



Malawi Financial Market Update

Week ending 11 February 2022



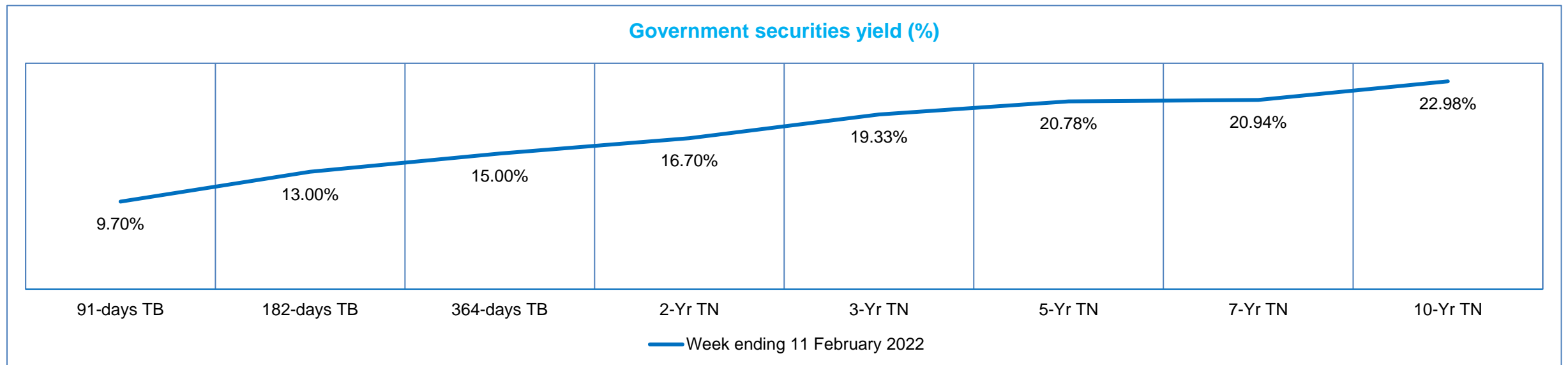
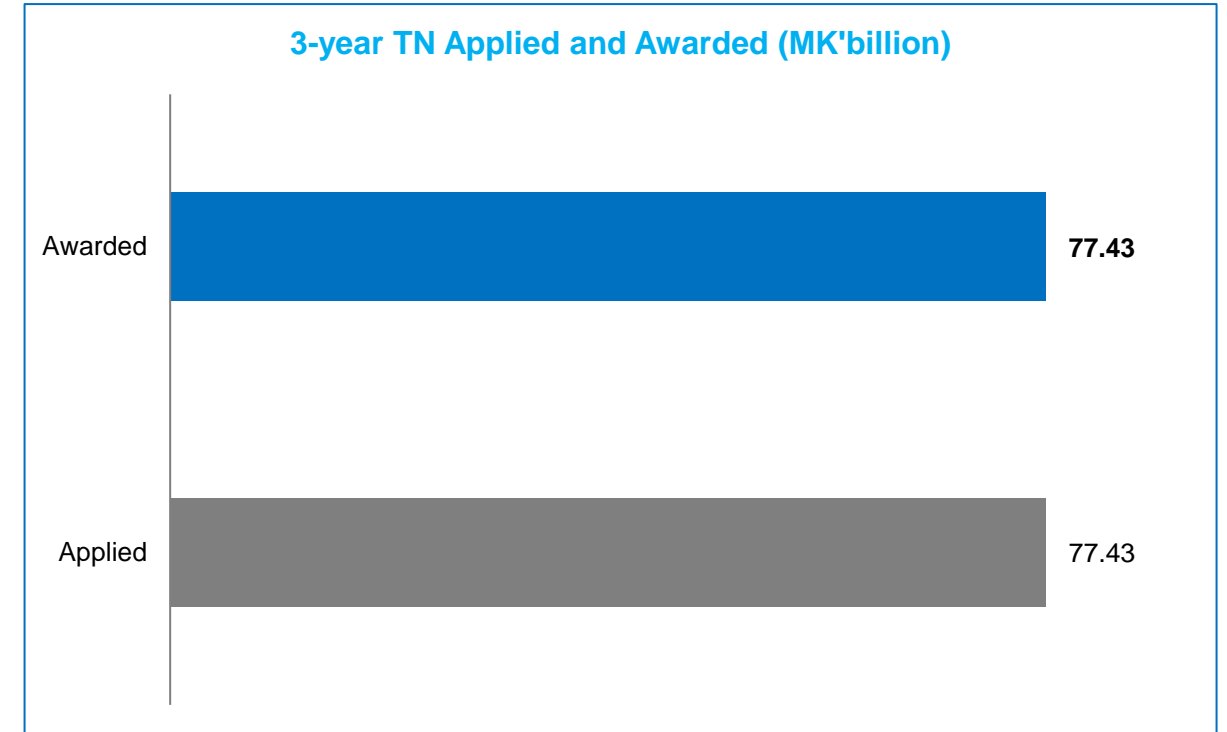
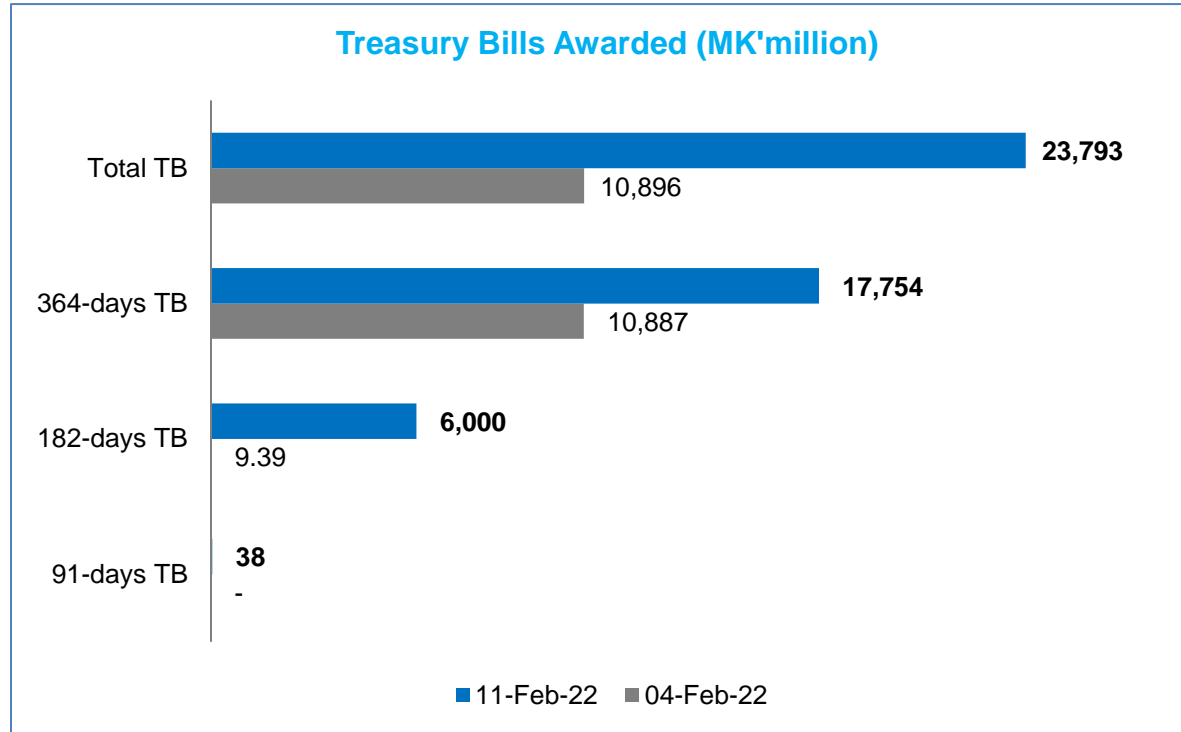
Government securities (Source: RBM)

A total of MK101.22 billion was awarded in this week's auctions of Treasury Bills (TBs) and 3-year Treasury Note (TN).

MK23.79 billion and MK77.43 billion were awarded in the TBs and 3-year TN auctions respectively.

The TBs and 3-year TN auctions had nil rejections during the period under review.

The average TB yield maintained its position at 12.57% while the average TN yield marginally increased to 20.15% from 20.09% during the period under review.



TB: Treasury Bill
TN: Treasury Note

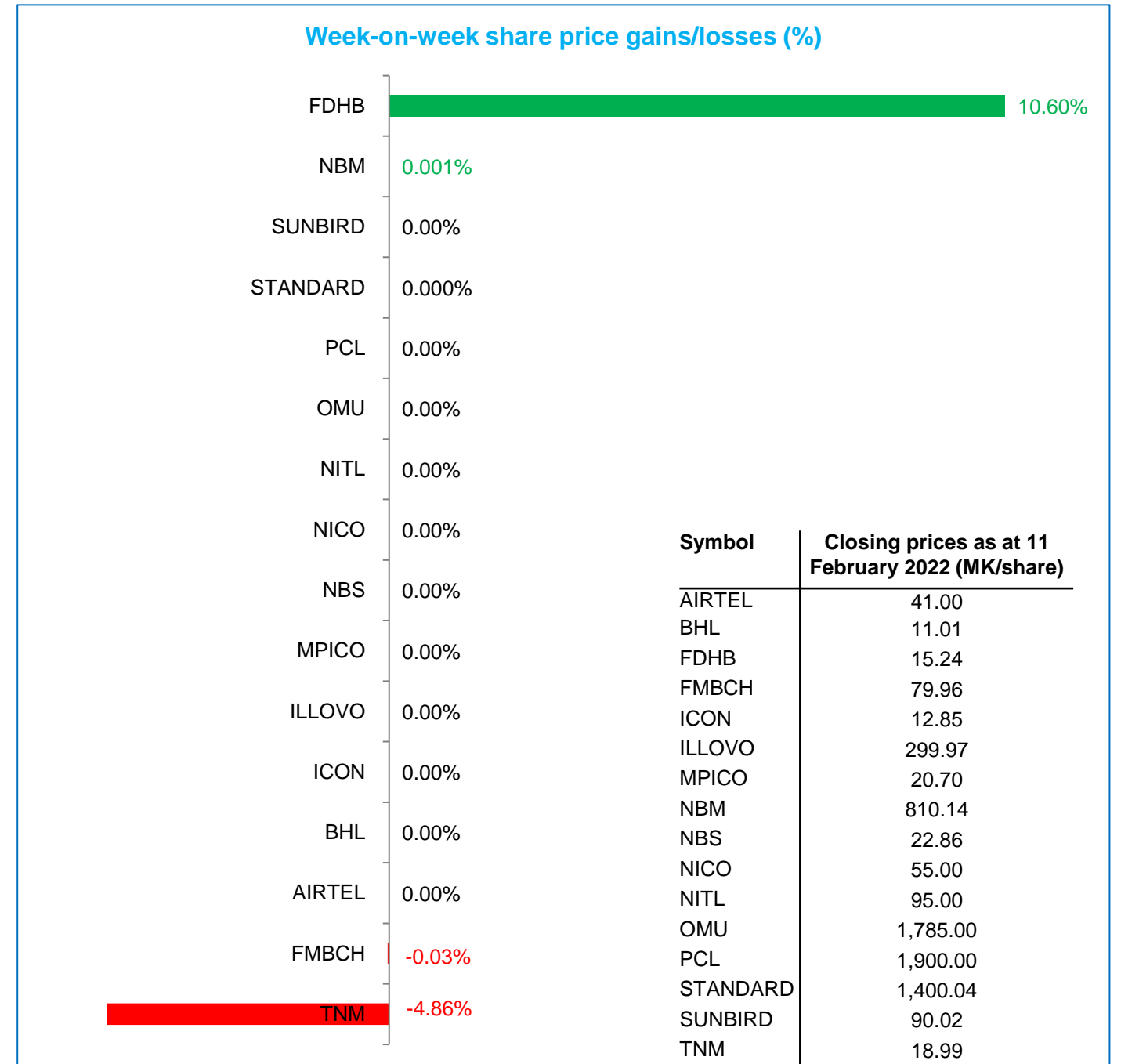
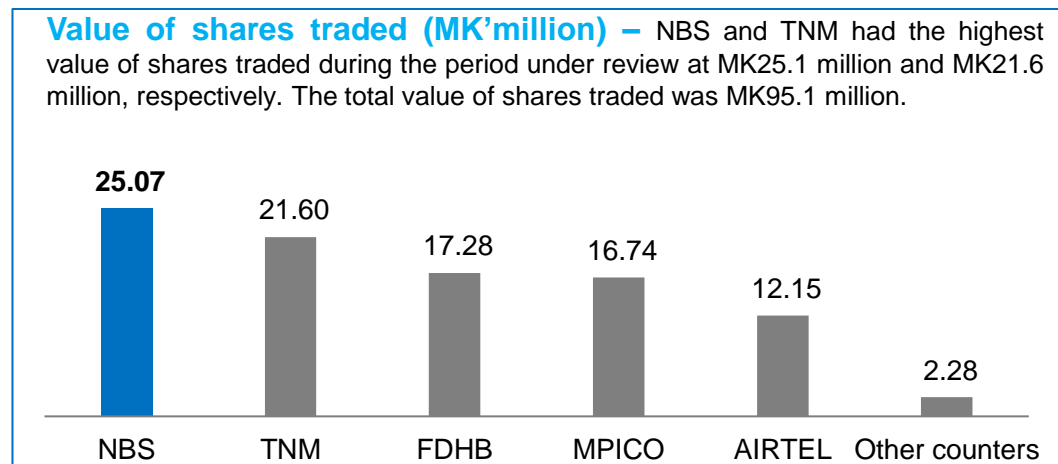
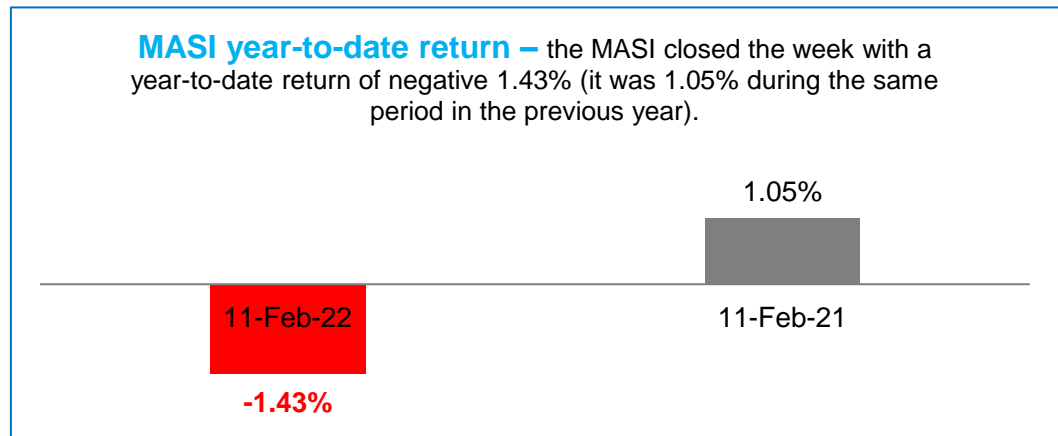
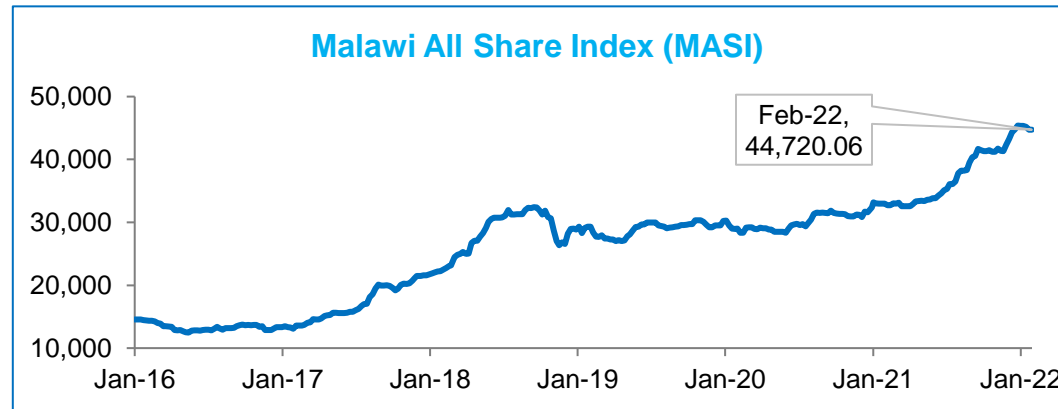


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Stock market (Source: MSE)

The stock market was marginally bullish over the period with the Malawi All Share Index (MASI) closing the week ending 11 February 2022 at 44,720.06 points from 44,714.57 points for the week ending 4 February 2022. Week-on-week, this represents an increase of 0.01%.

There was a share price gain for FDH Bank, as well as a marginal share price gain for NBM during the period under review. The share price gains offset a share price loss for TNM as well as a marginal share price loss for FMBCH during the period under review.



Symbol	Closing prices as at 11 February 2022 (MK/share)
AIRTEL	41.00
BHL	11.01
FDHB	15.24
FMBCH	79.96
ICON	12.85
ILLOVO	299.97
MPICO	20.70
NBM	810.14
NBS	22.86
NICO	55.00
NITL	95.00
OMU	1,785.00
PCL	1,900.00
STANDARD	1,400.04
SUNBIRD	90.02
TNM	18.99



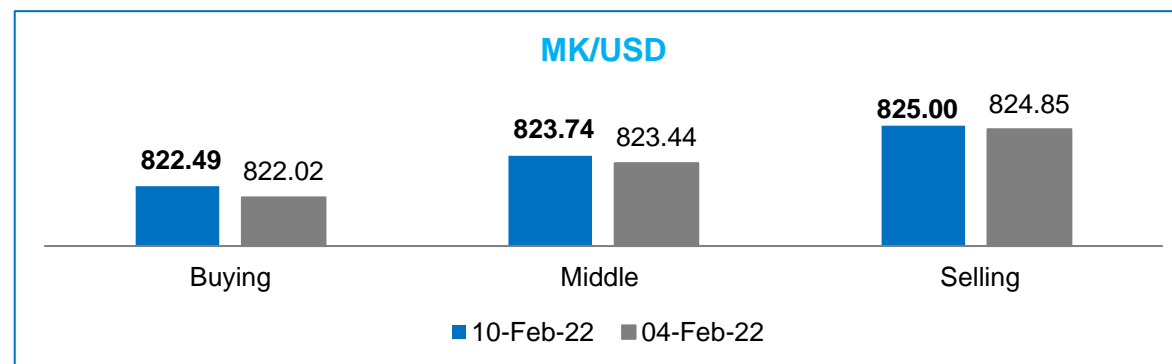
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Foreign currency market and other market developments (Source: RBM, MSE)

Year-to-date, the Malawi Kwacha has marginally depreciated against the United States Dollar by 0.54%.

Week-on-week, the Malawi Kwacha marginally depreciated against the USD by 0.04% and traded at MK823.74/USD as at 10 February 2022 from MK823.44/USD as at 3 February 2022.

Foreign currency (Source: RBM)



Corporate Announcements

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%
Sunbird Tourism Plc	0.59	(1.18)	150%
Airtel Malawi Plc	29.82	22.09	35%
MPICO plc	6.08	4.34	40%
BHL plc	(0.87)	(0.45)	(93%)
TNM plc	9.28	7.73	20%
NBM plc	29.19	22.45	30%
NITL plc	4.44	1.48	200%
NBS plc	8.46	7.05	20%

USD – United States Dollar

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

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
NBM	Second interim	Declared	15.00	11 March 2022	31 March 2022

Annual general meetings

Company	Venue	Date	Time
Illovo	Ryalls Hotel, Blantyre	22 February 2022	14:00 hrs

What happened this week?

- Electricity Generation Company (EGENCO) indicated that an estimate of six months and a total of MK18 billion is required to rehabilitate the Kapichira Hydro Power Plant. The power plant generates 130 megawatts for the national power grid but has been non-operational since it was damaged by tropical cyclone Ana induced flooding (*The Daily Times*, 7-Feb-2022).
- The Reserve Bank of Malawi (RBM) has revised the inflation projection for 2022 upward to 10.4% from an earlier forecast of 8.9%. The revision is on the basis of anticipated inflationary pressure arising from seasonal increases in prices as well as imported inflation (*The Daily Times*, 7-Feb-2022).
- African Development Bank (AfDB) has committed to supporting Malawi's development needs to facilitate economic growth. AfDB will continue to support infrastructure development in sectors such as roads, energy, water and sanitation. Between 2022 and 2024, AfDB will construct a 160 km road with an estimated expenditure of USD120 million (MK99 billion) (*The Nation*, 7-Feb-2022).
- The Food and Agriculture Organisation (FAO) has indicated a negative outlook for this year's agricultural output prospects. This is based on the effects of the tropical cyclone Ana that affected the Southern and Central regions of the country. Furthermore, the rain deficits that characterized the onset of the agricultural season add to the negative agricultural production outlook for 2022 (*The Daily Times*, 11-Feb-2022).
- Estimates suggest that the African Continental Free Trade Area (AfCFTA) could boost intra-Africa trade by more than 50% if import duties and non-tariff barriers were eliminated. To fully utilize these opportunities, Malawi and many other countries need to continue to make their industries more competitive (*The Daily Times*, 11-Feb-2022).



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	Dec-21	Week ending 11 February 2022
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	818.44	823.74
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	1,208.01	1,277.90
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	1,138.47	1,132.61
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	57.68	64.21
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	429.17	-
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	425.52	-
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	854.69	-
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	1.72	-
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%	11.5%	-
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%	13.6%	-
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%	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%	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%	11.70%
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%	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%	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%	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%	14.47%	15.00%
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%	16.66%	16.70%
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%	19.05%	19.33%
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%	20.54%	20.78%
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%	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%	22.98%
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	45,367.68	44,720.06
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	37,061.70	36,517.47
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	4,182.23

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