

Financial Market Update

| Week ending 22 January 2021



Financial market highlights for the week ending 22 January 2021

The following highlights compare the week ending 22 January 2021 to the week ending 14 January 2021:



Government securities (Source: RBM)

- A total of K62.41 billion was raised in the Treasury Bill (TB) and Treasury Note (TN) auctions. This was comprised of K9.14 billion for TBs and K53.27 billion for TNs.
- There were rejections for the 182-days TB paper and the 5-Yr-TN, which had a rejection rate of 1.06% and 14.58%, respectively.
- The average all type TB yield increased to 12.12% this week from 12.00 % last week.
- A total of K28.7 billion was injected into the economy on 19 January 2021 by the RBM through an OMO Reverse Repo. The 60 days tenor had the highest subscription rate at 65.16%.



Currency market (Source: RBM)

- The Malawi Kwacha marginally appreciated against the USD to K771.20 per USD from K773.36 per USD.
- The Kwacha also marginally appreciated against the EUR (to K938.32 per EUR from K986.73 per EUR), GBP (to K1,056.16 from K1,093.78) and ZAR (to K51.33 from K54.37).



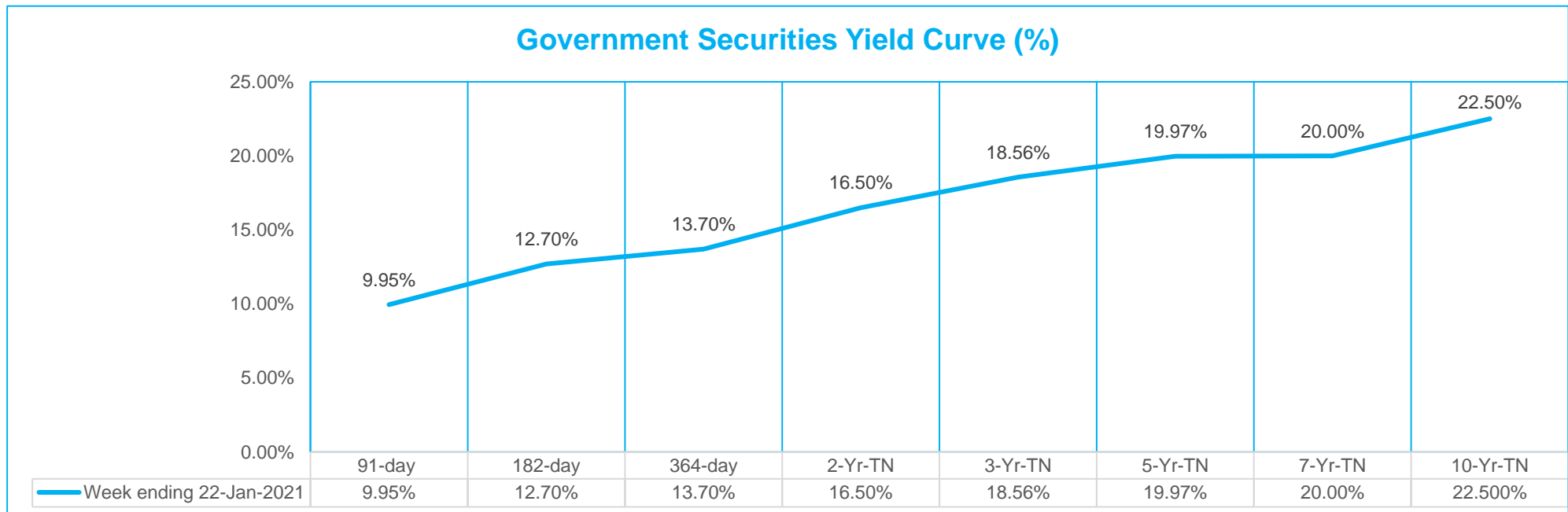
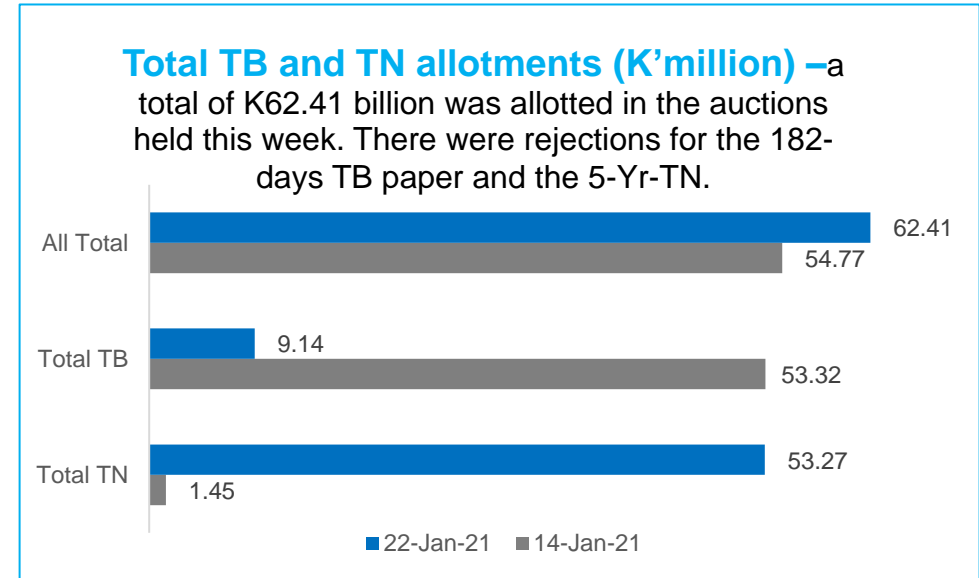
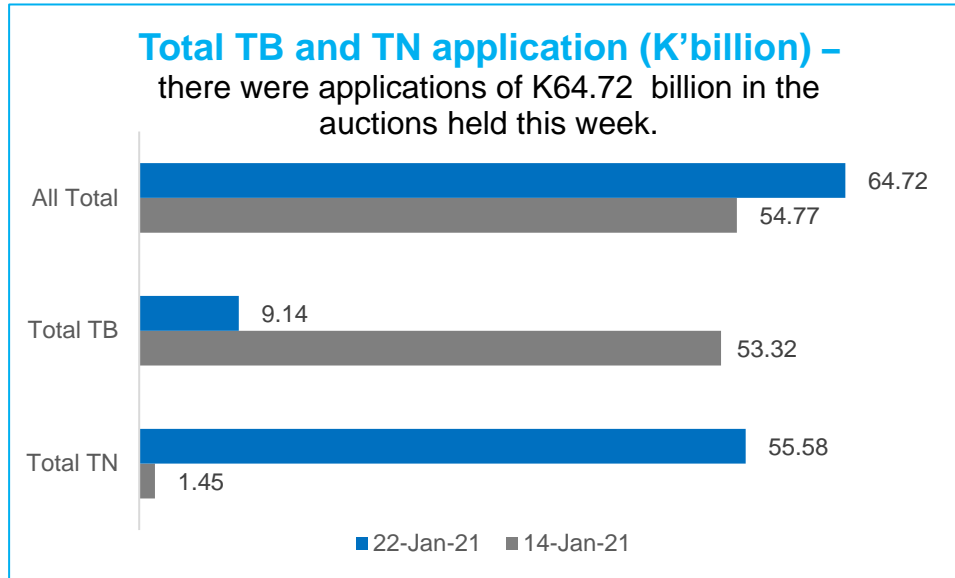
Equity market (Source: MSE)

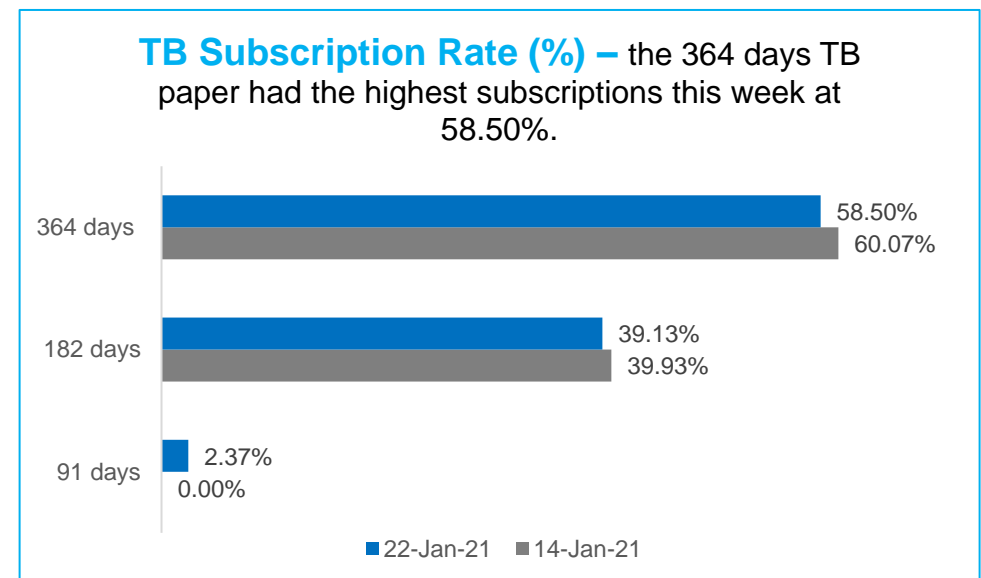
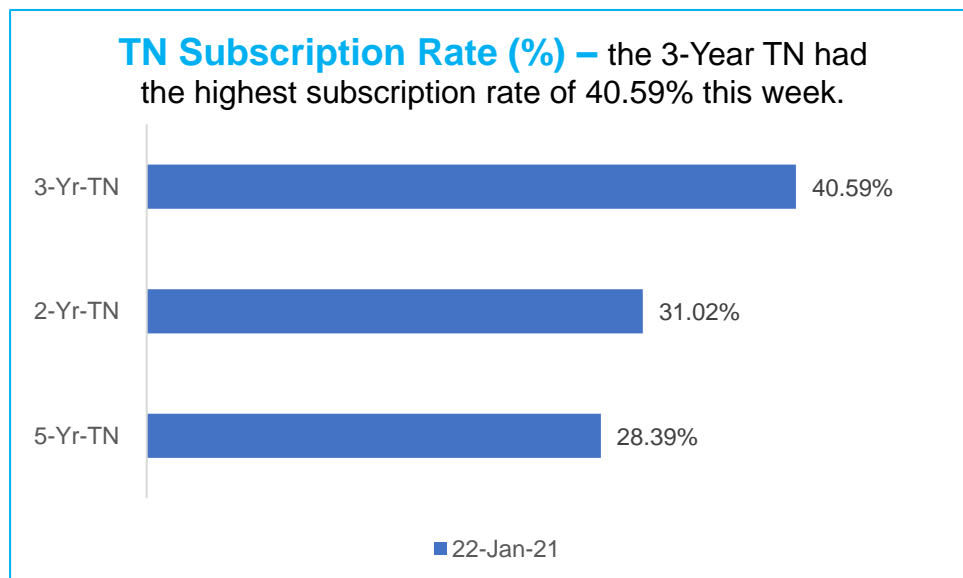
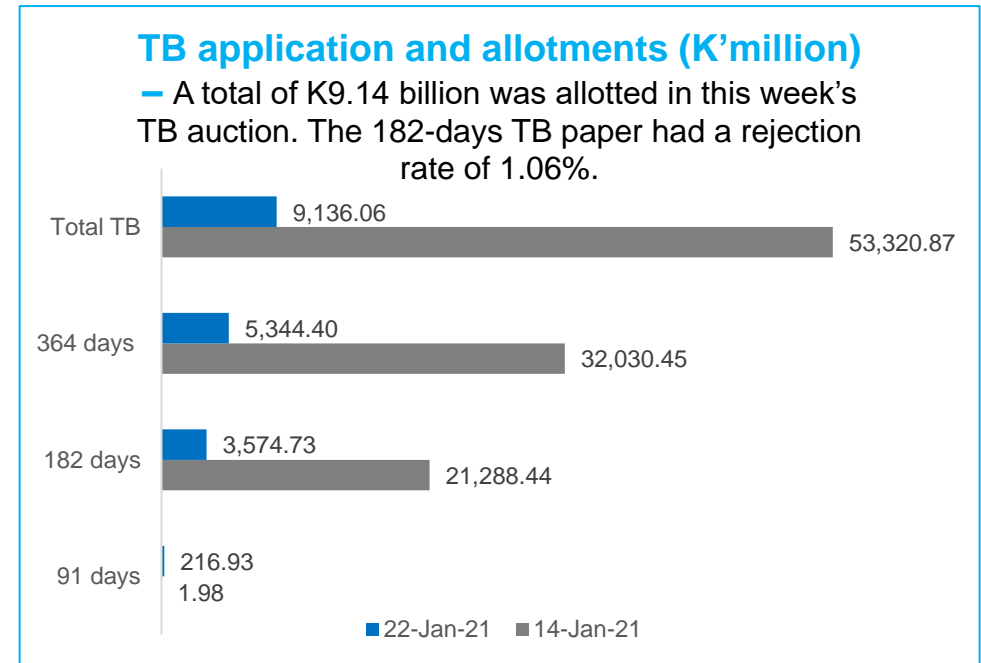
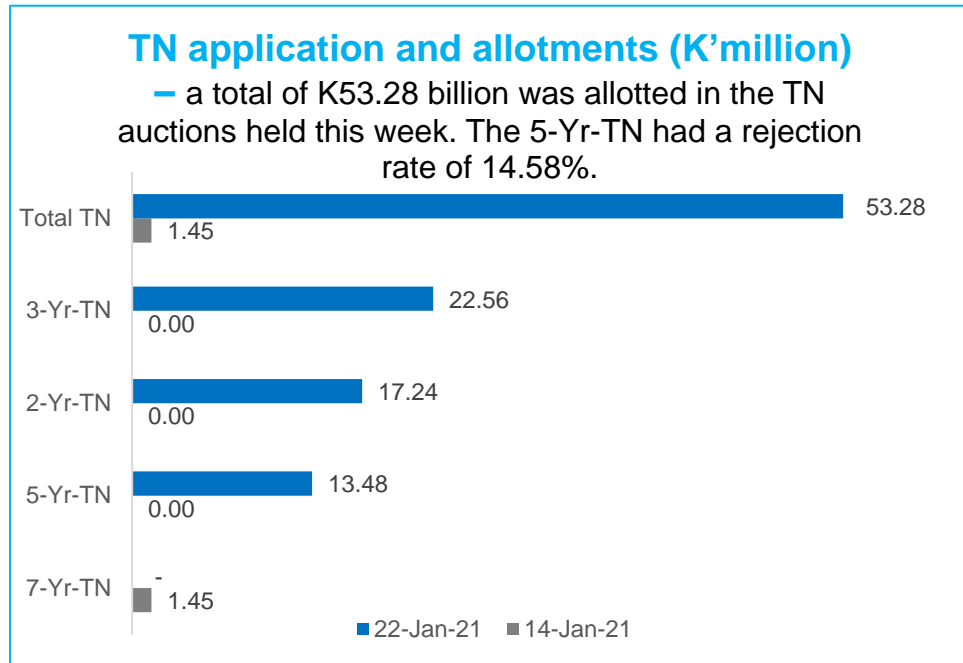
- The MASI decreased to 32,986.31 points this week, from 33,011.20 points last week. This was due to share price losses in various counters. The return on MASI (year-to-date) was 1.99% compared to negative 4.16% during the same period the previous year.
- There were no share price gains during the period under review.
- There were share price losses for ICON (to K12.24 from K12.27), NBS (to K20.49 from K20.50) and TNM (to K19.39 from K19.50).



Financial market developments (Source: RBM)

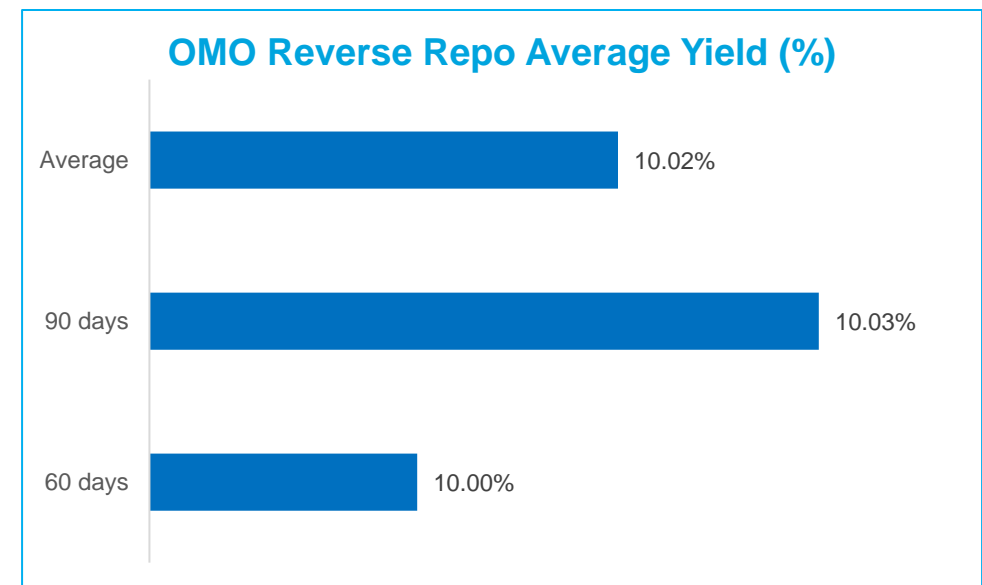
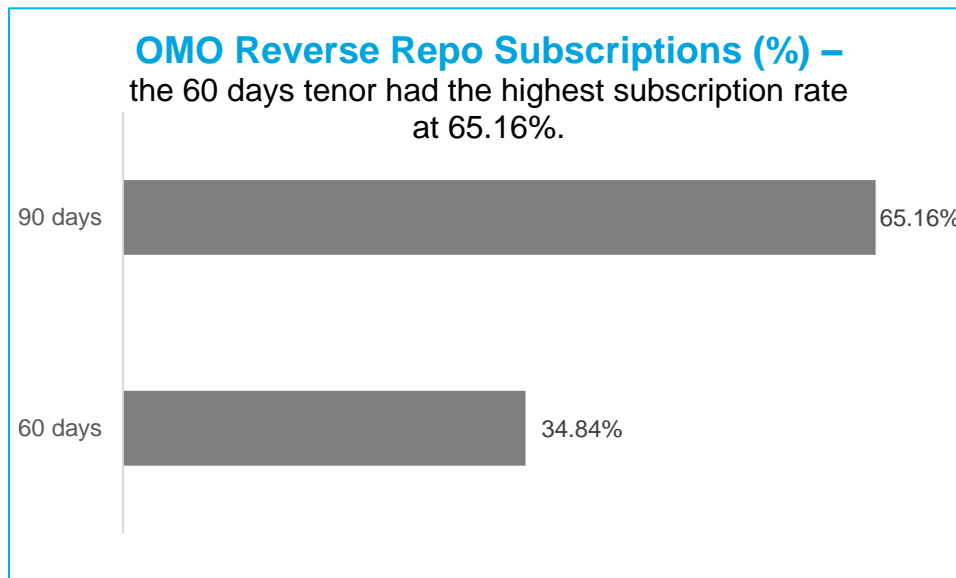
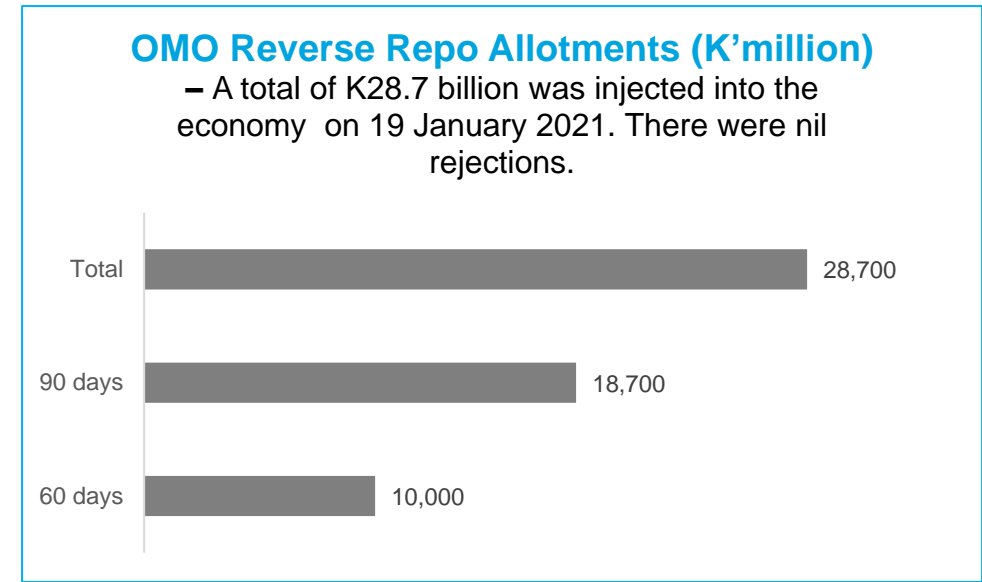
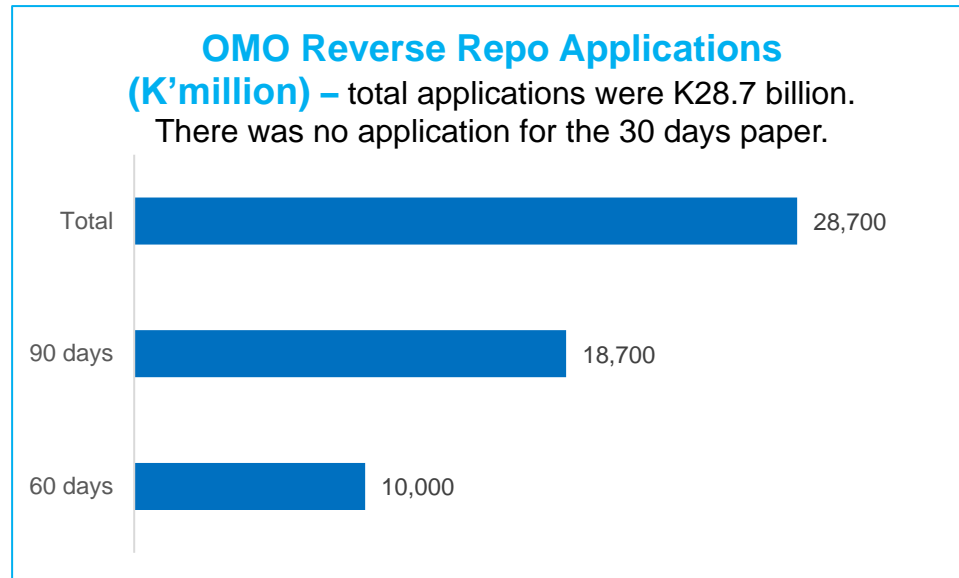
- The daily overnight interbank average rate increased to 11.36% this week from 11.30% last week.
- Annual Headline inflation for 2020 is 8.63%. The annual headline inflation was 9.38% in 2019.
- The decrease in inflation during the 2020 period is on account of the decrease in food and non-food which stands at 13.05% and 4.71%, respectively.







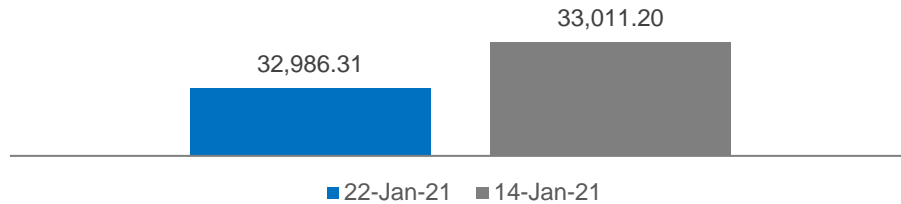
Open Market Operations (Source: RBM)



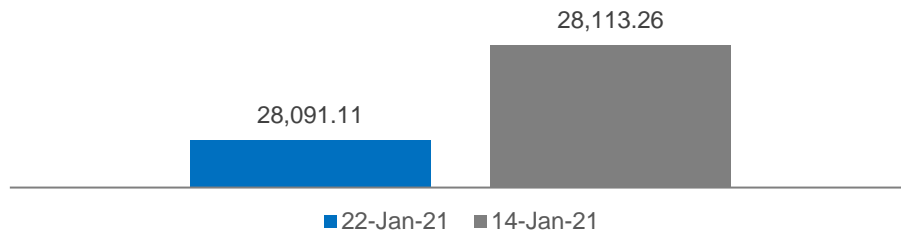


Equity market (Source: MSE)

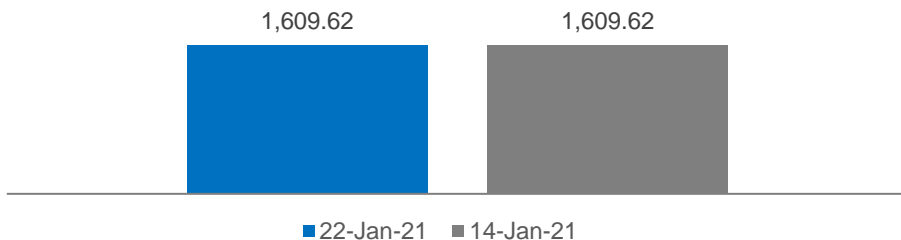
MASI – the stock market was bearish this week as the MASI decreased to 32,986.31 points from 33,011.20 points in the previous week. This was due to share price decreases which are listed in the figure below.



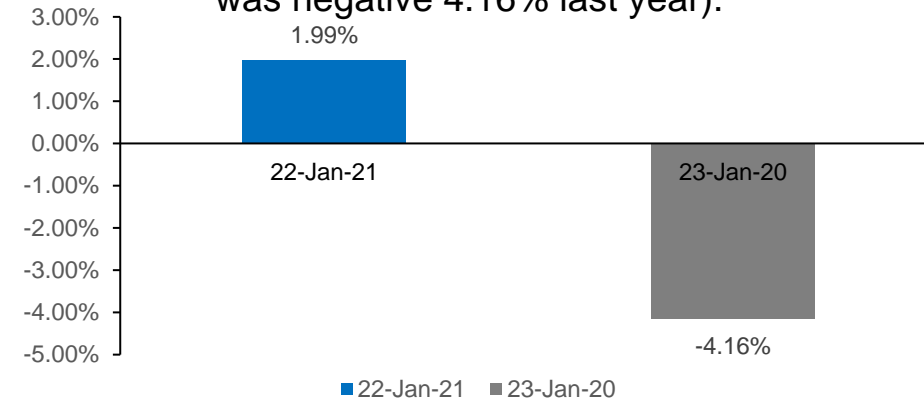
DSI – the DSI decreased to 28,091.11 points from 28,113.26 points due to share price losses in ICON, NBS and TNM.



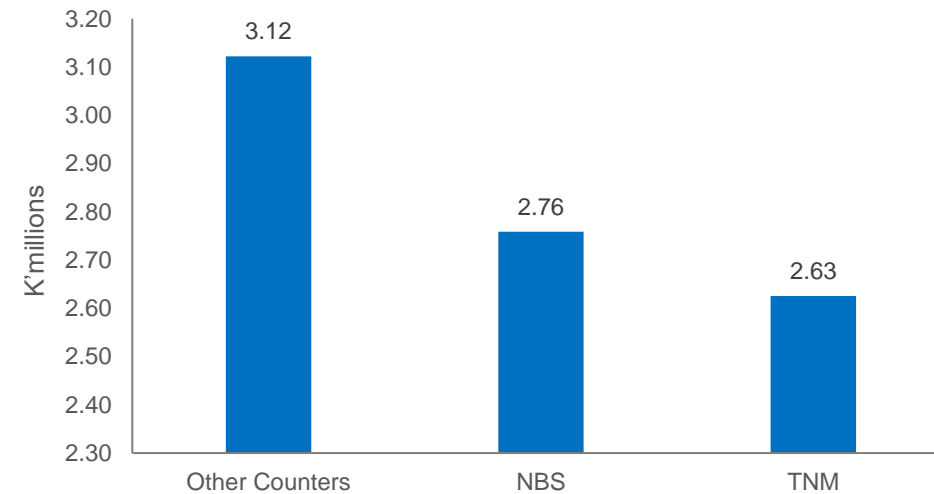
FSI – the FSI has maintained at 1,609.62 during the period under review.



MASI YTD Return (%) – the MASI registered a year-to-date return of 1.99% this year (it was negative 4.16% last year).



Value of Shares Traded – NBS had the highest value of shares traded at K2.76 million. The total value of shares traded this week was K8.51 million.



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



Equity market (Continued)

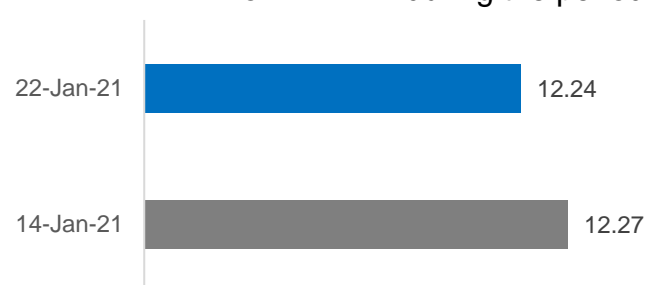
TNM- There was a share price loss for TNM to K19.39 from K19.50 during the period under review



NBS- There was a share price loss for NBS to K20.49 from K20.50 during the period review.



ICON- There was a share price loss for ICON to K12.24 from K12.27 during the period under review.

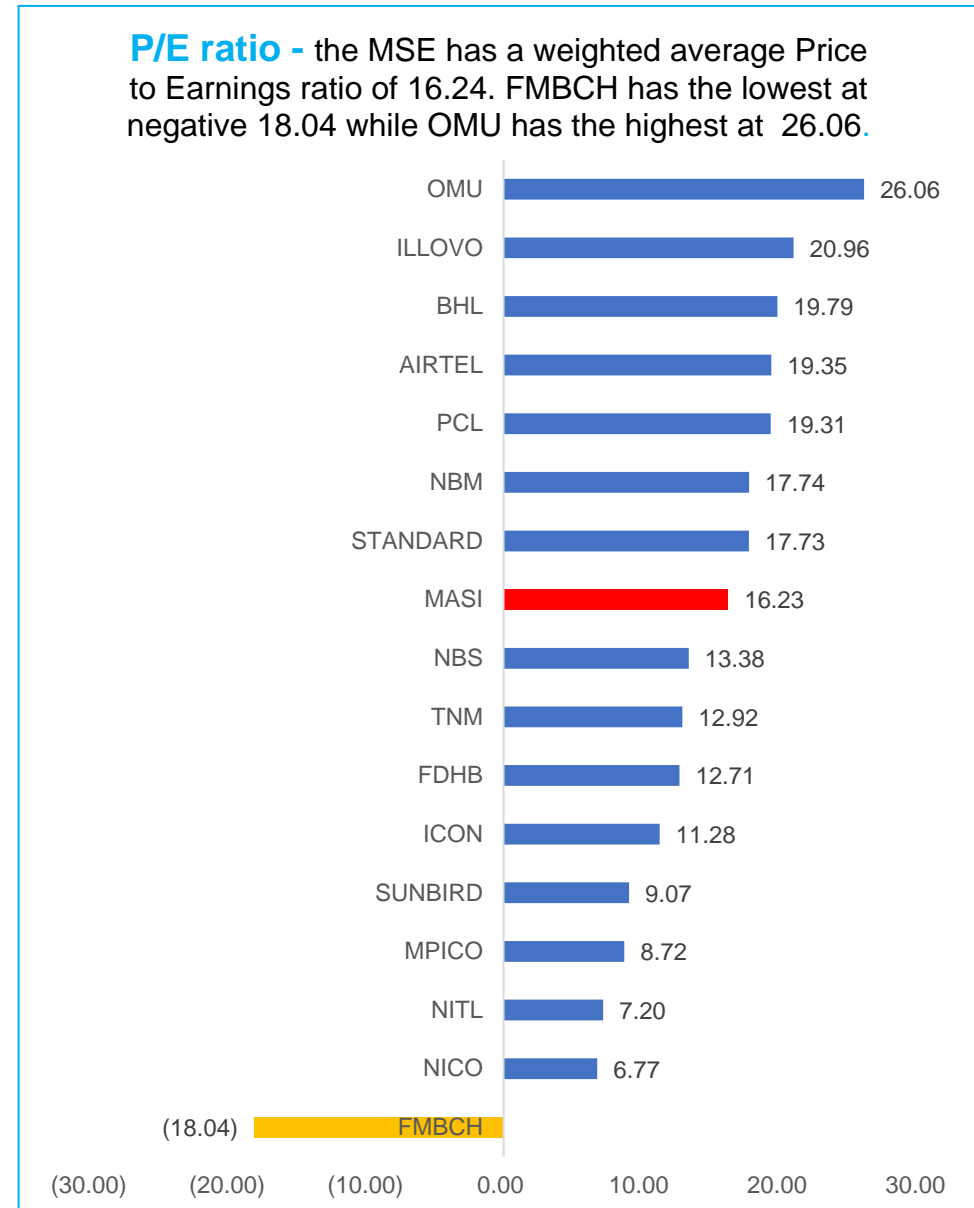
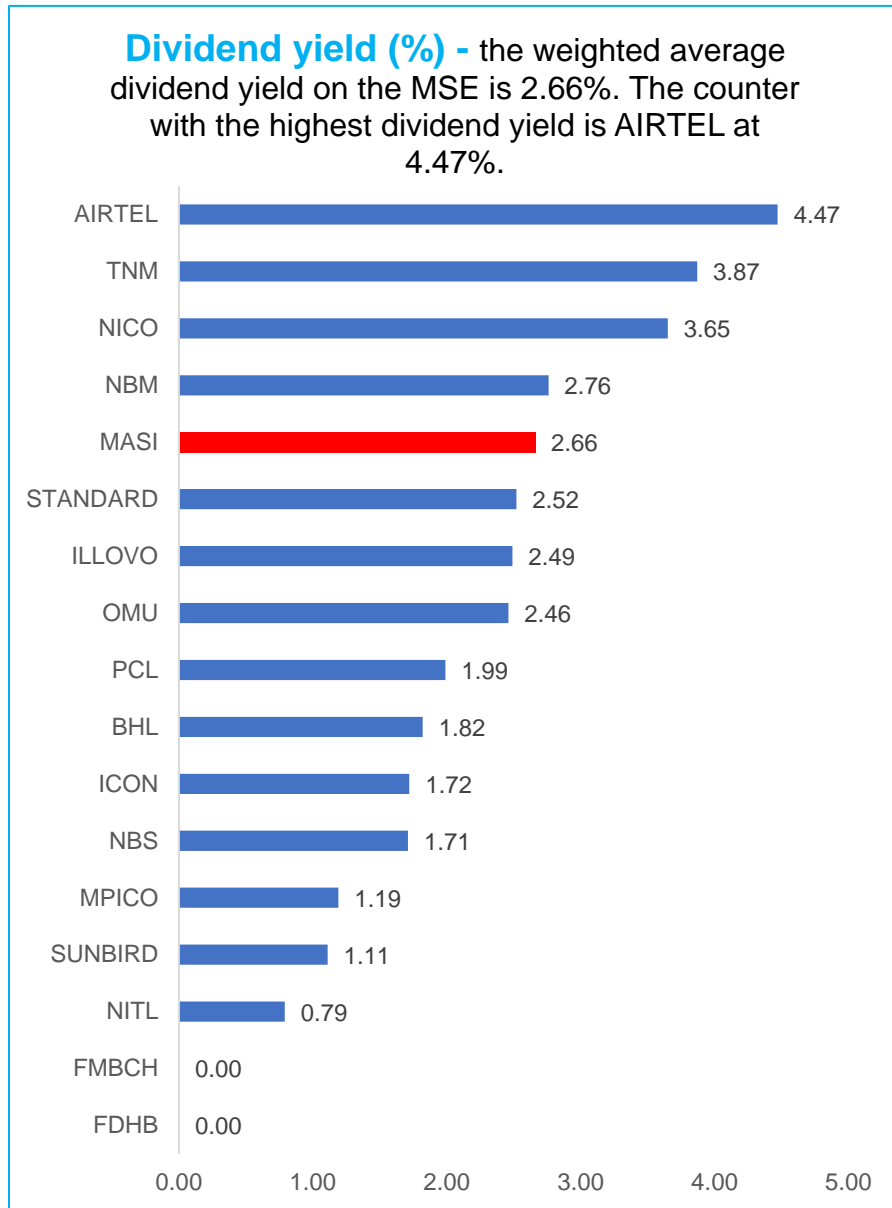


The other counters closed at the same prices as the previous week. Their closing prices are shown in the table below:

No.	MSE Code	Share Price (K)
		22-Jan-21
1	AIRTEL	27.98
	BHL	11.00
2	FDHB	14.45
3	FMBCH	27.00
4	ILLOVO	80.48
5	MPICO	20.99
6	NBM	650.00
7	NICO	52.00
8	NITL	94.95
9	OMU	2,199.98
10	PCL	1,309.47
11	STANDARD	1,200.00
12	SUNBIRD	90.00



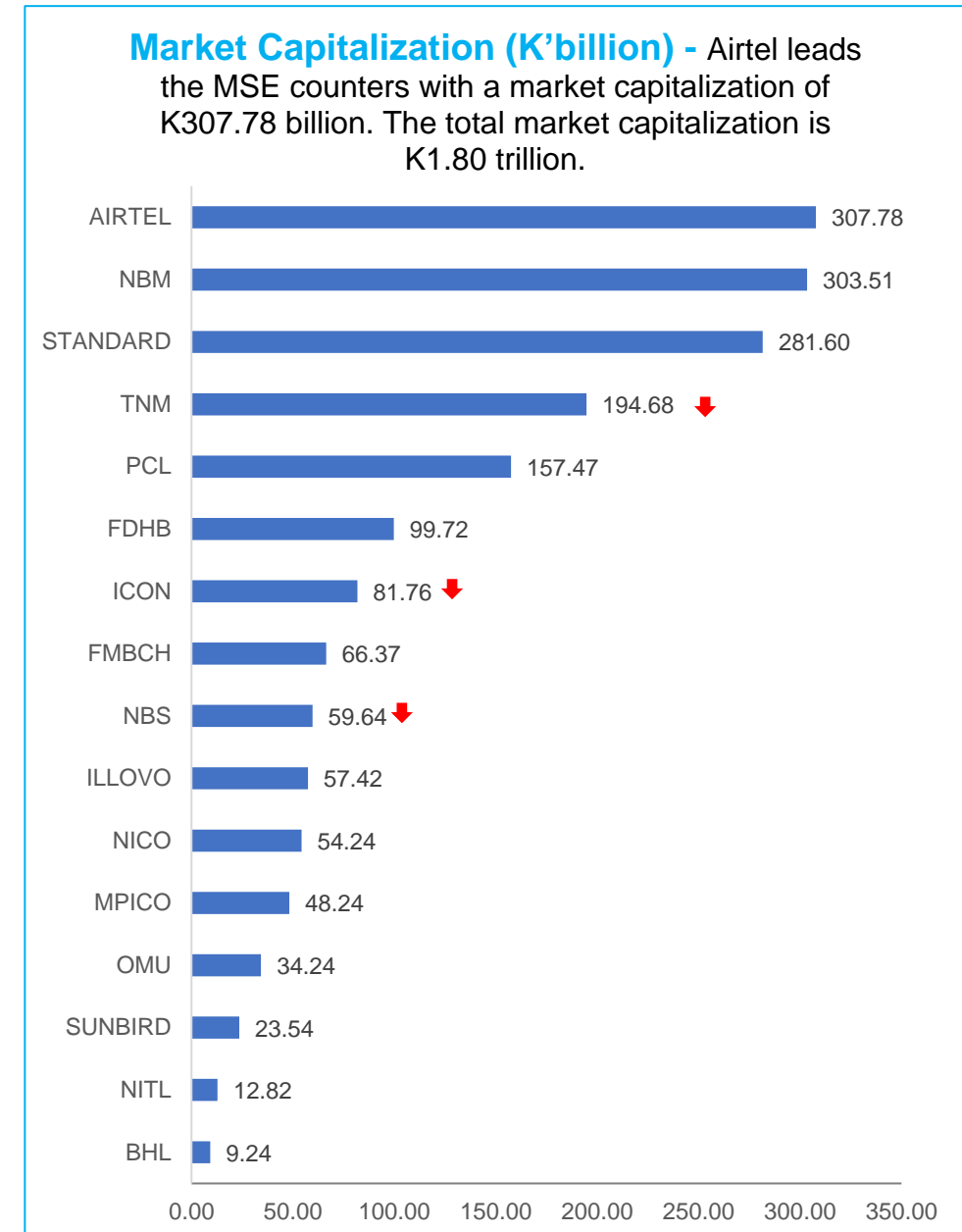
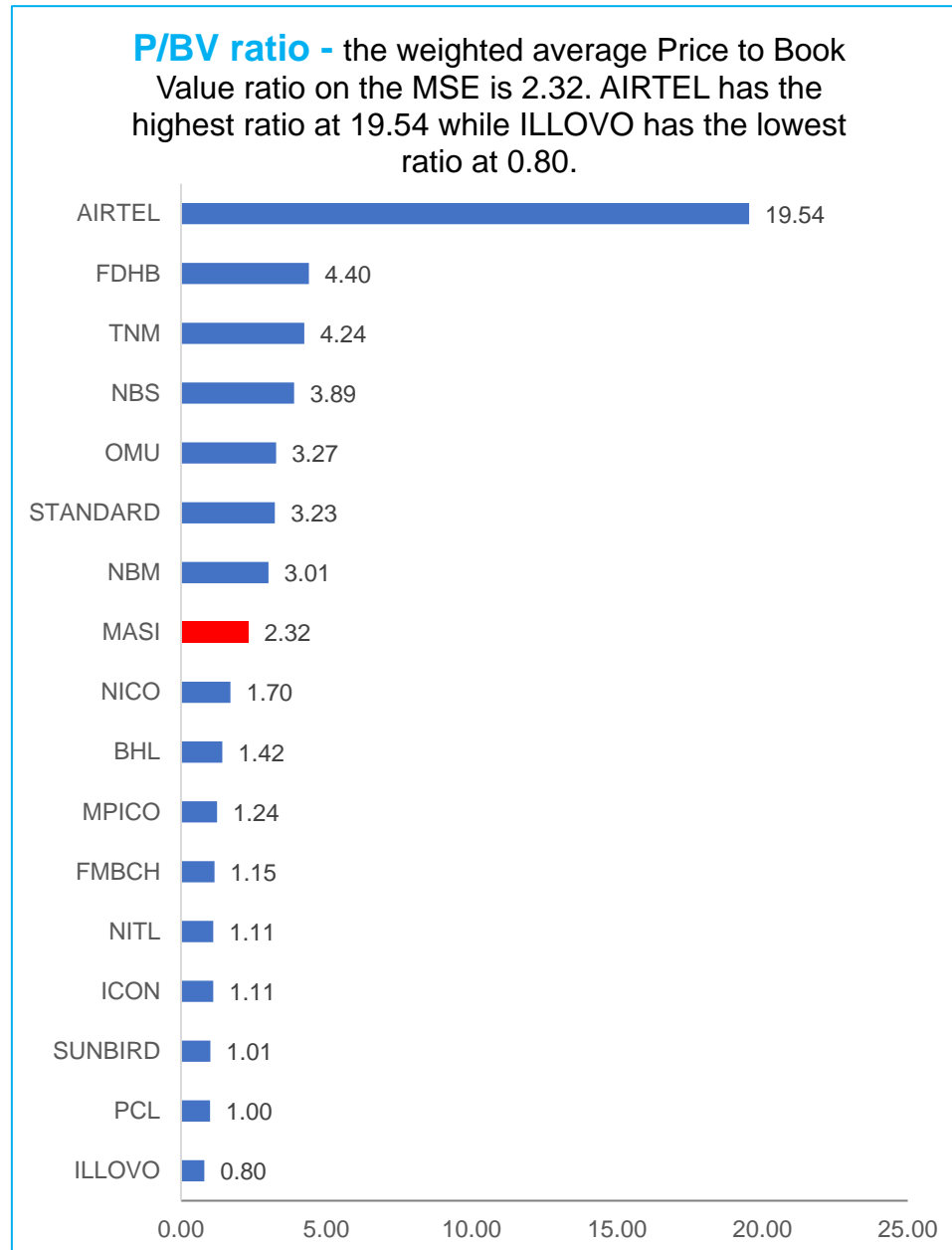
Equity market (Continued)



P/BV – Price to Book Value



Equity market (Continued)

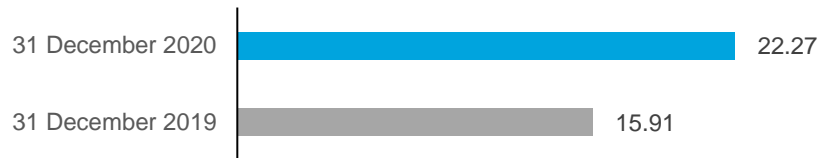




Corporate Announcements (Source: MSE)

1.

Airtel Profit After Tax (K'Billions) - according to their trading statement, they expect a 40% increase in profits for the period ending 31 December 2020 to at least K22.27 billion from K15.91 billion.



2.

TNM Profit After Tax (K'Billions) - according to their trading statement, they expect a 25% decrease in PAT for the period ending 31 December 2020. As such, the PAT will decrease to at most K11.30 billion from K15.06 billion.



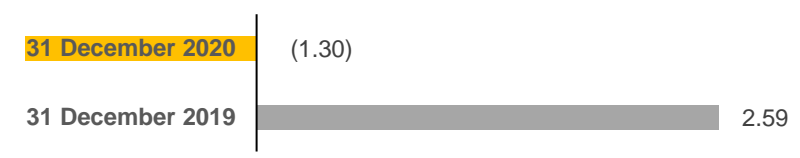
3.

Standard Bank Profit After Tax (K'Billions) - according to their trading statement, Standard Bank expects a 45% increase in profits for the period ending 31 December 2020 to at least K23.03 billion from K15.88 billion.



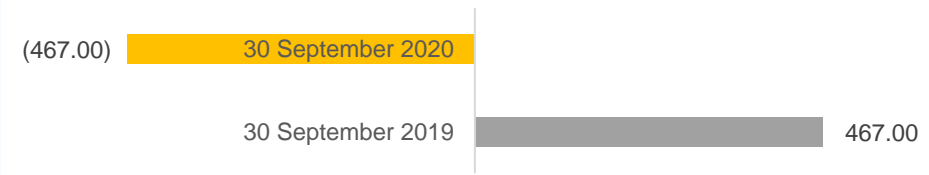
4.

Sunbird Profit After Tax (K'Billions) - according to their trading statement, they expect a 150% decrease in profits for the period ending 31 December 2020 to negative K1.3 billion from K2.59 billion. This was attributed to the effect of COVID-1



5.

BHL Profit After Tax (MK'Millions) - according to their trading statement, they expect a 200% decrease in profits for the period ending 30 September 2020 to at most K1.07 billion from K1.07 billion.



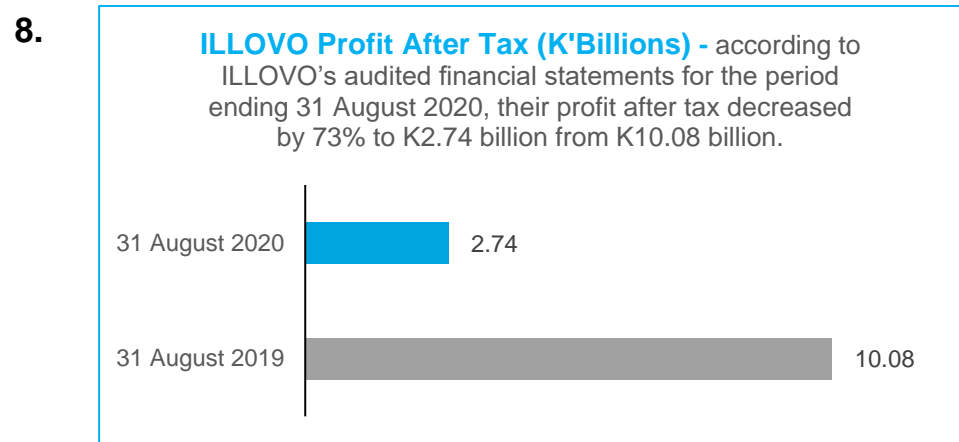
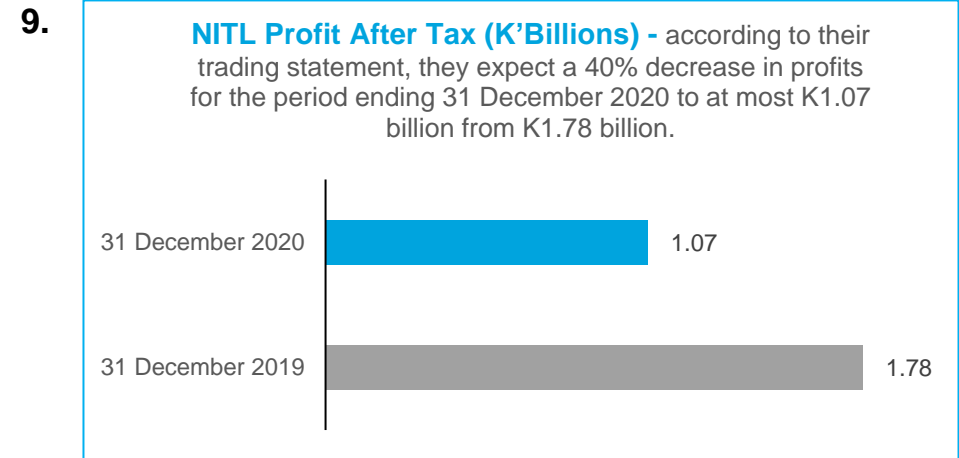
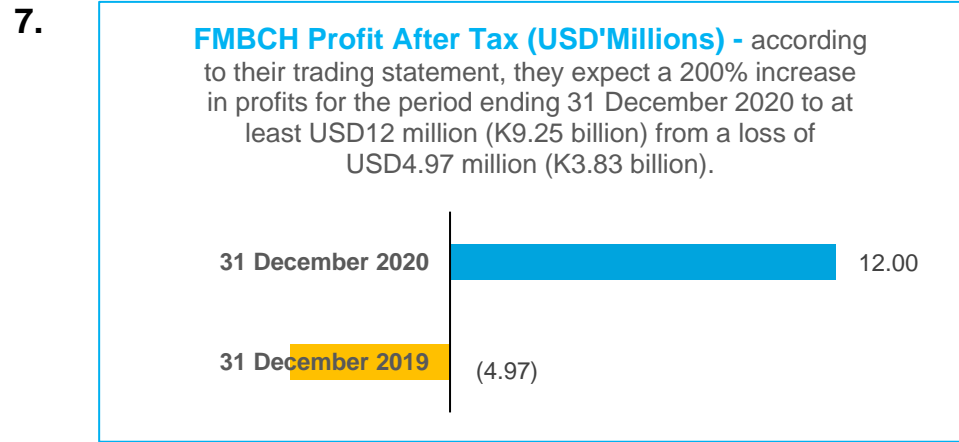
6.

NBS Profit After Tax (K'Billions) - according to NBS's trading statement, they expect a 25% increase in profits for the period ending 31 December 2020 to at least K5.72 billion from K4.46 billion.





Corporate Announcements (Source: MSE)



- 10.** Counters that did not release End of Year Trading Statements are listed below. These counters expect their PAT to be within 20% of the profit made in the previous period:
- | | | | |
|---|------|---|-------|
| 1 | NICO | 5 | PCL |
| 2 | NBM | 6 | ICON |
| 3 | FDHB | 7 | MPICO |
| 4 | OMU | | |



Corporate Announcements (Source: MSE)

11. National Bank of Malawi plc cautionary statement

National Bank of Malawi plc wishes to advise the general public that discussions are still under way on the possible acquisition of a controlling stake in Akiba Commercial Bank, a financial institution registered and operating in the Republic of Tanzania, the outcome of which may affect the NBM plc share price. It is anticipated that the discussions will be concluded at the end of the month of January 2021.

12. FDH Bank Plc cautionary statement

FDH Bank Plc wishes to inform its shareholders and the general public that members of its majority shareholder, FDH Financial Holdings Limited, are engaged in shareholding negotiations. The negotiations may result in changes in the shareholding structure of FDH Financial Holdings Limited.

Shareholders are therefore advised to exercise caution in dealing in their shares and consult professional advisors before dealing in their shares until such time as the result of the negotiations is known.

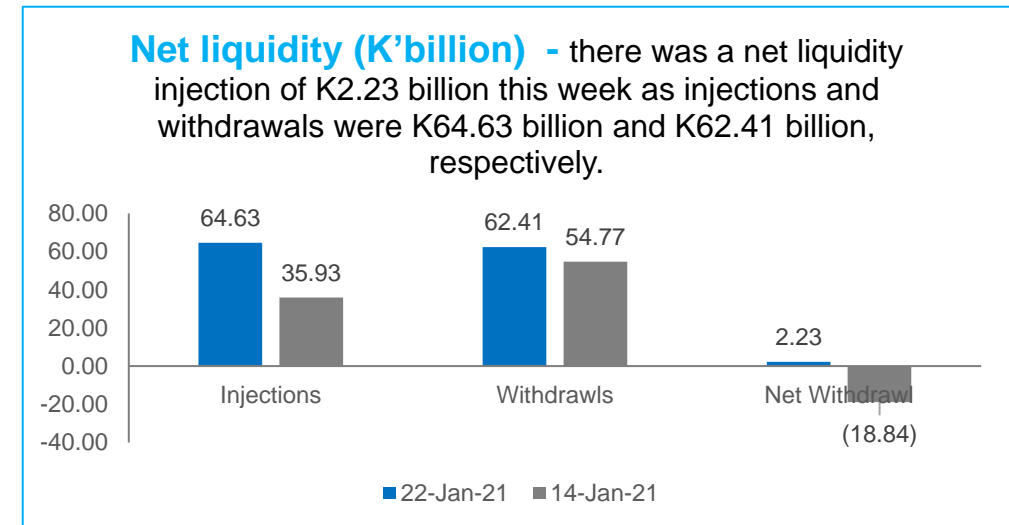
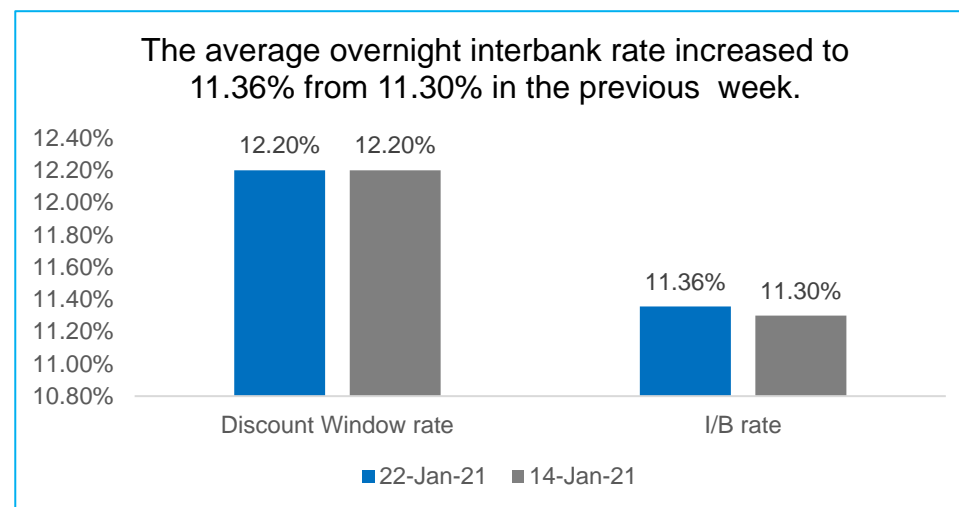
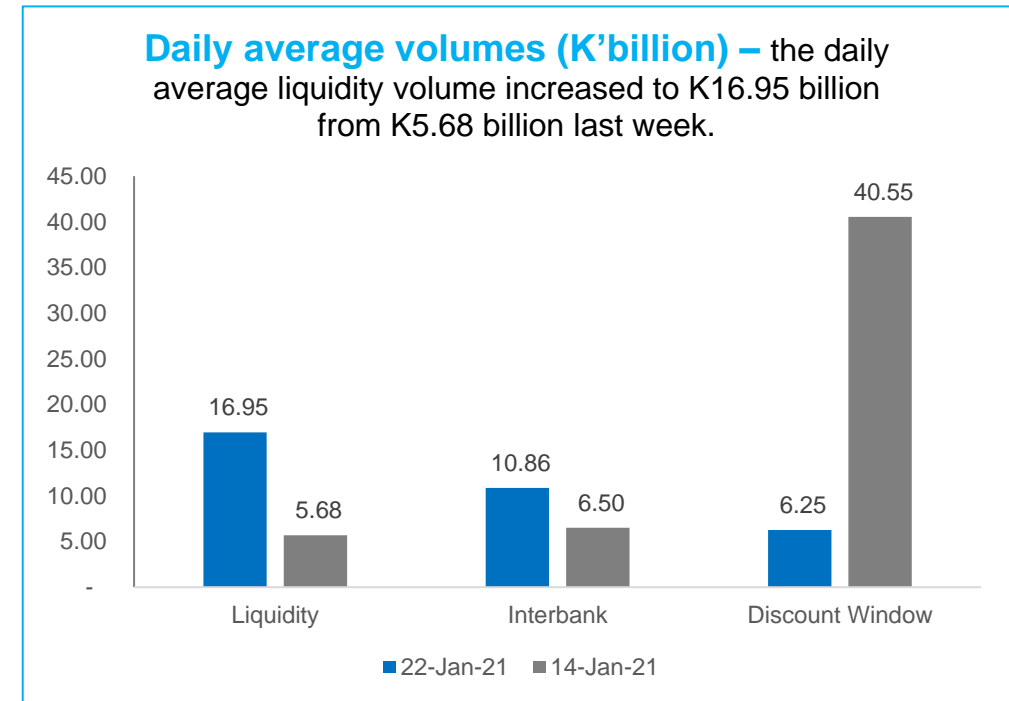
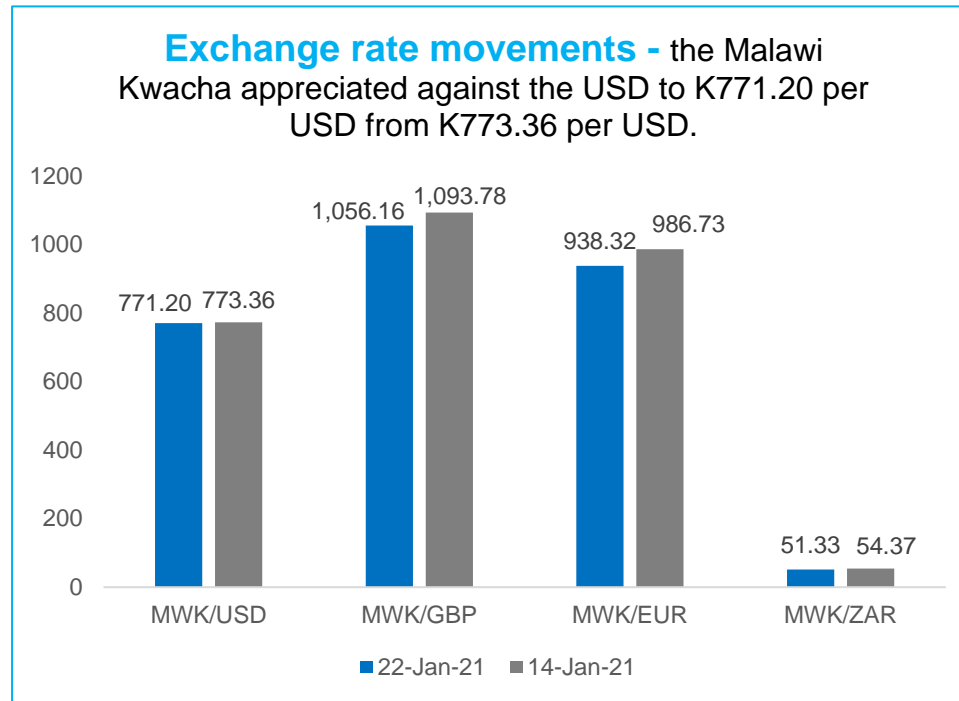
FDH Bank Plc is further informing the general public that all efforts will be made to communicate further developments as and when required.

13. Dividends

Company	Declared/Proposed	Type	Dividend (MK)	Last Day To Register	Payable
ILLOVO	Proposed	Final	2.00	12th March 2021	31st March 2021
TNM	Declared	2nd Interim	0.12	08th January 2021	22nd January 2021



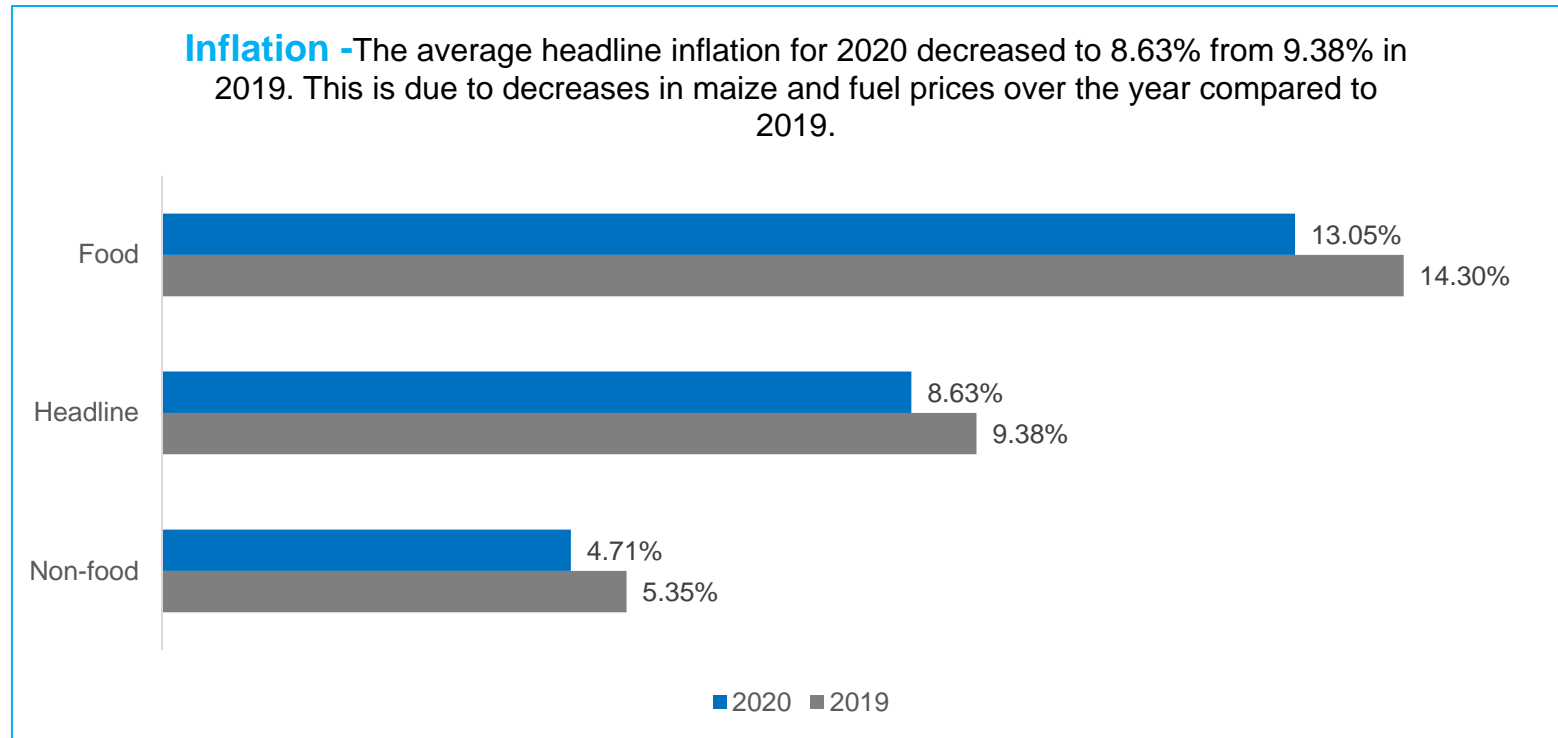
Other financial market developments (Source: RBM)



EUR – Euro
 GBP – Great British Pound
 I/B – Interbank
 USD – United States Dollar
 ZAR – South African Rand



Other financial market developments (Source: NSO)



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