

Financial market highlights - Malawi

The following highlights compare the week ending 13 March 2020 to the previous week (ending 6 March 2020):

Financial market developments (Source: RBM)

- Decrease in daily average liquidity by 35.71% to K31.27 billion (was K48.64 billion)
- 45.44% decrease in Overnight Interbank daily average to K3.71 billion (from K6.80 billion)
- Overnight Interbank average rate decreased to 13.12% from 13.25% (0.98% decrease)
- Access to Lombard Facility (discount window borrowing) decreased by 65.39% to K1.99 billion (from K5.75 billion), at same rate of 13.90%

Government Securities (RBM)

- K26.59 billion raised in a 2-Year Treasury Note auction at 12.38%
- K6.26 billion raised in the Treasury Bill auction (from K9.53 billion)
- All type treasury bill yield increased to 8.82%, from 8.64%
- Treasury bill auction had a 0.15% rejection rate, from 73.85% the previous week

Equity Market (Source: MSE)

- Increase in MASI to 29,187.02 points (from 29,187.02 points)
- Share price gains for ICON, MPICO and SUNBIRD
- Share price losses for AIRTEL
- Negative return on MASI (year-to-date) of 3.52% (was negative 5.29% last year)

Currency Market (Source: RBM)

- During the week under review, the Malawi Kwacha was stable against the USD at K736.58. It also appreciated against the GBP and ZAR and marginally appreciated against the EUR.

CURRENCY	13-Mar-20	6-Mar-20	% Change
MK/US Dollar	736.58	736.58	0.00%
MK/GBP	925.51	954.24	↑ 3.01%
MK/ZAR	45.01	46.93	↑ 4.08%
MK/EUR	825.71	827.33	↑ 0.20%

Malawi Stock Exchange (Source : MSE)

The MASI was bullish in the week under review, relative to the previous week. There were share price gains for ICON, MPICO and SUNBIRD. However, there was a share price loss for AIRTEL. The year-to-date return for the MASI is slightly higher than it was last year. There is a negative return of 3.52% this year, compared to negative 5.29% last year.

MSE Code	Dividend yield (%)	P/E ratio	P/BV	6-Mar-20 Share Price	13-Mar-20 Share Price
AIRTEL	0.00	96.14	104.32	17.61	↓ 17.58
BHL	1.24	30.89	1.74	12.94	12.94
FMBCH	0.00	11.27	2.34	55.25	55.25
ICON	0.00	56.38	1.04	10.48	↑ 10.49
ILLOVO	0.45	7.85	1.11	111.00	111.00
MPICO	1.03	10.13	1.51	22.36	↑ 22.48
NBM	3.06	15.44	2.78	525.26	525.26
NBS	2.19	10.45	4.01	16.00	16.00
NICO	3.51	7.77	1.96	48.50	48.50
NITL	1.05	9.02	1.29	95.00	95.00
OML	4.20	7.77	3.64	2,499.99	2,499.99
PCL	1.86	9.16	1.12	1,400.00	1,400.00
STANDARD	4.15	10.79	1.96	730.00	730.00
SUNBIRD	0.83	12.25	1.49	120.00	↑ 120.01
TNM	3.40	13.28	5.77	22.05	22.05
MASI	2.03	13.03	2.22	29,187.02	↑ 29,187.31
DSI	N/A	N/A	N/A	23,528.21	↑ 23,528.48
FSI	N/A	N/A	N/A	3,046.35	3,046.35

Daily Liquidity (Source : RBM)

Liquidity increased to a daily average of K31.27 billion this week, compared to last week's average of K48.64 billion. Maturities for the week were K8.69 billion and there was a net withdrawal of K24.16 billion this week (Treasury Bill and Treasury Note auctions raised K32.85 billion).

Interbank Market (Source : RBM)

Overnight volume decreased to a daily average of K3.71 billion at a lower rate of 13.12%. The previous week had an average volume of K6.80 and a rate of 13.25%.

Lombard Facility (Source : RBM)

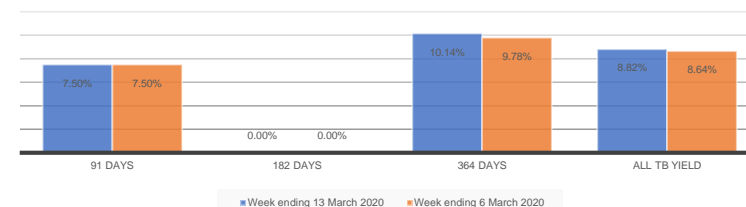
Access to the discount window decreased to K1.99 billion per day, at a rate of 13.90% (previous week: K5.75 billion at 13.90%).

Government Securities (Source : RBM)

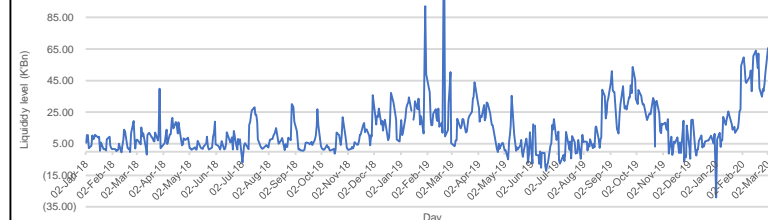
A total of K32.85 billion was raised when the Treasury Bill and 2-Year Treasury Note auctions were held this week. The all type treasury bill yield increased to 8.82%, from last week's 8.64%. The 364 paper had the highest subscription rate at 99.39% and the 91 days paper had 0.16%. A total of K6.26 billion was allotted and the rejection rate was 0.15%. There were no bids for the 182 days paper. In the 2-Year Treasury Note auction, K26.59 billion was raised at rate of 12.38%. There was a 53.86% rejection rate. The Government Securities market for the week under review, relative to the previous week, is summarized in the table below.

Tenor	Total Allotted (K'million)	Total Allotted (K'million)	Rejection Rate (%)	Rejection Rate (%)	Average Yield (%)	Average Yield (%)
	13-Mar-20	6-Mar-20	13-Mar-20	6-Mar-20	13-Mar-20	6-Mar-20
91 days	28.59	1,620.32	25.24	76.52	7.50	7.50
182 days	-	-	-	100.00	-	-
364 days	6,232.49	7,910.96	0.00	58.18	10.14	9.78
Total TB	6,261.08	9,531.28	0.15	73.85	8.82	8.64
2-Year TN	26,590.00	-	53.86	-	12.38	-
Total Raised	32,851.08	9,531.28				

Average Government Securities Yield (Source: RBM)



Daily Liquidity (Source: RBM)



Gross Official Foreign Reserves

