

Foreign exchange market developments

During the week, the Kwacha appreciated against the USD, GBP, EUR and ZAR as indicated in the table below:

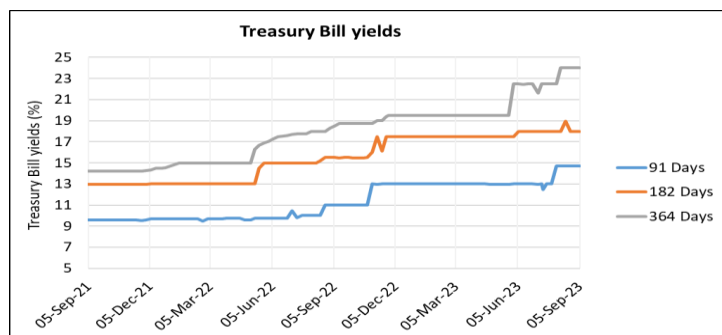
Closing TT middle exchange rates as at the end of the week				
Currency	8-Sep-23		% Δ	1-Sep-23
USD	1124.1848	↑	-0.10%	1125.3523
GBP	1446.3935	↑	-1.42%	1467.2471
EUR	1242.2117	↑	-1.12%	1256.3171
ZAR	60.1813	↑	-1.28%	60.9615
Gross official foreign exchange reserves position				
	31-Jul-23		30-Jun-23	31-May-23
Reserves (USD'm)	267.91		321.53	194.82
Import cover (months)	1.07		1.29	0.78
Benchmark import cover (months)	3.00		3.00	3.00
Cumulative tobacco sales				
Date	End season 2023 after 17 weeks		% Δ	End season 2022 after 20 weeks
Volume (million kg)	120.53	↑	41.67%	85.07
Value (USD'million)	283.76	↑	55.88%	182.04
Average price (USD/Kg)	2.35	↑	9.81%	2.14

Data source: Reserve Bank of Malawi (RBM) and AHL

Government securities

The Government raised K1.80b from auction of Treasury Bills and K13.12b from auction of 3-year and 7-year Treasury Notes during the week.

Maturities of Government securities for the week amounted to K4.96b. These transactions resulted in a net withdrawal of K9.96b from the market, compared to a net withdrawal of K5.35b in the previous week (Source: RBM).



Treasury Bill auctions				
Auction date	5-Sep-23		% pts Δ	29-Aug-23
Amount offered - cost value (K'm)	3,938.00	↓	-36.25%	6,177.00
Applied - cost value (K'm)	1,799.48	↓	-74.30%	7,003.00
Allotted - cost value (K'm)	1,798.91	↓	-74.31%	7,003.00
Overall rejection rate	0.03%	↑	0.03	0.00%
91 days yield	14.7000%	→	0.0000%	14.7000%
182 days yield	18.0000%	→	0.0000%	18.0000%
364 days yield	23.9998%	→	-0.0002%	24.0000%
All-type yield	18.8999%	↓	-0.0001%	18.9000%

Treasury Note and Bond auctions				
Auction date	7-Sep-23		5-Sep-23	29-Aug-23
Tenors	7 years		3 years	10 years
Coupon rate	13.50%		11.00%	15.00%
Amount offered - cost value (K'b)			62.81	26.61
Total applied - cost value (K'b)	7.56		5.56	1.04
Total allotted - cost value (K'b)	7.56		5.56	0.46
Allotted - weighted average ytm	32.00%		28.00%	32.83%

Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield		Last auction	Next auction
2-year TN	26.75%		25-Aug-23	12-Sep-23
3-year TN	28.00%		05-Sep-23	TBA
5-year TN	30.00%		25-Aug-23	26-Sep-23
5-year Development Bond	28.00%		27-Jun-23	TBA
7-year TN	32.00%		07-Sep-23	TBA
7-Year Development Bond	27.50%		28-Feb-23	TBA
10-year TN	32.83%		29-Aug-23	19-Sep-23
10-year Development Bond	23.35%		26-Apr-23	TBA

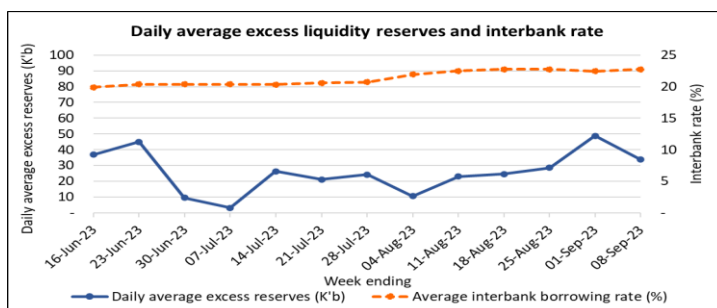
Upcoming auctions of Treasury Notes and Bonds				
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate	
12-Sep-23	2	48.15	10.00%	
19-Sep-23	10	15.70	15.00%	
26-Sep-23	5	50.25	12.50%	

Projected maturities				
Week ending	8-Sep-23		15-Sep-23	22-Sep-23
TBs, PNs & TNs (K'm)	4,962		39,521	26,559
OMO repos (K'm)	0		0	0
OMO reverse repos (K'm)	0		0	0

Data source: RBM

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K33.66b during the week from K48.70b in the previous week. Daily average interbank borrowing slightly decreased to K31.01b from K31.06b. Borrowing on the Lombard facility decreased to the average of K72.81b per day from K80.41b per day in the previous week. The average interbank borrowing rate increased to 22.76% from 22.44%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate				
Rate	27-Jul-23		% pts Δ	27-Apr-23
	24.00%	↑	2.00	22.00%
Market Reference Rate				
Rate	Sep-23		% pts Δ	Aug-23
	23.40%	↑	0.70	22.70%
Inflation Rate				
Rate	Jul-23		% pts Δ	Jun-23
	28.4%	↑	1.10	27.3%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 0.43% to close the week at 119,595.35 points from 119,078.70 points in the previous week due to share price gains in FMBCH (0.002%), ILLOVO (0.001%), NBM (0.0005%), NITL (0.002%) and STANDARD (6.00%), which offset share price losses in AIRTEL (-0.01%), FDHB (-0.03%), MPICO (-14.84%), NBS (-0.02%) and TNM (-0.07%). The market traded 6,867,515 shares at a consideration of K1.81b in 309 trades, compared to 16,547,614 shares traded at a consideration of K1.83b in 257 trades in the previous week. The year-to-date return on MASI stands at 92.78% compared to 19.52% for the same period in 2022.

Stock market trading activity				
	08-Sep-23		% Δ	01-Sep-23
MASI	119,595.35	↑	0.43%	119,078.70
DSI	90,796.89	↑	0.51%	90,337.56
FSI	19,948.26	↑	0.003%	19,947.76
Traded volume	6,867,515	↓	-58.50%	16,547,614
Number of trades	309	↑	20.23%	257
Value of shares traded (K'm)	1,806.31	↓	-1.42%	1,832.34
Market capitalisation (K'm)	6,465,308.48	↑	0.43%	6,437,622.75
Gainers				
	Closing price (K)		% Δ	Opening price (K)
FMBCH	400.01	↑	0.002%	400.00
ILLOVO	1121.43	↑	0.001%	1121.42
NBM	2101.01	↑	0.0005%	2101.00
NITL	401.04	↑	0.002%	401.03
STANDARD	2650.01	↑	6.00%	2500.04
Losers				
	Closing price (K)		% Δ	Opening price (K)
AIRTEL	100.46	↓	-0.01%	100.47
FDHB	75.96	↓	-0.03%	75.98
MPICO	17.50	↓	-14.84%	20.55
NBS	131.91	↓	-0.02%	131.94
TNM	29.94	↓	-0.07%	29.96

Published bank financial results for the half year ended 30th June 2023				
Company	H1 2023 profit after tax (K'm)		Change (%)	H1 2022 profit after tax (K'm)
Listed banks				
FDH Bank Plc	15,015	↑	72%	8,707
First Capital Bank Plc	16,787	↑	128%	7,360
National Bank of Malawi Plc	35,483	↑	60%	22,118
NBS Bank Plc	12,157	↑	139%	5,090
Standard Bank Malawi Plc	26,922	↑	70%	15,835
Unlisted banks				
CDH Investment Bank Ltd	5,463	↑	118%	2,503
Centenary Bank Ltd	970	↑	201%	(959)
Ecobank Ltd	14,287	↑	78%	8,031
Listed non-bank companies				
Airtel Malawi Plc	18,991	↑	113%	8,901
MPICO Plc	5,082	↑	61%	3,161
National Investment Trust Plc	16,490	↑	102.7%	1,463
NICO Holdings Plc	30,784	↑	160%	11,822
Press Corporation Plc	34,287	↑	115%	15,977
Telekom Networks Malawi Plc	780	↑	158%	(1,340)

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