



**Malawi Stock Exchange (MSE) trading activity**

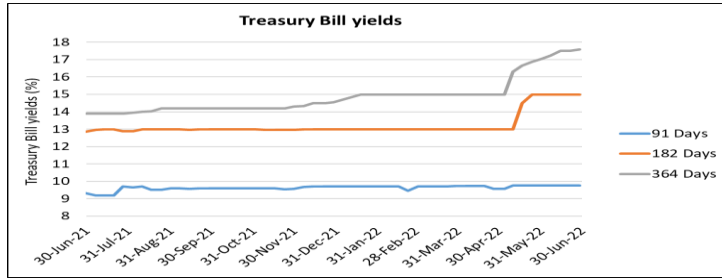
The Malawi All Share Index (MASI) registered a loss of -0.09% to close the week at 49,551.11 points from 49,595.64 points in the previous week due to share price losses in FMBCH (-0.83%) and NBS (-0.04%), which offset share price gains in AIRTEL (0.02%) and NBM (0.002%). The market traded 2,687,410 shares at a consideration of K69.09m in 56 trades as compared to 16,983,156 shares traded at a consideration of K275.16 in 74 trades in the previous week. The year-to-date return on MASI stands at 9.22% compared to 8.49% for the same period in 2021 (Source: MSE).

**Corporate news**

Upcoming Dividends				
Company	Dividend Type	Dividend (K)	Last day to register	Payable
MPICO	Final declared	0.19	8/7/2022	28/06/2022
STANDARD	Final declared	8.52	8/7/2022	22/06/2022
FMBCH	Final declared	0.10 Cents	15/7/2022	22/07/2022
FDHB	Final declared	0.29	8/7/2022	22/07/2022
AIRTEL	Final declared	2.95	8/7/2022	25/07/2022
TNM	Final Proposed	0.10	15/7/2022	29/07/2022
PCL	Final Proposed	28.00	19/8/2022	26/08/2022
NITL	Final Proposed	2.25	TBA	TBA
NBS	Final declared	0.75	TBA	TBA
ICON	Final Proposed	0.12	TBA	TBA
NICO	Final Proposed	0.60	TBA	TBA

**Government securities**

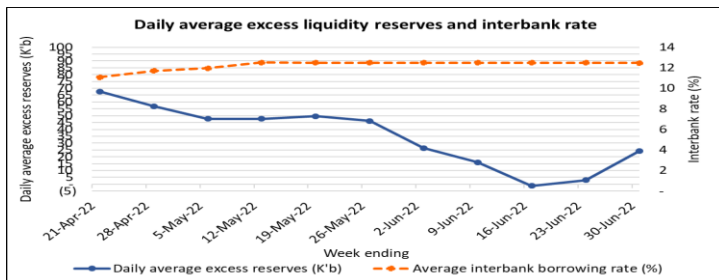
Government raised K10.43b during the week's auction for Treasury Bills (TBs) compared to K5.79b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield increased from 14.0882% to 14.1154% from the previous week on account of an increase in the 364-day yield from 17.5147% to 17.5962%. The 91-day and the 182-day yields were constant at 9.7500% and 15.0000% respectively. Government also raised K121.37b through auction of the 2-year, 3-year, 5-year and 10-year Treasury notes (TNs). RBM conducted outright sale of securities that amounted to K80.25b.



Maturities of Government securities for the week amounted to K33.82b. RBM conducted outright purchases of securities that amounted to K34.33b, and there were OMO reverse repos maturities amounting to K23.16b. RBM also conducted OMO reverse repos which amounted to K22.50b. This resulted in a net withdrawal of K144.56b from the market compared to a net withdrawal of K13.185b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves increased to K24.36b from K2.90b in the previous week. Daily average interbank borrowing decreased to an average of K7.70b from K7.92b in the previous week. The average interbank borrowing rate slightly decreased to 12.48% from 12.50% in the previous week. Borrowing on the Lombard facility decreased to the average of K31.06b per day during the week from K38.03b per day in the previous week (Source: RBM).



**Foreign exchange market developments**

The Kwacha depreciated by 0.31% to trade at K1033.3638/USD as at 30<sup>th</sup> June 2022 from K1030.2152/USD as at 23<sup>rd</sup> June 2022. However, the Kwacha appreciated against the GBP (-4.27%), the EUR (-4.58%) and the ZAR (-6.94%). Gross official foreign exchange reserves stood at USD388.22 (1.55 months of imports) on 31<sup>st</sup> May 2022, compared to USD363.27 (1.45 months of imports) on 30<sup>th</sup> April 2022. The recommended minimum import cover is 3 months. As at 24<sup>th</sup> June 2022, the tobacco market had cumulatively realized US\$138.43m from 66,310,620kgs of tobacco sold at an average price of \$2.09/kg (Source: AHL).

Stock market				
MASI	1-Jul-22	49,551.11	% Δ	24-Jun-22
DSI		39,011.88	0.00%	49,595.64
FSI		6,486.49	-0.80%	39,010.38
Traded volume		2,687,410	-84.18%	16,983,156
Number of trades		56	-24.32%	74
Value of shares traded (K'm)		69.09	-74.89%	275.16
Market capitalisation (K'm)		2,687,410.14	-0.09%	2,689,925.65
Gainers				
AIRTEL	Closing price (K)	48.67	0.02%	Opening price (K)
NBM		1000.25	0.002%	1000.23
Losers				
FMBCH	Closing price (K)	126.93	-0.83%	Opening price (K)
NBS		22.76	-0.04%	22.77
Treasury Bill auctions				
Auction date	28-Jun-22	% pts Δ	21-Jun-22	
Amount offered - cost value (K'm)	20,820.00	0.00%	20,820.00	
Applied - cost value (K'm)	10,430.43	57.09%	6,639.64	
Allotted - cost value (K'm)	10,430.43	80.16%	5,789.68	
Overall rejection rate	0.00%	-12.80%	12.80%	
91 days yield	9.7500%	0.0000%	9.7500%	
182 days yield	15.0000%	0.0000%	15.0000%	
364 days yield	17.5962%	0.0815%	17.5147%	
All-type yield	14.1154%	0.0272%	14.0882%	
Treasury Note and Bond auctions				
Auction date	27 June to 1 July 22	21-Jun-22	14 & 16 June 2022	
Tenors	2, 3, 5 & 10 years	5 & 10 years	10 years	
Coupon rate	10.00%, 11.00%, 12.50% & 15.00%	12.50% & 15.00%	15.00%	
Amount offered - cost value (K'b)	210.97	27.45	27.45	
Total applied - cost value (K'b)	122.20	9.97	22.49	
Total allotted - cost value (K'b)	121.37	8.69	7.77	
Allotted - weighted average ytm	18.78%, 22.00%, 24% & 27.00%	24.00% & 27.00%	24.06% & 26.50%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2 years	18.55%	29-Jun-22	TBA	
3 years	22.00%	1-Jul-22	28-Jun-22	
5 years	24.00%	29-Jun-22	TBA	
7 years	22.33%	4-May-22	TBA	
7-Year Development Bond	22.47%	8-Mar-22	TBA	
10 years	27.00%	27-Jun-22	TBA	
10-year infrastructure bond	23.35%	26-Apr-24	TBA	
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
12-Jul-22	2	22.73	13.50%	
26-Jul-22	2	34.09	10.00%	
9-Aug-22	5	50.19	12.50%	
23-Aug-22	3	53.19	11.00%	
30-Aug-22	7 year IDB	15.00	14.50%	
13-Sep-22	2	44.09	10.00%	
27-Sep-22	10	27.68	15.00%	
Projected maturities				
Week ending	1-Jul-22	8-Jul-22	15-Jul-22	
TBs, PNs & TNs (K'm)	33,821	2,937	3,977	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	23,157	0	0	
Reference rate				
Rate	Jun-22	% pts Δ	May-22	
	13.80%	0.30	13.50%	
Inflation rate				
Rate	May-22	% pts Δ	Apr-22	
	19.1%	3.4	15.7%	
Cumulative tobacco sales - Week 14				
Date	30-Jun-22	% Δ	16-Jul-21	
Volume (Kg)	66,310,620.00	-34.00%	100,468,497.00	
Value (USD)	138,429,442.71	-16.15%	165,088,641.62	
Average price (USD/Kg)	2.09	27.44%	1.64	
Closing TT mid exchange rates				
USD	30-Jun-22	% Δ	23-Jun-22	
	1033.3638	0.31%	1030.2152	
GBP		-4.27%	1346.7644	
EUR		-4.58%	1161.6963	
ZAR		-6.94%	69.8715	
Gross official foreign exchange reserves position				
Reserves (USD'm)	31-May-22	30-Apr-22	31-Mar-22	
	388.22	363.27	374.48	
Import cover (months)	1.55	1.45	1.50	

Sources: MSE, RBM, NSO, AHL

**COVID-19 update**

Cumulative confirmed COVID-19 cases in Malawi stood at 86,534 as at 1<sup>st</sup> June 2022, out of which 505 were reported to be active. COVID-19 infections averaged 19 positive cases this week compared to 25 positive cases in the previous week. So far, 83,094 people have recovered while 2,645 have died from the disease. A total of 3,836,769 doses have been administered in the country so far, 30,876 have received their booster doses, while 1,589,925 people are fully vaccinated, representing 8.11% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted 548.87m and 6.34m deaths as at 2<sup>nd</sup> July 2022 (Source: Johns Hopkins University and Medicine).

**Expected unaudited half-year financials to June 2022**

Company	Expected financial results for the half year 30 June 2022		
	2021 Half FY Results	Expected change for half FY 2022	Expected 2022 Half FY Results
FDHB	4.5	↑	5.40
Sunbird Tourism Plc	-0.475	↑	(1.19)
NICO	7.02	↑	9.48
NBM	12.8	↑	16.64
STANDARD	11.6	↑	14.50
ICON	3.07	↑	3.68
AIRTEL	11.94	↓	8.51
FMBCH	13.08	↑	22.24
NITL	1.2	↑	1.46
Telekom Networks Malawi Plc	4.5	↓	(1.35)

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