



# Financial Market Update

Week ending 5 November 2021



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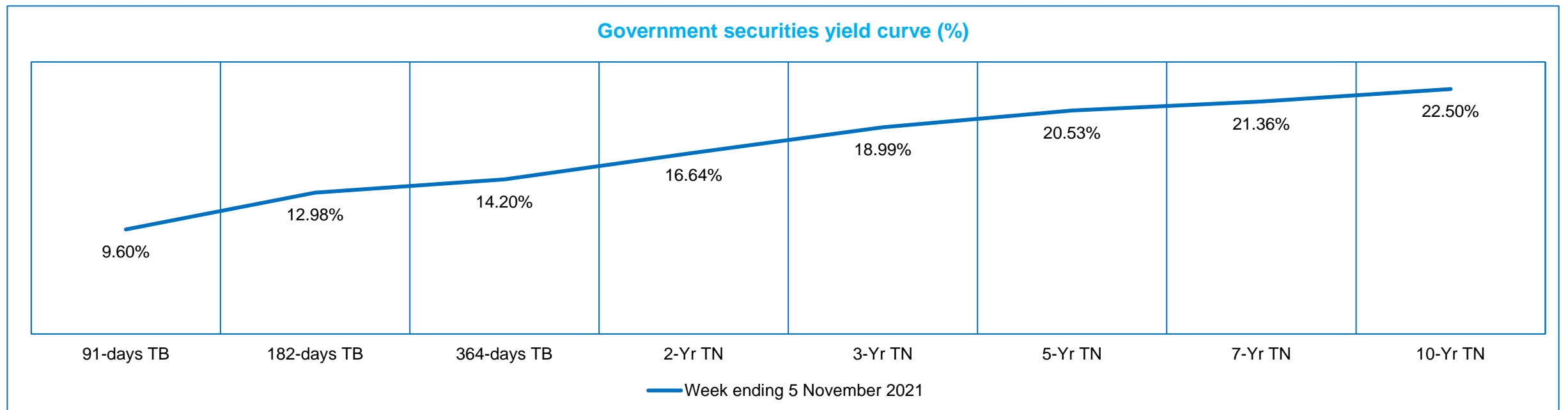
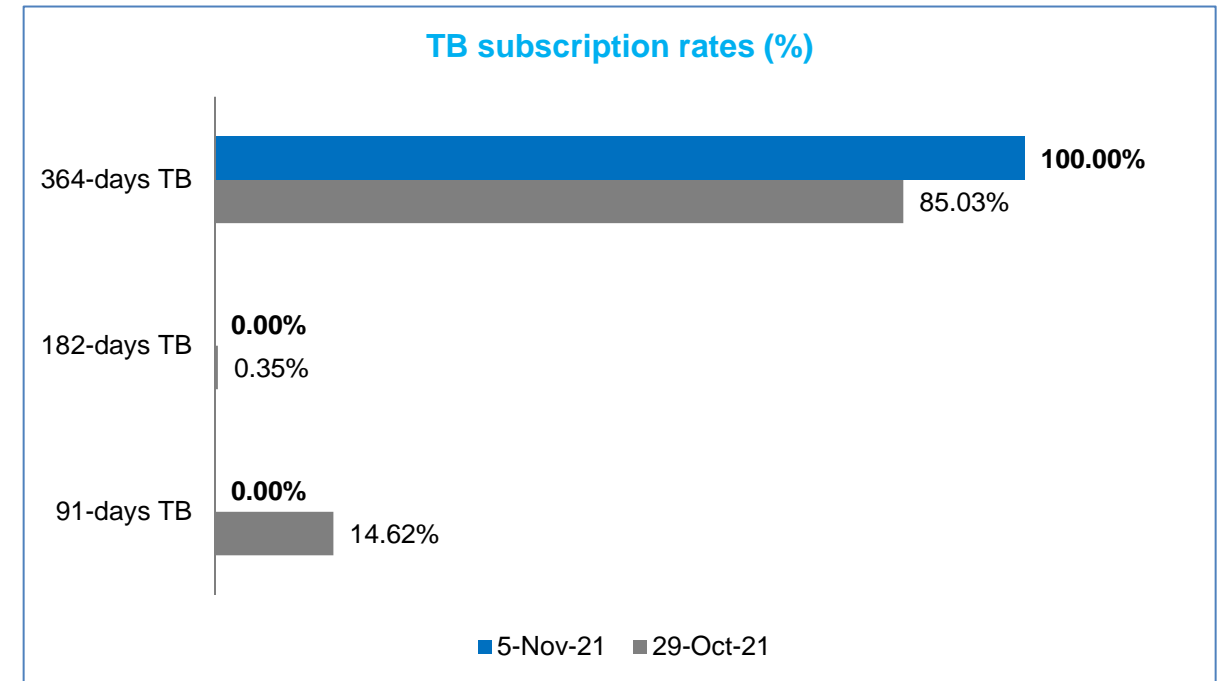
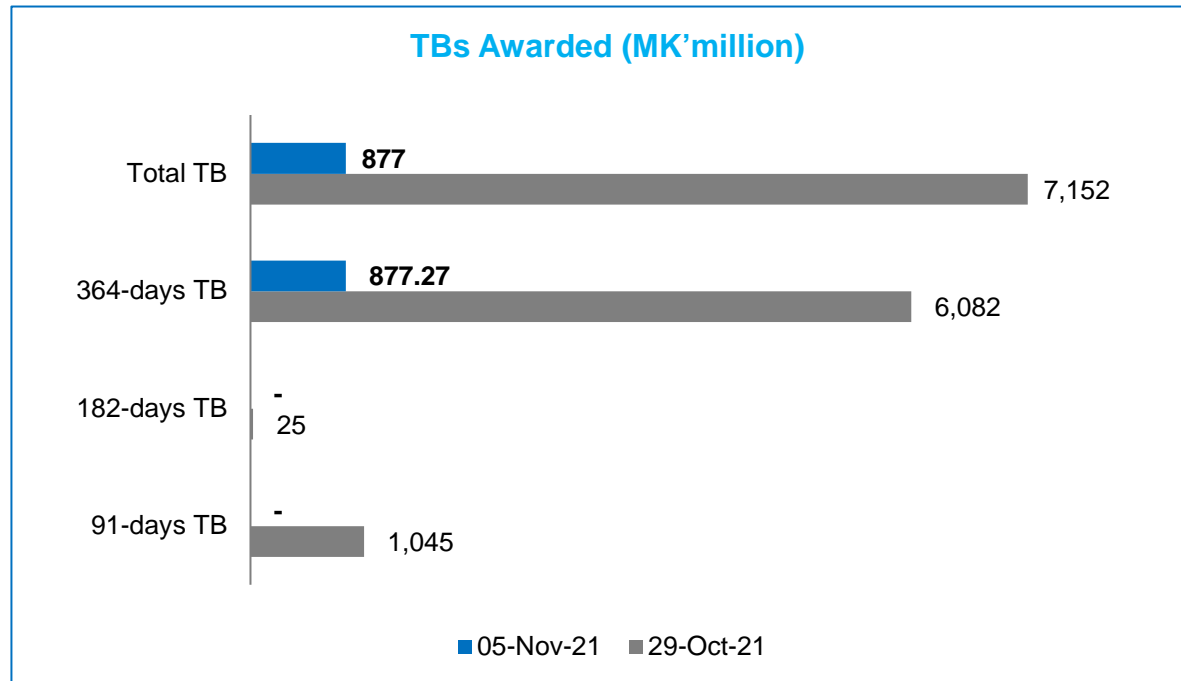
## Government securities (Source: RBM)

A total of MK877 million was awarded during this week's TB auctions.

The TB auctions had a nil rejection rate during the period under review.

The 364-days TB had a 100% subscription rate during the period under review.

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



TB: Treasury Bill  
TN: Treasury Note

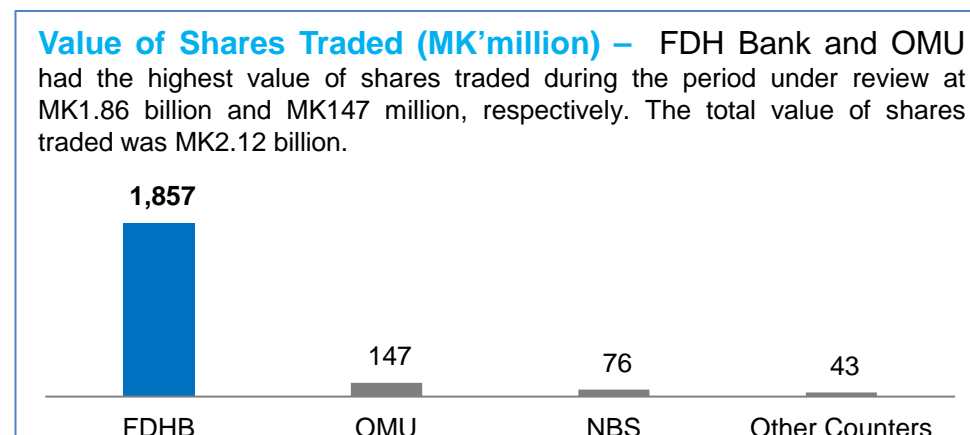
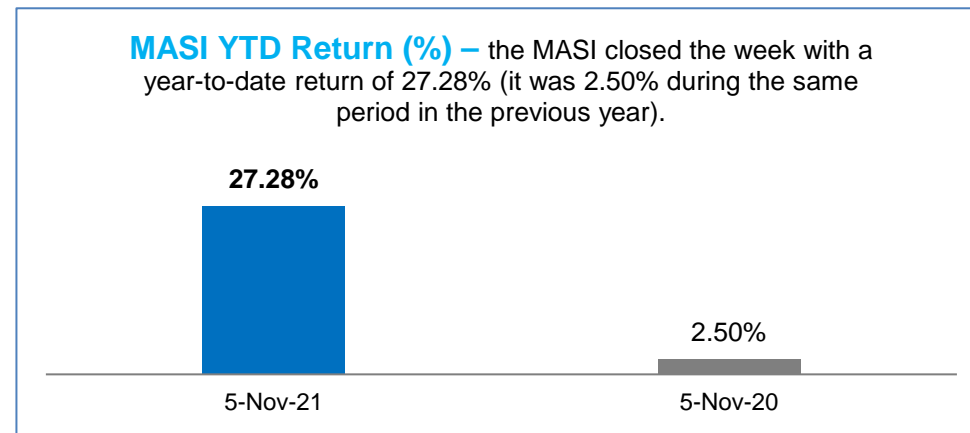
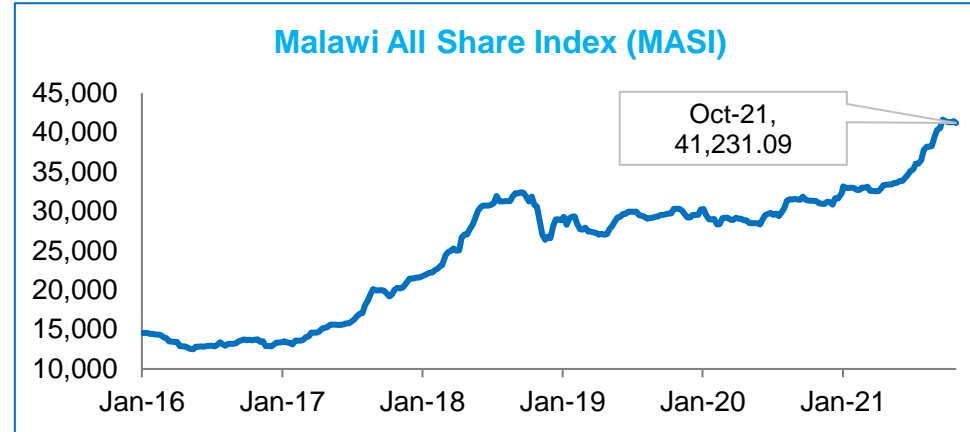


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Stock market (Source: MSE)

The stock market was bearish over the period with the Malawi All Share Index (MASI) closing the week ending 5 November 2021 at 41,231.09 points from 41,458.37 points for the week ending 29 October 2021. W-o-w, this represents a decrease of 0.55%.

There was a share price loss for FMBCH by 6.83% (to MK60.00/share from MK64.40/share) and marginal share price losses for TNM, FDH Bank, NBS, AIRTEL and OMU during the period under review. The share price losses offset a marginal share price gain in NBM during the period under review.



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

NBM	0.004%
SUNBIRD	0.00%
STANDARD	0.00%
PCL	0.00%
NITL	0.00%
NICO	0.00%
MPICO	0.00%
ILLOVO	0.00%
ICON	0.00%
BHL	0.00%
OMU	-0.0005%
AIRTEL	-0.03%
NBS	-0.09%
FDHB	-0.12%
TNM	-0.69%
FMBCH	-6.83%

Symbol	Closing prices as at 5 November 2021
AIRTEL	38.30
BHL	11.00
FDHB	16.03
FMBCH	60.00
ICON	12.95
ILLOVO	265.00
MPICO	21.00
NBM	701.05
NBS	22.96
NICO	55.00
NITL	94.99
OMU	2,099.99
PCL	1,494.95
STANDARD	1,250.00
SUNBIRD	90.00
TNM	23.00



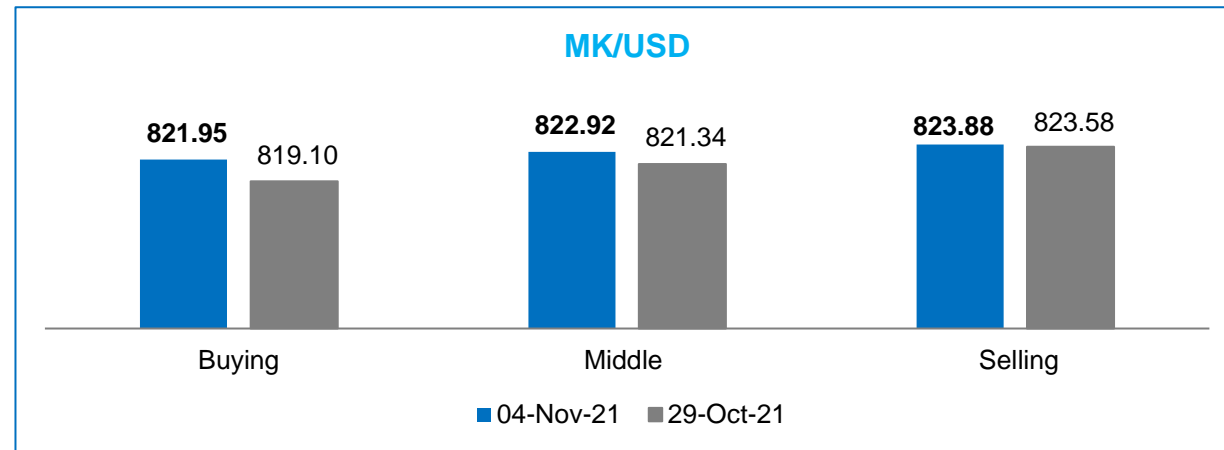
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Foreign currency market and other market developments (Source: RBM)

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 5.93%.

W-o-w, the Malawi Kwacha marginally depreciated against the USD by 0.19% (to MK822.92/USD from MK821.34/USD).

## Foreign currency (Source RBM)



## Corporate Announcements

### FDH Bank Plc cautionary statement

FDH Bank, through a cautionary announcement, informed its shareholders and the general public that shareholders of the Bank's holding company, FDH Financial Holdings Limited, were engaged in shareholding discussions. The discussions may result in changes in the shareholding structure of FDH Financial Holdings Limited. Shareholders were therefore advised to exercise caution and consult their professional advisors before dealing in their shares until such time as the result of the discussions are known.

### Financial year Trading Statements

The following companies wish to advise the public that their profit/loss after tax for the financial 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	31 August 2021	31 August 2020	Trading statement profit/loss expectation
ILLOVO Sugar Malawi	20.00 (Range 18-22)	2.74	630%

## What happened this week?

- The Japanese government has disbursed USD1.3 million (MK1.1 billion) to Malawi through the United Nations Development Programme (UNDP). The funds are to facilitate production of Covid-19 personal protective equipment (PPE) under the Implementation of Increasing Covid-19 PPE Access in Malawi Project (*The Nation*, 1-Nov-21).
- Following the World Health Organisation (WHO) approving a Malaria vaccine rollout in Malawi, India-based Dr. Naveen Thacker said people will have to continue depending on other preventative measures as the vaccine efficacy is around 50%. The WHO indicated that the vaccine acts against the malaria parasite that is most prevalent in Africa (*The Daily Times*, 1-Nov-21).
- The Institute of Chartered Accountants in Malawi (ICAM) says rising energy prices, public debt and further weakening of the Kwacha pose challenges to the implementation of the 2021/22 fiscal plan. This is because there are no likely means to help build the country's foreign exchange reserves and there is the need to import fertilizer for the Affordable Inputs Programme (AIP) (*The Nation*, 3-Nov-21).
- The Department of Disaster Management Affairs (DODMA) faces a deficit of MK27.1 billion to assist 1.5 million people facing food shortage and in need of food relief between December 2021 and February 2022 (*The Nation*, 4-Nov-21).





## Appendix 1: 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	Sep-21	Week ending 5 November 2021
<b>Exchange rates (middle 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	822.17	<b>822.92</b>
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	1,168.72	<b>1,189.34</b>
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	1,026.14	<b>1,063.68</b>
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	58.90	<b>58.37</b>
<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	521.87	<b>405.66</b>
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	386.05	<b>384.75</b>
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	907.92	<b>790.41</b>
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	2.09	<b>1.62</b>
<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%	8.4%	8.9%	-
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%	10.9%	-
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%	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%	<b>12.00%</b>
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%	<b>11.98%</b>
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>12.20%</b>
<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%	9.60%	9.59%	<b>9.60%</b>
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%	12.96%	12.98%	<b>12.98%</b>
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%	14.08%	14.20%	<b>14.20%</b>
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%	<b>16.64%</b>
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%	<b>18.99%</b>
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%	20.09%	20.26%	<b>20.53%</b>
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%	<b>21.36%</b>
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%	23.01%	23.25%	<b>22.50%</b>
<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	41,681.86	<b>41,231.09</b>
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	34,383.73	<b>34,156.83</b>
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	<b>3,232.25</b>

## **Disclaimer**

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