

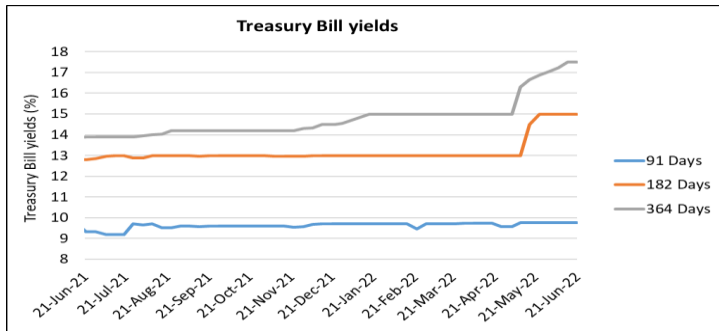


Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -0.10% to close the week at 49,595.64 points from 49,644.80 points in the previous week due to a share price loss in FDHB (-3.31%), which offset share price gains in AIRTEL (0.12%), NBM (0.003%) and NITL (0.03%). The market traded 16,983,156 shares at a consideration of K275.16m in 74 trades, compared to 38,147,540 shares traded at a consideration of K662.37m in 67 trades in the previous week. The year-to-date return on MASI stands at 9.32% compared to 5.04% for the same period in 2021 (Source: MSE).

Government securities

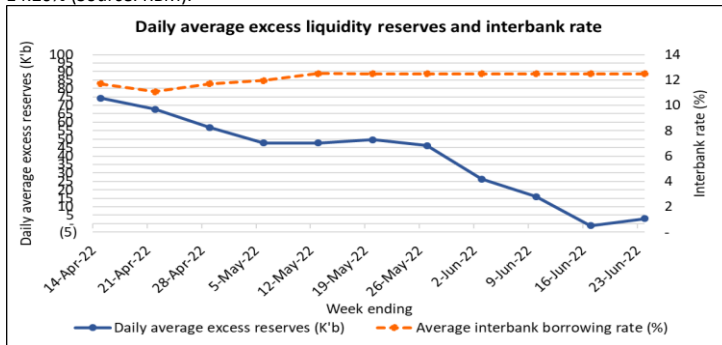
Government raised K5.79b during the week's auction for Treasury Bills (TBs) compared to K3.72b raised in the previous week. The auction registered a 12.80% rejection on the submitted bids. The average TB yield slightly increased to 14.0882% from 14.0833% in the previous week on account of an increase in the 364-day yield to 17.5147% from 17.5000%. The 91-day and 182-day yields were constant at 9.7500% and 15.0000%, respectively (Source: RBM).



Government also raised K8.69b from auction of 5-year and 10-year Treasury notes (TNs) during the week. Maturities of Government securities for the week amounted to K19.90b and maturities of OMO reverse repos amounted to K32.89b. RBM conducted outright purchase of securities amounting to K0.15b and OMO reverse repos amounting to K16.00b. This resulted in a net withdrawal of K11.32b from the market compared to a net withdrawal of K2.72b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K2.90b from -K1.15b in the previous week. Daily average interbank borrowing decreased to an average of K7.92b from K19.80b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility increased to the average of K38.03b per day during the week from K16.68b per day in the previous week at a fixed Lombard rate of 14.20% (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.10% to trade at K1030.2152/USD as at 23rd June 2022 from K1029.1652/USD as at 16th June 2022. The Kwacha also depreciated against GBP (1.53%) and EUR (1.53%) but appreciated against ZAR (-0.61%). Gross official foreign exchange reserves stood at USD388.22 (1.55 months of imports) on 31st May 2022 compared to USD363.27 (1.45 months of imports) on 30th April 2022. The recommended minimum import cover is 3 months. As at 24th June 2022, the tobacco market had cumulatively realized US\$127.40m from 61,166,615kgs of tobacco sold at an average price of \$2.08/kg (Source: AHL).

Stock market				
	24-Jun-22		% Δ	17-Jun-22
MASI	49,595.64	↓	-0.10%	49,644.80
DSI	39,010.38	↓	-0.11%	39,054.12
FSI	6,539.01	→	0.00%	6,539.01
Traded volume	16,983,156	↓	-55.48%	38,147,540
Number of trades	74	↑	10.45%	67
Value of shares traded (K'm)	275.16	↓	-58.46%	662.37
Market capitalisation (K'm)	2,689,925.65	↓	-0.10%	2,692,560.09
Gainers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	48.66	↑	0.12%	48.60
NBM	1000.23	↑	0.003%	1000.20
NITL	110.03	↑	0.03%	110.00
Losers				
	Closing price (K)		% Δ	Opening price (K)
FDHB	14.00	↓	-3.31%	14.48
Treasury Bill auctions				
Auction date	21-Jun-22		% pts Δ	14-Jun-22
Amount offered - cost value (K'm)	20,820.00	→	0.00%	20,820.00
Applied - cost value (K'm)	6,639.64	↑	19.74%	5,544.89
Allotted - cost value (K'm)	5,789.68	↑	55.82%	3,715.65
Overall rejection rate	12.80%	↓	-20.188	32.99%
91 days yield	9.7500%	→	0.0000%	9.7500%
182 days yield	15.0000%	→	0.0000%	15.0000%
364 days yield	17.5147%	↑	0.0147%	17.5000%
All-type yield	14.0882%	↑	0.0049%	14.0833%
Treasury Note and Bond auctions				
Auction date	21-Jun-22	14 & 16 June 2022		6-Jun-22
Tenors	2, 5, 7 & 10 years	10 years		3 & 5 years
Coupon rate	10.00%, 12.50%, 13.50% & 15.00%	15.00%		11.00% & 12.50%
Amount offered - cost value (K'b)		27.45		
Total applied - cost value (K'b)	9.97	22.49		3.87
Total allotted - cost value (K'b)	8.69	7.77		3.87
Allotted - weighted average ytm	5-year: 24.00% & 10-year: 27.00%	24.06% & 26.50%		22.00% & 24.00%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2 years	18.50%	24-May-22		TBA
3 years	22.00%	6-Jun-22		28-Jun-22
5 years	24.00%	21-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%	21-Jun-22		TBA
10-year infrastructure bond	23.35%	26-Apr-24		TBA
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor	Amount (K'b)		Coupon rate
28-Jun-22	3	57.45		11.00%
Projected maturities				
Week ending	24-Jun-22	1-Jul-22		8-Jul-22
TBs, PNs & TNs (K'm)	19,898	33,821		2,937
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	32,894	23,157		0
Reference rate				
Rate	Jun-22		% pts Δ	May-22
Rate	13.80%	↑	0.30	13.50%
Inflation rate				
Rate	May-22		% pts Δ	Apr-22
Rate	19.1%	↑	3.4	15.7%
Closing TT mid exchange rates				
	23-Jun-22		% Δ	16-Jun-22
USD	1030.2152	↓	0.10%	1029.1652
GBP	1346.7644	↓	1.53%	1326.4250
EUR	1161.6963	↓	1.53%	1144.1620
ZAR	69.8715	↑	-0.61%	70.3018
Gross official foreign exchange reserves position				
	31-May-22	30-Apr-22		31-Mar-22
Reserves (USD'm)	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 86,348 as at 24th June 2022, out of which 434 were reported to be active. COVID-19 infections averaged 25 positive cases this week compared to 17 positive cases in the previous week. So far, 82,979 people have recovered while 2,645 have died from the disease. A total of 3,744,341 COVID-19 vaccine doses have been administered in the country so far, 23,741 have received their booster doses, while 1,550,155 people are fully vaccinated, representing 7.91% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted 543.50m and 6.33m deaths as at 26th June 2022 (Source: Johns Hopkins University and Medicine).

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