



# Malawi Financial Market Update

Week ending 20 May 2022



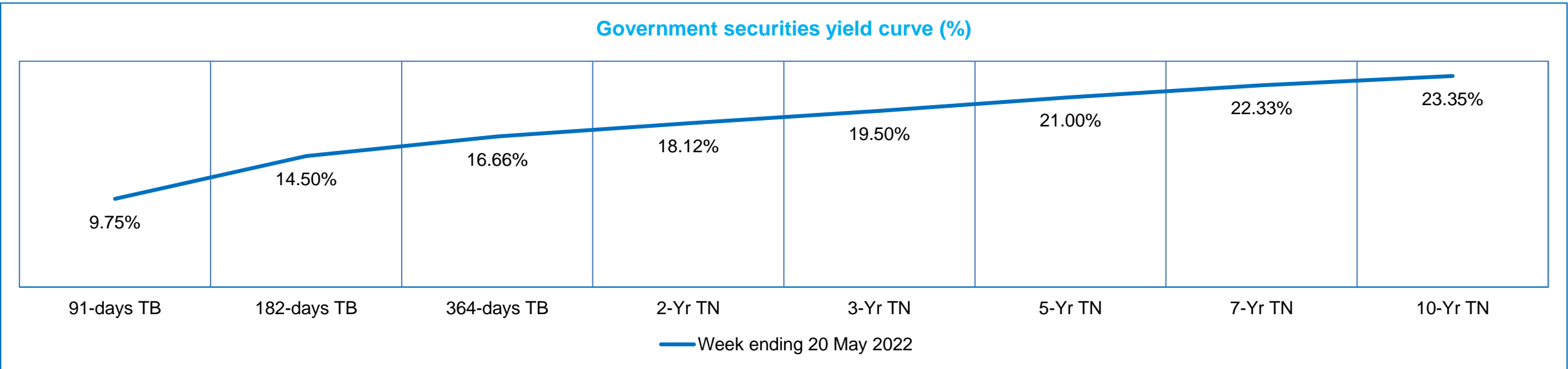
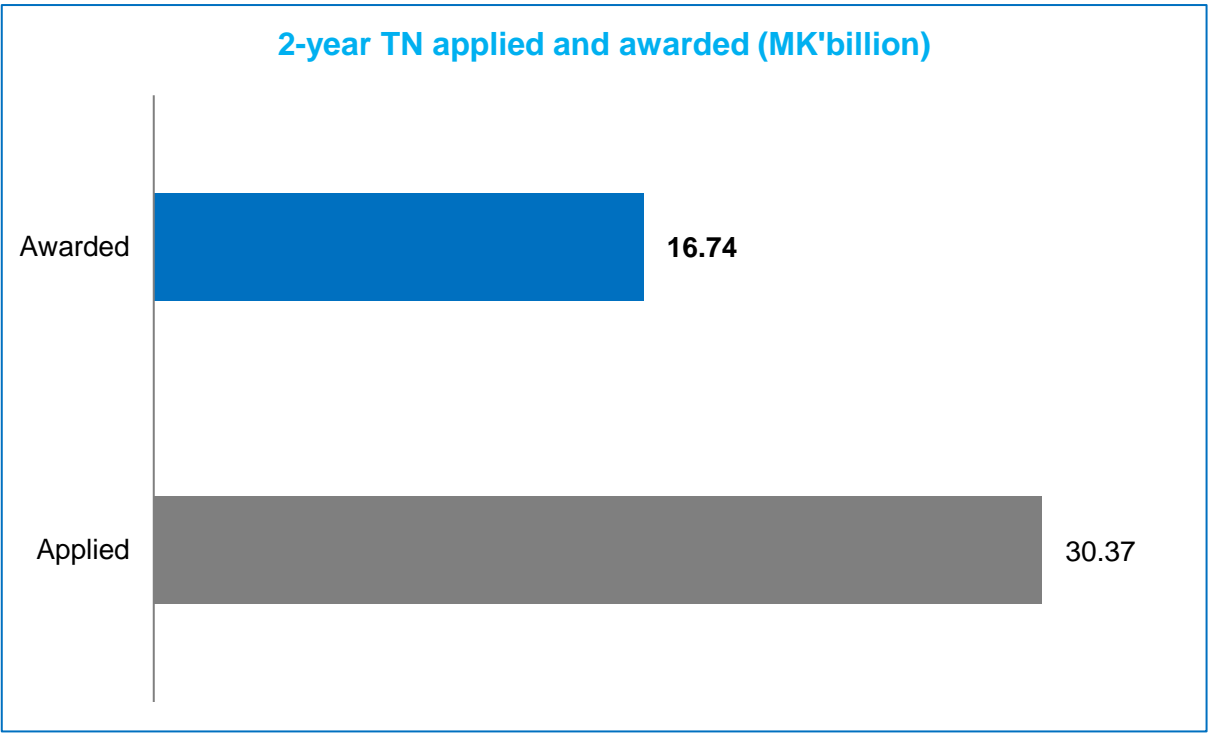
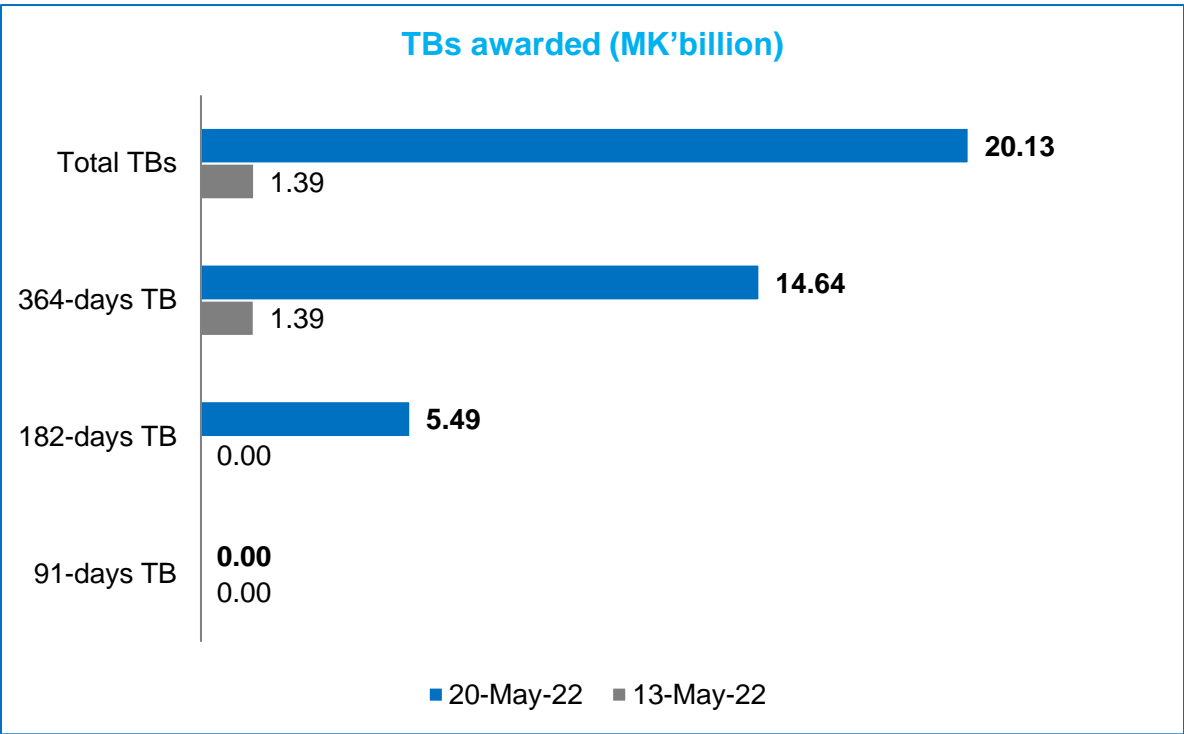
Government securities (Source: RBM)

A total of MK36.87 billion was awarded in Tuesday's auctions of Treasury Bills (TBs) and 2-Year Treasury Note (TN).

MK20.13 billion and MK16.74 billion was awarded in the TBs and 2-year TN auctions, respectively.

The TB auction had a nil rejection rate, while the 2-year TN had a rejection rate of 44.9%.

The average TB yield increased to 13.64% from 13.02%, and the average TN yield increased to 20.86% from 20.64% during the period under review.



TB: Treasury Bill  
TN: Treasury Note  
Yr: Year



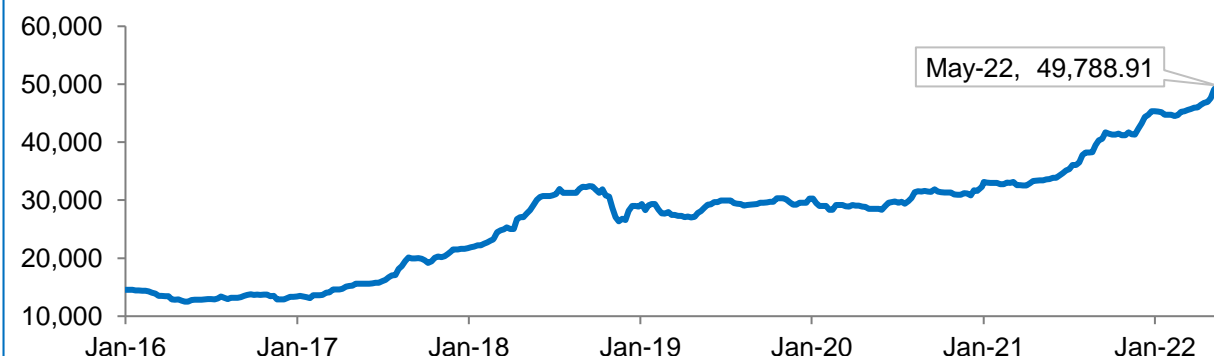
## Financial Market Update: Week ending 20 May 2022

Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) closing the week ending 20 May 2022 at 49,788.91 points from 49,070.30 points for the week ending 13 May 2022. Week-on-week, this represents an increase of 1.46%.

There was a share price gain for AIRTEL as well as a marginal share price gain for TNM. The share price gains offset a share price loss for NICO and marginal share price losses for NBS and FMBCH during the period under review.

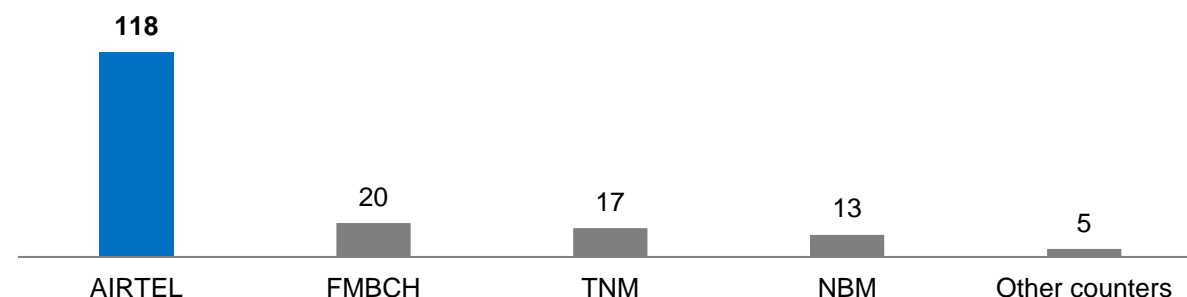
**Malawi All Share Index (MASI)**



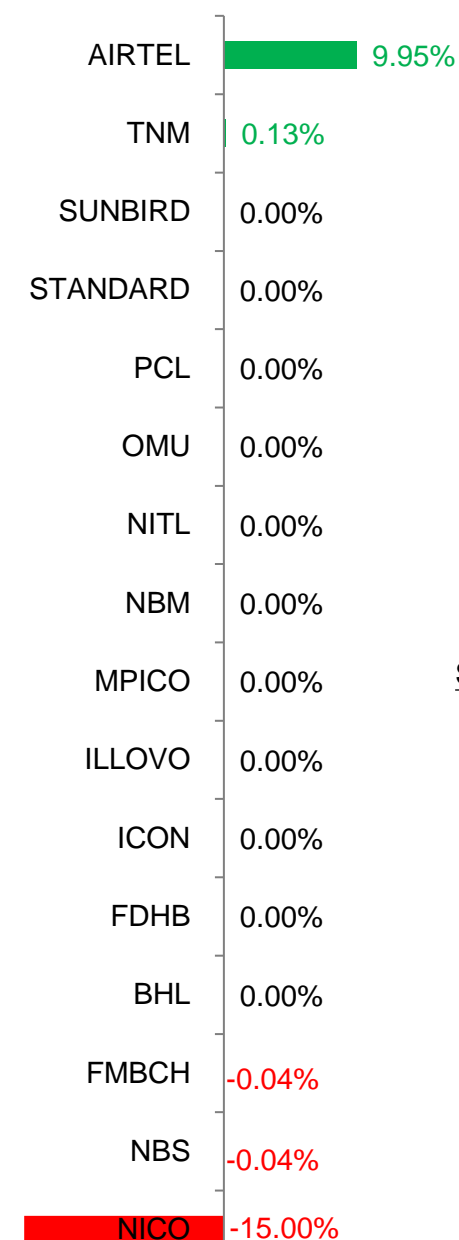
**MASI year-to-date return** – the MASI closed the week with a year-to-date return of 9.75% (it was 3.75% during the same period in the previous year).



**Value of shares traded (MK'million)** – AIRTEL had the highest value of shares traded during the period under review at MK118 million. The total value of shares traded this week was MK171 million.



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



Symbol	Closing prices as of 20 May 2022 (MK/share)
AIRTEL	47.28
BHL	11.01
FDHB	14.51
FMBCH	144.94
ICON	12.00
ILLOVO	305.51
MPICO	20.70
NBM	980.01
NBS	22.78
NICO	46.75
NITL	110.02
OMU	1,785.00
PCL	1,900.00
STANDARD	1,507.17
SUNBIRD	90.02
TNM	14.99





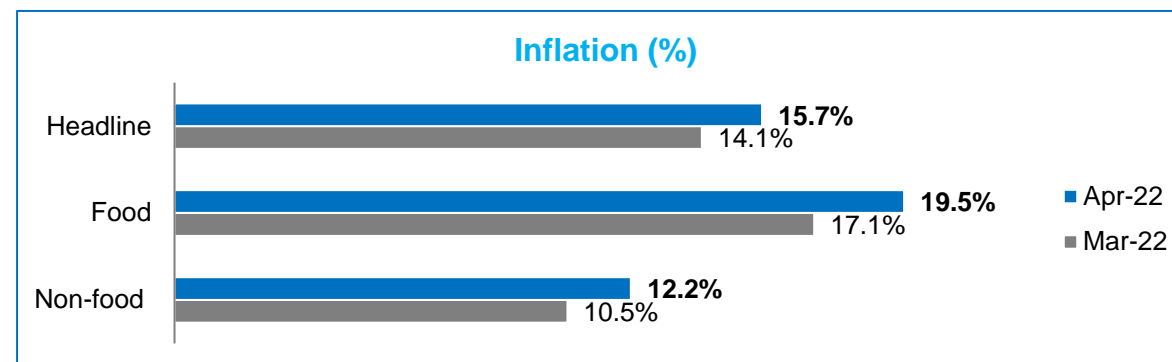
## Financial Market Update: Week ending 20 May 2022

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

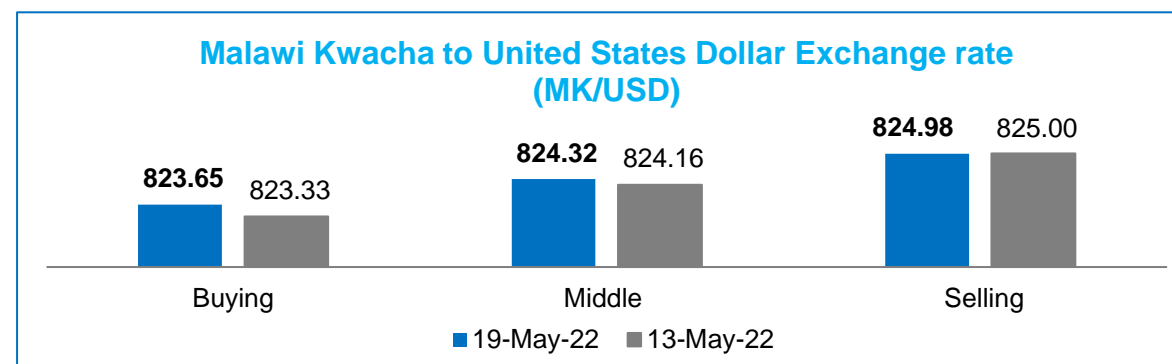
Headline inflation increased to 15.7% in April 2022 from 14.1% in March 2022. This was on account of increases in both food and non-food inflation during the period.

As of 19 May 2022, a cumulative volume of 14.54 million kgs of tobacco was sold, a decrease of 45% from a cumulative volume of 26.42 million kgs sold as of 19 May 2021. The cumulative value as of 19 May 2022 was USD29.66 million, a decrease of 33% from a cumulative value of USD44.25 million as of 19 May 2021. The seasonal average price as of 19 May 2022 was USD2.04/kg, an increase of 22% from USD1.67/kg as of 19 May 2021.

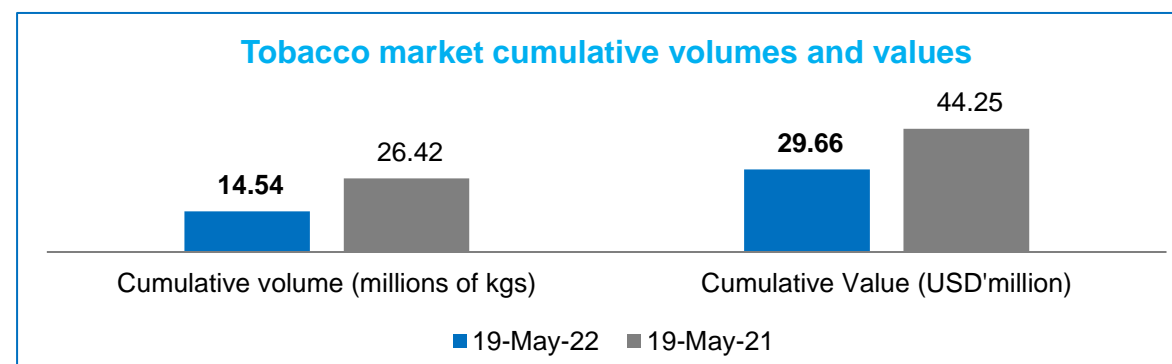
### Inflation(Source: NSO)



### Foreign currency (Source: RBM)



### Tobacco Market Sales (Source: AHL)



### Latest Summary Published Accounts

Counter	31 December 2021	31 December 2020	Actual Change in profit/(loss)
FMB Capital Holdings (USD'million)	40.45	21.28	90%

### Annual General Meetings

Company	Venue	Date	Time
NBM	NBM plc Leadership Centre and Virtual	2 June 2022	14:00 hrs

### What Happened this Week

1. The government says there are no quick fixes to the country's foreign currency scarcity. The current foreign currency shortages are on account of supply side issues which means Malawians will have to produce goods and services that can be exported to generate foreign exchange (*The Nation*, 20-May-22).
2. The government has secured USD78 million (MK66 billion) from the United Nations (UN) towards the implementation of the COVID-19 Socio-Economic Recovery Plan that was launched in December 2021. The funds will support interventions that seek to build resilience and sustainability in health, education, social protection, labour market and building an enabling macroeconomic policy environment (*The Nation*, 20-May-22).
3. National Oil Company of Malawi (NOCMA) indicated that the country is positioned to join Tanzania's Petroleum Bulk Procurement Agency (PBPA). PBPA is a government company that is responsible for the bulk procurement of petroleum products in Tanzania. This is one way of ensuring sufficient inflow of fuel into the country (*The Daily Times*, 19-May-22).
4. The legislation for the establishment of a debt retirement fund was embedded in the Public Finance Management Act. The Public Finance Management Act was passed in parliament and the government is set to start transferring resources into the fund after the mid-year budget review (*The Daily Times*, 19-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 20 May 2022
<b>Exchange rates (middle rates)</b>																		
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	<b>824.32</b>
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	<b>1,137.65</b>
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	<b>971.44</b>
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	<b>56.35</b>
<b>Foreign Exchange Reserves</b>																		
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	-	-
<b>Inflation</b>																		
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%	15.70%	-
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%	19.50%	-
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%	12.20%	-
<b>Interest Rates</b>																		
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%	<b>14.00%</b>
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%	<b>12.50%</b>
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%	<b>14.20%</b>
<b>Government Securities' Yields</b>																		
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%	<b>9.75%</b>
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%	<b>14.50%</b>
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%	<b>16.66%</b>
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%	<b>18.12%</b>
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%	<b>19.50%</b>
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%	<b>21.00%</b>
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%	<b>22.33%</b>
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%	<b>23.35%</b>
<b>Stock Market Indices</b>																		
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	<b>49,788.91</b>
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	<b>38,506.87</b>
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	<b>7,401.66</b>

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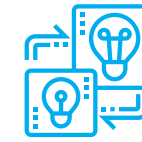
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