

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a gain of 2.91% to close the week at 85,139.00 points from 82,734.42 points in the previous week due to share price gains in AIRTEL (0.04%), NBS (7.14%), NICO (30.10%), OMU (0.001%), STANDARD (2.24%) and TNM (10.43%), which offset share price losses in FDHB (-0.36%), FMBCH (-1.78%) and ICON (-0.08%). The market traded 8,265,614 shares at a consideration of K605.52b in 182 trades compared to 3,973,697 shares traded at a consideration of K254.58b in 131 trades in the previous week. The year-to-date return on MASI stands at 37.24% compared to 2.49% for the same period in 2022 (Source: MSE).

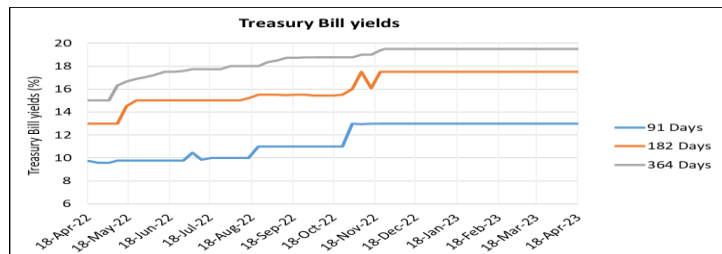
Dividends announced

Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
NBS	2nd Interim declared	1.55	18-Apr-23	21-Apr-23	5-May-23
NICO	2nd Interim declared	4.00	2-May-23	5-May-23	12-May-23
FDHB	Final proposed	0.58	16-May-23	19-May-23	26-May-23
STANDARD	Final proposed	51.14	TBA	TBA	TBA
NITL	Final proposed	2.35	TBA	TBA	TBA
SUNBIRD	Final proposed	1.50	TBA	TBA	TBA
NBS	Final proposed	0.90	TBA	TBA	TBA

Published annual financial results				
Company	2022 profit after tax (K'b)	Movement	2021 profit after tax (K'b)	
Listed banks				
FDH Bank Plc	22.932	97%	11.659	
First Capital Bank Plc	18.270	24%	14.767	
National Bank of Malawi Plc	45.944	34%	34.210	
NBS Bank Plc	18.905	146%	7.693	
Standard Bank Plc	39.202	58%	24.769	
Unlisted banks				
CDH Investment Bank Ltd	7.534	55%	4.863	
Ecobank Ltd	18.171	120%	8.274	
Listed non-bank companies				
NICO Holdings Plc	37.569	105%	18.299	
Sunbird Tourism Plc	3.051	307%	0.749	

Government securities

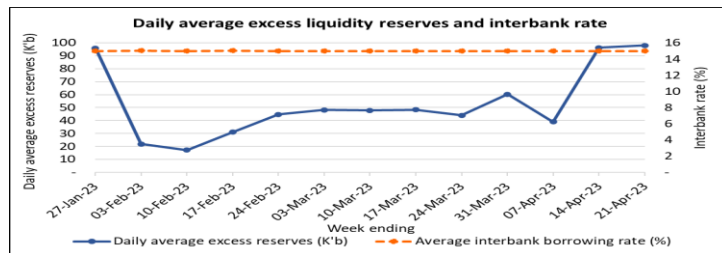
Government raised K23.79b during the week's auction for Treasury Bills (TBs) compared to K6.85b raised in the previous week. The auction registered no rejection rate on the submitted bids. The average TB yield was stable at 16.665% during the week as the 91-day, 182-day and 364-day yields were constant at 12.9964%, 17.5000% and 19.5000%, respectively (Source: RBM).



The Government also raised K20.15b through auction of a 7-year Treasury Note at a weighted average of 27.50% during the week. Maturities of Government securities for the week amounted to K17.80b. These transactions resulted in a net withdrawal of K26.14b from the market compared to a net injection of K33.60b in the previous week (Source: RBM).

Market liquidity and interbank market activity

Average daily excess liquidity reserves increased to K97.99b from K96.27b in the previous week. Daily average interbank borrowing increased to K39.78b from K31.38b in the previous week. The average interbank borrowing rate was stable at 15.00%. Borrowing on the Lombard facility decreased to the average of K62.44b per day from K73.20b per day in the previous week (Source: RBM).



Foreign exchange market developments

During the week, the Kwacha marginally depreciated against USD by 0.05% to trade at K1035.5045 per USD as at 21st April 2023 from K1034.9694 per USD as at 14th April 2023. However, the Kwacha appreciated against GBP, EUR and ZAR by 0.51%, 1.19% and 0.36%, respectively during the period. Gross official foreign exchange reserves stood at USD280.66m (1.12 months import cover) on 28th February 2023 compared to USD279.22m (1.12 months import cover) on 31st January 2023. The recommended minimum import cover is 3 months. The Tobacco Commission announced that the 2023 tobacco marketing season was opened on 12th April at Lilongwe Floors.

Disclaimer: The views expressed in this report are those of the author and are based on information believed but not warranted to be correct. Any views or information, whilst given in good faith, are not necessarily the views of CDH Investment Bank (CDHIB) and are given with an express disclaimer of responsibility and no right of action shall arise against the author, CDHIB, its directors or its employees either directly or indirectly out of any views, advice or information. The information presented are for information purposes only and does not constitute and should not be construed as investment advice or recommendation. The statistics have been obtained from third party data sources. We believe these sources to be reliable but cannot guarantee their accuracy or completeness. Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters herein.

Stock market				
	21-Apr-23	% Δ		14-Apr-23
MASI	85,139.00	2.91%		82,734.42
DSI	69,296.18	3.36%		67,040.96
FSI	8,251.57	-1.76%		8,399.21
Traded volume	8,265,614	108.01%		3,973,697
Number of trades	182	38.93%		131
Value of shares traded (K'm)	605.52	137.85%		254.58
Market capitalisation (K'm)	4,591,570.77	2.88%		4,463,086.12
Gainers				
	Closing price (K)	% Δ		Opening price (K)
AIRTEL	80.05	0.04%		80.02
NBS	2000.05	10.50%		1810.03
NBS	75.00	7.14%		70.00
NICO	148.98	3.10%		144.50
OMU	1025.01	0.001%		1025.00
STANDARD	2250.01	2.24%		2200.61
TNM	17.90	10.43%		16.21
Losers				
	Closing price (K)	% Δ		Opening price (K)
FDHB	38.84	-0.36%		38.98
FMBCH	163.99	-1.78%		166.97
ICON	11.86	-0.08%		11.87
Treasury Bill auctions				
Auction date	14-Apr-23	% pts Δ		14-Apr-23
Amount offered - cost value (K'm)	38,419.00	0.00%		38,419.00
Applied - cost value (K'm)	23,793.51	247.35%		6,849.93
Allotted - cost value (K'm)	23,793.51	247.35%		6,849.93
Overall rejection rate	0.00%	0.00		0.00%
91 days yield	12.9964%	0.0000%		12.9964%
182 days yield	17.5000%	0.0000%		17.5000%
364 days yield	19.5000%	0.0000%		19.5000%
All-type yield	16.6655%	0.0000%		16.6655%
Treasury Note and Bond auctions				
Auction date	18-Apr-23	28, 29, 30 & 31 March 2023		21-Mar-23
Tenors	7 years	2, 3, 5, 7 & 10 years		5 years
Coupon rate	13.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%		12.50%
Amount offered - cost value (K'b)	57.40			56.64
Total applied - cost value (K'b)	20.15	80.56		15.84
Total allotted - cost value (K'b)	20.15	80.56		15.83
Allotted - weighted average ytm	27.50%	22.75%, 24.00%, 26.25%, 27.50% & 28.50%		26.25%
Current yields for Treasury Notes and Bonds				
Tenor	Last auction's yield	Last auction		Next auction
2-year TN	22.75%	31-Mar-23		06-Jun-23
3-year TN	24.00%	31-Mar-23		16-May-23
5-year TN	26.25%	31-Mar-23		02-May-23
5-year Development Bond	26.00%	29-Nov-22		27-Jun-23
7-year TN	27.50%	18-Apr-23		13-Jun-23
7-year Development Bond	27.50%	28-Feb-23		TBA
10-year TN	28.50%	31-Mar-23		30-May-23
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
02-May-23	5	52.76		12.50%
16-May-23	3	61.66		11.00%
30-May-23	10	34.26		15.00%
06-Jun-23	2	77.02		10.00%
13-Jun-23	7	47.40		13.50%
27-Jun-23	5 year IDB	10.00		13.50%
Projected maturities				
Week ending	21-Apr-23	28-Apr-23		5-May-23
TBs, PNs & TNs (K'm)	17,795	10,123		6,795
OMO repos (K'm)	0	0		0
OMO reverse repos (K'm)	0	0		0
Reference rate				
Rate	Apr-23	% pts Δ		Mar-23
	17.30%	0.00		17.30%
Inflation rate				
Rate	Mar-23	% pts Δ		Feb-23
	27.0%	0.3		26.7%
Closing TT mid exchange rates				
	21-Apr-23	% Δ		14-Apr-23
USD	1035.5045	0.05%		1034.9694
GBP	1325.8055	-0.51%		1332.5373
EUR	1163.5809	-1.19%		1177.5543
ZAR	58.4349	-0.36%		58.6448
Gross official foreign exchange reserves position				
Reserves (USD'm)	28-Feb-23	31-Jan-23		31-Dec-22
	280.66	279.22		304.65
Import cover (months)	1.12	1.12		1.22

Sources: MSE, RBM, NSO

March 2023 inflation rate at 27%

The year-on-year headline inflation rate increased to 27.0% in March 2023 from 26.7% recorded in February 2023, due to an increase in food inflation rate to 32.4% in March 2023 from 31.7% in February 2023. Non-food inflation rate, on the other hand, slightly decreased to 20.2% in March 2023 from 20.5% in February 2023 (Source: NSO).

