

Financial Market Update

| Week ending 25 December 2020



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



EQUITY MARKET (Source: MSE)

- The MASI decreased to 31,611.53 points this week, from 31,683.06 points last week. This was due to share price losses in various counters. The return on MASI (year-to-date) was 4.49% compared to 1.91% during the same period last year.
- There were no share price gains during the period.
- There were share price losses for ICON Properties (from K12.29 to K12.27) and PCL (from K1,367.10 to K1,336.34).



CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha marginally depreciated against the USD from K769.07 per USD to K771.53 per USD.
- The Kwacha also marginally depreciated against the EUR (from K974.84 per EUR to K979.91 per EUR) and the ZAR (from K55.75 per ZAR to K55.77 per ZAR). However, it appreciated against the GBP from K1,079.56 to K1,068.25).



GOVERNMENT SECURITIES (Source: RBM)

- A total of K18.84 billion was raised this week in the Treasury Bill (TB) and Treasury Note (TN) auctions.
- The TB and TN auctions raised K5.53 billion and K13.31 billion, respectively.
- The average all type TB yield decreased to 11.99% from 12.00%.
- The TB auction had a nil rejections while the TN auction had a 19.82% rejection rate.

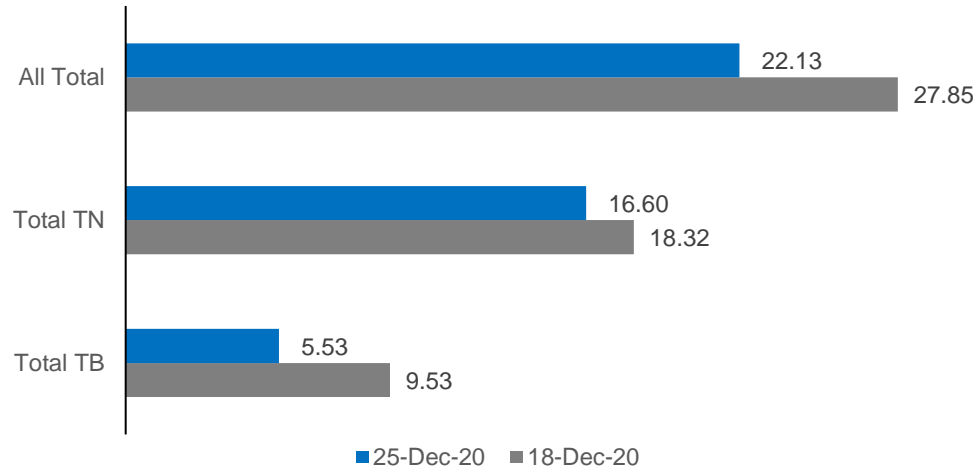


FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

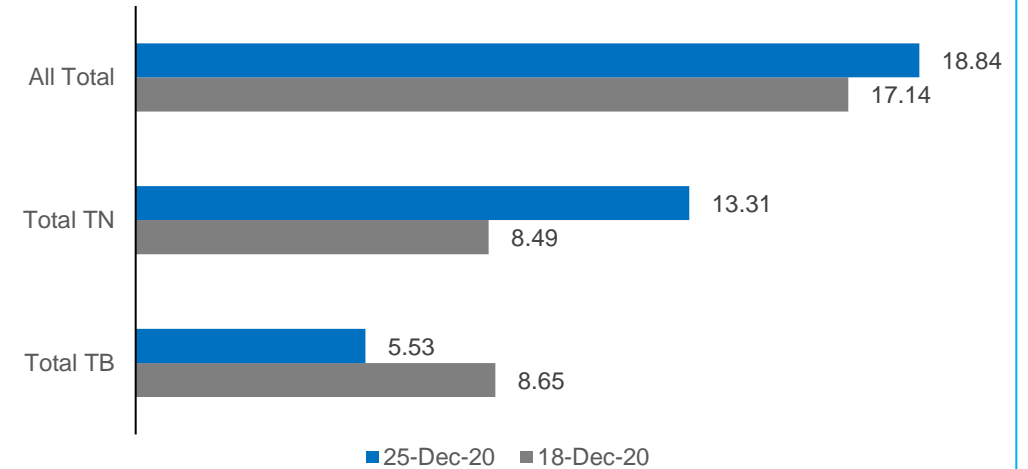
- The daily overnight interbank average rate increased to 11.22% this week from 11.21% last week.
- The Government of Malawi has decided to change its Fiscal year to start on 1 April and end on 31 March from starting on 1 July and ending on 30 June.



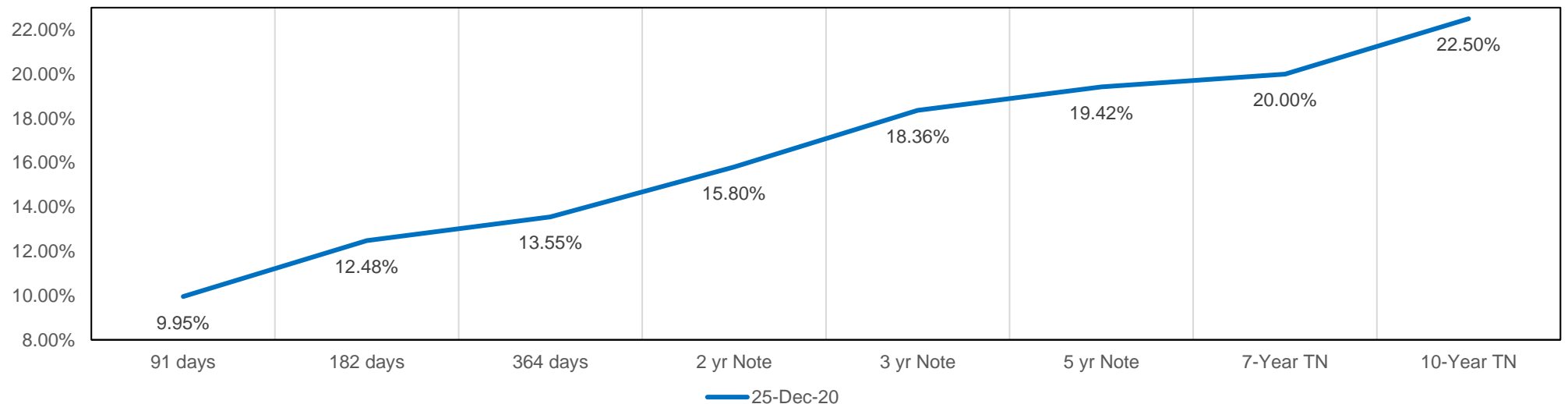
TB and TN applications (K'billion) – there were applications of K22.13 billion in the TB and TN auctions held this week.

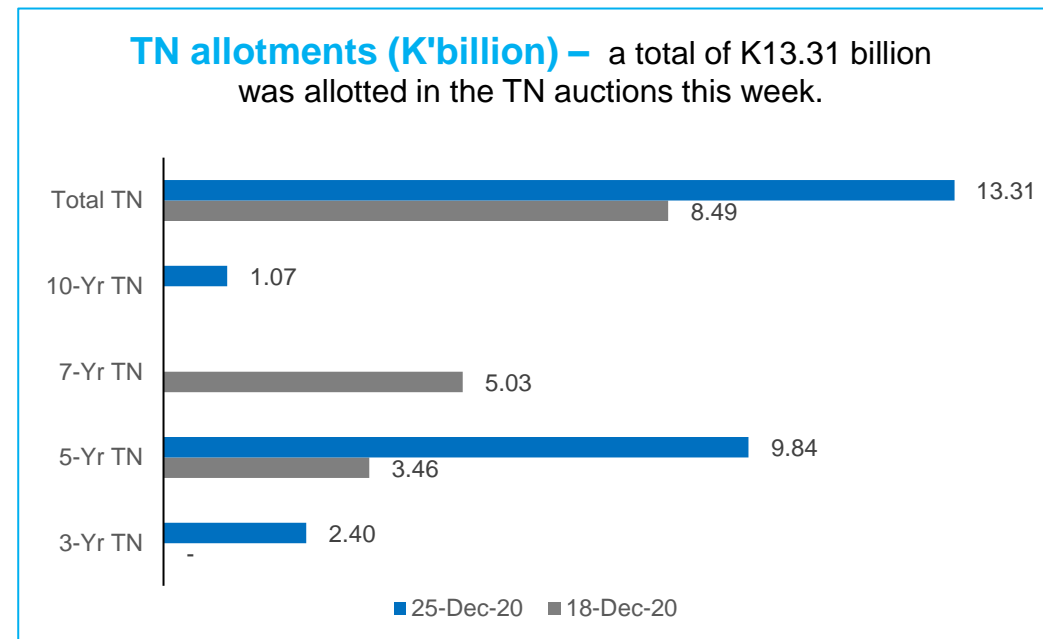
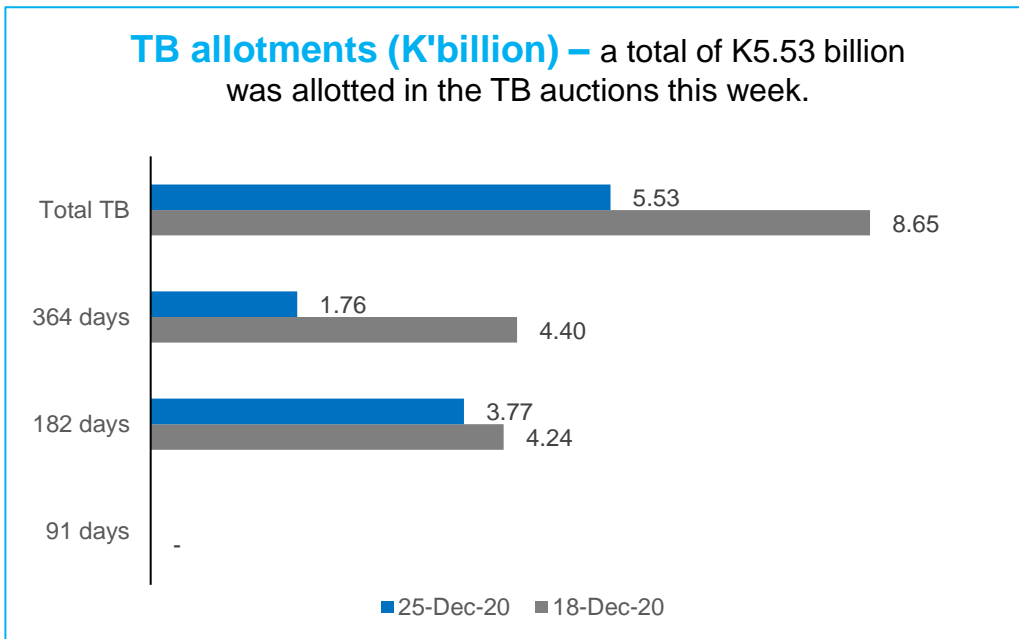
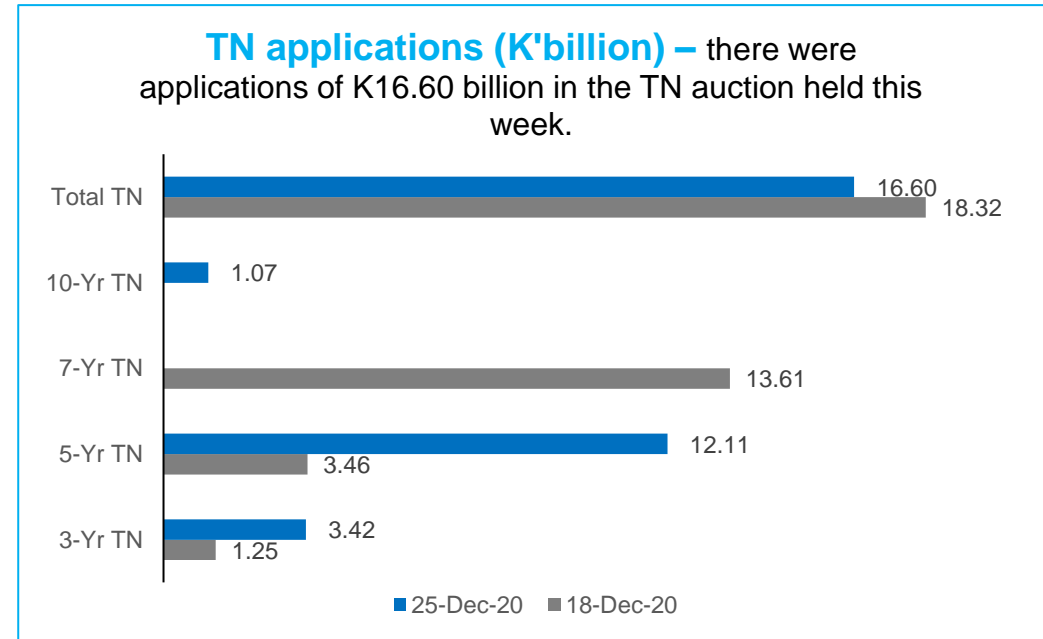
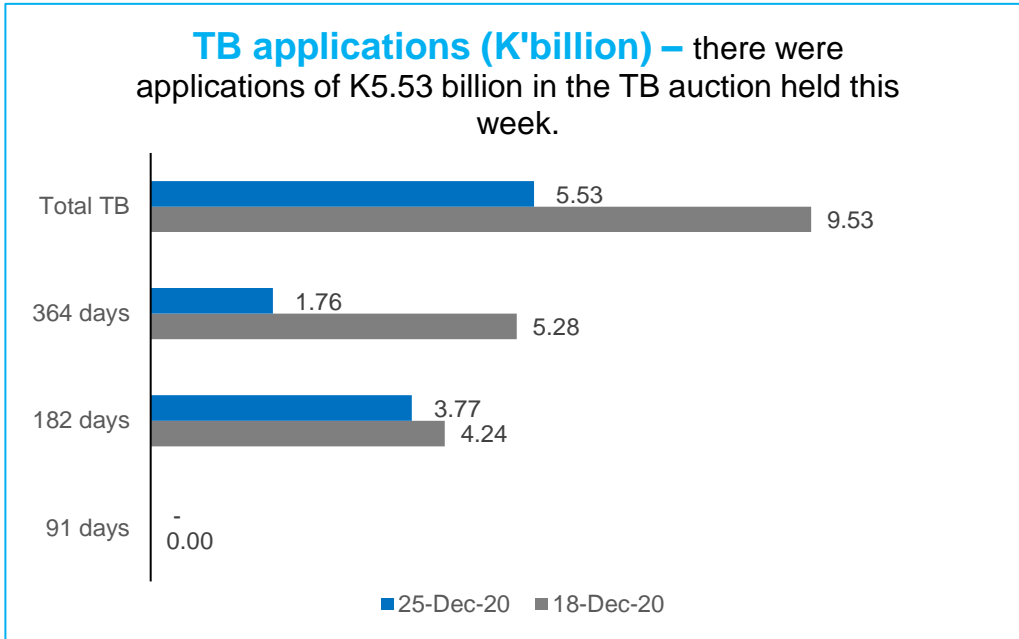


TB and TN allotments (K'billion) – a total of K18.84 billion was allotted in the TB and TN auctions this week.



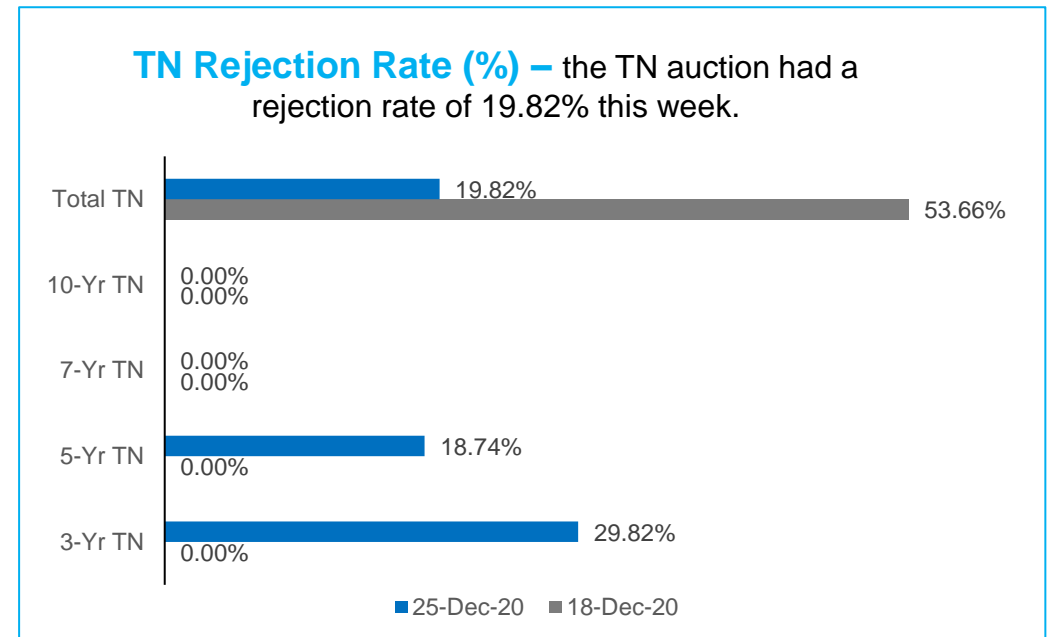
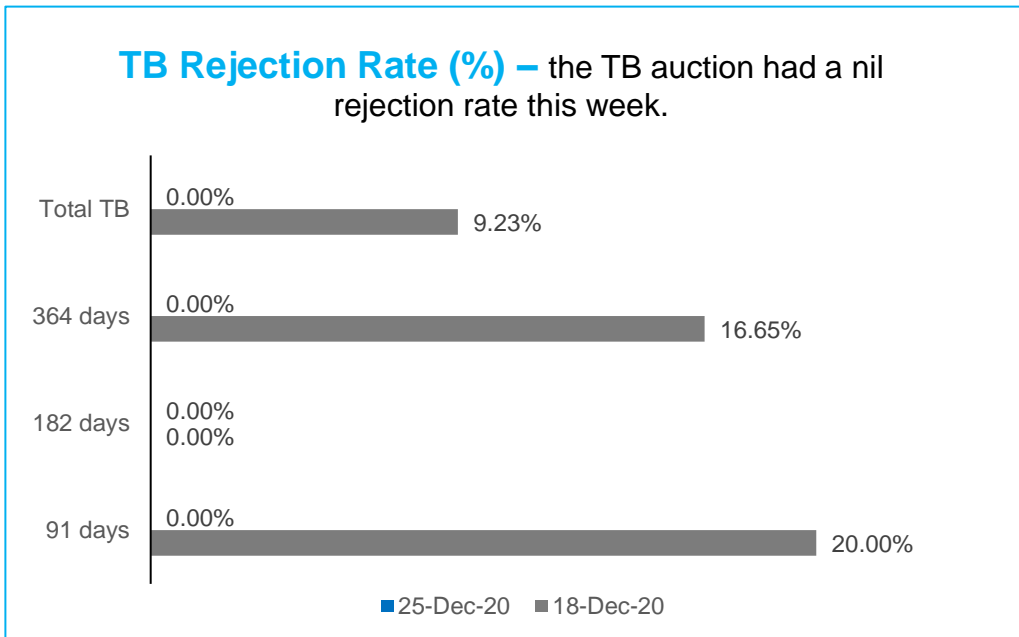
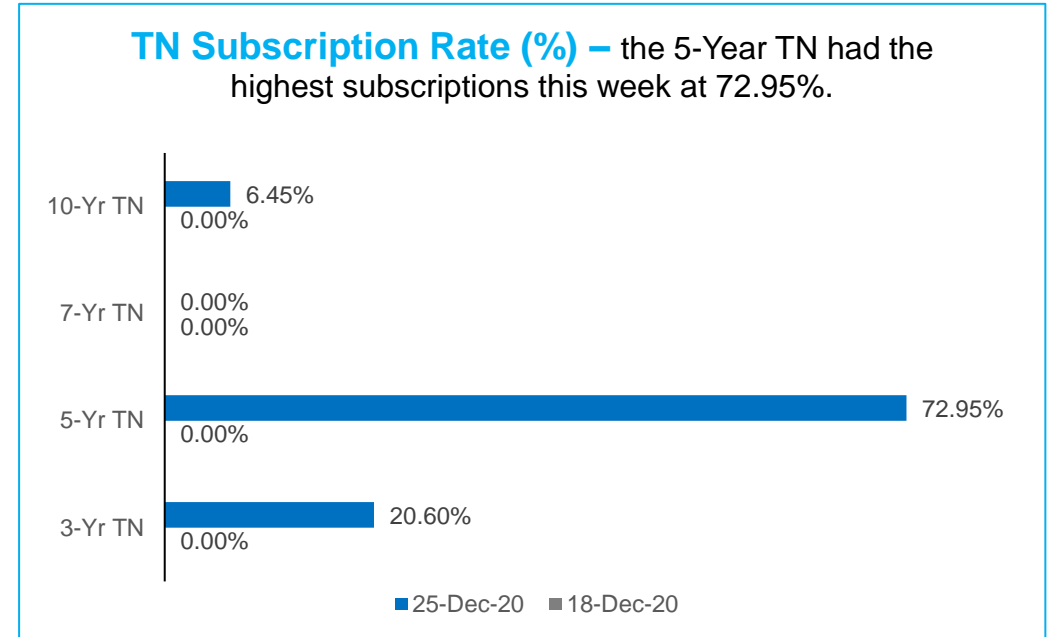
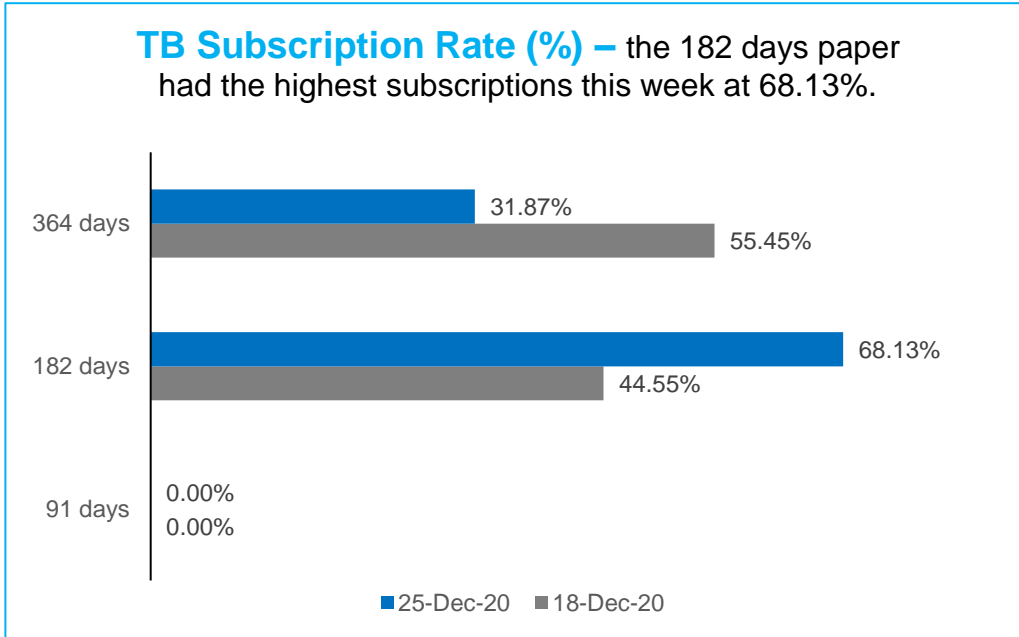
Government Securities' Yield Curve







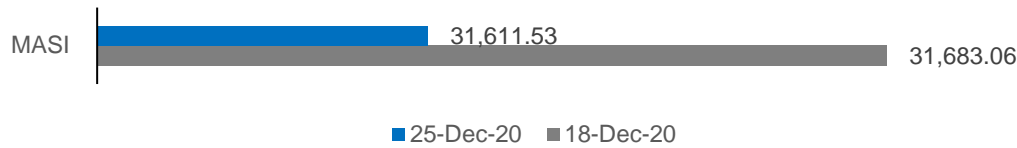
GOVERNMENT SECURITIES (Source: RBM)



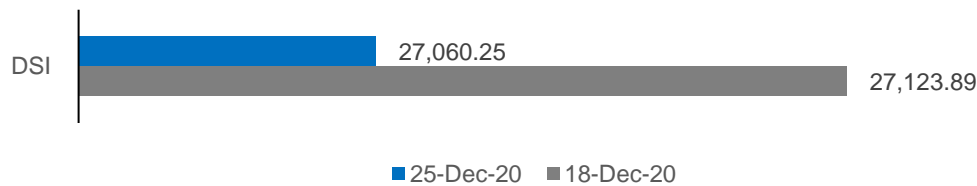


EQUITY MARKET (Source: MSE)

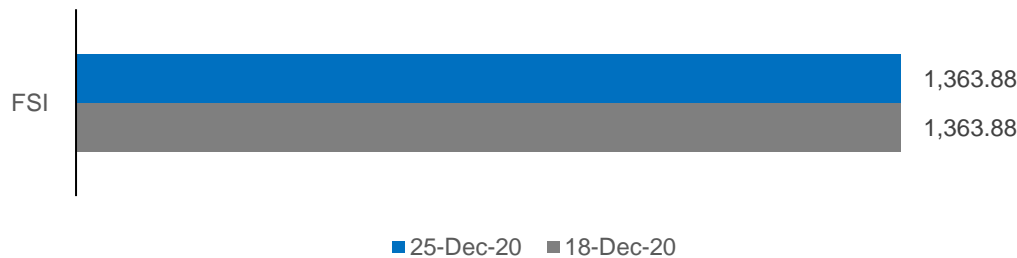
MASI – the stock market was bearish this week as the MASI decreased to 31,611.53 points from 31,683.06 points. This was due to share price decreases which are listed in the figure below.



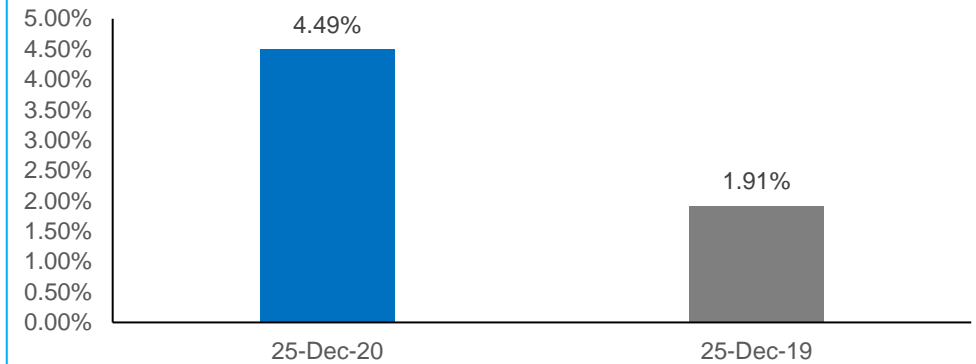
DSI – the DSI decreased to 27,060.25 points from 27,123.89 points due to share price decreases in ICON Properties and PCL.



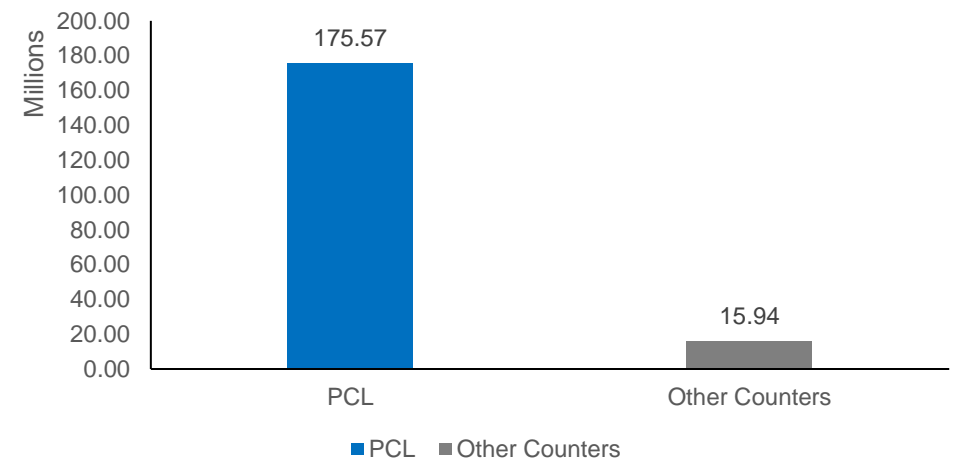
FSI – the FSI was stable at 1,363.88 points this week.



MASI YTD Return (%) – the MASI registered a year-to-date return of 4.49% this year (it was 1.91% last year).



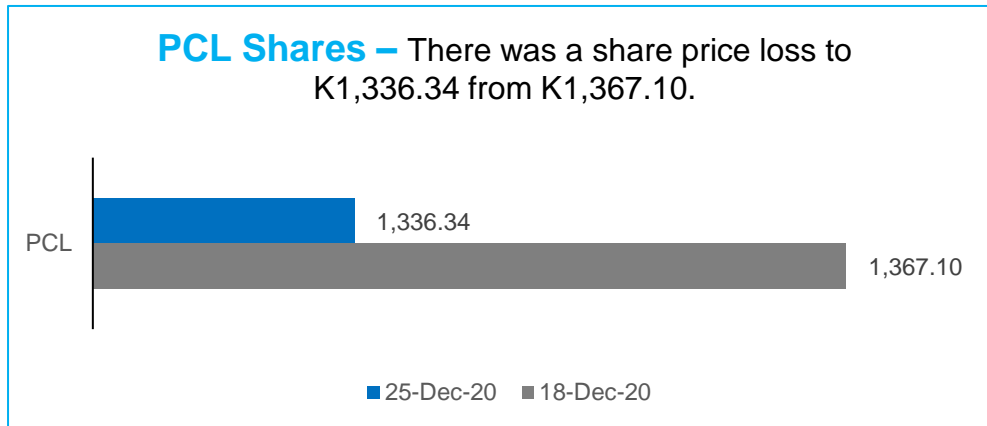
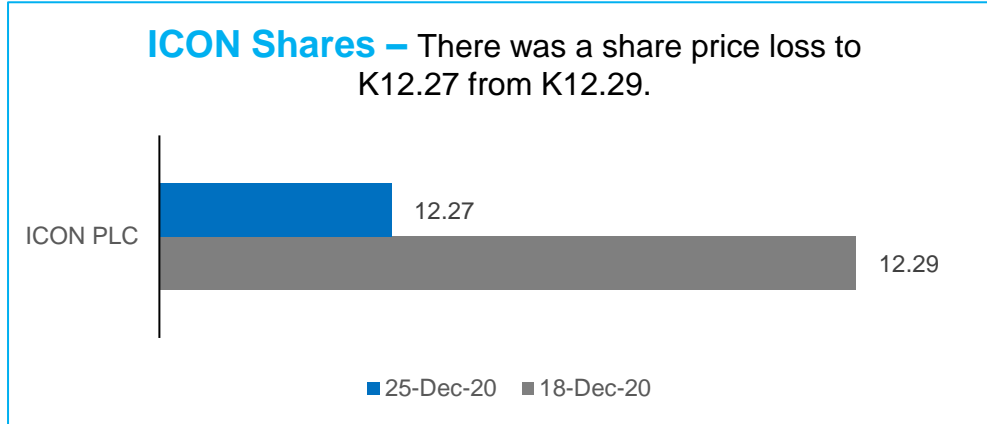
Value of Shares Traded – PCL had the highest value of shares traded at K175.57 million. The total value of shares traded this week was K191.51 million.



MASI: Malawi All Share Index
DSI: Domestic share Index
FSI: Foreign share Index
OMU: Old Mutual Limited



EQUITY MARKET (Continued)



The other counters closed at the same prices as the previous week. Their closing prices are shown in the table below:

MSE Code	Share Price (K)
	25-Dec-20
Airtel	27.98
BHL	12.94
FDHB	14.45
FMBCH	22.04
ILLOVO	80.48
MPICO	21.00
NBM	650.00
NBS	20.00
NICO	52.00
NITL	94.95
OMU	2,199.98
STANDARD	910.00
SUNBIRD	105.00
TNM	19.23

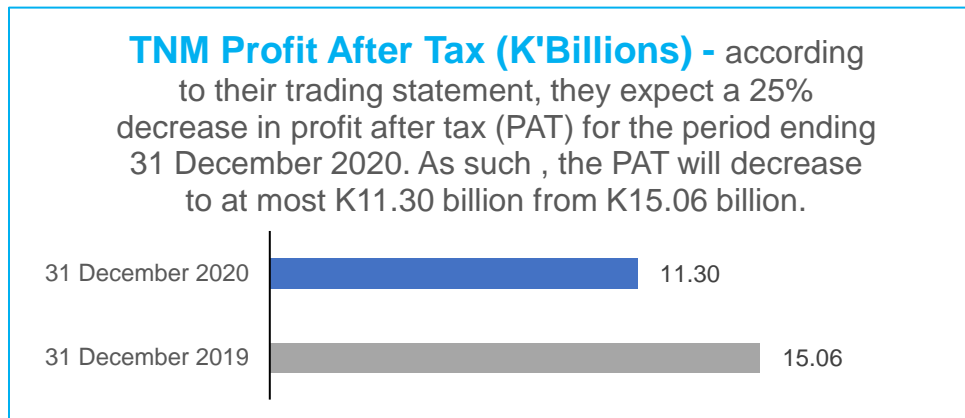


Corporate Announcements (Source: MSE)

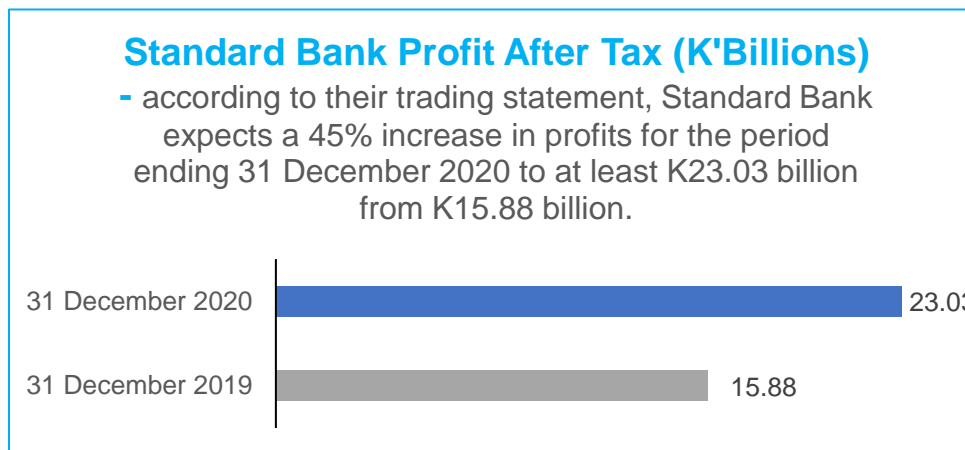
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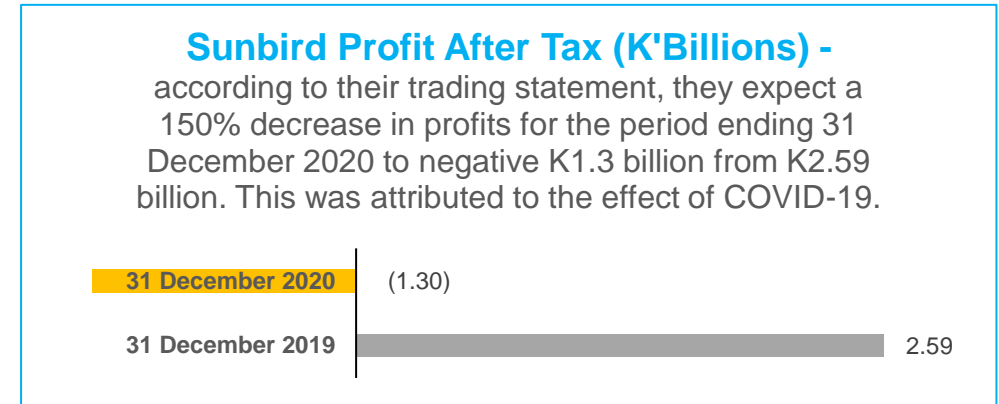
2.



3.



4.



5.

TNM has declared a second interim dividend for 2020 of MK1.20 billion representing MK0.12 per share in respect of the year ending 31 December 2020. The dividend will be paid on 22 January 2021 to shareholders registered in the books of the company as at the close of business on 8 January 2021.

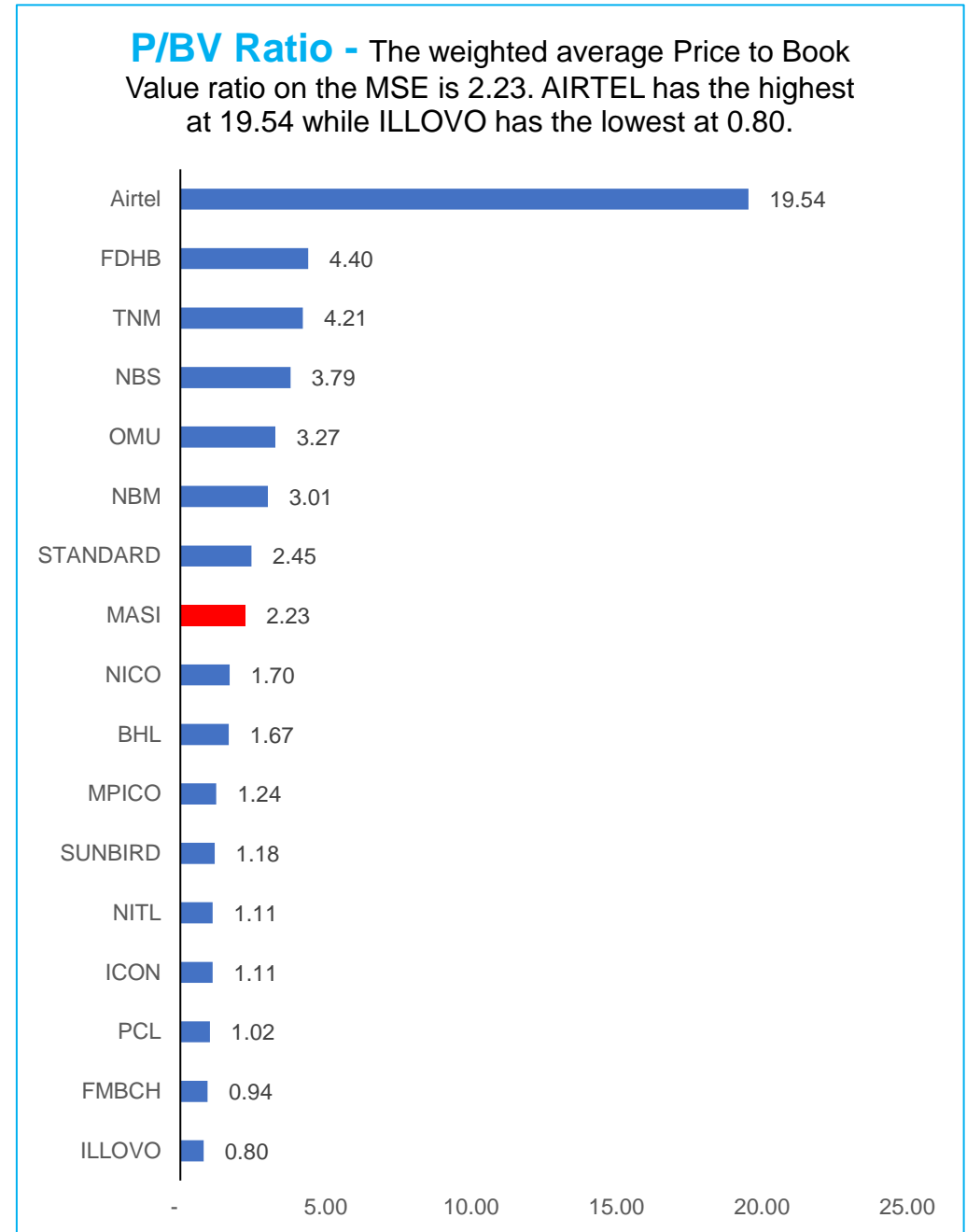
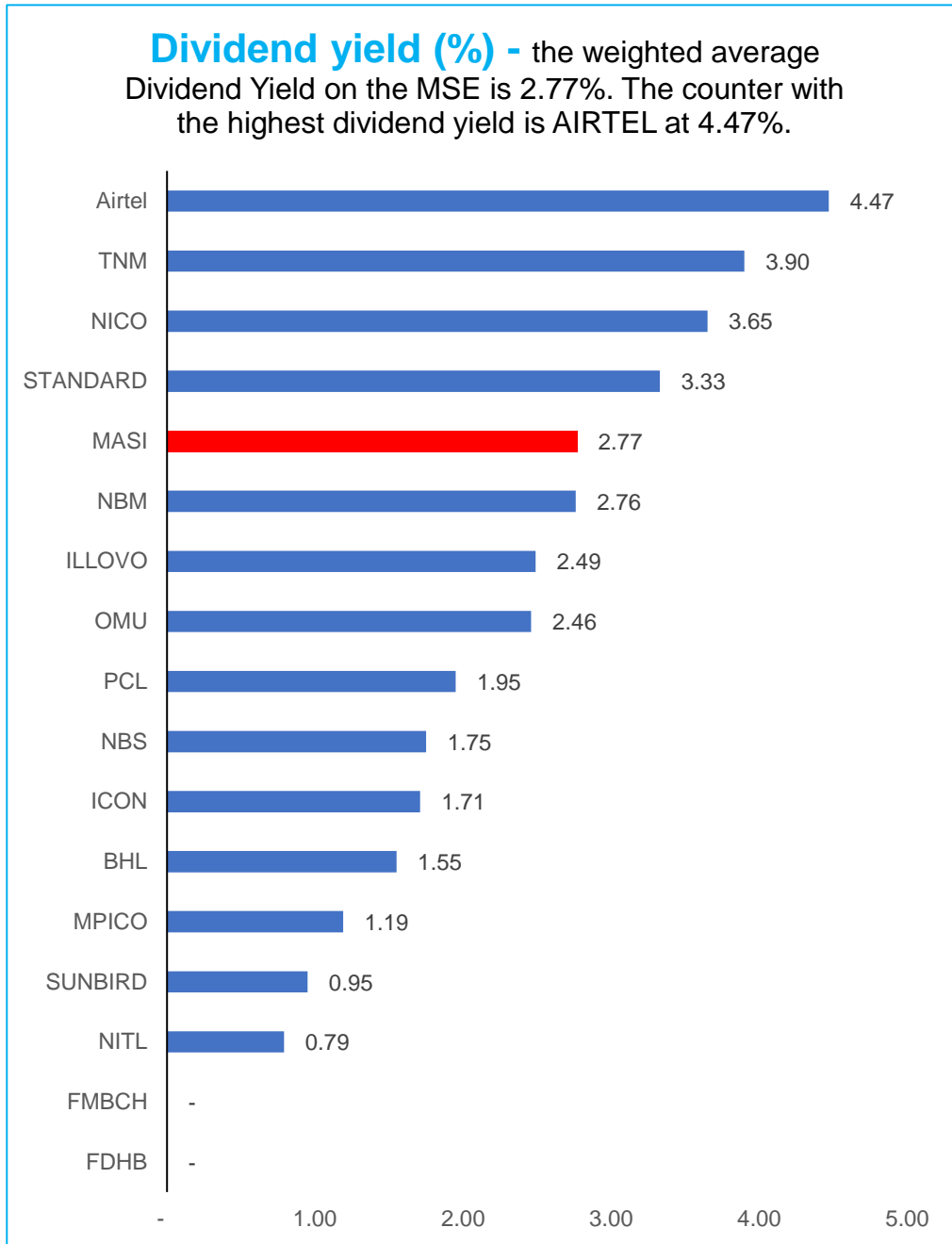
6.

Standard Bank Plc announced the appointment of Mr. Phillip Madinga as its new Chief Executive Officer with effect from 1st January 2021.

7.

The Government of Malawi has decided to change its Fiscal year to start on 1 April and end on 31 March. Currently, it starts on 1 July and ends on 30 June. This was done to better align the funding of public institutions involved in the agriculture production such as ADMARC and the National Food Reserve Agency (NFRA).

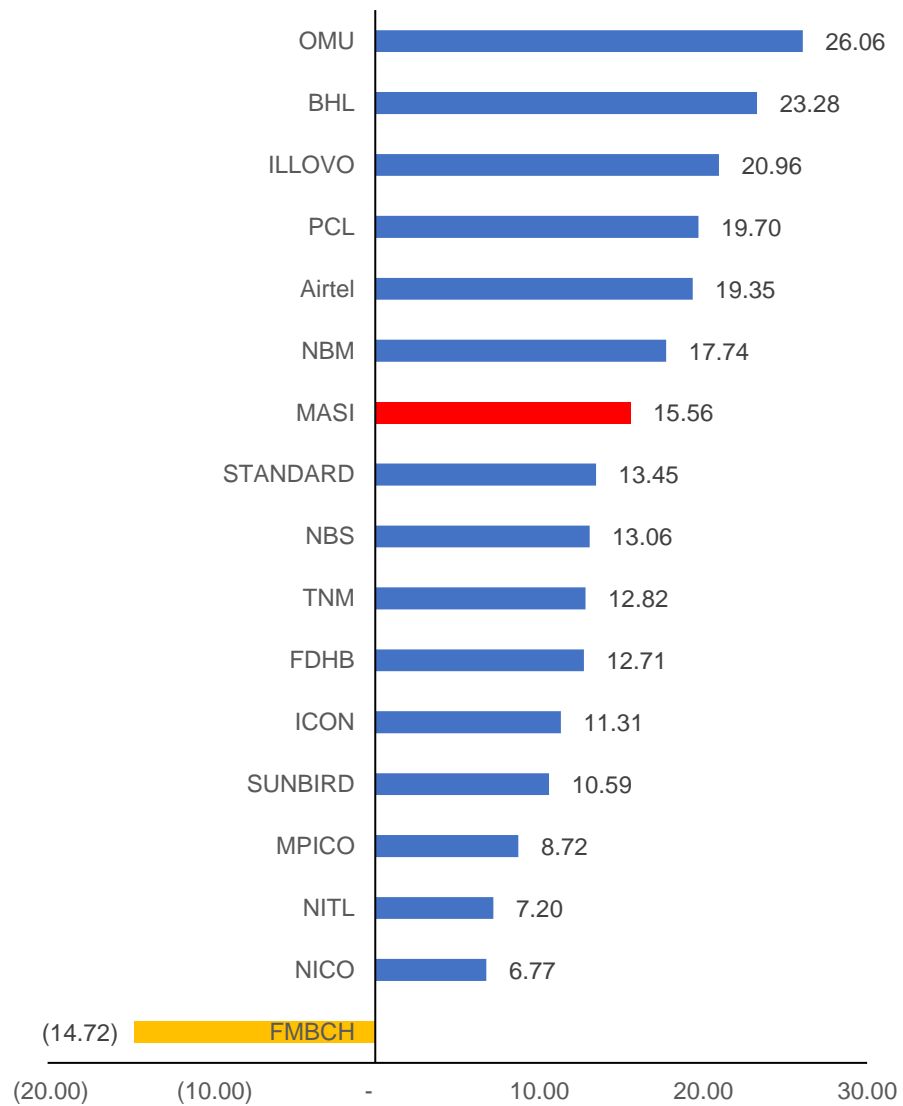
The 2020/21 Fiscal Year will be maintained on the current July – June calendar while the next fiscal year will be shortened to 9 months and will end on 31 March 2022. Afterwards, the fiscal years will commence on 1 April of one year and end on 31 March of the following year.



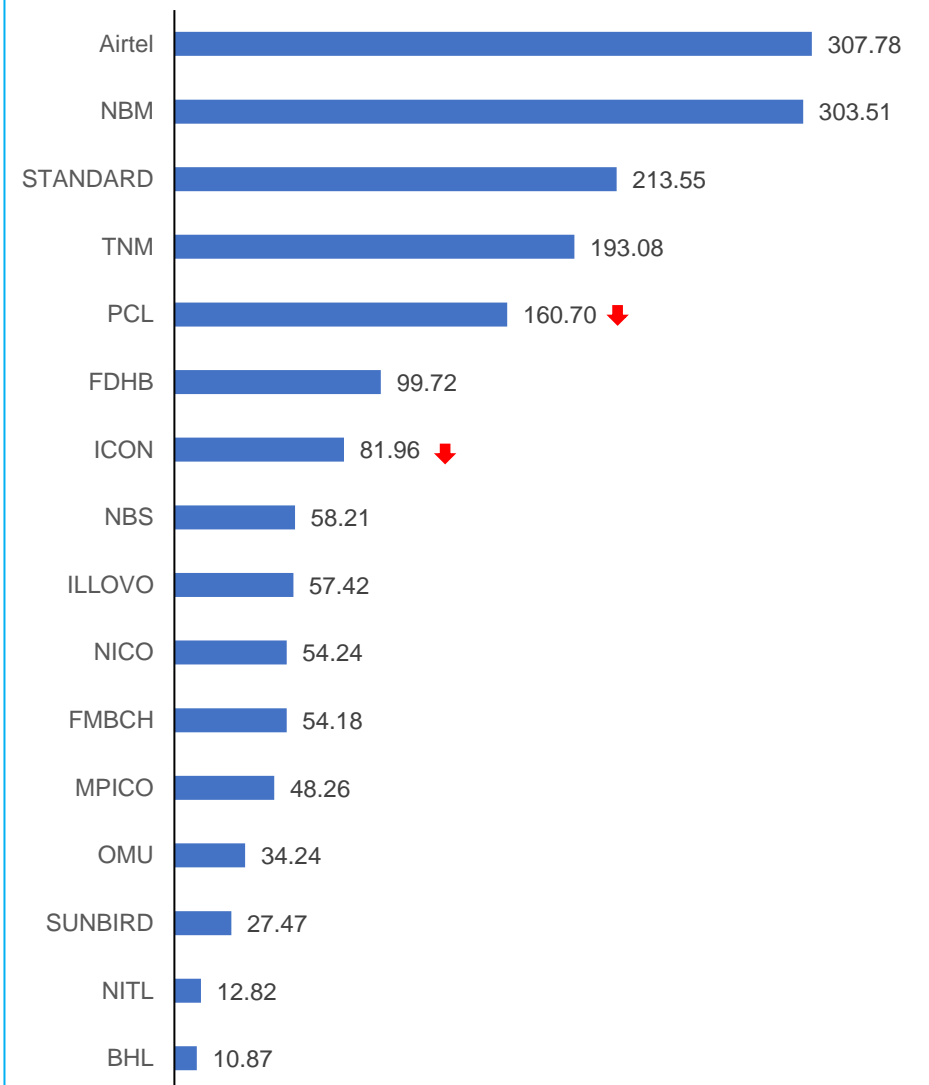


EQUITY MARKET (Continued)

P/E Ratio - the MSE has a weighted average Price to Earnings ratio of 15.56. FMBCH has the lowest at negative 14.72 while OMU has the highest at 26.06.

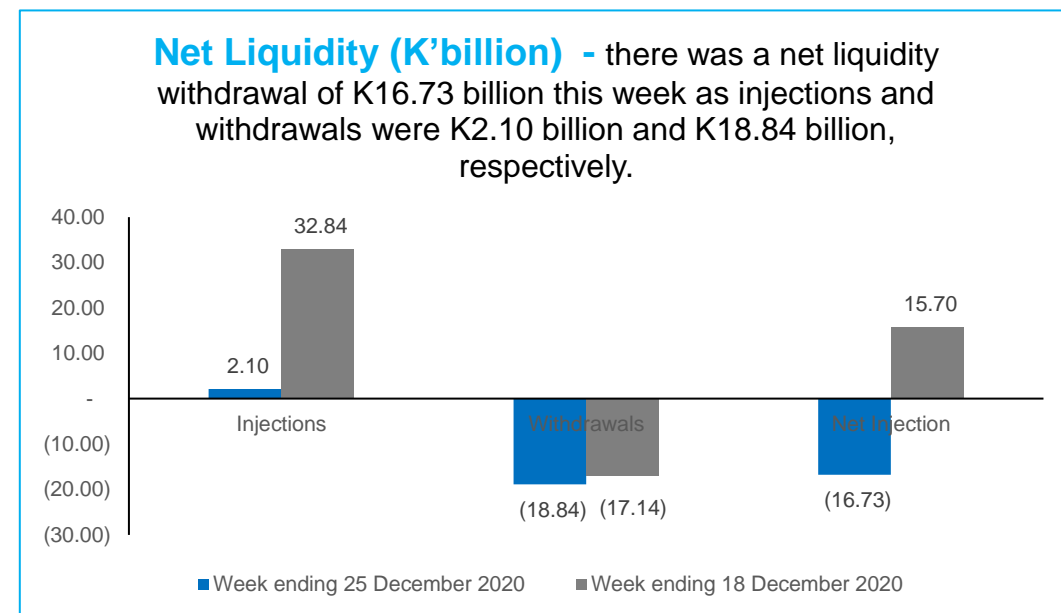
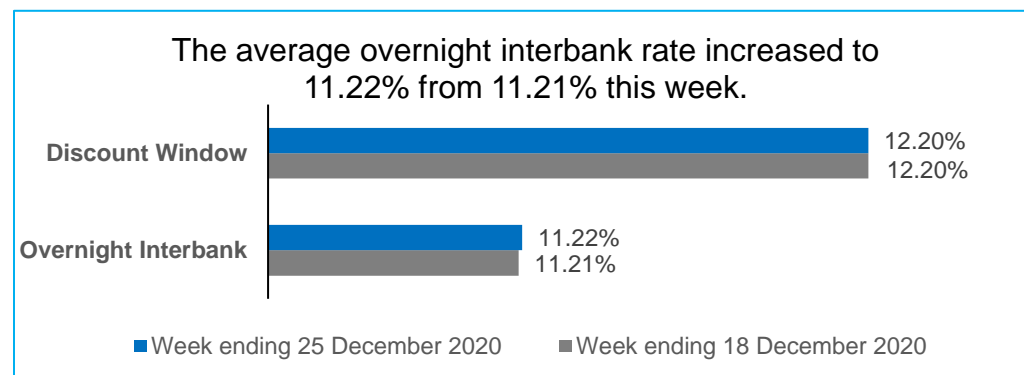
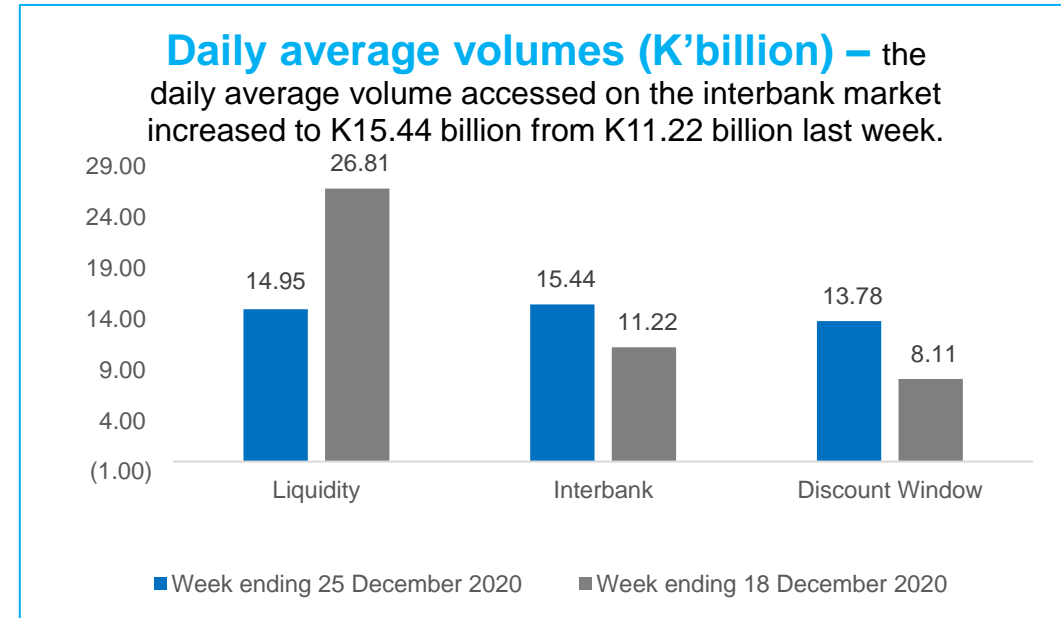
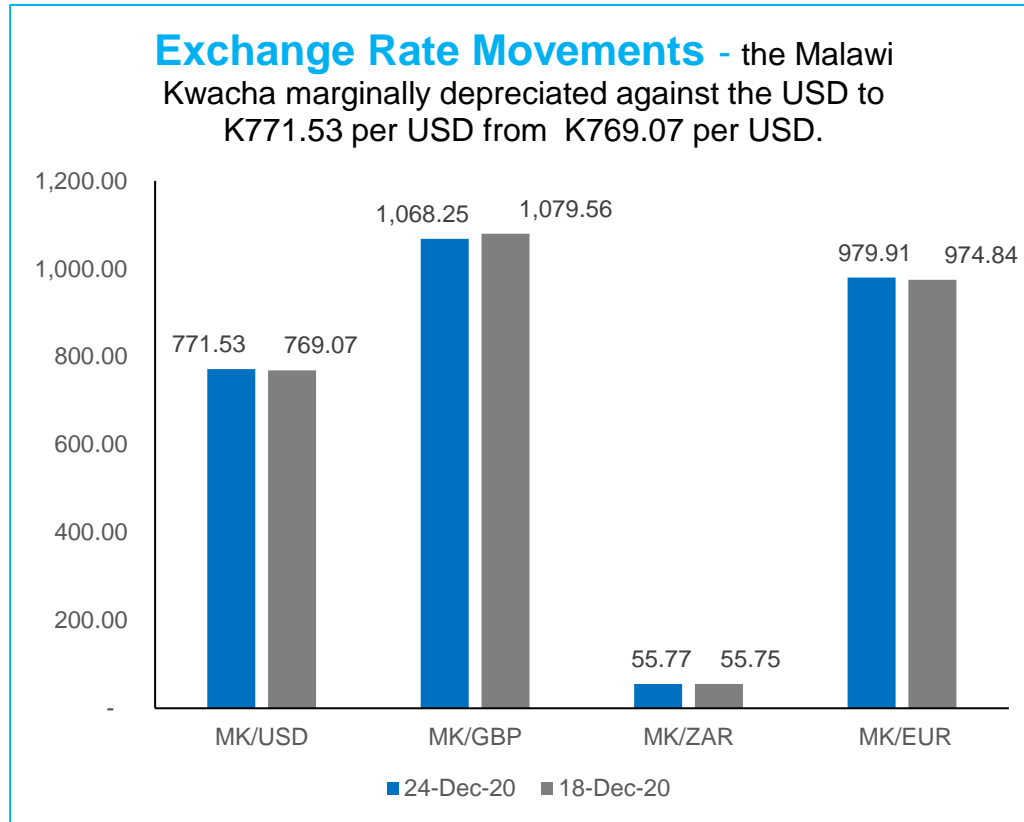


Market Capitalization (K'billion) - Airtel leads the MSE counters with a market capitalization of K307.78 billion. The total market capitalization is K1.72 trillion.





OTHER FINANCIAL MARKET DEVELOPMENTS (Source: RBM)



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