



## Malawi Financial Market Update

Week ending 11 November 2022



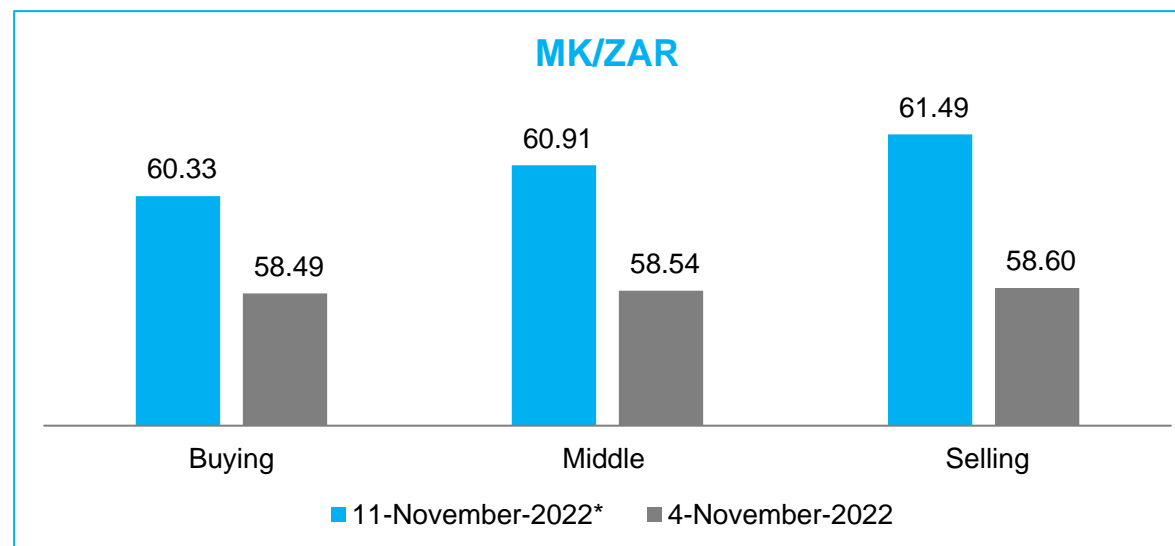
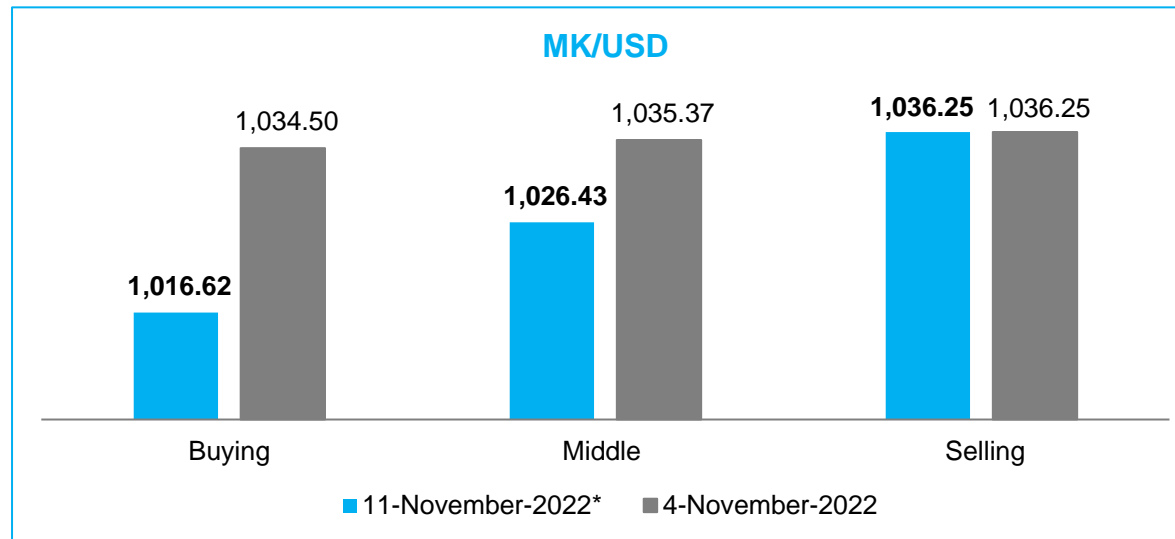
## Financial Market Update: Week ending 11 November 2022

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

Week-on-week, the Malawi Kwacha marginally appreciated against the USD by 0.86% as it traded at MK1,026.43/USD as of 11 November 2022 from MK1,035.37/USD as of 4 November 2022. Year-to-date, the Malawi Kwacha has depreciated against the USD by 25.28%.

The Malawi Kwacha depreciated against the ZAR by 4.04% as it traded at MK60.91/ZAR as of 11 November 2022 from MK58.54/ZAR as 4 November 2022.

#### Foreign currency (Source: RBM)



#### What Happened This Week

1. The Government has issued 21 bonds worth approximately MK1.1 trillion in the form of Treasury Notes to be secured through the Malawi Stock Exchange (MSE) for debt financing. The move has been described as a positive signal to the stock market's potential. The MSE has encouraged Government entities to raise funds through the market because of the multiplier effects this could have on the economy. However, the Ministry of Finance, has reported that affordability concerns are what keeps government entities from using the MSE (*The Daily Times*, 10-November-22).
2. The Sweden government development financier, Swedfund, has given a USD 0.75 million (MK759 million) grant to the Electricity Supply Commission of Malawi (ESCOM) for the rehabilitation and upgrading of two transmission lines in the Central and Northern regions. The lines' poor state contributes to 5% of total energy losses and they are switched off every two weeks for maintenance works. This transmission lines are expected to boost electricity supply in the country as it will facilitate the Malawi-Tanzania interconnection which will enable the country to tap into Tanzanian power supply (*The Daily Times*, 10-November-22).
3. A new Malawi Poverty Assessment report by the World Bank indicates that 73% of Malawians live below USD1.90 (about MK1,968) per day, and this is the second highest poverty rate among the poorest Sub-Saharan African Countries. The report further outlined that household incomes remain low as transition from Agriculture to higher return activities such as household business, proceeds slowly. Households transition to business is affected by low access to credit, market and training skills (*The World Bank*, 9-November-22).
4. A survey conducted by the Daily Times has revealed that fertilizer prices have hit a record high in Malawi as an average bag of maize fertilizer is being retailed at prices between MK55,000 and MK75,000. This development is likely to threaten prospects of a good maize harvest in the 2022-23 agricultural season since the overall cost of maize production has increased. Authorities have called for prudence in the use of fertilizer and encouragement on the use of organic manure (*The Daily Times*, 7-November-2022).

\*: Reserve Bank of Malawi opening exchange rates as of 11 November 2022





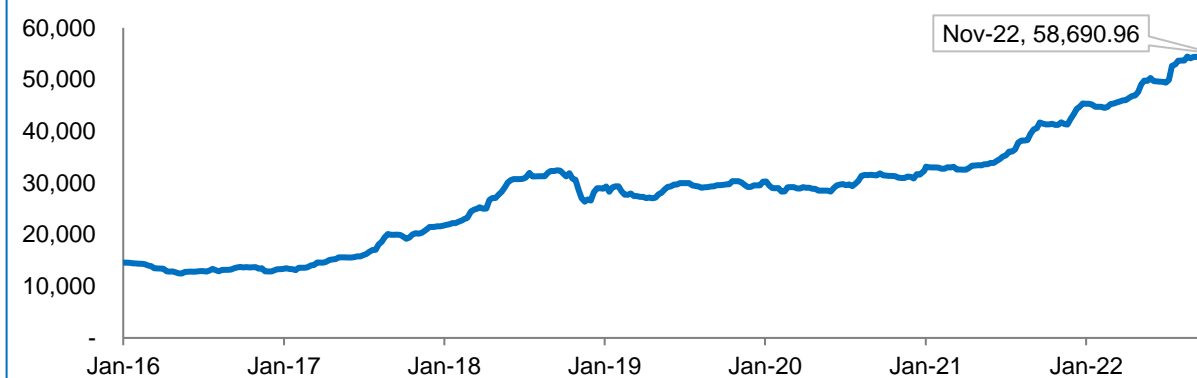
## Financial Market Update: Week ending 11 November 2022

Stock market (Source: MSE)

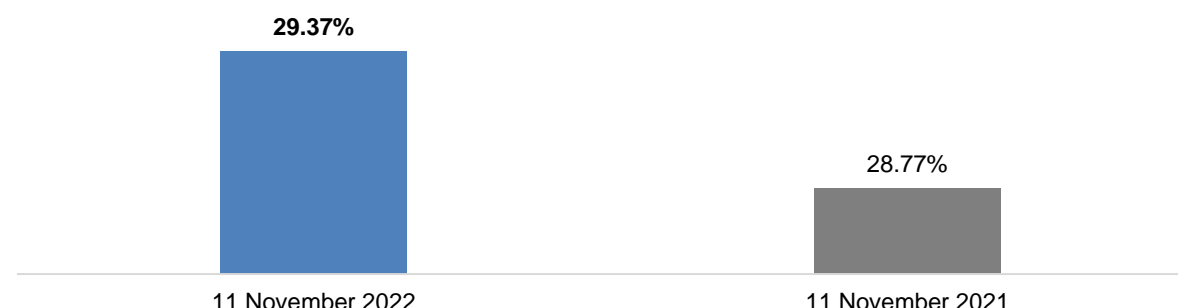
The stock market was bullish with the Malawi All Share Index (MASI) closing the week ending 11 November 2022 at 58,690.96 points from 55,751.01 points for the week ending 4 November 2022. Week-on-week, this represents a 5.27% increase.

There were share price gains for NBM, Standard Bank, AIRTEL and FMBCH during the period under review. The share price gains offset share price losses for NITL and marginal share price losses for NICO, MPICO, ICON and FDH Bank during the period under review.

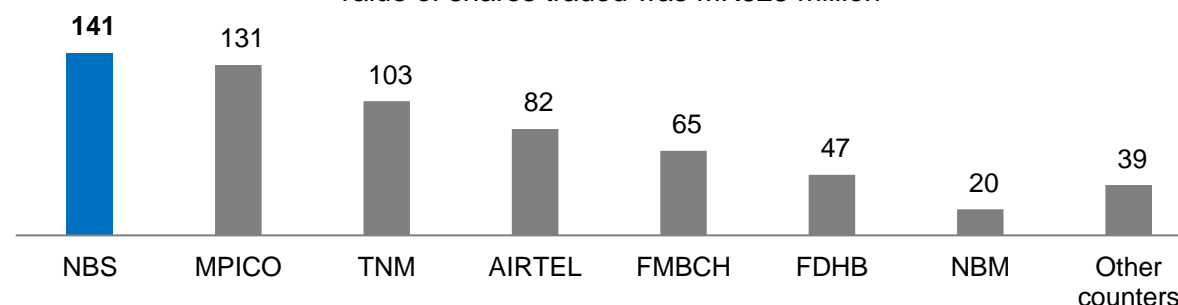
Malawi All Share Index (MASI)



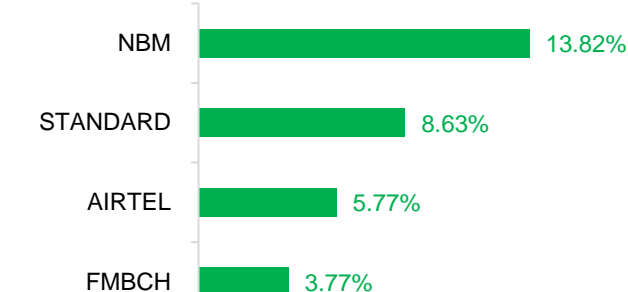
**MASI year-to-date-** the MASI closed the week with a year-to-date return of 29.37% (it was 28.77% during the same period in the previous year).



**Value of shares traded (MK'million)-** NBS had the highest value of shares traded during the week under review at MK141 million. The total value of shares traded was MK628 million



Week-on-week percentage change (%)



Symbol

Closing prices as of 11 November 2022 (MK/share)

AIRTEL	55.01
BHL	10.99
FDHB	14.87
FMBCH	115.00
ICON	11.96
ILLOVO	500.10
MPICO	20.66
NBM	1,400.03
NBS	22.61
NICO	54.97
NITL	112.01
OMU	1,156.00
PCL	2,181.38
STANDARD	2,000.02
SUNBIRD	92.03
TNM	12.02

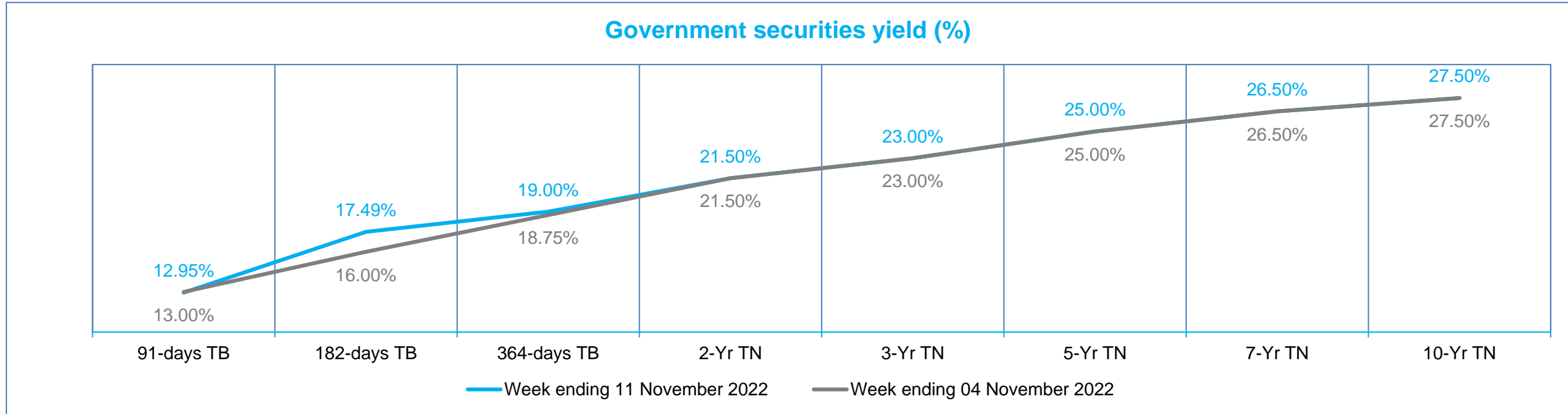
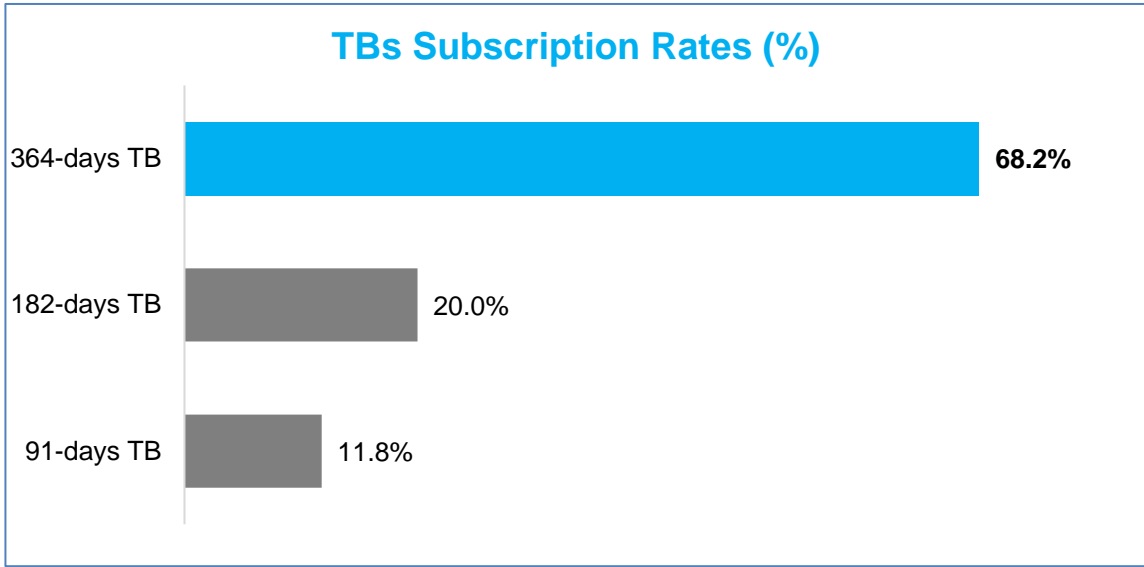
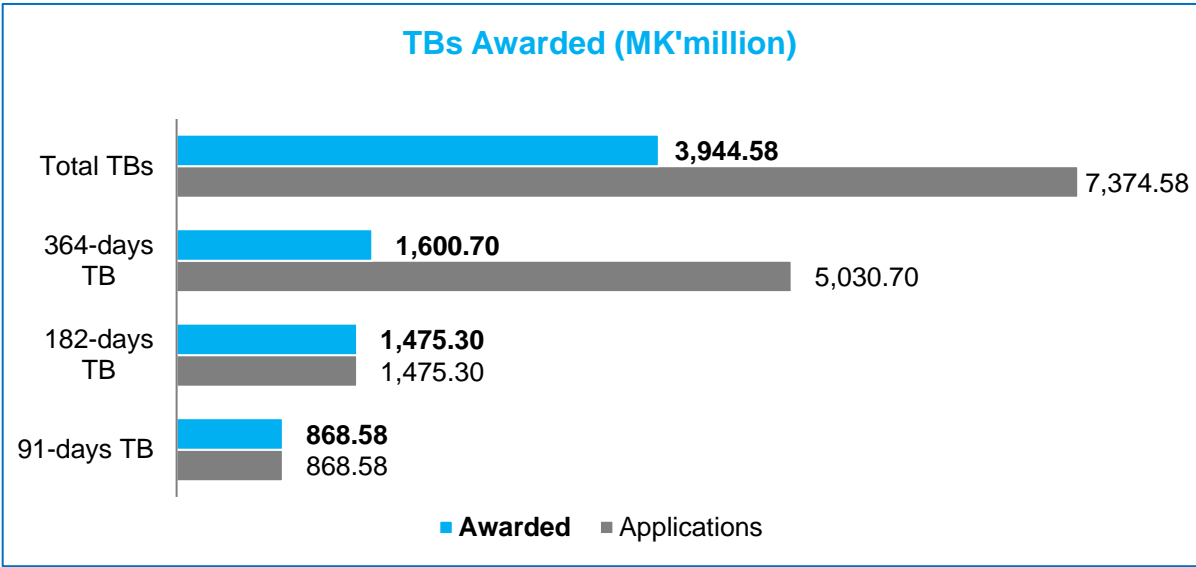


Government securities (Source: RBM)

A total of MK3.94 billion was awarded in this week's Treasury Bills (TBs) auction. No treasury Notes were auctioned during the week under review.

MK0.86 billion was awarded for the 91-days TB, MK1.48 billion was awarded for the 182-days TB and MK1.60 billion was awarded for the 364-days TB.

The TBs had a 46.51% rejection rate and the average TB yield rose to 16.48% from 15.92% during the week under review.



TB: Treasury Bill  
TN: Treasury Note  
Yr: Year



## Appendix 1: Historical Economic Indicators

	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Week ending 11 Nov-22
<b>Exchange rates (middle rates)</b>																		
MK/USD	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	1,033.79	1,032.88	<b>1,026.43*</b>
MK/GBP	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	1,180.36	1,234.05	<b>1,238.12*</b>
MK/EUR	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	1,047.49	1,062.62	<b>1,080.28*</b>
MK/ZAR	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	58.78	58.36	<b>60.91*</b>
<b>Foreign Exchange Reserves</b>																		
Gross Official Reserves (USD'mn)	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	378.89	357.18	N/A	<b>N/A</b>
Private Sector Reserves (USD'mn)	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	398.43	408.84	N/A	<b>N/A</b>
Total reserves (USD'mn)	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	777.32	766.02	N/A	<b>N/A</b>
Gross Official Reserves Import cover (months)	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	1.52	1.43	N/A	<b>N/A</b>
<b>Inflation</b>																		
Headline	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%	25.5%	25.9%	N/A	<b>N/A</b>
Food	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%	33.4%	33.7%	N/A	<b>N/A</b>
Non-food	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%	18.2%	18.3%	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%	14.00%	14.00%	14.00%	14.00%	14.00%	18.00%	<b>18.00%</b>
Average Interbank rate	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%	12.50%	15.00%	<b>15.04%</b>
Average base lending rate	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%	14.20%	18.20%	<b>18.20%</b>
<b>Government Securities Yields</b>																		
91-days Treasury Bill	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%	11.00%	11.00%	<b>12.95%</b>
182-days Treasury Bill	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%	15.50%	15.50%	<b>17.49%</b>
364-days Treasury Bill	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%	18.75%	18.75%	<b>19.00%</b>
2-year Treasury Note	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%	21.50%	21.50%	<b>22.50%</b>
3-year Treasury Note	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%	23.00%	23.00%	<b>23.00%</b>
5-year Treasury Note	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%	25.00%	25.00%	<b>25.00%</b>
7-year Treasury Note	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%	26.50%	26.50%	<b>26.50%</b>
10-year Treasury Note	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%	27.50%	27.50%	<b>27.50%</b>
<b>Stock Market Indices</b>																		
MASI	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	54,389.92	55,046.26	<b>58,690.96</b>
DSI	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	44,360.30	44,986.52	<b>47,650.39</b>
FSI	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	5,154.73	5,100.84	<b>5,840.55</b>

\*: Reserve Bank of Malawi opening exchange rates as of 11 November 2022

### Disclaimer

Although every effort was made to ensure the information in this report is authentic, the report should only be used for indicative purposes. Bridgepath Capital Limited accepts no responsibility or liability resulting from usage of information from this report. Every recipient using this report should make independent efforts to ascertain the accuracy of the information.

### Contact Information

Bridgepath Capital Limited  
1<sup>st</sup> Floor (106), Development House  
Corner Henderson Street Road  
P.O. Box 2920  
Blantyre

Tel No: + 265 1 828 355

Email: [info@bridgepathcapitalmw.com](mailto:info@bridgepathcapitalmw.com)

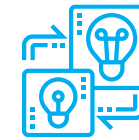
Website: [www.bridgepathcapitalmw.com](http://www.bridgepathcapitalmw.com)

### Our Financial Advisory Solutions

We provide a range of financial advisory solutions to meet your needs and challenges:



#### Valuations



#### Business/Financial Modeling



#### Independent Business Reviews



#### Mergers and Acquisitions Transaction Services



#### Business Plans/feasibility studies/Financial Projections



#### Project Finance Advisory



#### Capital Raising



#### Equity/IPO Advisory

**Invest.  
Achieve.  
Be Different.**