

Malawi Stock Exchange (MSE) trading activity

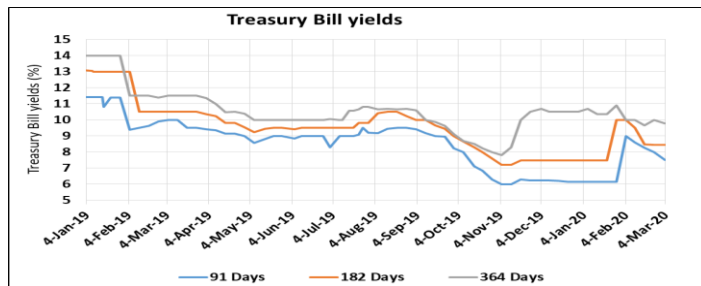
The Malawi All Share Index (MASI) gained marginally by 0.08% to close the week at 29,187.02 points from 29,162.28 points recorded in the previous week, due to share price gains in MPICO, NBM and NITL which outweighed marginal share price losses in AIRTEL and ICON. There were no price movements in the rest of the companies registered on the MSE. A total of 2,262,310 shares were traded at a consideration of K45.67m in 57 trades compared to 2,785,592 shares traded at a consideration of K195.28m in 72 trades in the previous week. This represents decreases of 60.90% and 76.61% in traded volume and value, respectively. The year-to-date return on the MASI stands at -3.52% compared to -4.47% in a corresponding period in 2019 (Source: MSE).

Corporate news

Published financial results for 2019			
Company	2019 PAT (K'b)	Movement	2018 PAT (K'b)
FDH Bank Ltd	7.846	32%	5.965
First Discount House Ltd	2.241	99%	1.125
FDH Financial Holdings Ltd	11.270	44%	7.820
NBS Bank Plc	4.458	162%	1.699
Standard Bank Plc	15.879	50%	10.582

Government securities

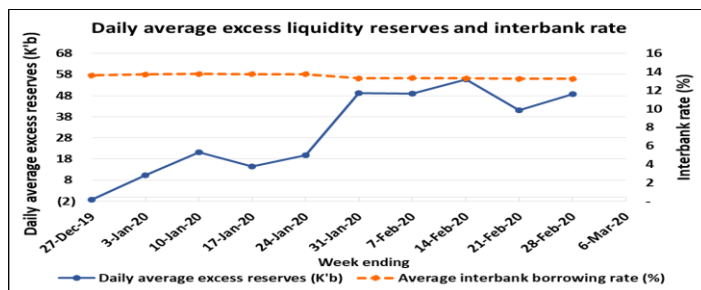
Government raised K9.53b from an auction for Treasury Bills (TB) during the week compared to K8.41b raised in the previous week. The auction registered a rejection rate of 73.85%. The all-type average TB yield slightly decreased to 8.58% from 8.82% in the previous week due to a decrease in the 91-day yield to 7.50% from 8.00% and a decrease in the 364-day yield to 9.78% from 10.00% while the 182-day yield was constant at 8.46%. There was no auction for Treasury Notes during the week (Source: RBM).



Maturities of Treasury securities for the week amounted to K25.41b, resulting in a net injection of K15.88b into the market, compared to a net injection of K11.06b in the previous week (Source: RBM).

Interbank market activity

Liquidity levels increased in the market during the week, with daily excess reserves averaging K48.64b from an average of K41.15b in the previous week. Consequently, borrowing on the interbank market decreased to an average of K6.80b per day from K8.94b per day in the previous week and the average interbank borrowing rate was constant at 13.25%. Borrowing on the Lombard Facility amounted to K23.00b during the week compared to K25.57b in the preceding week. The Lombard rate was constant at 13.90% (Source: RBM).



Stock market							
MASI	6-Mar-20	29,187.02	↑	0.08%	28-Feb-20	29,162.28	
DSI		23,528.21	↑	0.09%		23,506.15	
FSI		3,046.35	→	0.00%		3,046.35	
Traded volume		2,262,310	↓	-60.90%		5,785,592	
Number of trades		57	↓	-20.83%		72	
Value of shares traded (K'm)		45.67	↓	-76.61%		195.28	
Market capitalisation (K'm)		1,521,010.63	↑	0.08%		1,519,742.06	
Gainers							
MPICO		22.36	↑	1.27%		22.08	
NBM		525.26	↑	0.05%		525.02	
NITL		95.00	↑	5.68%		89.89	
Losers							
AIRTEL		17.61	↓	-0.06%		17.62	
ICON		10.48	↓	-0.10%		10.49	
Projected maturities							
Week ending	6-Mar-20		14-Mar-20		21-Mar-20		
TBs, PNs & TNs (K'm)	10,683		8,687		11,055		
OMO (K'm)	14,731		0		0		
Treasury Bill auctions							
Auction date	4-Mar-20		% pts Δ		25-Feb-20		
Amount offered - cost value (K'm)	9,531.00	↑	13.26%		8,415.00		
Applied - cost value (K'm)	36,444.47	↑	45.16%		25,106.52		
Alloted - cost value (K'm)	9,531.28	↑	13.27%		8,414.86		
Overall rejection rate	73.85%	↑	7.36		66.48%		
91 days yield	7.50%	↓	-0.50		8.00%		
182 days yield	8.46%	→	0.00		8.46%		
364 days yield	9.78%	↓	-0.22		10.00%		
All-type yield	8.58%	↓	-0.24		8.82%		
Current yields for Treasury Notes							
Tenor	Last auction's yield	Last auction		Next auction			
2-year	12.27%	17-Dec-19		TBA			
3-year	13.27%	21-Jan-20		TBA			
5-year	15.55%	18-Feb-20		TBA			
7-year	17.36%	7-Jan-20		TBA			
10-year	17.47%	4-Feb-20		TBA			
Upcoming Treasury Note auctions							
Auction date	Tenor	Amount (K'b)		Last coupon rate			
10-Mar-20	2	26.59		8.00%			
24-Mar-20	7	34.07		11.50%			
7-Apr-20	3	32.62		9.00%			
14-Apr-20	5-year Development Bond	21.00					
21-Apr-20	10	8.86		15.50%			
5-May-20	5	44.11		10.50%			
19-May-20	2	34.09		8.00%			
2-Jun-20	7	20.07		11.50%			
16-Jun-20	3	27.48		9.00%			
Reference rate							
Rate	Mar-20	13.30%	↓	-0.10	Feb-20	13.40%	
Inflation rate							
Rate	Jan-20	11.1%	↓	-0.4	Dec-19	11.5%	
RBM indicative mid exchange rates							
USD	6-Mar-20	736.5803	→	0.00%	28-Feb-20	736.5803	
GBP		954.2398	↓	0.19%		952.3983	
ZAR		46.9327	↑	-2.54%		48.1548	
EUR		827.3270	↓	2.97%		803.4618	
Gross official foreign exchange reserves position							
Reserves (USD'm)	31-Dec-19	846.55		30-Nov-19	603.82	31-Oct-19	601.80
Import cover (months)		4.05			2.89		2.88

(Sources: MSE, RBM, NSO)

Foreign exchange market developments

The Kwacha was stable at 736.5803 per USD during the week, but appreciated against ZAR by 2.54% and depreciated against GBP and EUR by 0.19% and 2.97%, respectively. Gross official foreign exchange reserves were last recorded at USD846.55m (4.05 months of import cover) on 31st December 2019, an increase from USD603.82m (2.89 months of import cover) recorded on 30th November 2019 (Source: RBM).

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