



Malawi Financial Market Update

Week ending 15 July 2022



Financial Market Update: Week ending 15 July 2022

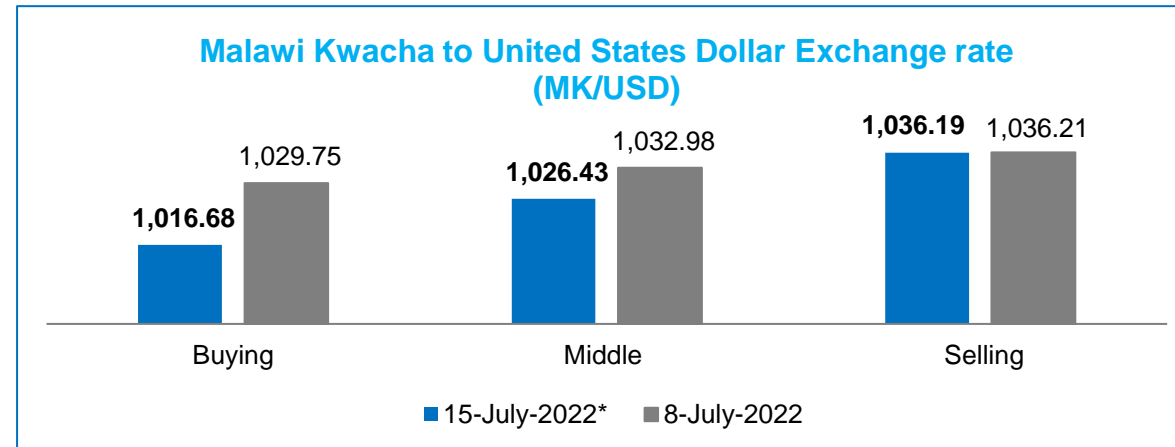
Foreign currency market and other market developments (Source: RBM, MSE, AHL)

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 25.28%.

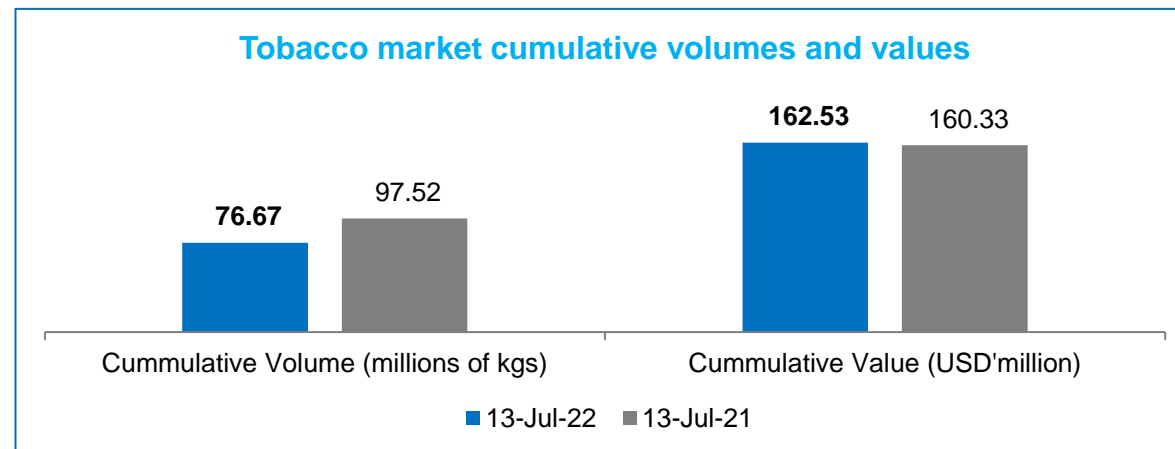
Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.63% as it traded at MK1,026.43/USD as of 15 July 2022 from MK1,032.98/USD as of 8 July 2022.

The cumulative value of tobacco sold as of 13 July 2022 was USD162.53 million, an increase of 1% from a cumulative value of USD160.33 million sold as of 13 July 2021.

Foreign currency (Source: RBM)



Tobacco Market Sales (Source: AHL)



Annual General Meetings

Company	Venue	Date	Time
PCL	Virtual/NBM plc Leadership Centre	25 July 2022	14:00 hrs
BHL	Virtual	28 July 2022	15:30 hrs
NITL	Ryalls Hotel, Blantyre	9 August 2022	10:00 hrs

*: Reserve Bank of Malawi opening exchange rates as of 15 July 2022

Half-year Trading Statements

The following companies wish to advise the public that their profit/(loss) after tax for the half 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.

Company	Expected PAT 2022H1	PAT 2021H1	Trading statement profit/(loss) expectation
FDH Bank	5.46	4.55	20%
SUNBIRD	0.24	(0.48)	150%
NICO	9.49	7.03	35%
NBM	16.58	12.75	30%
STANDARD	14.48	11.58	25%
ICON	3.68	3.07	20%
AIRTEL	8.51 – 9.08	11.35	-20% to -25%
FMBCH (USD'million)	22.25	13.09	70%
NITL	1.50	1.23	22%
TNM	(5.86)	4.51	-130%

What Happened this Week

1. Mkango Resources Limited, a mineral exploration and development firm, projects to generate USD215 million (MK22 billion) per annum once the Phalombe-based Songwe Hills Rare Earth Project rolls out in February 2025. The firm expects to produce 5,954 tonnes of rare earth oxides per year for the first five years of full production, from September 2025 to August 2030 (*The Nation*, 11 July 2022).
2. The Fertiliser Association of Malawi (FAM) has warned that the decision by government to replace the private sector with State-owned enterprises in the Affordable Inputs Programme (AIP) has the potential to disrupt the local fertiliser market. FAM indicates that the decision could also lead to bias in the award of AIP contracts to the Agricultural Development and Marketing Corporation (ADMARC) and Smallholder Farmers' Fertiliser Revolving Fund of Malawi (*The Nation*, 12-July-22).
3. The Ministry of Agriculture has opted to work with the National Food Reserve Agency (NFRA) in buying maize this year instead of ADMARC. Treasury has disbursed MK12 billion to NFRA to buy maize for the strategic grain reserves. The funds that are being utilized were ring-fenced in the annual budget for the replenishment of the national strategic grain reserves (*The Nation*, 13-July-22).

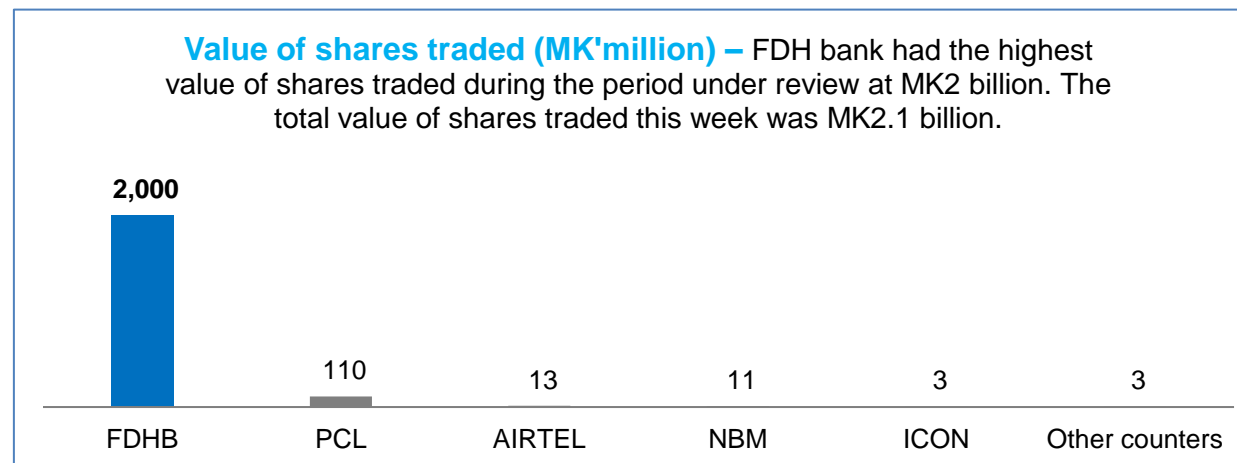
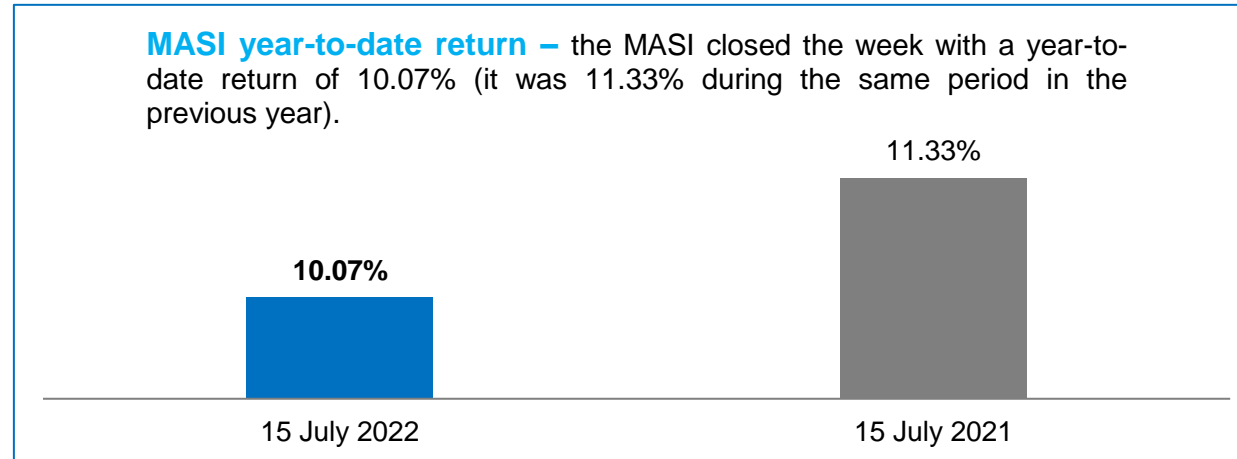
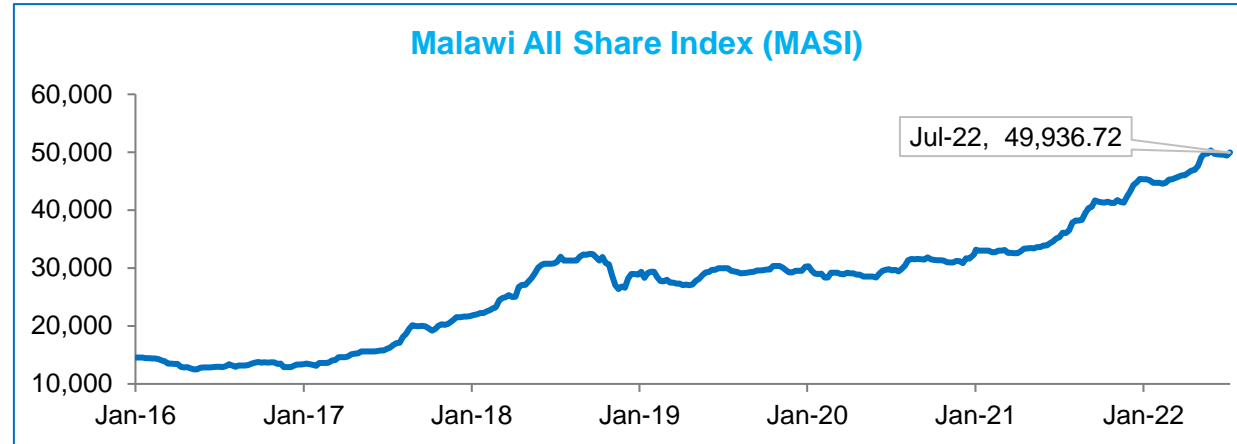


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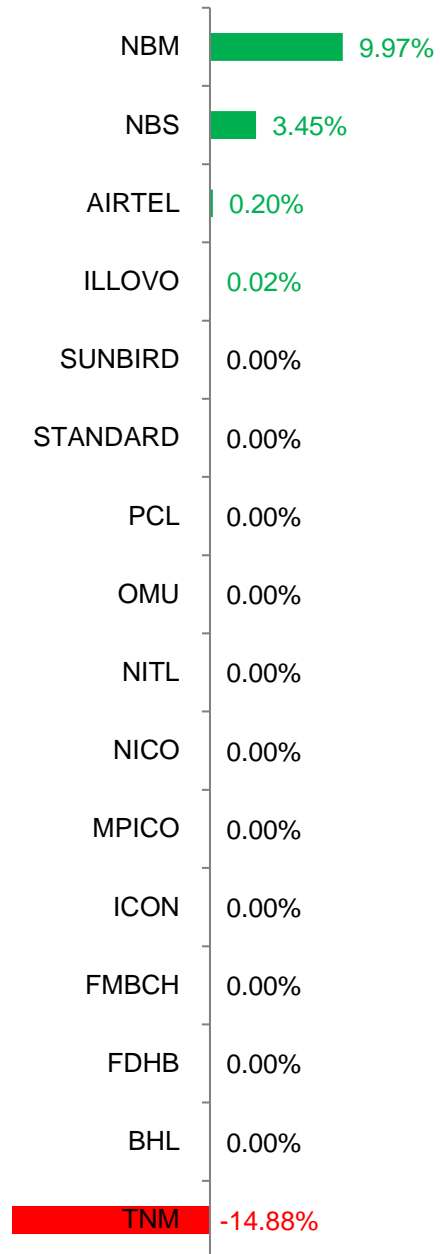
Stock market (Source: MSE)

The stock market was bullish over the period with the Malawi All Share Index (MASI) closing the week ending 15 July 2022 at 49,936.72 points from 49,394.70 points for the week ending 8 July 2022. Week-on-week, this represents an increase of 1.10%.

There were share price gains for NBM and NBS as well as marginal share price gains for AIRTEL and ILLOVO. The share price gains offset a share price loss for TNM during the period under review.



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



Symbol	Closing prices as of 15 July 2022 (MK/share)
AIRTEL	50.13
BHL	11.01
FDHB	13.99
FMBCH	118.00
ICON	12.00
ILLOVO	305.60
MPICO	20.70
NBM	1,100.01
NBS	22.76
NICO	46.74
NITL	110.03
OMU	1,600.00
PCL	1,900.00
STANDARD	1,600.03
SUNBIRD	80.01
TNM	11.90



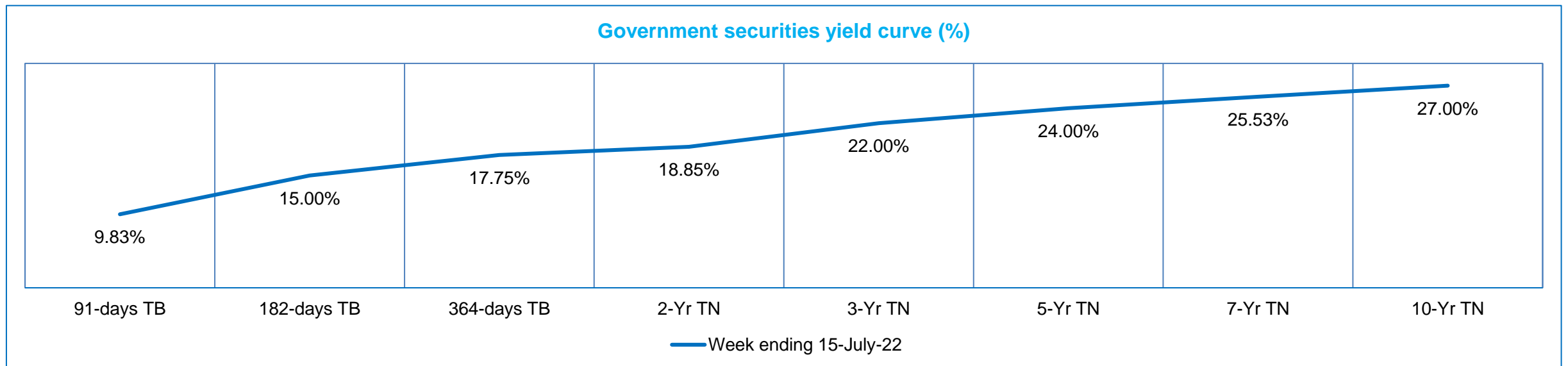
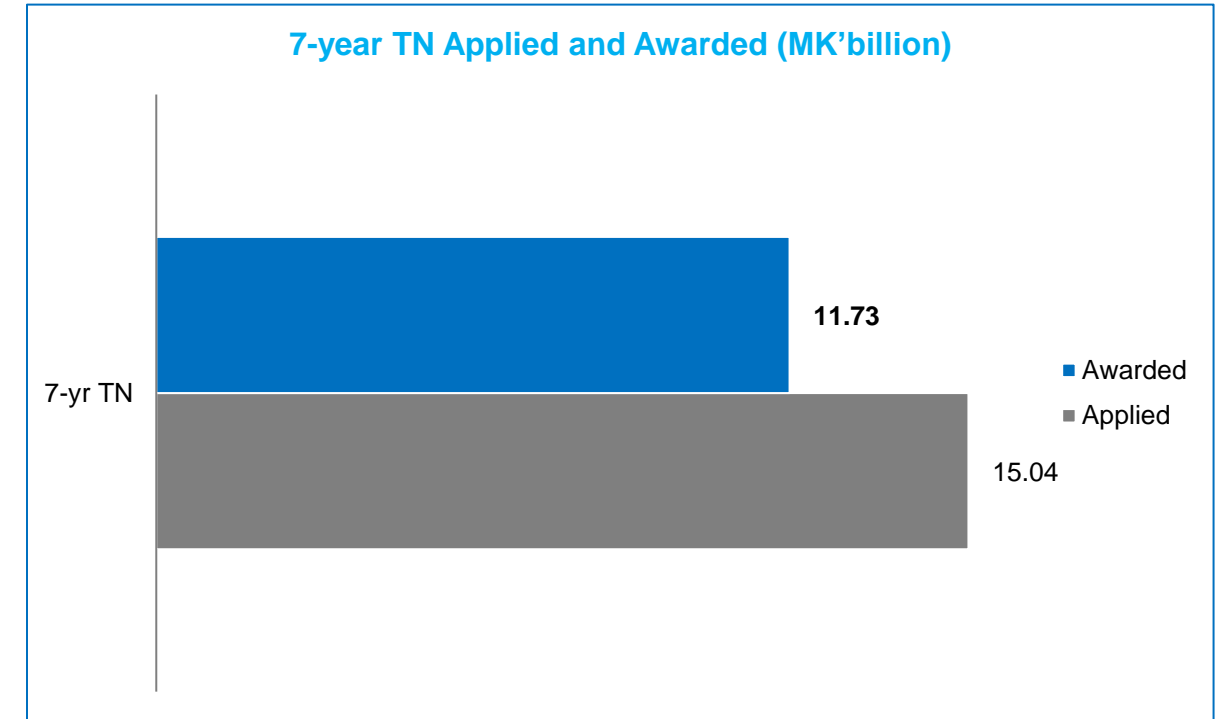
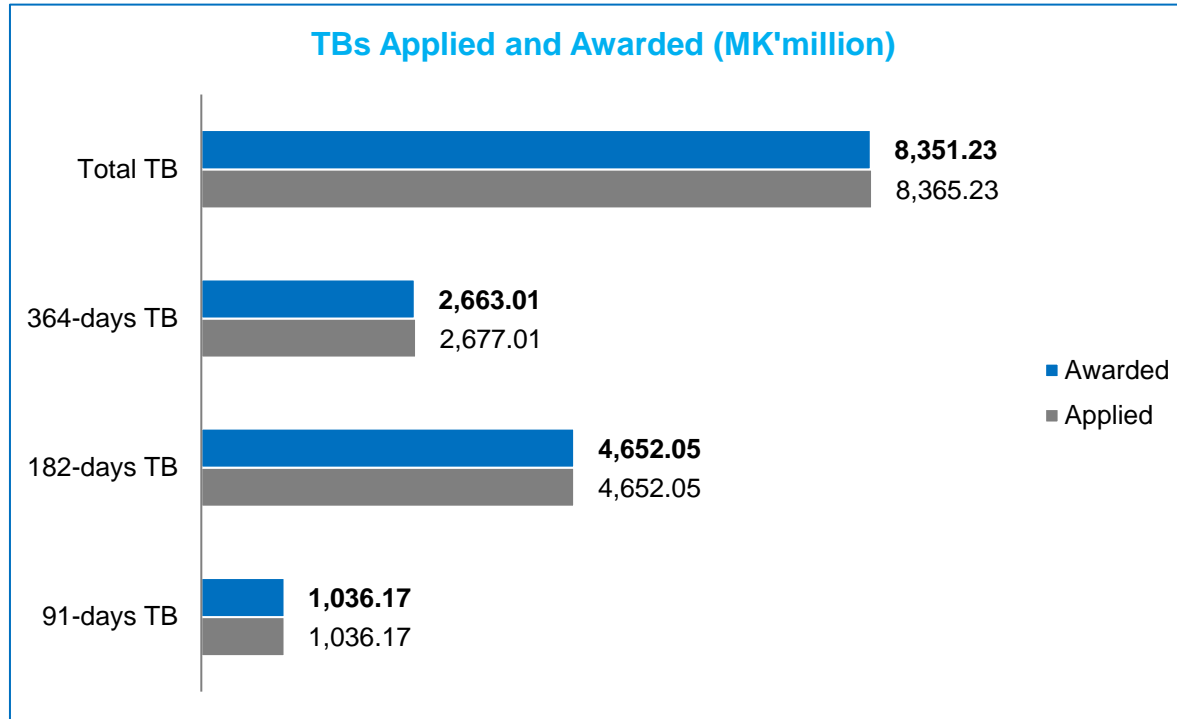
Government securities (Source: RBM)

A total of MK20.08 billion was awarded in this week's TBs and 7-year TN auctions.

MK8.35 billion and MK11.73 billion was awarded in the TBs and 7-year TN auctions, respectively.

The TBs and 7-year TN auctions had 0.17% and 22.01% rejection rates, respectively during the period under review.

The average TB yield decreased to 14.19% from 14.39% while the average TN yield increased to 23.48% from 22.84%.



TB: Treasury Bill
TN: Treasury Note
Yr: Year



Appendix 1: Historical Economic Indicators

	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	June-22	Week ending 15 July 2022
Exchange rates (middle rates)																		
MK/USD	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	1,033.36	1,026.43*
MK/GBP	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	1,289.26	1,290.88*
MK/EUR	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	1,108.47	1,097.82*
MK/ZAR	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	65.02	65.06*
Foreign Exchange Reserves																		
Gross Official Reserves (USD'mn)	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	388.22	N/A	N/A
Private Sector Reserves (USD'mn)	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	401.13	N/A	N/A
Total reserves (USD'mn)	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	789.35	N/A	N/A
Gross Official Reserves Import cover (months)	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	1.55	N/A	N/A
Inflation																		
Headline	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%	19.10%	N/A	N/A
Food	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%	25.50%	N/A	N/A
Non-food	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%	13.20%	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%	14.00%	14.00%	14.00%
Average Interbank rate	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%	12.48%	12.50%
Average base lending rate	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%	14.20%	14.20%
Government Securities' Yields																		
91-days Treasury Bill	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%	9.83%
182-days Treasury Bill	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%	15.005	15.00%
364-days Treasury Bill	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%	17.60%	17.75%
2-year Treasury Note	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%	18.85%	18.85%
3-year Treasury Note	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%	22.00%
5-year Treasury Note	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%	24.00%
7-year Treasury Note	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%	25.53%
10-year Treasury Note	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%	27.00%	27.00%
Stock Market Indices																		
MASI	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	49,596.14	49,936.72
DSI	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	39,011.21	39,701.44
FSI	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	6,538.52	6,044.06

*: Reserve Bank of Malawi opening exchange rates as of 15 July 2022

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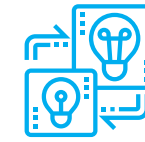
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