



Malawi Financial Market Update

Week ending 10 June 2022



Financial Market Update: Week ending 10 June 2022

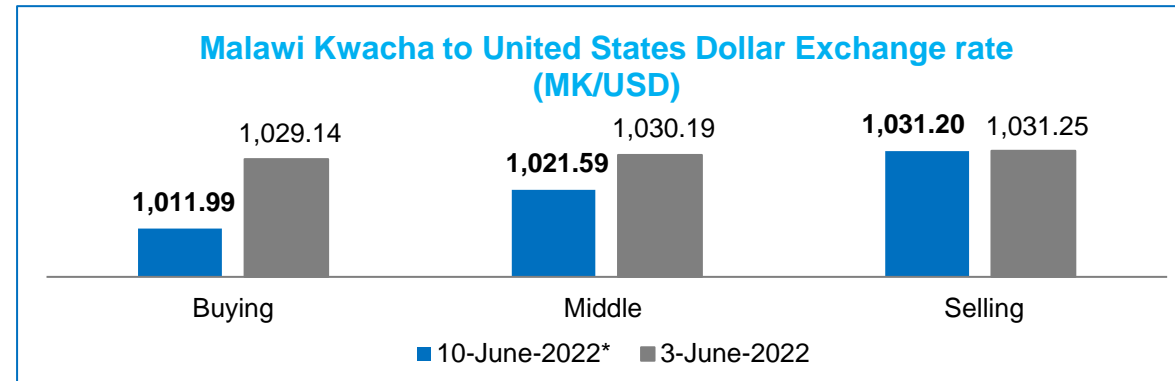
Foreign currency market and other market developments (Source: RBM, MSE, AHL)

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 24.69%.

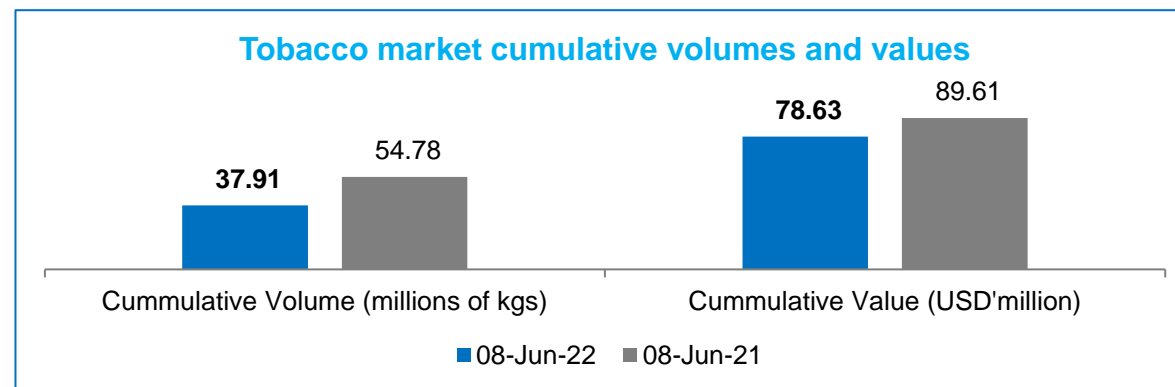
Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.83% at MK1,021.59/USD as of 10 June 2022 from MK1,030.19/USD as of 3 June 2022.

The cumulative value of tobacco sold as of 8 June 2022 was USD78.63 million, a decrease of 12% from a cumulative value of USD89.61 million sold as of 8 June 2021.

Foreign currency (Source: RBM)



Tobacco Market Sales (Source: AHL)



Annual General Meetings

Company	Venue	Date	Time
Sunbird	Sunbird Mount Soche Hotel (Blantyre)	17 June 2022	15:30 hrs
FMBCH	FCB Training Centre (First House, Blantyre)	20 June 2022	15:30 hrs
MPICO	Sunbird Mount Soche Hotel (Blantyre)	21 June 2022	08:30 hrs
Standard Bank	Sunbird Mount Soche Hotel (Blantyre)	23 June 2022	09:00 hrs
FDH Bank	Protea Ryalls Hotel (Blantyre)	27 June 2022	09:00 hrs
NBS	Protea Ryalls Hotel (Blantyre)	28 June 2022	14:30 hrs
AIRTEL	Virtual (Zoom)	30 June 2022	10:00 hrs
TNM	Sunbird Mount Soche	1 July 2022	14:00 hrs

*: Reserve Bank of Malawi opening exchange rates as of 10 June 2022

Dividends

Counter	Dividend type	Proposed/declared	Dividend per share (MK)	Last day to register	Date of payment
NBM	Final	Proposed	23.55	3 June 2022	24 June 2022
STANDARD	1st Interim	Declared	21.31	17 June 2022	20 June 2022
ILLOVO	Interim	Declared	5.56	17 June 2022	30 June 2022
NICO	2nd Interim	Declared	1.40	24 June 2022	30 June 2022
MPICO	Final	Proposed	0.19	8 July 2022	28 July 2022
STANDARD	Final	Proposed	8.52	8 July 2022	22 July 2022
FMBCH	Final	Proposed	0.10 Cents	15 July 2022	22 July 2022
FDHB	Final	Proposed	0.29	8 July 2022	22 July 2022
AIRTEL	Final	Proposed	2.95	8 July 2022	25 July 2022
TNM	Final	Proposed	0.1	15 July 2022	29 July 2022
NITL	Final	Proposed	2.25	TBA	TBA
NBS	Final	Proposed	0.75	TBA	TBA
ICON	Final	Proposed	0.12	TBA	TBA
NICO	Final	Proposed	0.60	TBA	TBA

What Happened this Week

1. The Electricity Supply Corporation of Malawi (ESCOM) and Electricity Generation Company (EGENCO) will be revising the terms of their agreement over the next few months. According to the previous agreements, EGENCO was charging ESCOM a capacity fee even if ESCOM was not using the power (*The Daily Times, 9-June-22*).
2. The Parliamentary Committee on Agriculture has asked the Agricultural Development and Marketing Corporation (ADMARC) to freeze the sale of 100,000 metric tonnes of maize worth MK22 billion to Zimbabwe. The Committee said it is concerned that the country may not have enough maize to warrant export (*The Nation, 9-June-22*).
3. The National Planning Commission (NPC) has indicated that Malawi needs to generate an extra MK7 trillion (USD7 billion) of its nominal gross domestic product (GDP) to attain the middle-income economy by 2030, with agriculture being the main driver. The NPC indicated that the country's nominal GDP is around MK12 trillion (USD12 billion) and that it needs to reach around MK19 trillion (USD19 billion) to move from a low-income economy into a low middle-income economy (*The Nation, 10-June-22*).
4. The President has instructed the Ministry of Agriculture to produce the results of the implementation of mega farms within 6 months. The farms are intended to transform the country's agriculture sector (*The Nation, 10-June-22*).

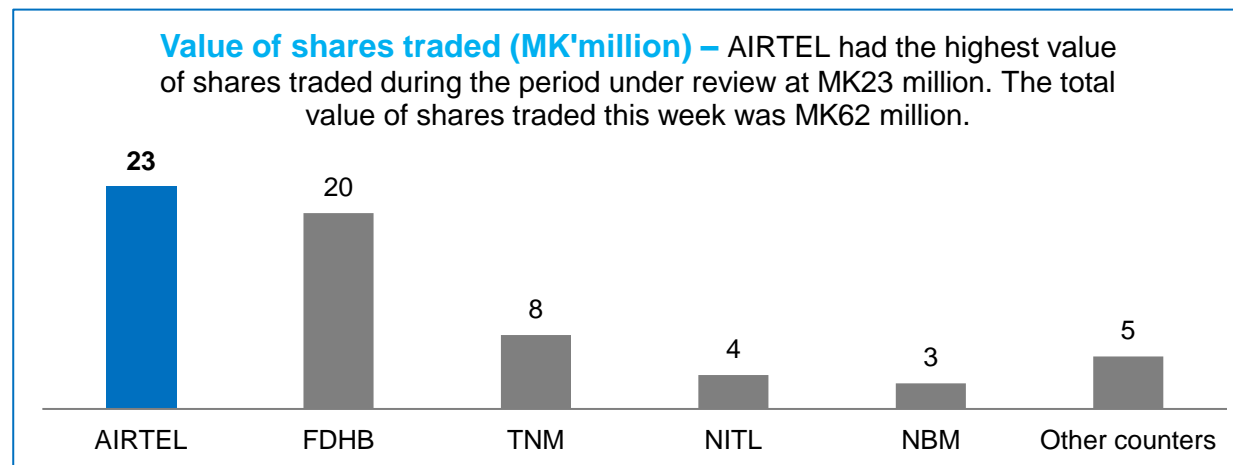
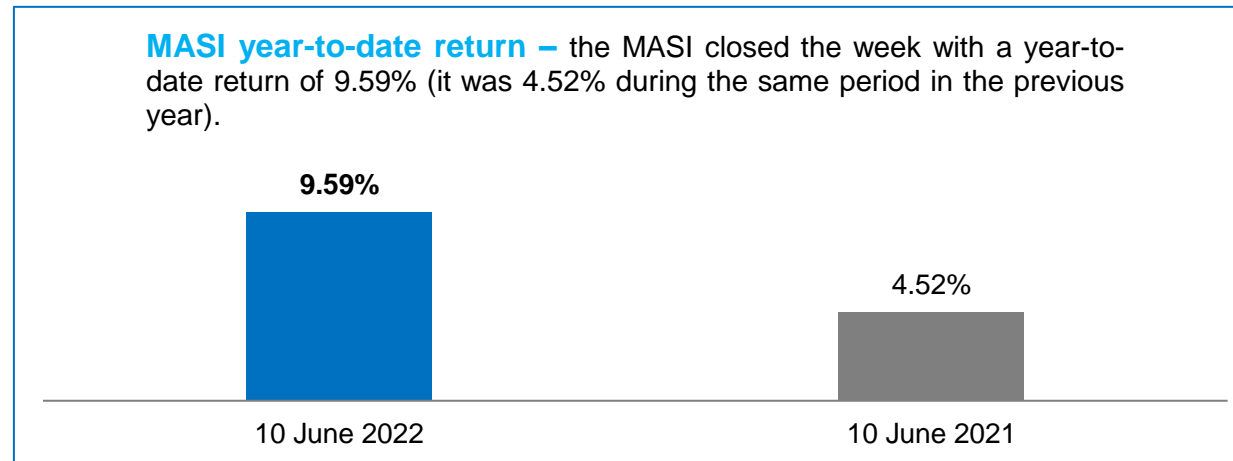
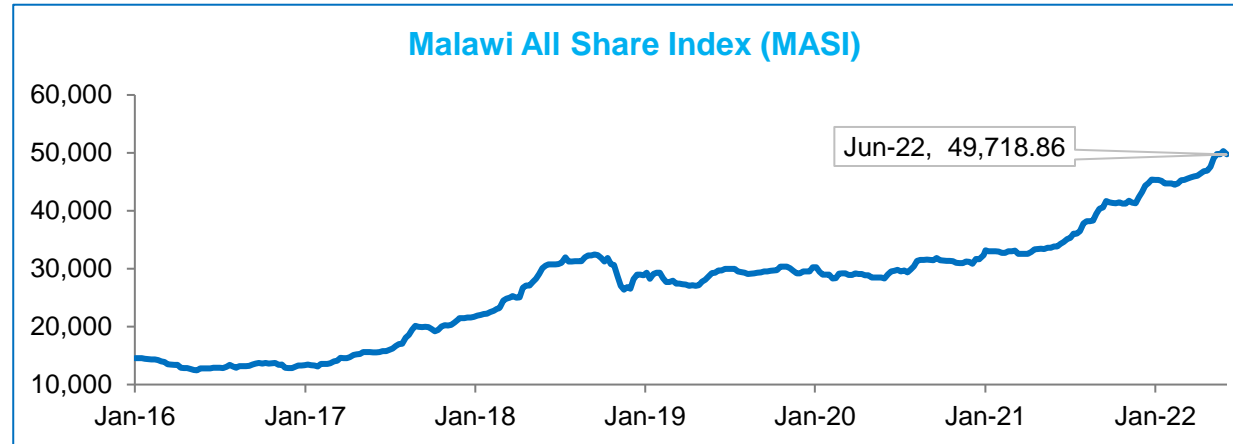


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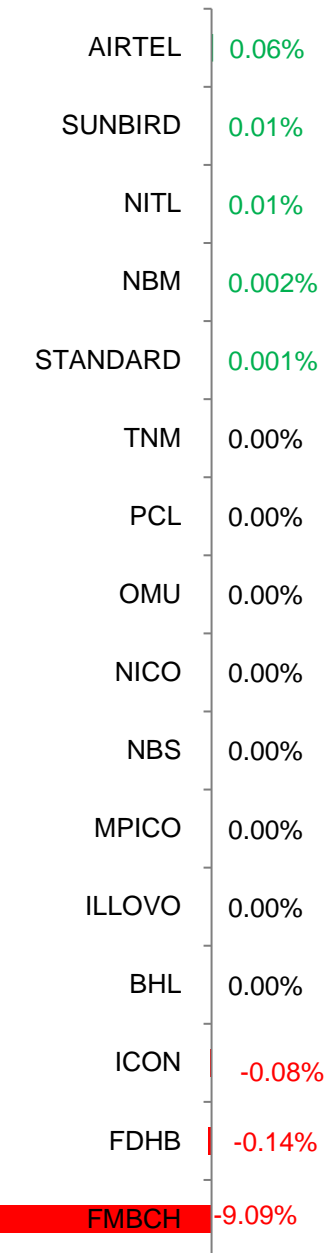
Stock market (Source: MSE)

The stock market was marginally bearish over the period with the Malawi All Share Index (MASI) closing the week ending 10 June 2022 at 49,718.86 points from 50,283.02 points for the week ending 3 June 2022. Week-on-week, this represents a decrease of 1.12%.

There were marginal share price gains for AIRTEL, SUNBIRD, NITL, NBM and Standard Bank. The share price gains were offset by a share price loss for FMBCH and marginal share price losses for FDH Bank and ICON during the period under review.



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



Symbol	Closing prices as of 10 June 2022 (MK/share)
AIRTEL	48.54
BHL	11.01
FDHB	14.48
FMBCH	130.00
ICON	11.99
ILLOVO	305.53
MPICO	20.70
NBM	1,000.19
NBS	22.77
NICO	46.75
NITL	110.03
OMU	1,600.00
PCL	1,900.00
STANDARD	1,600.03
SUNBIRD	80.01
TNM	14.00



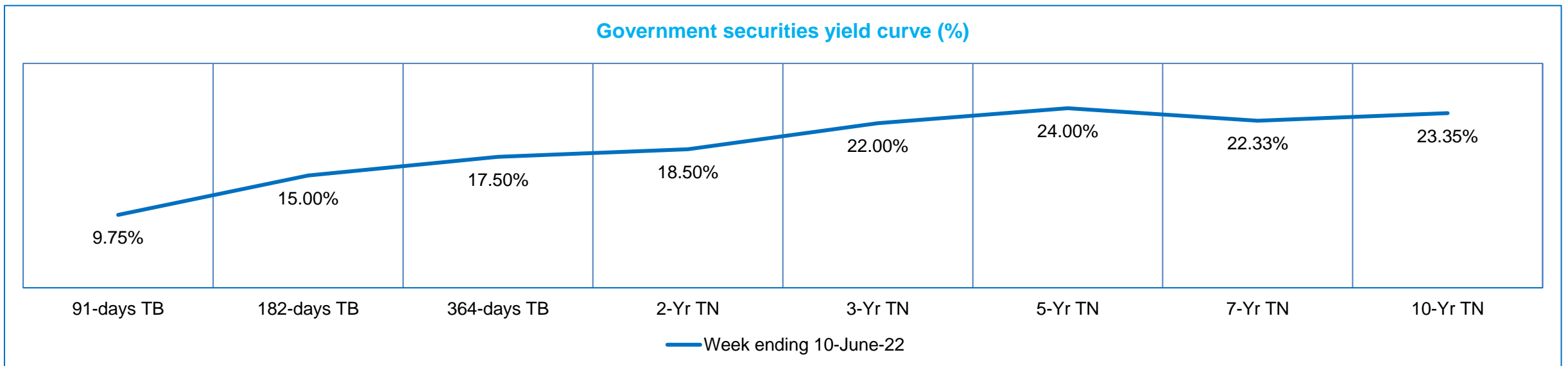
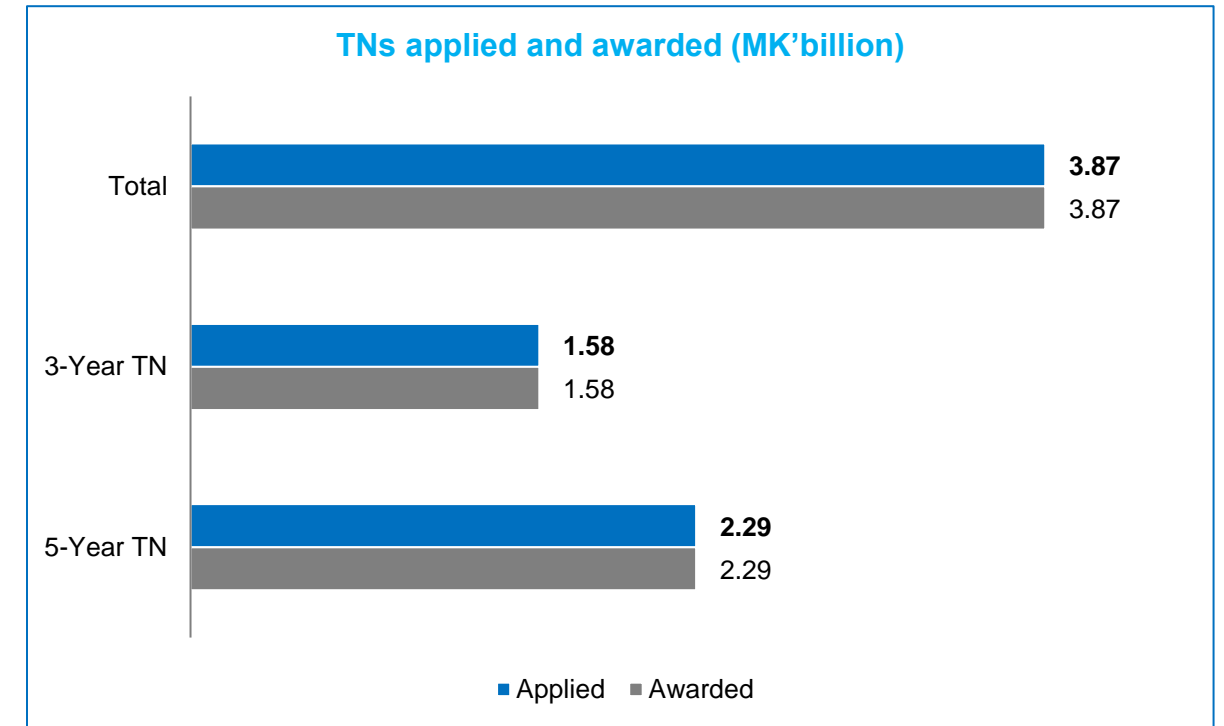
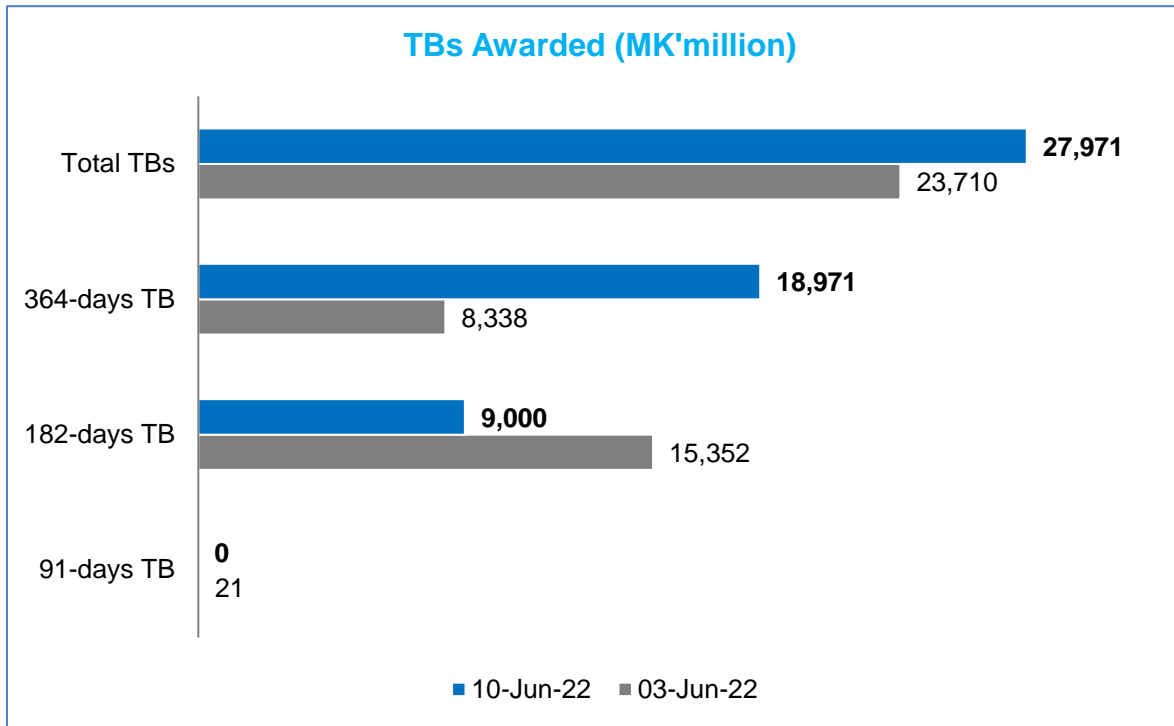
Government securities (Source: RBM)

A total of MK31.84 billion was awarded in Tuesday's auctions of Treasury Bills (TBs) and 3-year and 5-year Treasury Notes (TNs). The yields for 3-year and 5-year TNs were 22.00% and 24.00%, respectively.

MK27.97 billion and MK3.87 billion was awarded in the TBs and TNs auctions, respectively.

The TBs auctions had a rejection rate of 6%, while the TNs auctions had a nil rejection rate.

The average TB yield increased to 14.08% from 13.93%, and the average TN yield increased to 22.04% from 22.01% during the period under review.



TB: Treasury Bill
TN: Treasury Note
Yr: Year



Appendix 1: Historical Economic Indicators

	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	May-22	Week ending 10 June 2022
Exchange rates (middle rates)																		
MK/USD	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	1,029.90	1,021.59*
MK/GBP	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	1,380.71	1,278.01*
MK/EUR	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	1,180.96	1,086.57*
MK/ZAR	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	72.04	66.18*
Foreign Exchange Reserves																		
Gross Official Reserves (USD'mn)	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	363.27	N/A	N/A
Private Sector Reserves (USD'mn)	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	362.84	N/A	N/A
Total reserves (USD'mn)	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	726.11	N/A	N/A
Gross Official Reserves Import cover (months)	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	1.45	N/A	N/A
Inflation																		
Headline	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%	N/A	N/A
Food	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%	N/A	N/A
Non-food	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%	N/A	N/A
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%	14.00%	14.00%
Average Interbank rate	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%	11.84%	12.50%
Average base lending rate	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%	13.50%	13.80%
Government Securities' Yields																		
91-days Treasury Bill	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%	9.75%
182-days Treasury Bill	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%	15.00%	15.00%
364-days Treasury Bill	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%	17.03%	17.50%
2-year Treasury Note	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%	18.50%	18.50%
3-year Treasury Note	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%	21.90%	22.00%
5-year Treasury Note	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%	23.95%	24.00%
7-year Treasury Note	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%	22.33%
10-year Treasury Note	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%	23.35%
Stock Market Indices																		
MASI	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	50,300.44	49,718.86
DSI	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	39,037.30	39,042.04
FSI	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	7,305.55	6,638.60

*: Reserve Bank of Malawi opening exchange rates as of 10 June 2022

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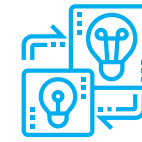
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