Bridgepath Capital
Invest to Achieve

Financial Market Update

Week ending 10 September 2021

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Government securities (Source: RBM)

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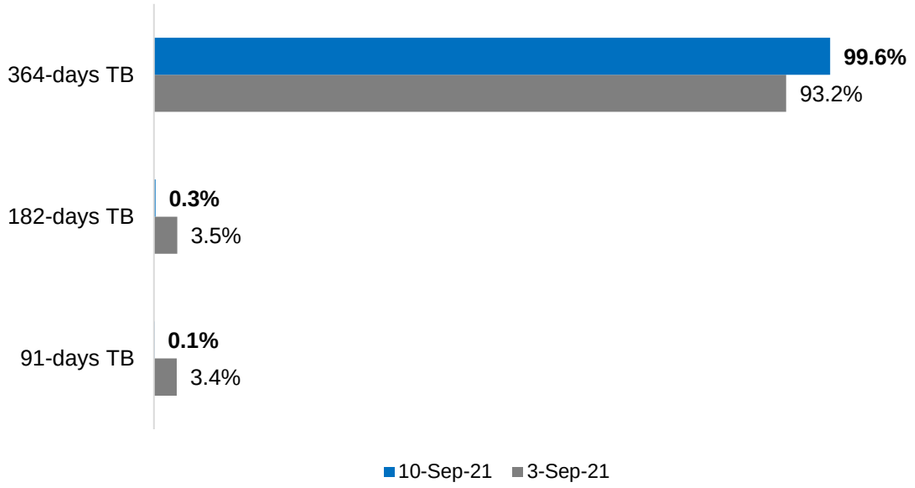
A total of MK12 billion was allotted during this week's auctions of Treasury Bills (TBs) with a nil rejection rate.

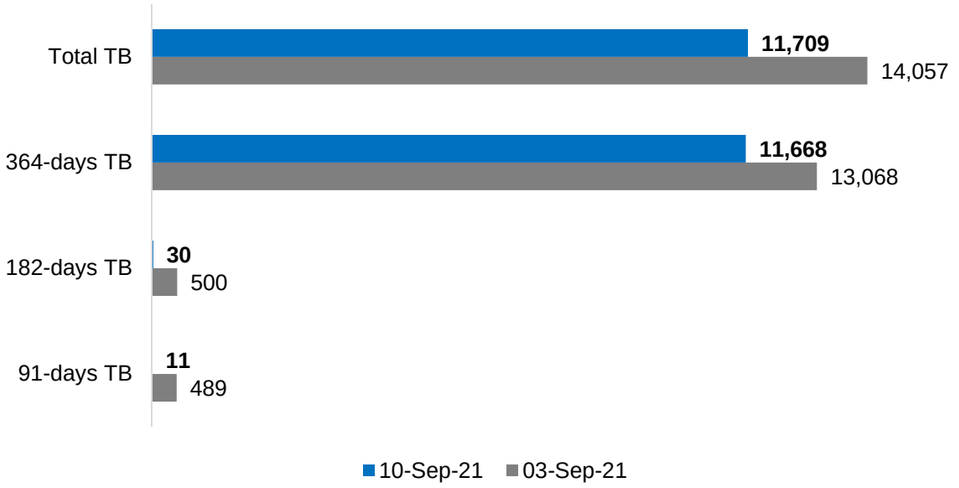
The 364-days TB had the highest subscription rate at 99.6% during the period under review.

The average Treasury Bill yield maintained its position at 12.26% during the period under review.

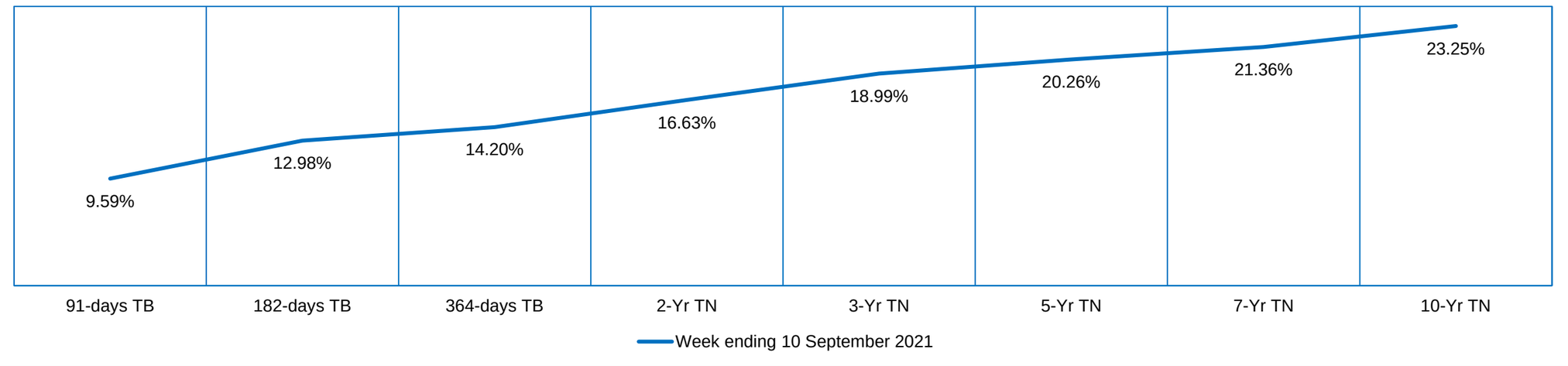
TBs subscription rates (%)



TB allotments and applications (MK'million)



Government securities yield curve (%)



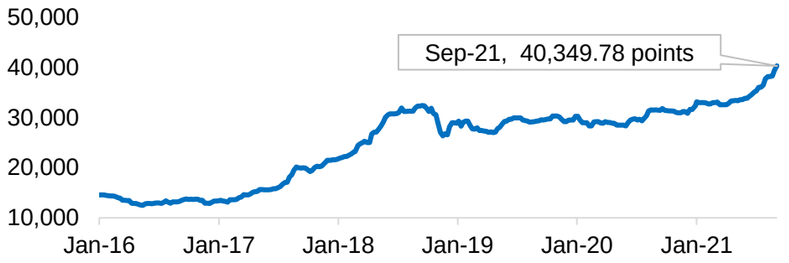
Financial Market Update: Week ending 10 September 2021

Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) reaching 40,349.78 points on 10 September 2021 from a low position of 39,490.82 points on 3 September 2020, representing a w-o-w increase of 2.18%.

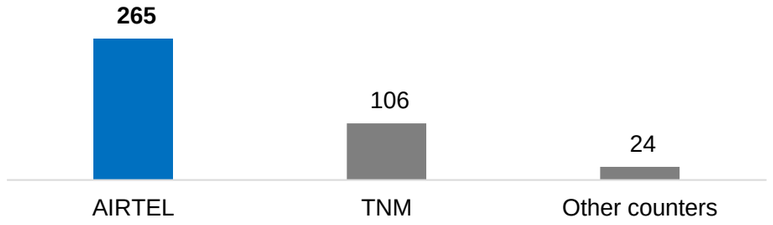
There was a share price gain for Illovo and marginal share price gains for TNM and NBM, which offset marginal share price losses for PCL, Airtel and FDH Bank during the period under review.

Malawi All Share Index (MASI)

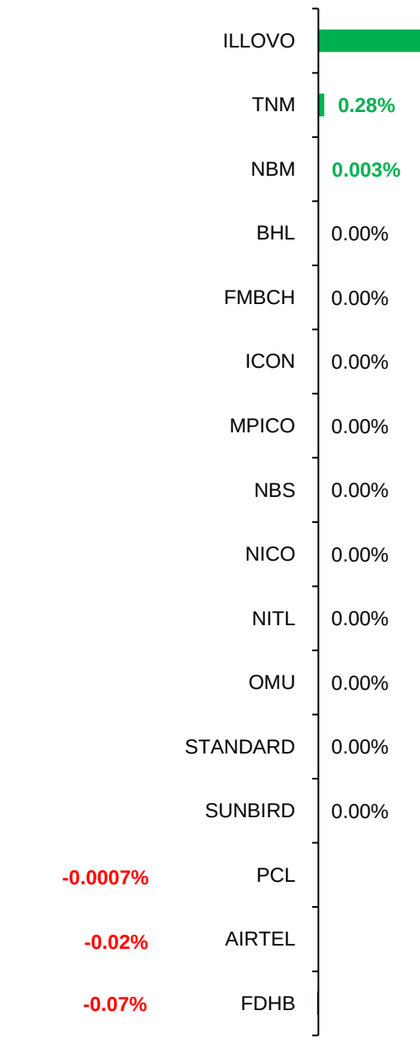


MASI YTD Return (%) – the MASI closed the week with a year-to-date return of 24.56% (it was 4.16% during the same period in the previous year).

Value of Shares Traded (MK'million) – AIRTEL and TNM had the highest value of shares traded during the period under review at MK265 million and MK106 million respectively. The total value of shares traded was MK396 million.



W-o-w share price gains/losses (%)



Symbol	Closing prices as at 10 September 2021
AIRTEL	39.99
BHL	11.00
FDHB	13.59
FMBCH	64.50
ICON	12.12
ILLOVO	265.60
MPICO	21.00
NBM	675.02
NBS	26.33
NICO	55.00
NITL	80.70
OMU	2,100.00
PCL	1,494.98
STANDARD	1,250.00
SUNBIRD	90.00
TNM	18.01

Financial Market Update: Week ending 10 September 2021

Stock market (Source: MSE)

ICON closed the half-year ended 30 June 2021 with a profit after tax of MK3.07 billion, an increase of 45% from profit after tax of MK2.11 billion for the same period in 2020.

The Board of ICON plc declared an interim dividend of MK0.12/share on 10 September 2021.

Corporate Announcements

Dividends:

Below is a summary of the dividends that have been declared and proposed by listed companies:

Company	Declared/ Proposed	Type	Dividend (MK)	Last Day To Register	Payable
NBM	Declared	Interim	10.71	3 September 2021	24 September 2021
STANDARD	Declared	Interim	28.55	10 September 2021	23 September 2021
NBS	Declared	Interim	0.60	10 September 2021	24 September 2021
TNM	Declared	Interim	0.18	17 September 2021	24 September 2021
OMU	Declared	Interim	13.96	14 September 2021	11 October 2021
NICO	Declared	Interim	0.75	24 September 2021	1 October 2021
PCL	Declared	Interim	6.00	15 October 2021	29 October 2021
NICO	Declared	Special	0.50	22 October 2021	4 November 2021
ICON	Declared	Interim	0.12	TBA	TBA

TBA: To Be Announced

Half-year Trading Statements

The following companies wish to advise the public that their profit/loss after tax for the half-year is expected to be higher or lower than the previous corresponding period by the specified amount.

Amounts in billions of Malawi Kwacha unless specified otherwise.

Counter	30 Jun 2021	30 Jun 2020	Trading statement profit/loss expectation
SUNBIRD (MK'million)	(467.65)	(1,336.15)	-65%
NITL (MK'million)	1,232.43	363.55	239%

Published half-year financial statements

Amounts in billions of Malawi Kwacha unless specified otherwise.

Counter	28 February 2021	28 February 2020	Actual Change in Profit/Loss	Trading statement profit/loss expectation
Illovo	6.12	2.05	199%	200%

Counter	31 March 2021	31 March 2020	Actual Change in Profit/Loss	Trading statement profit/loss expectation
BHL (MK'million)	(390.65)	70.01	-658%	-500%

Counter	30June 2021	30 June 2020	Actual Change in Profit/Loss	Trading statement profit/loss expectation
FDH Bank	4.55	3.22	41%	34%
National Bank	12.8	9.1	41%	20%
Standard Bank	11.59	12.63	-8%	N/A
NBS Bank	4.40	2.84	55%	40%
Press Corporation plc	12.87	11.68	10%	N/A
Airtel Malawi plc	11.35	11.42	-0.61%	N/A
TNM PLC	4.51	3.78	19%	N/A
NICO	7.03	7.64	8%	N/A
ICON	3.07	2.11	45%	20%
Old Mutual (ZAR'billion)	3.16	4.22	-25%	N/A

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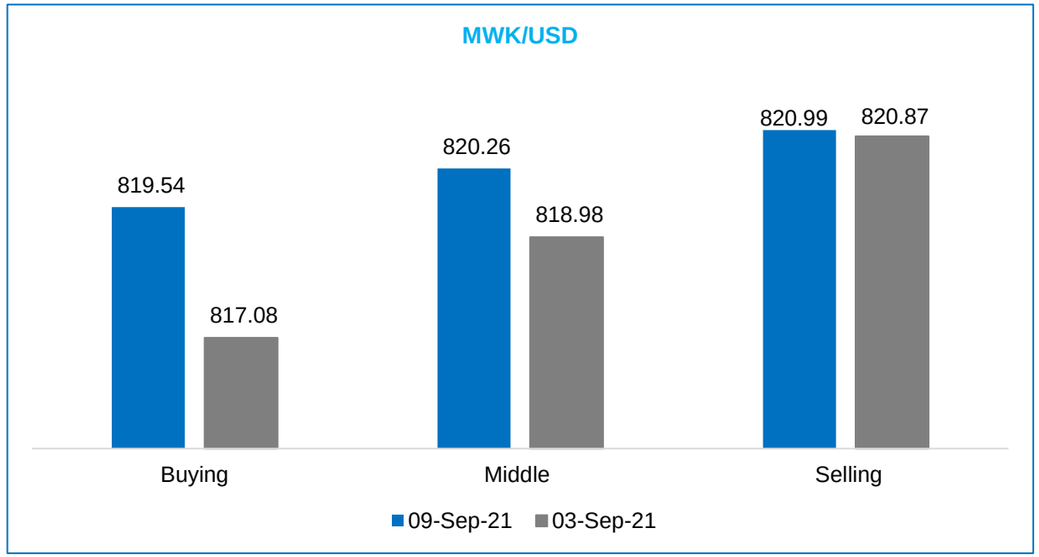
Foreign currency market and other market developments (Source: RBM)

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 5.59%.

W-o-w, the Malawi Kwacha has marginally depreciated against the USD by 0.16% (to Mk820.26/USD from MK818.98/USD).

Foreign currency (Source RBM)



What Happened this week?

- The Ministry of Health targets to vaccinate 60% of the population by December 2022. Since the initiation of vaccinations, 2.3% of the population has been vaccinated, representing 0.35% of the population vaccinated on a monthly basis (*The Nation, 6-Sep-21*).
- The Reserve Bank of Malawi (RBM) assures of foreign exchange availability as the Export Development Fund (EDF) is in the process of implementing various mechanisms for securing foreign exchange (*The Nation, 6-Sep-21*).
- Slow economic recovery in commodity prices in Sub-Saharan Africa will affect the accumulation of foreign exchange reserves to mitigate the depreciation of the Kwacha (*The Nation, 7-Sep-21*).
- Parliamentary Committee on Agriculture recommends that the government empower Smallholder Farmers Fertiliser Revolving Fund of Malawi (SFFRFM) and Agricultural Development and Marketing Corporation (ADMARC) to source fertilizer if local suppliers insist on high prices. The Committee cites the importation of some fertilisers in their raw form as the basis for having locally blended fertiliser at lower prices than imported already processed fertiliser (*The Daily Times, 7-Sep-21*).
- The Public Procurement and Disposal of Assets (PPDA0 and Anti-Corruption Bureau (ACB) delay to approve some public projects affecting the commencement of some public projects, causing fears that the projects could extend to the next government financial year (*The Daily News, 10-Sep-21*).

USD – United States Dollar

NB: The reported closing rates are actual trade-weighted market average Telegraphic Transfer rates.

Appendix: Historical Economic Indicators

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	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Week ending 10 September 2021
Exchange rates														
MK/USD	754.71	756.93	759.47	765.92	776.82	776.49	787.03	790.30	797.66	800.17	811.95	817.43	820.40	820.26
MK/GBP	1,024.89	999.88	1,015.11	1,061.76	1,070.14	1,107.24	1,140.90	1,139.62	1,164.37	1,191.58	1,192.94	1,203.74	1,196.67	1,191.35
MK/EUR	935.56	928.35	925.23	958.34	987.95	991.78	1,006.72	993.04	1,035.48	1,042.52	1,032.04	1,048.56	1,044.60	1,040.01
MK/ZAR	47.53	47.33	49.18	53.09	56.43	54.60	55.69	56.13	59.33	62.28	61.42	60.79	60.90	62.24
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	642.86	546.99	635.05	584.89	574.26	502.98	483.38	410.16	392.01	414.41	424.99	404.18	604.50	-
Private Sector Reserves (USD'mn)	316.74	318.47	340.22	332.51	377.97	358.29	340.50	342.58	392.61	369.64	388.78	405.79	389.47	-
Total reserves (USD'mn)	959.6	865.46	975.27	917.4	952.23	861.27	823.88	752.74	784.62	784.05	813.77	809.97	993.97	-
Gross Official Reserves Import cover (months)	3.08	2.62	3.04	2.80	2.75	2.41	2.31	1.96	1.88	1.77	1.70	1.62	2.42	-
Inflation														
Headline	7.60%	7.10%	7.50%	7.30%	7.60%	7.70%	8.30%	9.40%	9.2%	8.9%	9.1%	8.7%	-	-
Food	11.30%	10.30%	10.90%	10.40%	10.50%	9.70%	10.30%	11.70%	11.5%	11.0%	11.1%	10.3%	-	-
Non-food	4.40%	4.40%	4.40%	4.40%	4.90%	5.60%	6.30%	6.90%	7.0%	7.1%	7.2%	7.2%	-	-
Interest Rates														
Monetary Policy rate	13.50%	13.50%	13.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
Average Interbank rate	13.59%	13.61%	13.62%	12.51%	11.41%	11.34%	10.67%	11.37%	11.72%	13.36 %	11.94%	11.96%	11.98%	11.98%
Average base lending rate	13.40%	13.60%	13.60%	13.60%	12.30%	12.10%	12.00%	11.90%	12.10%	12.10%	12.20%	12.20%	12.20%	12.20%
Government Securities' Yields														
91-days Treasury Bill	9.85%	9.94%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.88%	9.98%	9.62%	9.33%	9.59%	9.59%
182-days Treasury Bill	12.55%	12.58%	12.87%	12.73%	12.49%	12.59%	12.80%	12.80%	12.77%	12.80%	12.81%	12.96%	12.99%	12.98%
364-days Treasury Bill	13.73%	13.74%	13.88%	13.40%	13.53%	13.64%	13.77%	13.80%	13.80%	13.83%	13.87%	12.06%	14.20%	14.20%
2-year Treasury Note	16.46%	16.46%	16.46%	16.46%	16.46%	16.50%	16.50%	16.50%	16.50%	16.51%	16.65%	16.63%	16.63%	16.63%
3-year Treasury Note	16.89%	18.02%	18.47%	17.79%	18.30%	18.56%	18.66%	18.66%	18.80%	18.80%	18.97%	19.00%	18.99%	18.99%
5-year Treasury Note	19.82%	19.82%	19.82%	19.82%	19.77%	19.95%	19.97%	19.98%	19.98%	19.98%	20.08%	20.00%	20.26%	20.26%
7-year Treasury Note	20.75%	20.75%	20.75%	19.95%	20.00%	20.00%	20.50%	20.50%	20.50%	20.50%	20.59%	20.98%	21.36%	21.36%
10-year Treasury Note	-	22.14%	22.14%	22.14%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	21.85%	22.54%	23.25%	23.25%
Stock Market Indices														
MASI	31,328.10	31,743.36	31,303.78	31,225.08	32,392.84	32,988.58	33,009.75	32,562.96	33,380.63	33,676.89	35,144.56	36,496.03	38,945.62	40,349.78
DSI	26,732.01	27,101.51	26,787.57	26,717.15	27,755.46	28,090.02	28,108.19	27,710.72	28,257.89	28,376.03	28,739.26	29,749.56	31,959.22	33,198.05
FSI	1,460.99	1,460.99	1,362.39	1,362.89	1,363.88	1,613.58	1,614.45	1,614.33	1,844.72	2,030.51	3,234.45	3,479.97	3,479.97	3,455.20

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Contact Information

Bridgepath Capital Limited

1st Floor (108), Development House

Corner Henderson Street Road

P.O. Box 2920

Blantyre

Tel No: + 265 1 828 355

Email: info@bridgepathcapitalmw.com

Website: www.bridgepathcapitalmw.com