

Financial Market Update

| Week ending 31 December 2020



The following highlights compare the week ending 31 December 2020 to the week ending 24 December 2020:



GOVERNMENT SECURITIES (Source: RBM)

- A total of K13.91 billion was raised this week in the Treasury Bill (TB) and Treasury Note (TN) auctions.
- The TB and TN auctions raised K9.97 billion and K3.94 billion, respectively.
- The average all type TB yield remained steady at 11.99% this week.
- The TB and TN auctions had nil rejections this week.



CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha marginally depreciated against the USD to K773.73 per USD from K771.02 per USD.
- The Kwacha also marginally depreciated against the EUR (to K988.13 per EUR from K977.28 per EUR) and the ZAR (to K56.40 per ZAR to K55.66 per ZAR). However, it appreciated against the GBP (to K1,077.94 from K1,078.12).



EQUITY MARKET (Source: MSE)

- The MASI increased to 32,392.84 points this week, from 31,611.53 points last week. This was due to share price gains in various counters. The return on MASI (year-to-date) was 7.08% compared to 4.38% during the same period last year.
- There were share price gains for NBS (from K20.00 to K21.60), Standard bank (from K910.00 to K1,046.39) and TNM (from K19.23 to K20.07).
- There was a share price loss for PCL (from K1,336.34 to K1,309.47).
- According to their trading statement, NITL expect a 40% decrease in profits for the period ending 31 December 2020 to at most K1.07 billion from K1.78 billion.
- According to their trading statement, FM BCH expect a 200% increase in profits for the period ending 31 December 2020 to at least USD12.00 million from a loss of USD4.97 million.

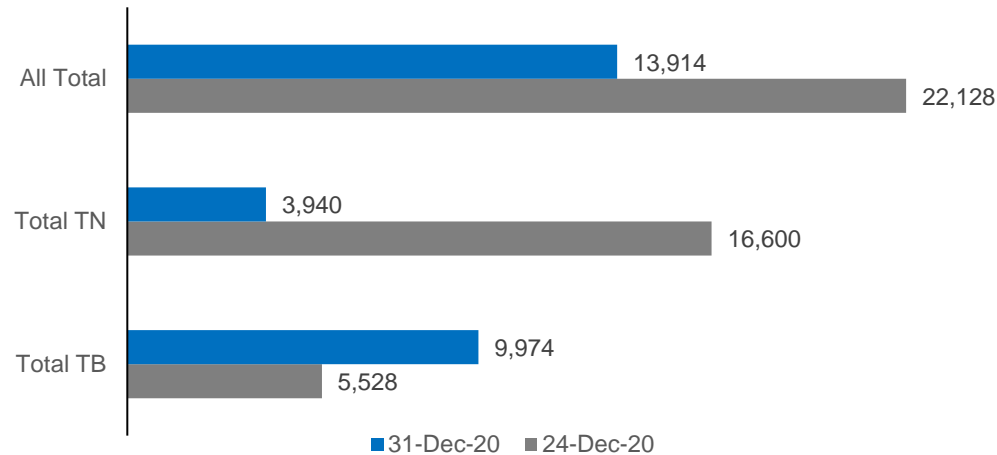


FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

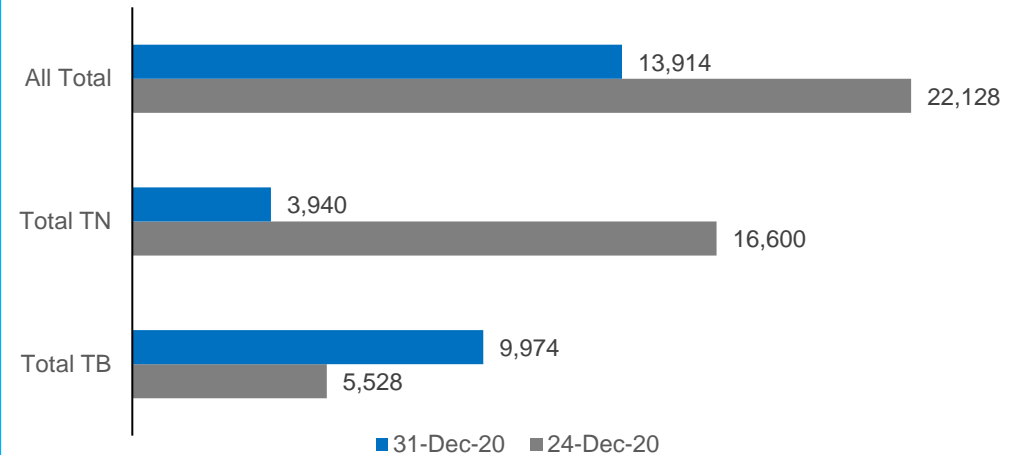
- The daily overnight interbank average rate increased to 11.64% this week from 11.22% last week.



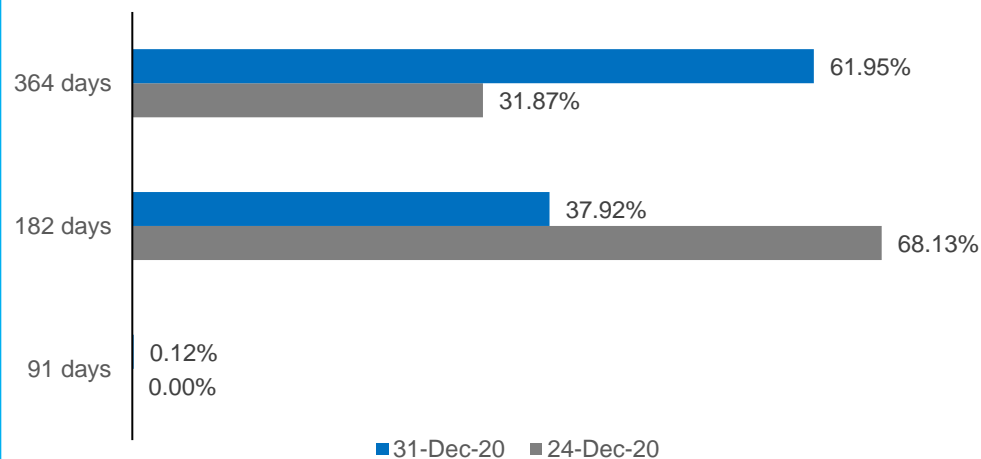
TB and TN applications (K'million) – there were applications of K13.91 billion in the TB and TN auctions held this week.



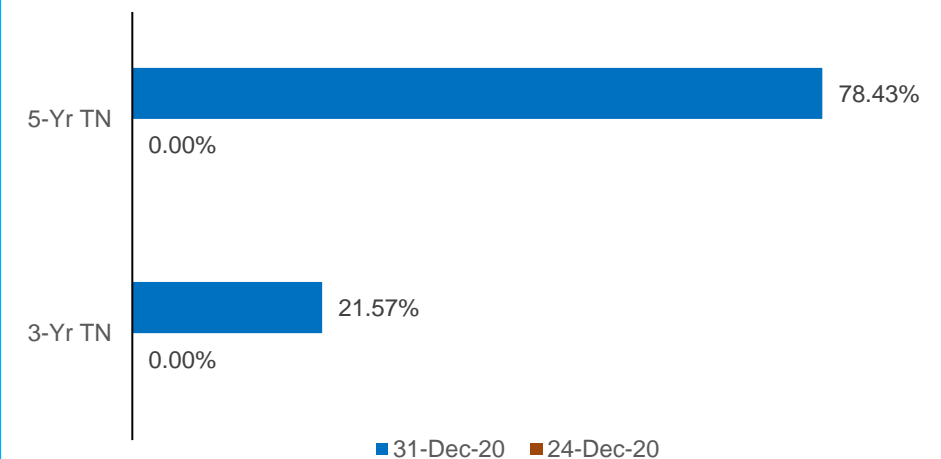
TB and TN allotments (K'million) – there were allotments of K13.91 billion in the TB and TN auctions held this week.



TB Subscription Rate (%) – the 364 days paper had the highest subscriptions this week at 61.95%.

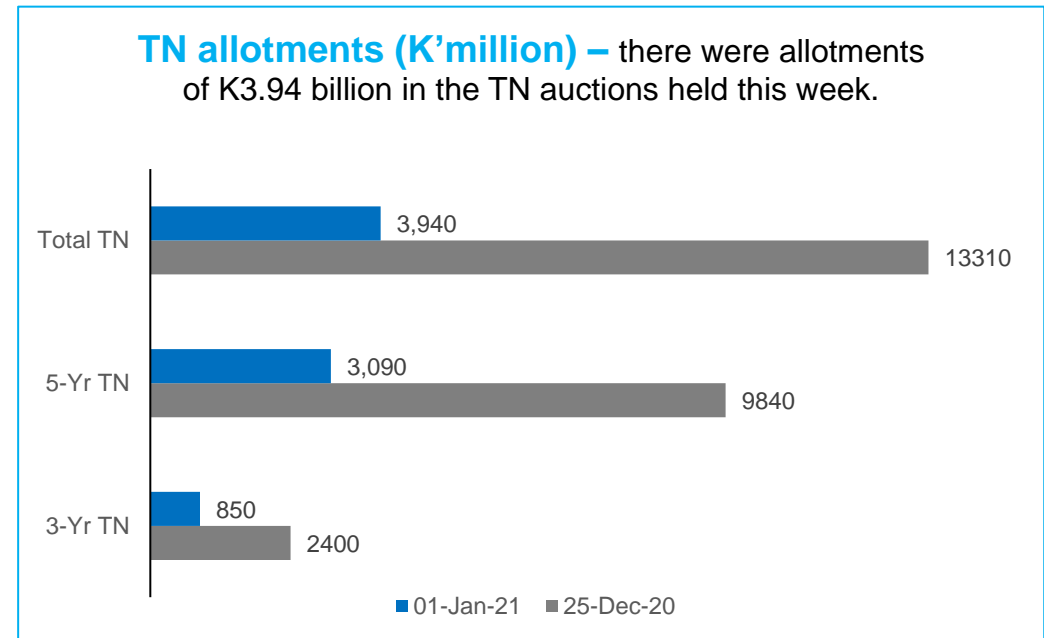
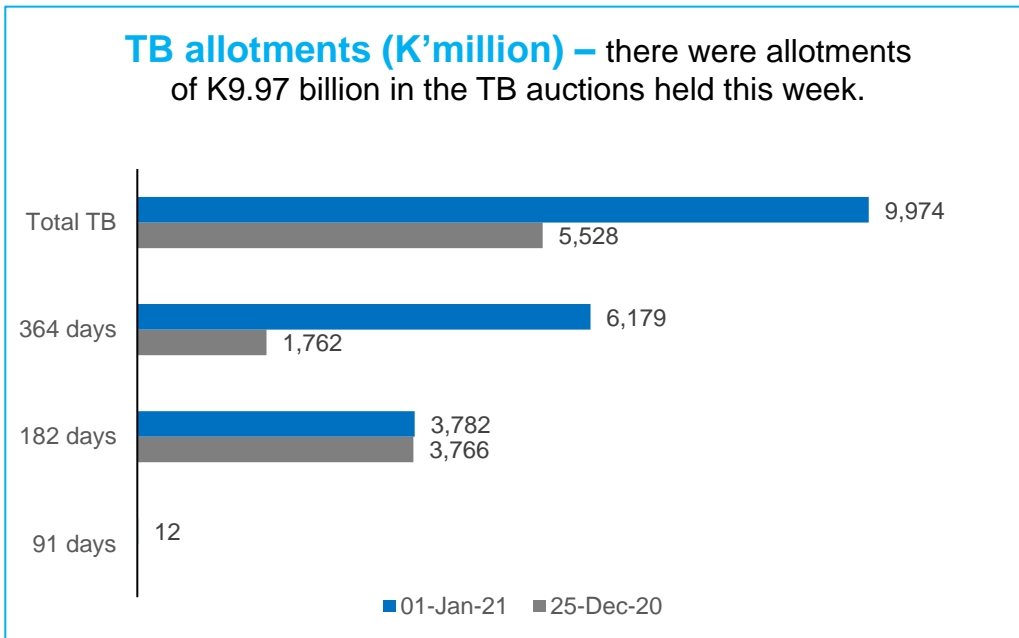
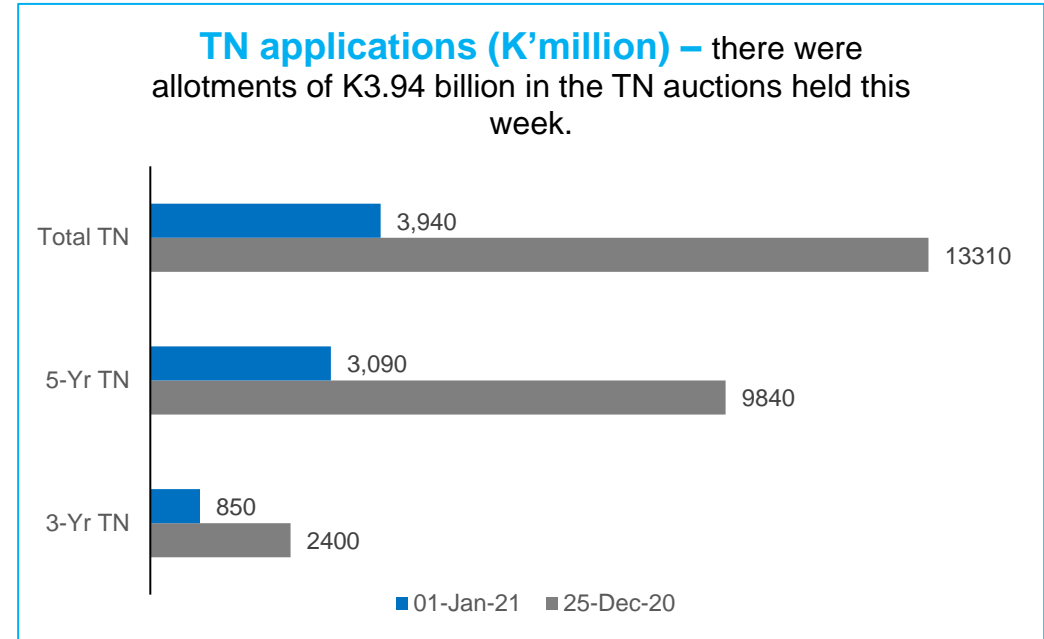
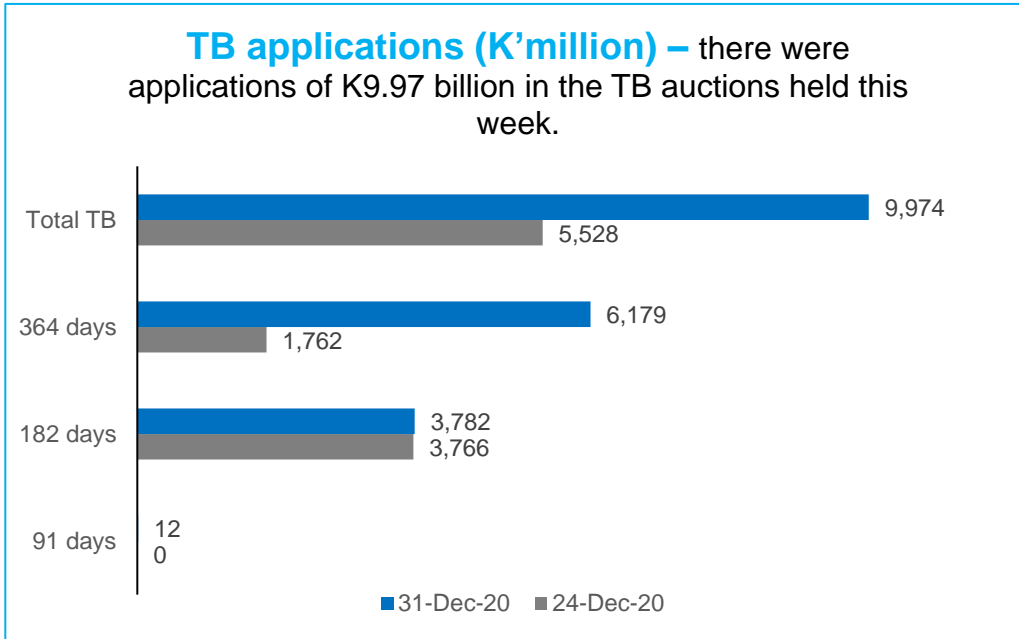


TN Subscription Rate (%) – the 5-year TN had the highest subscriptions this week at 78.43%.





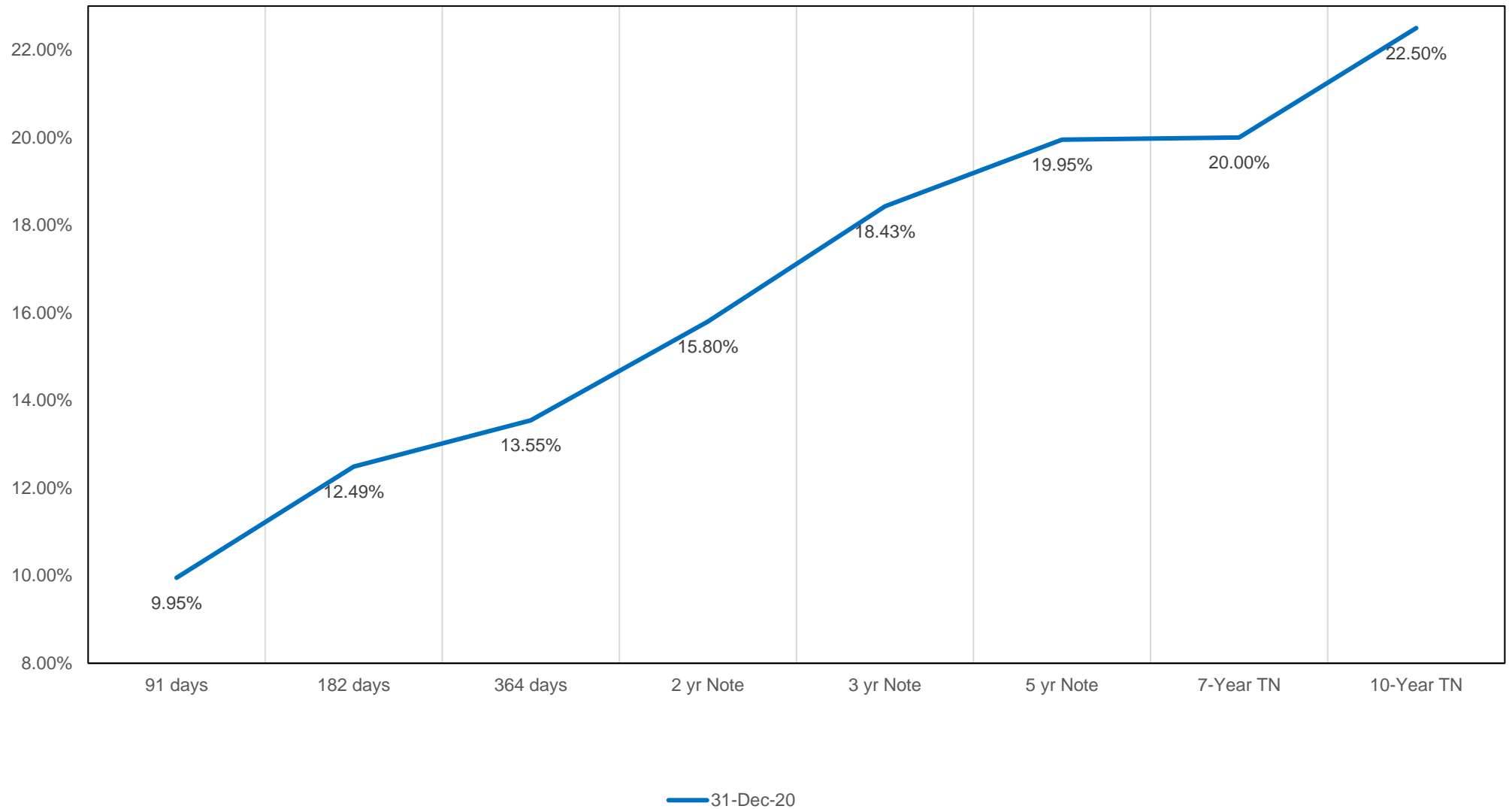
GOVERNMENT SECURITIES (Continued)



TB - Treasury Bill
TN - Treasury Note



Government Securities' Yield Curve

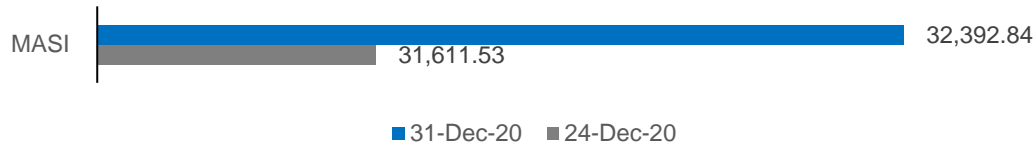


TB - Treasury Bill
TN - Treasury Note

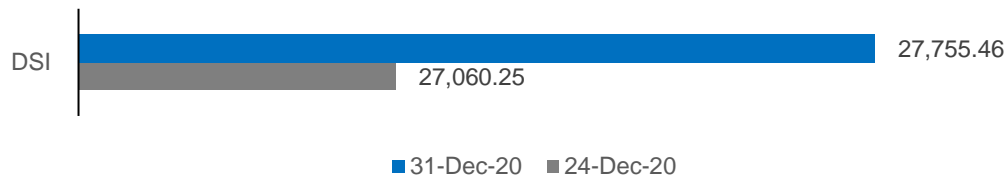


EQUITY MARKET (Source: MSE)

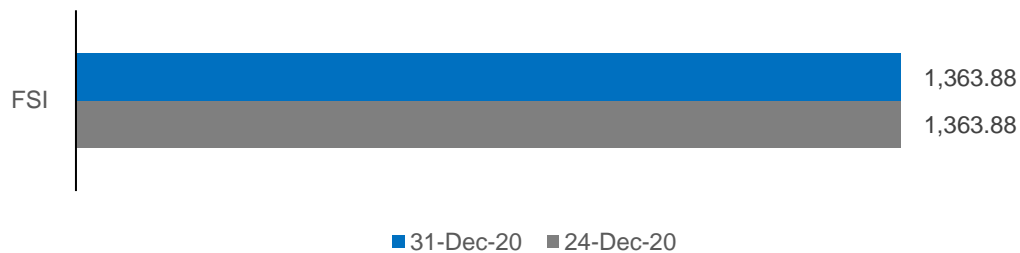
MASI – the stock market was bullish this week as the MASI increased to 32,392.84 points from 31,611.53 points. This was due to share price increases which are listed in the figure below.



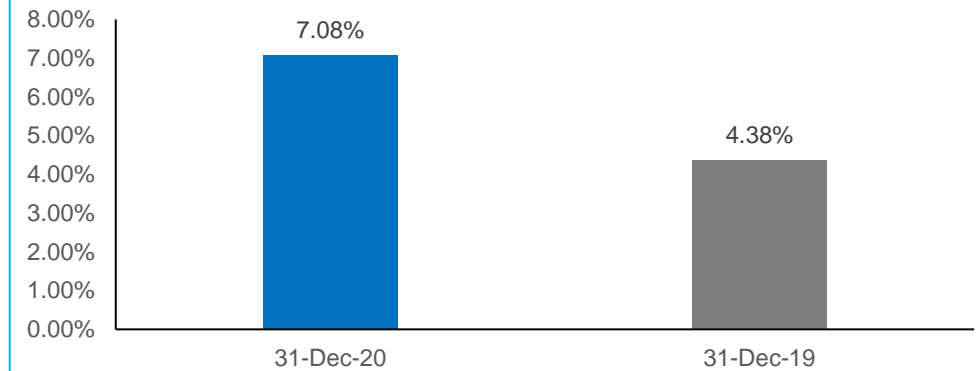
DSI – the DSI increased to 27,755.46 points from 27,060.25 points due to share price increases in NBS, Standard Bank and TNM which offset the loss in PCL.



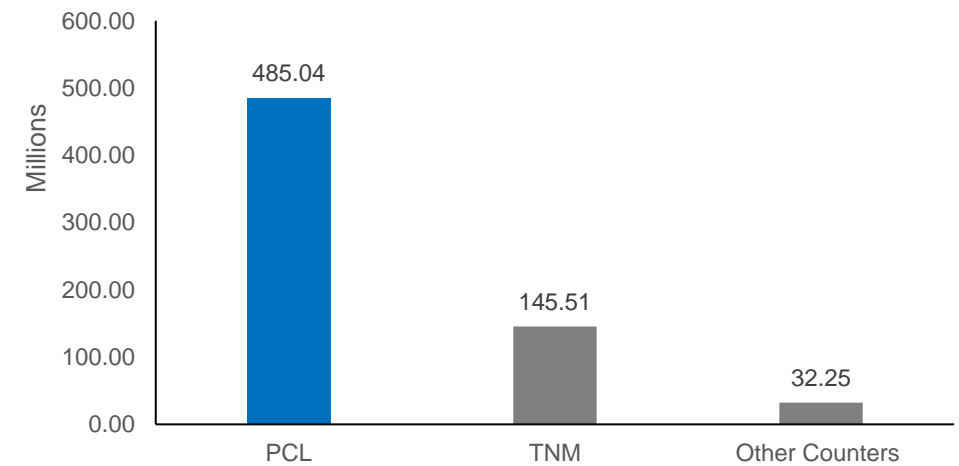
FSI – the FSI was stable at 1,363.88 points this week.



MASI YTD Return (%) – the MASI registered a year-to-date return of 7.08% this year (it was 4.38% last year).



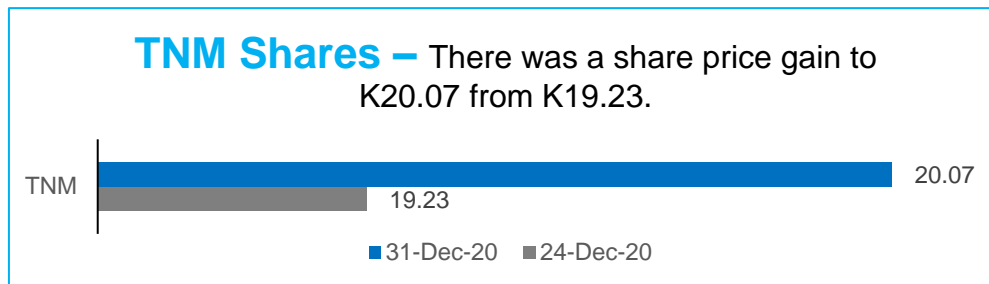
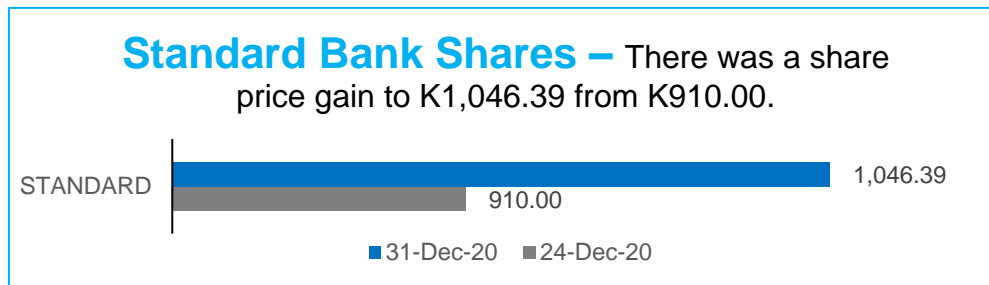
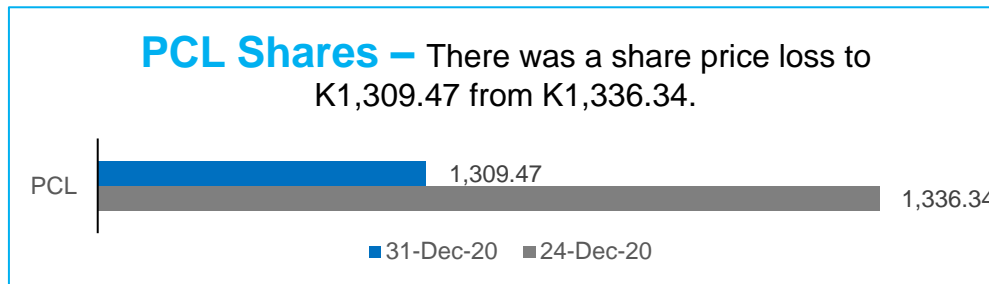
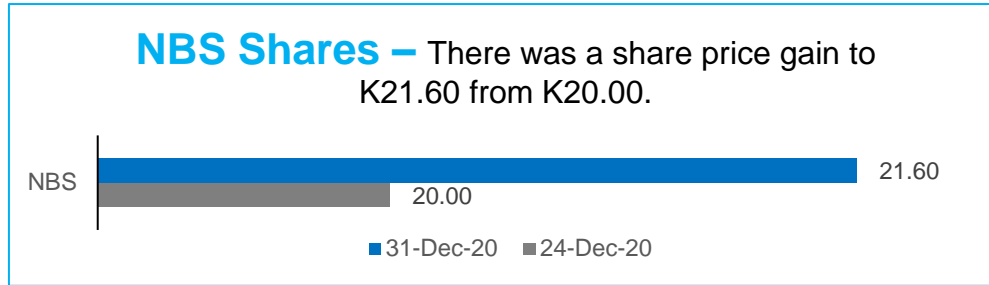
Value of Shares Traded – PCL had the highest value of shares traded at K485.04 million. The total value of shares traded this week was K662.81 million.



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
ICON	12.27
ILLOVO	80.48
MPICO	21.00
NBM	650.00
NICO	52.00
NITL	94.95
OMU	2,199.98
SUNBIRD	105.00

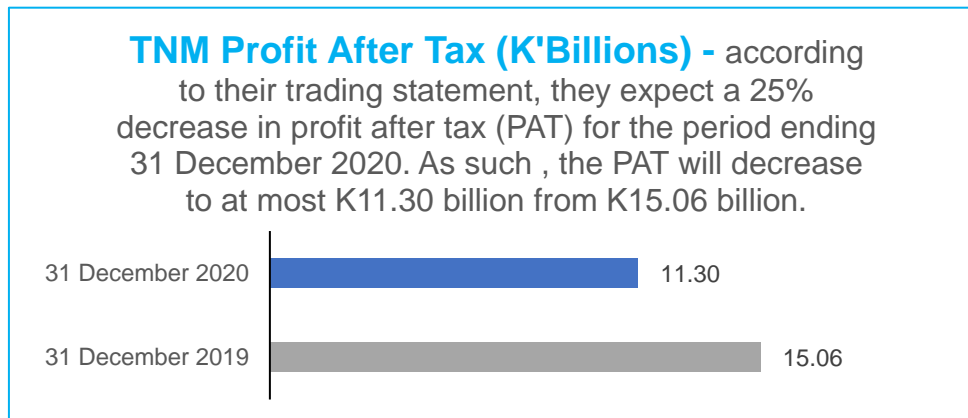


Trading Statements (Source: MSE)

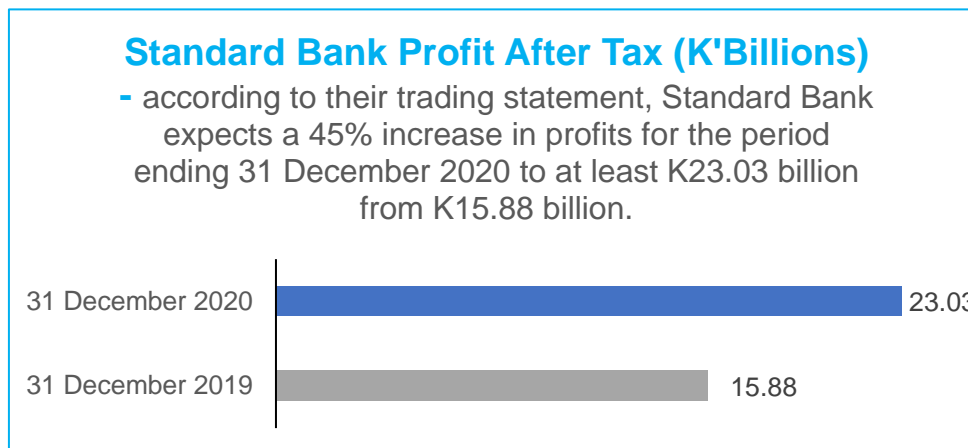
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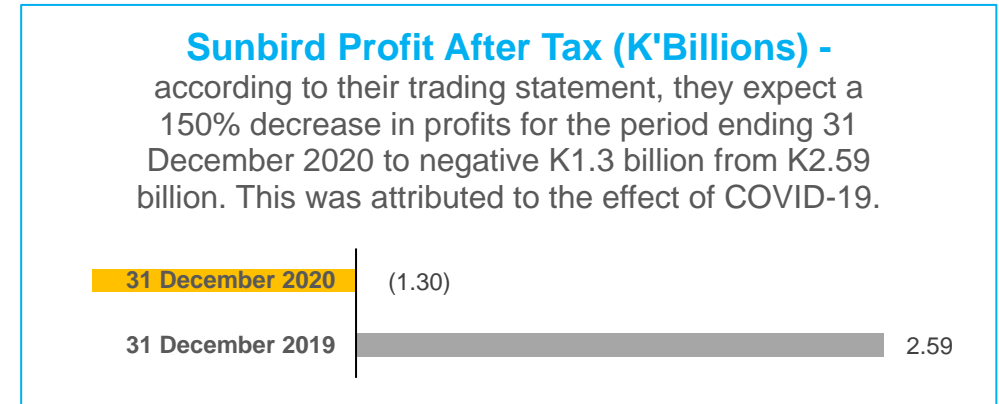
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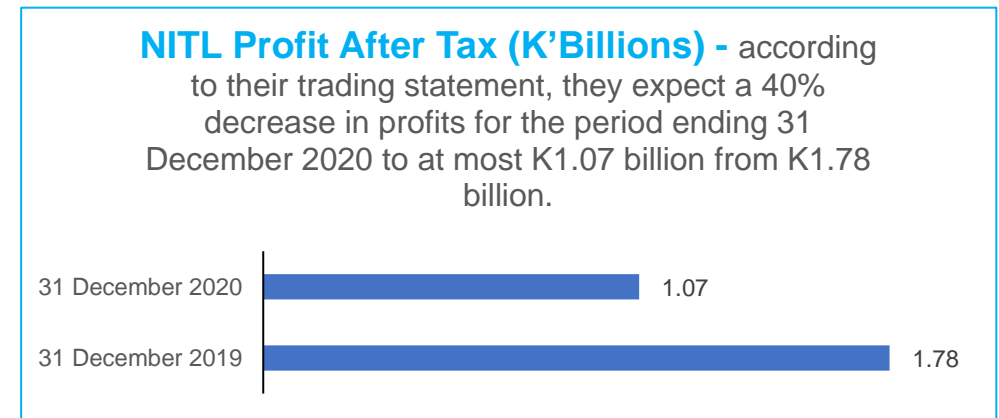
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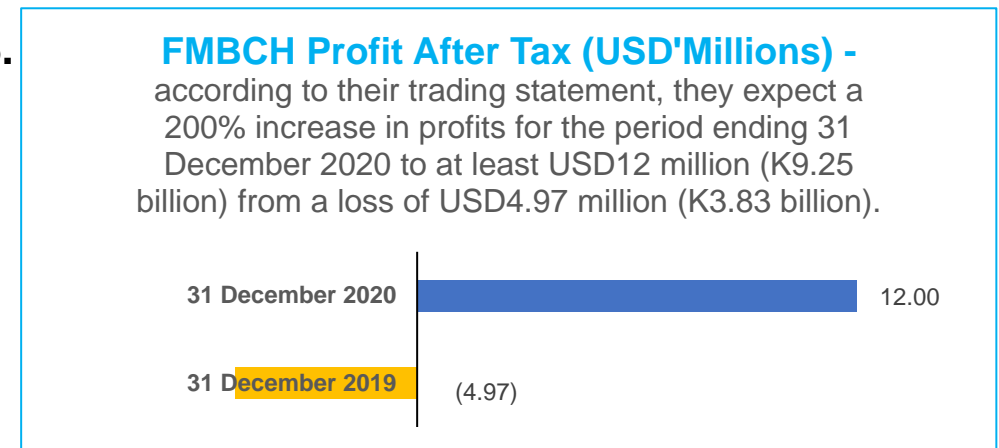
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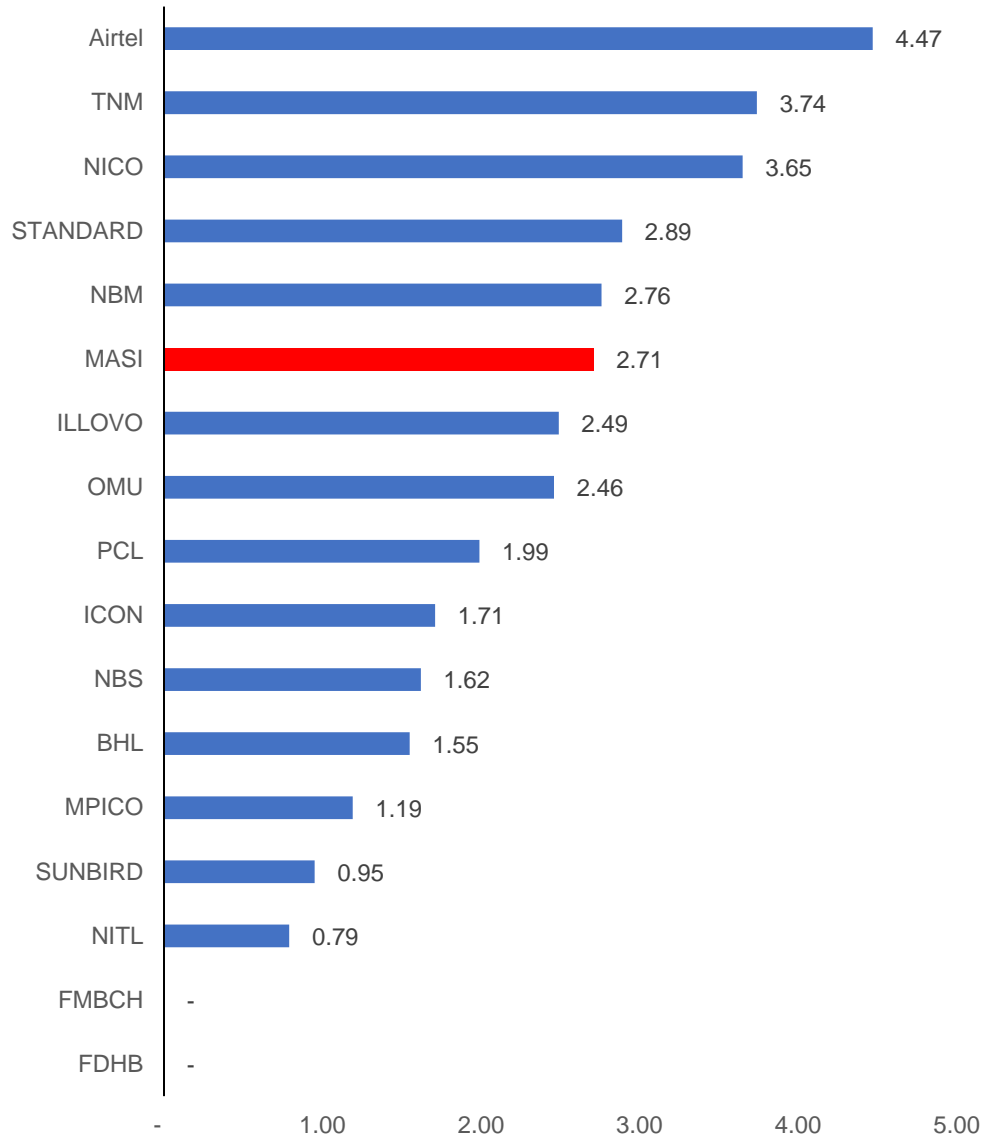
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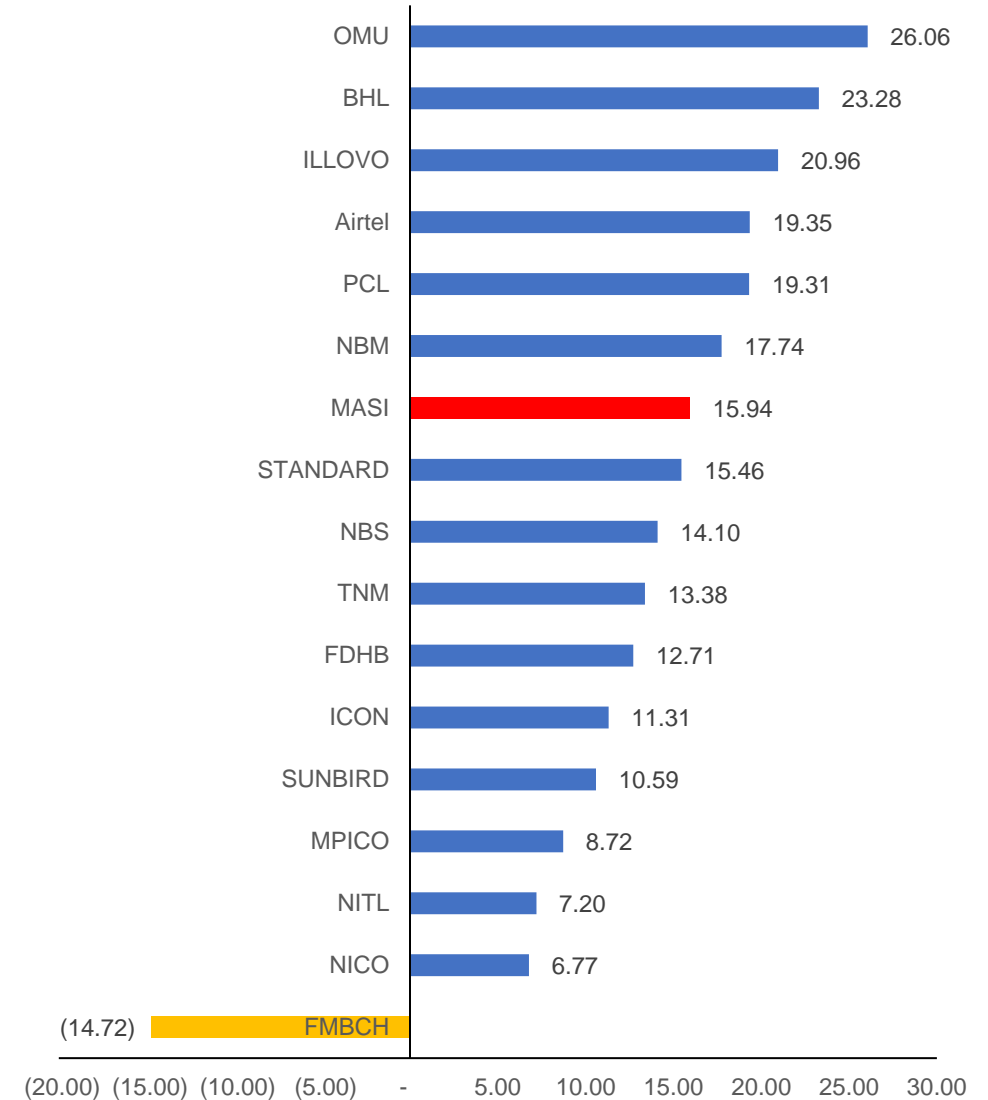


EQUITY MARKET (Continued)

Dividend yield (%) - the weighted average dividend yield on the MSE is 2.71%. The counter with the highest dividend yield is AIRTEL at 4.47%.

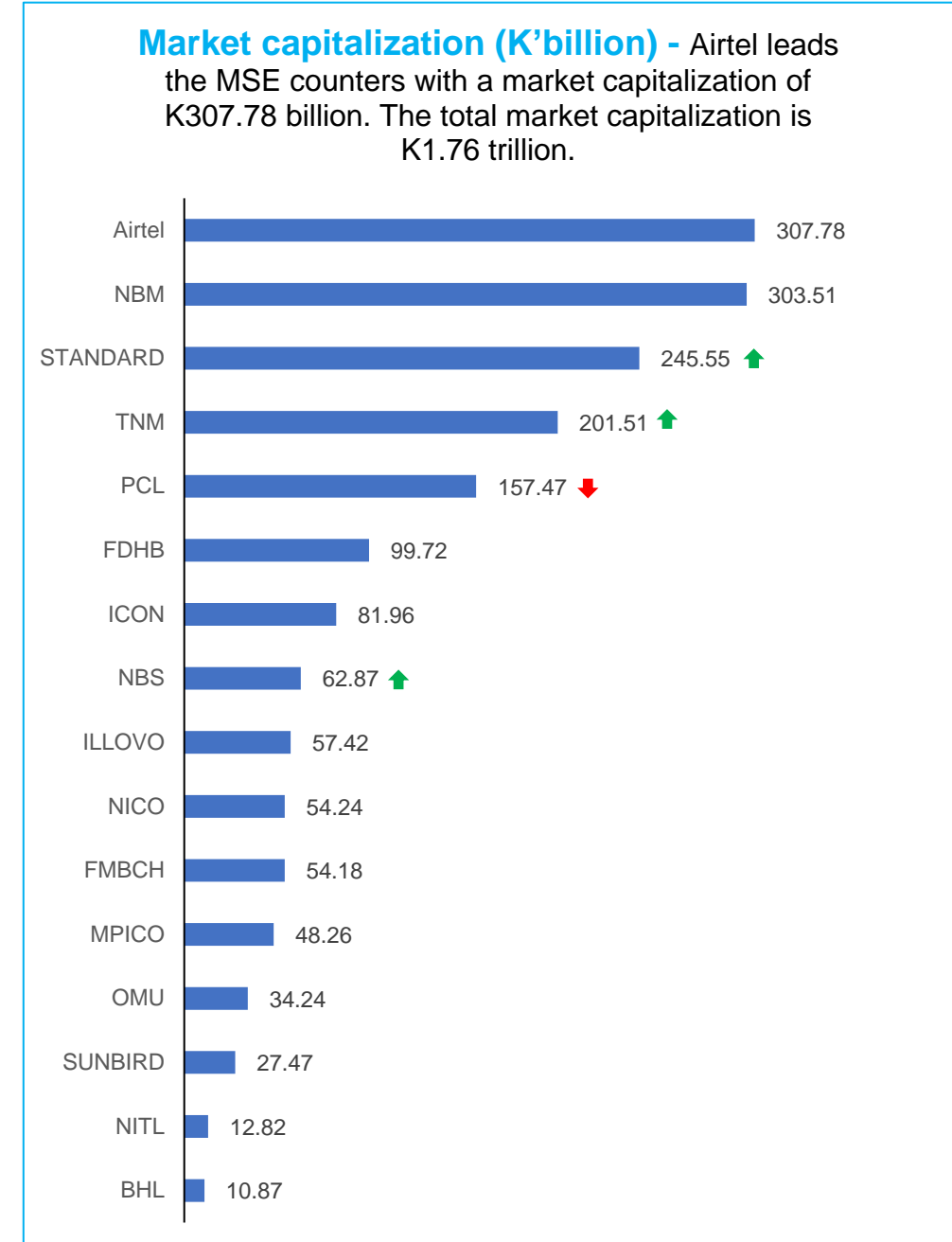
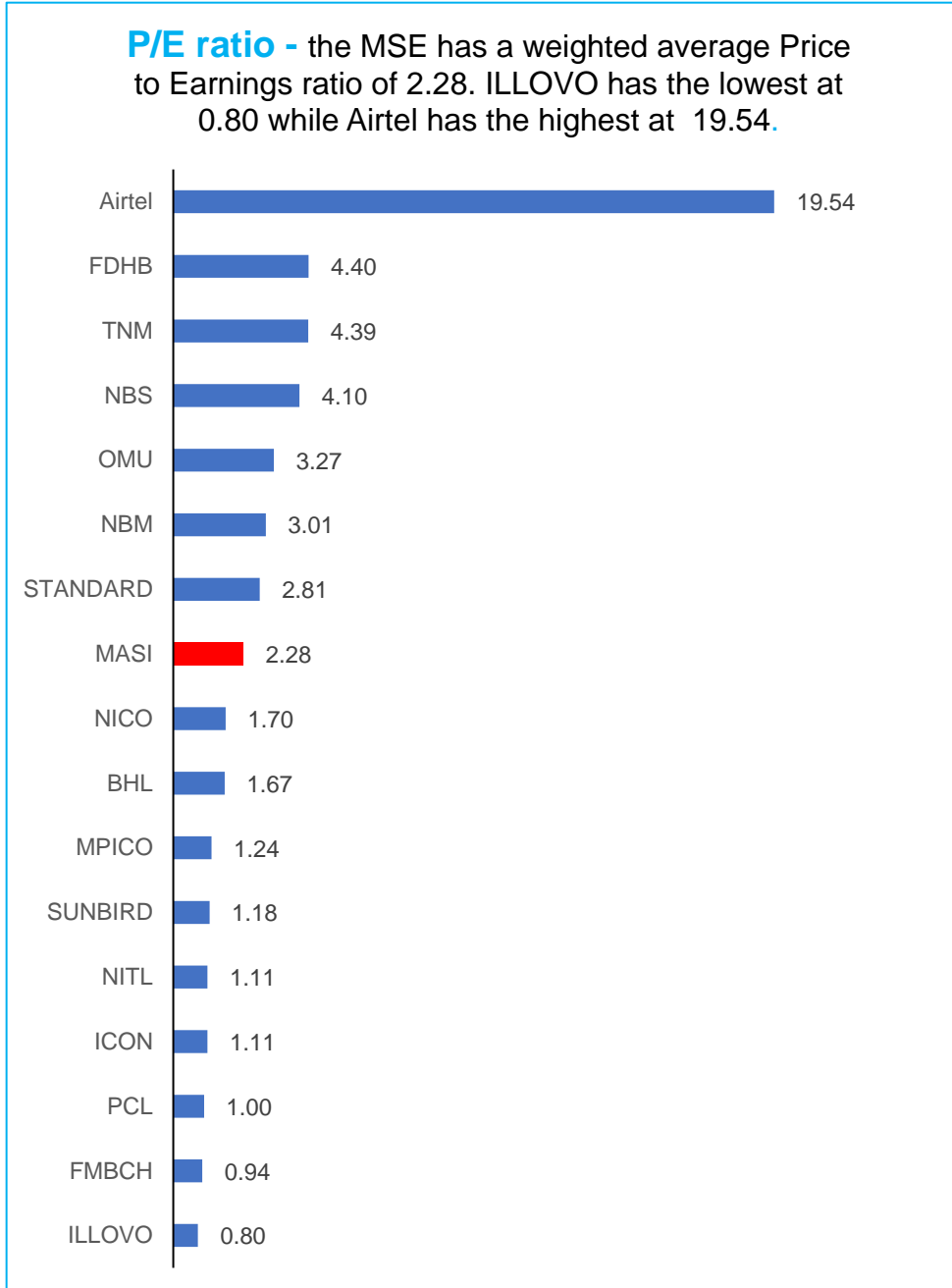


P/BV ratio - the weighted average Price to Book Value ratio on the MSE is 15.94. AIRTEL has the highest ratio at 26.06 while FMBCH has the lowest ratio at negative 14.72.



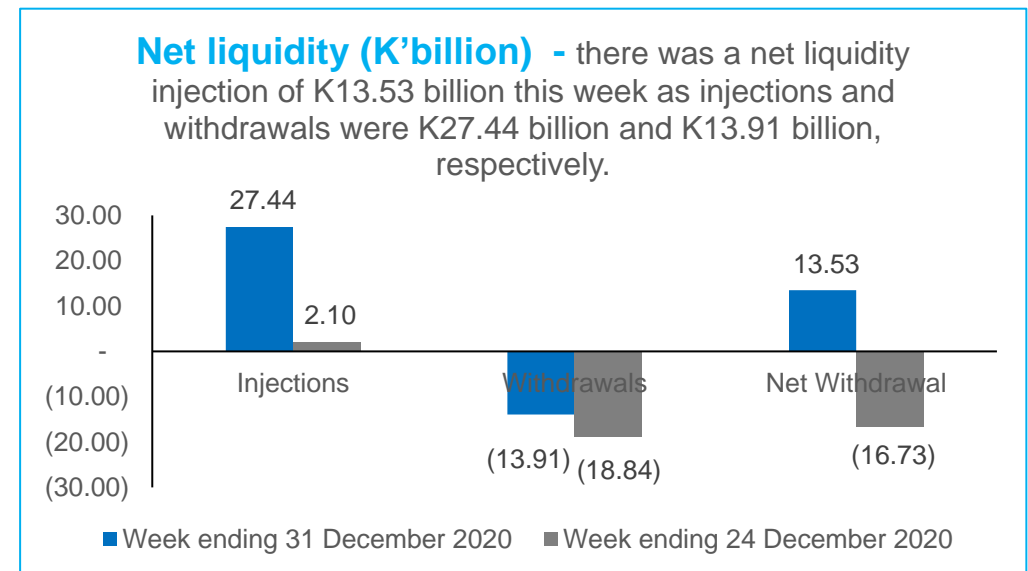
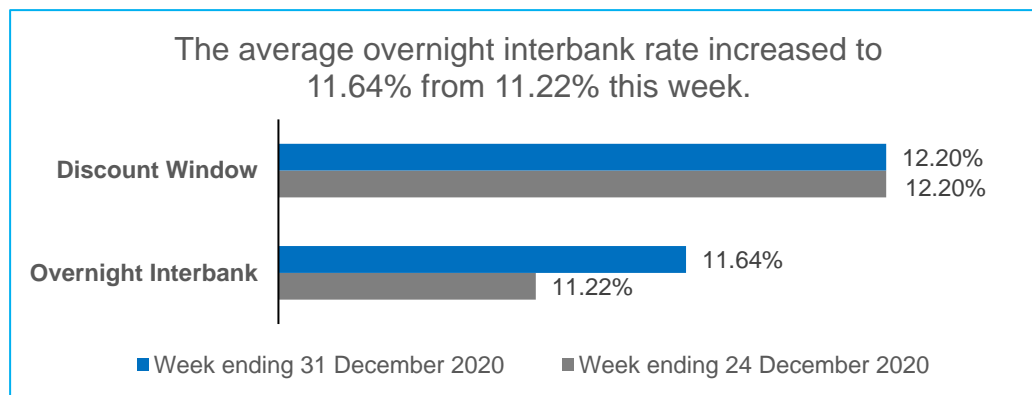
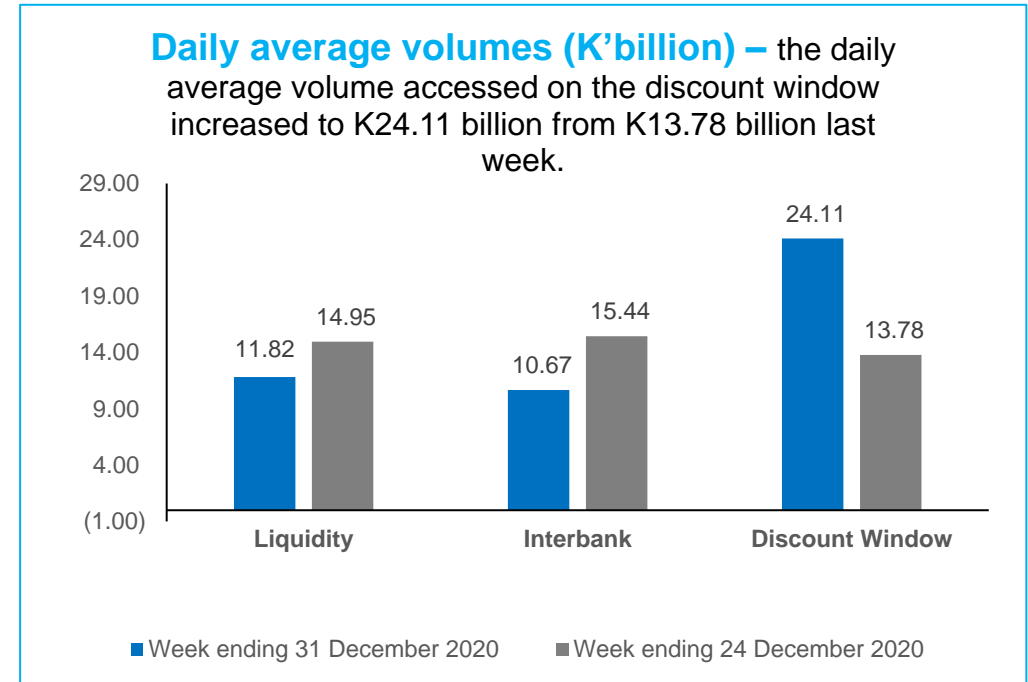
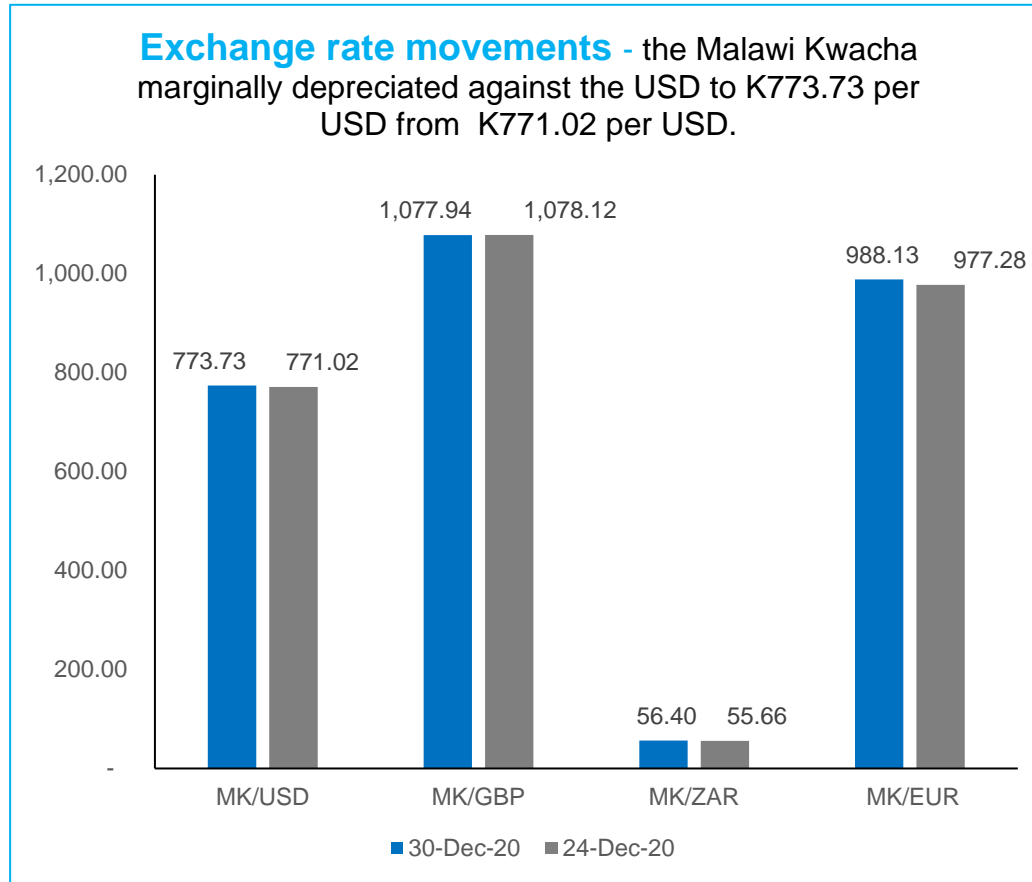


EQUITY MARKET (Continued)





OTHER FINANCIAL MARKET DEVELOPMENTS (Source: RBM)



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