



Malawi Stock Exchange (MSE) trading activity

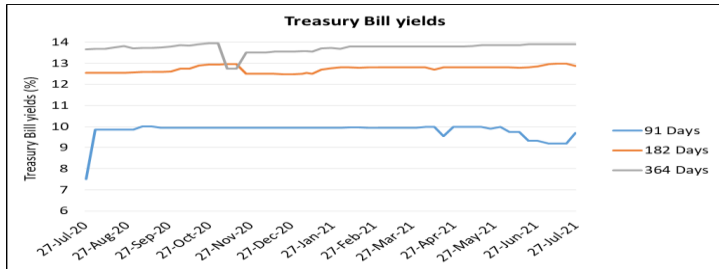
The Malawi All Share Index (MASI) registered a gain of 1.21% to close the week at 36,496.03 points from 36,060.68 points in the previous week due to share price gains in ILLOVO (15.00%), NBM (0.002%), PCL (8.34%) and TNM (0.06%) which offset share price losses in NBS (-0.08%) and OMU (-4.11%).

Corporate announcement

FDH Bank Plc reported to have registered a profit after tax (PAT) of K4.550 billion for the six months ended 30th June 2021, up by 41.17% from a PAT of K3.223 billion achieved over a similar period in 2020.

Government securities

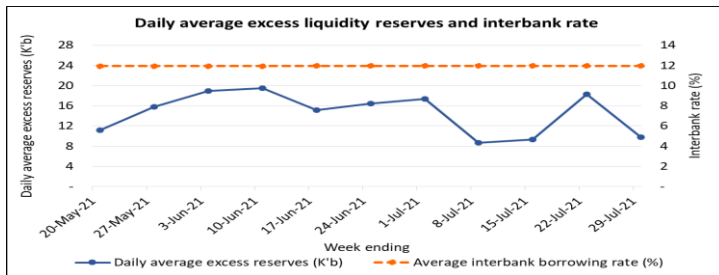
Government raised K7.87b during the week's auction for Treasury Bills (TBs) compared to K3.53b raised in the previous week. The auction registered no rejection on the submitted bids.



During the week, Government also raised K4.94b through auction of a 7-year Treasury Note, bringing the total amount raised in auctions of Treasury securities to K12.81b.

Market liquidity and interbank market activity

Average daily excess liquidity reserves decreased to K9.76b from K18.29b recorded in the previous week. Daily Interbank borrowing averaged K9.76b as compared to K13.26b in the previous week.



Foreign exchange market developments

The Kwacha depreciated by 0.51% against the USD to K818.7123 per USD as at 29th July 2021 from K814.5275 as at 22nd July 2021. The Kwacha also depreciated against GBP and EUR by 0.38% and 1.56%, respectively.

COVID-19 update

Cumulative confirmed COVID-19 cases in Malawi stood at 51,809 as at 30th July 2021, out of which 12,270 were reported to be active. The 7-day average of daily infections decreased to 649 during the week from 716 in the previous week.

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Table with multiple sections: Stock market, Treasury Bill auctions, Treasury Note auctions, Current yields for Treasury Notes, Projected maturities, Reference rate, Inflation rate, Cumulative tobacco sales, Closing mid exchange rates, and Gross official foreign exchange reserves position.

* US\$250.0m import requirement per month is used in the calculations from May 2021 while US\$209.0m is used in the preceding months.

Sources: MSE, RBM, NSO, AHL

Monetary Policy

The Monetary Policy Committee held its third meeting of 2021 on 29th and 30th July, during which they maintained the Policy rate at 12.0%, the Liquidity Reserve Requirement (LRR) ratio on domestic and foreign deposits at 3.75% and the Lombard ratio at 20 basis points above the Policy rate (12.2%).

