

# Financial Market Update

| Week ending 16 October 2020



# FINANCIAL MARKET HIGHLIGHTS FOR THE WEEK

The following highlights compare the week ending 16 October 2020 to the week ending 9 October 2020:



## EQUITY MARKET (Source: MSE)

- The MASI decreased to 31,339.53 points this week, from 31,401.87 points last week. The return on MASI (year-to-date) was 3.59%. It was 2.61% during the same period last year.
- There were no share price gains during this period.
- There were share price losses for FMBCH (from K23.00 to K22.00) and TNM (from K20.49 to K20.39).



## CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha marginally depreciated against the USD from K756.97 per USD to K760.73 per USD.
- The Kwacha marginally depreciated against the EUR (from K927.48 to K928.21) and ZAR (from K48.88 to K49.01) but appreciated marginally against the GBP (from K1,011.57 to K1,010.82)



## GOVERNMENT SECURITIES (Source: RBM)

- A total of K1.96 billion was raised this week in the Treasury Bill (TB) auction from K1.75 billion last week. However, a total of K13.95 billion was raised in the previous week as the 3-Year Treasury Note (TN) auction raised K12.20 billion.
- There were no rejections for the TB auctions.
- The all type TB yield remained at 12.18%.
- There were no allotments for the 182 days paper.



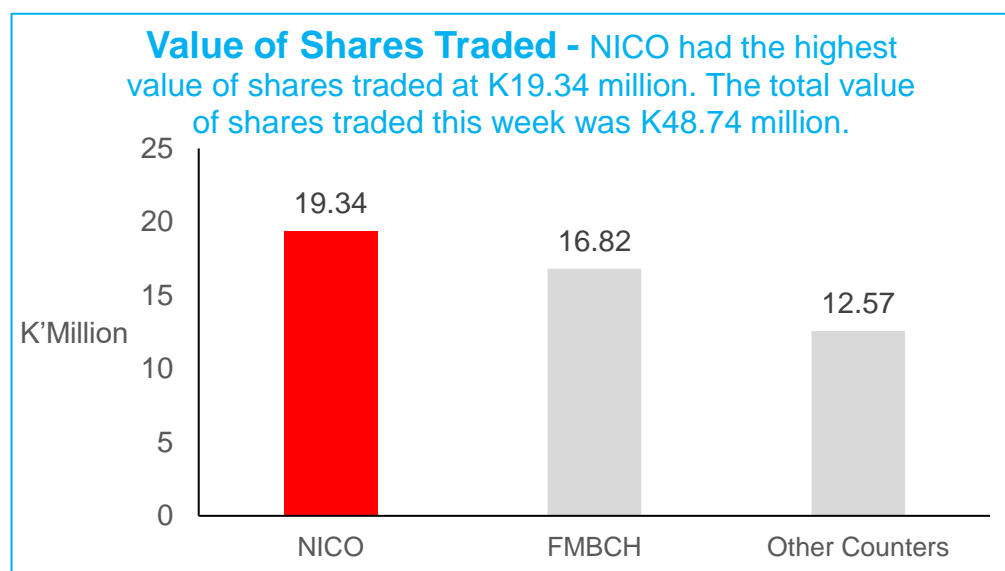
## FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

- The daily overnight interbank average rate this week increased to 13.63% from 13.62%.



## EQUITY MARKET (SOURCE : MSE)

The stock market was bearish during the week under review, relative to the previous week due to the decrease in both the Domestic Share Index (DSI) and the Foreign Share Index (FSI) during this period. The MASI registered a year-to-date return of 3.59% this year (it was 2.61% last year). The share price changes are shown in the table on the right.



### Corporate Announcements

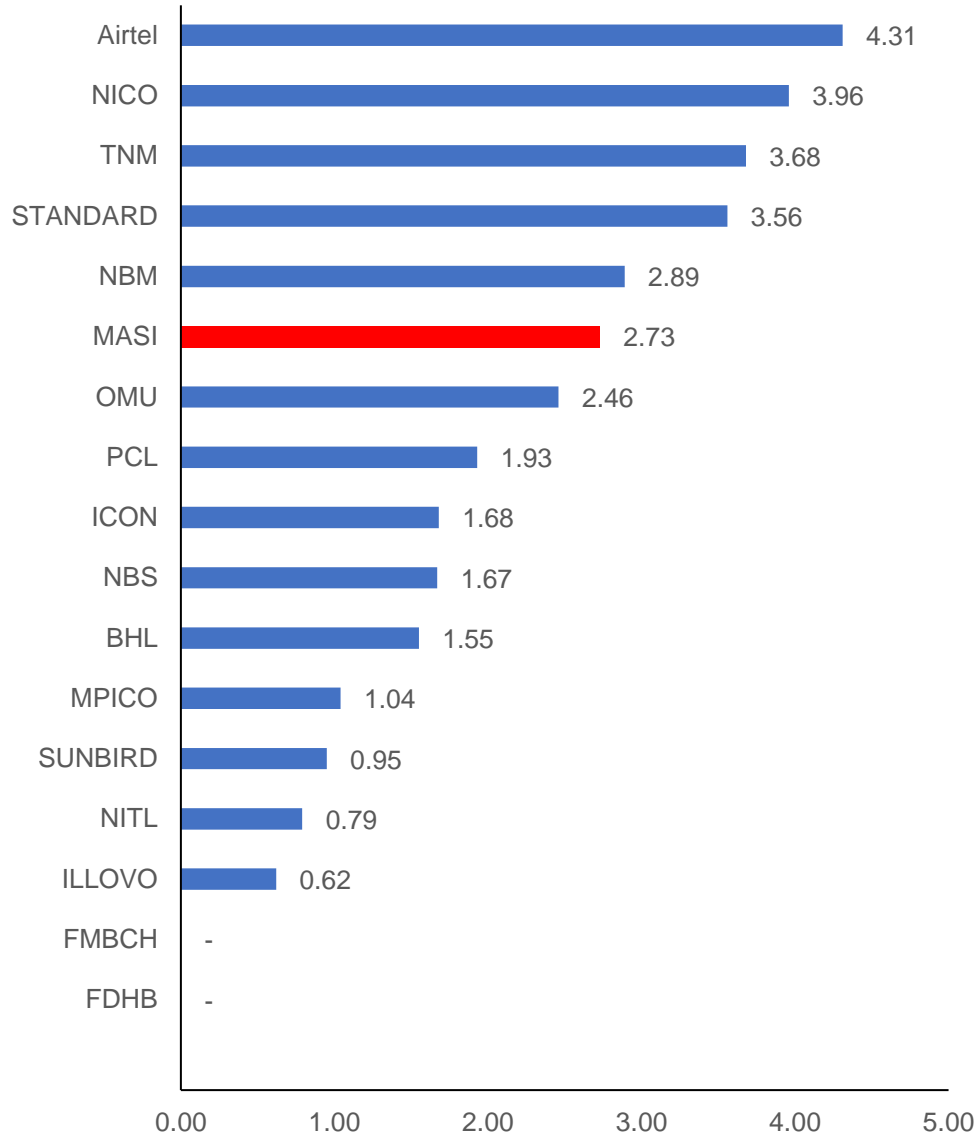
- Dr. George Partridge was appointed as chairman of the Sunbird Tourism plc board.
- PCL, NBS and NITL declared their interim dividends (per share) of K6.00, K0.45 and K0.50, respectively. The payment date for PCL and NBS dividends is 23 October 2020 while NITL dividend will be paid on 30 October 2020.

MSE Code	Share Price (K)		% Change
	09-Oct-20	16-Oct-20	
Airtel	29.00	29.00	→ 0.00%
BHL	12.94	12.94	→ 0.00%
FDHB	12.00	12.00	→ 0.00%
FMBCH	23.00	22.00	↓ -4.35%
ICON	12.49	12.49	→ 0.00%
ILLOVO	80.50	80.50	→ 0.00%
MPICO	24.00	24.00	→ 0.00%
NBM	618.70	618.70	→ 0.00%
NBS	21.00	21.00	→ 0.00%
NICO	47.98	47.98	→ 0.00%
NITL	94.98	94.98	→ 0.00%
OMU	2,199.99	2,199.99	→ 0.00%
PCL	1,343.99	1,343.99	→ 0.00%
STANDARD	851.00	851.00	→ 0.00%
SUNBIRD	105.00	105.00	→ 0.00%
TNM	20.49	20.39	↓ -0.49%
<b>MASI</b>	<b>31,401.87</b>	<b>31,339.53</b>	↓ -0.20%
<b>DSI</b>	<b>26,836.44</b>	<b>26,819.77</b>	↓ -0.06%
<b>FSI</b>	<b>1,411.44</b>	<b>1,361.90</b>	↓ -3.51%

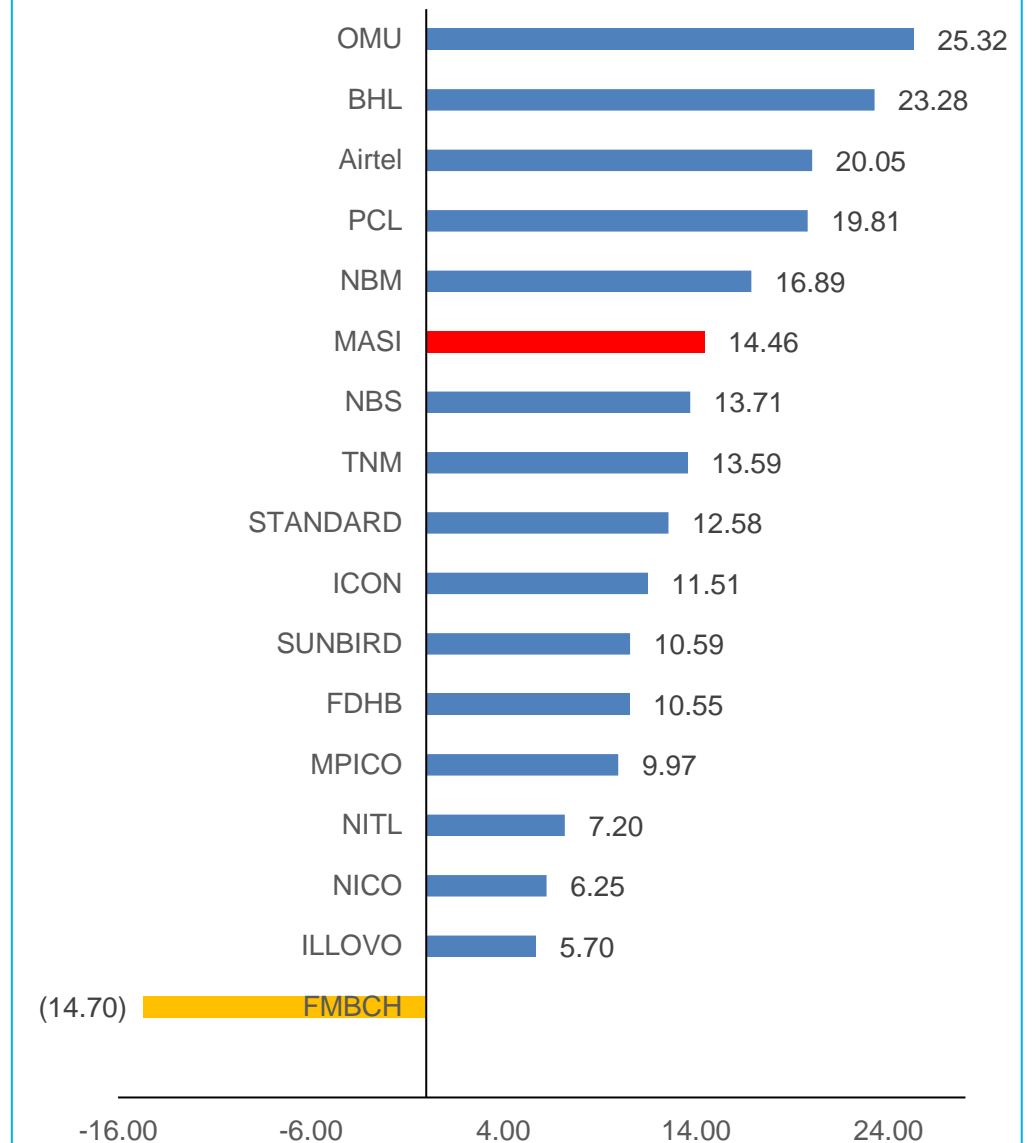


## EQUITY MARKET (CONTINUED)

**Dividend yield** - The weighted average Dividend Yield on the MSE is 2.73%. The counter with the highest dividend yield is AIRTEL at 4.31%.

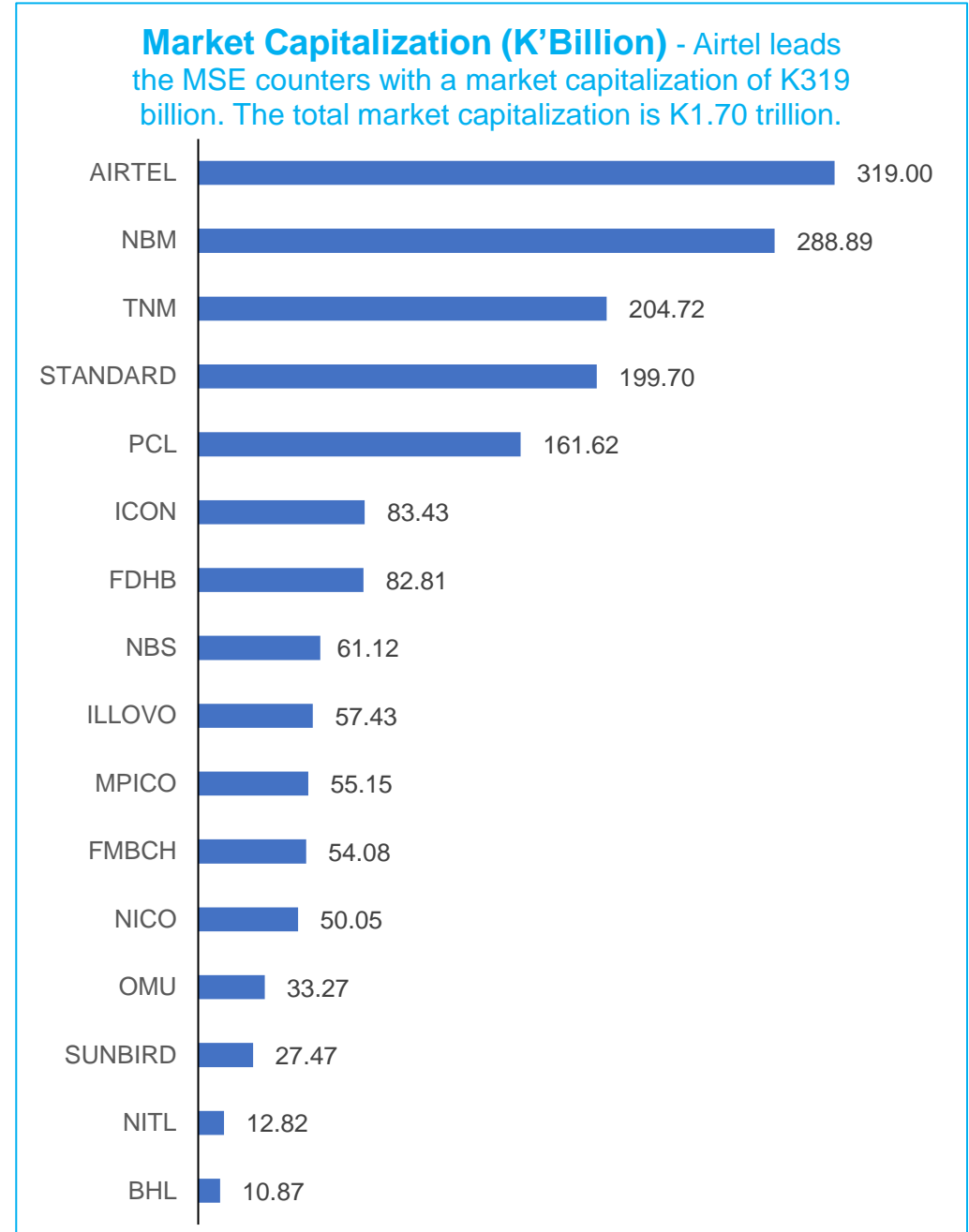
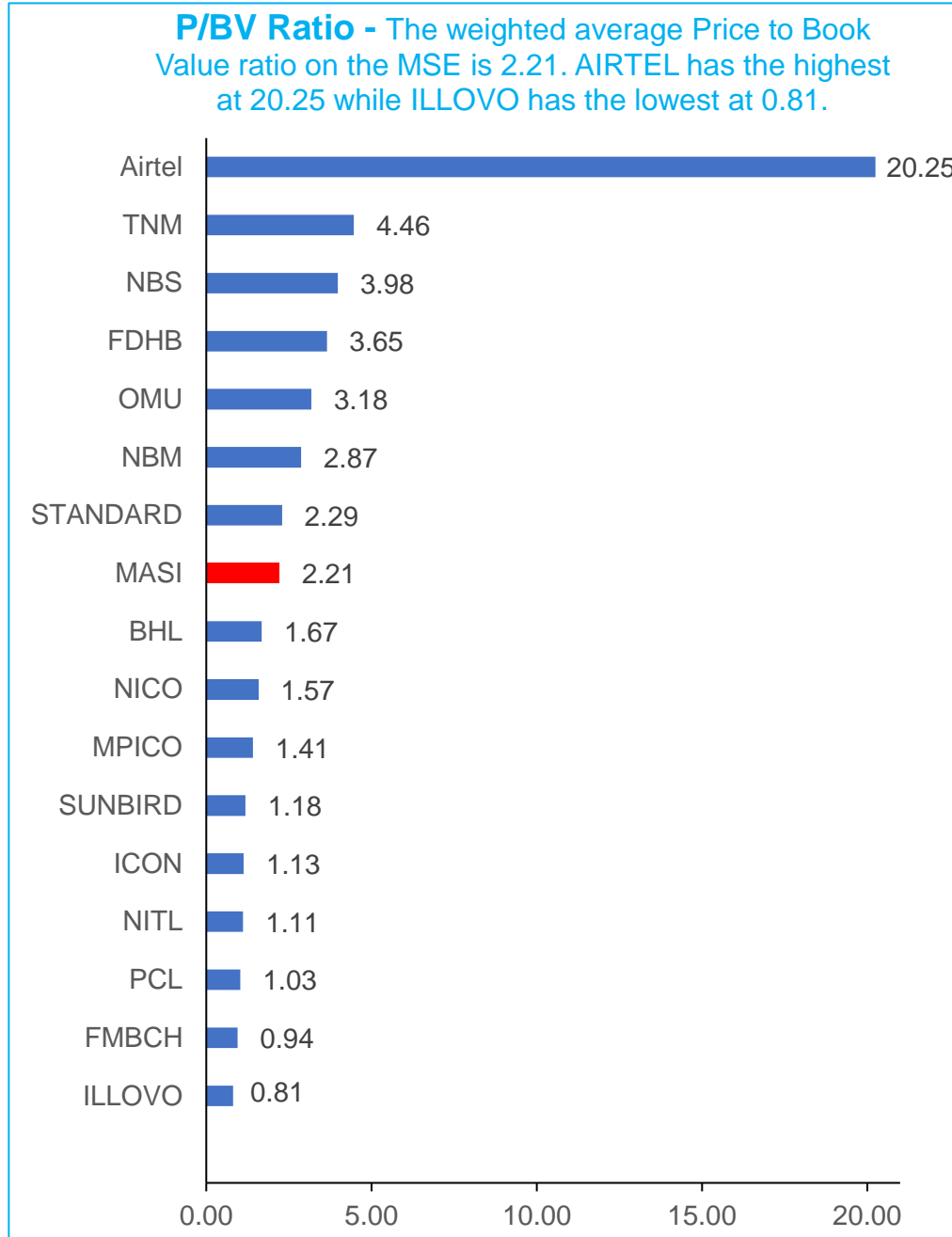


**P/E Ratio** - The MSE has a weighted average Price to Earnings ratio of 14.46. FMBCH has the lowest at negative 15.36 while OMU has the highest at 25.32.





## EQUITY MARKET (CONTINUED)

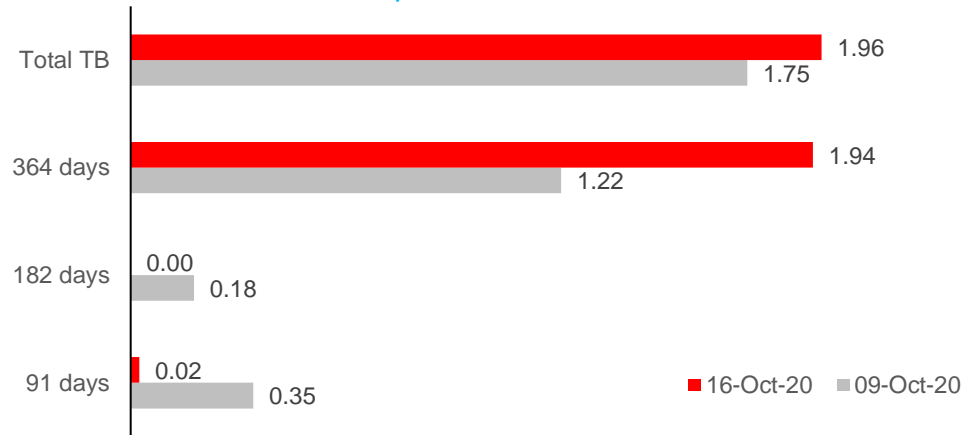




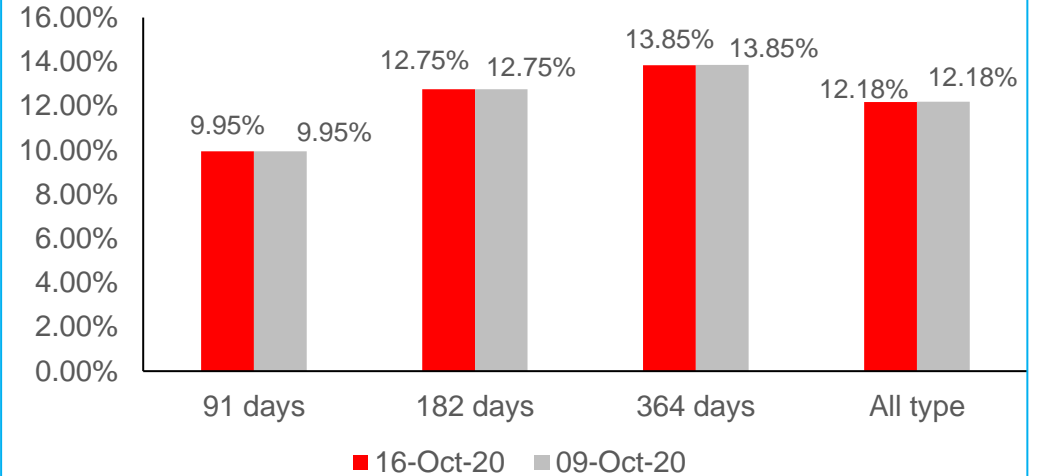
# GOVERNMENT SECURITIES (SOURCE: RBM)

## Treasury bill applications and allotments

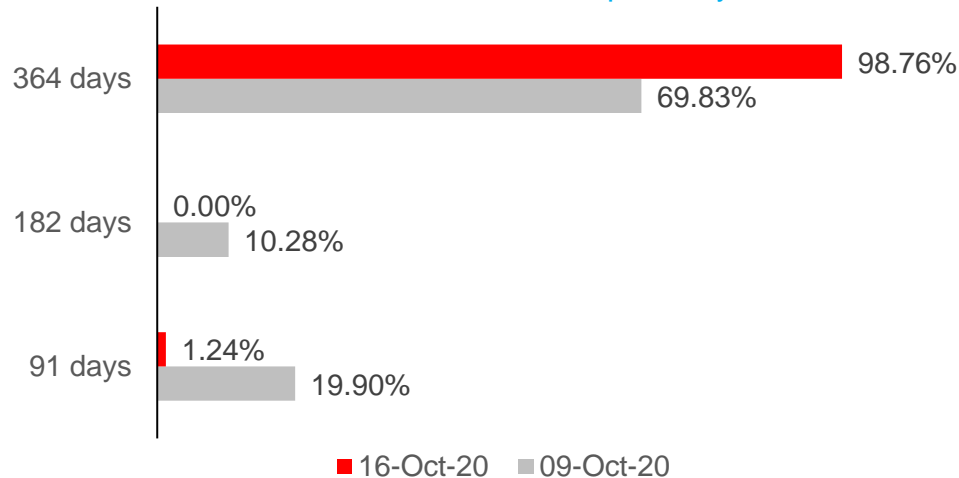
(K' Billion) - with a nil rejection in both weeks, there were more applications and allotments this week compared to last week.



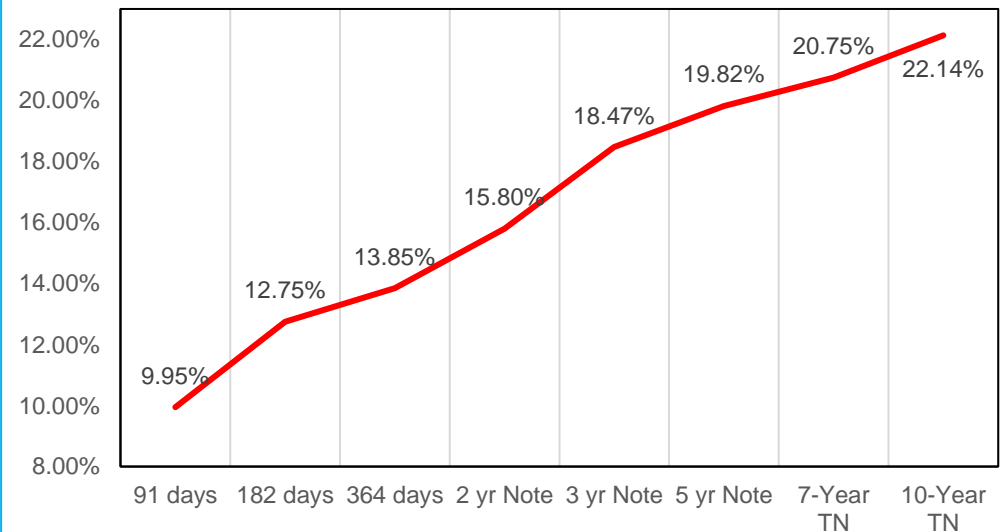
## Government Securities' yields - The average all TB yield was steady at 12.18%.



## TB Subscription Rate - The 364 days paper had the highest subscription both this week and last week at 98.76% and 69.83%, respectively.

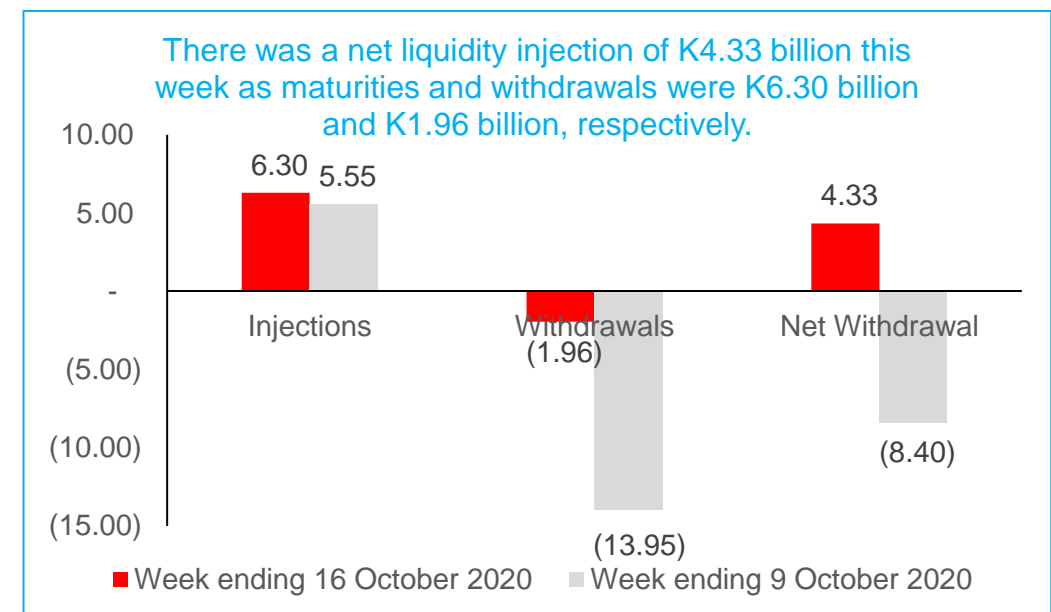
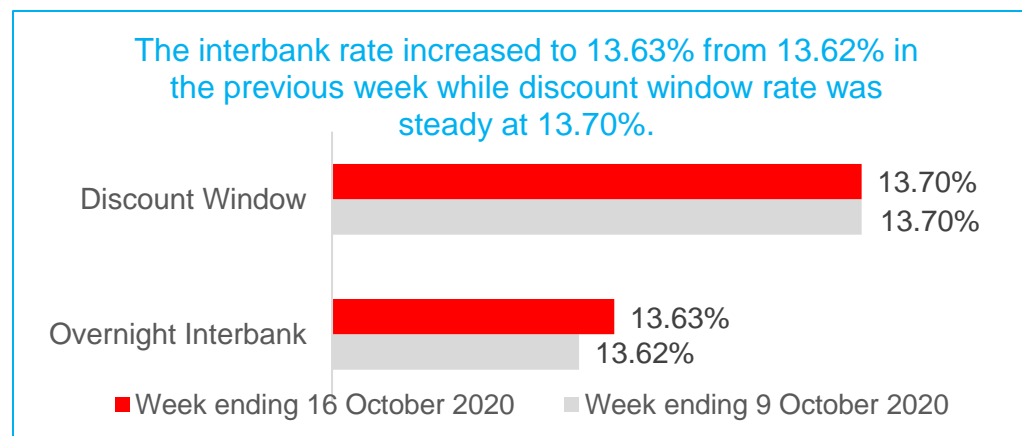
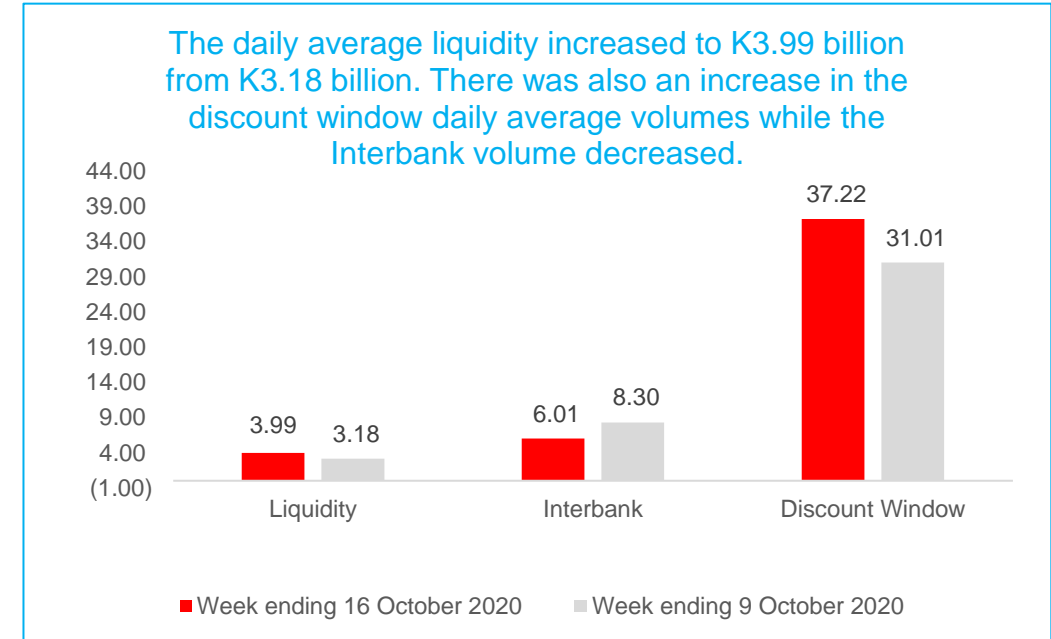
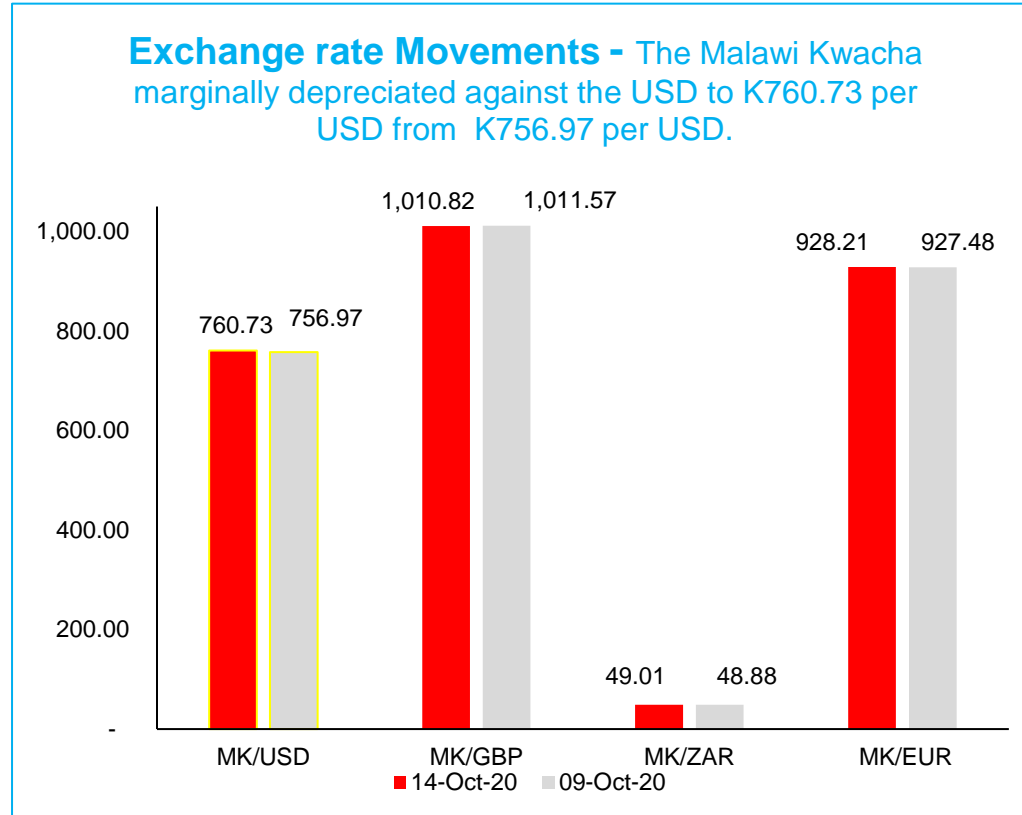


## Government Securities' Yield Curve





## OTHER FINANCIAL MARKET DEVELOPMENTS (SOURCE: RBM)



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