



Malawi Financial Market Update

Week ending 12 August 2022



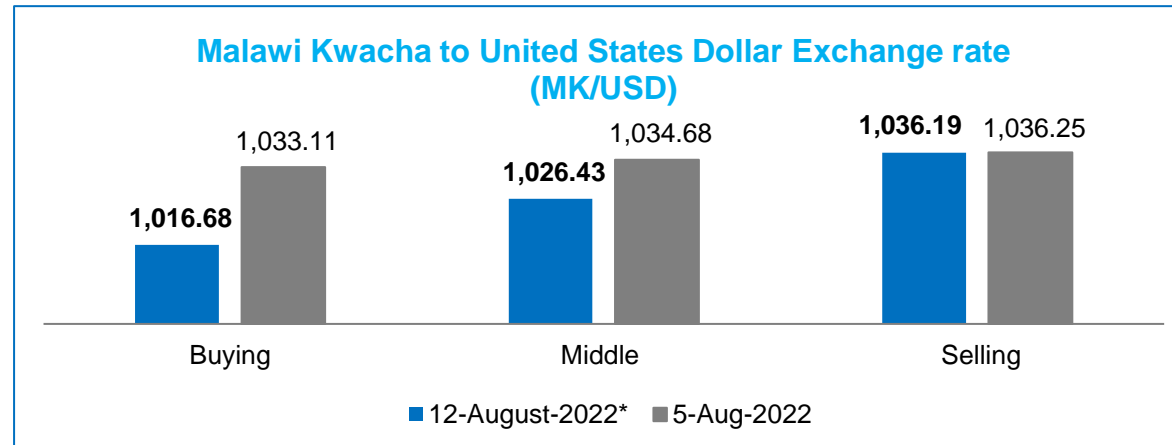
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Foreign currency market and other market developments (Source: RBM, MSE, AHL)

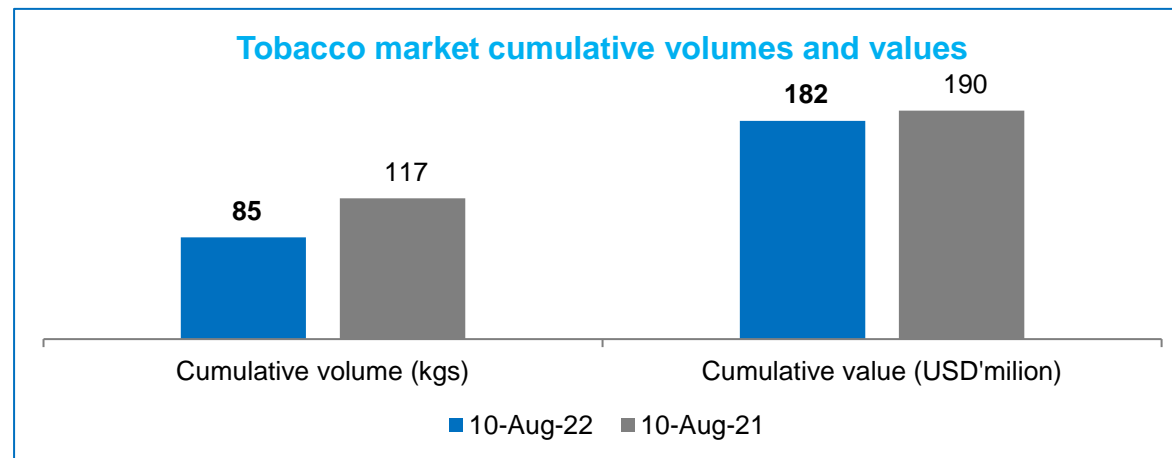
Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.80% as it traded at MK1,026.43/USD as of 12 August 2022 from MK1,034.68/USD as of 5 August 2022.

The cumulative value of tobacco sold as of 10 August 2022 was USD182 million, a 4% decrease from a cumulative value of USD190 million sold as of 10 August 2021.

Foreign currency (Source: RBM)



Tobacco Market Sales (Source: AHL)



Annual General Meetings

Company	Venue	Date	Time
NICO	Ryalls Hotel, Blantyre	26 August 2022	10:00 hrs
FMBCH**	Virtual	30 August 2022	14:00 hrs
ICON	Ryalls Hotel, Blantyre & Virtually	1 September 2022	14:00 hrs

*: Reserve Bank of Malawi opening exchange rates as of 12 August 2022

** Special meeting

What Happened this Week

1. According to their summary unaudited interim results for the period ended 30 June 2022, National Bank of Malawi plc reported a profit after tax of MK22.12 billion, an increase of 73% from a profit after tax of MK12.75 billion reported in the same period in the previous year (*The Nation, 8-August-22*).
2. The Electricity Supply Corporation of Malawi (ESCOM) has asked the Malawi Energy Regulatory Authority (MERA) to consider increases in electricity tariffs if ESCOM is to sustain providing its services. ESCOM has cumulatively lost MK112 billion since its unbundling in 2018 (*The Nation, 10-August-22*).
3. The Tobacco Commission (TC) has indicated that the 2022 tobacco market season was beset by a number of challenges that included low output despite the prices being better than in the previous year. Malawi has in recent years been expected to supply up to 140 million kgs of tobacco to the international market, but production has been falling short for the past three seasons (*The Nation, 10-August-2022*).
4. The Ministry of Energy has indicated that the government intends to construct 50 mini-power generating stations across the country to make electricity available to the rural population. The Ministry indicated that it is necessary for the country to have mini-grids for the social and economic transformation of the rural masses in the country (*The Daily Times, 10-August-22*).
5. Nyasa Mobile Limited has indicated that it has invested over USD120 million (MK124 billion) to roll out in the third quarter of 2023. In May 2022, Nyasa Mobile Limited announced its partnership with Vodafone Group plc in a deal that is expected to create over 1,400 jobs in the next five years (*The Nation, 12-August-22*).
6. The National Food Reserve Agency (NFRA) has not yet started buying maize from farmers' cooperatives as the country faces an 18.9% reduction in 2021-22 agricultural year. The Ministry of Agriculture indicated that although there is a reduction in maize harvest to 3.7 million metric tonnes in the current year from 4.5 million metric tonnes in the previous year, there are internal logistical arrangements to move maize from areas of surplus (*The Daily Times, 12-August-22*).

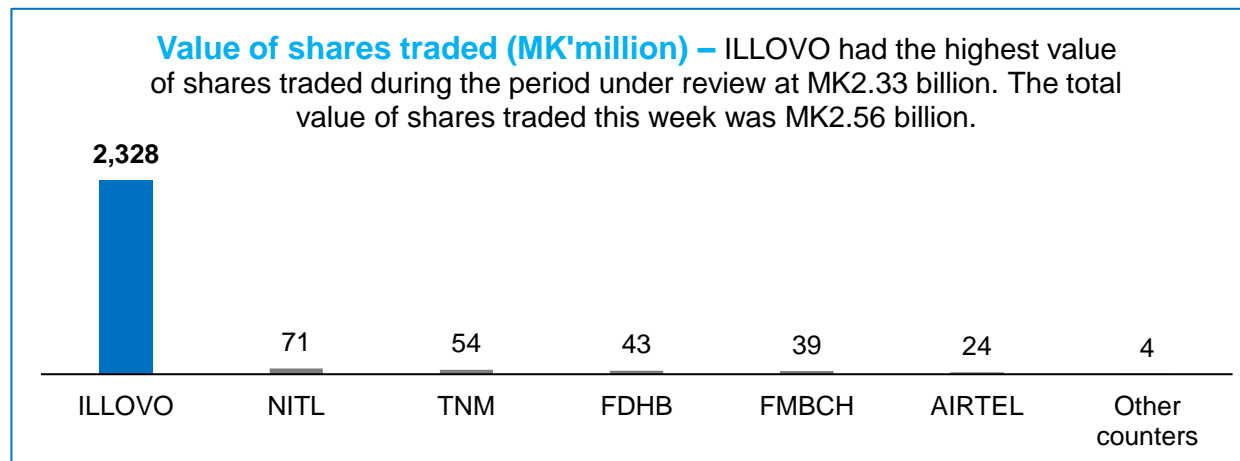
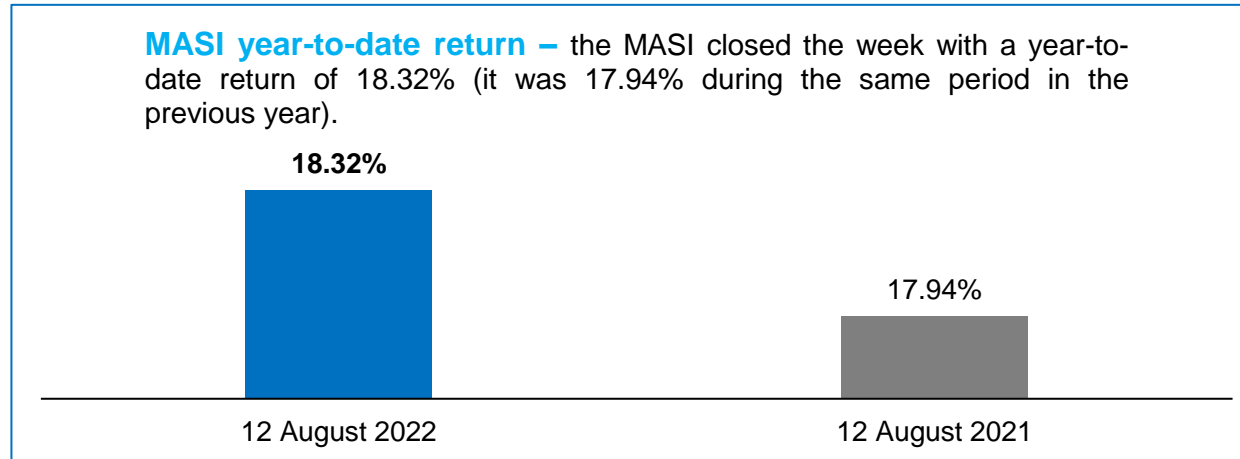
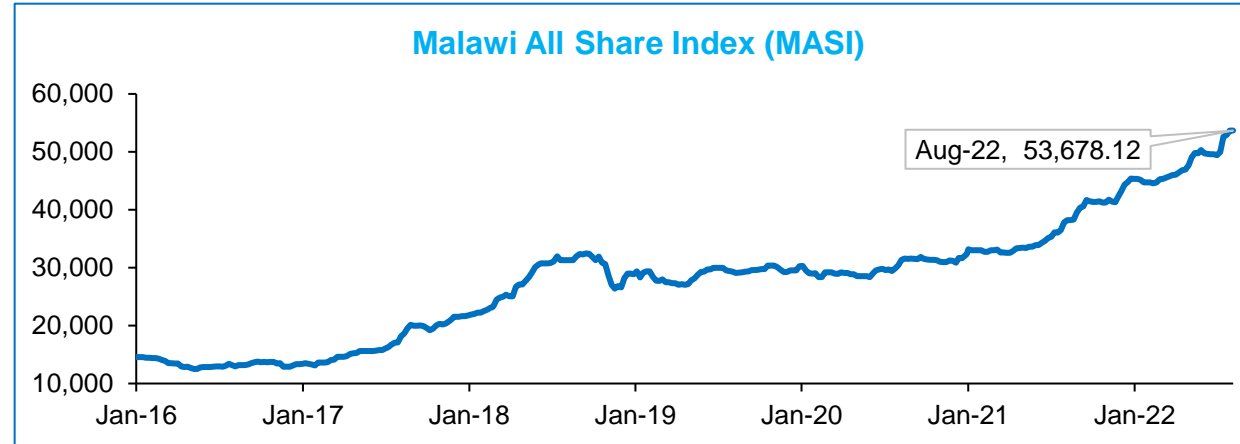


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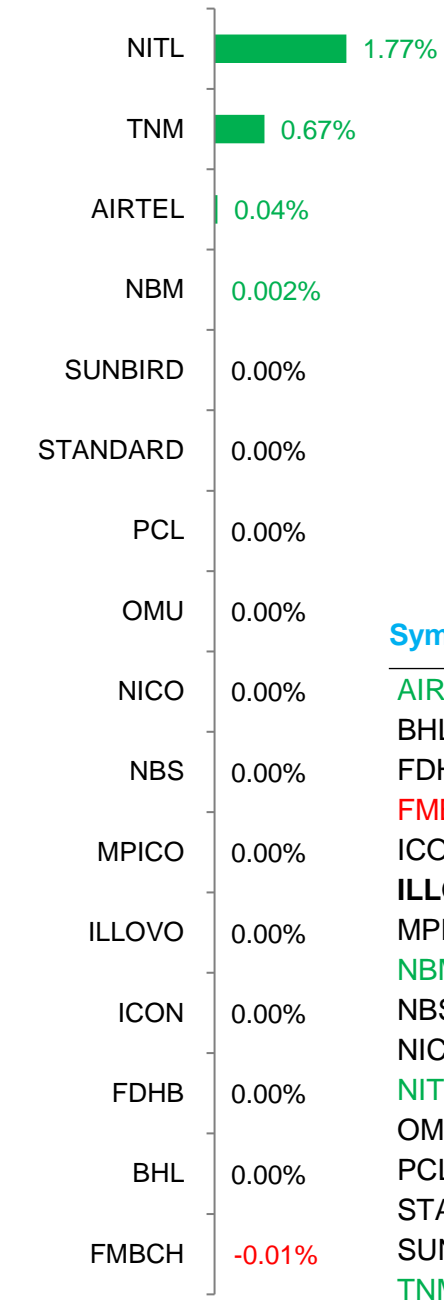
Stock market (Source: MSE)

The stock market was marginally bullish over the period with the Malawi All Share Index (MASI) closing the week ending 12 August 2022 at 53,678.12 points from 53,654.38 points for the week ending 5 August 2022. Week-on-week, this represents an increase of 0.04%.

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



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



Symbol	Closing prices as of 12 August 2022 (MK/share)
AIRTEL	51.08
BHL	11.00
FDHB	14.00
FMBCH	107.99
MPICO	12.00
ILLOVO	450.00
MPICO	20.69
NBM	1,140.02
NBS	22.74
NICO	46.73
NITL	112.00
OMU	1,600.00
PCL	2,181.44
STANDARD	1,840.05
SUNBIRD	80.02
TNM	12.03



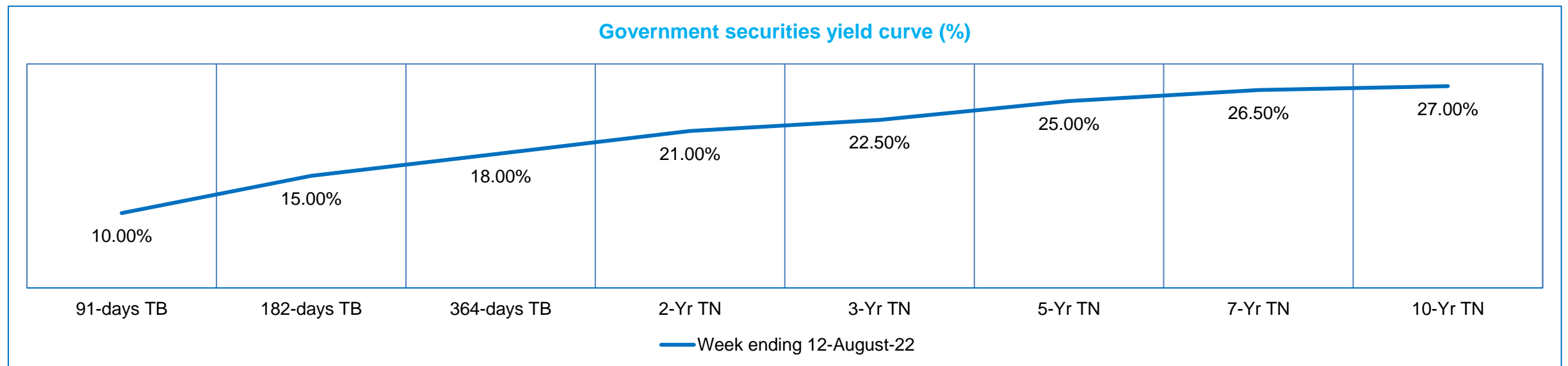
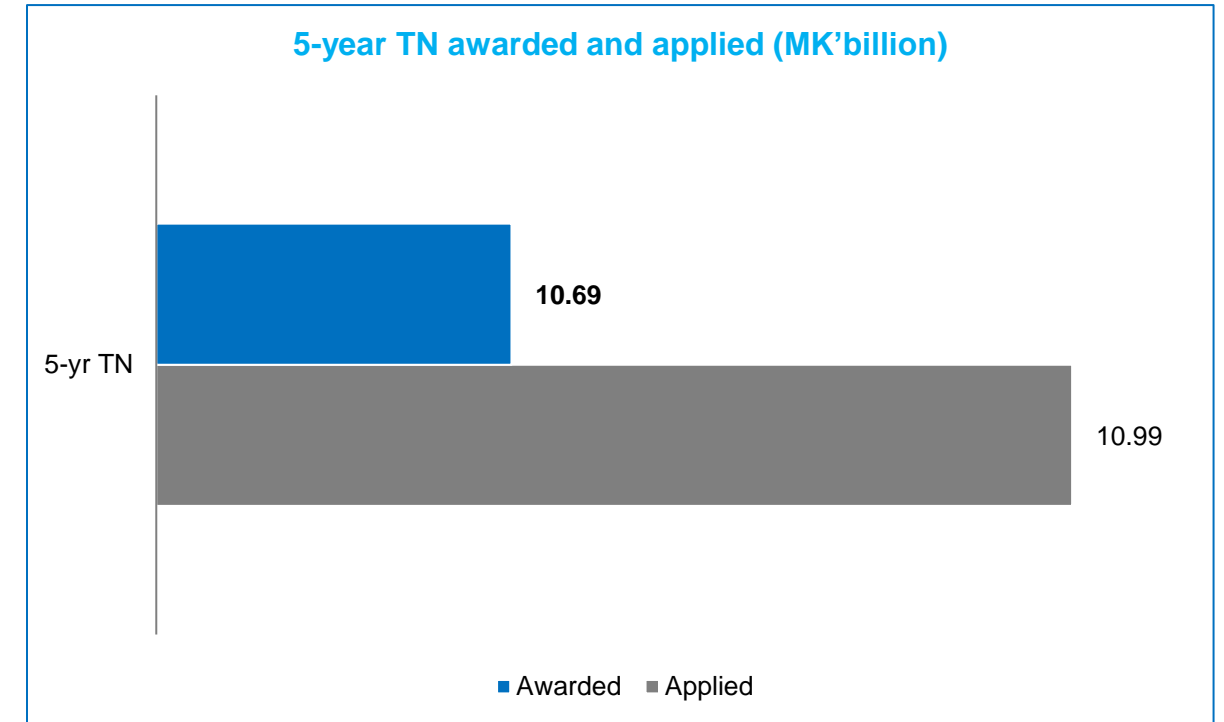
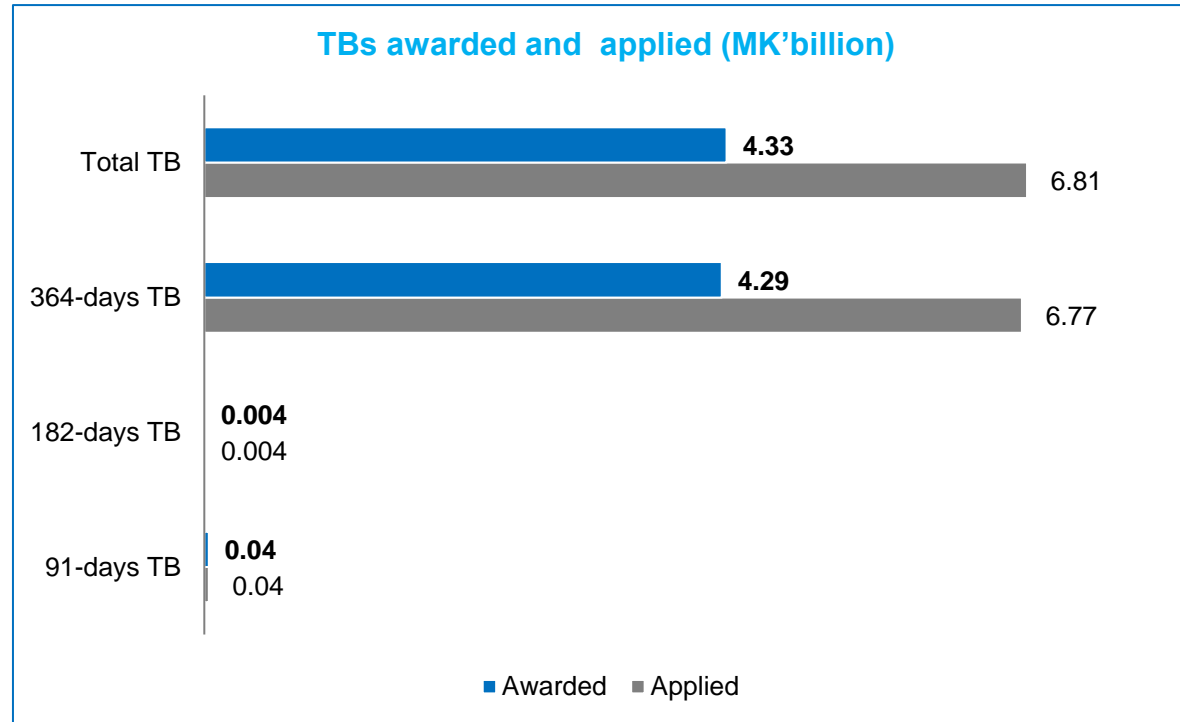
Government securities (Source: RBM)

A total of MK15.02 billion was awarded in this week's auctions of Treasury Bills (TBs) and 5-year Treasury Note (TN).

MK4.33 billion and MK10.69 billion was awarded in the TBs and 5-year TN auctions, respectively.

The TBs auctions had a rejection rate of 37% and the 5-year TN auction had a rejection rate of 3%.

The average TB yield maintained its position at 14.33% and the average TN yield increased to 24.40% from 24.20% during the period under review.



TB: Treasury Bill
TN: Treasury Note
Yr: Year



Appendix 1: Historical Economic Indicators

	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	July-22	Week ending 12 August 2022
Exchange rates (middle rates)																		
MK/USD	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	1,035.03	1,026.43*
MK/GBP	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	1,296.86	1,252.46*
MK/EUR	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	1,085.01	1,059.28*
MK/ZAR	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	64.13	63.21*
Foreign Exchange Reserves																		
Gross Official Reserves (USD'mn)	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	415.73	N/A	N/A
Private Sector Reserves (USD'mn)	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	401.60	N/A	N/A
Total reserves (USD'mn)	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	817.33	N/A	N/A
Gross Official Reserves Import cover (months)	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	1.66	N/A	N/A
Inflation																		
Headline	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%	23.50%	N/A	N/A
Food	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%	31.20%	N/A	N/A
Non-food	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%	16.60%	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%	14.00%	14.00%	14.00%	14.00%
Average Interbank rate	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%	12.50%
Average base lending rate	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%	13.90%	13.80%
Government Securities' Yields																		
91-days Treasury Bill	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%	10.00%	10.00%
182-days Treasury Bill	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%	15.00%	15.00%
364-days Treasury Bill	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%	17.74%	18.00%
2-year Treasury Note	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%	20.50%	21.00%
3-year Treasury Note	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%	22.50%
5-year Treasury Note	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%	25.00%
7-year Treasury Note	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%	26.50%
10-year Treasury Note	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%	27.00%
Stock Market Indices																		
MASI	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	52,889.87	53,678.12
DSI	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	42,717.13	43,418.91
FSI	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	5,548.61	5,548.11

*: Reserve Bank of Malawi opening exchange rates as of 12 August 2022

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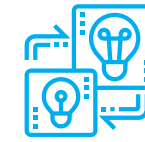
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