. However, persistent inflation risks threaten continued stability of interest rates in general in the medium to long term.

There were auctions for a 2 Years Treasury Note on 3rd and 6th September 2018 during which a total of K23.41b was raised. The average yield for the Note was 18.25% on 3rd September 2018 and 18.84% on 6th September 2018 (Source: RBM).

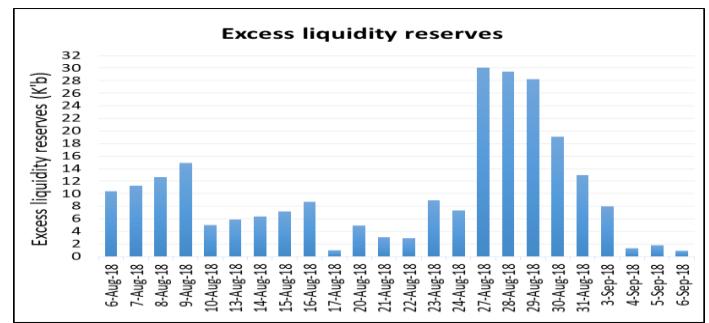
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Stock market			
	7-Sep-18	% Δ	31-Aug-18
MASI	32,306.69 ▲	1.10%	31,956.43
DSI	21,465.59 ▲	1.51%	21,145.76
FSI	8,236.83 ▼	-0.01%	8,237.32
Traded volume	7,950,632 ▲	7.18%	7,417,793
Number of trades	66 ▲	100.00%	33
Value of shares traded (K' m)	1,795.00 ▲	781.43%	203.65
Market capitalisation (K' b)	1,432.01 ▲	1.10%	1,416.48
Gainers	Current price (K)	% Δ	Previous price (K)
PCL	850.00 ▲	10.10%	772.00
NBS	9.00 ▲	3.93%	8.66
TNM	28.50 ▲	1.86%	27.98
BHL	8.08 ▲	0.37%	8.05
NBM	310.06 ▲	0.01%	310.02
OMU	2513.26 ▲	0.00%	2513.25
Losers	Current price (K)	% Δ	Previous price (K)
NICO	53.95 ▼	-0.09%	54.00
FMBCH	159.98 ▼	-0.01%	159.99
Treasury Bill auctions			
	5 and 6 September	% pts Δ	27, 28, 29 and 30 August 2018
91 days yield	13.98% ▲	0.27	13.71%
182 days yield	14.50% ▼	0.00	14.50%
364 days yield	15.00% ▼	0.00	15.00%
All-type yield	14.49% ▲	0.09	14.40%
Allotted - cost value (K' m)	9,818.74 ▼	-80%	48,724.54
Overall rejection rate	0.00% ▼	0.00	0.00%
Treasury Note auctions			
	6-Sep-18	3-Sep-18	23-Aug-18
Tenor	2 Years	2 Years	3 Years
Offered (K'b)			20.00
Applied for - face value (K'b)	3.75	31.67	32.83
Allotted- face value (K'b)	3.75	25.17	22.57
Allotted - cost value (K'b)	3.40	23.03	20.01
Allotted - average rate	18.84% ▲	18.25%	19.14%
Projected maturities			
	31-Aug-18	7-Sep-18	Sep-18
TBs, PNs & TNs	64,466	8,621	20,194
OMO	6,661	15,434	92,437
Inflation			
	JUL-18	% pts Δ	JUN-18
Rate	9.00% ▲	0.40	8.60%
Cumulative tobacco sales as at 7th September 2018 (week 22)			
	2018	% Δ	2017
Volume (Kg)	192,765,666 ▲	80.94%	106,536,815
Value (USD)	325,148,025 ▲	53.00%	212,514,063
Average price (USD/Kg)	1.69 ▼	-15.08%	1.99
% of GDP	7.02 ▲	53.00%	4.59
RBM indicative mid exchange rates			
	7-Sep-18	% Δ	31-Aug-18
USD	726.2091 ▼	0.01%	726.1646
GBP	938.6979 ▲	-0.73%	945.6115
ZAR	47.4324 ▲	-3.89%	49.3536
EUR	844.3633 ▲	-0.48%	848.4507
Gross official foreign exchange reserves position			
	5-Sep-18	31-Aug-18	24-Aug-18
Reserves (USD'm)	751.91	753.52	765.92
Import cover (months)	3.60	3.61	3.66

(Sources: MSE, RBM, NSO, TCC)

Interbank market activity

Liquidity levels significantly decreased during the week, with excess reserves dropping by 78.19% to a daily average of K4.98b from K22.83b the previous week. Consequently, the total amount accessed on the Lombard Facility increased to K54.03b compared to K4.96b accessed during the previous week. The daily average volume traded on the interbank market increased to K10.46b from K6.03b the previous week. The average overnight interbank rate decreased to 14.09% from 14.58% the previous week. There were no Open Market Operations (OMO) by RBM during the week (Source: RBM).



(Source: RBM)