



# Malawi Financial Market Update

Week ending 3 June 2022



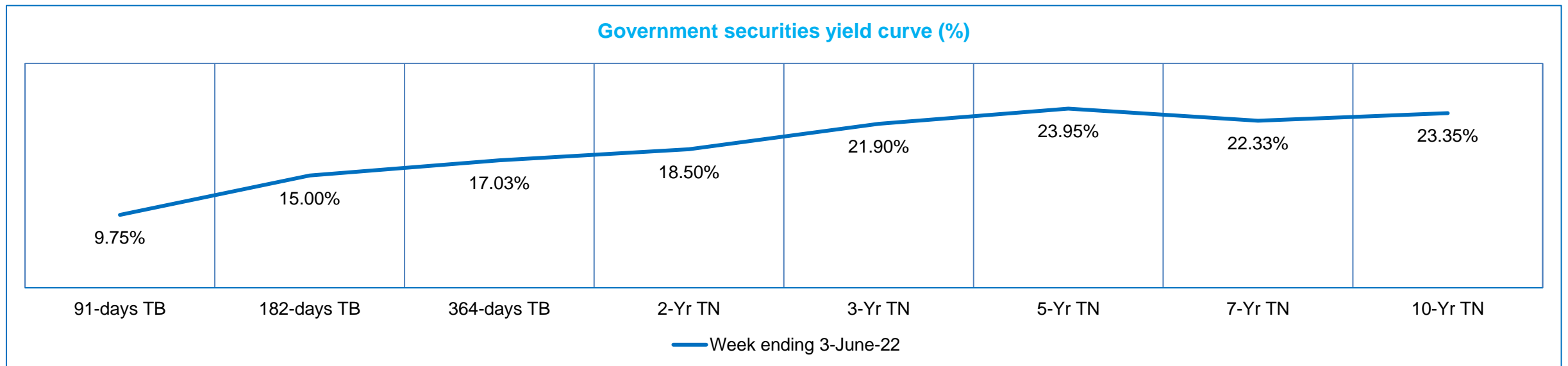
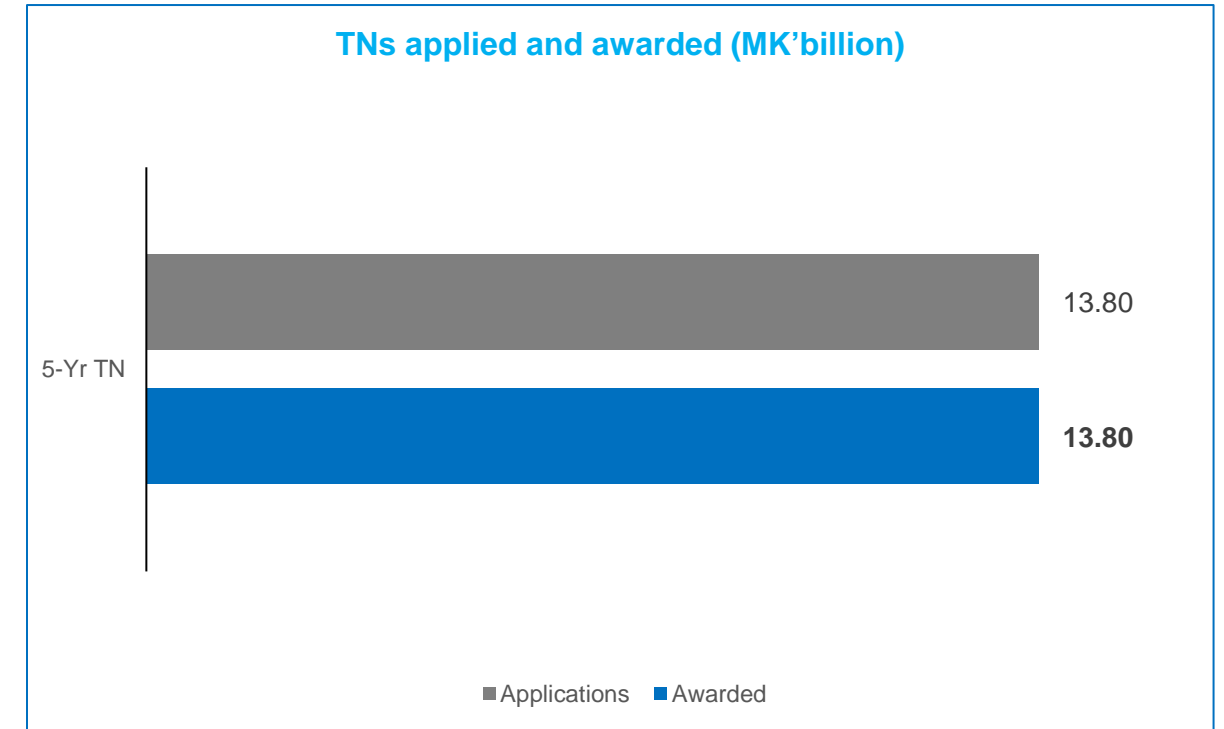
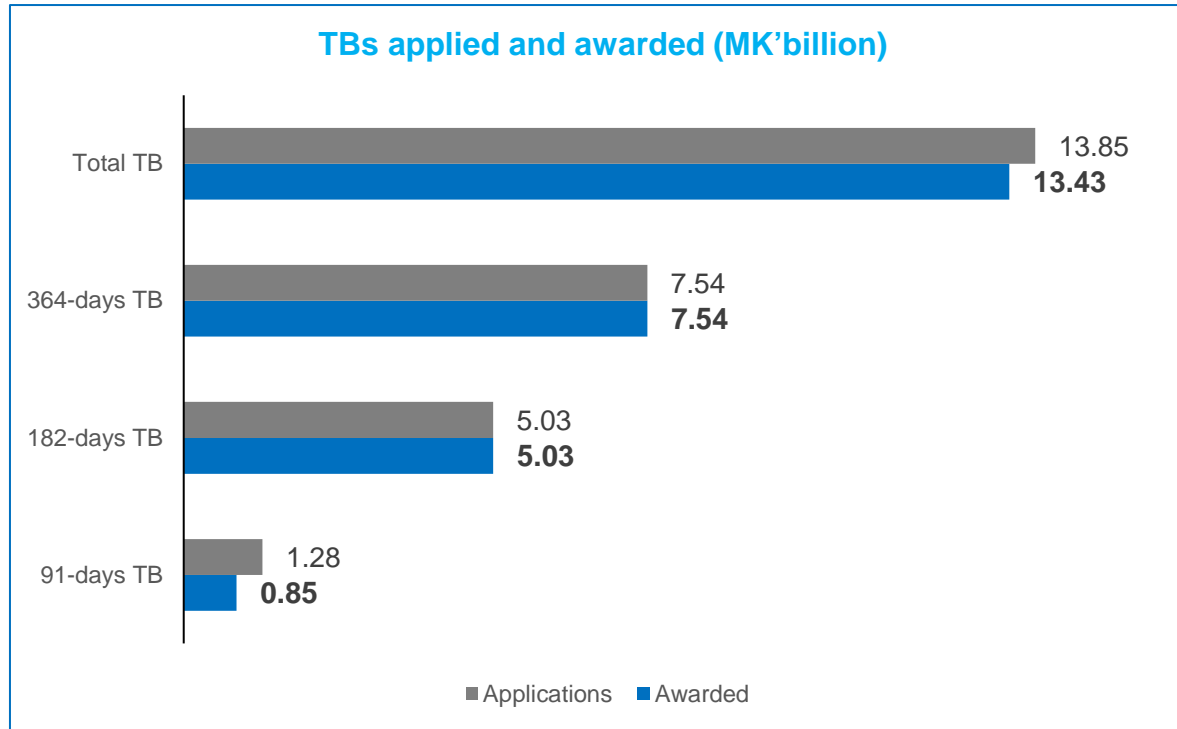
Government securities (Source: RBM)

A total of MK27.23 billion was awarded in Tuesday's auctions of Treasury Bills (TBs) and Treasury Note (TN).

MK13.43 billion and MK13.80 billion was awarded in the TBs and TN auctions, respectively.

The TBs auction had a rejection rate of 3%, while the TN auction had a nil rejection rate.

The average TB yield increased to 13.93% from 13.87%, while the average TN yield increased to 22.01% from 21.42% during the period under review.



TB: Treasury Bill  
TN: Treasury Note  
Yr: Year

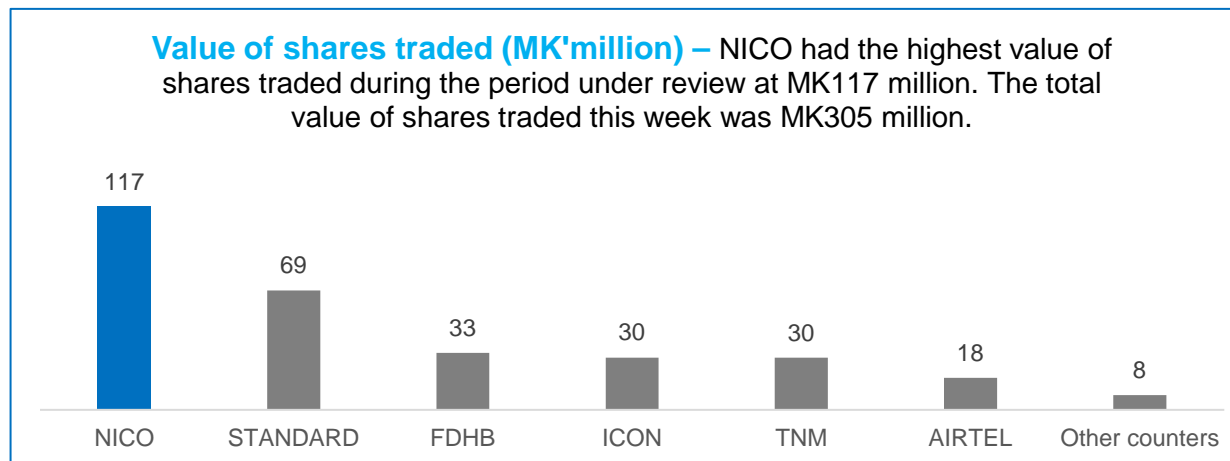
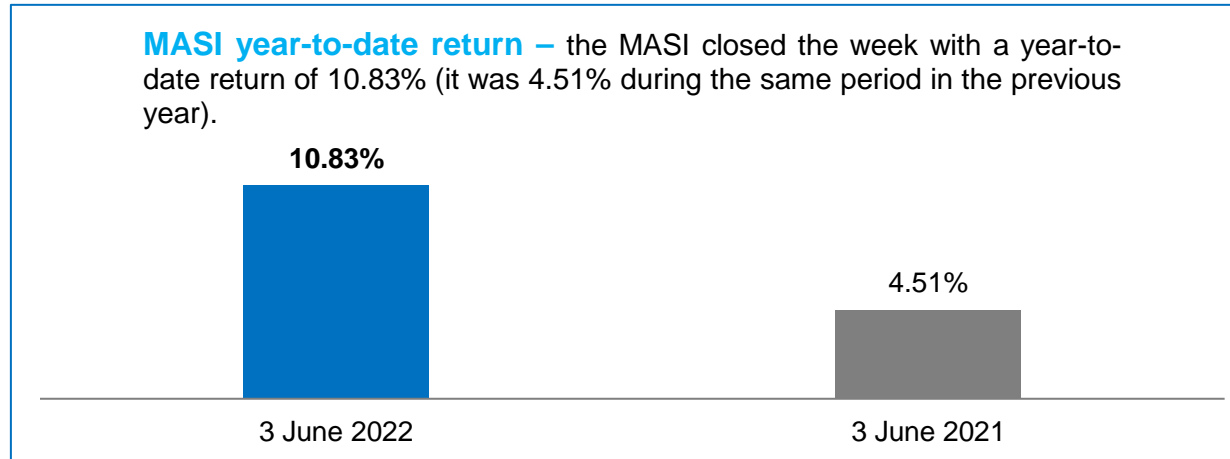
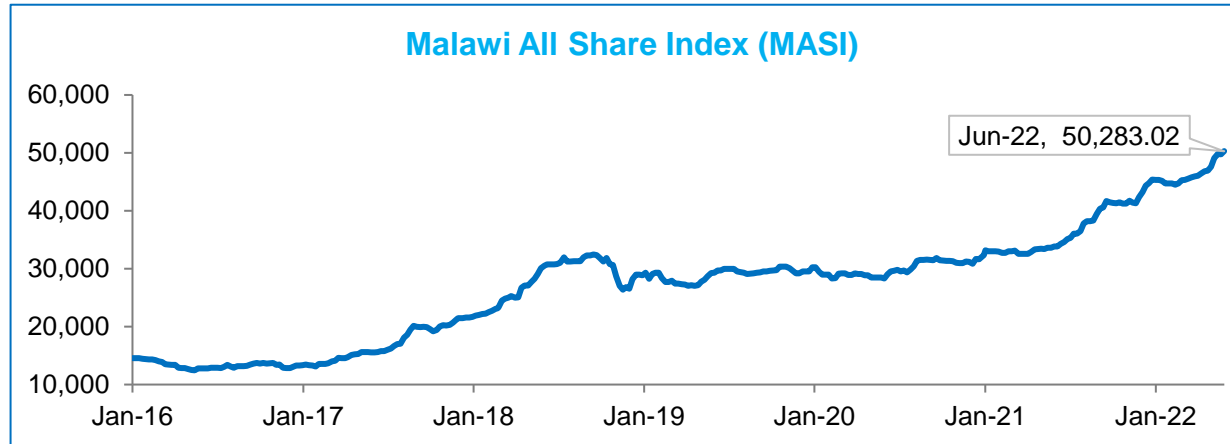


## Financial Market Update: Week ending 3 June 2022

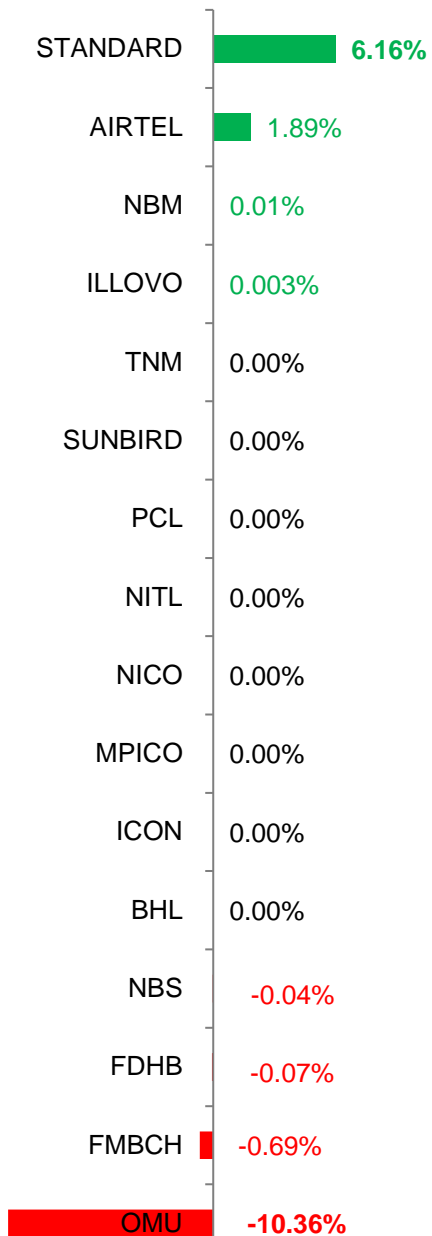
### Stock market (Source: MSE)

The stock market was marginally bullish over the period with the Malawi All Share Index (MASI) closing the week ending 3 June 2022 at 50,283.02 points from 49,755.67 points for the week ending 27 May 2022. Week-on-week, this represents a decrease of 1.06%.

There were share price gains for STANDARD, AIRTEL, NBM and ILLOVO. The share price gains offset share price losses for OMU, FMBCH, FDHB and NBS during the period under review.



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



Symbol	Closing prices as of 3 June 2022 (MK/share)
AIRTEL	48.51
BHL	11.01
FDHB	14.50
FMBCH	143.00
ICON	12.00
ILLOVO	305.53
MPICO	20.70
NBM	1,000.17
NBS	22.77
NICO	46.75
NITL	110.02
OMU	1,600.00
PCL	1,900.00
STANDARD	1,600.02
SUNBIRD	80.00
TNM	14.00



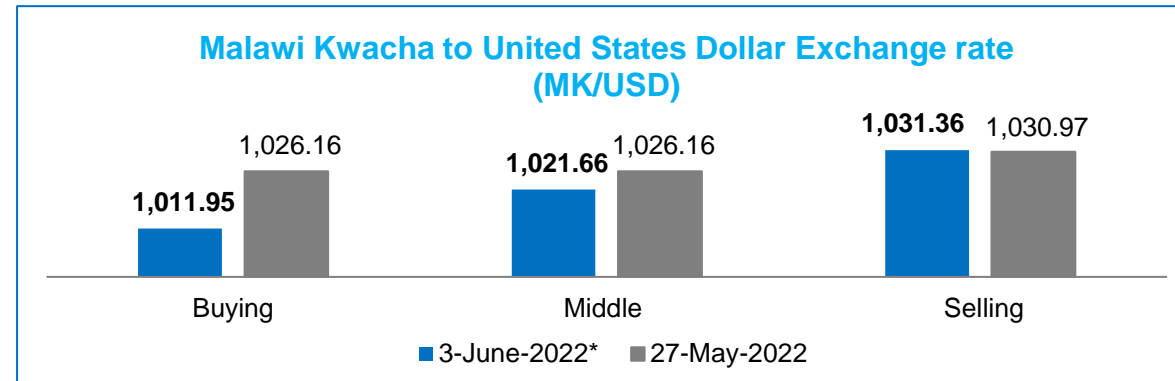
## Financial Market Update: Week ending 3 June 2022

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

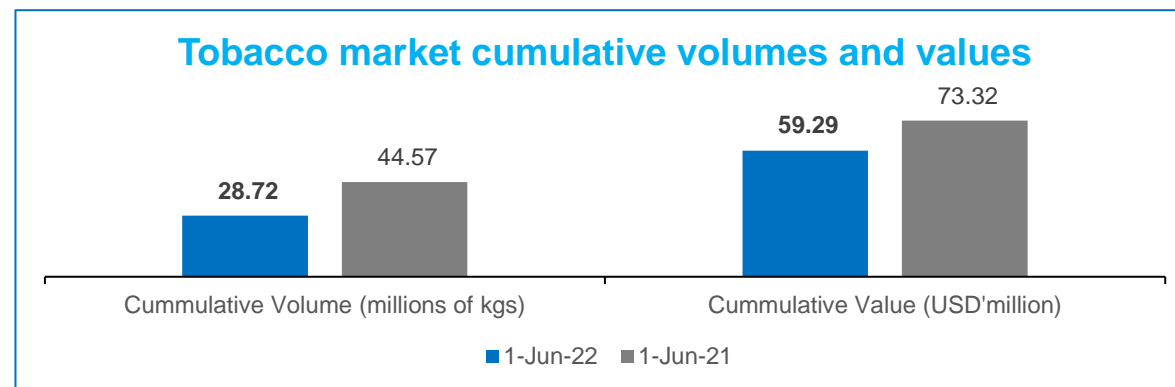
Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 24.70%.

Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.44% at MK1,021.66/USD as at 3 June 2022 from MK1,026.16/USD as at 27 May 2022.

### 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

\*: Reserve Bank of Malawi opening exchange rates as of 3 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
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
NITL	Final	Proposed	2.25	TBA	TBA
NBS	Final	Proposed	0.75	TBA	TBA
FDHB	Final	Proposed	0.29	TBA	TBA
TNM	Final	Proposed	0.1	TBA	TBA
AIRTEL	Final	Proposed	2.95	TBA	TBA
ICON	Final	Proposed	0.12	TBA	TBA

### What Happened this Week

- The Ministry of Finance and Economic Affairs introduced new guidelines to track export proceeds and guide operation of foreign currency-dominated accounts (FCDAs). The regulation is expected to increase circulation of foreign currency in the Malawian economy (*The Nation*, 3-June-22).
- African Development Bank (AfDB) expects the Malawian economy to grow by 2.8% in 2022, which is slightly above the 2.7% projected by the International Monetary Fund's (IMF). Both growth rates are significantly lower than the 4.1% projected by the Government of Malawi in the 2022-23 National Budget Statement (*The Daily Times*, 31-May-2022).
- As of 1 June 2022, a cumulative volume of 28.72 million kgs of tobacco was sold, a decrease of 36% from a cumulative volume of 44.57 million kgs sold as of 1 June 2021. The cumulative value during the respective period was USD59.29 million and USD73.32 million (19% lower in 2022). The seasonal average price as of 1 June 2022 was USD2.06/kg, an increase of 25% from USD1.65/kg as of 1 June 2021 (*AHL*, 2-June-2022).



## 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 3 June 2022
<b>Exchange rates (middle rates)</b>																		
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	<b>1,021.66*</b>
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	<b>1,274.41*</b>
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	<b>1,088.47*</b>
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	<b>65.45*</b>
<b>Foreign Exchange Reserves</b>																		
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	N/A	N/A	<b>N/A</b>
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	N/A	N/A	<b>N/A</b>
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	N/A	N/A	<b>N/A</b>
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	N/A	N/A	<b>N/A</b>
<b>Inflation</b>																		
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	<b>N/A</b>
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	<b>N/A</b>
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	<b>N/A</b>
<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%	14.00%	<b>14.00%</b>
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%	<b>12.50%</b>
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%	<b>13.80%</b>
<b>Government Securities' Yields</b>																		
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%	<b>9.75%</b>
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%	<b>15.00%</b>
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%	<b>17.03%</b>
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%	<b>18.50%</b>
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%	<b>21.90%</b>
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%	<b>23.95%</b>
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%	<b>22.33%</b>
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%	<b>23.35%</b>
<b>Stock Market Indices</b>																		
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	<b>50,283.02</b>
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	<b>39,039.71</b>
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	<b>7,282.68</b>

\*: Reserve Bank of Malawi opening exchange rates as of 3 June 2022

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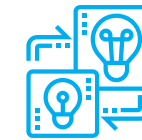
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