



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

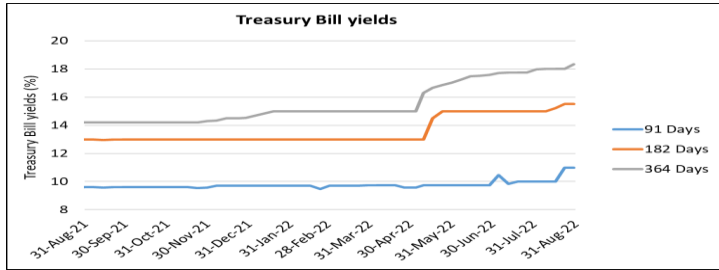
The Malawi All Share Index (MASI) registered a loss of -0.63% to close the week at 54,107.37 points from 54,448.99 points in the previous week due to share price losses in FMBCH (-7.41%), ICON (-0.08%), MPICO (-0.05%), and NBS (-0.09%), which offset share price gains in AIRTEL (0.08%), FDHB (0.07%) and NBM (0.004%). The market traded 89,471,385 shares at a consideration of K3.35b in 131 trades, compared to 30,080,685 shares traded at a consideration of K837.44m in 77 trades in the previous week. The year-to-date return on MASI stands at 19.26% compared to 20.57% for the same period in 2021 (Source: MSE).

**Upcoming dividends**

Company	Dividend type	Dividend (K/share)	Last day to register	Payable
NBS	Interim declared	0.85	9-Sep-22	23-Sep-22
ICON	Final declared	0.12	16-Sep-22	29-Sep-22
NICO	Final declared	0.60	16-Sep-22	29-Sep-22
NBM	Interim declared	17.14	9-Sep-22	30-Sep-22
FMBCH	Interim declared	0.15 Cents	23-Sep-22	30-Sep-22
OMU	Interim declared	0.25 Cents	20-Sep-22	18-Oct-22
NICO	Interim declared	1.00	7-Oct-22	19-Oct-22
PCL	Interim declared	7.00	14-Oct-22	28-Oct-22

**Government securities**

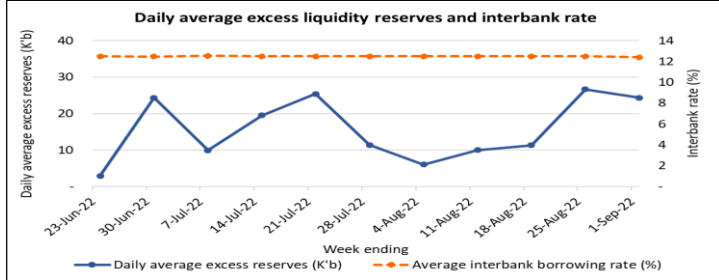
Government raised K6.71b during the week's auction for Treasury Bills (TBs), compared to K7.79b raised in the previous week. The auction registered no rejection on the submitted bids. The average all-type TB yield increased to 14.9420% from 14.8330% in the previous week, due to an increase in the 364-day yield to 18.3273% from 18.0000%. The 182-day yield decreased to 15.4988% from 15.4990% while the 91-day yield was constant at 11.0000% (Source: RBM).



The Government also raised K11.25b through auction of a 7-year Infrastructure Development Bond (IDB) at average yield of 26.75% during the week. Maturities of Government securities for the week amounted to K16.72b and maturities of OMO reverse repos mounted to K3.61b. Access on RBM's re-discounting standing facility amounted to K3.16b. These transactions resulted in a net withdrawal of K1.69b from the market compared to a net withdrawal of K45.43b in the previous week (Source: RBM).

**Market liquidity and interbank market activity**

Average daily excess liquidity reserves decreased to K24.36b from K26.64b in the previous week. Daily average interbank borrowing decreased to an average of K6.70b from K11.03b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility increased to K123.80b during the week from K18.00b in the previous week (Source: RBM).



**Foreign exchange market developments**

The Kwacha depreciated by 0.11% to trade at K1035.6405/USD as at 1<sup>st</sup> September 2022 from K1034.4839/USD on 25<sup>th</sup> August 2022. During the same period, the Kwacha also depreciated against EUR by 0.40%, but appreciated against GBP by -1.89% and ZAR by -1.87%. Gross official foreign exchange reserves stood at USD372.99m (1.49 months import cover) on 31<sup>st</sup> July 2022, down from USD415.73m (1.66 months import cover) on 30<sup>th</sup> June 2022 (Source: RBM). The recommended minimum import cover is 3 months.

Stock market										
MASI	2-Sep-22	54,107.37	↓	-0.63%	26-Aug-22	54,448.99				
DSI		44,110.83	↑	0.01%		44,104.45				
FSI		5,152.25	↓	-7.14%		5,548.61				
Traded volume		89,471,385	↑	197.44%		30,080,685				
Number of trades		131	↑	70.13%		77				
Value of shares traded (K'm)		3,351.32	↑	300.19%		837.44				
Market capitalisation (K'm)		2,928,276.03	↓	-0.65%		2,947,557.66				
Gainers					Closing price (K)		% Δ		Opening price (K)	
AIRTEL		51.15	↑	0.08%		51.11				51.11
FDHB		14.00	↑	0.07%		13.99				13.99
NBM		1,151.07	↑	0.004%		1,151.02				1,151.02
Losers					Closing price (K)		% Δ		Opening price (K)	
FMBCH		100.00	↓	-7.41%		108.00				108.00
ICON		11.98	↓	-0.08%		11.99				11.99
MPICO		20.67	↓	-0.05%		20.68				20.68
NBS		22.72	↓	-0.09%		22.74				22.74
Treasury Bill auctions										
Auction date	30-Aug-22			% pts Δ	23-Aug-22					
Amount offered - cost value (K'm)		8,294.00	↓	0.00%		8,294.00				
Applied - cost value (K'm)		6,713.86	↓	-13.85%		7,793.51				
Allotted - cost value (K'm)		6,713.86	↓	-13.85%		7,793.51				
Overall rejection rate		0.00%	↓	0.00%		0.00%				
91 days yield		11.0000%	↓	0.0000%		11.0000%				
182 days yield		15.4988%	↓	-0.0002%		15.4990%				
364 days yield		18.3273%	↑	0.3273%		18.0000%				
All-type yield		14.9420%	↑	0.1090%		14.8330%				
Treasury Note and Bond auctions										
Auction date	30 Aug & 2 Sep 2022			23 & 25 Aug 2022	9-Aug-22					
Tenors	7 year IDB			2, 3, 5 & 7 years	5 years					
Coupon rate	14.50%			10.00%, 11.00%, 12.50% & 13.50%	12.50%					
Amount offered - cost value (K'b)	15.00			160.20	50.19					
Total applied - cost value (K'b)	11.92			94.75	10.99					
Total allotted - cost value (K'b)	11.25			77.82	10.69					
Allotted - weighted average ytm	26.75%			21.00%, 22.78%, 25.00% & 26.50%	25.00%					
Current yields for Treasury Notes and Bonds										
Tenor	Last auction's yield	Last auction		Next auction						
2 years	21.00%	25-Aug-22		13-Sep-22						
3 years	23.00%	25-Aug-22		TBA						
5 years	25.00%	25-Aug-22		TBA						
7 years	26.50%	25-Aug-22		TBA						
7-Year Development Bond	26.75%	2-Sep-22		TBA						
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						
13-Sep-22	2	44.09		10.00%						
27-Sep-22	10	27.68		15.00%						
Projected maturities										
Week ending	2-Sep-22	9-Sep-22	16-Sep-22							
TBs, PNs & TNs (K'm)	16,720	16,147	11,296							
OMO repos (K'm)	0	0	0							
OMO reverse repos (K'm)	3,613	0	0							
Reference rate										
Rate	Sep-22	% pts Δ		Aug-22						
	13.90%	↑	0.10	13.80%						
Inflation rate										
Rate	Jul-22	% pts Δ		Jun-22						
	24.6%	↑	1.1	23.5%						
Cumulative tobacco sales - end of season										
Date	2022	% Δ		2021						
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										
USD	1-Sep-22	% Δ		25-Aug-22						
	1035.6405	↓	0.11%	1034.4839						
GBP	1232.2365	↓	-1.89%	1255.9883						
EUR	1068.0558	↓	0.40%	1063.8130						
ZAR	61.6623	↑	-1.87%	62.8354						
Gross official foreign exchange reserves position										
Reserves (USD'm)	31-Jul-22	30-Jun-22	31-May-22							
	372.99	415.73	388.22							
Import cover (months)	1.49	1.66	1.55							

Sources: MSE, RBM, NSO, AHL

**Published financial results for the half year ended 30th June 2022**

Company	H1 2022 profit after tax (K'm)	Change (%)	H1 2021 profit after tax (K'm)
<b>Listed banks</b>			
FDH Bank Plc	8,499	↑	4,376
National Bank of Malawi Plc	22,118	↑	12,754
NBS Bank Plc	5,090	↑	4,395
Standard Bank Plc	15,835	↑	11,578
<b>Unlisted banks</b>			
CDH Investment Bank Ltd	2,503	↓	2,891
Ecobank Ltd	8,031	↑	4,305
<b>Listed companies</b>			
FMB Capital Holdings Plc (US\$'000)	25,243	↑	13,092
MPICO Plc	3,161	↑	2,841
NICO Holdings Plc	11,822	↑	7,027
Old Mutual Plc (Rm)	5,222	↑	2,984
Press Corporation Plc	15,977	↑	12,872

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