

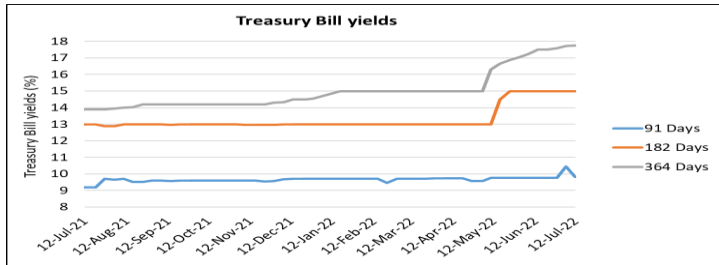


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gained of 1.10% to close the week at 49,936.72 points from 49,394.70 points in the previous week due to share price gains in AIRTEL (0.20%), ILLOVO (0.02%), NBM (9.97%) and NBS (3.45%), which offset share price losses in PCL (-0.001%) and TNM (-14.88%). The market traded 143,619,054 shares at a consideration of K2.14b in 65 trades, compared to 1,147,039 shares traded at a consideration of K61.08m in 67 trades in the previous week. The year-to-date return on MASI stands at 10.07% compared to 11.33% for the same period in 2021 (Source: MSE).

Government securities

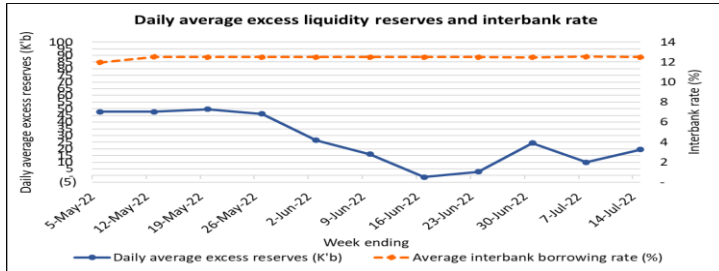
Government raised K8.37b during the week's auction for Treasury Bills (TBs), compared to K13.74b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield decreased to 14.1928% from 14.3861% in the previous week, on account of a decrease in the 91-day yield to 9.8283% from 10.4439%. The 364-day yield increased to 17.7500% from 17.7144%, while the 182-day yield was constant at 15.0000%. The government also raised K11.73b through auction of a 7-year Treasury Note (TN) during the week (Source: RBM).



Maturities of Government securities for the week amounted to K3.98b. This resulted in a net withdrawal of K16.12b from the market compared to a net withdrawal of K10.80b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K19.51b from K9.90b in the previous week. Daily average interbank borrowing increased to K28.11b from K22.88b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility decreased to the average of K33.54b per day during the week from K37.38b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha appreciated by 0.03% to trade at K1034.6070/USD as at 14th July 2022 from K1034.8685/USD as at 7th July 2022. The Kwacha also appreciated against GBP (-0.88%), EUR (-1.67%) and ZAR (-1.45%). Gross official foreign exchange reserves stood at USD415.73 (1.66 months of imports) on 30th June 2022, compared to USD388.22 (1.55 months of imports) on 31st May 2022. The recommended minimum import cover is 3 months. As at the end of week 16 of this year's tobacco marketing season, on 15th July 2022, the country had cumulatively realized US\$166.40m from 78.40m kgs of tobacco sold at an average price of \$2.12/kg. This is compared to US\$188.60m realised from 116.20m kgs of tobacco sold at average price of US\$1.62/kg in the same period last year (Source: AHL).

COVID-19 update

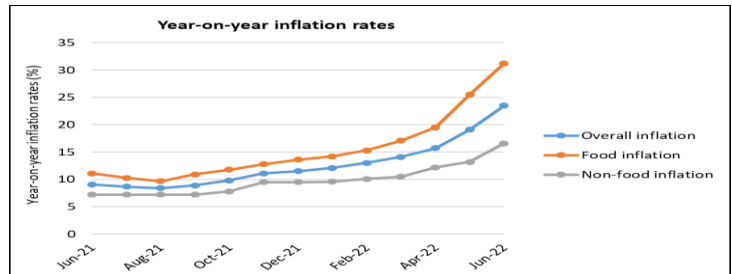
Cumulative confirmed COVID-19 cases in Malawi stood at 86,900 as at 15th July 2022, out of which 423 were reported to be active. COVID-19 infections averaged 28 positive cases this week compared to 22 positive cases in the previous week. So far, 83,535 people have recovered while 2,652 have died from the disease. A total of 3,965,357 doses have been administered in the country so far, 41,594 have received their booster doses, while 1,640,226 people are fully vaccinated, representing 8.37% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted 562.28m and 6.37m deaths as at 17th July 2022 (Source: Johns Hopkins University and Medicine).

Stock market			
	15-Jul-22	% Δ	8-Jul-22
MASI	49,936.72	↑ 1.10%	49,394.70
DSI	39,701.44	↑ 1.23%	39,219.14
FSI	6,044.06	↑ 0.04%	6,044.06
Traded volume	143,619,054	↑ 12420.85%	1,147,039
Number of trades	65	↓ -2.99%	67
Value of shares traded (K'm)	2,139.49	↑ 3402.67%	61.08
Market capitalisation (K'm)	2,706,983.43	↑ 1.08%	2,677,939.69
Gainers			
	Closing price (K)	% Δ	Opening price (K)
AIRTEL	50.13	↑ 0.20%	50.03
ILLOVO	305.60	↑ 0.02%	305.53
NBM	1,100.01	↑ 9.97%	1,000.28
NBS	22.76	↑ 3.45%	22.00
Losers			
	Closing price (K)	% Δ	Opening price (K)
PCL	1,899.99	↓ -0.001%	1,900.00
TNM	11.90	↓ -14.88%	13.98
Treasury Bill auctions			
Auction date	12-Jul-22	% pts Δ	5-Jul-22
Amount offered - cost value (K'm)	19,364.00	↑ 0.00%	19,364.00
Applied - cost value (K'm)	8,365.23	↓ -39.13%	13,743.87
Allotted - cost value (K'm)	8,351.23	↓ -39.24%	13,743.87
Overall rejection rate	0.00%	↑ 0.00%	0.00%
91 days yield	9.8283%	↓ -0.6156%	10.4439%
182 days yield	15.0000%	↑ 0.0000%	15.0000%
364 days yield	17.7500%	↑ 0.0356%	17.7144%
All-type yield	14.1928%	↓ -0.1933%	14.3861%
Treasury Note and Bond auctions			
Auction date	12-Jul-22	7 June to 1 July 22	21-Jun-22
Tenors	7 years	2, 3, 5 & 10 years	5 & 10 years
Coupon rate	13.50%	11.00%, 12.50% & 12.50% & 15.00%	9.97
Amount offered - cost value (K'b)	22.73	210.97	8.69
Total applied - cost value (K'b)	15.04	122.20	9.97
Total allotted - cost value (K'b)	11.73	121.37	8.69
Allotted - weighted average ytm	25.53%	6, 22.00%, 24% & 2	24.00% & 27.00%
Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2 years	18.85%	29-Jun-22	26-Jul-22
3 years	22.00%	1-Jul-22	23-Aug-22
5 years	24.00%	29-Jun-22	9-Aug-22
7 years	25.53%	12-Jul-22	TBA
7-Year Development Bond	22.47%	8-Mar-22	30-Aug-22
10 years	27.00%	27-Jun-22	27-Sep-22
10-year infrastructure bond	23.35%	26-Apr-22	TBA
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
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	15-Jul-22	22-Jul-22	29-Jul-22
TBs, PNs & TNs (K'm)	3,977	13,410	0
OMO repos (K'm)	0	0	0
OMO reverse repos (K'm)	0	8,199	0
Reference rate			
Rate	Jul-22	% pts Δ	Jun-22
Rate	13.90%	↑ 0.10	13.80%
Inflation rate			
Rate	Jun-22	% pts Δ	May-22
Rate	23.5%	↑ 4.4	19.1%
Cumulative tobacco sales - Week 16			
Date	15-Jul-22	% Δ	6-Aug-21
Volume (million kg)	78.40	↓ -32.53%	116.20
Value (USD'm)	166.40	↓ -11.77%	188.60
Average price (USD/Kg)	2.12	↑ 30.86%	1.62
Closing TT mid exchange rates			
	14-Jul-22	% Δ	7-Jul-22
USD	1034.6070	↑ -0.03%	1034.8685
GBP	1255.7213	↑ -0.88%	1266.9115
EUR	1065.2874	↑ -1.67%	1083.3424
ZAR	62.1891	↑ -1.45%	63.1061
Gross official foreign exchange reserves position			
	30-Jun-22	31-May-22	30-Apr-22
Reserves (USD'm)	415.73	388.22	363.27
Import cover (months)	1.66	1.55	1.45

Sources: MSE, RBM, NSO, AHL

June 2022 inflation

The year-on-year headline inflation rate stood at 23.5% in June 2022 from 19.1% in May 2022 (9.1% in June 2021). Food inflation rate increased to 31.2% in June 2022, from 25.5% in May 2022 (11.1% in June 2021), while non-food inflation rate increased to 16.6% in June 2022 from 13.2% in May 2022 (7.2% in June 2021).



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