



Malawi Financial Market Update

Week ending 13 May 2022



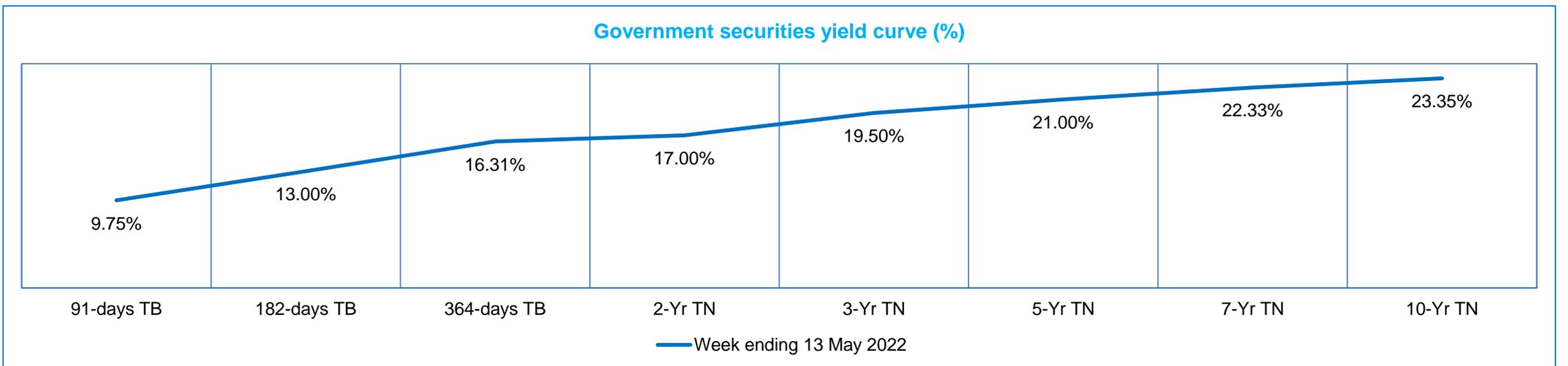
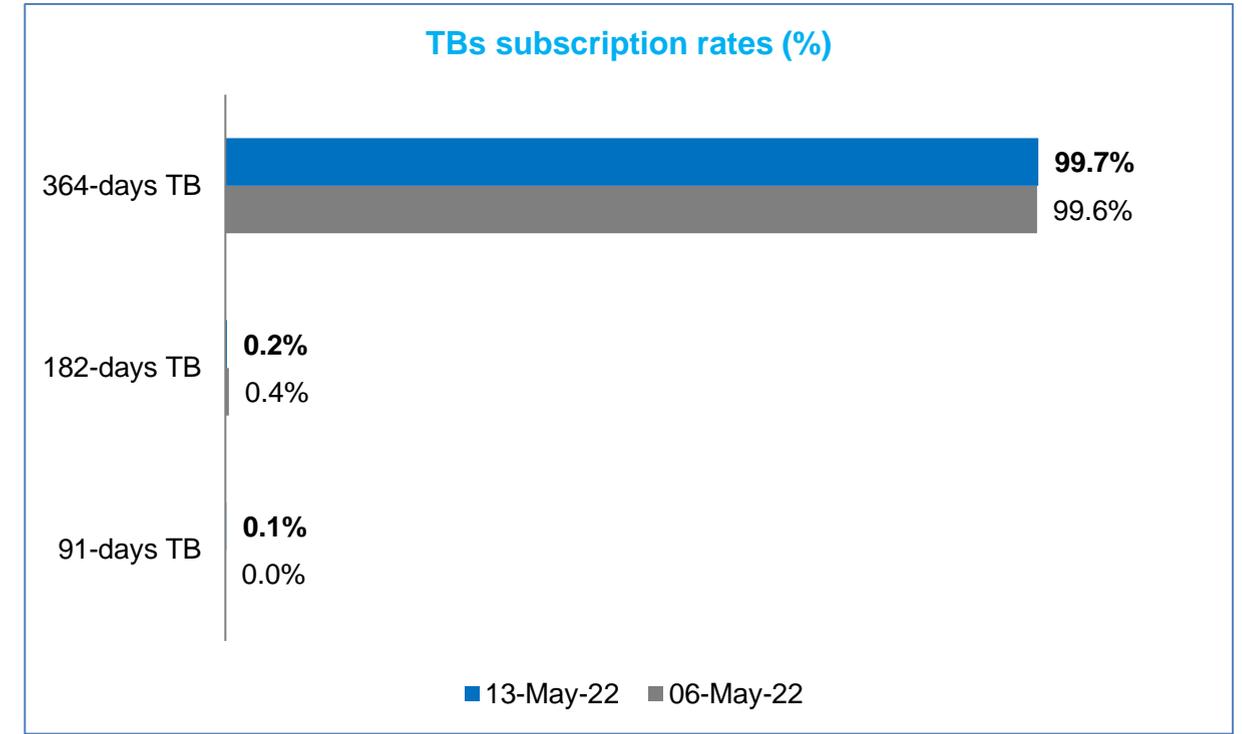
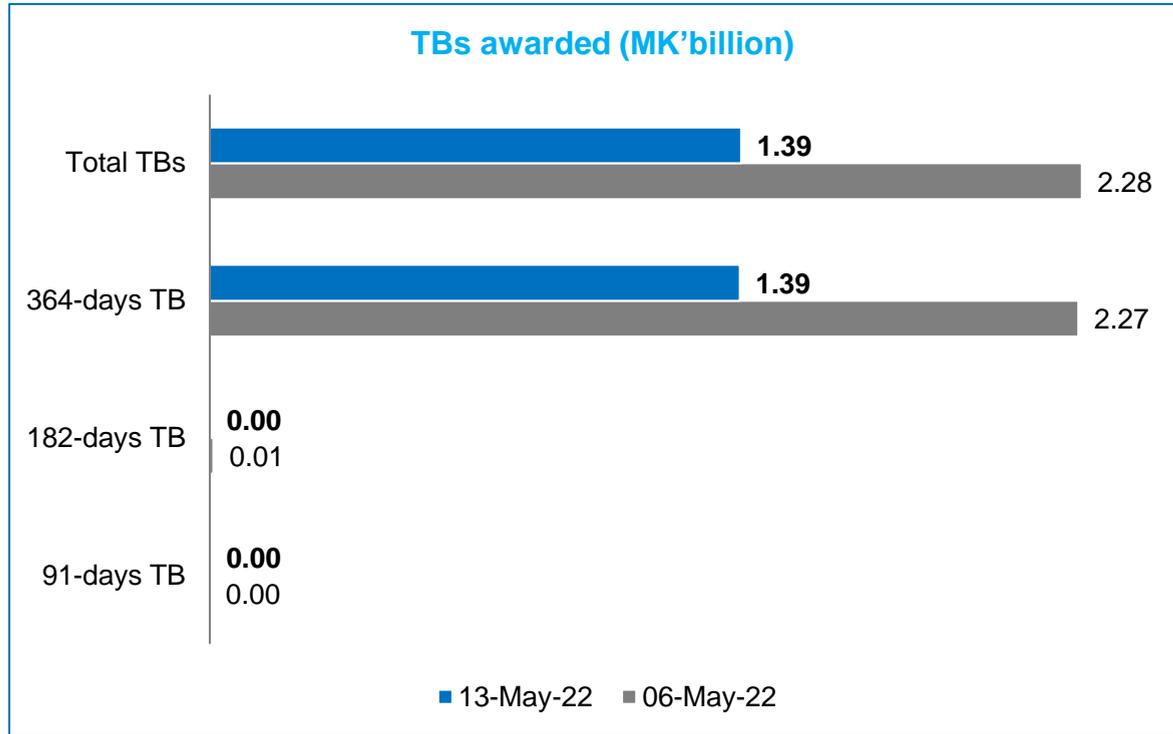
Government securities (Source: RBM)

A total of MK1.39 billion was awarded in Tuesday's auctions of Treasury Bills (TBs).

The TBs auctions had a 38.16% rejection rate during the period under review.

The average TB yield increased to 13.02% from 12.52% during the period under review.

The Government of Malawi plans to raise a total of MK66.91 billion through TBs and a 2-year Treasury Note auctions on 17 May 2022.



TB: Treasury Bill
TN: Treasury Note
Yr: Year

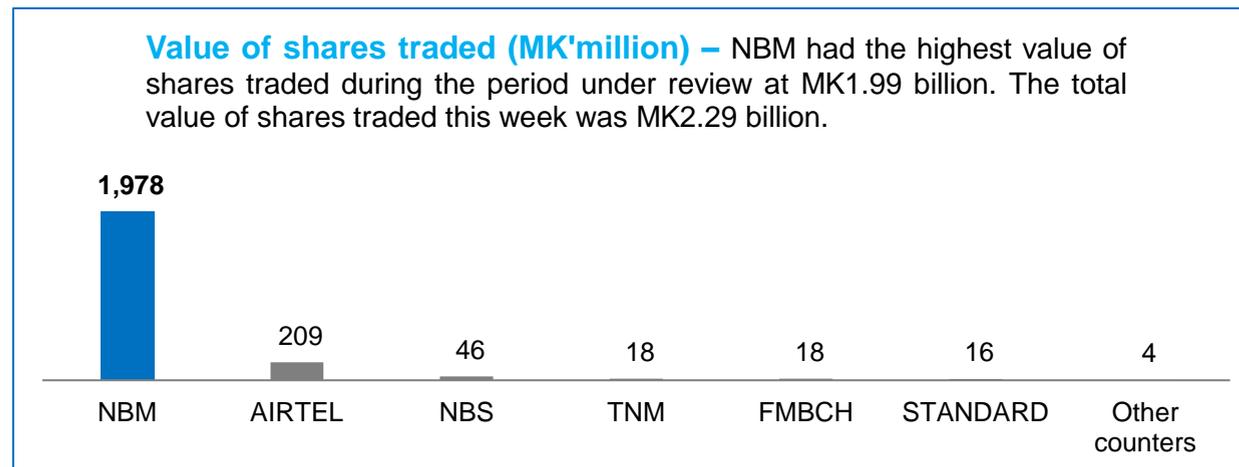
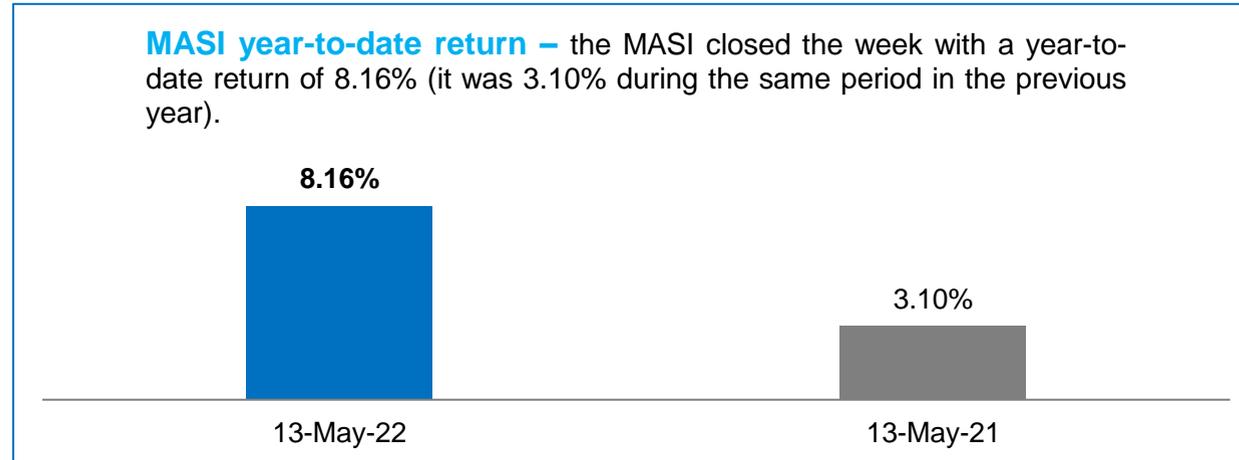
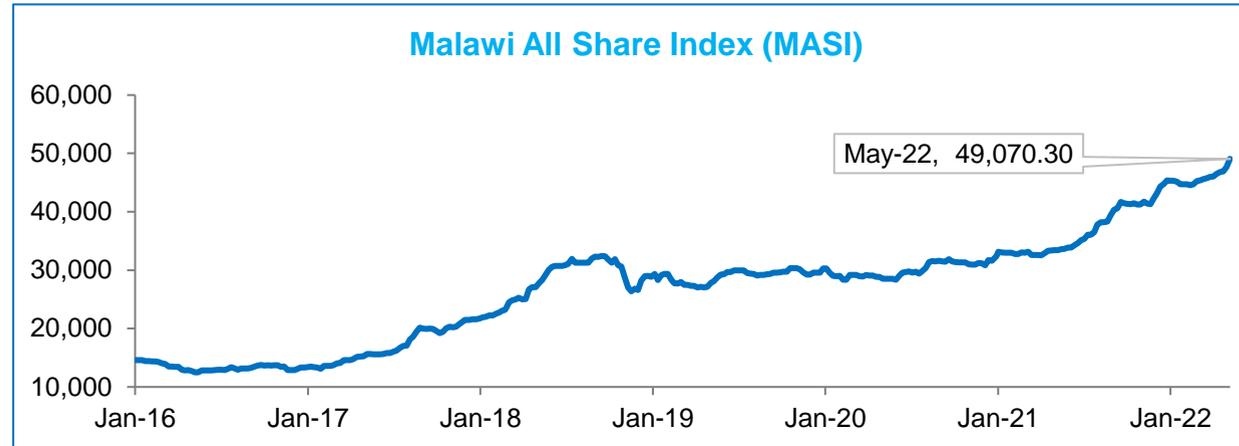


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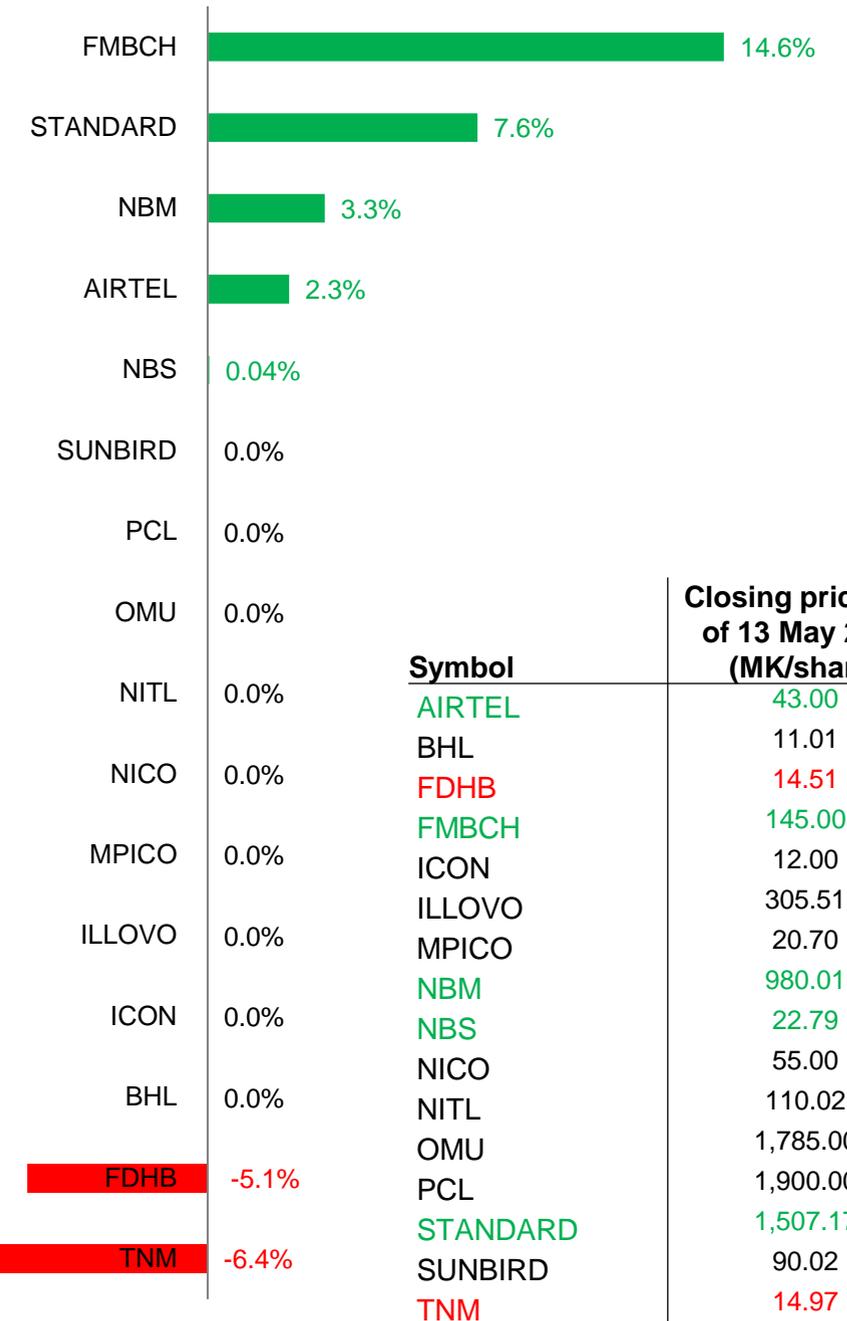
Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) closing the week ending 13 May 2022 at 49,070.30 points from 47,614.58 points for the week ending 6 May 2022. Week-on-week, this represents an increase of 3.06%.

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



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



Symbol	Closing prices as of 13 May 2022 (MK/share)
AIRTEL	43.00
BHL	11.01
FDHB	14.51
FMBCH	145.00
ICON	12.00
ILLOVO	305.51
MPICO	20.70
NBM	980.01
NBS	22.79
NICO	55.00
NITL	110.02
OMU	1,785.00
PCL	1,900.00
STANDARD	1,507.17
SUNBIRD	90.02
TNM	14.97



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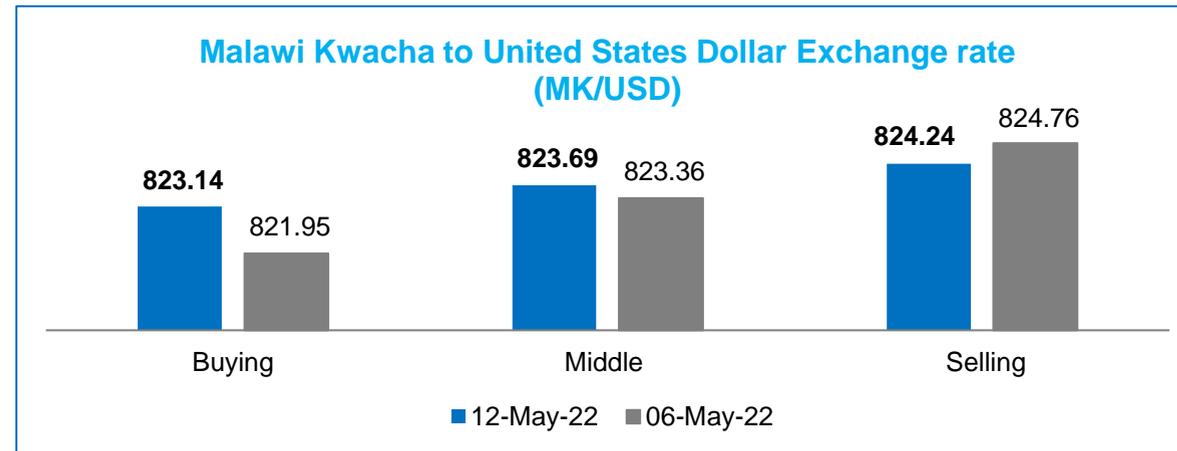
Foreign currency market and other market developments (Source: RBM, MSE, AHL)

According to their summary financials for the period ended 31 December 2021, Airtel Malawi plc closed the period with a profit after tax of MK32.34 billion, an increase of 46% from a profit after tax of MK22.09 billion in the previous period.

As of 11 May 2022, a cumulative volume of 8.83 million kgs of tobacco was sold at a seasonal average price of USD2.01/kg (MK1,656/kg). The cumulative value as of 11 May 2022 was USD17.71 million (MK14.60 billion).

Week-on-week, the Malawi Kwacha was relatively stable as it traded at MK823.69/USD as of 12 May 2022 from MK823.36/USD as of 6 May 2022. Year-to-date, the Kwacha has depreciated by 0.54%.

Foreign currency (Source: RBM)



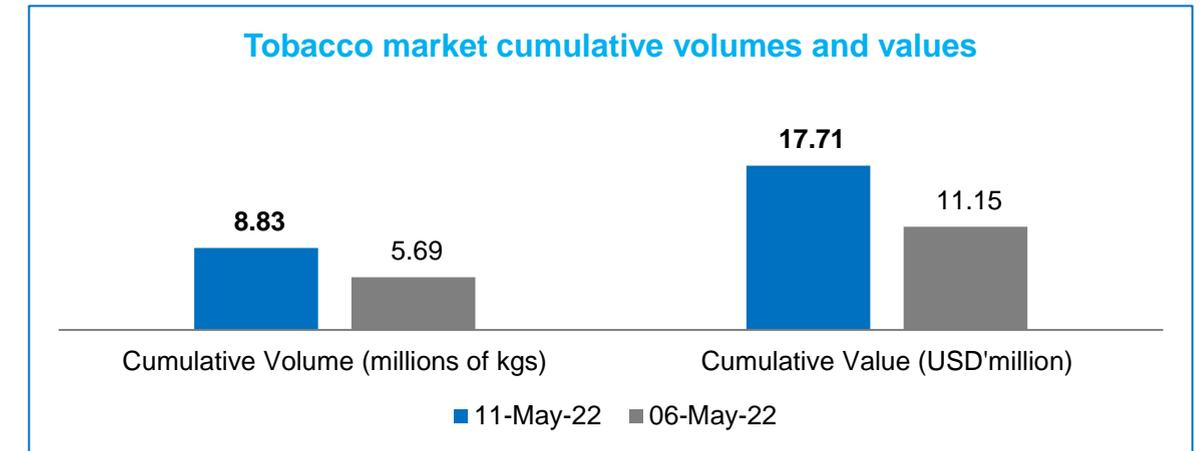
Latest Summary Published Accounts

Amounts in billions of Malawi Kwacha unless specified otherwise.

Counter	31 December 2021	31 December 2020	Actual Change in profit/(loss)
Airtel Malawi plc	32.34	22.09	46%
TNM plc	9.69	7.73	25%
Standard Bank	24.77	23.74	4%
Old Mutual (ZAR'billion)	7.21	5.09	42%
Sunbird Tourism plc	0.75	(1.18)	164%
NITL plc	4.67	1.48	216%
National Bank of Malawi plc	34.21	22.45	52%
FDH Bank plc	11.66	13.99	-17%
NBS Bank plc	7.69	7.05	9%

ZAR: South African Rand

Tobacco Market Sales (Source: AHL)



What Happened this Week

- JCM power in conjunction with InfraCo Africa started to supply about 20 megawatts into the national power grid on 10 May 2022. The power is being generated through the Golomoti Solar PV and Battery Energy Storage project in Dedza. Golomoti is JCM power's second renewable energy project in Malawi after the 60-megawatt Salima Solar project started its operations in October 2021 (*The Daily Times*, 11-May-22).
- The National Oil Company of Malawi (NOCMA) indicated that it has secured USD57 million (MK46.5 billion) from the Trade Development Bank fuel revolving fund facility to support fuel imports. NOCMA anticipates to import 60 million litres of fuel in May 2022. The country has been facing fuel shortages due to foreign exchange shortages, a situation that has been compounded by the Russia-Ukraine war (*The Nation*, 11-May-22).
- The Ministry of Transport has granted a six-month provisional license to African Rail Corporation Limited (ARC Malawi), a newly established Malawian rail firm. Once fully operational, ARC Malawi is expected to offer rail freight services on the Nacala-Blantyre-Lilongwe and Beira-Blantyre-Lilongwe routes (*The Nation*, 11-May-2022).
- The Reserve Bank of Malawi (RBM) hinted that the official rates have pegged the dollar at MK825/USD and that this is only for telegraphic transfers (TT). Cash prices for the foreign currency are higher, close to MK1,000/USD. The development is said to be inconveniencing business transactions as exporters are sourcing Dollars at a higher price but earning less at point of payment (*The Daily Times*, 12-May-22).



Appendix 1: Historical Economic Indicators

	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	Feb-22	Mar-22	Apr-22	Week ending 13 May 2022	
Exchange rates (middle rates)																			
MK/USD	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	822.10	823.60	823.67	823.69	
MK/GBP	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	1,283.92	1,214.22	1,150.18	1,122.10	
MK/EUR	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	1,170.30	1,031.32	966.40	965.94	
MK/ZAR	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	64.84	66.90	59.34	58.56	
Foreign Exchange Reserves																			
Gross Official Reserves (USD'mn)	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	385.40	374.48	-	-	
Private Sector Reserves (USD'mn)	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	407.22	391.49	-	-	
Total reserves (USD'mn)	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	792.62	765.97	-	-	
Gross Official Reserves Import cover (months)	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	1.54	1.50	-	-	
Inflation																			
Headline	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%	12.1%	13.0%	14.10%	-	-	
Food	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%	14.2%	15.3%	17.10%	-	-	
Non-food	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%	9.6%	10.1%	10.50%	-	-	
Interest Rates																			
Monetary Policy rate	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%	12.00%	12.00%	14.00%
Average Interbank rate	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%	11.70%	11.70%	11.70%	12.55%
Average base lending rate	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%	12.20%	12.20%	12.20%	14.20%
Government Securities' Yields																			
91-days Treasury Bill	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%	9.47%	9.74%	9.57%	9.75%	
182-days Treasury Bill	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%	12.99%	13.00%	13.00%	13.00%	
364-days Treasury Bill	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%	15.00%	15.00%	16.31%	
2-year Treasury Note	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%	17.00%	17.00%	17.00%	
3-year Treasury Note	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%	19.50%	19.50%	19.50%	
5-year Treasury Note	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%	21.00%	21.00%	21.00%	
7-year Treasury Note	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%	21.98%	22.00%	22.00%	22.33%	
10-year Treasury Note	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%	22.98%	23.35%	23.35%	
Stock Market Indices																			
MASI	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	45,472.09	45,921.23	46,934.16	49,070.30	
DSI	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	37,186.63	37,584.34	37,283.40	37,865.12	
FSI	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	4,182.23	4,184.71	5,720.11	7,404.64	

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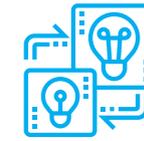
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