

Foreign exchange market developments

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

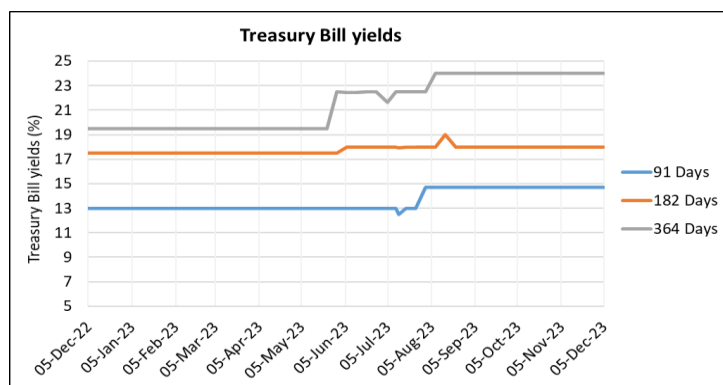
Closing TT middle exchange rates as at the end of the week				
Currency	8-Dec-23	% Δ	1-Dec-23	
USD	1699.7385	0.16%	1696.9885	
GBP	2202.2283	-0.31%	2209.0959	
EUR	1883.5445	-1.17%	1905.8265	
ZAR	92.4935	0.37%	92.1527	

Gross official foreign exchange reserves position			
	30-Sep-23	31-Aug-23	31-Jul-23
Reserves (USD'm)	242.68	239.56	267.91
Import cover (months)	0.97	0.96	1.07
Benchmark import cover (months)	3.00	3.00	3.00

Data source: Reserve Bank of Malawi (RBM)

Government securities

The Government raised K17.02b from auction of Treasury Bills and K21.33b from auction of Treasury Notes during the week. Maturities of Government securities for the week amounted to K47.82b, resulting in a net injection of K9.47b into the market, compared to a net injection of K44.30b in the previous week (Source: RBM).



Treasury Bill auctions			
Auction date	5-Dec-23	% pts Δ	28-Nov-23
Amount offered - cost value (K'm)	6,287.00	-39.43%	10,380.00
Applied - cost value (K'm)	17,015.77	592.11%	2,458.52
Allotted - cost value (K'm)	17,015.77	592.11%	2,458.52
Overall rejection rate	0.00%	0.00%	0.00%
91 days yield	14.7000%	0.0000%	14.7000%
182 days yield	18.0000%	0.0000%	18.0000%
364 days yield	24.0000%	0.0000%	24.0000%
All-type yield	18.9000%	0.0000%	18.9000%

Treasury Note and Bond auctions			
Auction date	28-Nov-23	28-Nov-23	28-Nov-23
Tenors	2, 3, 5 & 10 yr TNs	5-yr DB	2, 3, 5, 7 & 10 yr TNs
Coupon rate	10.00%, 11.00%, 12.50% & 15.00%	13.50%	10.00%, 11.00%, 12.50%, 13.50% & 15.00%
Amount offered - cost value (K'b)	K19.51b for the 10-yr TN	15.00	
Total applied - cost value (K'b)	21.33	10.44	65.18
Total allotted - cost value (K'b)	21.33	5.88	65.18
Allotted - weighted average ytm	26.75%, 28.00%, 30.00% & 33.00%	30.00%	26.75%, 28.00%, 30.00%, 32.00% & 33.00%

Current yields for Treasury Notes and Bonds			
Tenor	Last auction's yield	Last auction	Next auction
2-year TN	26.75%	05-Dec-23	TBA
3-year TN	28.00%	05-Dec-23	12-Dec-23
5-year TN	30.00%	05-Dec-23	TBA
5-year Development Bond	28.00%	28-Nov-23	TBA
7-year TN	32.00%	28-Nov-23	26-Dec-23
7-Year Development Bond	27.50%	28-Feb-23	TBA
10-year TN	33.00%	05-Dec-23	TBA
10-year Development Bond	23.35%	26-Apr-22	TBA

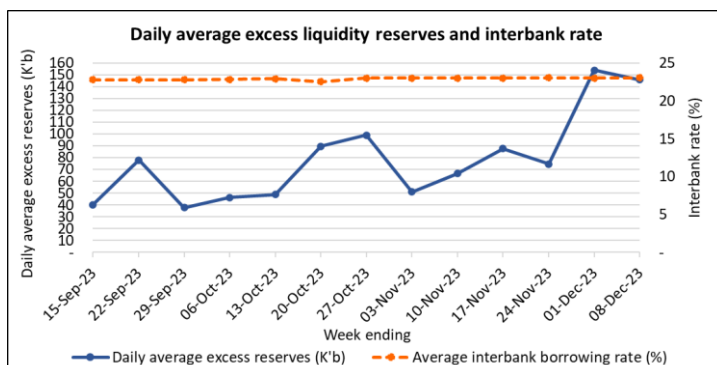
Upcoming auctions of Treasury Notes and Bonds			
Auction date	Tenor (years)	Amount (K'b)	Last auction's coupon rate
12-Dec-23	3	33.64	11.00%
26-Dec-23	7	27.43	13.50%

Projected maturities			
Week ending	8-Dec-23	15-Dec-23	22-Dec-23
TBs, PNs & TNs (K'm)	47,819	40,600	13,568
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 K145.85b during the week from K153.85b in the previous week. Daily average interbank borrowing decreased to K18.94b from K19.95b. Borrowing on the Lombard facility increased to the average of K61.40b per day from K54.48b per day in the previous week. The average interbank borrowing rate marginally increased to 23.02% from 23.00%. The Lombard rate remained fixed at 24.20% (Source: RBM).



Policy Rate			
	27-Oct-23	% pts Δ	27-Jul-23
Rate	24.00%	0.00	24.00%

Market Reference Rate			
	Dec-23	% pts Δ	Nov-23
Rate	23.60%	0.10	23.50%

Inflation Rate			
	Oct-23	% pts Δ	Sep-23
Rate	26.9%	-0.90	27.8%

Malawi Stock Exchange (MSE) trading activity

The Malawi All Share Index (MASI) registered a loss of -2.10% to close the week at 110,706.19 points from 113,079.47 points in the previous week due to share price losses in AIRTEL (-10.00%), FDHB (-0.01%), ICON (-0.06%), NBS (-0.37%), NITL (-0.002%), PCL (-0.0004%) and TNM (-14.50%), which offset share price gains in BHL (15.01%) and ILLOVO (0.002%). The market traded 1,521,109 shares at a consideration of K322.08m in 112 trades, compared to 17,621,279 shares traded at a consideration of K4.08b in 216 trades in the previous week. The year-to-date return on MASI stands at 78.45% compared to 31.84% for the same period in 2022 (Source: MSE).

Stock market trading activity			
	05-Dec-23	% Δ	01-Dec-23
MASI	110,706.19	-2.10%	113,079.47
DSI	86,723.58	-2.38%	88,835.35
FSI	15,048.88	0.00%	15,048.88
Traded volume	1,521,109	-91.37%	17,621,279
Number of trades	112	-48.15%	216
Value of shares traded (K'm)	322.08	-92.10%	4,076.23
Market capitalisation (K'm)	5,980,236.94	-2.08%	6,107,407.86

Gainers			Closing price (K)	% Δ	Opening price (K)
BHL			11.57	15.01%	10.06
ILLOVO			1250.03	0.00%	1250.00

Losers			Closing price (K)	% Δ	Opening price (K)
AIRTEL			71.99	-10.00%	79.99
FDHB			67.93	-0.01%	67.94
ICON			17.92	-0.06%	17.93
NBS			106.33	-0.37%	106.73
NITL			409.99	-0.002%	410.00
PCL			2506.99	-0.0004%	2507.00
TNM			23.00	-14.50%	26.90

Dividends announced					
Company	Dividend type	Dividend (K/share)	Last day to trade	Last day to register	Payable
SUNBIRD	Interim declared	2.00	6-Dec-23	8-Dec-23	15-Dec-23
FDHB	Interim declared	0.95	13-Dec-23	15-Dec-23	21-Dec-23
NICO	2nd interim declared	2.00	20-Dec-23	22-Dec-23	28-Dec-23
NBS	2nd interim declared	1.20	6-Dec-23	8-Dec-23	29-Dec-23
ILLOVO	2nd interim declared	12.60	20-Dec-23	22-Dec-23	29-Dec-23
ILLOVO	Final proposed	5.80	TBA	TBA	TBA

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