



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

The Malawi All Share Index (MASI) registered a gain of 0.04% to close the week at 53,678.12 points from 53,654.38 points in the previous week due to share price gains in AIRTEL (0.04%), NBM (0.002%), NITL (1.77%) and TNM (0.67%) which offset a share price loss in FMBCH (-0.01%) while the other counters remained constant. The market traded 15,023,492 shares at a consideration of K2.56b in 80 trades, compared to 12,697,335 shares traded at a consideration of K337.43m in 112 trades in the previous week. The year-to-date return on MASI stands at 18.32% compared to 16.70% for the same period in 2021 (Source: MSE).

**Corporate news.**

National Bank of Malawi Plc registered Group after tax profit of K22.12b for the half year ended 30<sup>th</sup> June 2022, representing an increase of 73% from K12.75b registered for the same period in 2021. Net interest income increased by 48% while other income increased by 13%. Customer deposits and the loan book grew by 34% and 31%, respectively, year on year. Investment in fixed income securities grew by 48% (Source: NBM).

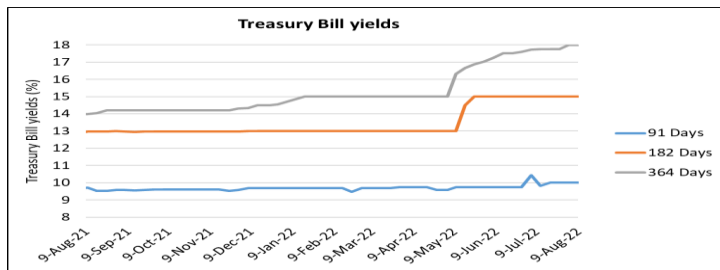
**Upcoming dividends**

Company	Dividend type	Dividend (K/share)	Last day to register	Payable
FDHB	Interim declared	0.74	12-Aug-22	25-Aug-22
PCL	Final declared	28.00	19-Aug-22	26-Aug-22
NITL	Final declared	2.25	19-Aug-22	29-Aug-22
ICON	Final proposed	0.12	16-Sep-22	29-Sep-22
NBM	Interim declared	17.14	9-Sep-22	30-Sep-22
NICO	Final proposed	0.60	TBA	TBA

(Source: MSE)

**Government securities**

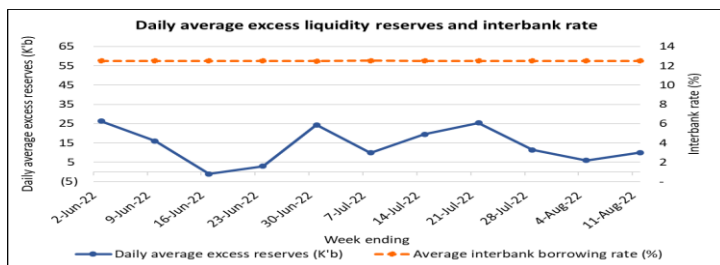
Government raised K4.33b during the week's auction for Treasury Bills (TBs) compared to K2.92b raised in the previous week. The auction registered 36.51% rejection on the submitted bids. The average TB yield increased to 14.3332% from 14.3309% in the previous week on account of an increase in the 364-day yield to 17.9996% from 17.9928%. The 91-day and 182-day yields were constant at 10.00% and 15.00%, respectively (Source: RBM).



The Government also raised K10.69b in an auction of a 5-year Treasury Note (TN) during the week. Maturities of Government securities for the week amounted to K37.15b. Access on the re-discounting standing facility amounted to K50.91b during the week. This resulted in a net injection of K73.04b into the market compared to a net withdrawal of K76.16b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Daily average excess liquidity reserves increased to K9.97b from K6.00b in the previous week. Daily average interbank borrowing decreased to an average of K18.70b from K22.45b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility decreased to the average of K21.22b per day during the week from K36.11b per day in the previous week (Source: RBM).



**Foreign exchange market developments**

The Kwacha depreciated by 0.01% to trade at K1035.3563/USD as at 11<sup>th</sup> August 2022 from K1035.2822/USD as at 4<sup>th</sup> August 2022. The Kwacha also depreciated against GBP (0.34%), EUR (0.83%) and ZAR (3.01%) during the period. Gross official foreign exchange reserves stood at USD372.99m (1.49 months of imports) on 31<sup>st</sup> July 2022, decreasing from USD415.73m (1.66 months of imports) on 30<sup>th</sup> June 2022. The recommended minimum import cover is 3 months. As at 12<sup>th</sup> August 2022, the tobacco market had cumulatively realized US\$182.04m from 85.07m kgs of tobacco sold at an average price of \$2.14/kg (Source: AHL).

Stock market				
	12-Aug-22		% Δ	5-Aug-22
MASI	53,678.12	↑	0.04%	53,654.38
DSI	43,418.91	↑	0.05%	43,397.39
FSI	5,548.11	↓	-0.01%	5,548.61
Traded volume	15,023,492	↓	18.32%	12,697,335
Number of trades	80	↓	-28.57%	112
Value of shares traded (K'm)	2,564.56	↑	660.02%	337.43
Market capitalisation (K'm)	2,906,249.84	↑	0.04%	2,904,978.60
Gainers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	51.08	↑	0.04%	51.06
NBM	1140.02	↑	0.002%	1140.00
NITL	112.00	↑	1.77%	110.05
TNM	12.03	↑	0.67%	11.95
Losers				
	Closing price (K)		% Δ	Opening price (K)
FMBCH	107.99	↓	-0.01%	108.0000
Treasury Bill auctions				
	9-Aug-22		% pts Δ	2-Aug-22
Auction date	9-Aug-22			2-Aug-22
Amount offered - cost value (K'm)	8,294.00	→	0.00%	8,294.00
Applied - cost value (K'm)	6,814.20	↑	133.47%	2,918.65
Allotted - cost value (K'm)	4,326.26	↑	48.23%	2,918.65
Overall rejection rate	36.51%	↑	36.51%	0.00%
91 days yield	10.0000%	→	0.0000%	10.0000%
182 days yield	15.0000%	→	0.0000%	15.0000%
364 days yield	17.9996%	↑	0.0068%	17.9928%
All-type yield	14.3332%	↑	0.0023%	14.3309%
Treasury Note and Bond auctions				
	9-Aug-22	2 & 5 Aug 22		26-Jul-22
Auction date	9-Aug-22	2 & 5 Aug 22		26-Jul-22
Tenors	5 years	2, 3 & 7 years		2 years
Coupon rate	12.50%	10.00%, 11.00%, 13.50%		10.00%
Amount offered - cost value (K'b)	50.19			34.09
Total applied - cost value (K'b)	10.99	79.73		4.40
Total allotted - cost value (K'b)	10.69	78.05		1.87
Allotted - weighted average ytm	25.00%	20.88%, 22.50% & 26.25%		20.50%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2 years	21.00%	5-Aug-22		13-Sep-22
3 years	22.50%	5-Aug-22		23-Aug-22
5 years	25.00%	9-Aug-22		TBA
7 years	26.50%	5-Aug-22		TBA
7-Year Development Bond	22.47%	5-Aug-22		30-Aug-22
10 years	27.00%	27-Jun-22		27-Sep-22
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
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	12-Aug-22	19-Aug-22		26-Aug-22
TBs, PNs & TNs (K'm)	37,154	8,649		13,197
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	0		0
Reference rate				
Rate	Aug-22		% pts Δ	Jul-22
	13.80%	↓	-0.10	13.90%
Inflation rate				
Rate	Jun-22		% pts Δ	May-22
	23.5%	↑	4.4	19.1%
Cumulative tobacco sales - Week 20				
Date	12-Aug-22		% Δ	2-Sep-22
Volume (million kg)	85.07	↓	-31.20%	123.65
Value (USD'm)	182.04	↓	-7.62%	197.05
Average price (USD/kg)	2.14	↑	34.59%	1.59
Closing TT mid exchange rates				
	11-Aug-22		% Δ	4-Aug-22
USD	1035.3563	↓	0.01%	1035.2822
GBP	1297.9546	↓	0.34%	1293.5428
EUR	1090.7234	↓	0.83%	1081.7166
ZAR	65.4190	↓	3.01%	63.5099
Gross official foreign exchange reserves position				
	31-Jul-22	30-Jun-22		31-May-22
Reserves (USD'm)	372.99	415.73		388.22
Import cover (months)	1.49	1.66		1.55

Sources: MSE, RBM, NSO, AHL

**COVID-19 update**

Cumulative confirmed COVID-19 cases in Malawi stood at 87,705 as at 12<sup>th</sup> August 2022, out of which 631 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, 84,112 people have recovered while 2,672 have died from the disease. A total of 5,052,478 doses have been administered in the country so far, 81,852 have received their booster doses, while 2,156,514 people are fully vaccinated, representing 11% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted 588.94m and 6.43m deaths as at 12<sup>th</sup> August 2022 (Source: Johns Hopkins University and Medicine).

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