



Malawi Financial Market Update

Week ending 17 December 2021



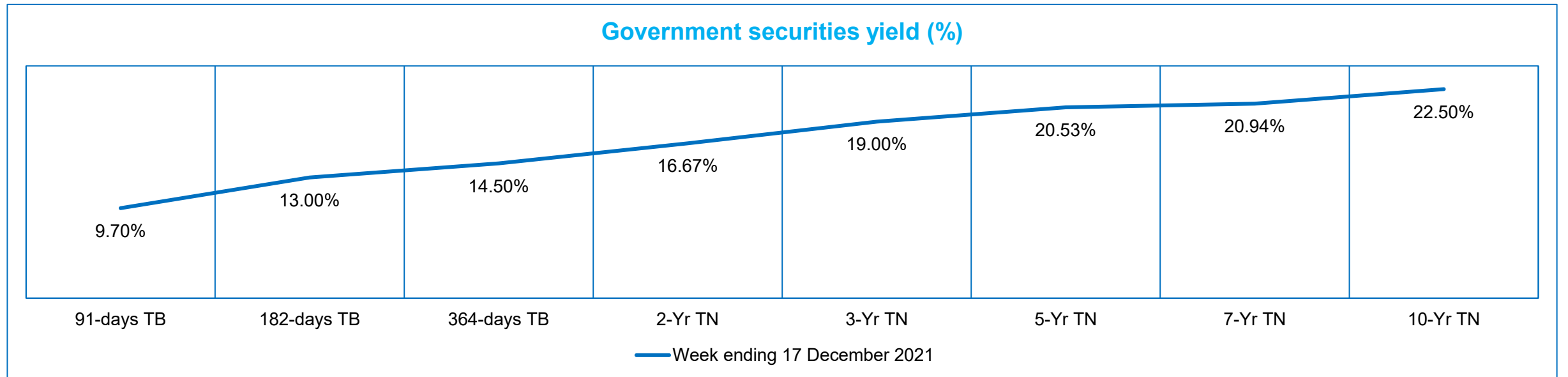
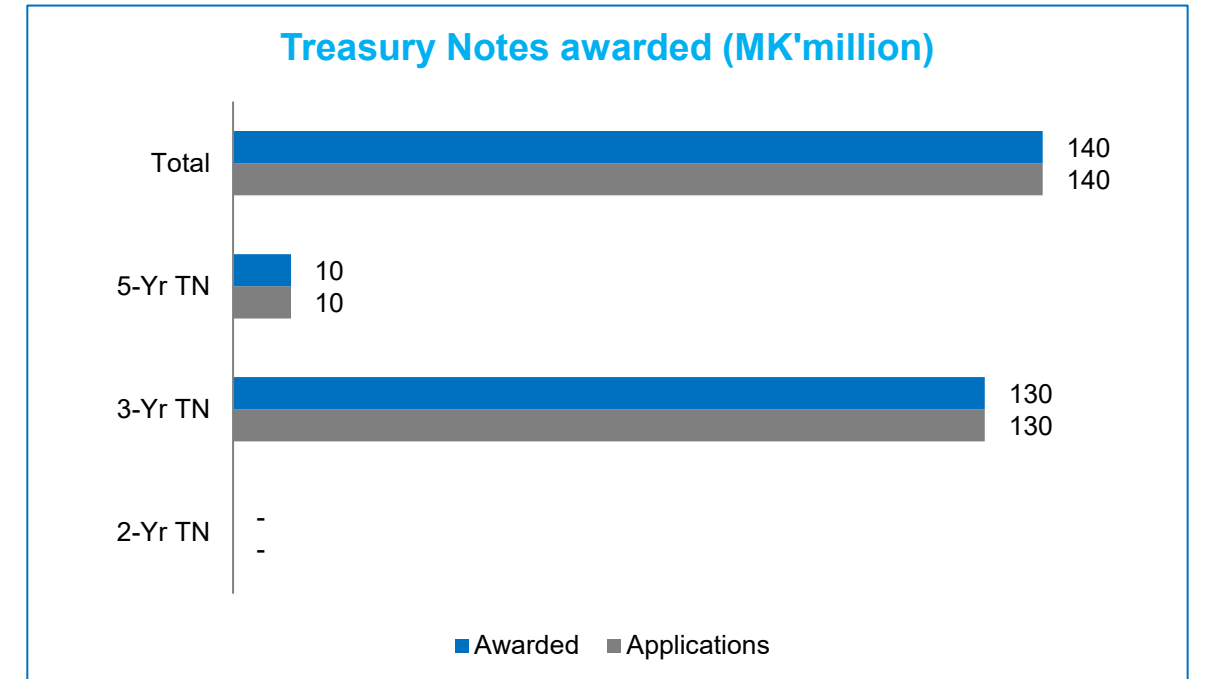
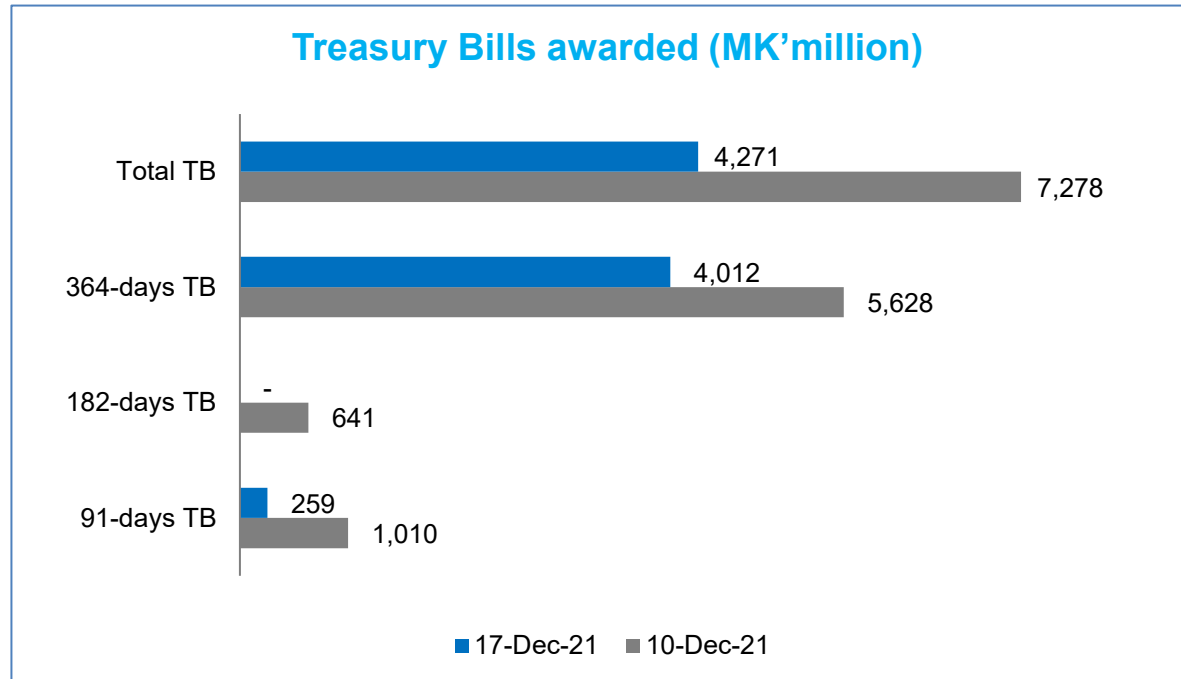
Financial Market Update: Week ending 17 December 2021

Government securities (Source: RBM)

A total of MK4.41 billion was raised in this week's government securities auctions with MK4.27 billion raised in Treasury Bills (TBs) auctions and MK140 million raised in Treasury Notes (TNs) auctions.

Both the TBs and TNs auctions had nil rejection rates during the period under review.

The average TB yield increased to 12.40% from 12.34% while the average TN yield decreased to 19.93% from 20.04%.



TB: Treasury Bill
TN: Treasury Note

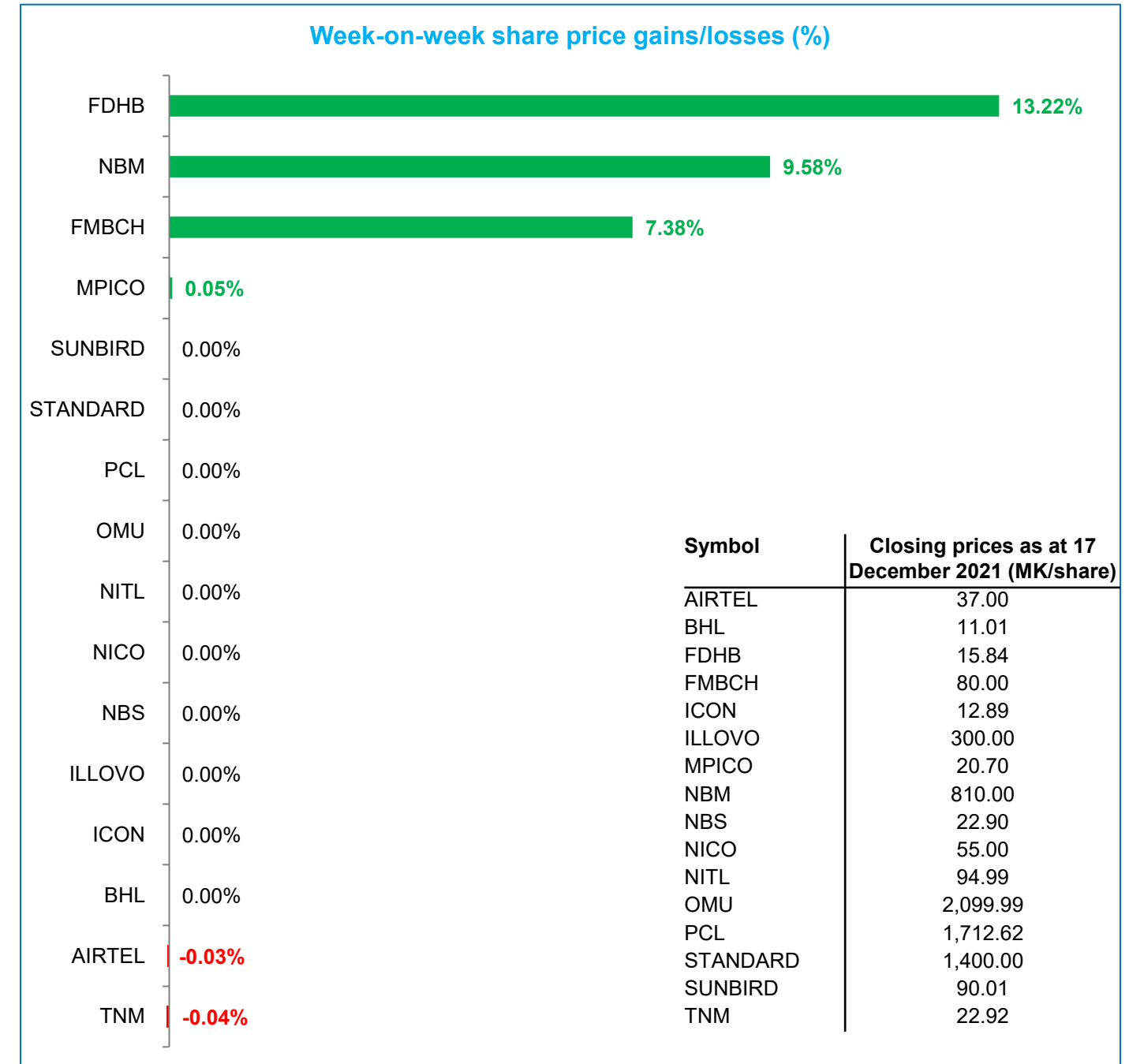
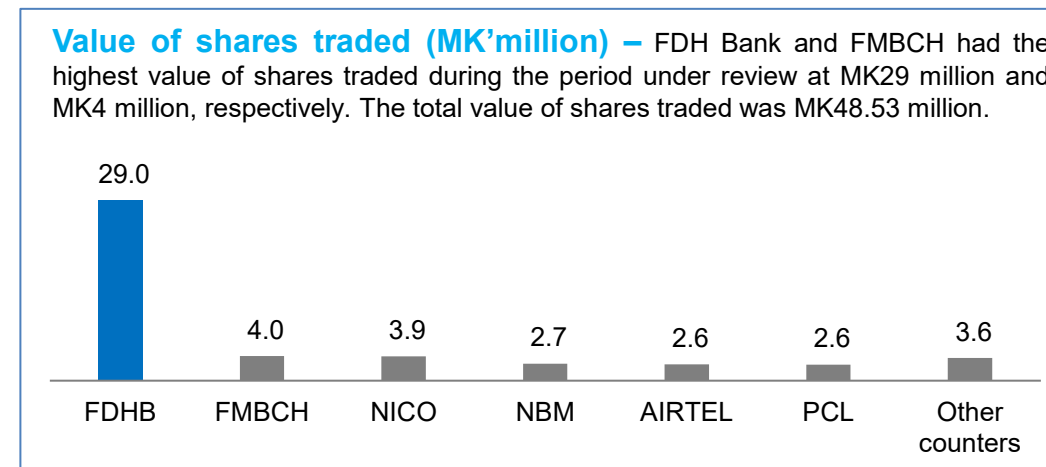
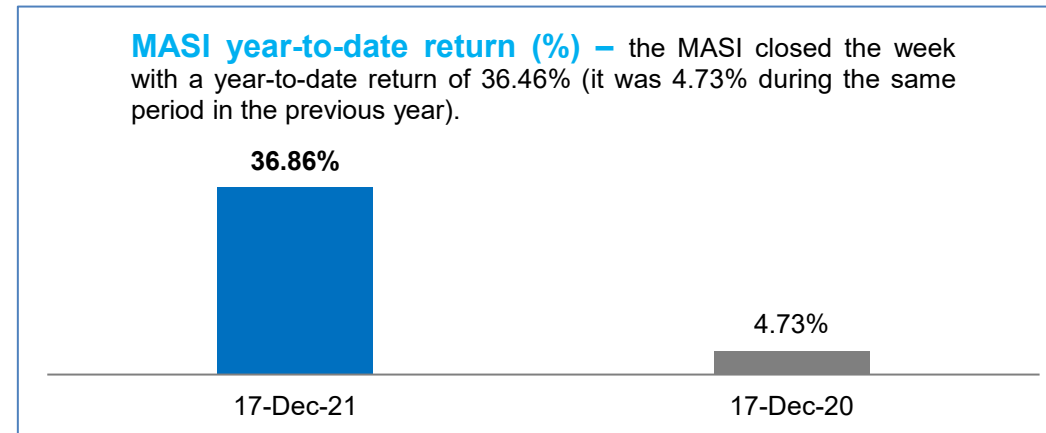
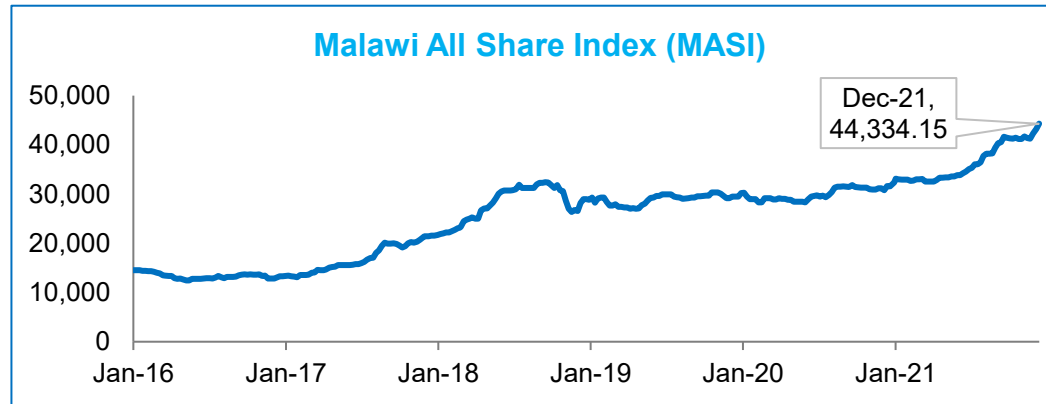


Financial Market Update: Week ending 17 December 2021

Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) closing the week ending 17 December 2021 at 44,334.15 points from 43,242.74 points for the week ending 10 December 2021. Week-on-week, this represents an increase of 2.52%.

There were share price gains for FDH Bank, NBM and FMBCH during the period under review. There was also a marginal share price gain for MPICO. The share price gains offset marginal share price losses for AIRTEL and TNM during the period under review.



Symbol	Closing prices as at 17 December 2021 (MK/share)
AIRTEL	37.00
BHL	11.01
FDHB	15.84
FMBCH	80.00
ICON	12.89
ILLOVO	300.00
MPICO	20.70
NBM	810.00
NBS	22.90
NICO	55.00
NITL	94.99
OMU	2,099.99
PCL	1,712.62
STANDARD	1,400.00
SUNBIRD	90.01
TNM	22.92



Financial Market Update: Week ending 17 December 2021

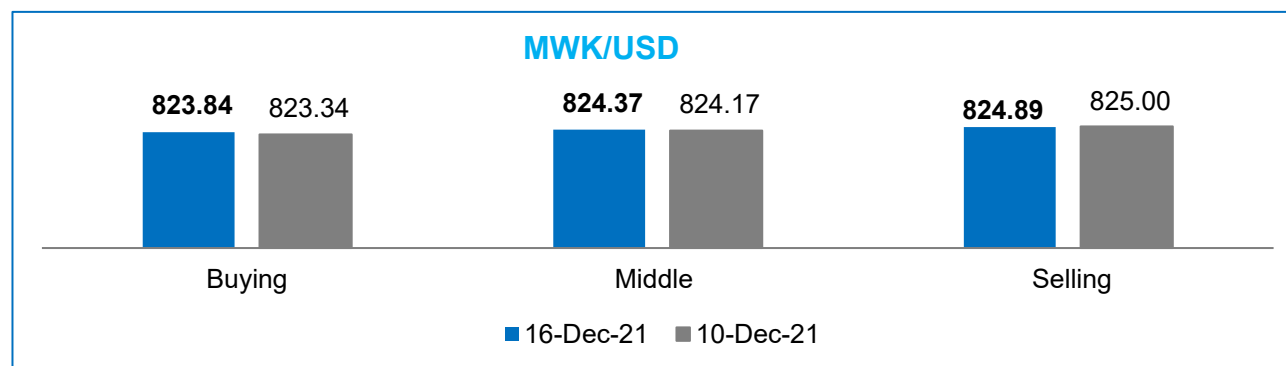
Foreign currency market and other market developments (Source: RBM)

Headline inflation increased to 11.1% in November 2021 from 9.8% in October 2021 on account of increases in food and non-food inflation.

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 6.12%.

Week-on-week, the Malawi Kwacha was relatively stable against the USD by and traded at MK824.37/USD as at 16 December 2021.

Foreign currency (Source: RBM)



Corporate Announcements

Dividends

Counter	Dividend type	Proposed/declared	Dividend per share (MK)	Last day to register	Date of payment
Illovo	Final	Proposed	4.00	11 March 2022	31 March 2022
FDH	Second interim	Declared	0.43471	31 December 2021	14 January 2022

Coupon payment on listed MyBucks MK9.0 billion medium term note

MyBucks informed its noteholders of the payment of coupon which has a last date to register of 24 December 2021 and the date of coupon payment of 31 December 2021. The coupon payment period is 1 October 2021 to 31 December 2021.

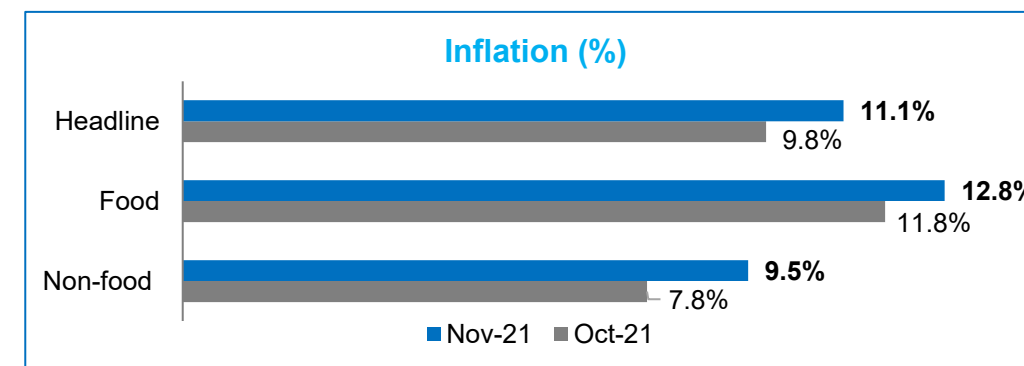
Medium Term Note Tranches	Tranche Amount (MK)	Coupon rate(%)	Coupon Amount (MK)
Series A, Tranche 2	3,000,000,000	12.80%	96,789,041
Series A, Tranche 4	6,000,000,000	18.06%	273,141,699
Totals	9,000,000,000		369,930,740

FMBCH plc Group Managing Director Appointment

FMB Capital Holdings plc announced the appointment of Mr. Jaco Viljoen as its new Group Managing Director effective 1 January 2022.

OMU Dealings in securities on behalf of UK share trust

Old Mutual plc announced that it was dealing in securities on behalf of Employee Share Incentive Scheme. It disposed Old Mutual ordinary shares held by the Old Mutual plc Employee Share Trust on 6 December 2021 on a market sale on the London Stock Exchange.



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 December 2021	31 December 2020	Trading statement profit/loss expectation
Press Corporation Plc	29.8	19.9	50%
FMBCH Plc (USD'million)	29.8	21.3	40%

What happened this week?

- Headline inflation increased to 11.1% in November 2021 from 9.8% in October 2021 on account of increases in food and non-food inflation. Food inflation increased to 12.8% from 11.8% and non-food inflation increased to 9.5% from 7.8% (NSO).
- The Ministry of Economic Planning and Development and Public Sector Reforms has revised the country's gross domestic product (GDP) growth rate forecast for 2021 to 2.5% from 3.8%. This is underpinned by continued COVID-19 pandemic pressure on the economy. The Ministry acknowledges that although recent global vaccine approval and administration raised hopes of a turnaround in the pandemic this year, renewed waves and new variants of the virus remain a concern to Malawi's national growth outlook (*The Nation*, 16-Dec-2021).



Appendix 1: Historical Economic Indicators

	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	Oct-21	Nov-21	Week ending 17 December 2021
Exchange rates (middle rates)																
MK/USD	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	821.34	822.88	824.89
MK/GBP	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	1,201.21	1,194.23	1,238.23
MK/EUR	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	1,037.74	1,099.91	1,104.34
MK/ZAR	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	59.04	57.21	61.73
Foreign Exchange Reserves																
Gross Official Reserves (USD'mn)	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	405.66	389.26	-
Private Sector Reserves (USD'mn)	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	384.75	404.81	-
Total reserves (USD'mn)	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	790.41	794.07	-
Gross Official Reserves Import cover (months)	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	1.62	1.56	-
Inflation																
Headline	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%	9.8%	11.1%	-
Food	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%	11.8%	12.8%	-
Non-food	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%	7.8%	9.5%	-
Interest Rates																
Monetary Policy rate	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%	12.00%	12.00%	12.00%
Average Interbank rate	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%	11.98%	11.98%	11.98%
Average base lending rate	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%	12.20%	12.20%	12.20%
Government Securities' Yields																
91-days Treasury Bill	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%	9.60%	9.58%	9.70%
182-days Treasury Bill	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%	12.98%	12.98%	13.00%
364-days Treasury Bill	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%	14.20%	14.22%	14.50%
2-year Treasury Note	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%	16.64%	16.64%	16.67%
3-year Treasury Note	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%	18.99%	19.00%	19.00%
5-year Treasury Note	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%	20.44%	20.53%	20.53%
7-year Treasury Note	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%	21.36%	21.15%	20.94%
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%	23.00%	22.50%	22.50%
Stock Market Indices																
MASI	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	41,550.15	41,458.37	41,565.98	44,334.15
DSI	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	34,266.54	34,188.36	34,284.11	36,142.05
FSI	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	3,450.70	3,450.25	3,450.24	4,223.15

Disclaimer

Although every effort was made to ensure the information in this report is authentic, the report should only be used for indicative purposes. Bridgepath Capital Limited accepts no responsibility or liability resulting from usage of information from this report. Every recipient using this report should make independent efforts to ascertain the accuracy of the information.

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