



Malawi Financial Market Update

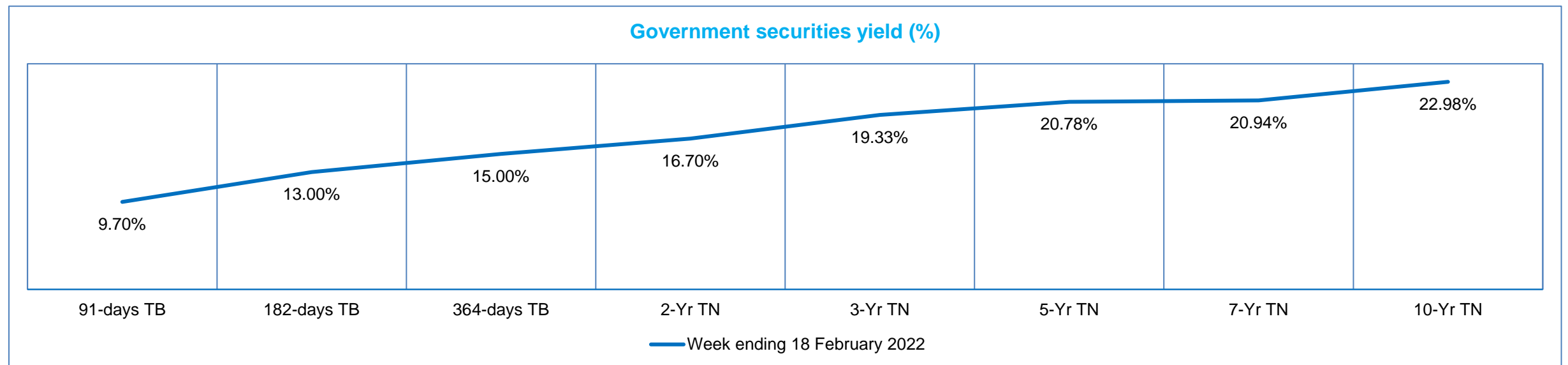
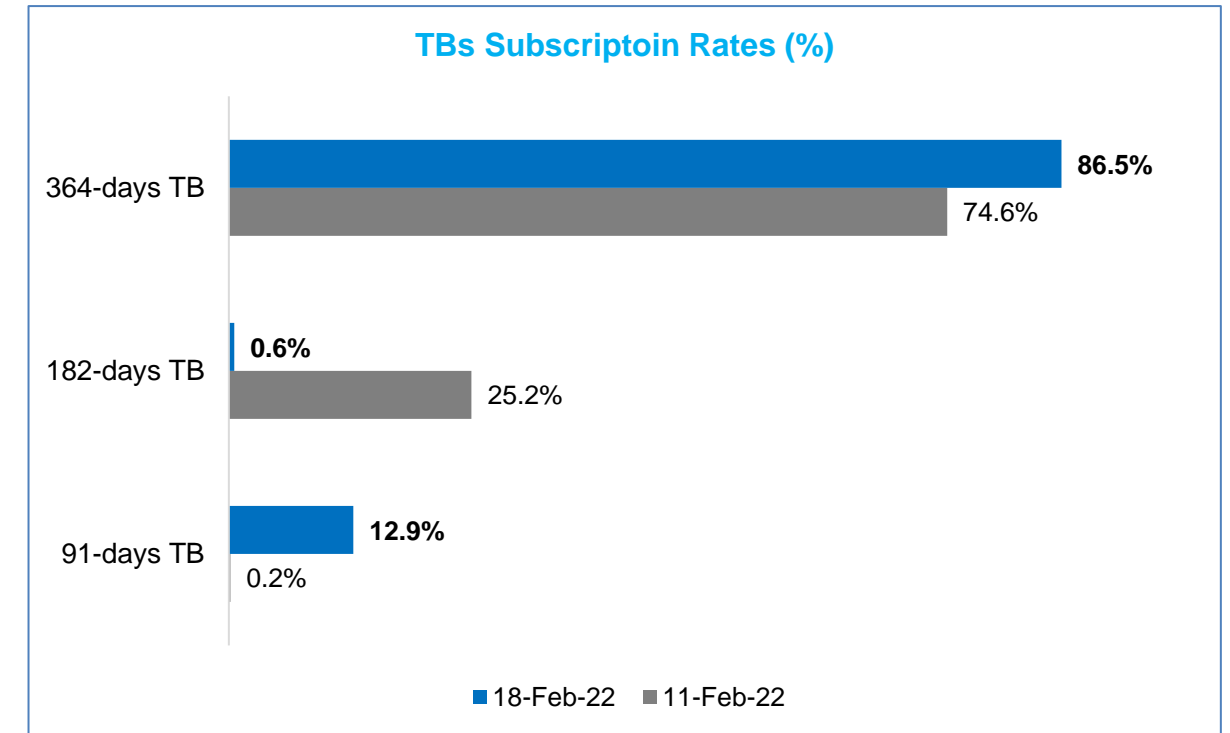
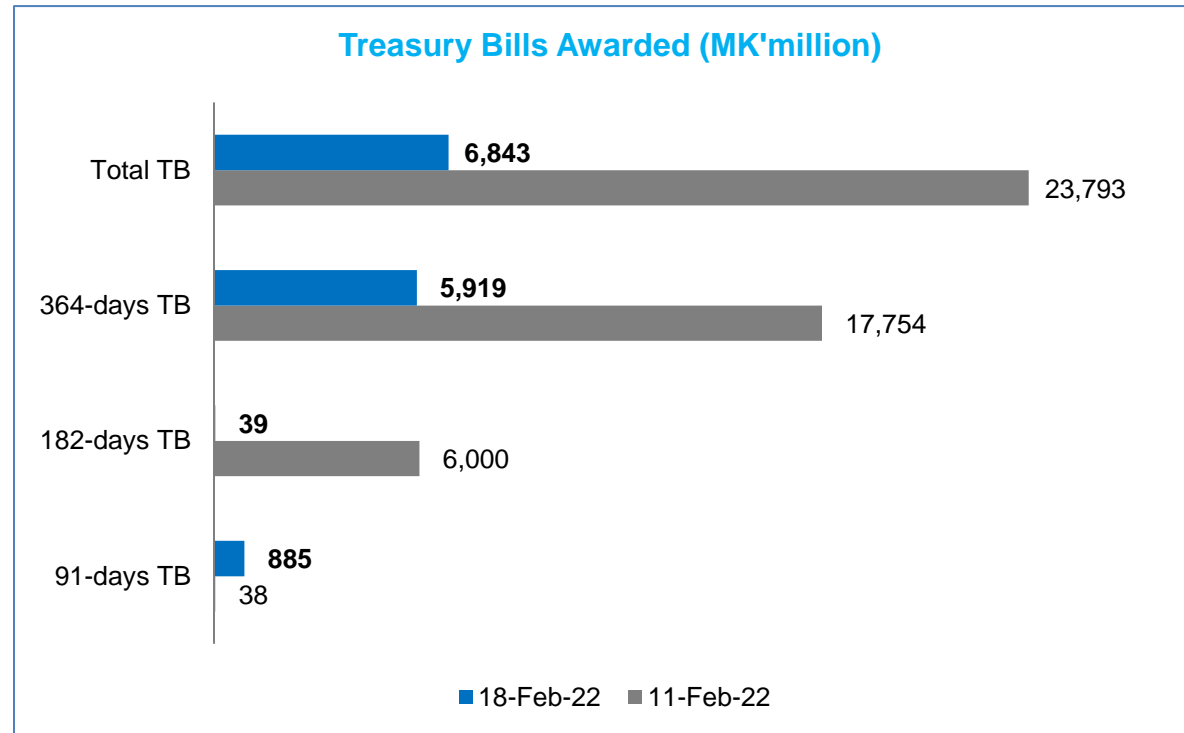
Week ending 18 February 2022



Government securities (Source: RBM)

A total of MK6.84 billion was awarded in this week's auction of Treasury Bills (TBs) and there were nil rejections.

There were no changes in the yields for the government securities this week.



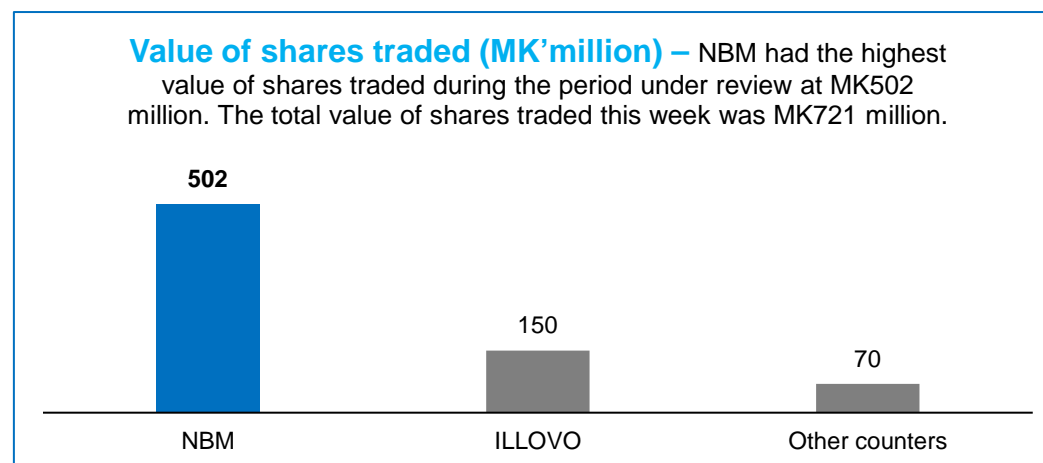
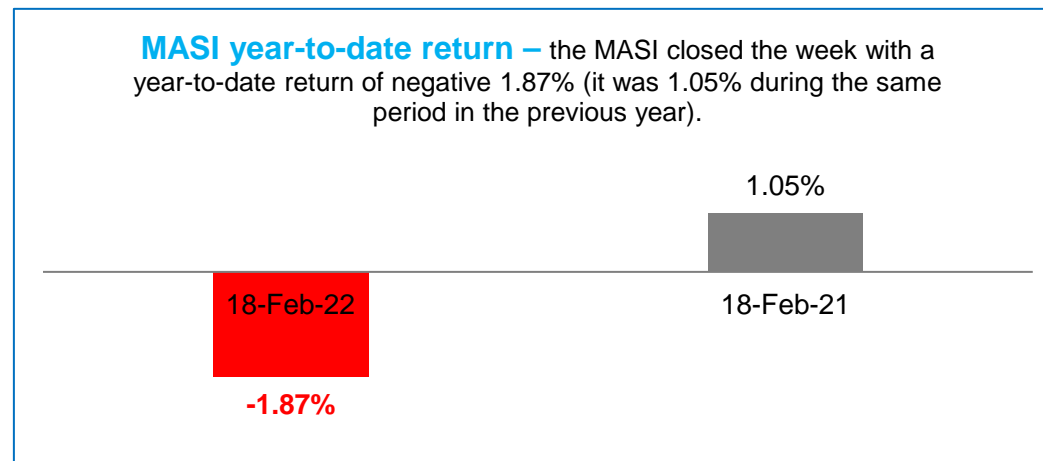
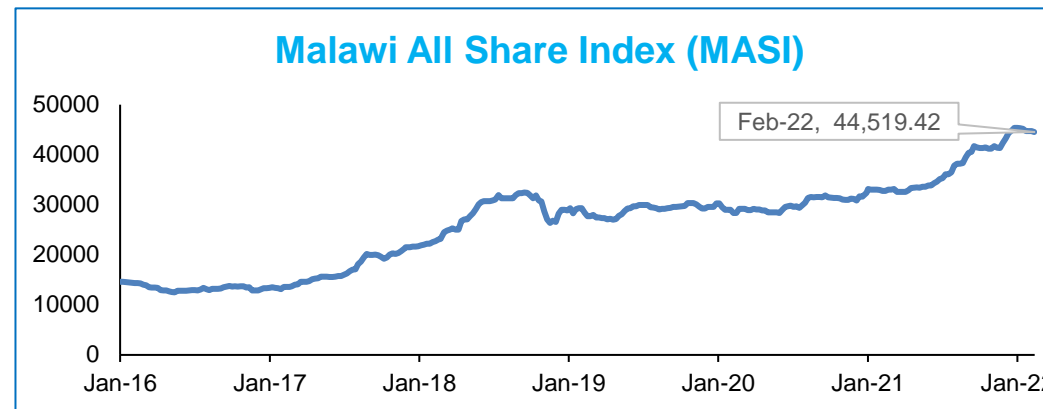
TB: Treasury Bill
TN: Treasury Note



Stock market (Source: MSE)

The stock market was marginally bearish over the period with the Malawi All Share Index (MASI) closing the week ending 18 February 2022 at 44,519.42 points from 44,720.06 points for the week ending 10 February 2022. Week-on-week, this represents a decrease of 0.45%.

There was a share price loss for TNM and marginal share price losses for FDH Bank, FMBCH, ILLOVO and NBS. The share price losses offset a marginal share price gain for Standard Bank during the period under review.



Week-on-week share price gains/losses (%)

STANDARD	0.001%
SUNBIRD	0.00%
PCL	0.00%
OMU	0.00%
NITL	0.00%
NICO	0.00%
NBM	0.00%
MPICO	0.00%
ICON	0.00%
BHL	0.00%
AIRTEL	0.00%
FMBCH	-0.01%
NBS	-0.04%
FDHB	-0.07%
ILLOVO	-0.32%
TNM	-5.21%

Symbol	Closing prices as at 18 February 2022 (MK/share)
AIRTEL	41.00
BHL	11.01
FDHB	15.23
FMBCH	79.95
ICON	12.85
ILLOVO	299.00
MPICO	20.70
NBM	810.14
NBS	22.85
NICO	55.00
NITL	95.00
OMU	1,785.00
PCL	1,900.00
STANDARD	1,400.05
SUNBIRD	90.02
TNM	18.00



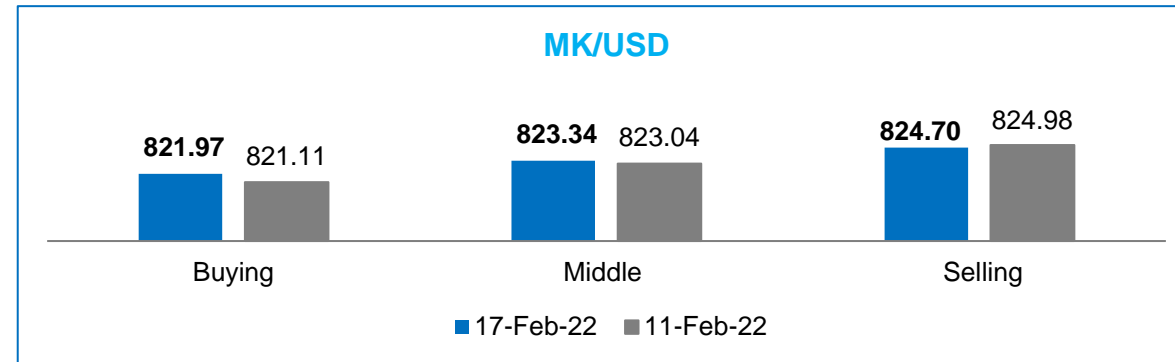
Financial Market Update: Week ending 18 February 2022

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 0.49%.

Week-on-week, the Malawi Kwacha marginally depreciated against the USD by 0.04% and traded at MK823.34/USD as at 17 February 2022 from MK823.04/USD as at 11 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	Expected PAT 2021	AFS PAT 2020	Trading statement profit/loss expectation
Press Corporation Plc	29.8	19.9	50%
FMBCH Plc (USD'million)	37.28	21.3	75%
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%

AFS – Audited Financial Statements

PAT – Profit After Tax

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

2022/23 Budget Summary

- Real GDP assumed at 4.1% and 4.0% in 2022 and 2023, respectively.

Total Revenue

- Total revenue has been projected at MK1.96 trillion and this is 17.2% of GDP.
 - Domestic revenue contributes 84% at MK1.64 trillion and Grants account for the remaining 16% at MK0.32 trillion.

Total expenditure

- Total expenditure has been projected at MK2.84 trillion and this is 24.9% of GDP.
 - Recurrent expenses constitute 71% of total expenses at MK2.02 trillion while Development expenditure constitute 29% of total expenditure at MK0.82 trillion.

Budget deficit

- The 2022/23 Budget has a deficit of MK0.88 trillion, which is 7.7% of GDP.
 - 74% of the deficit will be financed by domestic borrowing while foreign borrowing will finance the remaining 26%. Domestic and Foreign borrowing have been projected at MK654 billion and MK230 billion, respectively.



Appendix 1: Historical Economic Indicators

	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	Jan-22	Week ending 18 February 2022
Exchange rates (middle rates)																	
MK/USD	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	822.81	823.33
MK/GBP	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	1,211.73	1,290.14
MK/EUR	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	1,072.50	1,197.81
MK/ZAR	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	61.82	65.14
Foreign Exchange Reserves																	
Gross Official Reserves (USD'mn)	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	399.98	-
Private Sector Reserves (USD'mn)	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	424.49	-
Total reserves (USD'mn)	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	824.47	-
Gross Official Reserves Import cover (months)	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	1.60	-
Inflation																	
Headline	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	10.90%	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%	4.90%	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%	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%	12.00%
Average Interbank rate	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%	11.15%	11.70%
Average base lending rate	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%	12.20%
Government Securities' Yields																	
91-days Treasury Bill	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%	9.70%
182-days Treasury Bill	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%	13.00%
364-days Treasury Bill	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%	15.00%
2-year Treasury Note	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%	16.70%
3-year Treasury Note	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%	19.04%	19.33%
5-year Treasury Note	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%	20.78%
7-year Treasury Note	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%	20.94%
10-year Treasury Note	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%	22.98%
Stock Market Indices																	
MASI	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	44,501.63	44,519.42
DSI	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	36,322.34	36,339.33
FSI	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	4,183.22	4,181.74

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