



Financial Market Update

Week ending 24 September 2021

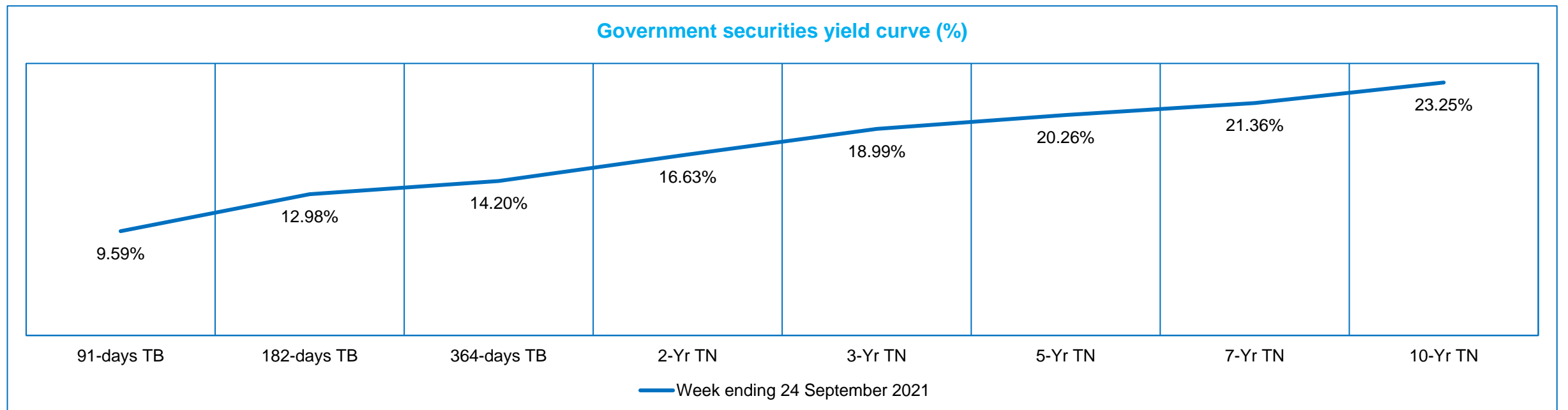
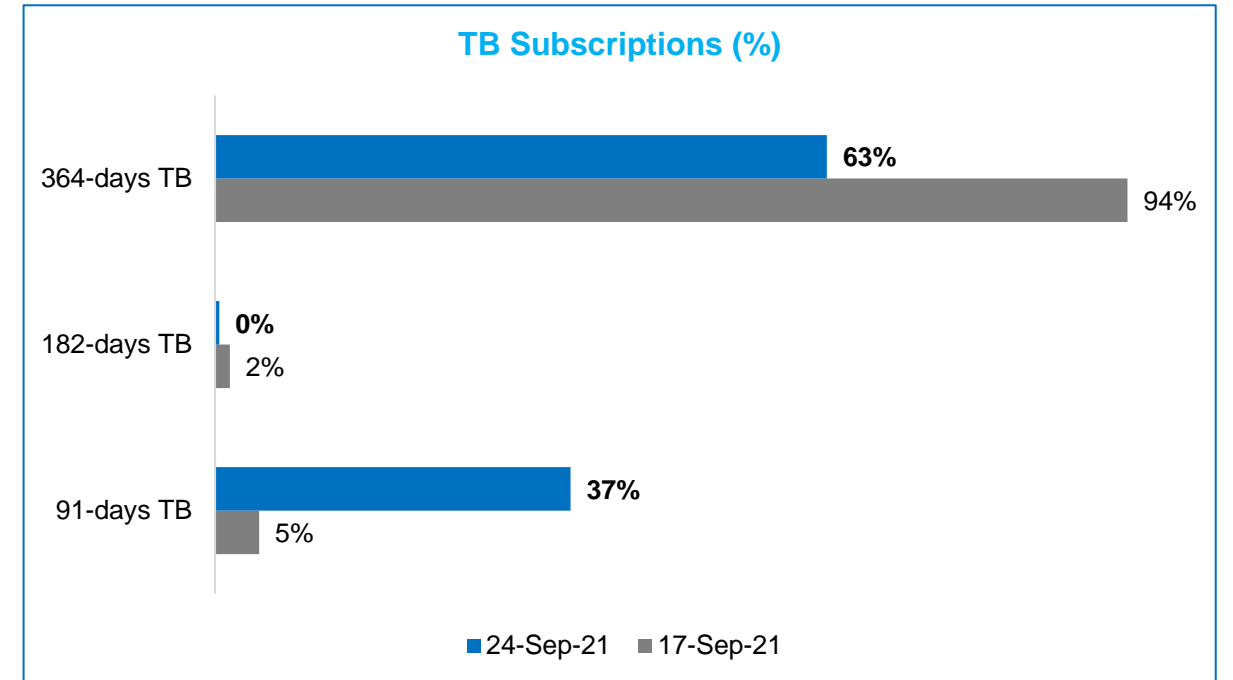
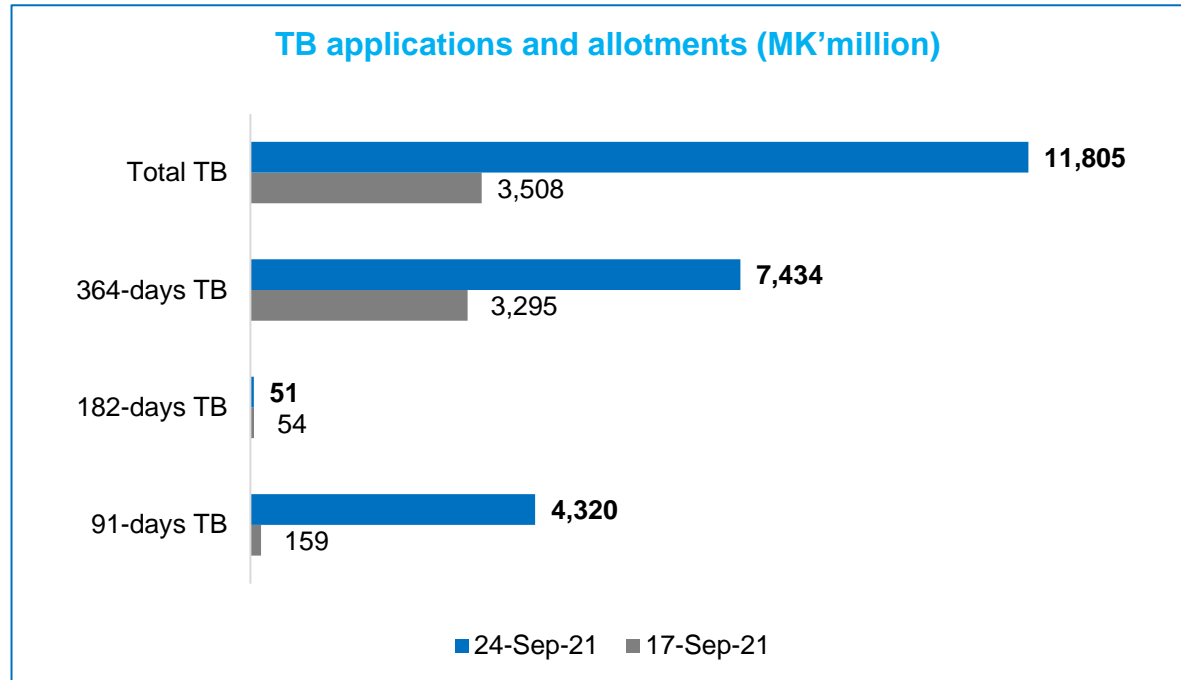


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Government securities (Source: RBM)

A total of MK11.81 billion was allotted during this week's Treasury Bills (TBs) auction which had a nil rejection rate.

The average Treasury Bill yield increased to 12.26% from 12.24% during the period under review.



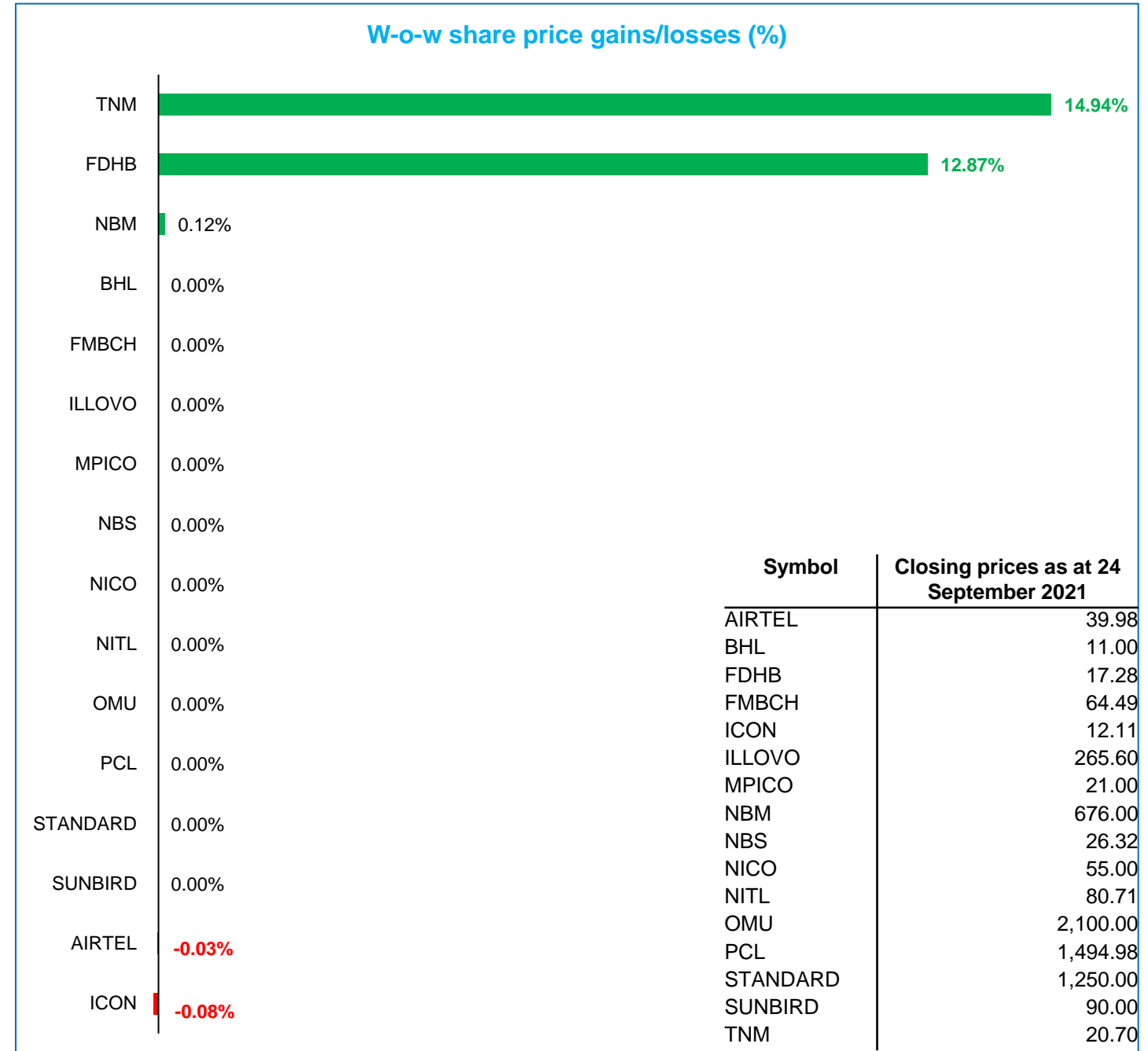
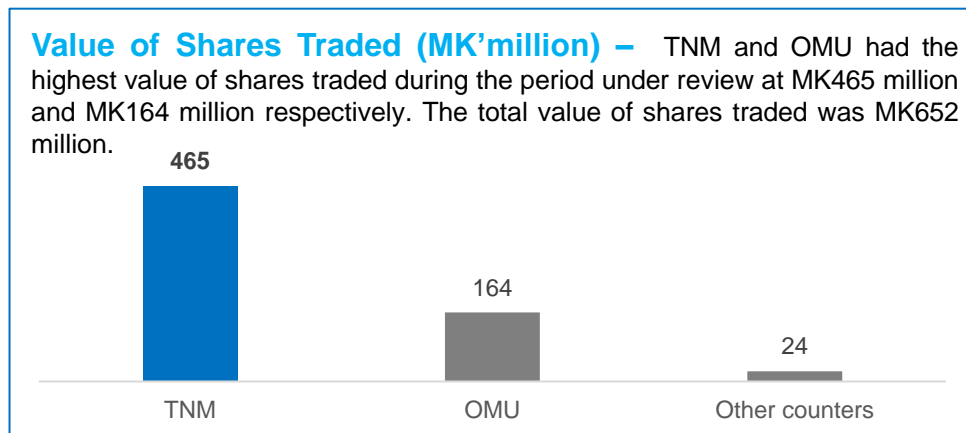
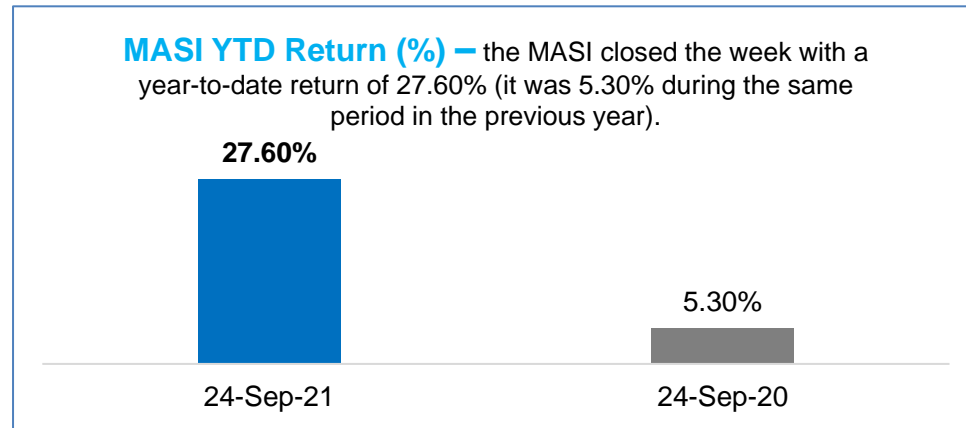
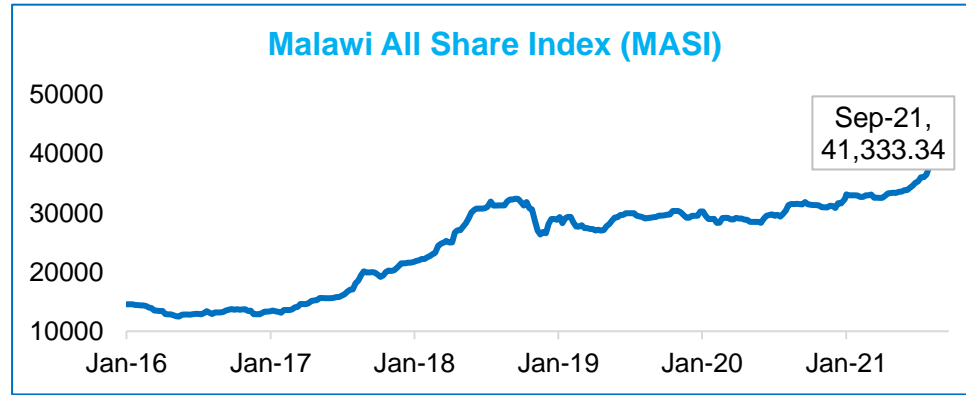


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Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) closing the week ending 24 September 2021 at 41,333.34 points from 40,572.00 points for the week ending 17 September 2021. W-o-w, this represents an increase of 1.88%.

There were share price gains for TNM and FDH Bank with a marginal gain for NBM; The gains offset marginal share price losses for AIRTEL and ICON during the period under review.





Financial Market Update: Week ending 24 September 2021

Stock market (Source: MSE) (Continued)

NITL's profit for the half-year ended 30 June 2021 of MK1.23 billion was 235% higher than the MK0.36 billion made in the half year ended 30 June 2020.

The Board of ICON plc declared an interim dividend of MK0.12/share on 24 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-Sep-21	24-Sep-21
STANDARD	Declared	Interim	28.55	10-Sep-21	23-Sep-21
NBS	Declared	Interim	0.60	10-Sep-21	24-Sep-21
OMU	Declared	Interim	13.96	14-Sep-21	11-Oct-21
TNM	Declared	Interim	0.18	17-Sep-21	24-Sep-21
NICO	Declared	Interim	0.75	24-Sep-21	1-Oct-21
MPICO	Declared	Interim	0.12	8-Oct-21	22-Oct-21
ICON	Declared	Interim	0.12	8-Oct-21	22-Oct-21
PCL	Declared	Interim	6.00	15-Oct-21	29-Oct-21
NICO	Declared	Special	0.50	22-Oct-21	4-Nov-21

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%

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
NITL	1.23	0.36	234.5%	239%
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



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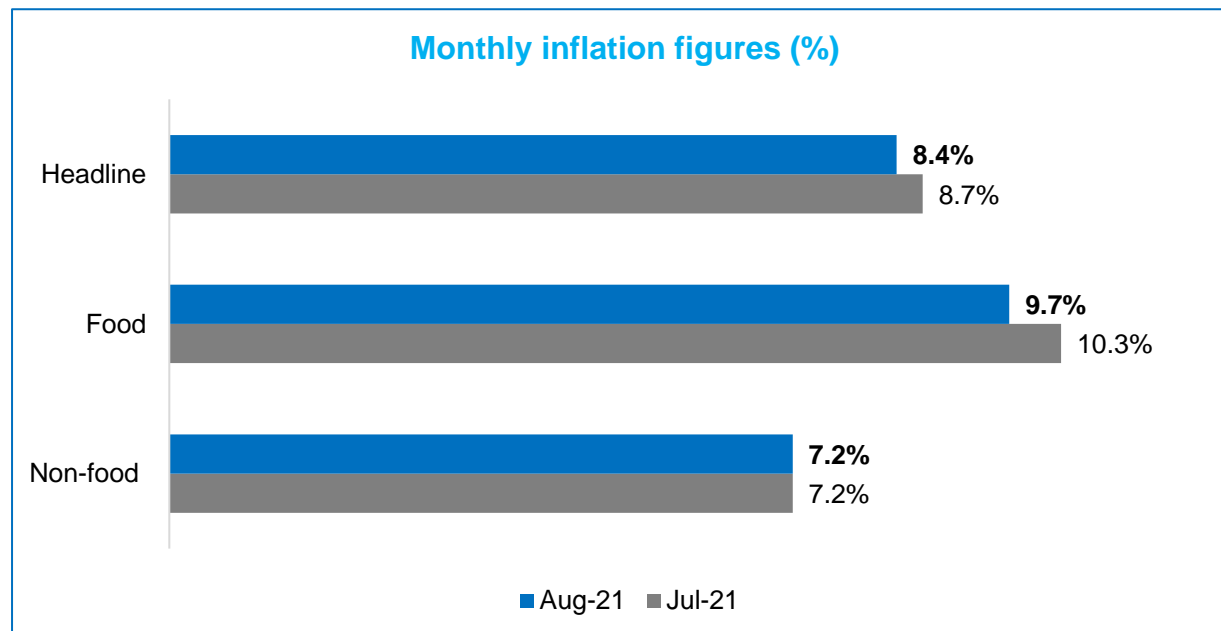
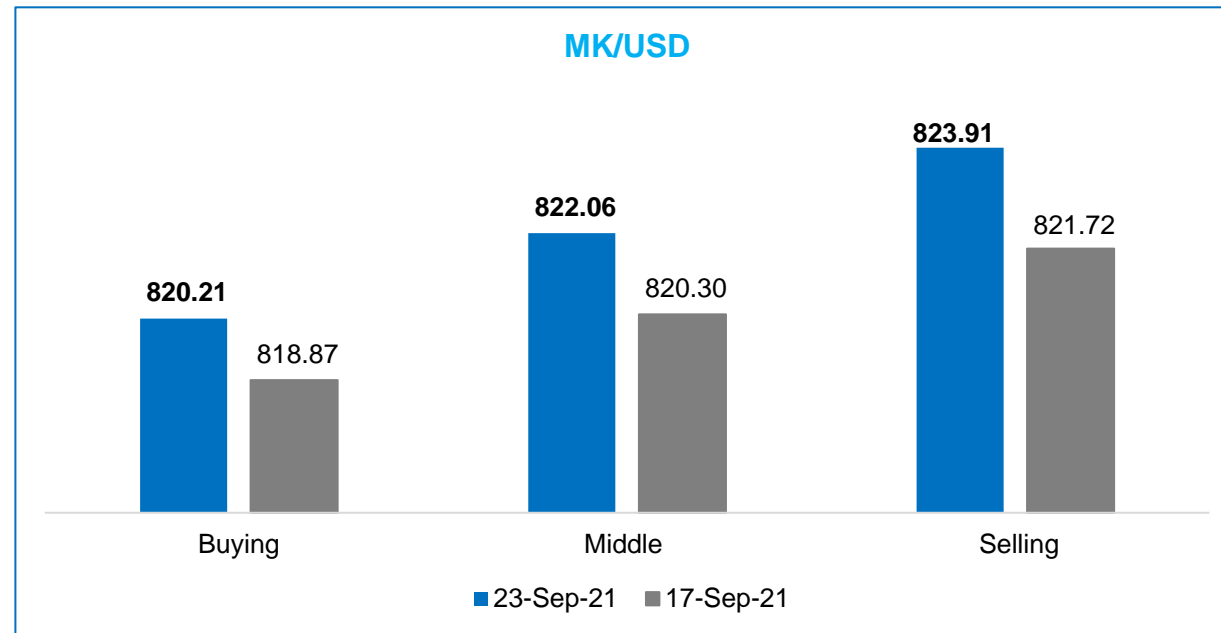
Foreign currency market and other market developments (Source: RBM)

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 5.50%.

W-o-w, the Malawi Kwacha has marginally appreciated against the USD by 0.21% (to MK822.06/USD from MK820.30/USD).

Headline inflation decreased to 8.4% in August 2021 from 8.7% in July 2021 on account of a decrease in food inflation.

Foreign currency (Source RBM)



What happened this week?

- Headline inflation decreased to 8.4% in August 2021 from 8.7% in July 2021 on account of a decrease in food inflation. Food inflation decreased to 9.7% from 10.3% while non-food inflation was flat at 7.2% (NSO).
- Nacala Logistics launched a more efficient locomotive (Dash 9) with increased capacity on 20 September 2021. According to the company's operations director, the locomotive will reduce transport costs of imports and exports by 20% while tonnage is expected to rise by 60 to 80 thousand tonnes (*The Nation, 22-Sep-21*).
- President Lazarus Chakwera called on international institutions and countries to cancel debt which Malawi owes them. The act would help the country to focus on recovering from the coronavirus pandemic by allocating resources to various social-economic recovery programs (*The Daily Times, 24-Sep-21*).
- Malawi's move to increase the COMESA Simplified Trade Regime threshold from US\$2,000 to USD3,000 is likely to benefit small businesses as it has reduced their customs costs. The policy has also been credited for the reduction in smuggling in the country (*The Nation, 24-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 24 September 2021
Exchange rates (middle 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	822.06
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	1,187.28
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	1,036.29
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	60.02
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%	8.4%	-
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%	9.7%	-
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%	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	41,333.34
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	34,073.61
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

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