

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 3.77% to close the week at 73,947.88 points from 71,258.32 points in the previous week due to share price gains in AIRTEL (9.68%), ILLOVO (11.66%), NBM (0.01%), NBS (7.27%), NICO (15.00%), NITL (6.04%), STANDARD (0.02%), SUNBIRD (14.29%) and TNM (0.07%), which offset share price losses in FDHB (-0.17%), FMBCH (-0.01%) and PCL (-0.001%). The market traded 9,048,305 shares at a consideration of K628.57m in 150 trades compared to 3,233,350 shares traded at a consideration of K126.18m in 73 trades in the previous week. The year-to-date return on MASI stands at 19.20% compared to -0.24% for the same period in 2022 (Source: MSE).

Corporate announcements

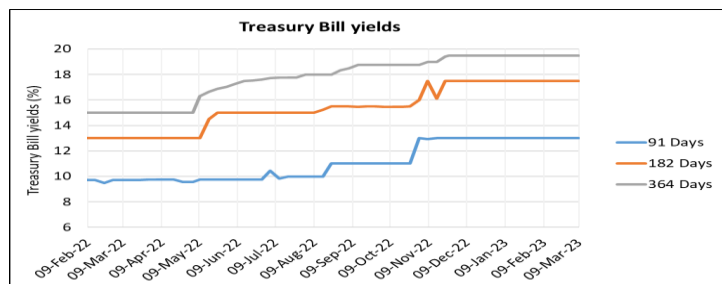
Standard Bank Malawi Plc made a profit after tax (PAT) of K39.20b during the year ended 31st December 2022, representing a 58% increase from the PAT of K24.77b posted in the previous year. Total revenue grew by 40% driven by growth in both net interest income (49%) and non-interest revenue (28%). Growth in net interest income was driven by growth in loans and advances to customers (14%) and financial investments (99%). The growth in interest earning assets was due to growth in deposits from customers (48%). Non-interest revenue grew by 28% on account of growth in net fees and commissions (15%) and trading revenue (35%), both driven by increase in transaction volumes, (Source: Standard Bank).

Dividends announced

| Company | Dividend type | Dividend (K/share) | Last day to trade | Last day to register | Payable |
|----------|----------------------|--------------------|-------------------|----------------------|-----------|
| NBM | 2nd Interim declared | 21.42 | 14-Mar-23 | 17-Mar-23 | 6-Apr-23 |
| ILLOVO | Final proposed | 5.44 | 21-Mar-23 | 24-Mar-23 | 31-Mar-23 |
| Standard | Final proposed | 51.14 | TBA | TBA | TBA |

Government securities

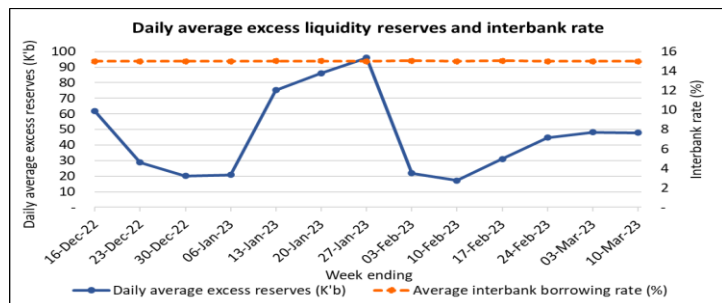
Government raised K15.23b during the week's auctions for Treasury Bills (TBs) compared to K16.88b raised in the previous week. The auctions registered a rejection rate of 3.06% on the submitted bids. The average TB yield was constant at 16.6667% from the previous week as the 91-day, 182-day and 364-day yields remained at 13.00%, 17.50% and 19.50% respectively (Source: RBM).



The Government also raised K7.86b through auction of 2-year and 3-year Treasury Notes (TNs). Maturities of Government securities amounted to K25.57b and access on the rediscounting standing facility amounted to K3.30b. These transactions resulted in a net withdrawal of K5.78b from the market compared to a net withdrawal of K7.45b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K47.77b from K48.14b in the previous week. Daily average interbank borrowing decreased to K15.51b from K33.38b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility decreased to the average of K66.66b per day from K67.33b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha appreciated against the USD by -0.22% to trade at K1033.3549 per USD as at the end of the week from K1035.6035 per USD as at the end of the previous week. The Kwacha also appreciated against GBP (-0.06%), EUR (-0.28%) and ZAR (-1.82%) during the period. Gross official foreign exchange reserves stood at USD279.22m (1.12 months import cover) on 31st January 2023 compared to USD304.65m (1.22 months import cover) on 31st December 2022. The recommended minimum import cover is 3 months.

| Stock market | | | | |
|---|----------------------|--------------|---------|------------------------------|
| | 10-Mar-23 | | % Δ | 02-Mar-23 |
| MASI | 73,947.88 | ↑ | 3.77% | 71,258.32 |
| DSI | 59,235.87 | ↑ | 4.21% | 56,842.30 |
| FSI | 8,382.28 | ↓ | -0.01% | 8,382.77 |
| Traded volume | 9,048,305 | ↑ | 179.84% | 3,233,350 |
| Number of trades | 150 | ↑ | 105.48% | 73 |
| Value of shares traded (K'm) | 628.57 | ↑ | 398.16% | 126.18 |
| Market capitalisation (K'm) | 3,991,107.55 | ↑ | 3.75% | 3,846,990.43 |
| Gainers | | | | |
| | Closing price (K) | | % Δ | Opening price (K) |
| AIRTEL | 68.00 | ↑ | 9.68% | 62.00 |
| ILLOVO | 670.01 | ↑ | 11.66% | 600.05 |
| NBM | 1600.14 | ↑ | 0.01% | 1600.05 |
| NBS | 45.02 | ↑ | 7.27% | 41.97 |
| NICO | 103.50 | ↑ | 15.00% | 90.00 |
| NITL | 200.00 | ↑ | 6.04% | 188.60 |
| STANDARD | 2200.37 | ↑ | 0.02% | 2200.02 |
| SUNBIRD | 120.00 | ↑ | 14.29% | 105.00 |
| TNM | 14.03 | ↑ | 0.07% | 14.02 |
| Losers | | | | |
| | Closing price (K) | | % Δ | Opening price (K) |
| FDHB | 34.93 | ↓ | -0.17% | 34.99 |
| FMBCH | 166.99 | ↓ | -0.01% | 167.00 |
| PCL | 2,181.32 | ↓ | -0.001% | 2,181.34 |
| Treasury Bill auctions | | | | |
| Auction date | 7 & 9 March 2023 | | % pts Δ | 28-Feb-23 |
| Amount offered - cost value (K'm) | 17,847.00 | ↓ | -25.75% | 24,035.00 |
| Applied - cost value (K'm) | 15,719.53 | ↓ | -17.42% | 19,035.89 |
| Allotted - cost value (K'm) | 15,238.13 | ↓ | -9.75% | 16,884.30 |
| Overall rejection rate | 3.06% | ↓ | -8.24 | 11.30% |
| 91 days yield | 13.0000% | → | 0.0000% | 13.0000% |
| 182 days yield | 17.5000% | → | 0.0000% | 17.5000% |
| 364 days yield | 19.5000% | → | 0.0000% | 19.5000% |
| All-type yield | 16.6667% | → | 0.0000% | 16.6667% |
| Treasury Note and Bond auctions | | | | |
| Auction date | 9-Mar-23 | | | 21-Feb-23 |
| Tenors | 2 & 3 & 5 years | | | 7 year IDB |
| Coupon rate | 10.00% & 11.00% | | | 14.50% |
| Amount offered - cost value (K'b) | | | | 10.00 |
| Total applied - cost value (K'b) | 7.86 | | | 17.92 |
| Total allotted - cost value (K'b) | 7.86 | | | 17.92 |
| Allotted - weighted average ytm | 22.75% & 24.00% | | | 27.50% |
| Current yields for Treasury Notes and Bonds | | | | |
| Tenor | Last auction's yield | Last auction | | Next auction |
| 2-year TN | 22.75% | 09-Mar-23 | | 14-Mar-23 |
| 3-year TN | 24.00% | 09-Mar-23 | | TBA |
| 5-year TN | 26.19% | 24-Jan-23 | | 21-Mar-23 |
| 5-year Development Bond | 26.00% | 29-Nov-22 | | TBA |
| 7-year TN | 27.50% | 31-Jan-23 | | TBA |
| 7-year Development Bond | 27.50% | 28-Feb-23 | | TBA |
| 10-year TN | 28.50% | 21-Feb-23 | | TBA |
| 10-year Development Bond | 23.35% | 26-Apr-22 | | TBA |
| Upcoming auctions of Treasury Notes and Bonds | | | | |
| Auction date | Tenor (years) | Amount (K'b) | | Previous auction coupon rate |
| 14-Mar-23 | 2 | 61.64 | | 10.00% |
| 21-Mar-23 | 5 | 56.64 | | 12.50% |
| Projected maturities | | | | |
| Week ending | 10-Mar-23 | 17-Mar-23 | | 24-Mar-23 |
| TBs, PNs & TNs (K'm) | 25,569 | 85,713 | | 23,578 |
| OMO repos (K'm) | 0 | 0 | | 0 |
| OMO reverse repos (K'm) | 0 | 0 | | 0 |
| Reference rate | | | | |
| Rate | Mar-23 | | % pts Δ | Feb-23 |
| | 17.30% | → | 0.00 | 17.30% |
| Inflation rate | | | | |
| Rate | Jan-23 | | % pts Δ | Dec-22 |
| | 25.9% | ↑ | 0.5 | 25.4% |
| Closing TT mid exchange rates | | | | |
| | 10-Mar-23 | | % Δ | 2-Mar-23 |
| USD | 1033.3549 | ↑ | -0.22% | 1035.6035 |
| GBP | 1271.4940 | ↑ | -0.06% | 1272.2617 |
| EUR | 1125.1085 | ↑ | -0.28% | 1128.3206 |
| ZAR | 56.9891 | ↑ | -1.82% | 58.0457 |
| Gross official foreign exchange reserves position | | | | |
| | 31-Jan-23 | 31-Dec-22 | | 30-Nov-22 |
| Reserves (USD'm) | 279.22 | 304.65 | | 338.87 |
| Import cover (months) | 1.12 | 1.22 | | 1.36 |

Sources: MSE, RBM, NSO

Expected financial results for the year ended 31st December 2022

| Company | 2022 expected profit after tax (K'b) | Expected movement | 2021 profit after tax (K'b) |
|--|--------------------------------------|-------------------|-----------------------------|
| Listed banks | | | |
| FDH Bank Plc | 17.249 | ↑ | 11.499 |
| FMB Capital Holdings Plc (US\$' million) | 52.580 | ↑ | 40.446 |
| National Bank of Malawi Plc | 44.473 | ↑ | 34.210 |
| NBS Bank Plc | 18.461 | ↑ | 7.692 |
| Listed non-bank companies | | | |
| Blantyre Hotels Plc | (0.601) | ↑ | (0.752) |
| ICON Properties Plc | 14.827 | ↑ | 8.722 |
| Illovo Sugar Malawi Plc | 32.000 | ↑ | 20.469 |
| National Investment Trust Plc | 6.305 | ↑ | 4.670 |
| MPICO Plc | 7.707 | ↑ | 6.423 |
| NICO Holdings Plc | 34.768 | ↑ | 18.299 |
| Sunbird Tourism Plc | 2.547 | ↑ | 0.749 |
| Telekom Networks Malawi Plc | 0.969 | ↓ | 9.690 |

Source: MSE

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