

### Financial market highlights for the week

The following highlights compare the week ending 25 September 2020 to the week ending 18 September 2020:



#### EQUITY MARKET (Source: MSE)

- MASI increased to 31,855.04 points this week, from 31,459.77 points last week. The return on MASI (year-to-date) was 5.30%. It was 1.95% during the same period last year.
- There were share price gains for AIRTEL (from K28.80 to K30.00) and TNM (from K20.50 to K21.30).
- There was a share price loss for ICON (from K12.50 to K12.49).



#### GOVERNMENT SECURITIES (Source: RBM)

- A total of K3.35 billion was raised this week in the Treasury Bill (TB) auction. Last week, K11.46 billion was raised in the TB and 10-Year Treasury Note (TN) auction.
- The rejection rate for the TB was 44.59% this week from a nil rejection rate last week.
- The all type TB yield was 12.10% this week.



#### CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha marginally depreciated against the USD from K756.74 per USD to K758.41 per USD.
- The Kwacha appreciated against the GBP (from K1,004.94 to K991.60), EUR (from K930.63 to K909.60) and ZAR (from K48.20 to K46.59).



#### FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

- The daily overnight interbank average rate this week increased to 13.61% from 13.60%.

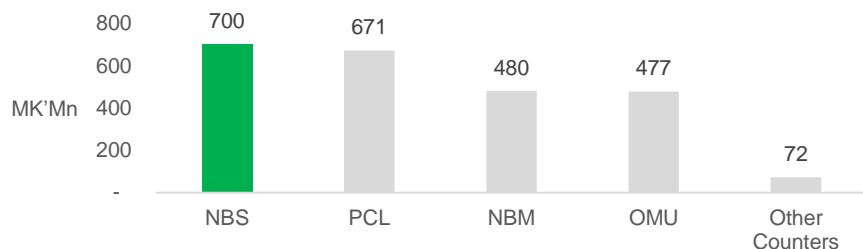
# Financial Market Update

## Week ending 25 September 2020

### Equity Market Bullish (Source : MSE)

The stock market was bullish during the week under review, relative to the previous week due to the increase in the Domestic Share Index (DSI). The Foreign Share Index (FSI) was steady during this period. The MASI registered a year-to-date return of 5.30% this year (it was 1.95% last year). The share price changes are shown in the table on the right.

**NBS shares had the highest value of shares traded at K700 million. The total values of shares traded this week was K2.40 billion.**



### Corporate Announcements

- ICON has declared a final dividend of K0.11 per share. The last registration day and payment dates have not been set.

MSE Code	Dividend yield (%)	P/E ratio	P/BV	18-Sep-20 Share Price	25-Sep-20 Share Price
AIRTEL	4.17	20.74	20.95	28.80	30.00
BHL	1.55	23.28	1.67	12.94	12.94
FDHB	0.00	10.99	3.80	12.49	12.49
FMBCH	0.00	(16.03)	1.02	24.00	24.00
ICON	1.68	11.51	1.13	12.50	12.49
ILLOVO	0.62	5.70	0.81	80.50	80.50
MPICO	1.04	9.97	1.41	24.00	24.00
NBM	2.89	16.89	2.87	618.76	618.76
NBS	1.80	12.69	3.69	19.44	19.44
NICO	3.96	6.25	1.57	48.00	48.00
NITL	0.79	7.20	1.11	94.98	94.98
OMU	2.46	25.32	3.18	2,199.99	2,199.99
PCL	1.93	19.81	1.03	1,343.99	1,343.99
STANDARD	3.56	12.58	2.29	851.00	851.00
SUNBIRD	0.83	12.10	1.34	120.00	120.00
TNM	3.52	14.20	4.66	20.50	21.30
<b>MASI</b>	<b>2.69</b>	<b>14.69</b>	<b>2.25</b>	<b>31,459.77</b>	<b>31,855.04</b>
<b>DSI</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>26,849.17</b>	<b>27,200.88</b>
<b>FSI</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>1,460.99</b>	<b>1,460.99</b>

• Investment Management

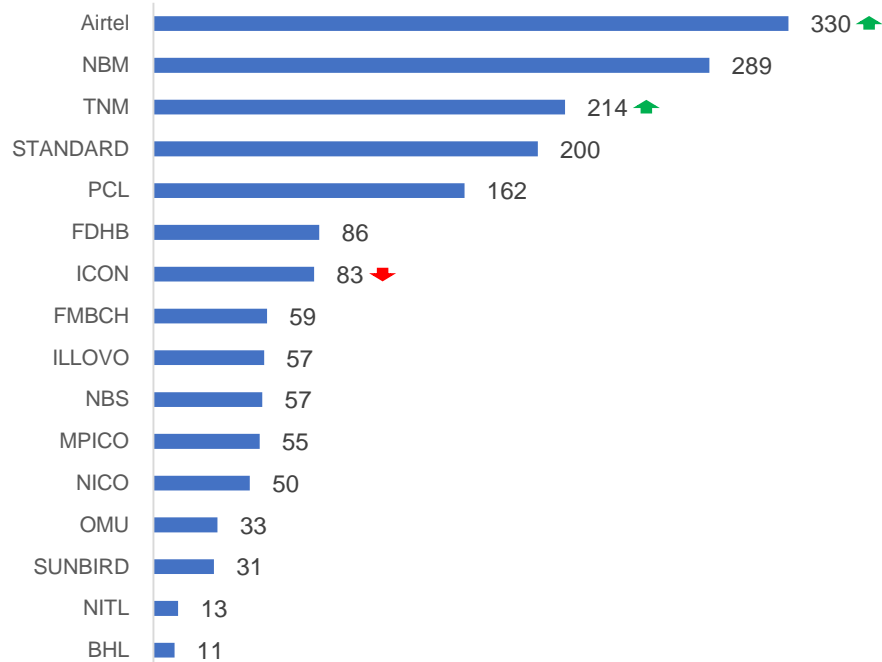
• Financial and Investment Advisory



### EQUITY MARKET (Continued)

Airtel leads the Malawi Stock Exchange counters with a market capitalization of K330 billion.

#### Market Capitalization (K' Billion)

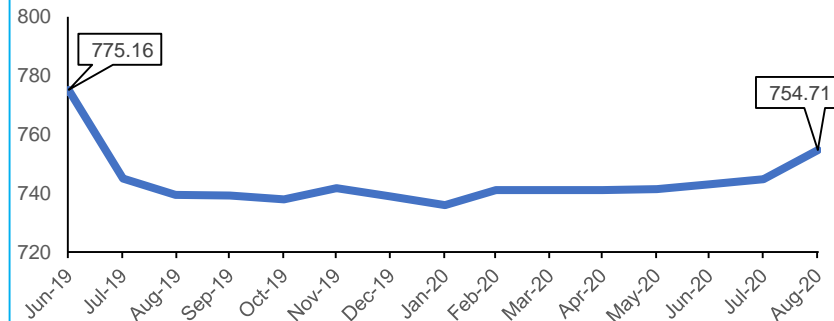


### CURRENCY MARKET (Source: RBM)

During the week under review, the Malawi Kwacha marginally depreciated against the United States Dollar from MK756.74 per USD to MK758.41 per USD. However, it appreciated against the GBP, EUR and ZAR during the period. The table below summarizes the movements in the Kwacha during the period.

CURRENCY	18-Sep-20	24-Sep-20	% Change
MK/USD	756.74	758.41	↓ -0.22%
MK/GBP	1,004.94	991.60	↑ 1.35%
MK/ZAR	48.20	46.59	↑ 3.45%
MK/EUR	930.63	909.60	↑ 2.31%

#### MK/USD Exchange Rate (Source: RBM)



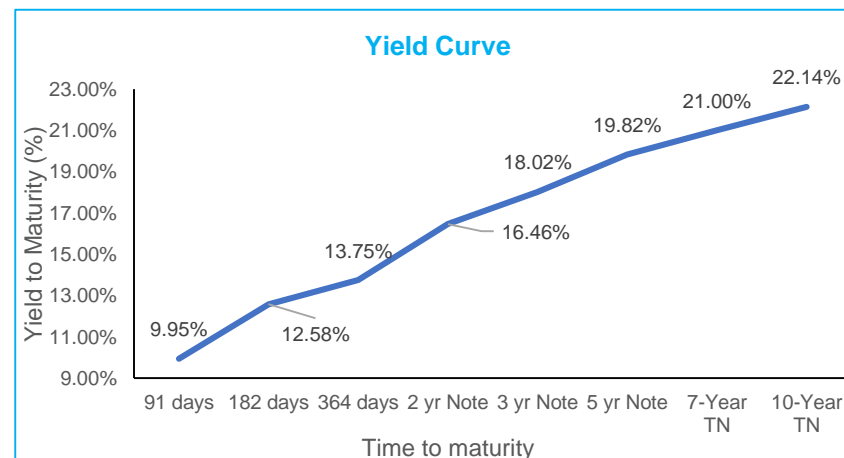
# Financial Market Update

## Week ending 25 September 2020

The table below shows the allotments, rejection rates and average yields of the government securities.

Tenor	Total Allotted (K'million)		Rejection Rate (%)	
	18-Sep	25-Sep	18-Sep	25-Sep
91 days	-	2.50	-	0.00
182 days	-	973.16	-	49.11
364 days	3.00	2,374.37	0.00	42.52
<b>Total TB</b>	<b>3.00</b>	<b>3,350.03</b>	<b>0.00</b>	<b>44.59</b>
10-Yr TN	11,460.00	-		
<b>All Total</b>	<b>11,463.00</b>	<b>3,350.03</b>		

The graph below shows the average government securities' yields compared to the previous respective yields.



- Investment Management
- Financial and Investment Advisory

## GOVERNMENT SECURITIES (Source: RBM)

### Applications and Allotments

A total of K3.35 billion was raised by the government this week in the Treasury Bill (TB) auction from K3.00 million in the previous week. Applications for the auction were higher this week compared to last week. The application were K6.05 billion and K3.00 million, respectively.

### Rejection and Subscription rates

There was a 44.59% rejection rate for the TB auction this week, from a nil rejection rate in the previous week.

This week, the 91 days, 182 days and 364 days paper had subscription rates of 0.04%, 31.63% and 68.33%, respectively. In the previous week, 100.00% of the subscriptions were for the 364 days paper.

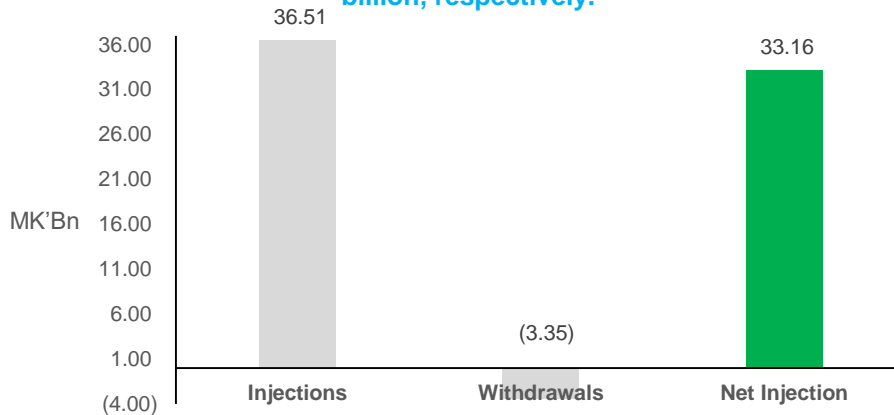
### Yields

The average yields for the 91 days, 182 days and 364 days papers were 9.95%, 12.58% and 13.75%, respectively. In the previous week, the average yield for the 364 days papers was 13.75%. The 10-Year TN last week had an average yield of 22.14%.

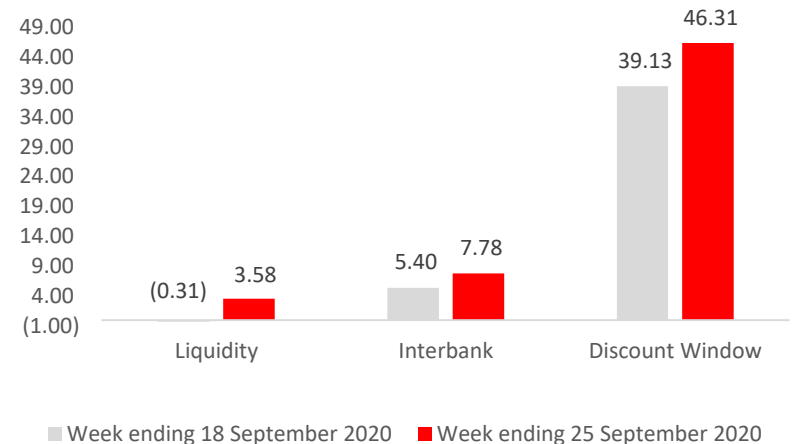


### OTHER FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

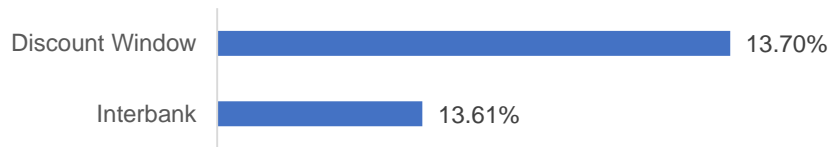
There was a net liquidity injection of K33.16 billion as injections and withdrawals were K36.51 billion and K3.35 billion, respectively.



There were increases in the daily average Liquidity, Interbank and Discount Window volumes.



The interbank rate increased to 13.61% while the discount window rate was steady at 13.70%.



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