

# Financial Market Update

| Week ending 20 November 2020



The following highlights compare the week ending 20 November 2020 to the week ending 13 November 2020:



## EQUITY MARKET (Source: MSE)

- The MASI decreased to 30,948.18 points this week, from 30,959.17 points last week. The return on MASI (year-to-date) was 2.30% compared to 2.23% during the same period last year.
- There were share price gains for FMBCH (from K22.01 to K22.02) and Standard Bank (from K850.78 to K851.00).
- There were share price losses for NBM (from K617.69 to K617.68) and NBS (from K20.95 to K20.93).



## CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha marginally appreciated against the USD from K763.93 per USD to K763.48 per USD.
- The Kwacha depreciated against the ZAR (from K51.75 to K52.80). It also depreciated against the GBP (from K1,039.81 to K1,049.38) and the EUR (from K940.79 to K947.80).



## GOVERNMENT SECURITIES (Source: RBM)

- A total of K5.85 million was raised this week in the Treasury Bill (TB) auction.
- The 91 days paper had 100% of the subscriptions.
- The Open Market repurchase agreement (OMO repo) injected K41.00 billion into the economy from applications of K50.50 billion.
- There were nil rejections in the TB auctions while the OMO repo had an 18.81% rejection rate.
- The OMO repos had an average yield of 11.55%.

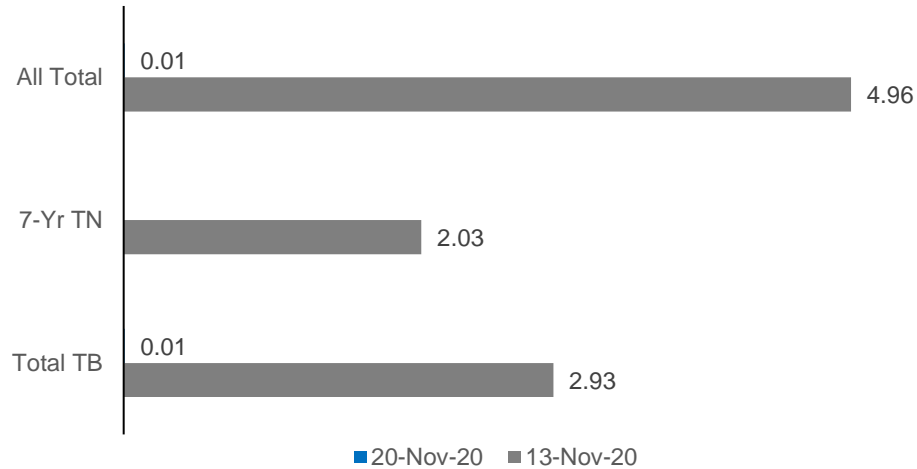


## FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

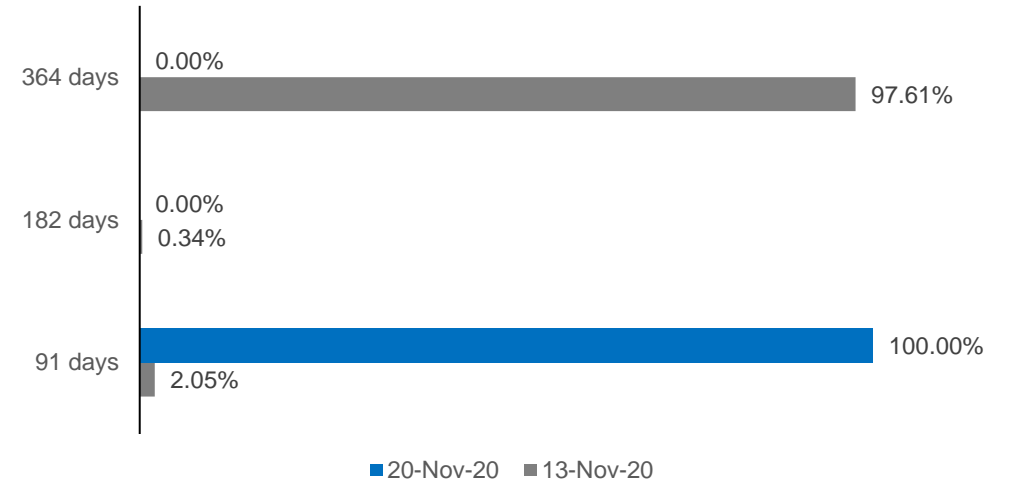
- The daily overnight interbank average rate decreased to 12.13% this week from 12.90% last week.



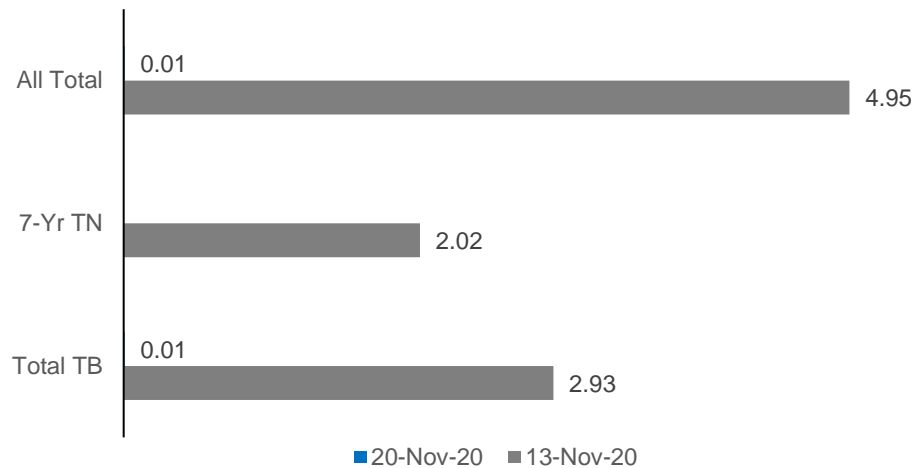
**TB and TN applications (K'billion) –** there were applications of K5.85 million in the TB auction held this week.



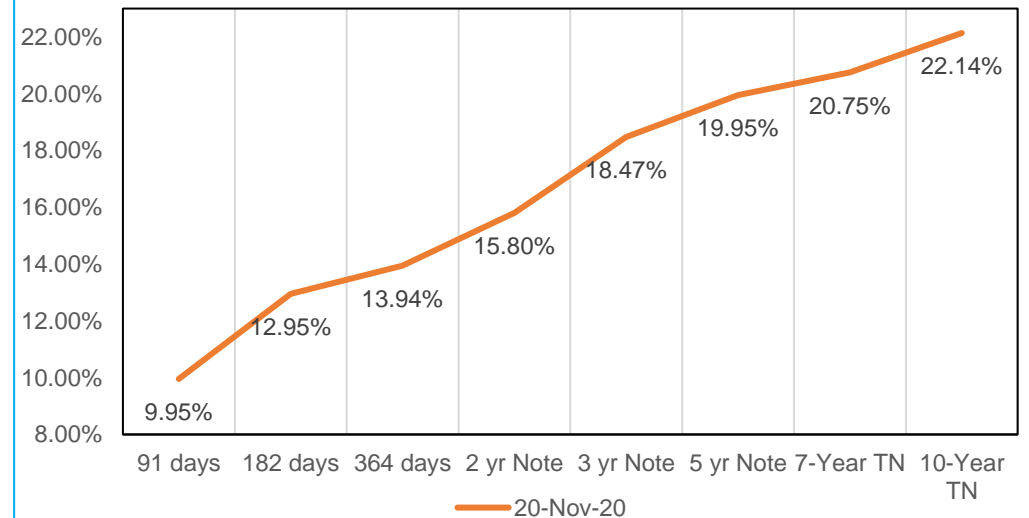
**Subscription Rate (%) –** all the TB application were subscribed to the 91 days paper.



**TB and TN allotments (K'billion) -** a total of K5.85 million was allotted this week as there were no rejections in the TB auction.

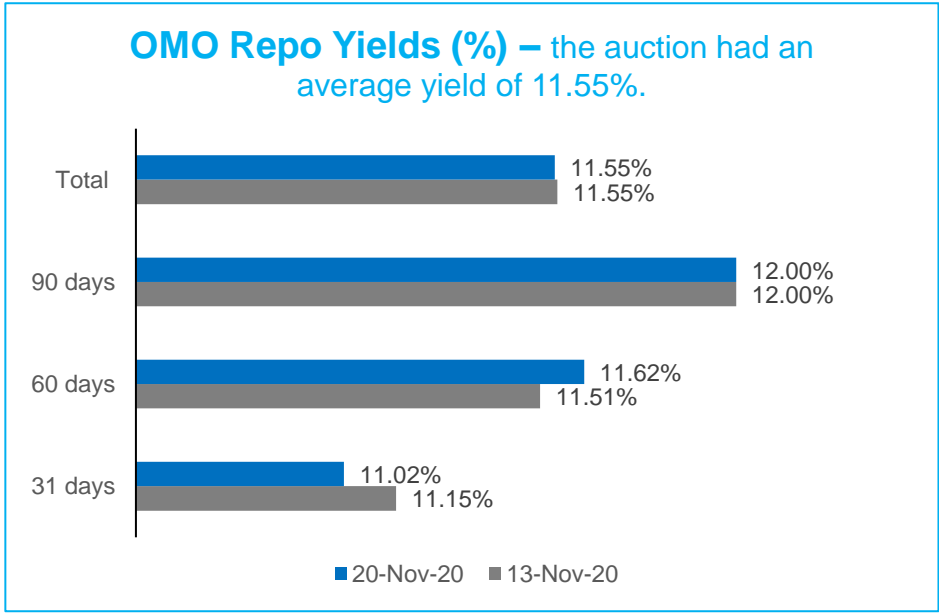
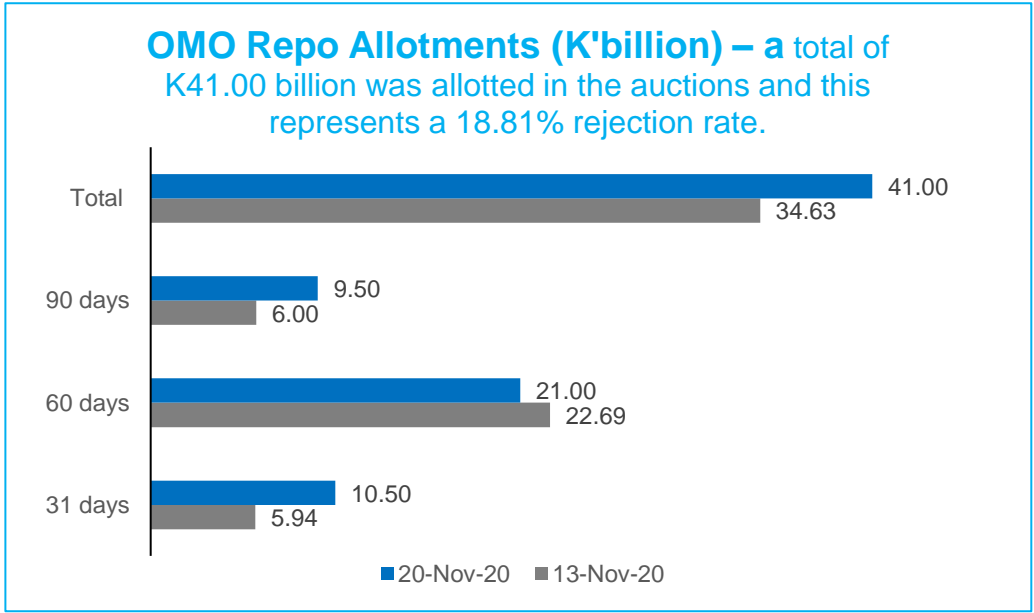
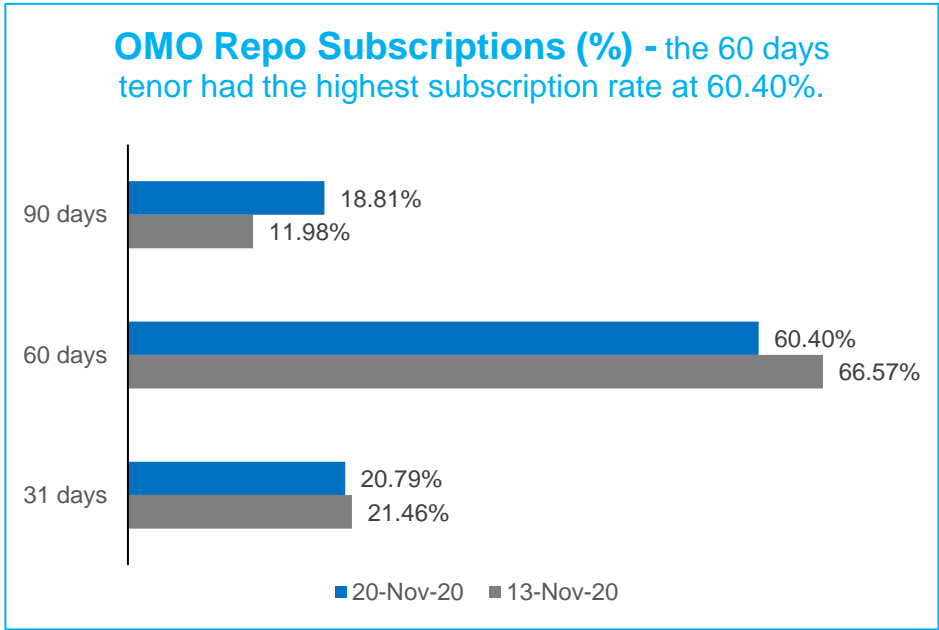
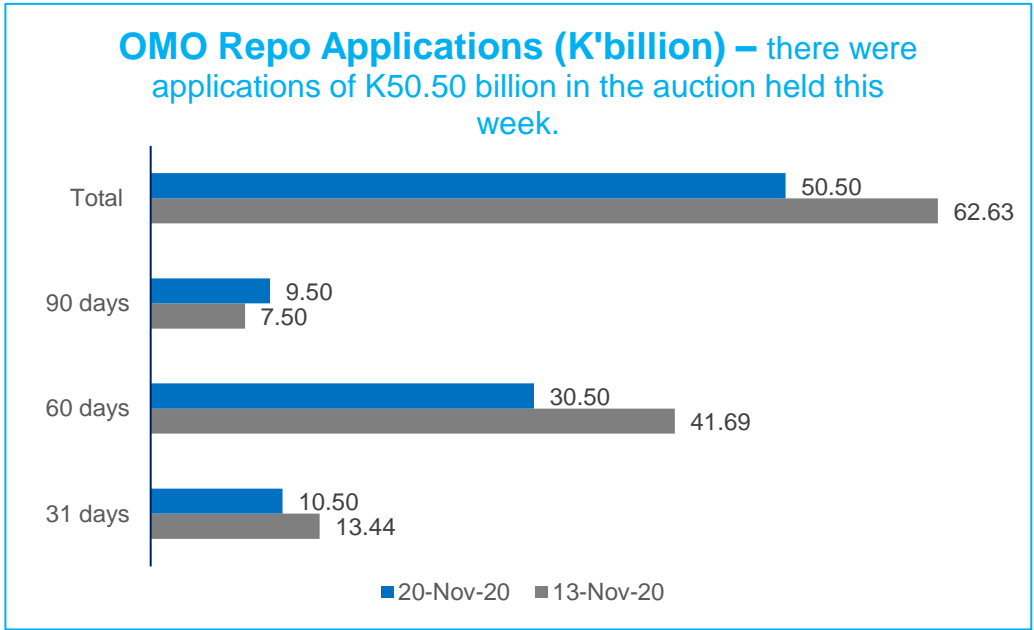


**Government Securities' Yield Curve**





# GOVERNMENT SECURITIES (Continued)

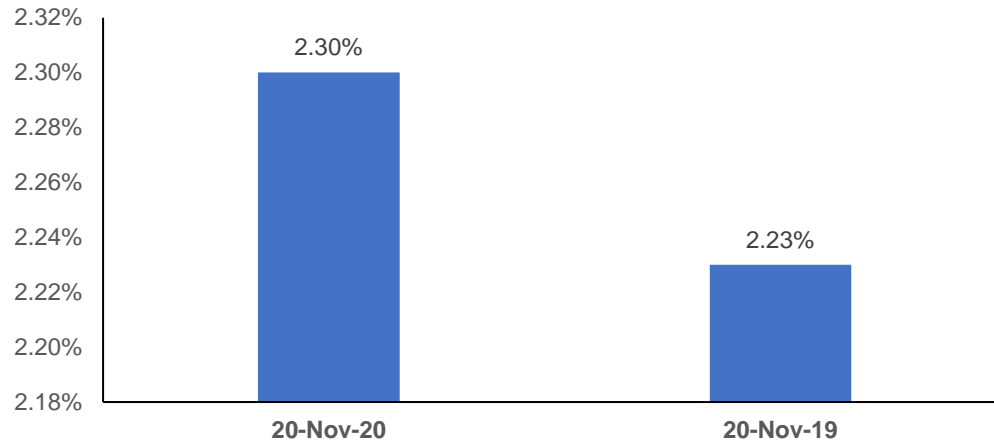


OMO – Open Market Operation  
Repo – Repurchase Agreement

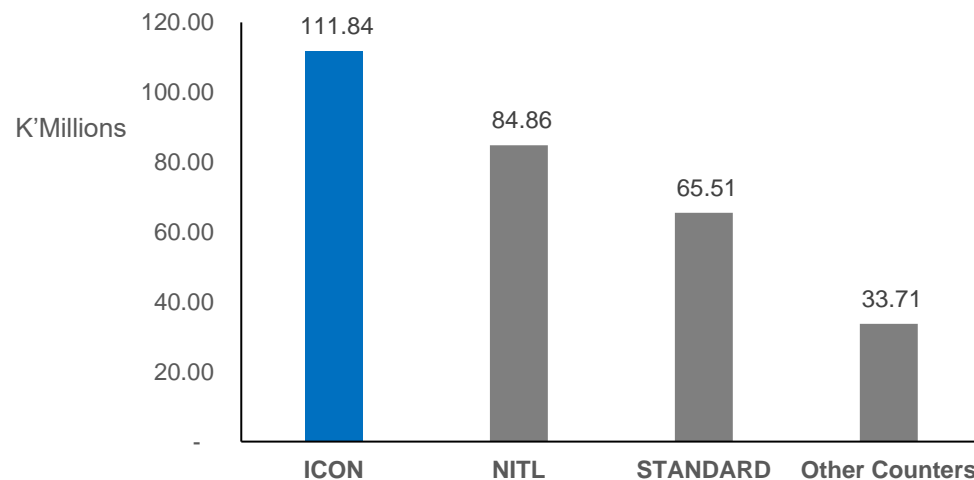


## EQUITY MARKET (Source: MSE)

**MASI YTD Return (%)** – the MASI registered a year-to-date return of 2.30% this year (it was 2.23% last year).



**Value of Shares Traded** – ICON had the highest value of shares traded at K111.84 million. The total value of shares traded this week was K295.92 million.



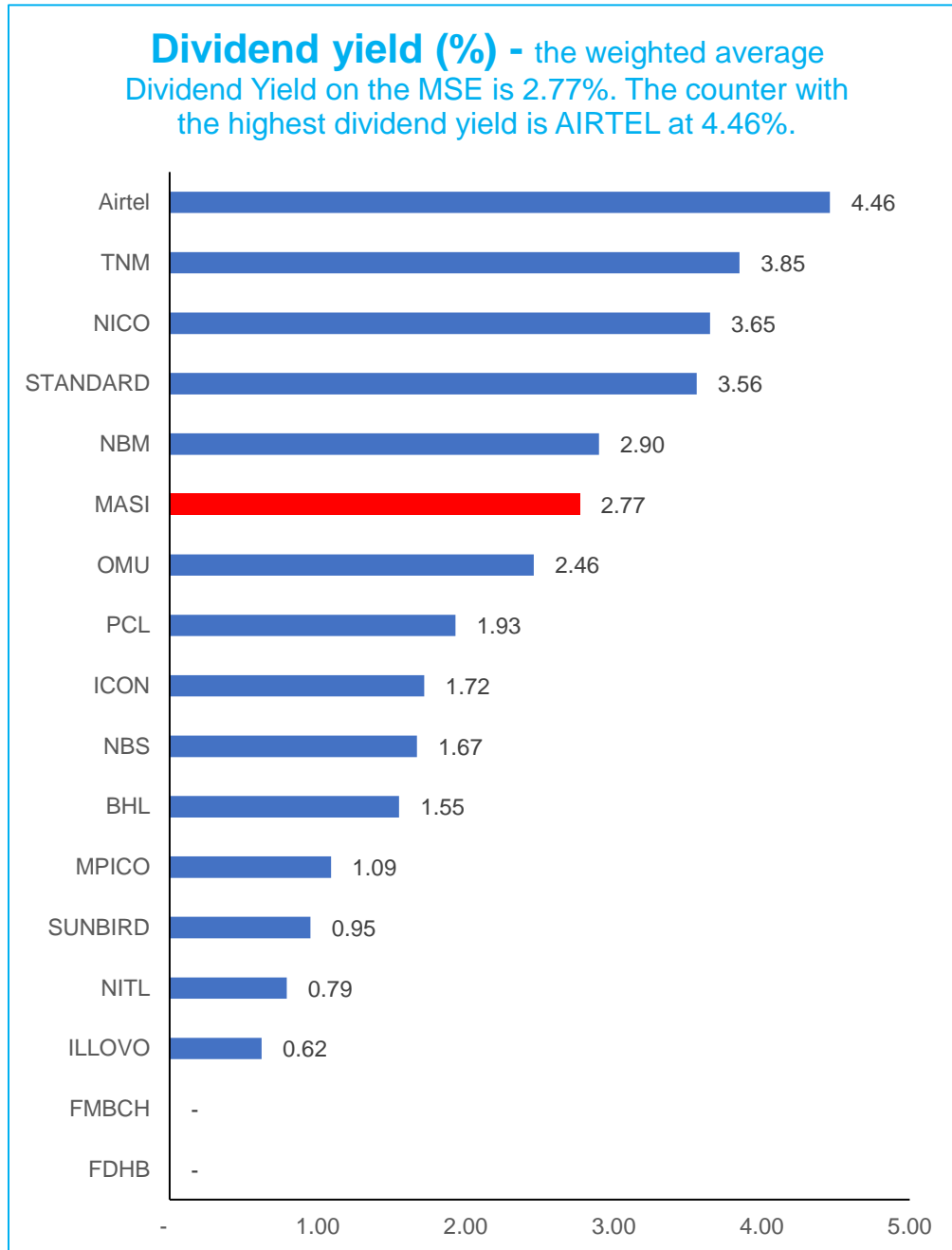
MASI: Malawi All Share Index  
DSI: Domestic share Index  
FSI: Foreign share Index

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 increase in the Foreign Share Index (FSI) during this period. The share price changes are shown in the table below:

MSE Code	Share Price (K)		% Change
	13-Nov-20	20-Nov-20	
Airtel	28.00	28.00	→ 0.00%
BHL	12.94	12.94	→ 0.00%
FDHB	12.00	12.00	→ 0.00%
FMBCH	22.01	22.02	↑ 0.05%
ICON	12.30	12.30	→ 0.00%
ILLOVO	80.50	80.50	→ 0.00%
MPICO	22.99	22.99	→ 0.00%
NBM	617.69	617.68	↓ 0.00%
NBS	20.95	20.93	↓ -0.10%
NICO	52.00	52.00	→ 0.00%
NITL	94.97	94.97	→ 0.00%
OMU	2,199.98	2,199.98	→ 0.00%
PCL	1,343.99	1,343.99	→ 0.00%
STANDARD	850.78	851.00	↑ 0.03%
SUNBIRD	105.00	105.00	→ 0.00%
TNM	19.46	19.46	→ 0.00%
<b>MASI</b>	<b>30,959.17</b>	<b>30,948.18</b>	<b>↓ -0.04%</b>
<b>DSI</b>	<b>26,480.93</b>	<b>26,470.76</b>	<b>↓ -0.04%</b>
<b>FSI</b>	<b>1,362.39</b>	<b>1,362.89</b>	<b>↑ 0.04%</b>

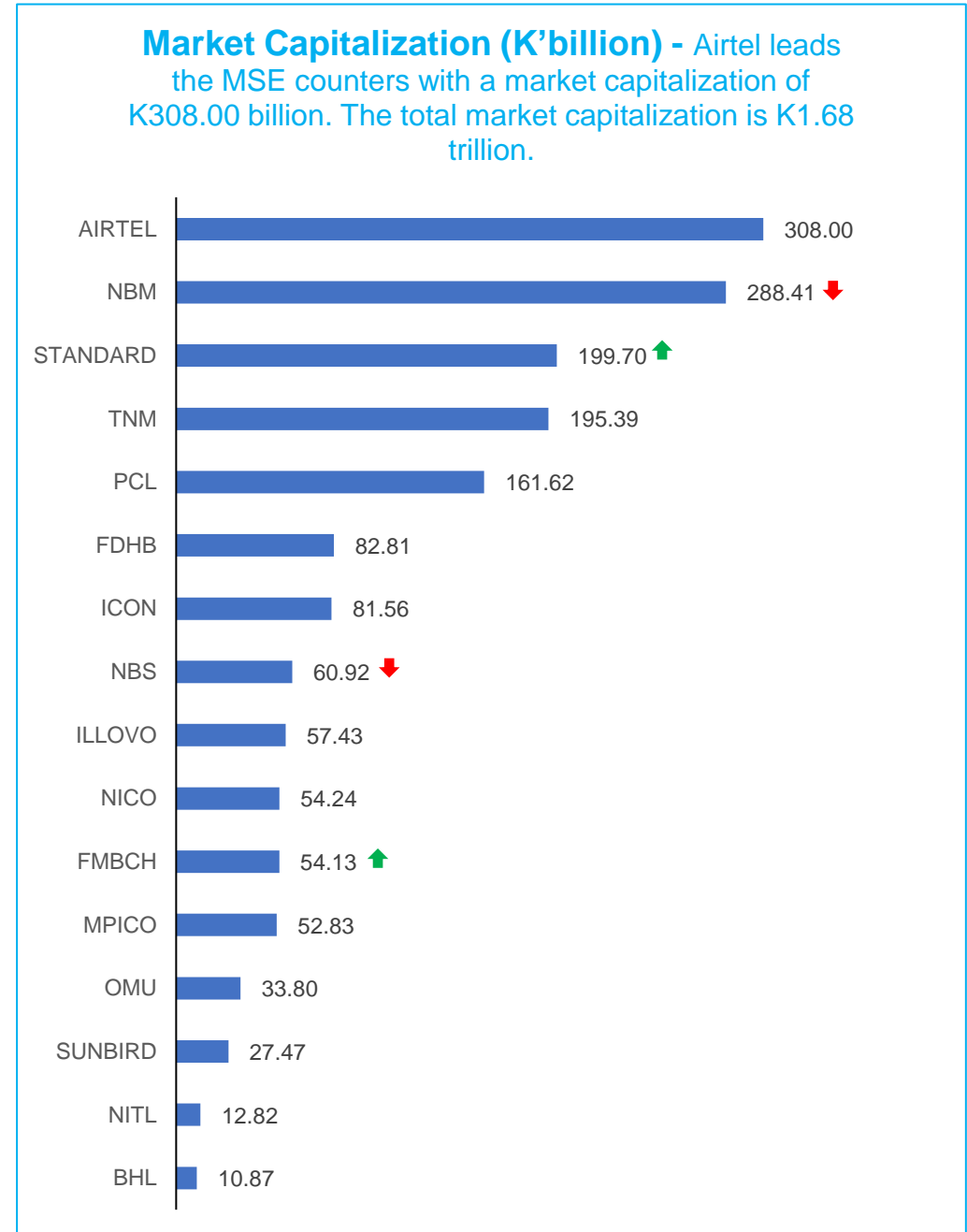
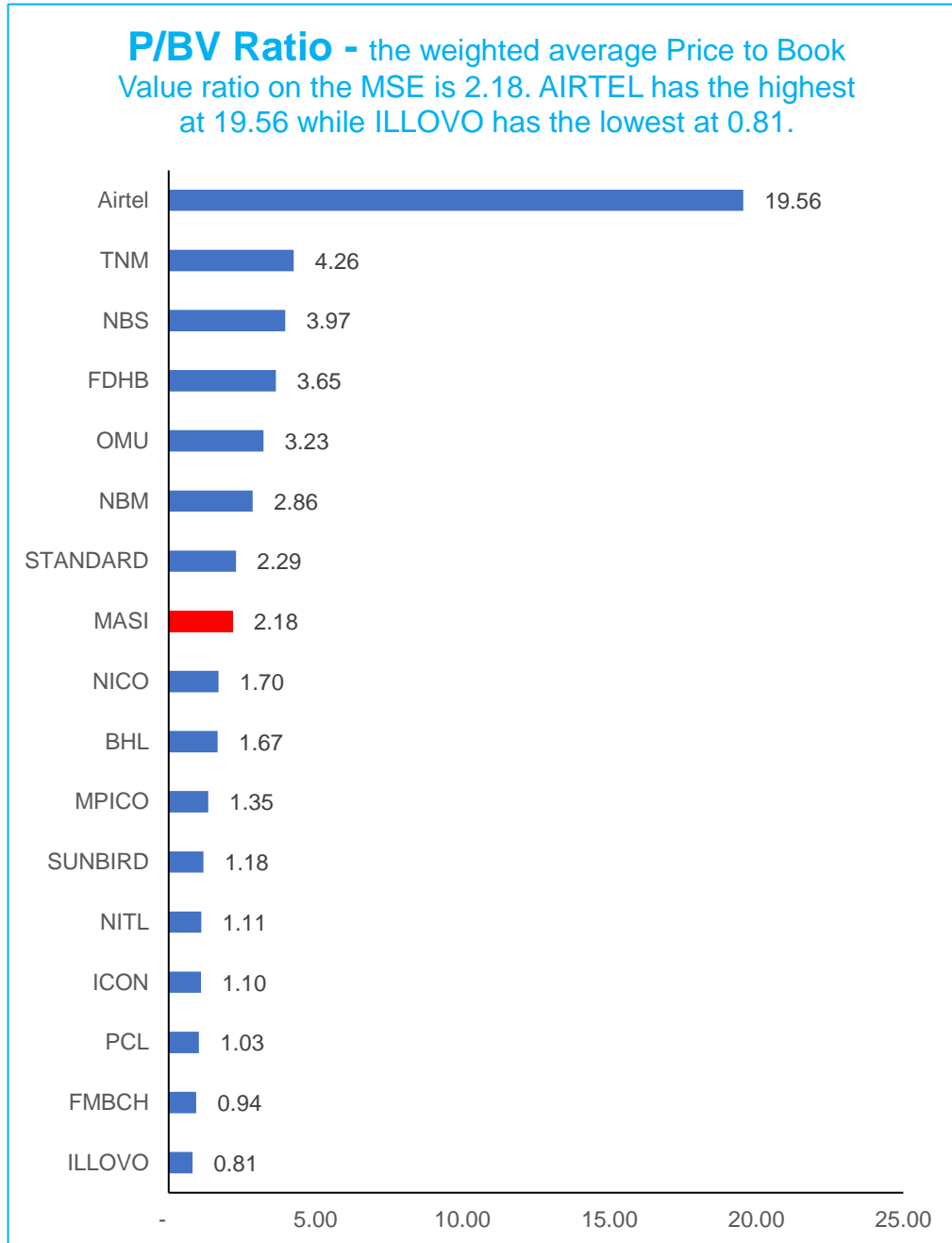


## EQUITY MARKET (Continued)





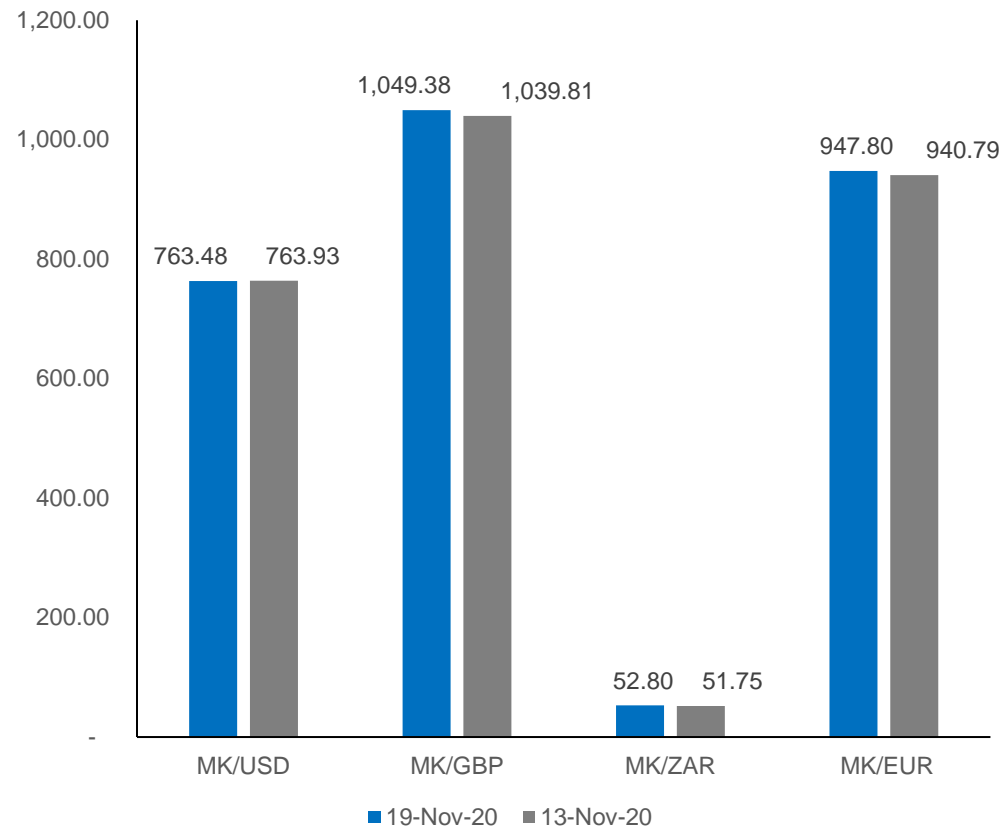
## EQUITY MARKET (Continued)



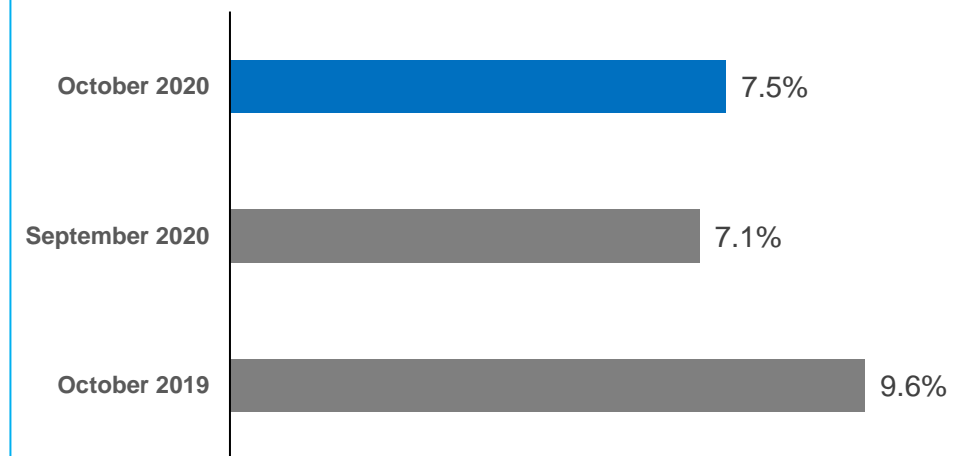


## OTHER FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

**Exchange rate Movements** - the Malawi Kwacha marginally appreciated against the USD to K763.93 per USD from K763.48 per USD.



**Headline Inflation (%)** – the inflation rate increased to 7.5% in October 2020 from 7.1% in the previous month. This was due to the increase in food inflation to 10.9% from 10.3% while non-food inflation remained at 4.4%.

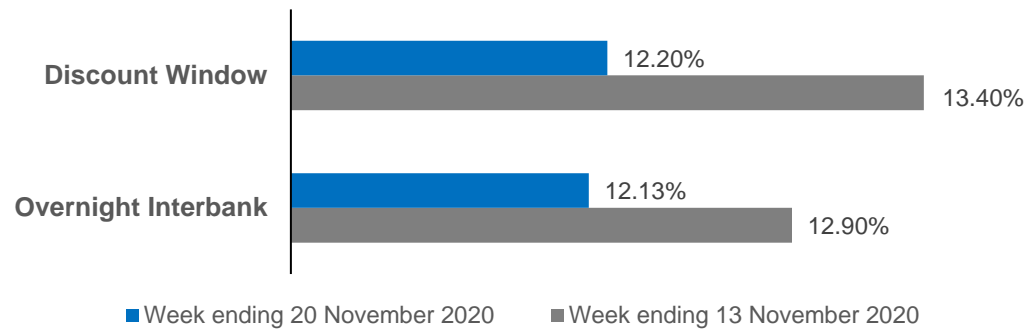




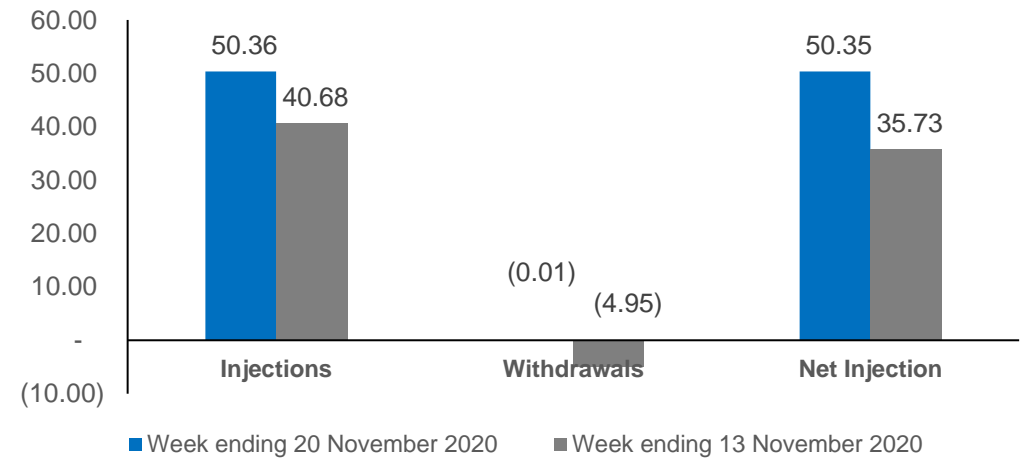


## OTHER FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

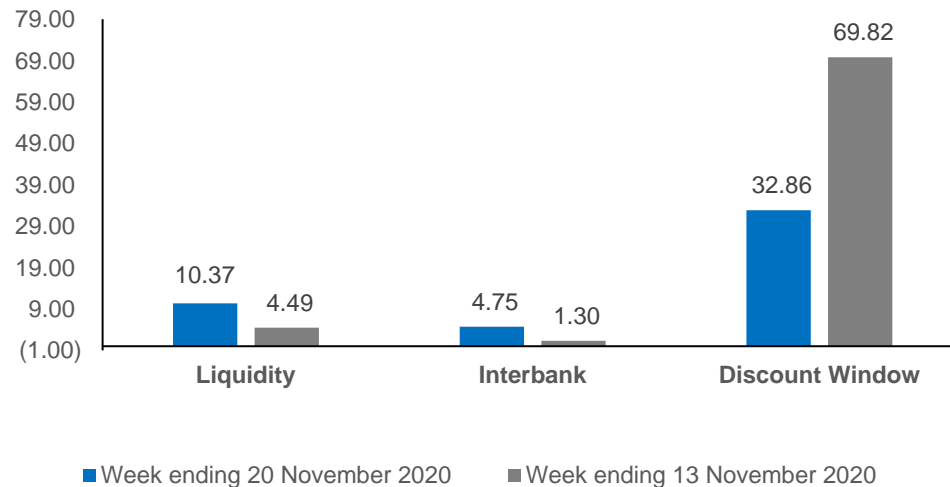
The average discount window rate decreased to 12.20% from 13.40% this week.



**Net Liquidity (K'-billion)** - there was a net liquidity injection of K50.35 billion this week as injections and withdrawals were K50.36 billion and K0.01 billion, respectively.



**Daily average volumes (K'-billion)** - access on the discount window decreased to a daily average volume of K32.86 billion from K69.82 billion last week.



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