

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) gained by 0.94% to close the week at 27,946.78 points from 27,687.33 points reported in the previous week on account of a share price gain in PCL. The market registered an increase of 11.78% in the volume of shares traded to 173,111,267 from 154,872,234 and an increase of 6.23% in the value of shares traded to K2.66b from K2.51b in the previous week. The year-to-date return on the MASI stands at negative 3.58% compared to 8.35% recorded during a corresponding period in 2018. There was no trade on the listed bond market (*Source: MSE*).

Corporate news

Standard Bank PLC released financial results for the year ended 31st December 2018. The bank posted a profit after tax of K10.58b during the year, a decrease of 13% compared to K12.16b for the previous corresponding period. The decrease in profit was largely due to a 13% decrease in net interest income as interest rates declined during the period. The bank, however, registered a 22% increase in non-interest income (*Source: Standard Bank*).

Government securities

Government raised a total of K17.47b through an auction for Treasury Bills (TB) during the week compared to a total of K36.03b that was raised in the previous week through auctions for TBs (K27.10b) and a 2-year Treasury Note (TN) (K8.93b). There was no auction for TNs during the week. Maturities for the week amounted to K32.43b, resulting in a net injection of K14.96b. There were no open market operations conducted by RBM during the week (*Source: RBM*).

All applications for TBs amounting to K17.47b were allotted during the week, as was the case in the previous week (*Source: RBM*).

The average yield for TBs increased to 10.66% during the week from 10.59% the previous week on account of an increase in the 91-day yield to 9.99% from 9.90% and in the 364-day yield to 11.50% from 11.38% while the 182-day yield was constant at 10.50% (*Source: RBM*).

Interbank market activity

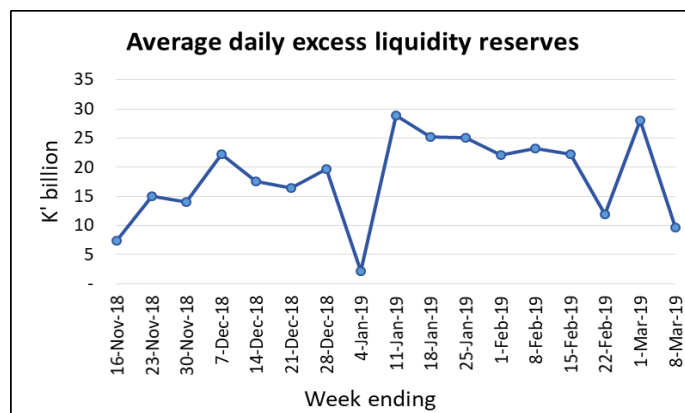
Liquidity levels decreased during the week as excess liquidity reserves decreased to an average of K9.59b per day compared to K27.96b in the previous week. Consequently, interbank market volume decreased to a daily average of K6.24b from K9.39b the previous week, and the average overnight interbank rate increased to K5.83% from 5.38%. Access to the Lombard facility also increased to a total of K10.10b from K6.20b at a fixed interest rate of 14.90% (*Source: RBM*).

Foreign exchange market developments

The Kwacha was stable against the USD during the week as the indicative middle rate for USD/MWK was constant at 729.8927. When compared to the GBP, ZAR and EUR, the Kwacha appreciated by 1.30%, 3.22% and 1.50%, respectively. Gross official forex reserves stood at USD790.28m (3.78 months of import cover) on 31st January 2019, an increase of 4.64% from USD755.22m (3.61 months of import cover) reported on 31st December 2018 (*Source: RBM*).

Stock market				
	8-Mar-19		% Δ	1-Mar-19
MASI	27,946.78	↑	0.94%	27,687.33
DSI	21,063.52	↑	1.12%	20,829.45
FSI	4,521.94	→	0.00%	4,521.94
Traded volume	173,111,267	↑	11.78%	154,872,234
Number of trades	54	↓	-23.94%	71
Value of shares traded (K'm)	2,661.96	↑	6.23%	2,505.86
Market capitalisation (K'm)	1,305,744.74	↑	0.93%	1,293,719.15
Gainers	Current price (K)		% Δ	Previous price (K)
PCL	1200.00	↑	9.09%	1100.00
Losers	Current price (K)		% Δ	Previous price (K)
None				
Treasury Bill auctions				
Auction date	5-Mar-19		% pts Δ	26-Feb-19
91 days yield	9.99%	↑	0.08	9.90%
182 days yield	10.50%	→	0.00	10.50%
364 days yield	11.50%	↑	0.12	11.38%
All-type yield	10.66%	↑	0.07	10.59%
Applied - cost value (K'm)	17,473.40	↓	-35.53%	27,102.24
Alloted - cost value (K'm)	17,473.40	↓	-35.53%	27,102.24
Overall rejection rate	0.00%	→	0.00	0.00%
Upcoming Treasury Note auctions				
Tenor	Auction date	Settlement date	Previous auction's yield	
5 years	26-Mar-19	28-Mar-19	20.50%	
7 years	23-Apr-19	25-Apr-19	24.00%	
2 years	28-May-19	30-May-19	17.32%	
Projected maturities				
Week ending	8-Mar-19	1-Mar-19	Feb-19	
TBs, PN's & TN's (K'm)	21,223	31,106	53,737	
OMO (K'm)	11,206	36,554	60,320	
Inflation				
	Jan-19		% pts Δ	Dec-18
Rate	8.80%	↓	-1.10	9.90%
RBM indicative mid exchange rates				
	8-Mar-19		% Δ	1-Mar-19
USD	729.8927	→	0.00%	729.8927
GBP	955.4295	↑	-1.30%	967.9837
ZAR	50.1979	↑	-3.22%	51.8673
EUR	817.4068	↑	-1.50%	829.8880
Gross official foreign exchange reserves position				
	31-Jan-19	31-Dec-18	30-Nov-18	
Reserves (USD'm)	790.28	755.22	631.21	
Import cover (months)	3.78	3.61	3.04	

(Sources: MSE, RBM, NSO, TCC)



(Source: RBM)

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