



# Malawi Financial Market Update

Week ending 1 July 2022



## Financial Market Update: Week ending 1 July 2022

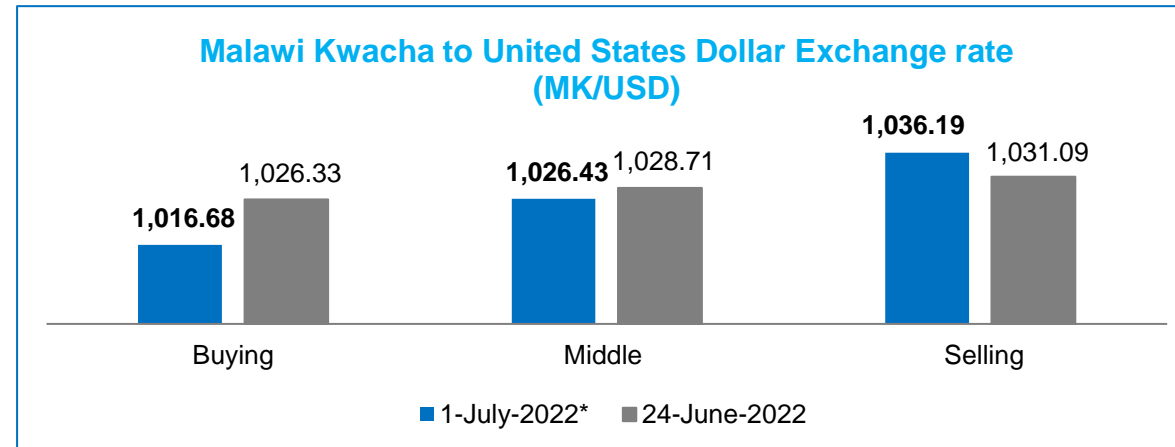
Foreign currency market and other market developments (Source: RBM, MSE, MERA, AHL)

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

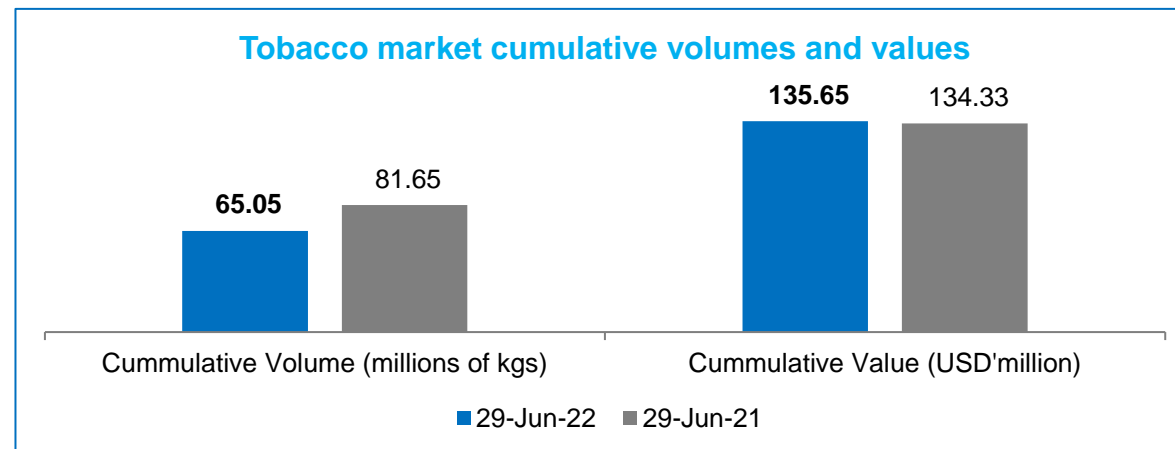
Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.22% at MK1,026.43/USD as of 1 July 2022 from MK1,028.71/USD as of 24 June 2022.

The cumulative value of tobacco sold as of 29 June 2022 was USD135.65 million, an increase of 1% from a cumulative value of USD134.33 million sold as of 29 June 2021.

### Foreign currency (Source: RBM)



### Tobacco Market Sales (Source: AHL)



### Annual General Meetings

Company	Venue	Date	Time
TNM	Sunbird Mount Soche	1 July 2022	14:00 hrs
PCL	NBM Plc Leadership Centre	25 July 2022	14:00 hrs

\*: Reserve Bank of Malawi opening exchange rates as of 1 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% - 25%)
FMBCH (USD'million)	22.25	13.09	70%
NITL	1.50	1.23	22%

### What Happened this Week

1. According to their summary audited financial statements for the fifteen months ended 31 December 2021, Blantyre Hotel Plc closed the period with a loss after tax of MK251.56 million, from a profit after tax of MK251.63 million as of 30 September 2020 (*The Daily Times*, 30-June-22).
2. According to their summary audited financial statements for the year ended 31 December 2021, Old Mutual (Malawi) Limited closed the period with a profit after tax of MK23.69 billion, an increase of 20% from MK19.81 billion in the previous period (*The Nation*, 30-June-22).
3. The Reserve Bank of Malawi (RBM) expects the manufacturing sector to expand by 4.7% in 2022. This is despite the sector experiencing challenges such as shortage of foreign exchange and frequent power outages since February 2022. The sector is expected to be on account of spillover effects from global economic recovery (*The Daily Times*, 28-June-22).
4. The African Development Bank's board of directors has approved grants worth USD9.25 million (MK9.5 billion) for the Africa Disaster Risk Financing Programme in Malawi. The first instalment of USD4.9 million (MK5 billion) will come from the African Development Fund while the second, USD4.35 million (MK4.4 billion) will be provided by the Adrifi Multi-Donor Trust Fund (*The Nation*, 28-June-22).

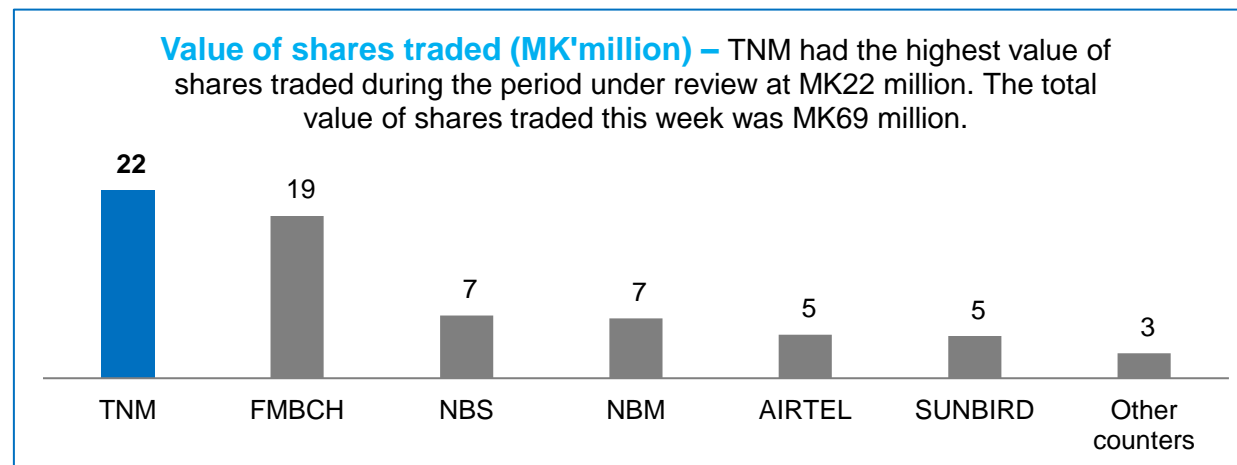
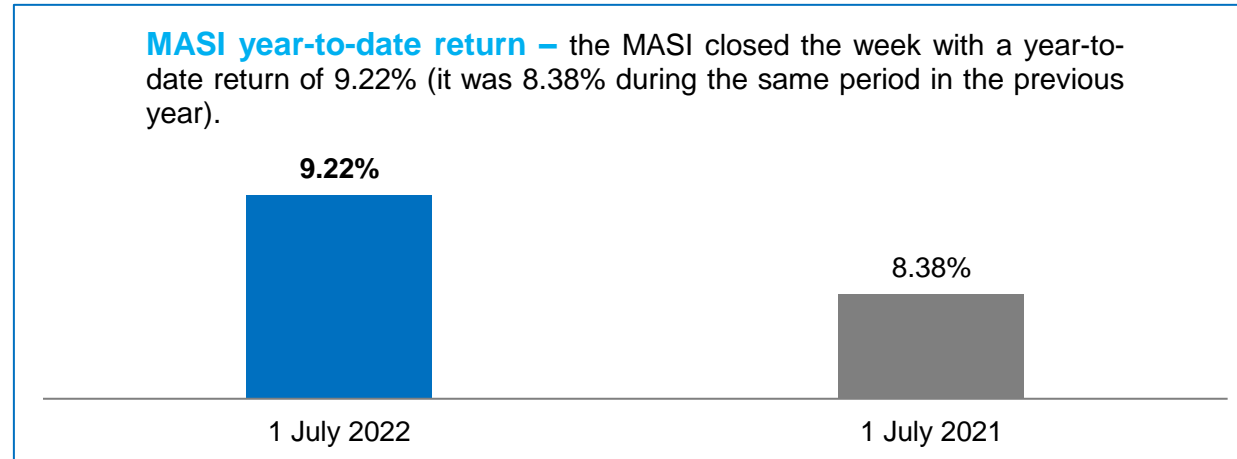
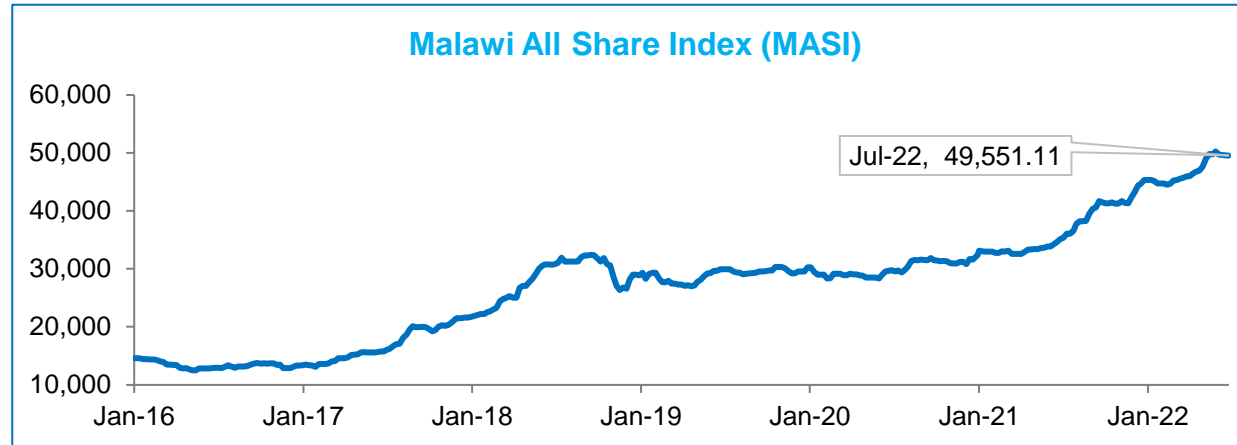


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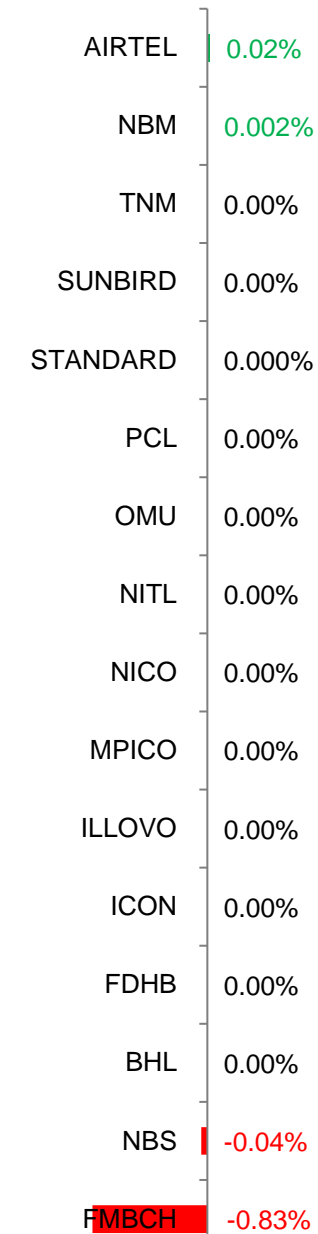
### Stock market (Source: MSE)

The stock market was marginally bearish over the period with the Malawi All Share Index (MASI) closing the week ending 1 July 2022 at 49,551.11 points from 49,595.64 points for the week ending 24 June 2022. Week-on-week, this represents a decrease of 0.09%.

There were marginal share price losses for FMBCH and NBS. The share price losses offset marginal share price gains for AIRTEL and NBM during the period under review.



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



Symbol	Closing prices as of 1 July 2022 (MK/share)
AIRTEL	48.67
BHL	11.01
FDHB	14.00
FMBCH	126.93
ICON	12.00
ILLOVO	305.53
MPICO	20.70
NBM	1,000.25
NBS	22.76
NICO	46.75
NITL	110.03
OMU	1,600.00
PCL	1,900.00
STANDARD	1,600.03
SUNBIRD	80.01
TNM	14.00





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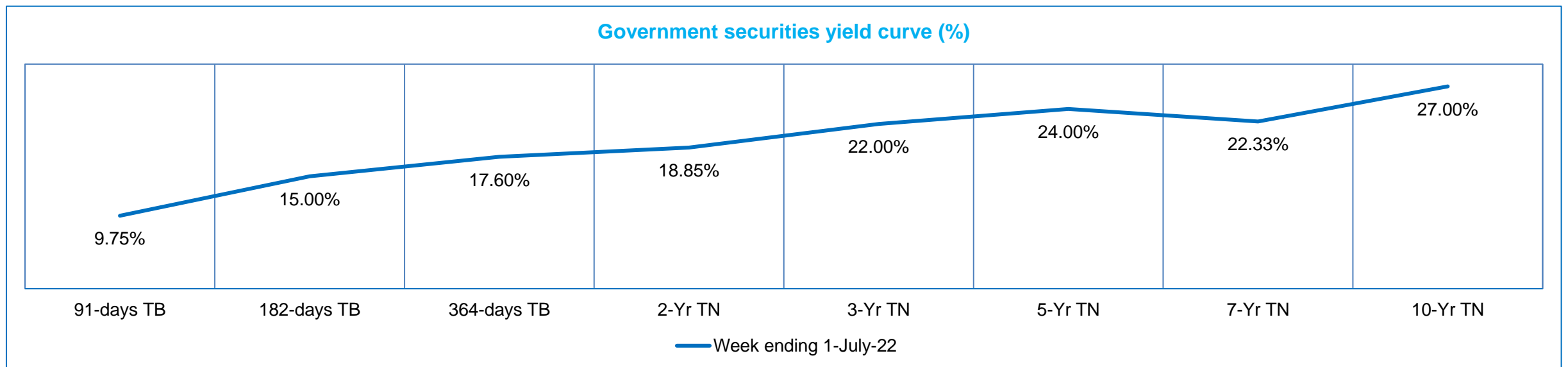
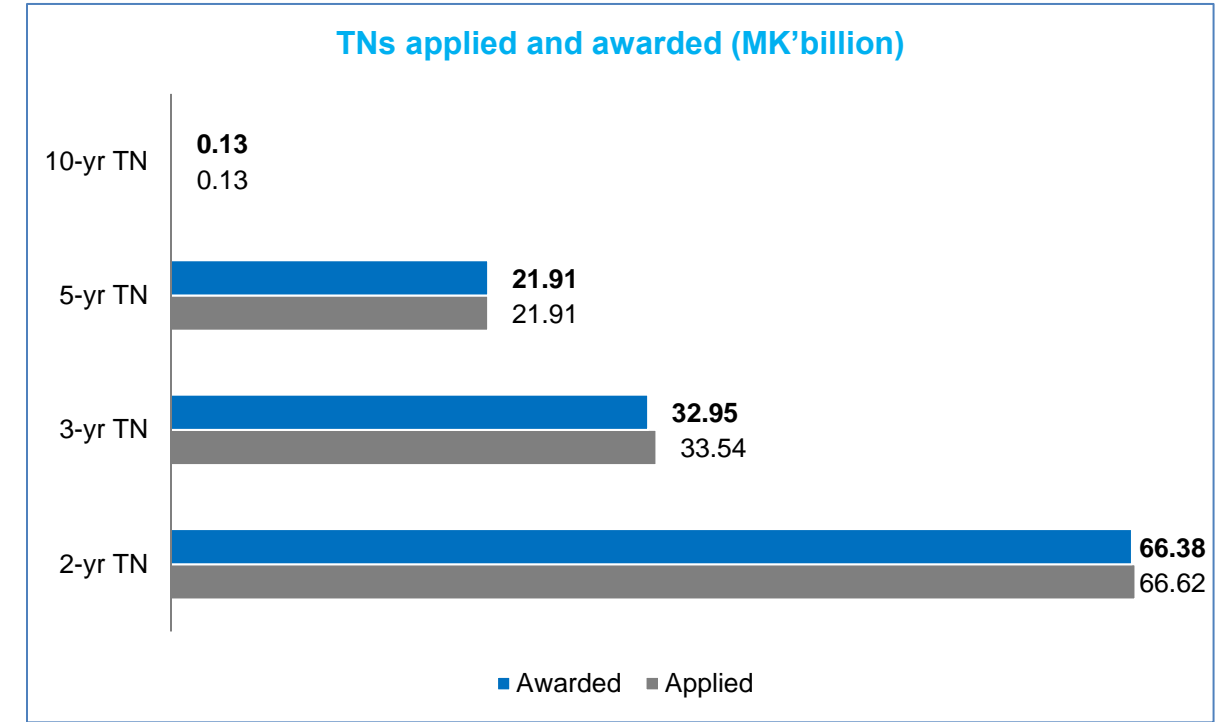
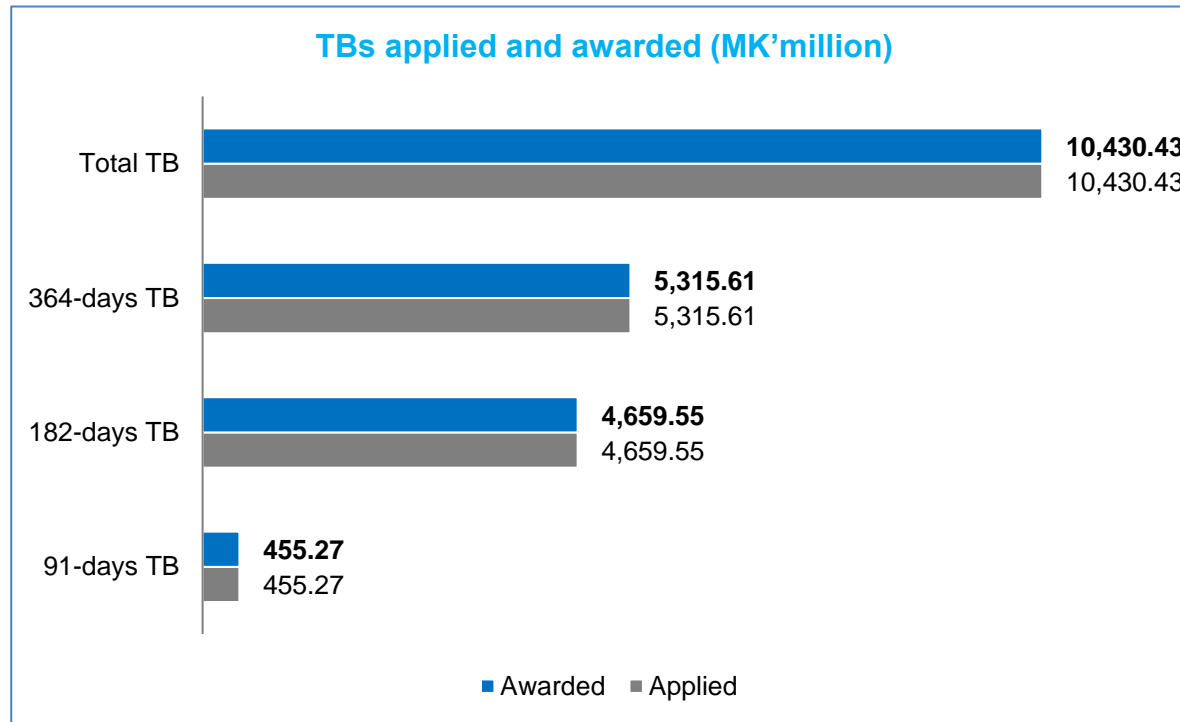
## Government securities (Source: RBM)

A total of MK131.80 billion was awarded in this week's auctions of Treasury Bills (TBs), 2-year, 3-year, 5-year and 10-year Treasury Notes (TNs).

MK121.37 billion was awarded during this week's TNs auctions, and MK10.43 billion was awarded on Tuesday in the TBs auction.

The TN auctions had a rejection rate of 0.7%, while there were no rejections in the TBs auction.

The average TB yield increased to 14.12% from 14.09%, and the average TN yield increased to 22.84% from 22.77% 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 1 July 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>1,026.43*</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>1,290.88*</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>1,097.82*</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>65.06*</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	363.27	388.22	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	401.13	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	789.35	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	1.55	N/A
<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%	19.10%	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%	25.50%	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%	13.20%	N/A
<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>12.38%</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>14.20%</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>17.60%</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>18.85%</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>22.00%</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>24.00%</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>27.00%</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>49,551.11</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>39,011.88</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>6,486.49</b>

\*: Reserve Bank of Malawi opening exchange rates as of 1 July 2022

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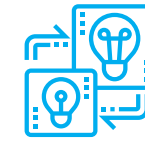
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