



Malawi Stock Exchange (MSE) trading activity

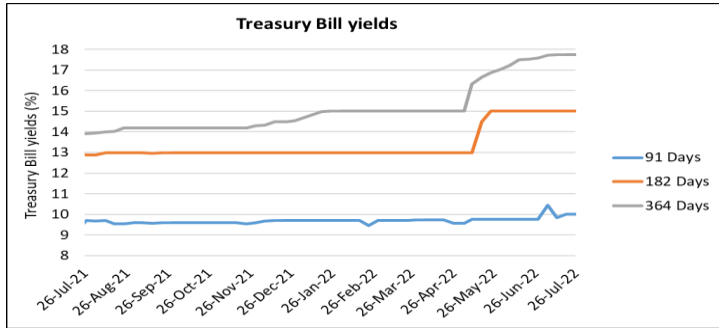
The Malawi All Share Index (MASI) registered a gain of 0.48% to close the week at 52,889.87 points from 52,637.81 points in the previous week. This is due to share price gains in AIRTEL (0.06%), FDHB (0.07%), ILLOVO (1.32%), NBM (2.72%), STANDARD (0.001%), SUNBIRD (0.01%) and TNM (0.08%), which offset share price losses in BHL (-0.09%), FMBCH (-1.82%), NBS (-0.04%) and PCL (-0.005%). The market traded 111,827,385 shares at a consideration of K1.66b in 129 trades compared to 12,857,441 shares traded at a consideration of K810.96m in 78 trades in the previous week. The year-to-date return on MASI stands at 16.58% compared to 11.98% for the same period in 2021 (Source: MSE).

Corporate news

FDH Bank reported a profit after tax of K8.71b for the half year ended 30th June 2022, an increase of 91% from a profit after tax of K4.55b reported in the same period last year.

Government securities

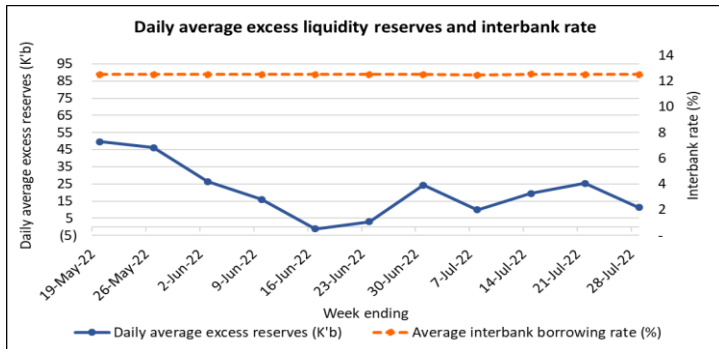
Government raised K3.32b during the week's auction for Treasury Bills (TBs) compared to K12.04b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield decreased to 14.2479% from 14.2500% in the previous week, on account of a decrease in the 364-day yield to 17.7438% from 17.7500%. The 91-day and 182-day yields were constant at 10.0000% and 15.0000%, respectively (Source: RBM).



The Government also raised K1.87b in an auction of a 2-year Treasury Note (TN) during the week. Maturities of Government securities for the week amounted to K13.62b. This resulted in a net injection of K8.43b into the market compared to a net injection of K3.50b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K11.37b from K25.36b in the previous week. Daily average interbank borrowing decreased to an average of K26.81b from K29.16b in the previous week. The average interbank borrowing rate was constant at 12.50%. Borrowing on the Lombard facility amounted to K25.00b during the week, a decrease from K122.50b borrowed in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.01% to trade at K1034.7051/USD as at 28th July 2022 from K1034.5557/USD as at 21st July 2022. The Kwacha also depreciated against ZAR (2.76%), GBP (1.92%) and EUR (0.07%) during the period. Gross official foreign exchange reserves stood at USD415.73m (1.66 months of imports) on 30th June 2022 compared to USD388.22m (1.55 months of imports) on 31st May 2022. The recommended minimum import cover is 3 months. As at 29th July 2022, 18 weeks into the 2022 season, the tobacco market had cumulatively realized US\$179.35m from 83.83m kgs of tobacco sold at an average price of US\$2.14/kg. This is compared to US\$193.91m realised from 120.67m kgs of tobacco sold at average price of US\$1.61/kg as at the end of week 18 last year (Source: AHL).

| Stock market | | | | |
|---|-----------------------------|----------------------|-------------------|---------------------------------|
| | 29-Jul-22 | % Δ | 22-Jul-22 | |
| MASI | 52,889.87 | ↑ 0.48% | 52,637.81 | |
| DSI | 42,717.13 | ↑ 0.71% | 42,415.25 | |
| FSI | 5,548.61 | ↓ -1.75% | 5,647.70 | |
| Traded volume | 111,827,385 | ↑ 769.75% | 12,857,441 | |
| Number of trades | 129 | ↑ 65.38% | 78 | |
| Value of shares traded (K'm) | 1,656.36 | ↑ 104.25% | 810.96 | |
| Market capitalisation (K'm) | 2,864,013.10 | ↑ 0.47% | 2,850,744.15 | |
| Gainers | | | | |
| | Closing price (K) | % Δ | Opening price (K) | |
| AIRTEL | 51.04 | ↑ 0.06% | 51.01 | |
| FDHB | 14.00 | ↑ 0.07% | 13.99 | |
| ILLOVO | 400.00 | ↑ 1.32% | 394.78 | |
| NBM | 1130.00 | ↑ 2.72% | 1100.04 | |
| STANDARD | 1840.04 | ↑ 0.001% | 1840.03 | |
| SUNBIRD | 80.02 | ↑ 0.01% | 80.01 | |
| TNM | 11.91 | ↑ 0.08% | 11.90 | |
| Losers | | | | |
| | Closing price (K) | % Δ | Opening price (K) | |
| BHL | 11.00 | ↓ -0.09% | 11.01 | |
| FMBCH | 108.00 | ↓ -1.82% | 110.00 | |
| NBS | 22.74 | ↓ -0.04% | 22.75 | |
| PCL | 2181.44 | ↓ -0.0005% | 2181.45 | |
| Treasury Bill auctions | | | | |
| | Auction date | 26-Jul-22 | 19-Jul-22 | |
| Amount offered - cost value (K'm) | | 19,364.00 | 19,364.00 | |
| Applied - cost value (K'm) | | 3,316.72 | 12,848.34 | |
| Allotted - cost value (K'm) | | 3,316.72 | 12,041.67 | |
| Overall rejection rate | | 0.00% | 6.28% | |
| 91 days yield | | 10.0000% | 10.0000% | |
| 182 days yield | | 15.0000% | 15.0000% | |
| 364 days yield | | 17.7438% | 17.7500% | |
| All-type yield | | 14.2479% | 14.2500% | |
| Treasury Note and Bond auctions | | | | |
| | Auction date | 26-Jul-22 | 12-Jul-22 | 27 June to 1 July 22 |
| Tenors | | 2 years | 7 years | 2, 3, 5 & 10 years |
| Coupon rate | | 10.00% | 13.50% | 10.00%, 11.00%, 12.50% & 15.00% |
| Amount offered - cost value (K'b) | | 34.09 | 22.73 | 210.97 |
| Total applied - cost value (K'b) | | 4.40 | 15.04 | 122.20 |
| Total allotted - cost value (K'b) | | 1.87 | 11.73 | 121.37 |
| Allotted - weighted average ytm | | 20.50% | 25.53% | 18.78%, 22.00%, 24% & 27.00% |
| Current yields for Treasury Notes and Bonds | | | | |
| | Tenor | Last auction's yield | Last auction | Next auction |
| | 2 years | 20.50% | 26-Jul-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 |
| | 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 | 29-Jul-22 | 5-Aug-22 | 12-Aug-22 |
| | TBs, PNs & TNs (K'm) | 13,616 | 5,297 | 37,154 |
| | OMO repos (K'm) | 0 | 0 | 0 |
| | OMO reverse repos (K'm) | 0 | 15,488 | 0 |
| Reference rate | | | | |
| | Rate | Jul-22 | % pts Δ | Jun-22 |
| | | 13.90% | ↑ 0.10 | 13.80% |
| Inflation rate | | | | |
| | Rate | Jun-22 | % pts Δ | May-22 |
| | | 23.5% | ↑ 4.4 | 19.1% |
| Cumulative tobacco sales - Week 18 | | | | |
| | Date | 29-Jul-22 | % Δ | 20-Aug-21 |
| | Volume (million kg) | 83.83 | ↓ -30.53% | 120.67 |
| | Value (USD'm) | 179.35 | ↓ -7.51% | 193.91 |
| | Average price (USD/Kg) | 2.14 | ↑ 32.92% | 1.61 |
| Closing TT mid exchange rates | | | | |
| | | 28-Jul-22 | % Δ | 21-Jul-22 |
| | USD | 1034.7051 | ↓ 0.01% | 1034.5557 |
| | GBP | 1292.6742 | ↓ 1.92% | 1268.3664 |
| | EUR | 1084.6605 | ↓ 0.07% | 1083.9133 |
| | ZAR | 63.4644 | ↓ 2.76% | 61.7620 |
| 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

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 87,390 as at 29th July 2022, out of which 573 were reported to be active. COVID-19 infections averaged 28 positive cases this week compared to 34 positive cases in the previous week. So far, 83,862 people have recovered while 2,665 have died from the disease. A total of 4,167,021 doses have been administered in the country so far, 50,352 have received their booster doses, while 1,722,793 people are fully vaccinated, representing 8.79% of the total Malawi population (19.6 million). Globally, total confirmed cases of COVID-19 amounted to 576.33m and 6.40m deaths as at 30th July 2022 (Source: Johns Hopkins University and Medicine).

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