



# Malawi Financial Market Update

Week ending 9 September 2022



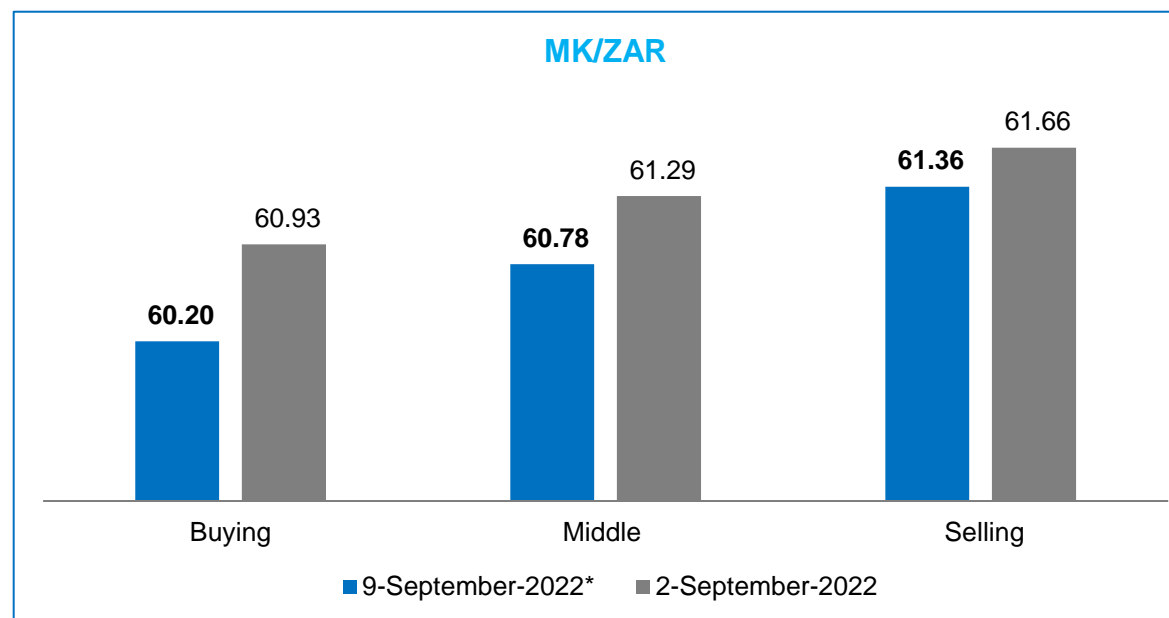
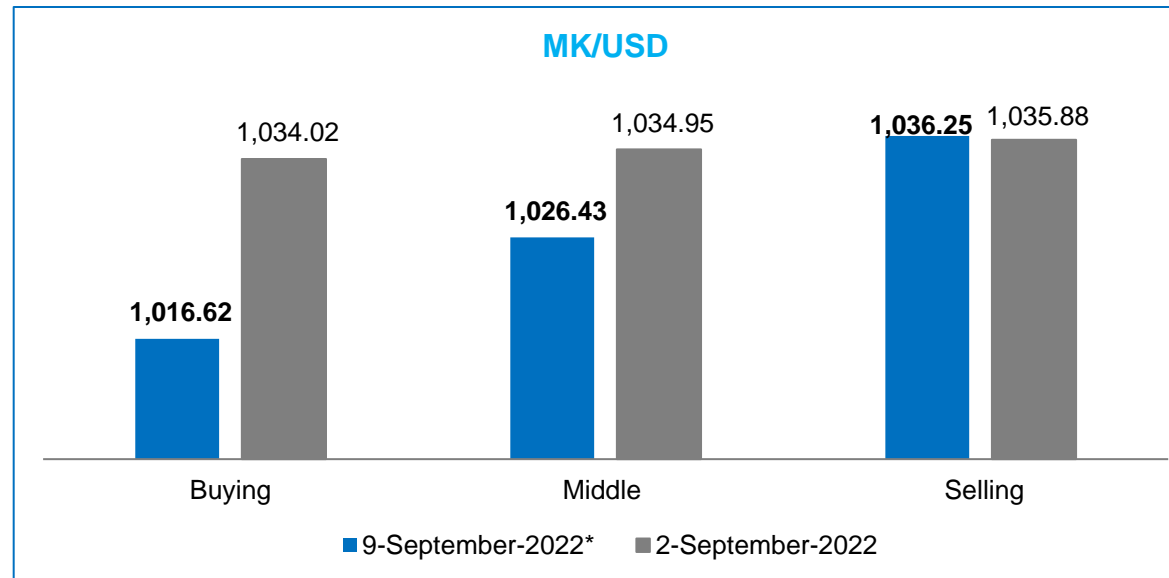
## Financial Market Update: Week ending 9 September 2022

Foreign currency market and other market developments (Source: RBM)

Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.82% as it traded at MK1,026.43/USD as of 9 September 2022 from MK1,035.95/USD as of 2 September 2022.

The Minister of Finance together with the Minister of Energy signed a USD1 billion (about MK1 trillion) relationship binding agreement with the International Finance Corporation for the 350 megawatts Mpatamanga Hydropower Plant.

### Foreign currency (Source: RBM)



\*: Reserve Bank of Malawi opening exchange rates as of 9 September 2022

### What Happened this Week

1. Barely a week after Minister of Agriculture shut down the Agricultural Development and Marketing Corporation (ADMARC) to pave way for restructuring, the parastatal's board has said 3,122 jobs are at risk as part of this process. During a meeting with Parliamentary Committee on Trade, Industry and Tourism held on 5 September 2022, the ADMARC board chairperson said the number employees will be reduced from 4,687 to 1,565 representing a 67% cut (*The Nation*, 6-September-2022).
2. The Malawi Stock Exchange (MSE) was buoyant in August 2022, witnessed by an increase in the Malawi All Share Index (MASI) and a rise in earnings. A monthly report for August published by the MSE on 5 September 2022 shows that the market registered a positive return on index as reflected in the upward movement of the MASI to 54,454.45 points from 52,889.87 points in July 2022, giving a month-on-month return of 2.96% (*The Daily Times*, 6-September-2022).
3. The Minister of Finance together with the Minister of Energy signed a USD1 billion (about MK1 trillion) relationship binding agreement with the International Finance Corporation for the 350 megawatts Mpatamanga Hydropower Plant. Following the signing which took place on 6 September 2022, the construction is expected to start soon as the pre-construction process for the 4 to 5 year project started in 2021 (*The Daily Times*, 7-September-2022).
4. Consumers complaints against financial market players have risen by 18% to 578, with pensions and insurance sector claiming the highest number of cases lodged to the Registrar of Financial Institutes. According to the Reserve Bank of Malawi analysis, the 578 complaints lodged in 2021 compares to a total of 486 cases the registrar recorded in 2020 (*The Nation*, 8-September-2022).



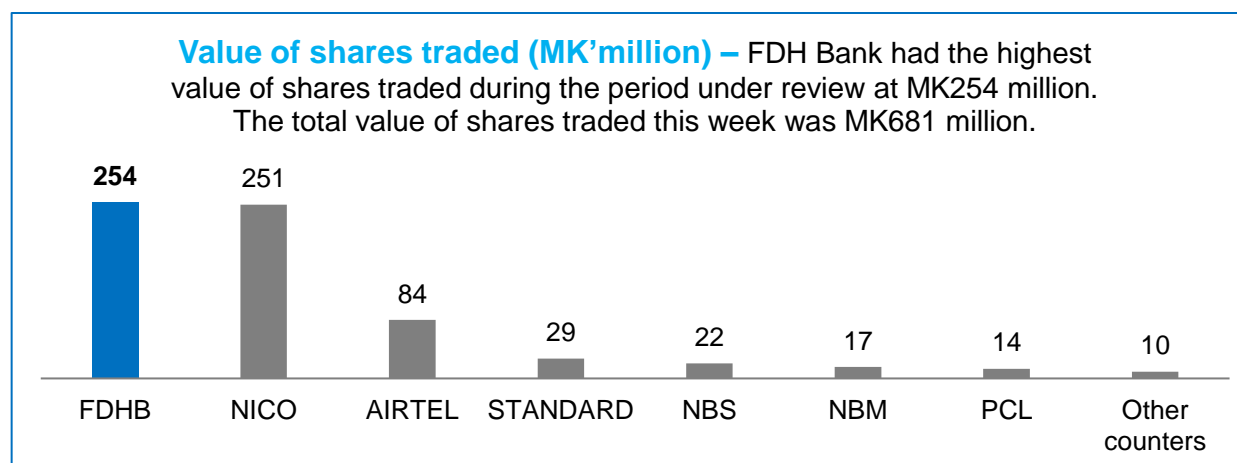
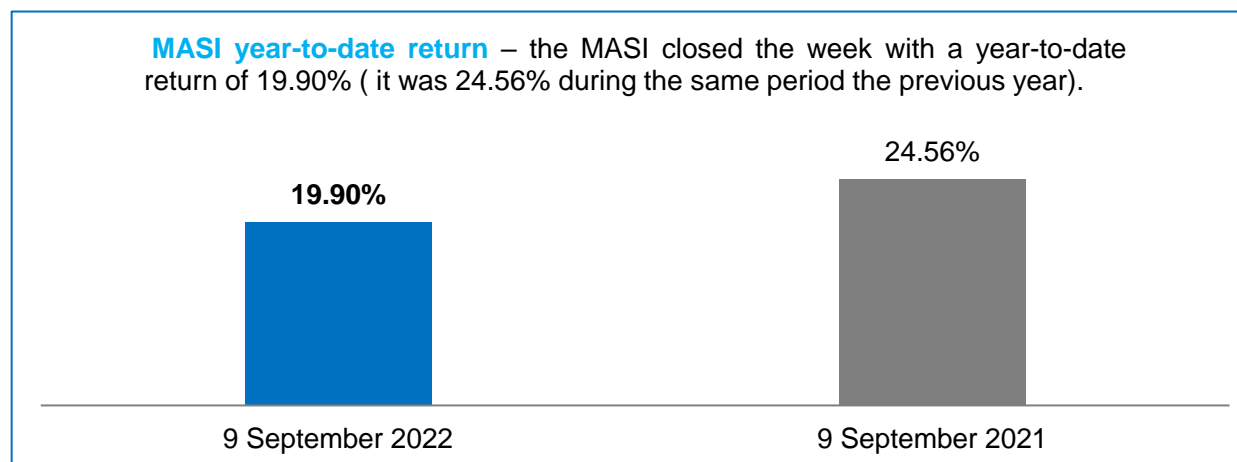
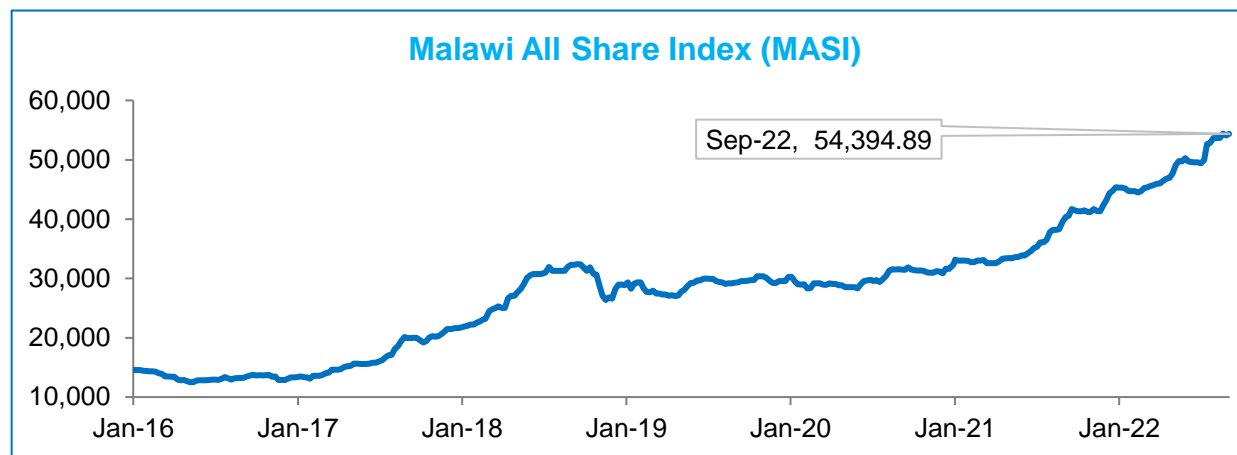
## Financial Market Update: Week ending 9 September 2022

Stock market (Source: MSE)

The stock market was marginally bullish over the period with the Malawi All Share Index (MASI) closing the week ending 9 September 2022 at 54,394.89 points from 54,107.37 points for the week ending 2 September 2022. Week-on-week, this represents an increase of 0.53%.

There were share price gains for NICO, FDH Bank, NBM and Standard Bank during the period under review.

There were marginal share price losses for BHL and ICON during the period under review.



### Week on week percentage change (%)

NICO	9.03%
FDHB	7.14%
NBM	0.78%
STANDARD	0.001%
TNM	0.00%
SUNBIRD	0.00%
PCL	0.00%
OMU	0.00%
NITL	0.00%
NBS	0.00%
MPICO	0.00%
ILLOVO	0.00%
FMBCH	0.00%
AIRTEL	0.00%
ICON	-0.08%
BHL	-0.09%

Symbol	Closing prices as of 9 September 2022 (MK/share)
AIRTEL	51.15
BHL	10.99
FDHB	15.00
FMBCH	100.00
ICON	11.97
ILLOVO	500.00
MPICO	20.67
NBM	1,160.01
NBS	22.72
NICO	50.95
NITL	112.00
OMU	1,600.00
PCL	2,181.44
STANDARD	1,840.08
SUNBIRD	80.02
TNM	12.06





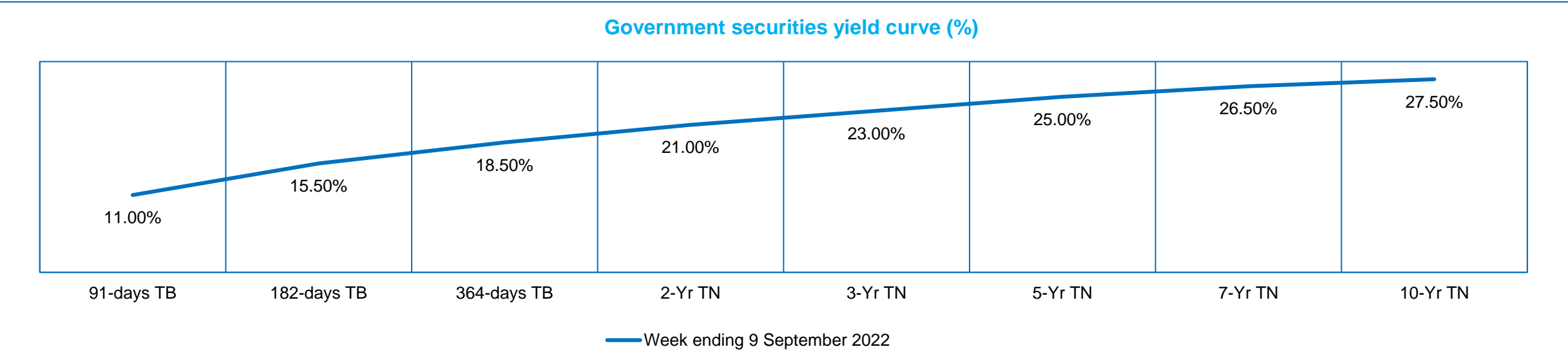
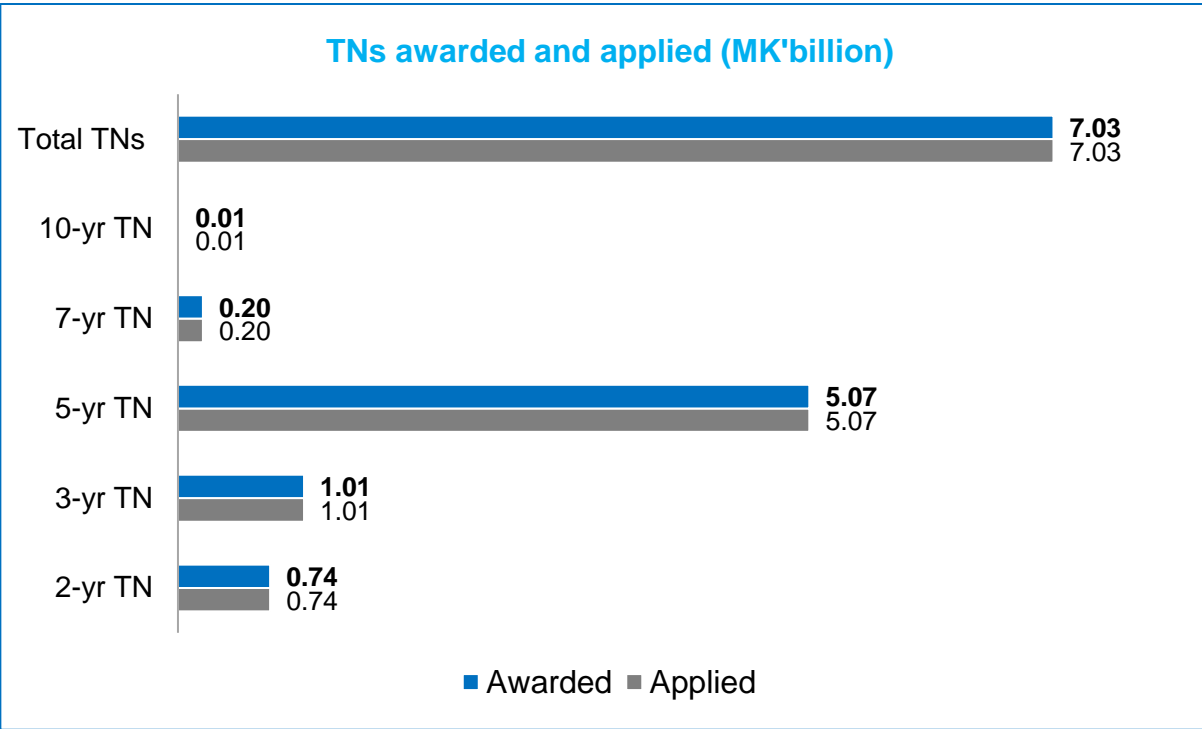
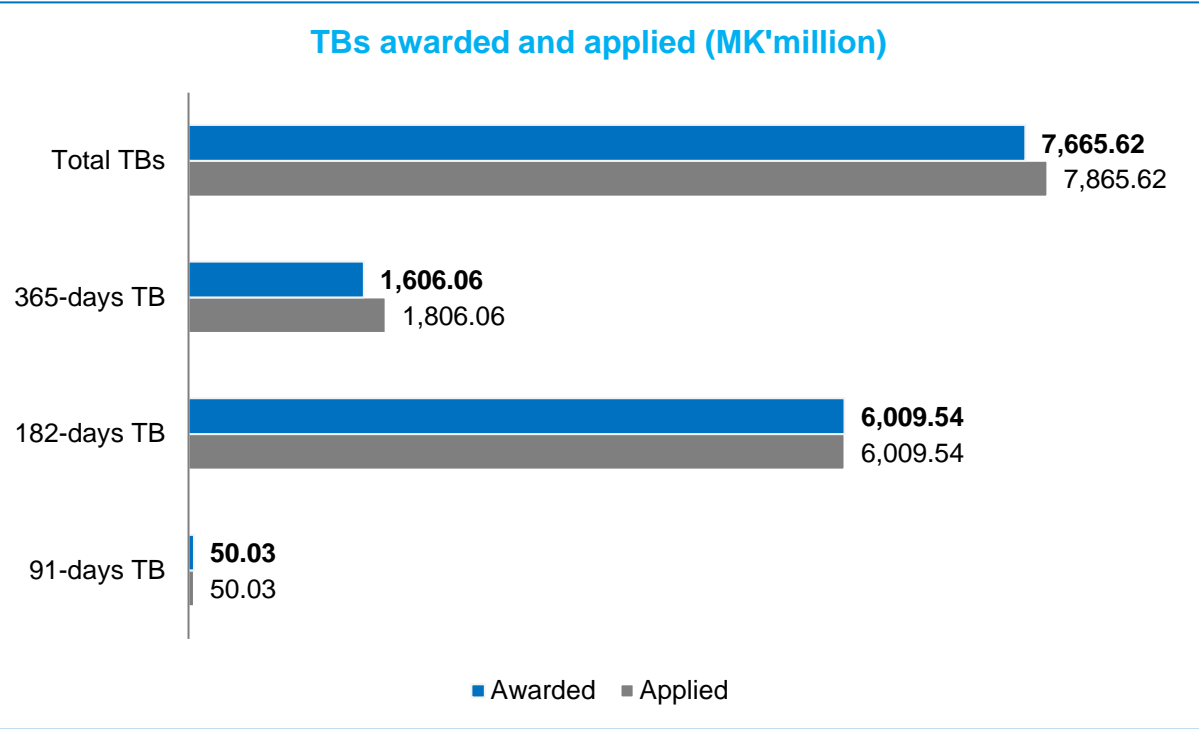
Government securities (Source: RBM)

A total of MK14.70 billion was awarded in this week's auctions of Treasury Bills (TBs) and Treasury Notes (TNs).

MK7.67 billion and MK7.03 billion was awarded in the TBs and TN auctions, respectively.

The TBs auctions had a 3% rejection rate and the TNs had nil rejection rates.

The average TB yield increased to 15.00% from 14.94% and the average TN yield increased to 24.60% from 24.55% during the period under review.



TB: Treasury Bill  
TN: Treasury Note  
Yr: Year



## Appendix 1: Historical Economic Indicators

	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	August-22	Week ending 9 September 2022
<b>Exchange rates (middle rates)</b>																		
MK/USD	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	1,035.42	<b>1,026.43*</b>
MK/GBP	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	1,240.77	<b>1,224.48*</b>
MK/EUR	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	1,066.19	<b>1,063.78*</b>
MK/ZAR	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	62.49	<b>60.78*</b>
<b>Foreign Exchange Reserves</b>																		
Gross Official Reserves (USD'mn)	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	372.99	N/A	N/A
Private Sector Reserves (USD'mn)	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	396.02	N/A	N/A
Total reserves (USD'mn)	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	769.01	N/A	N/A
Gross Official Reserves Import cover (months)	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	1.49	N/A	N/A
<b>Inflation</b>																		
Headline	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%	24.6%	N/A	N/A
Food	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%	32.5%	N/A	N/A
Non-food	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%	17.5%	N/A	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%	14.00%	14.00%	14.00%	14.00%	<b>14.00%</b>
Average Interbank rate	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%	<b>12.50%</b>
Average base lending rate	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%	14.20%	<b>14.20%</b>
<b>Government Securities' Yields</b>																		
91-days Treasury Bill	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%	11.00%	<b>11.00%</b>
182-days Treasury Bill	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%	15.50%	<b>15.50%</b>
364-days Treasury Bill	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%	18.33%	<b>18.50%</b>
2-year Treasury Note	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%	<b>21.00%</b>
3-year Treasury Note	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%	23.00%	<b>23.00%</b>
5-year Treasury Note	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%	<b>25.00%</b>
7-year Treasury Note	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%	26.75%	<b>26.50%</b>
10-year Treasury Note	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%	<b>27.50%</b>
<b>Stock Market Indices</b>																		
MASI	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	54,454.45	<b>54,394.89</b>
DSI	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	44,109.31	<b>44,366.66</b>
FSI	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	5,548.61	<b>5,152.25</b>

\*: Reserve Bank of Malawi opening exchange rates as of 9 September 2022

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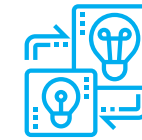
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