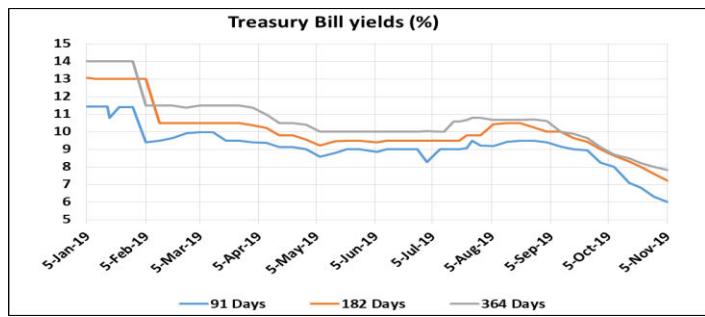


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost marginally to close the week at 30,343.05 points from 30,344.49 points recorded in the previous week due to a marginal share price loss in ICON. There was no price movement in the rest of the companies registered on the MSE. A total of 9,183,064 shares were traded at a consideration of K304.33m compared to 9,620,983 shares traded in the previous week at a consideration of K287.53m. This week's trading activity represents a decrease of 4.55% in volume and an increase of 5.84% in value. The year-to-date return on the MASI stands at 4.69% compared to 32.20% recorded for the corresponding period in 2018 (Source: MSE).

Government securities

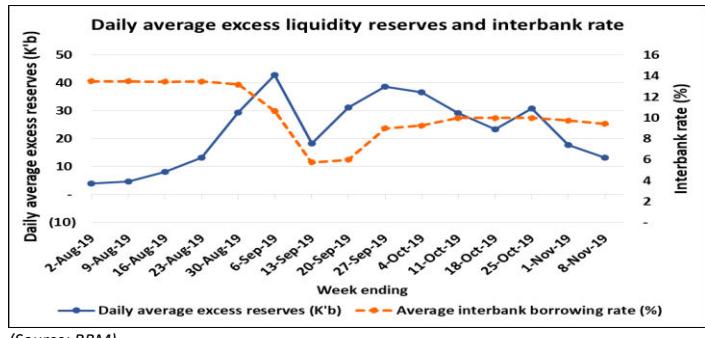
Government raised the planned amount of K8.88b from this week's Treasury Bill (TB) auction held on 5th November 2019. This represents a 117.06% increase over the K4.09b raised in the previous week's TB auction. Total applications for TBs amounted to K25.13b, representing a rejection rate of 64.65%. There was also an auction for a 3-year Treasury Note (TN) during which K30.87b was raised at an average yield of 10.70%, bringing the total amount raised from Treasury securities during the week to K39.75b. There were no open market operations conducted during the week. Maturities for the week amounted to K5.00b, resulting in a net withdrawal of K25.87b from the market, compared to a net injection of K5.68b in the previous week. The all-type average TB yield decreased to 7.01% from 7.30% in the preceding week; the 91-day, 182-day and 364-day yields all decreased to 6.00%, 7.20% and 7.82%, respectively, from 6.30%, 7.60% and 8.00% in the previous week (Source: RBM).



(Source: RBM)

Interbank market activity

Excess liquidity reserves decreased to an average of K13.22b per day from K17.84b per day in the previous week. Borrowing on the interbank market decreased to an average of K4.92b per day from K6.98b per day in the previous week and the average interbank borrowing rate decreased to 9.44% from 9.74%. Borrowing on the Lombard Facility amounted to K7.3b, compared to no borrowing in the preceding week (Source: RBM).



(Source: RBM)

Foreign exchange market developments

The Kwacha was stable against USD, appreciated against GBP and EUR and depreciated against ZAR during the week. Gross official foreign exchange reserves stood at USD705.68m (3.37 months of import cover) on 30th August 2019, representing a slight increase from USD704.14m (3.37 months of import cover) recorded on 31st July 2019 (Source: RBM).

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.

CDH House, 5 independence Drive, PO Box 1444, Blantyre, Malawi | <http://www.cdh-malawi.com> | Email: ckamamkhudza@cdh-malawi.com | Tel: +265 (0) 1 821 300; Fax: +265 (0) 1 822 826

Stock market			
	8-Nov-19	% Δ	1-Nov-19
MASI	30,343.05	0.00%	30,344.49
DSI	23,454.34	-0.01%	23,455.64
FSI	4,272.58	0.00%	4,272.58
Traded volume	9,183,064	-4.55%	9,620,983
Number of trades	64	28.00%	50
Value of shares traded (K'm)	304.33	5.84%	287.53
Market capitalisation (K'm)	1,433,174.57	0.00%	1,433,241.37
Gainers	Current price (K)	% Δ	Previous price (K)
None			
Losers	Current price (K)	% Δ	Previous price (K)
ICON	10.49	-0.10%	10.50
Projected maturities			
Week ending	8-Nov-19	15-Nov-19	Nov-19
TBs, PNs & TNs (K'm)	5,001	5,673	36,908
OMO (K'm)	0	0	4,869
Treasury Note auctions			
Date	5-Nov-19	24-Oct-19	8-Oct-19
Tenor	3 Years	7 Years	2 Years
Coupon rate	9.00%	14.00%	8.00%
Amount offered - cost value (K'b)	30.87	8.99	1586.90%
Applied for - face value (K'b)	72.94	59.45	65.48
Allotted- face value (K'b)	32.24	8.66	16.49
Allotted - cost value (K'b)	30.87	8.99	15.87
Allotted - weighted average ytm	10.70%	13.73%	10.12%
Treasury Bill auctions			
Auction date	5-Nov-19	% pts Δ	29-Oct-19
Amount offered -cost value (K'm)	8,882.00	117.06%	4,092.00
Applied - cost value (K'm)	25,128.36	34.04%	18,746.37
Allotted - cost value (K'm)	8,882.44	117.06%	4,092.17
Overall rejection rate	64.65%	-13.52	78.17%
91 days yield	6.00%	-0.30	6.30%
182 days yield	7.20%	-0.40	7.60%
364 days yield	7.82%	-0.18	8.00%
All-type yield	7.01%	-0.29	7.30%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2- year	10.12%	8-Oct-19	17-Dec-19
3-year	10.70%	5-Nov-19	21-Jan-20
5-year	14.00%	26-Sep-19	3-Dec-19
7-year	13.73%	24-Oct-19	7-Jan-20
10-year	18.04%	10-Sep-19	19-Nov-19
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last coupon rate
19-Nov-19	10	12.63	15.50%
3-Dec-19	5	22.86	10.00%
17-Dec-19	2	36.79	8.00%
7-Jan-20	7	24.35	14.00%
21-Jan-20	3	29.37	9.00%
4-Feb-20	10	8.13	15.50%
18-Feb-20	5	31.36	10.00%
Reference rate			
Rate	Nov-19	% pts Δ	Oct-19
Rate	12.30%	0.30	12.00%
Inflation			
Rate	Sep-19	% pts Δ	Aug-19
Rate	9.20%	-0.30	9.50%
RBM indicative mid exchange rates			
	8-Nov-19	% Δ	1-Nov-19
USD	734.7401	0.00%	734.7401
GBP	941.5694	-1.10%	952.0762
ZAR	49.8105	2.14%	48.7681
EUR	811.8143	-1.01%	820.1169
Gross official foreign exchange reserves position			
	30-Aug-19	31-Jul-19	30-Jun-19
Reserves (USD'm)	705.68	704.14	765.82
Import cover (months)	3.37	3.37	3.66

(Sources: MSE, RBM, NSO)