



Malawi Stock Exchange (MSE) trading activity

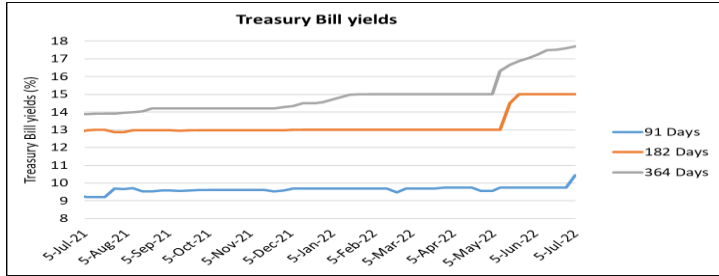
The Malawi All Share Index (MASI) registered a loss of -0.32% to close the week at 49,394.70 points from 49,551.11 points in the previous week due to share price losses in FDHB (-0.07%), FMBCH (-7.04%), NBS (-3.34%), NICO (-0.02%) and TNM (-0.14%), which offset share price gains in AIRTEL (2.79%) and NBM (0.003%). The market traded 1,147,039 shares at a consideration of K61.08m in 67 trades as compared to 2,687,410 shares traded at a consideration of K69.09m in 56 trades in the previous week. The year-to-date return on MASI stands at 8.88% compared to 9.10% for the same period in 2021 (Source: MSE).

Corporate news

Upcoming Dividends				
Company	Dividend Type	Dividend (K)	Last day to register	Payable
MPICO	Final declared	0.19	8/7/2022	28/06/2022
STANDARD	Final declared	8.52	8/7/2022	22/06/2022
FMBCH	Final declared	0.10 Cents	15/7/2022	22/07/2022
FDHB	Final declared	0.29	8/7/2022	22/07/2022
AIRTEL	Final declared	2.95	8/7/2022	25/07/2022
TNM	Final Proposed	0.10	15/7/2022	29/07/2022
PCL	Final Proposed	28.00	19/8/2022	26/08/2022
NITL	Final Proposed	2.25	TBA	TBA
NBS	Final declared	0.75	TBA	TBA
ICON	Final Proposed	0.12	TBA	TBA
NICO	Final Proposed	0.60	TBA	TBA

Government securities

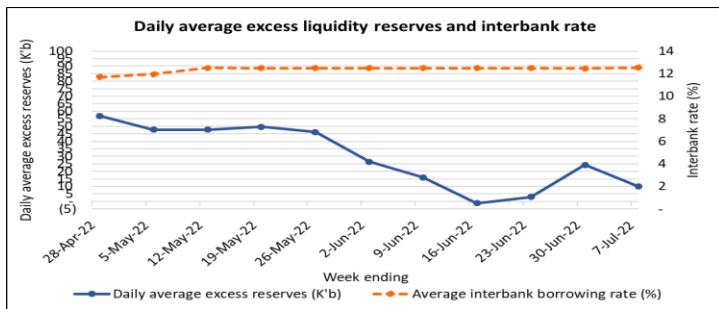
Government raised K13.74b during the week's auction for Treasury Bills (TBs) compared to K10.43b raised in the previous week. The auction registered no rejection on the submitted bids. The average TB yield increased to 14.3861% from 14.1154% in the previous week on account of an increase in the 91-day and 364-day yields to 10.4439% and 17.7144%, respectively, from 9.7500% and 17.5962% in the previous week. The 182-day yield was constant at 15.0000% (Source: RBM).



Maturities of Government securities for the week amounted to K2.94b. This resulted in a net withdrawal of K10.80b from the market compared to a net withdrawal of K144.56b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K9.90b from K24.36b in the previous week. Consequently, daily average interbank borrowing increased to an average of K22.88b from K7.70b in the previous week. The average interbank borrowing rate increased to 12.53% from 12.48% in the previous week. Borrowing on the Lombard facility increased to the average of K37.38b per day during the week from K31.06b per day in the previous week (Source: RBM).



Foreign exchange market developments

The Kwacha depreciated by 0.15% to trade at K1034.8685/USD as at 7th July 2022 from K1033.3638/USD as at 30th June 2022. However, the Kwacha appreciated against GBP (-1.73%), EUR (-2.27%) and ZAR (-2.94%). 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 the end of week 15 of the 2022 season, on 7th July 2022, the tobacco market had cumulatively realized US\$154.27m from 73.10m kgs of tobacco sold at an average price of \$2.11/kg. During the same period last year, the market had cumulatively realised US\$183.73m from 112.71m kgs of tobacco sold at US\$1.63/kg. This represents a 35.14% fall in sales volume and 16.04% drop in seasonal earnings this year (Source: AHL).

Stock market				
	8-Jul-22	% Δ		1-Jul-22
MASI	49,394.70	-0.32%		49,551.11
DSI	39,219.14	0.53%		39,011.88
Traded volume	6,044.06	-6.82%		6,486.49
Number of trades	1,147,039	-57.32%		2,687,410
Value of shares traded (K'm)	61.08	-11.58%		69.09
Market capitalisation (K'm)	2,677,939.69	-0.35%		2,687,410.14
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	50.03	2.79%		48.67
NBM	1000.28	0.003%		1000.25
Losers				
	Closing price (K)	% Δ		Opening price (K)
FDHB	13.99	-0.07%		14.00
FMBCH	118.00	-7.04%		126.93
NBS	22.00	-3.34%		22.76
NICO	46.74	-0.02%		46.75
TNM	13.98	-0.14%		14.00
Treasury Bill auctions				
Auction date	5-Jul-22	% pts Δ		28-Jun-22
Amount offered - cost value (K'm)	19,364.00	-6.99%		20,820.00
Applied - cost value (K'm)	13,743.87	31.77%		10,430.43
Allotted - cost value (K'm)	13,743.87	31.77%		10,430.43
Overall rejection rate	0.00%	0.00%		0.00%
91 days yield	10.4439%	0.6939%		9.7500%
182 days yield	15.0000%	0.0000%		15.0000%
364 days yield	17.7144%	0.1182%		17.5962%
All-time yield	14.3861%	0.2707%		14.1154%
Treasury Note and Bond auctions				
Auction date	27 June to 1 July 22	21-Jun-22	14 & 16 June 2022	
Tenors	2, 3, 5 & 10 years	5 & 10 years	10 years	
Coupon rate	10.00%, 11.00%, 12.50% & 15.00%	12.50% & 15.00%	15.00%	
Amount offered - cost value (K'b)	210.97	27.45	27.45	
Total applied - cost value (K'b)	122.20	9.97	22.49	
Total allotted - cost value (K'b)	121.37	8.69	7.77	
Allotted - weighted average ytm	18.78%, 22.00%, 24% & 27.00%	24.00% & 27.00%	24.06% & 26.50%	
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction	Next auction	
2 years	18.85%	29-Jun-22	TBA	
3 years	22.00%	1-Jul-22	28-Jun-22	
5 years	24.00%	29-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%	27-Jun-22	TBA	
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	
12-Jul-22	7	22.73	13.50%	
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	8-Jul-22	15-Jul-22	22-Jul-22	
TBs, PNs & TNs (K'm)	2,937	3,977	13,410	
OMO repos (K'm)	0	0	0	
OMO reverse repos (K'm)	0	0	8,199	
Reference rate				
Rate	Jul-22	% pts Δ		Jun-22
	13.90%	0.10		13.80%
Inflation rate				
Rate	May-22	% pts Δ		Apr-22
	19.1%	3.4		15.7%
Cumulative tobacco sales - Week 15				
Date	7-Jul-22	% Δ		30-Jul-21
Volume (Kg)	73,099,461.00	-35.14%		112,707,130.00
Value (USD)	154,267,054.84	-16.04%		183,730,336.15
Average price (USD/Kg)	2.11	29.45%		1.63
Closing TT mid exchange rates				
	7-Jul-22	% Δ		30-Jun-22
USD	1034.8685	0.15%		1033.3638
GBP	1266.9115	-1.73%		1289.2611
EUR	1083.3424	-2.27%		1108.4689
ZAR	63.1061	-2.94%		65.0195
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 86,706 as at 8th July 2022, out of which 471 were reported to be active. COVID-19 infections averaged 25 positive cases this week compared to 19 positive cases in the previous week. So far, 83,298 people have recovered while 2,647 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 555.46m and 6.35m deaths as at 10th July 2022 (Source: Johns Hopkins University and Medicine).

Expected unaudited half-year financials to June 2022

Company	Expected financial results for the half year 30 June 2022		
	2021 Half FY Results	Expected change for half FY 2022	Expected 2022 Half FY Results
FDHB	4.5	↑	5.40
Sunbird Tourism Plc	-0.475	↑	(1.19)
NICO	7.02	↑	9.48
NBM	12.8	↑	16.64
STANDARD	11.6	↑	14.50
ICON	3.07	↑	3.68
AIRTEL	11.34	↓	8.51
FMBCH	13.08	↑	22.24
NITL	1.2	↓	1.46
Telekom Networks Malawi Plc	4.5	↓	(1.35)

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