

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) lost by 0.32% to close the week at 29,319.03 points from 29,413.02 points the previous week due to share price losses in FMBCH, ICON and TNM which outweighed a shared price gain in NBS. A total of 6,320,660 shares were traded on the Exchange at a consideration of K110.44m, compared to 11,845,898 shares traded in the previous week at a consideration of K596.81m. This represents a decline in both traded volume and value of 46.64% and 81.49%, respectively. The year-to-date return on the MASI stands at 1.16% compared to 44.84% recorded during the corresponding period in 2018. There was no trade on the listed bond market (*Source: MSE*).

Corporate news

Standard Bank Malawi Plc posted a profit after tax of K8.09b for the six months ended 30th June 2019, up by 46% from K5.53b posted in the previous corresponding period. Both interest and non-interest income grew during the period as customer deposits, and loan and advances grew by 13% and 23%, respectively (*Source: MSE*).

Government securities

Government raised a total of K2.74b during auctions for Treasury Bills (TB) during the week, compared to K520.64m that was raised during TB auctions in the previous week. There were no auctions for Treasury Notes during the week as was the case in the previous week. Total maturities for the week amounted to K4.33b, resulting in a net injection of K1.59b into the market. There were no open market operations (OMOs) during the week. The all-type average TB yield increased to 10.08% from 9.93% the previous week due to an increase in the 182-day TB yield to 10.41% from 9.79%, while the 91-day and 364-day TB yields decreased to 9.18% and 10.60% from 9.21% and 10.80%, respectively (*Source: RBM*).

Interbank market activity

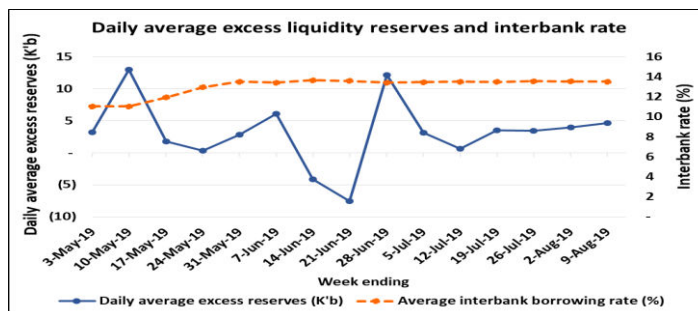
Liquidity improved during the week as excess liquidity reserves increased to an average of K4.61b per day from K3.93b in the previous week. Consequently, borrowing on the interbank market decreased to an average of K6.75b per day from K12.01b per day during the previous week and the average interbank borrowing rate marginally decreased to 13.50% from 13.52%. The amount accessed on the Lombard facility decreased to a total of K40.55b from K68.80b in the preceding week at a fixed rate of 13.90% (*Source: RBM*).

Foreign exchange market developments

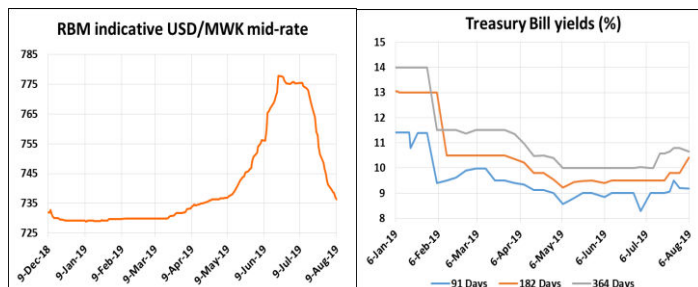
The Kwacha appreciated against the USD, GBP and ZAR during the week, but depreciated against the EUR. The USD/MWK indicative middle rate closed the week at 736.3797 from 741.2437 in the previous week (*Source: RBM*). Gross official forex reserves stood at USD765.82m (3.66 months of import cover) on 30th June 2019, up from USD693.00m (3.30 months of import cover) on 31st May 2019 (*Source: RBM*).

Stock market				
	9-Aug-19	% Δ	2-Aug-19	
MASI	29,319.03	↓ -0.32%	29,413.02	
DSI	22,303.55	↓ -0.38%	22,387.89	
FSI	4,519.81	↓ -0.01%	4,520.31	
Traded volume	6,320,660	↓ -46.64%	11,845,898	
Number of trades	73	↓ -20.65%	92	
Value of shares traded (K'm)	110.44	↓ -81.49%	596.81	
Market capitalisation (K'm)	1,382,677.27	↓ -0.31%	1,387,035.06	
Gainers				
NBS	9.20	↑ 2.11%	9.01	
Losers				
FMBCH	84.99	↓ -0.01%	85.00	
ICON	9.99	↓ -0.10%	10.00	
TNM	26.00	↓ -1.81%	26.48	
Treasury Bill auctions				
Auction date	6-Aug-19	% pts Δ	30-Jul-19	
91 days yield	9.18%	↓ -0.03	9.21%	
182 days yield	10.41%	↑ 0.62	9.79%	
364 days yield	10.66%	↓ -0.14	10.80%	
All-type yield	10.08%	↑ 0.15	9.93%	
Applied - cost value (K'm)	4,645.83	↓ -18.39%	5,692.49	
Allotted - cost value (K'm)	2,735.01	↓ 425.32%	520.64	
Overall rejection rate	41.13%	↓ -49.72	90.85%	
Projected maturities				
Week ending	9-Aug-19	2-Aug-19	31-Jul-19	
TBs, PNs & TNs (K'm)	4,328	2,884	76,857	
OMO (K'm)	0	0	36,458	
Inflation				
Rate	Jun-19	% pts Δ	May-19	
Cumulative tobacco sales as at 26 July 2019 (week 14) versus 2018	9.00%	↑ 0.10	8.90%	
Cumulative tobacco sales as at 26 July 2019 (week 14) versus 2018				
	Week 14 2019	% Δ	Week 14 2018	
Volume (Kg' million)	114.60	↓ -16.72%	137.61	
Value (USD' million)	170.56	↓ -28.85%	239.71	
Average price (USD/Kg)	1.49	↓ -14.37%	1.74	
RBM indicative mid exchange rates				
	9-Aug-19	% Δ	2-Aug-19	
USD	736.3797	↑ -0.66%	741.2437	
GBP	893.9650	↑ -0.35%	897.1273	
ZAR	49.0540	↑ -3.16%	50.6532	
EUR	824.3771	↓ 0.40%	821.0756	
Gross official foreign exchange reserves position				
	30-Jun-19	31-May-19	30-Apr-19	
Reserves (USD'm)	765.82	696.30	766.10	
Import cover (months)	3.66	3.33	3.67	

(Sources: MSE, RBM, NSO)



(Source: RBM)



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