



# Financial Market Update

Week ending 17 September 2021



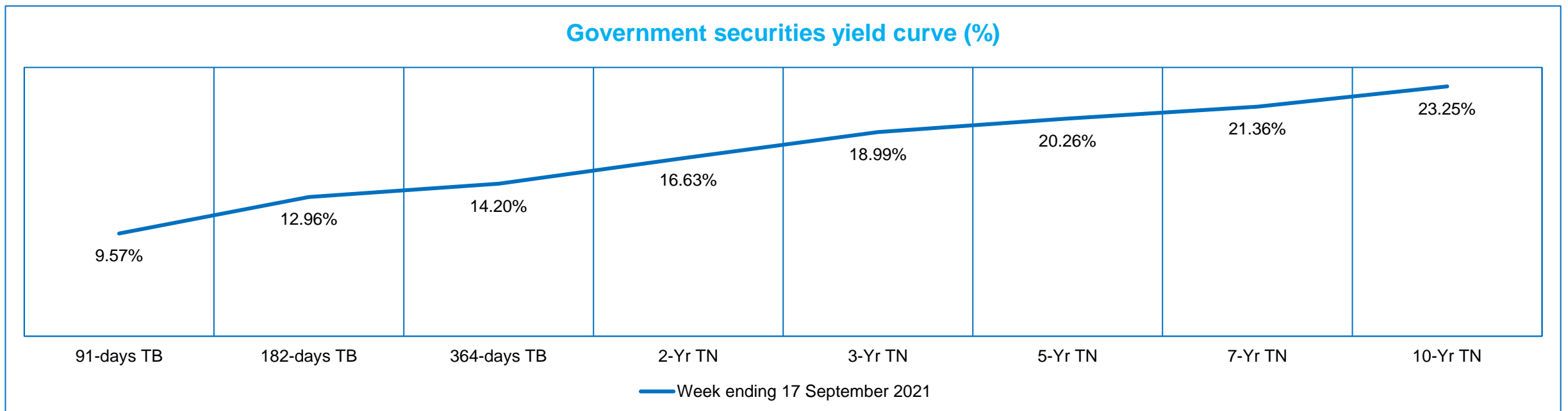
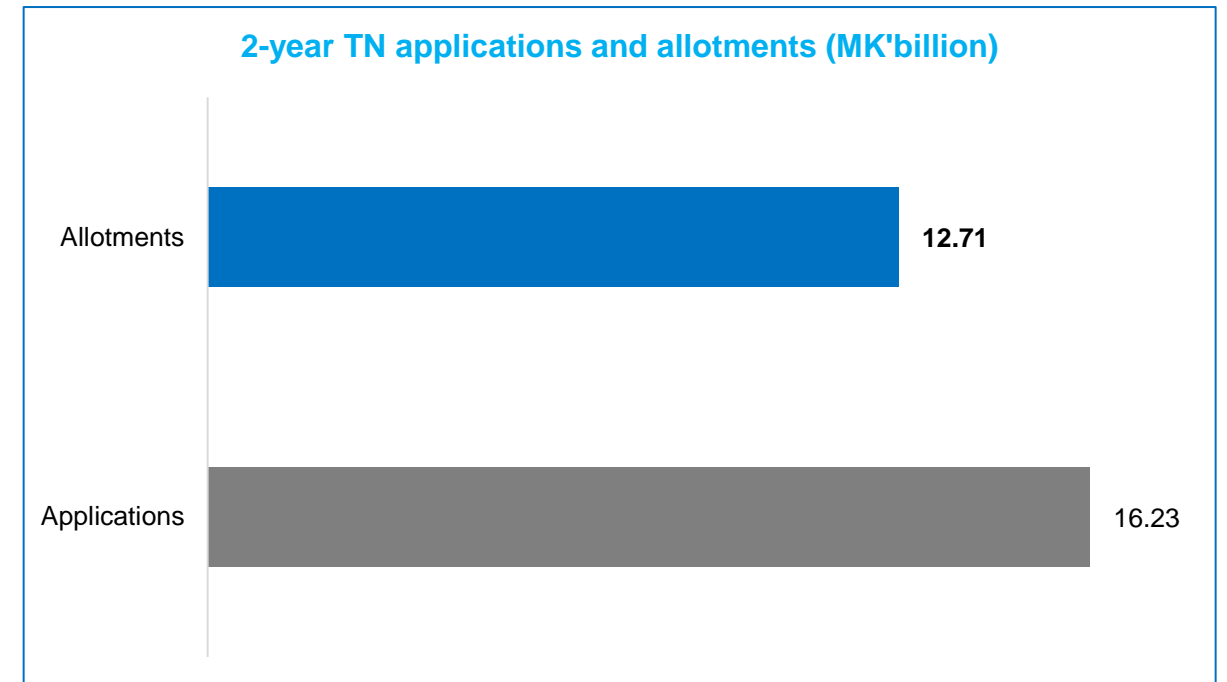
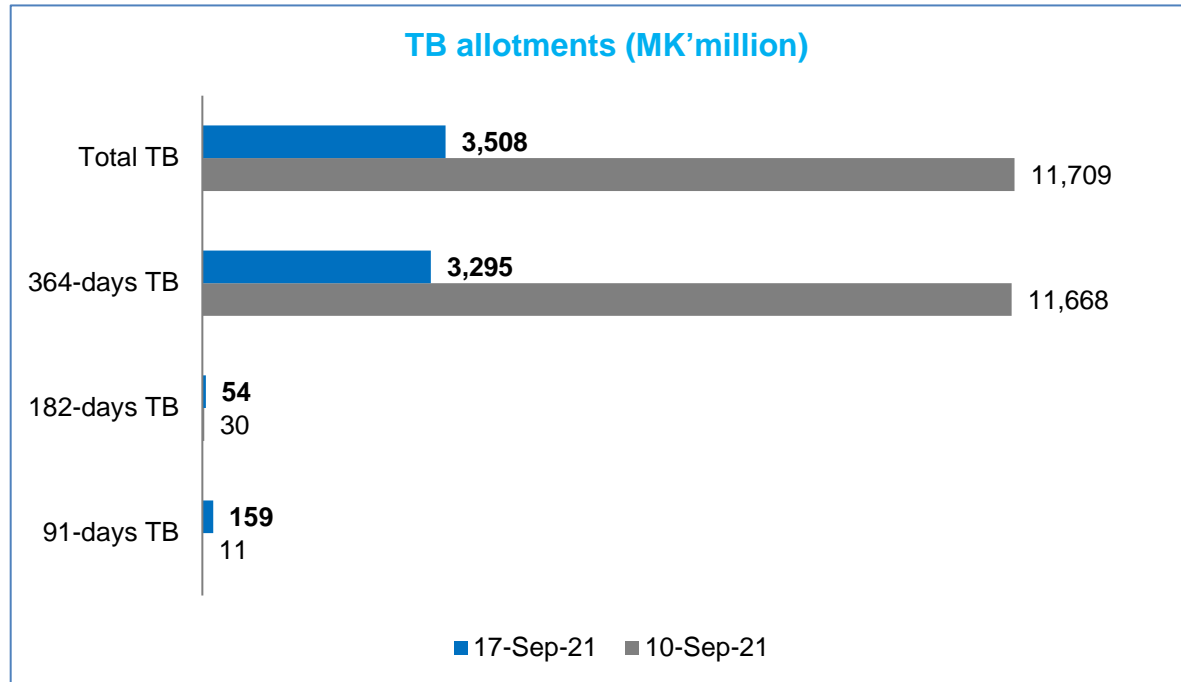
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## Government securities (Source: RBM)

A total of MK16.22 billion was allotted during this week's Treasury Bills (TBs) and 2-yr Treasury Note (TN) auctions.

The TB auctions had a nil rejection rate while the 2-yr TN auction had a rejection rate of 22% during the period under review.

The average Treasury Bill yield decreased to 12.24% from 12.26%, while the average Treasury Note yield maintained its position at 20.10% during the period under review.



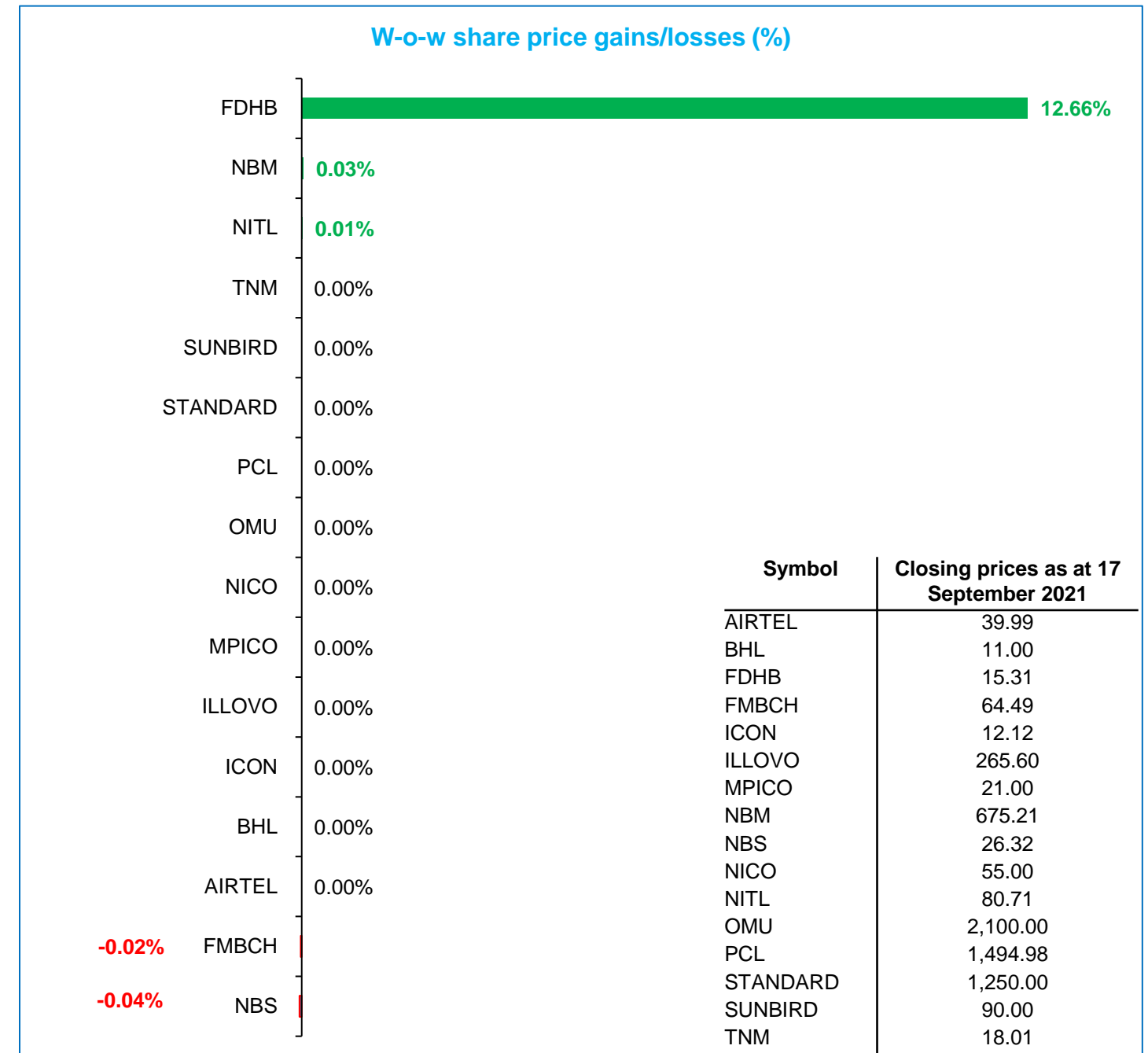
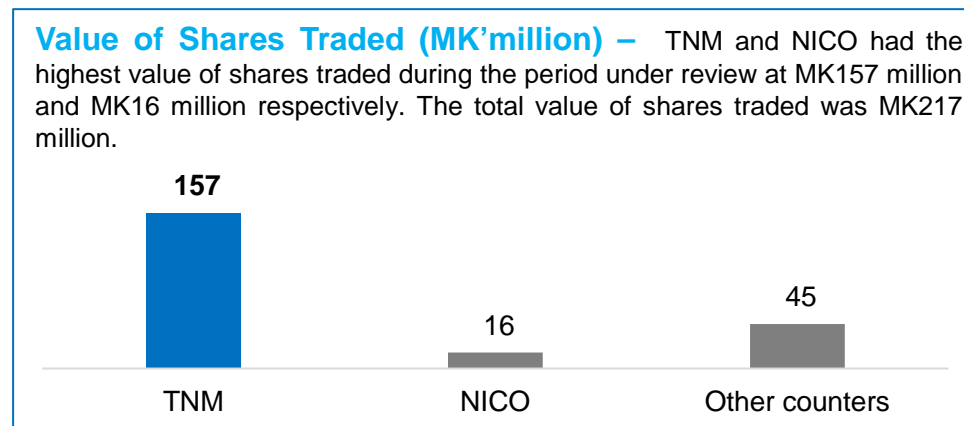
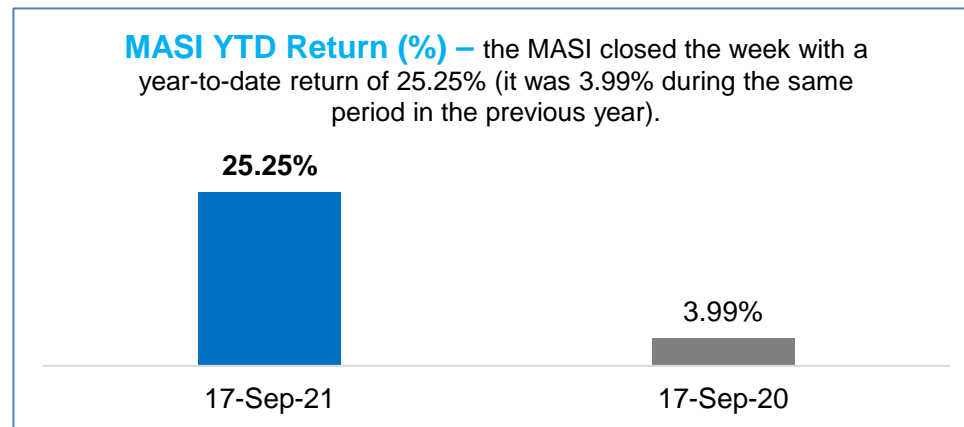
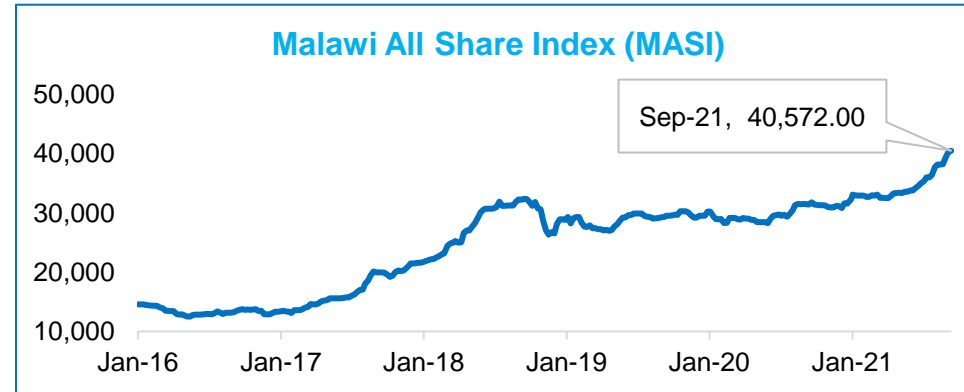


# Financial Market Update: Week ending 17 September 2021

Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) closing the week ending 17 September 2021 at 40,572.00 points from 40,349.78 points for the week ending 10 September 2021. W-o-w, this represents an increase of 0.55%.

There was a share price gain for FDH Bank and marginal share price gains for NBM and NITL, which offset marginal share price losses for FMBCH and NBS during the period under review.



Symbol	Closing prices as at 17 September 2021
AIRTEL	39.99
BHL	11.00
FDHB	15.31
FMBCH	64.49
ICON	12.12
ILLOVO	265.60
MPICO	21.00
NBM	675.21
NBS	26.32
NICO	55.00
NITL	80.71
OMU	2,100.00
PCL	1,494.98
STANDARD	1,250.00
SUNBIRD	90.00
TNM	18.01



## Financial Market Update: Week ending 17 September 2021

Stock market (Source: MSE) (Continued)

MPICO closed the half-year ended 30 June 2021 with a profit after tax of MK2.84 billion, an increase of 13% from profit after tax of MK2.51 billion for the same period in 2020.

The Board of MPICO plc declared an interim dividend of MK0.12/share on 13 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
MPICO	Declared	Interim	0.12	8 October 2021	22 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	30 June 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	12.87	11.68	10%	N/A
Airtel Malawi	11.35	11.42	-0.61%	N/A
TNM	4.51	3.78	19%	N/A
NICO	7.03	7.64	8%	N/A
ICON	3.07	2.11	45%	20%
MPICO	2.84	2.51	13%	N/A
Old Mutual (ZAR'billion)	3.16	4.22	-25%	N/A



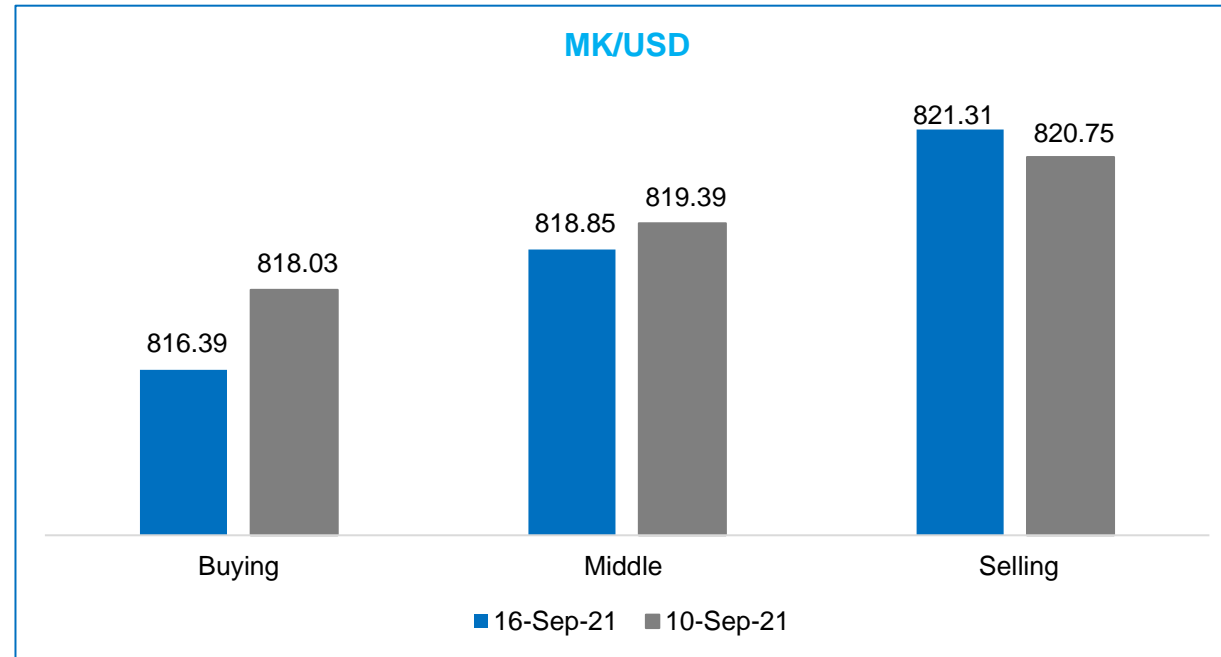
# Financial Market Update: Week ending 17 September 2021

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

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 5.41%.

W-o-w, the Malawi Kwacha has marginally appreciated against the USD by 0.07% (to Mk818.85/USD from Mk819.39/USD).

## Foreign currency (Source RBM)



## What happened this week?

- The Minister of Agriculture, during a Press Statement held on 16 September 2021, indicated that the Government has allocated MK142 billion for the Affordable Inputs Programme (AIP); of which MK125 billion is set aside for fertilizer purchases and MK12 billion for seed purchases. With a bag of fertilizer costing an estimated MK27,000 per bag, the Government will contribute MK19,500 and the farmer’s contribution will be MK7,500. The contribution that farmers make per bag is equivalent to the price of a bag of maize sold at the minimum price of Mk150/kg.
- The Malawi Energy Regulatory Authority (MERA) is monitoring movements on the international fuel market and the volatility of the Kwacha with the aim of aligning domestic fuel prices with prevailing market conditions. This is supported by recent trends in the exchange rate and the Free on Board Prices of refined petroleum products on the international market that triggered increases in the landed costs of petrol and diesel by 20% and 12% respectively (*The Daily Times, 16-Sep-21*).
- The Ministry of Mining has said Kayelekera Uranium Mine remains key to the country’s plans as revenue from the mine could contribute towards national economic development. With international prices of uranium rising, it is expected that the mine can eventually become operational (*The Daily Times, 17-Sep-21*).
- The country may destroy doses of the Covid-19 vaccines that are approaching their expiration period if vaccine uptake does not improve. These vaccines include 87,805 doses of the Oxford-AstraZeneca that expire by 30 September 2021 and 62,095 doses of the Johnson & Johnson to be administered before the end of November 2021 (*The Daily Times, 16-Sep-21*).



## Appendix: Historical Economic Indicators

	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 17 September 2021
<b>Exchange rates</b>														
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	818.85
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	1,194.41
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	1,037.13
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	61.17
<b>Foreign Exchange Reserves</b>														
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	-
<b>Inflation</b>														
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%	-	-
<b>Interest Rates</b>														
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%
<b>Government Securities' Yields</b>														
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%	9.57%
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%	12.96%
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%
<b>Stock Market Indices</b>														
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	40,572.00
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	33,396.17
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	3,454.70

## **Disclaimer**

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