

Financial Market Update

| Week ending 30 October 2020

FINANCIAL MARKET HIGHLIGHTS FOR THE WEEK

The following highlights compare the week ending 30 October 2020 to the week ending 23 October 2020:



EQUITY MARKET (Source: MSE)

- The MASI decreased to 31,303.78 points this week, from 31,346.80 points last week. The return on MASI (year-to-date) was 3.48%. It was 4.70% during the same period last year.
- There was a share price gain for FMBCH (from K22.00 to K22.01).
- There were share price losses for AIRTEL (from K28.98 to K28.95), NBM (from K618.70 to K617.70), NITL (from K94.98 to K94.97) and TNM (from K20.19 to K19.98).



GOVERNMENT SECURITIES (Source: RBM)

- A total of K2.59 billion was raised this week in the Treasury Bill (TB) auctions.
- There were nil rejections both this week and last week.
- The 182 days TB had the highest subscription rate at 52.60%. There were no allotments for the 91 days paper.



CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha marginally depreciated against the USD from K758.20 per USD to K763.32 per USD.
- The Kwacha marginally appreciated against the GBP (from K1,026.47 to K1,017.53), the EUR (from K934.87 to K934.56) and the ZAR (from K49.63 to K49.46).



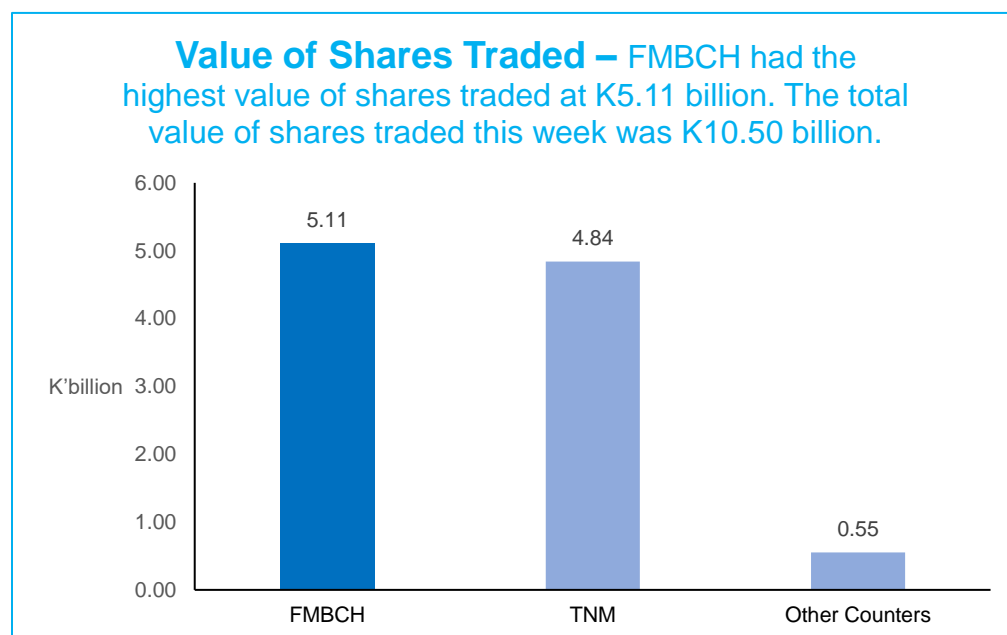
FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

- The headline inflation for September 2020 eased to 7.1% from 7.6% in the previous month.
- The daily overnight interbank average rate was steady this week at 13.63%.



EQUITY MARKET (SOURCE : MSE)

The stock market was bearish during the week under review, relative to the previous week due to the decrease in the Domestic Share Index (DSI) which offset the gain in the Foreign Share Index (FSI) during this period. The MASI registered a year-to-date return of 3.48% this year (it was 4.70% last year). The share price changes are shown in the table on the right.



Corporate Announcements

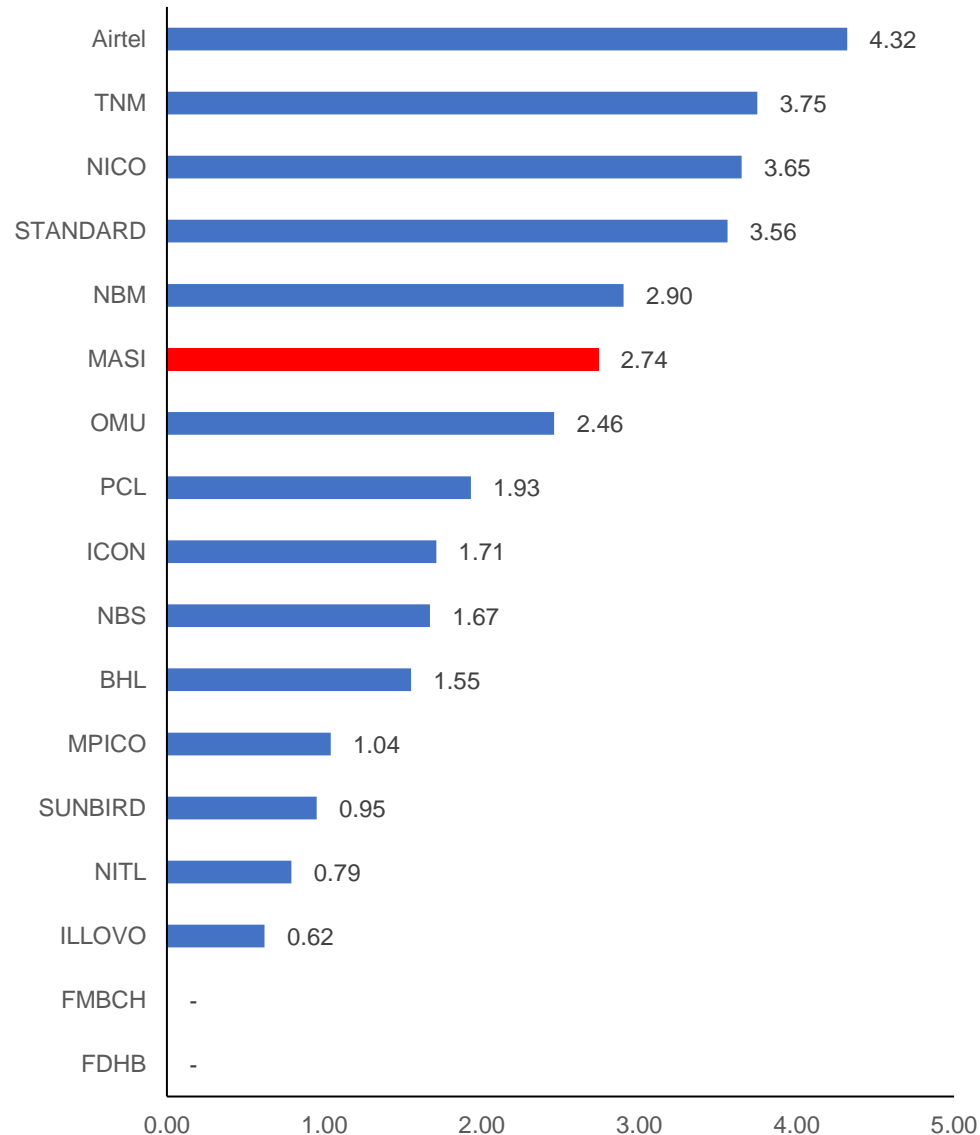
- ICON declared interim and final dividend which will be paid on 30 October and 6 November 2020, respectively. The dividend amount (per share) for both is K0.11
- NITL declared their interim dividends (per share) of K0.50 and the payment date is 30 October 2020.

MSE Code	Share Price (K)		% Change	
	23-Oct-20	30-Oct-20		
Airtel	28.98	28.95	↓	-0.10%
BHL	12.94	12.94	→	0.00%
FDHB	12.00	12.00	→	0.00%
FMBCH	22.00	22.01	↑	0.05%
ICON	12.30	12.30	→	0.00%
ILLOVO	80.50	80.50	→	0.00%
MPICO	23.93	23.93	→	0.00%
NBM	618.70	617.70	↓	-0.16%
NBS	20.95	20.95	→	0.00%
NICO	52.00	52.00	→	0.00%
NITL	94.98	94.97	↓	-0.01%
OMU	2,199.98	2,199.98	→	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	20.19	19.98	↓	-1.04%
MASI	31,346.80	31,303.78	↓	-0.14%
DSI	26,826.24	26,787.57	↓	-0.14%
FSI	1,361.90	1,362.39	↑	0.04%

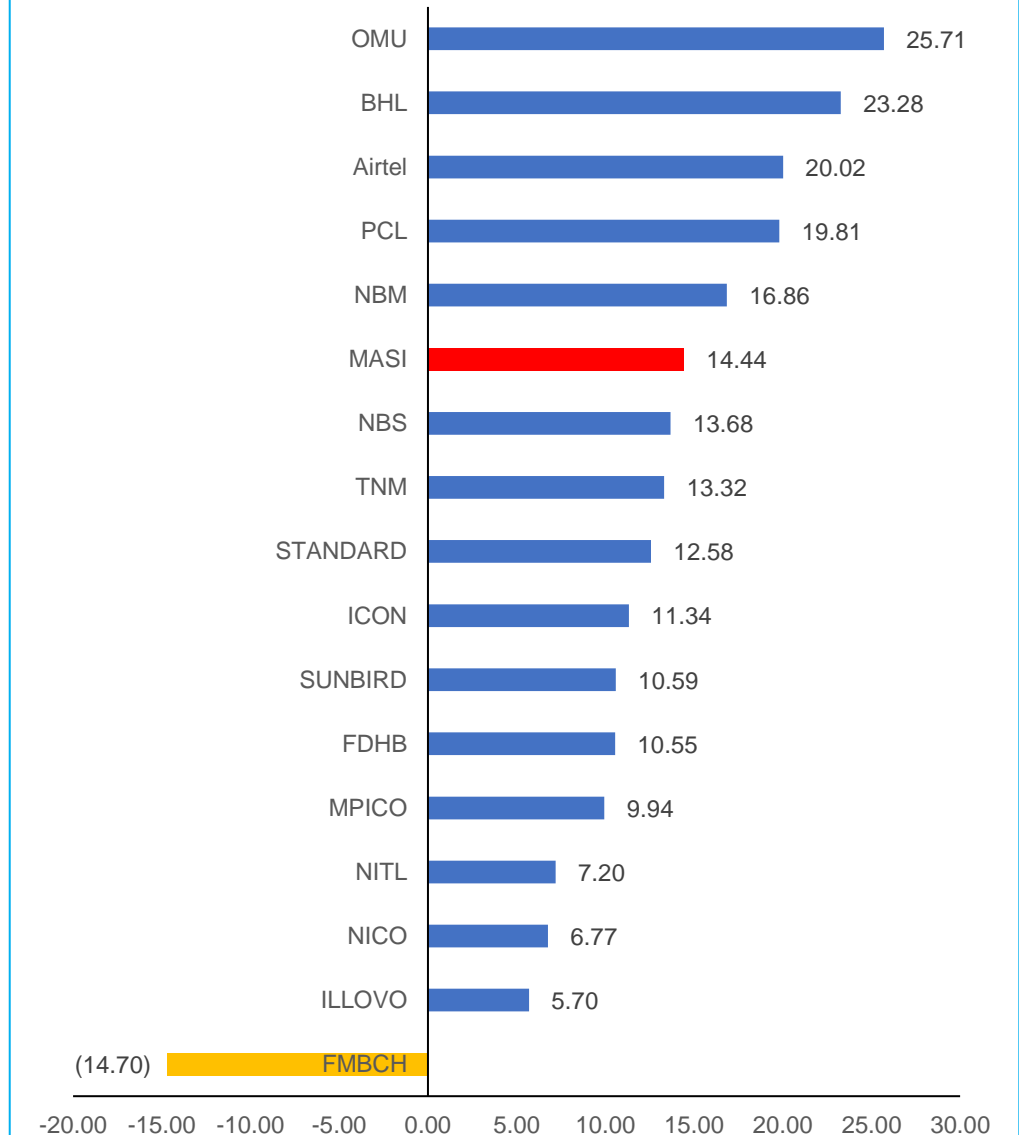


EQUITY MARKET (CONTINUED)

Dividend yield (%) - The weighted average Dividend Yield on the MSE is 2.74%. The counter with the highest dividend yield is AIRTEL at 4.32%.



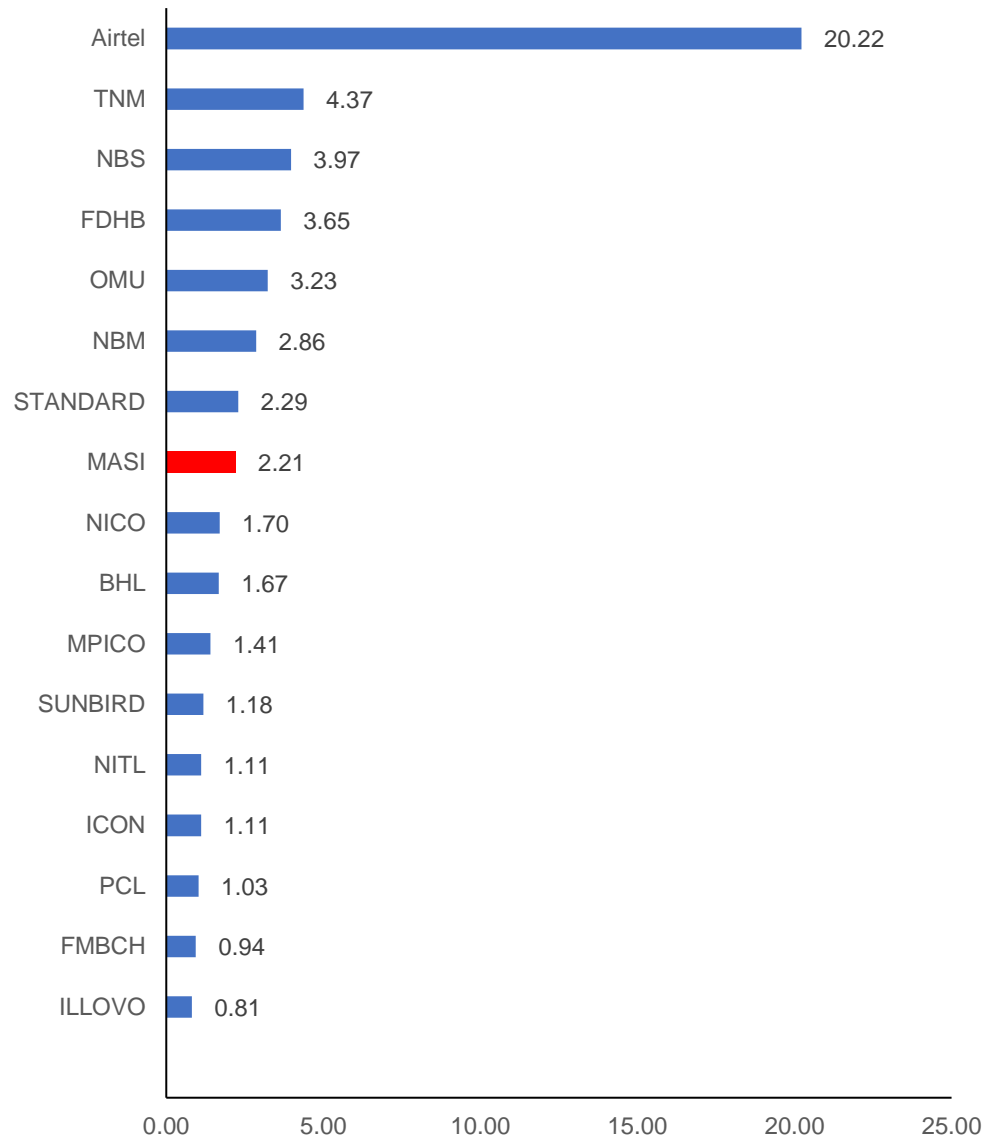
P/E Ratio - The MSE has a weighted average Price to Earnings ratio of 14.44. FMBCH has the lowest at negative 14.70 while OMU has the highest at 25.71.



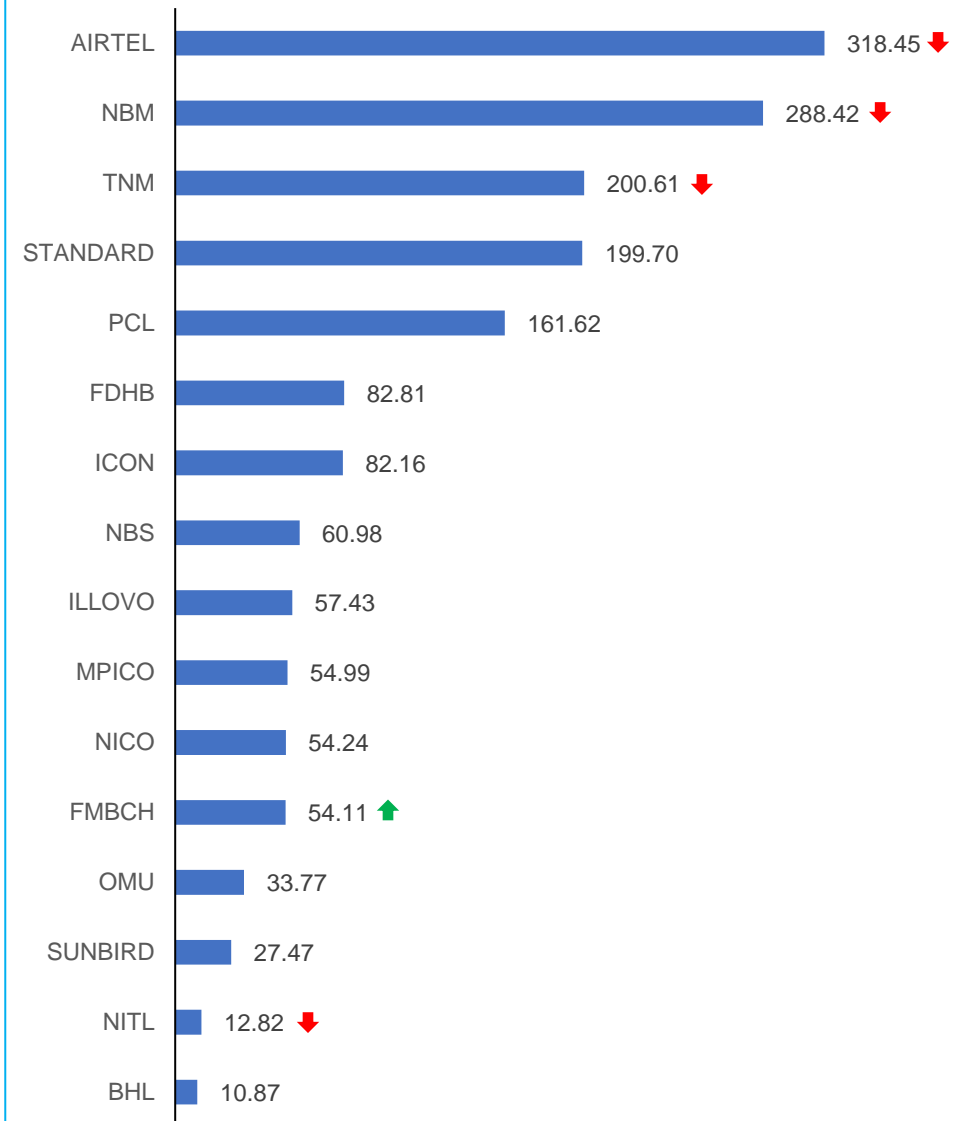


EQUITY MARKET (CONTINUED)

P/BV Ratio - The weighted average Price to Book Value ratio on the MSE is 2.21. AIRTEL has the highest at 20.22 while ILLOVO has the lowest at 0.81.



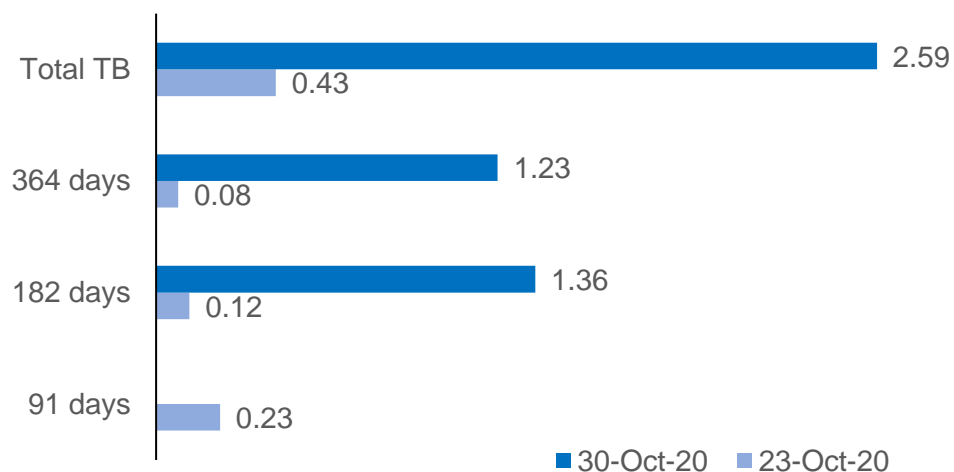
Market Capitalization (K'billion) - Airtel leads the MSE counters with a market capitalization of K318.45 billion. The total market capitalization is K1.70 trillion.



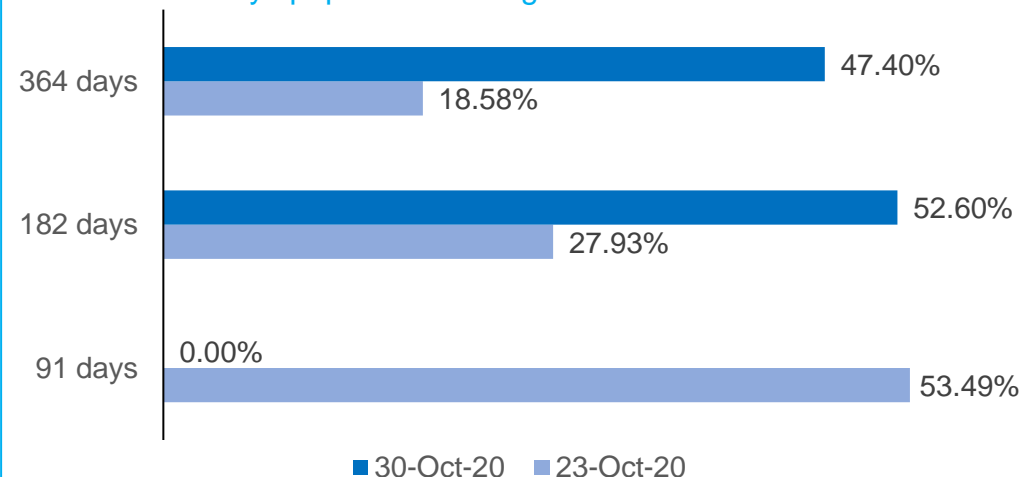


GOVERNMENT SECURITIES (SOURCE: RBM)

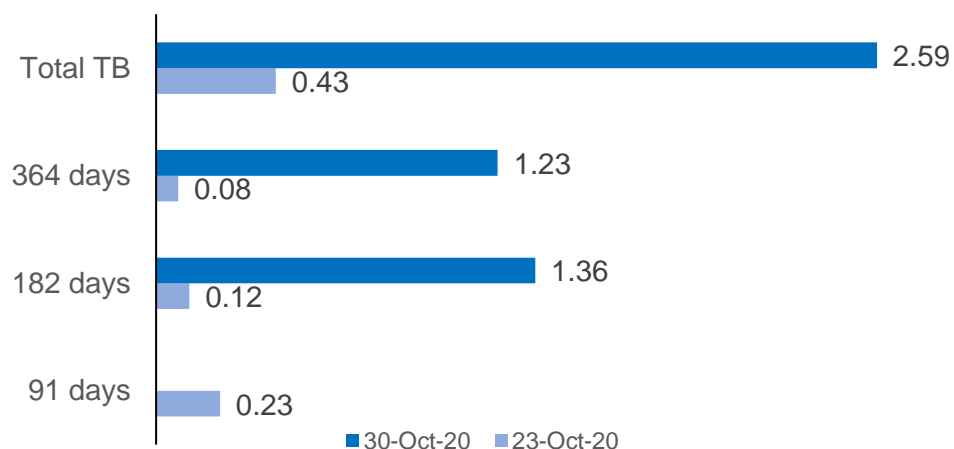
TB applications (K'billions) - there were more applications this week at K2.59 billion compared to the K0.43 billion applications in the previous week.



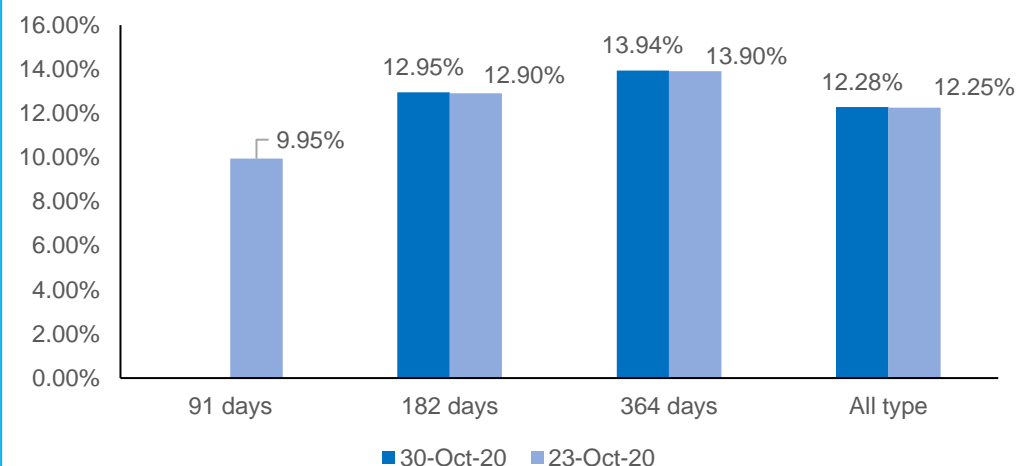
TB Subscription Rate (%) - The 182 days paper had the highest subscription this week at 52.60% while the 91 days paper had the highest last week at 53.49%.



TB allotments (K'billions) - There were no rejections both this week and last week.



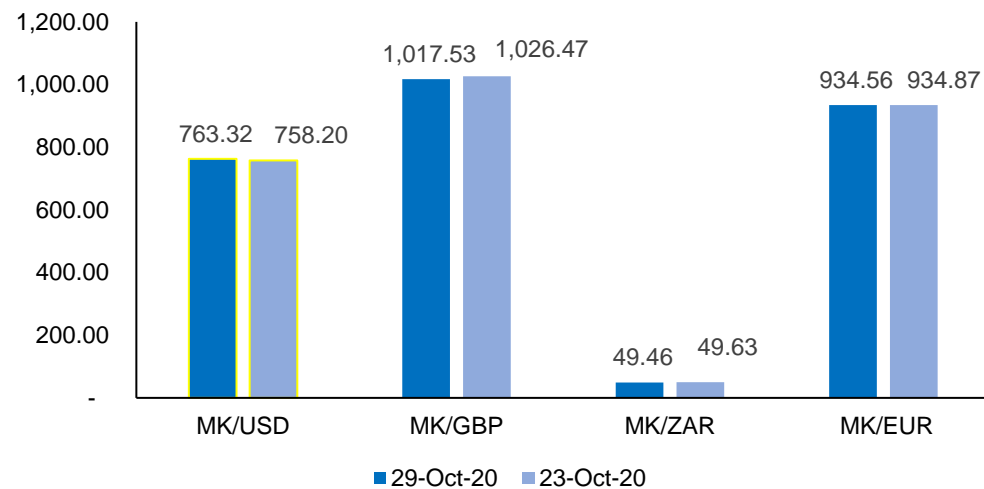
Government Securities' yields - The average all TB yield increased to 12.28% this week from 12.25% last week.



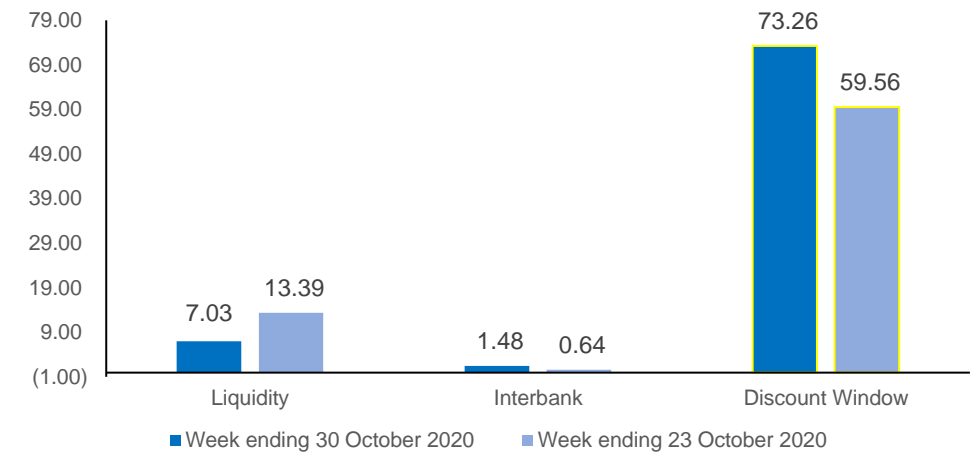


OTHER FINANCIAL MARKET DEVELOPMENTS (SOURCE: RBM)

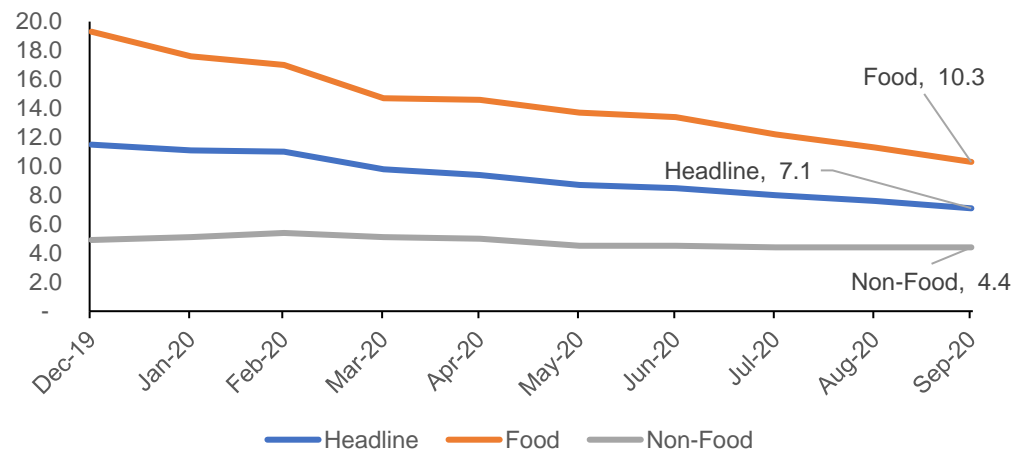
Exchange rate Movements - The Malawi Kwacha marginally depreciated against the USD to K768.32 per USD from K758.20 per USD.



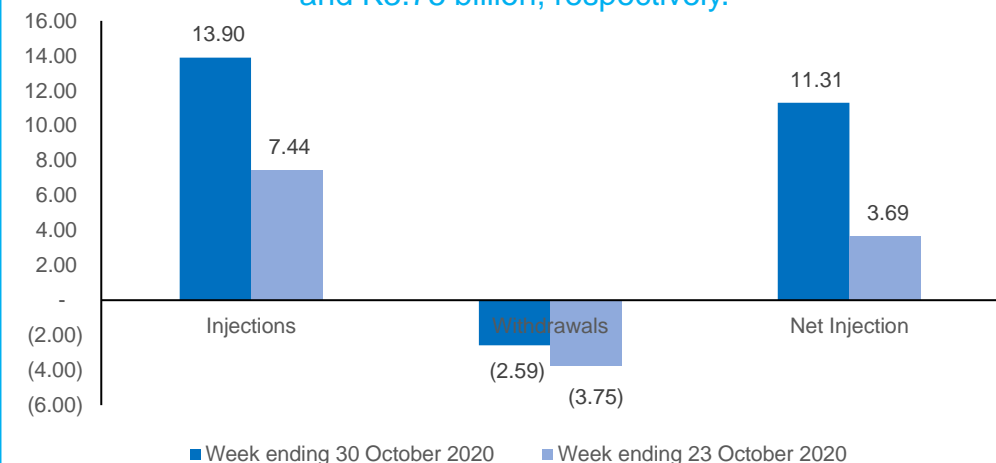
Daily average volumes (K'billions) - Access on the discount window continues to increase from a daily average volume of K59.56 billion last week to K73.26 billion this week.



Inflation – Headline inflation for September 2020 eased to 7.1% from 7.6% in the previous month.



There was a net liquidity injection of K3.69 billion this week as maturities and withdrawals were K7.44 billion and K3.75 billion, respectively.



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