



Malawi Financial Market Update

Week ending 4 February 2022

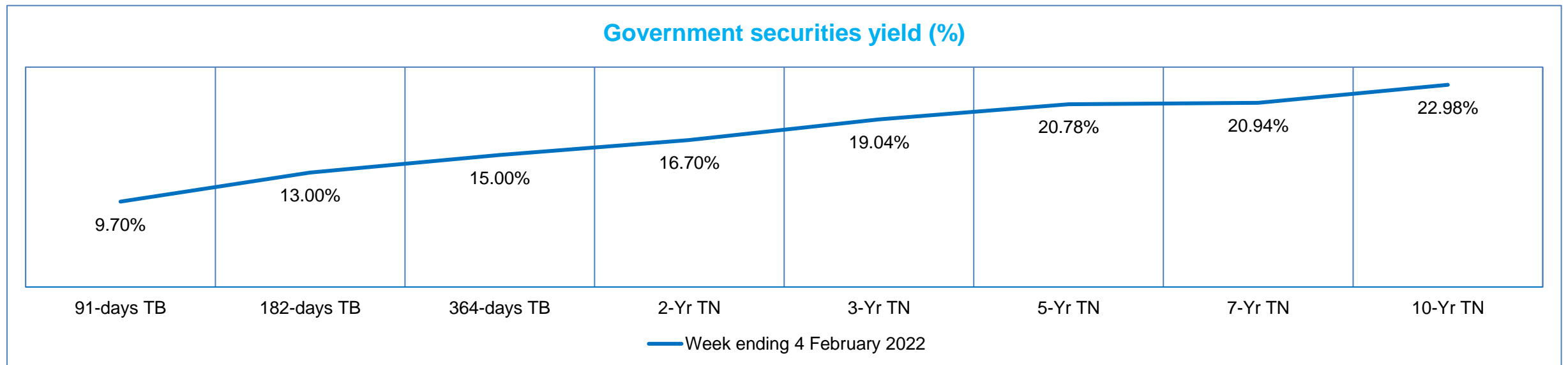
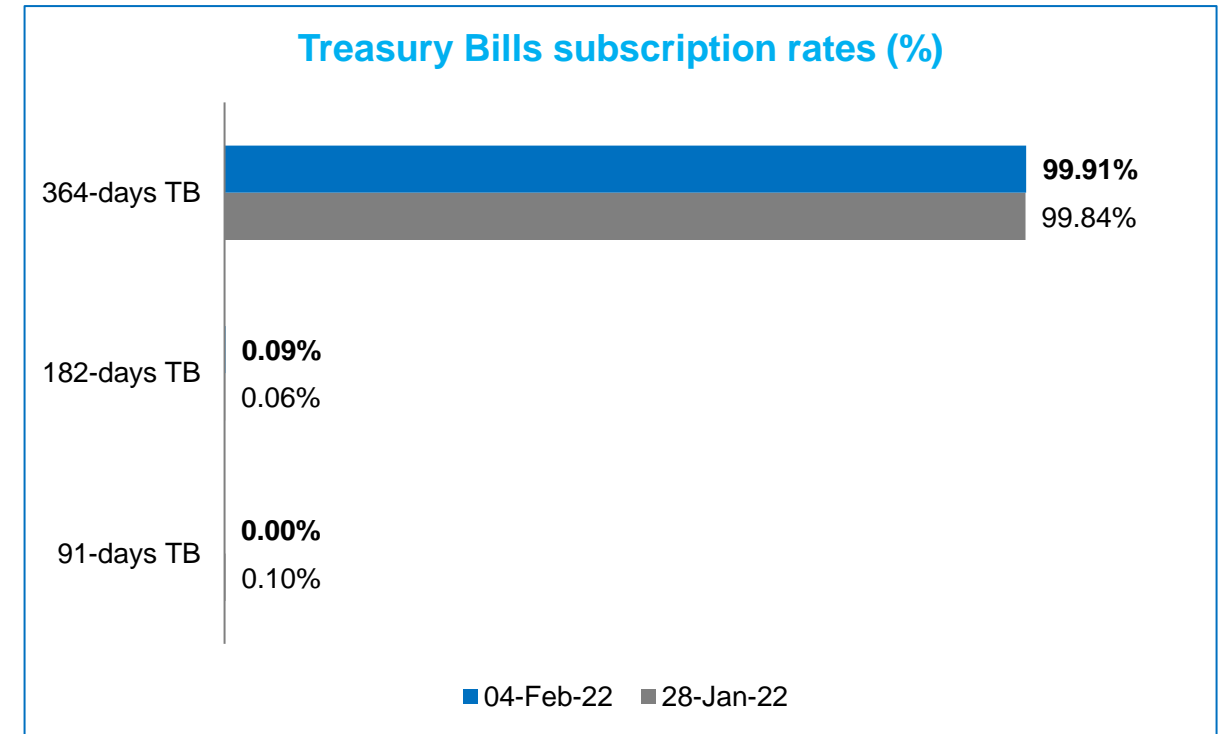
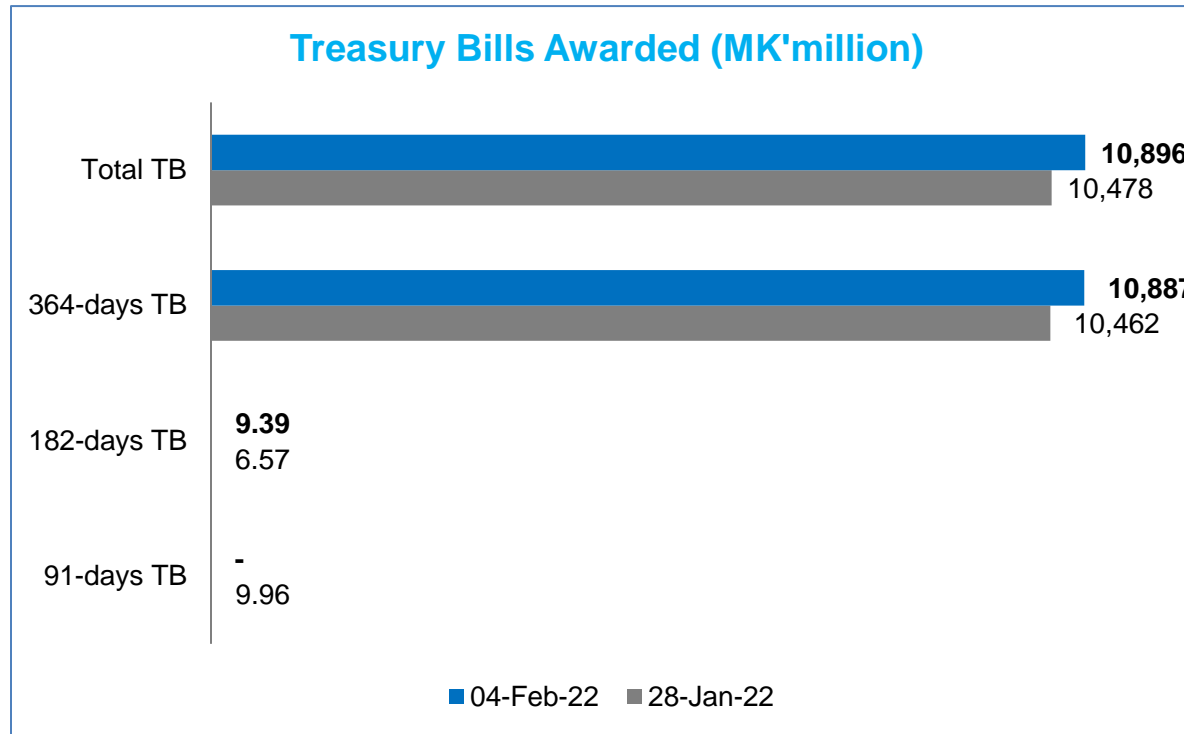


Government securities (Source: RBM)

A total of MK10.90 billion was raised in this week's auctions of Treasury Bills (TBs).

The TBs auctions had nil rejections during the period under review.

The average TB yield maintained its position at 12.57% during the period under review.



TB: Treasury Bill
TN: Treasury Note

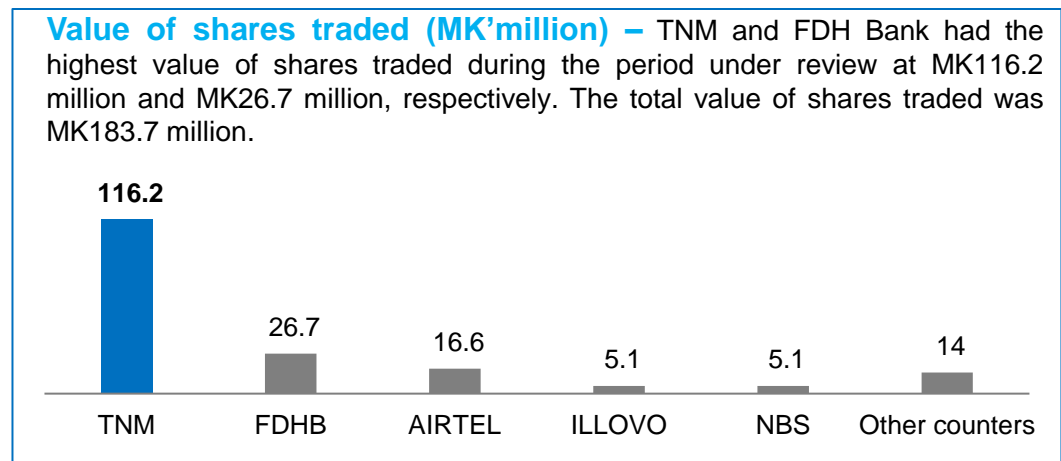
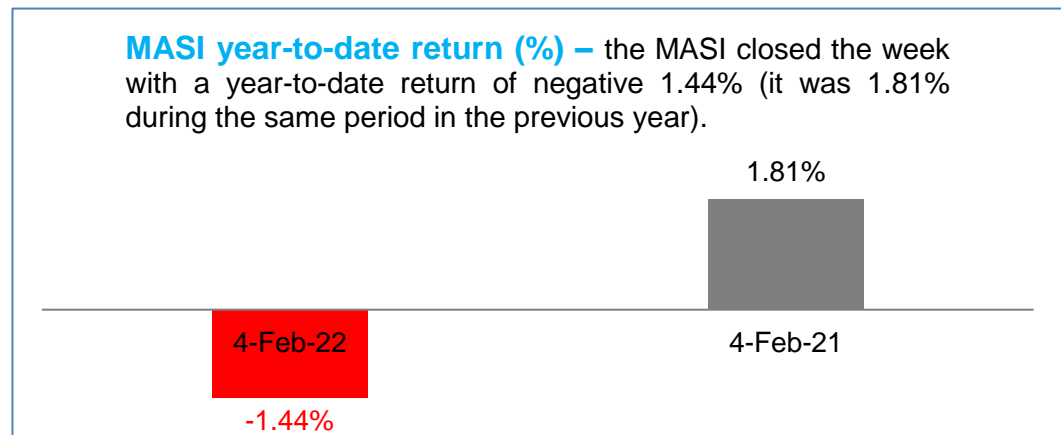
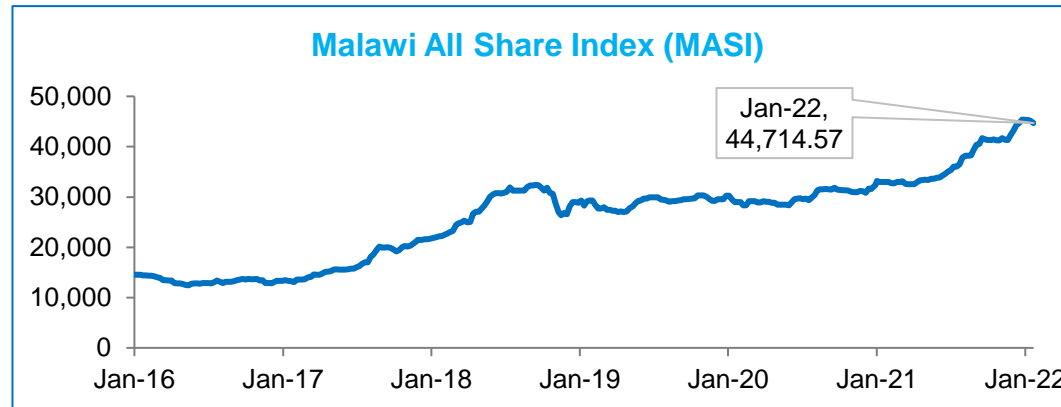


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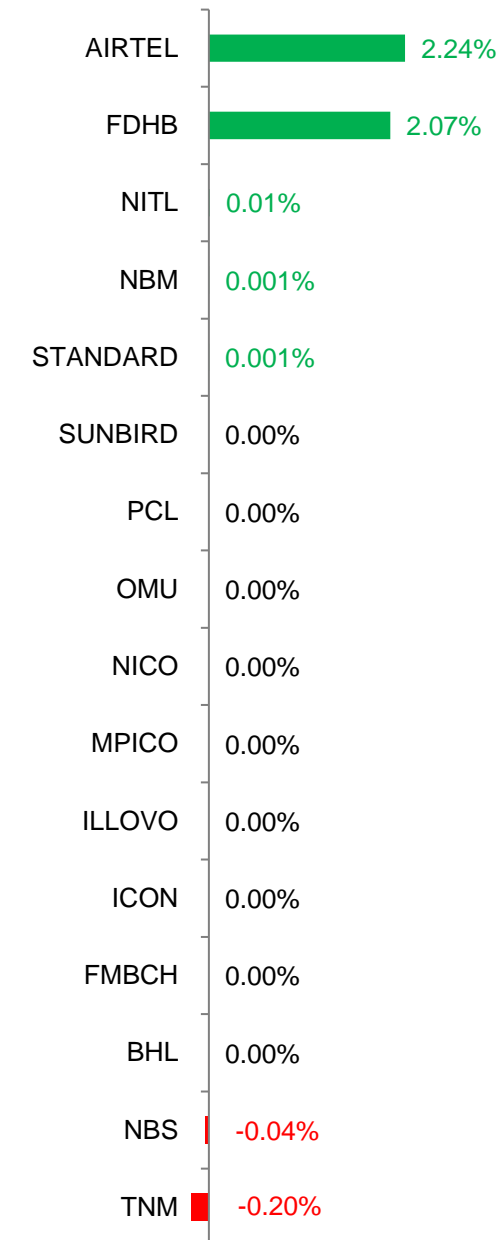
Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) closing the week ending 4 February 2022 at 44,714.57 points from 44,501.63 points for the week ending 28 January 2022. Week-on-week, this represents an increase of 0.48%.

There were share price gains for AIRTEL and FDH Bank, as well as marginal share price gains for NITL, NBM and Standard Bank during the period under review. The share price gains offset marginal share price losses for TNM and NBS during the period under review.



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



Symbol	Closing prices as at 4 February 2022 (MK/share)
AIRTEL	41.00
BHL	11.01
FDHB	13.78
FMBCH	79.98
ICON	12.85
ILLOVO	299.97
MPICO	20.70
NBM	810.13
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	19.96



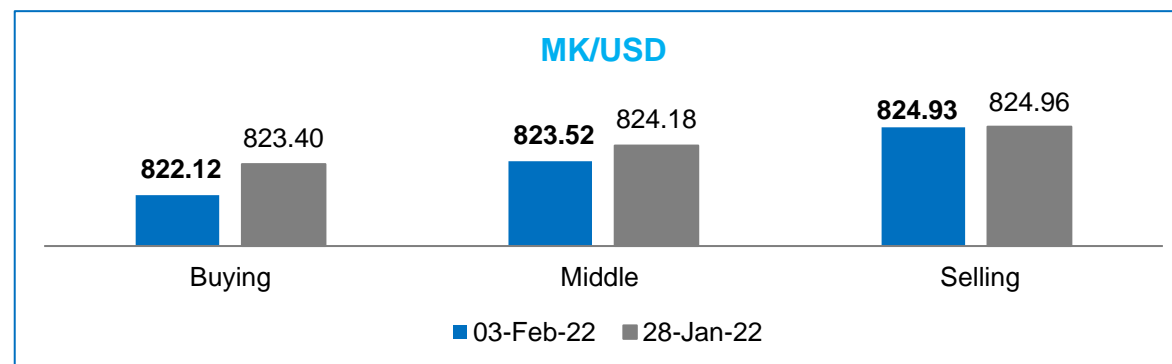
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Foreign currency market and other market developments (Source: RBM, NSO)

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 0.51%.

Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.08% and traded at MK823.52/USD as at 3 February 2022 from MK824.18/USD as at 28 January 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

Annual general meetings

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

What happened this week?

- The Reserve Bank of Malawi (RBM) maintained the Policy Rate at 12% to allow for continued economic recovery despite the presence of temporary inflationary pressure. The RBM also maintained the Liquidity Reserve Requirement Ratio on both the domestic and foreign currency denominated deposits at 3.75% and the Lombard Rate at 20 basis points above the Policy Rate (*The Nation, 4-Feb-2022*).
- In the State of the Nation Address held on 3 February 2022, it was indicated that in 2022, gross domestic product is estimated to grow by 4.1%, up from 3.0% in 2021. This would be on account of the Socio-Economic Recovery Plan (SERP) and the implementation of various agricultural programmes including the Shire Valley Transformation Programme (SVTP). Measures have also been implemented across sections of government (*State of the Nation Address, 3-Feb-2022*).
- The French-based international integrated renewable energy company Voltalia is set to launch a solar power plant in Nkhotakota District. The plant will generate 40 megawatts (MW) and will be the second solar power plant in the district after the 21 MW Serengeti Solar Electricity Plant, which is expected to be completed in the second quarter of 2022 (*The Nation, 31-Jan-2022*).
- The Kapichira Power Station, which supplies about 129.6 MW to the national power grid, is non-operational. The power station sustained significant damage due to flooding that was caused by the tropical storm Ana. The administration were still assessing the extent of the damage to find out the cost of and duration for making repairs (*The Nation, 1-Feb-2022*).
- Famine Early Warning Systems Network (FEWSNET) indicated that despite improvements in rainfall patterns this year, remote sensing data suggest that all three regions are facing near historic cumulative rainfall deficits. FEWSNET further indicated that the rainfall deficits are likely to persist through the remainder of the 2021-22 season (*The Daily Times, 2-Feb-2022*).
- The Treasury recorded a budget deficit of MK72.1 billion in November 2021. This deficit was lower than the deficit recorded for October 2021 at MK79.5 billion. For November 2021, total revenue and expenditure was MK117.3 billion and MK189.4 billion, respectively (*The Nation, 3-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 4 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	823.52
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	1,264.71
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	1,177.09
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	63.26
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%	19.04%
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	4,714.57
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	36,511.81
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	4,183.22

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