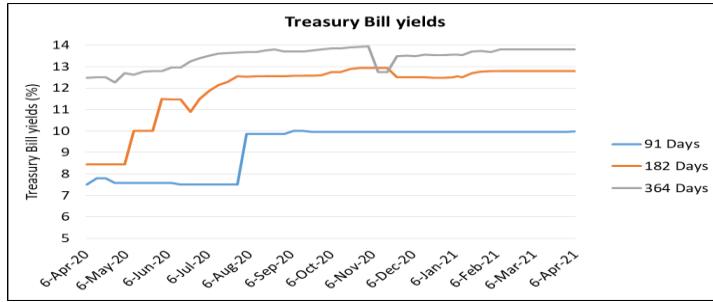


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.01% to close the week at 32,561.09 from 32,562.96 points in the previous week due to a share price loss in TNM (-0.06%). The market traded a total of 1,332,132 shares at a consideration of K30.71m in 41 trades during the week compared to a total of 4,331,220 shares traded at a consideration of K85.50m in 46 trades in the previous week, representing decreases of 69.24% and 64.09% in traded volume and value, respectively. The year-to-date return on MASI stands at 0.52% compared to -3.93% for the same period in 2020 (Source: MSE).

Government securities

Government raised K0.89b during the week's auction for Treasury Bills (TBs) compared to K3.15b raised in the previous week, representing a decrease of 71.89%. The auction registered no rejection on the submitted bids. The all-type average TB yield marginally increased to 12.20% from 12.18% in the previous week. The 91-day yield increased to 9.99% from 9.95% while the 182-day and 364-day yields were constant at 12.80% and 13.80%, respectively (Source: RBM).

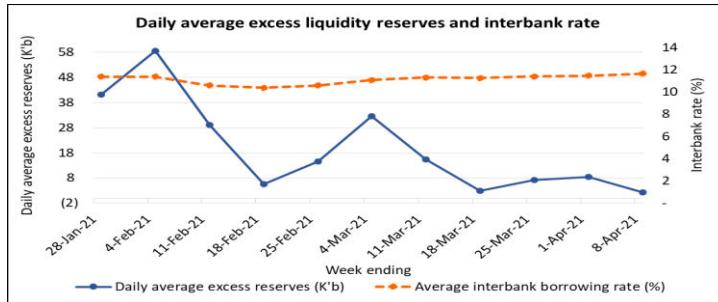


Data source: RBM

Government also conducted an auction of a 3-year Treasury note (TN) during which K18.83b was raised at an average yield to maturity (YTM) of 18.80%. This brings the total amount raised through auctions of Government securities during the week to K19.72b. Maturities of Government securities for the week amounted to K10.59b, resulting in a net withdrawal of K9.13b from the market, compared to a net injection of K2.30b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K2.27b from K8.38b recorded in the previous week. Consequently, interbank borrowing for the week increased to an average of K29.73b per day from the average of K16.49b per day in the previous week. The average interbank borrowing rate increased to 11.69% from 11.65%. Borrowing on the Lombard Facility amounted to K97.08b during the week from K35.83b in the previous week at a fixed rate of 12.20% (Source: RBM).



Data source: RBM

Foreign exchange market developments

The market closing USD/MWK mid-rate increased to K791.8674 on Thursday, 8th April 2021 from K789.9548 on Thursday, 1st April 2021 in the previous week, representing a depreciation of 0.24%. During the same period, the Kwacha also depreciated against GBP, EUR and ZAR by 0.15%, 0.60% and 2.19%, respectively. Gross official forex reserves were last recorded at USD410.16m (1.96 months of import cover) on the 31st March 2021 from USD483.38m (2.31 months of import cover) recorded on the 28th February 2021 (Source: RBM). The reserves were below the recommended minimum of 3 months of import cover. The situation is expected to prevail until the onset of the 2021 tobacco marketing season.

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 33,779 as at 9th April 2021, out of which 1,280 were reported to be still active. Daily new infections of COVID-19 were reported to be 41 cases. Although the new infection rates are low, Government has cautioned the public to stay vigilant against an impending third wave. So far, 31,239 people have recovered while 1,126 have died from the disease. The first dose of the Oxford-AstraZeneca vaccine had been administered to a total of 193,627 people as at 9th April 2021 (Source: Ministry of Health). Globally, total confirmed cases of COVID-19 amounted to 134.7m, with recoveries of more than 76.42m and 2.9m deaths as at 9th April 2021 (Source: Johns Hopkins University and Medicine).

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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			
9-Apr-21		% Δ	1-Apr-21
MASI	32,561.09	↓ -0.01%	32,562.96
DSI	27,709.05	↓ -0.01%	27,710.72
FSI	1,614.33	↑ 0.00%	1,614.33
Traded volume	1,332,132	↓ -69.24%	4,331,220
Number of trades	41	↓ -10.87%	46
Value of shares traded (K'm)	30.71	↓ -64.09%	85.50
Market capitalisation (K'm)	1,770,008.09	↓ -0.01%	1,770,108.50
Gainers	Closing price (K)	% Δ	Opening price (K)
None			
Losers	Closing price (K)	% Δ	Opening price (K)
TNM	16.38	↓ -0.06%	16.39
Treasury Bill auctions			
Auction date	6-Apr-21	% pts Δ	30-Mar-21
Amount offered - cost value (K'm)	4,830.00	↑ 87.21%	2,580.00
Applied - cost value (K'm)	886.10	↓ -71.89%	3,152.27
Allotted - cost value (K'm)	886.10	↓ -71.89%	3,152.27
Overall rejection rate	0.00%	↑ 0.00	0.00%
91 days yield	9.99%	↑ 0.42%	9.95%
182 days yield	12.80%	↑ 0.00%	12.80%
364 days yield	13.80%	↑ 0.00%	13.80%
All-type yield	12.20%	↑ 0.11%	12.18%
Treasury Note auctions			
Auction date	6-Apr-21		23-Mar-21
Tenors	3 years		5 years
Coupon rate	11.00%		12.50%
Amount offered - cost value (K'b)	43.73		23.47
Total applied - cost value (K'b)	19.61		21.24
Total allotted - cost value (K'b)	18.83		20.99
Allotted - weighted average ytm	18.80%		19.98%
Current yields for Treasury Notes			
Tenor	Last auction's yield	Last auction	Next auction
2-year	16.50%	9-Mar-21	18-May-21
3-year	18.80%	6-Apr-21	29-Jun-21
5-year	19.98%	23-Mar-21	1-Jun-21
7-year	20.50%	9-Feb-21	20-Apr-21
10-year	22.50%	16-Feb-21	4-May-21
Upcoming Treasury Note auctions			
Auction date	Tenor	Amount (K'b)	Last coupon rate
20-Apr-21	7	20.00	13.50%
4-May-21	10	9.95	15.00%
18-May-21	2	21.00	10.00%
1-Jun-21	5	20.47	12.50%
15-Jun-21	7	28.86	13.50%
Projected maturities			
Week ending	9-Apr-21	16-Apr-21	23-Apr-21
TBs, PNs & TNs (K'm)	10,594	4,075	8,320
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	69,735	19,180
Reference rate			
Rate	12.10%	% pts Δ	Mar-21
	0.20		11.90%
Inflation rate			
Rate	8.3%	% pts Δ	Jan-21
	0.6		7.7%
Actual market closing mid exchange rates			
8-Apr-21		% Δ	1-Apr-21
USD	791.8674	↓ 0.24%	789.9548
GBP	1139.0765	↓ 0.15%	1137.3322
EUR	999.3671	↓ 0.60%	993.3926
ZAR	58.1006	↓ 2.19%	56.8553
Gross official foreign exchange reserves position			
31-Mar-21			31-Jan-21
Reserves (USD'm)	410.16		502.98
Import cover (months)	1.96		2.41

Data sources: MSE, RBM, NSO, AHL

Published financial results

Company	2020 profit after tax (K'b)	Movement 2019 profit after tax (K'b)
Banks		
CDH Investment Bank Ltd	3.086	34%
Ecobank Ltd	7.750	9%
FDH Bank Plc	14.956	188%
First Capital Bank Plc	8.026	21%
National Bank of Malawi Plc	22.450	31%
NBS Bank Plc	7.050	58%
Standard Bank Plc	23.743	50%
Listed non-bank companies		
Airtel Malawi Plc	22.091	39%
Blantyre Hotels Plc	0.252	-46%
Illovo Sugar Plc	2.739	-73%
National Investment Trust Plc	1.480	-17%
Old Mutual Group Plc (Rb)	5.097	-46%
Sunbird Tourism Plc	1.180	-53%
Unlisted non-bank financial institutions		
Emeritus reinsurance company Ltd	0.266	-30%
First Discount House Ltd	3.258	45%