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Malawi Monthly Economic Report and a Preliminary Economic Assessment of the Impact of Tropical Cyclone Freddy on Malawi

March 2023

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Inflation

Headline inflation rate increased to 26.7% in February 2023, from 25.9% in January 2023 due to a rise in both food and non-food inflation to 31.7% and 20.5%, respectively. The marginal increase in non-food inflation rose on account of an increase in prices of items such as utilities, clothing and footwear, and others. The Reserve Bank of Malawi (RBM) has expressed concern that high inflation levels may not support economic growth. Despite this concern, the RBM expects a reduction in the annual average headline inflation to 18.2% in 2023 from 21.0% in 2022. Projections from various published sources indicate that the projected average inflation rate for 2023 is within a range of 17.4% to 22.7%, which translates to an average of 19.4%. There is inflationary risk emanating from the damage to agricultural fields that resulted from cyclone Freddy. The damage may result in less-than-expected maize yield as well as that of other agricultural commodities for the 2023-24 year, exerting upward pressure on food prices.

Fiscal and Monetary Policy

Malawi's Parliament passed a revised national budget of MK3.8 trillion for the 2023-24 fiscal year, down from the initial MK3.9 trillion. This was to account for the impact of Tropical Cyclone Freddy. However, the government will seek support from development partners, including the World Bank, to aid the recovery efforts. The mid-year budget review may provide more clarity on the fiscal side once the full extent of the damage is assessed.

The Monetary Policy Committee (MPC) decided to maintain the policy rate at 18.0%, allowing for the impact of previous rate adjustments to transmit through the economy, with further adjustments to be made based on inflation rate trends. The second MPC meeting for the year is scheduled for end April 2023.

Exchange Rates and Foreign Currency Reserves

The Malawi Kwacha traded at MK1,033.80/USD as of 31 March 2023, a marginal appreciation from MK1,033.69/USD as of 28 February 2023. Year-to-date, the Kwacha has appreciated against the USD by 0.1% as it traded at MK1,034.67/USD as of 31 December 2022. During the same period in the previous year, the Kwacha had depreciated against the USD by 0.51%.

In February 2023, the gross official foreign exchange reserves in the country marginally increased by 0.5% to USD280.66 million, from USD279.22 in January 2023. Foreign exchange reserves held by the private sector decreased by 2% to USD378.54 million, from USD384.37 million during the period under review. The import cover for gross official foreign exchange reserves maintained its position at 1.12 months while the import cover for private sector foreign exchange reserves decreased to 1.51 months from 1.54 months during the period under review. The country's total foreign exchange reserves were at USD659.20 million in February 2023, from USD663.59 million in January 2023. This means that the import cover for the total reserves was at 2.63 months in February 2023, a decrease from 2.66 months in January 2023. The import cover for gross official foreign exchange reserves remained below the required threshold of 3 months.

Stock Market

The year-to-date return on the Malawi All Share Index (MASI) was 29.44% in March 2023 compared to 1.22% in March 2022. Month-on-month, the stock market was bullish with the MASI increasing to 80,298.12 points as at 31 March 2023, from 71,069.31 points as at 28 February 2023. The increase in the MASI was as a result of share price gains in NBS, NICO, ILLOVO, AIRTEL, SUNBIRD, FDH Bank, TNM, NBM and NITL. In addition to this, there were marginal share price gains in Standard Bank and OMU. The share price gains offset marginal share price losses by ICON, FMBCH and PCL. NBS was the largest share price gainer as its share price increased by 63.61% to MK62.89 per share in March 2023, from MK38.44 per share in February 2023. ICON was the largest share price loser as its share price decreased by 0.17% to MK11.89 in March 2023 from MK11.91 in February 2023.

Government Securities

The government awarded a total of MK265.6 billion through Treasury Bills (TBs) and Treasury Notes (TNs) auctions in March 2023, a 70% increase from MK156.2 billion awarded in February 2023. A total of MK125.8 billion was awarded in the TBs auctions in March 2023 compared to MK72.1 billion in February 2023. A total of Mk139.8 billion was awarded in the TNs auctions in March 2023 compared to MK84.1 billion awarded in February 2023. The TBs had a 0.4% rejection rate while the TNs had a 2.3% rejection rate in March 2023. The average TB yield maintained its position at 16.67% while the average TN yield marginally increased to 25.80%, from 25.79% during the period.

Economic Growth

The Malawi government through the Ministry of Finance estimated the country's Gross Domestic Product (GDP) growth in 2022 at 1.2%, a significant decrease from the 4.6% growth reported in 2021. The decrease in the growth rate was partly on account of adverse weather conditions, devastating cyclones, disrupted international supply of commodities due to the Russia-Ukraine war, foreign exchange crisis, and extreme fuel shortages. Despite these challenges, the economy still registered positive growth due to good performance in construction, accommodation and food services, financial and insurance services.

According to the Malawi 2023 Annual Economic Report, the GDP growth rate is expected to be 2.7% in 2023. This expectation was attributed to the expected improvements in the supply of electricity and favourable weather conditions, which were expected to result in improved agriculture production. The rehabilitation of the Kapichira power plant and expected donor support was also expected to help ease some of the economic challenges faced by the country. With the World Bank revising its earlier GDP growth projection of 2.7% for 2023, downwards to 1.6%, the GDP growth rate projections from various published sources range between 1.6% and 3.0%, bringing the projected average GDP growth rate for 2023 to 2.3%. The GDP forecasts may be subject to adjustment as the tropical cyclone Freddy caused damage to agriculture, caused a slowdown in economic activity and disrupted supply-chains, which would all affect the level of economic growth in the period.

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Preliminary Economic Assessment of the Impact of Cyclone Freddy

On 12 March 2023, the tropical cyclone Freddy reached Malawi. The cyclone caused heavy rainfall in 100 districts in the southern region of the country, resulting in extensive damage to the agriculture, infrastructure, health systems and electricity supply equipment.

As of 29 March 2023, 511 deaths, 552 missing persons, 1,724 injuries as well as 563,771 affected individuals were reported by the Department of Disaster Management Affairs (DODMA). At the time 577 camps were set up to assist the affected population.

The government led in relief efforts, with support from humanitarian partners as well from the general public. Consistent with the government's relief efforts, the 2023-24 national budget was revised downward to help mitigate the anticipated growth in the budget deficit from the allocation of resources to rebuild what had been damaged by the cyclone. As such the total projected expenditure for the 2023-24 budget was revised downward to MK3.8 trillion from MK3.9 trillion. The total projected revenue for the budget would be publicized following the completion of the assessment of the damage caused by the cyclone.

The government has put in place additional measures to assist in the mobilization of funds to be channeled towards the relief efforts. These include the enhancement of domestic revenue mobilization by the Malawi Revenue Authority (MRA) as well as all government revenue collecting Ministries, the introduction of a temporary tax on banks profits that are in excess of MK10 billion and the restructuring of levies to accommodate "Freddy levy" which is pegged at MK54.00 per liter of fuel.

On one hand, the cyclone is expected to have impacts that include rising government expenditure, rising short term inflation, declining export earnings and declining real GDP. On the other hand, the rebuilding projects may be expected to add to GDP growth, and the development partner support may be expected to bring foreign exchange into the country and may improve the country's foreign exchange reserves position.

Risks

The Malawian economy has continued to face several significant risks that include but are not limited to dependence on rain-fed agriculture, foreign exchange rate risk, currency depreciation risk, dependence on aid and power supply insufficiency. These risk factors may limit the country's potential for growth and worsen poverty.

Firstly, the economy's heavy dependence on rain-fed agriculture as a crucial source of employment and export earnings, makes it susceptible to weather-related shocks such as the recent tropical cyclone Freddy that hit the country and input price related volatility.

In addition to this, the country faces additional foreign exchange rate risk compounded by global inflationary pressure resulting from increased prices of imports and decreased prices of Malawian exports. Furthermore, Malawi has struggled to attract foreign investment, which is critical for economic growth and job creation. Without sufficient foreign investment, the country is expected to continue to face limitations in its capacity to develop infrastructure, create jobs, and support economic growth.

To add on that, there is the risk of depreciation of the domestic currency. If the risk of reduction in exports and associated export earnings were to materialize, the domestic currency may be exposed to currency depreciation risk. This would further make importation of good and services relatively more expensive while reducing the value that can be earned from exporting domestically produced goods and services. This may have a knock-on effect on inflation and subsequently on the country's fiscal deficit.

Malawi is also significantly dependent on external aid which makes the economy vulnerable to changes in aid flows and donor priorities. For instance, in the aftermath of the tropical cyclone Freddy, the Minister of Finance indicated that the government may not be able to fully fund the effort to rebuild the damaged infrastructure in various sectors and would be looking to its development partners for support in these projects. As such, with this dependence, a reduction in aid could lead to reduced public investment, social services, and economic growth.

Lastly, there is the risk of power supply insufficiency. While restoration works at the Kapichira dam have been extended for the third time since operations began, the tropical cyclone Freddy caused damaged to various electricity supply infrastructure. Over and above this, the damage to road systems has made some of the areas hard to reach and thus, it may take longer to repair damaged electricity supply infrastructure. The low electrical power supply risks lower economic growth.

Economic overview

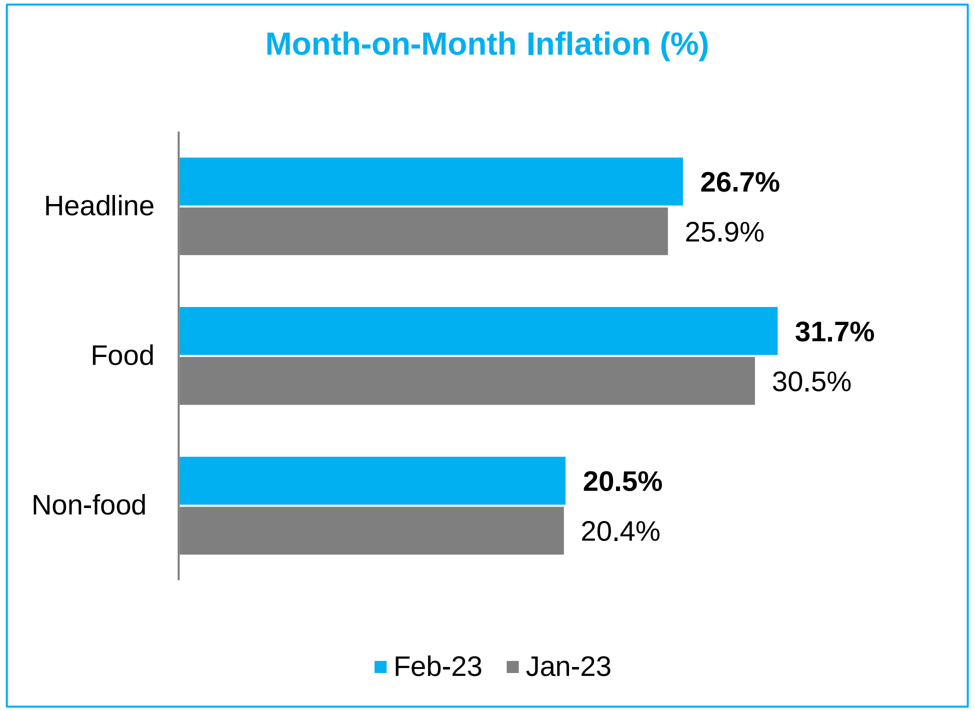
Inflation (Source: NSO, RBM)

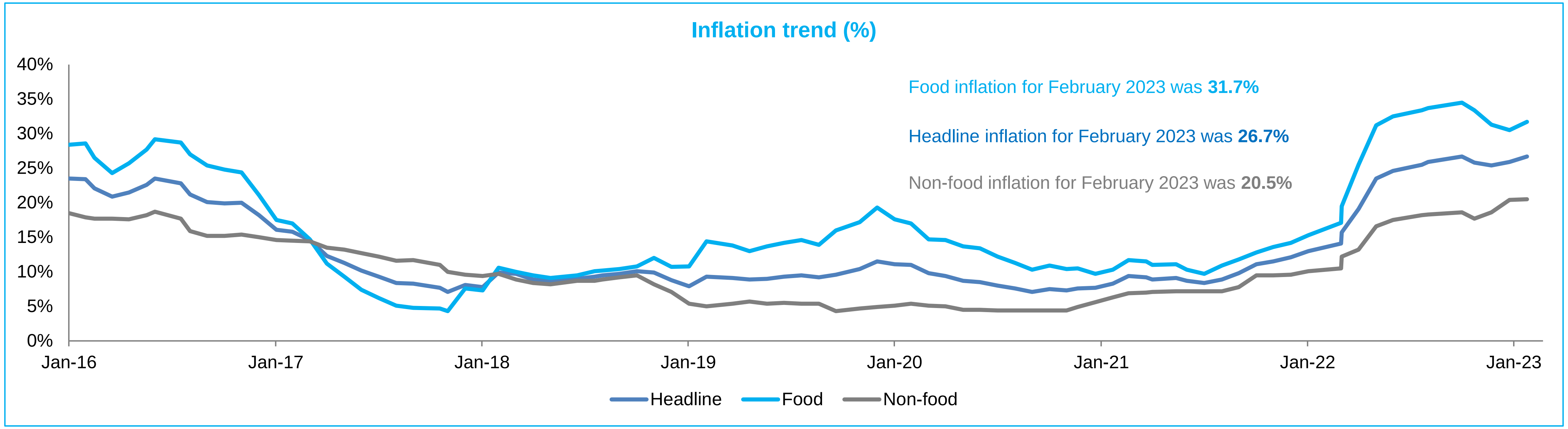
Headline inflation rate for February 2023 increased by 0.80% to 26.7%, from 25.9% in January 2023. The increase was due to increases in food and non-food inflation to 31.7% and 20.5%, respectively during the period under review.

Headline inflation rate increased by 0.80% to 26.7% in February 2023, from 25.9% in January 2023. The increase was due to a rise in food and non-food inflation to 31.7% in February 2023, from 30.5% in January 2023 and to 20.5% in February 2023, from 20.4% in January 2023, respectively. According to the National statistical office (NSO), non-food inflation rose on account of an increase in prices of items such as utilities, clothing and footwear, and others. Utilities such as housing, water, and electricity make up 23.7% of the basket that is used to calculate the Consumer Price Index (CPI) used to determine inflation.

The Reserve Bank of Malawi (RBM) stated that the current high inflation levels are not conducive to support economic growth which has been projected at 2.7% in 2023. Despite this, the RBM took a neutral stance towards inflation due to mixed outlook stating that global factors such as weak demand and a United Nations (UN)-backed agreement to reduce international prices for commodities may lower inflation, however country-specific factors may negate their impact.

The RBM anticipates that the annual average headline inflation will reduce to 18.2% in 2023 from 21.0% in 2022 despite the possibility of increased inflation risk due to various challenges. The most recent of these challenges being the tropical cyclone Freddy that caused significant loss in agricultural produce in the southern region. This damage may be expected to exert upward pressure on agricultural commodities prices, more so on maize prices, thus reflecting in an increase in overall inflation. Other challenges include supply-chain disruptions, and widening trade imbalances as the country's imports grow more than exports.





Economic overview (Continued)

Foreign currency market and Foreign reserve position (Source: RBM)

The gross official foreign exchange reserves marginally increased by 0.5% to USD280.66 million as of February 2023, from USD279.22 million as of 31 January 2023.This translates to an import cover of 1.12 months in February 2023.

Foreign currency market

Month-on-month, the Kwacha marginally depreciated against the United States Dollar (USD) as it traded at MK1,033.80/USD as of 31 March 2023, from MK1,033.69/USD as of 28 February 2023. Year-to-date, the Kwacha has marginally appreciated against the USD by 0.1% as it traded at MK1,034.67/USD as of 31 December 2022. During the same period in the previous year, the Kwacha had depreciated against the USD by 0.51%.

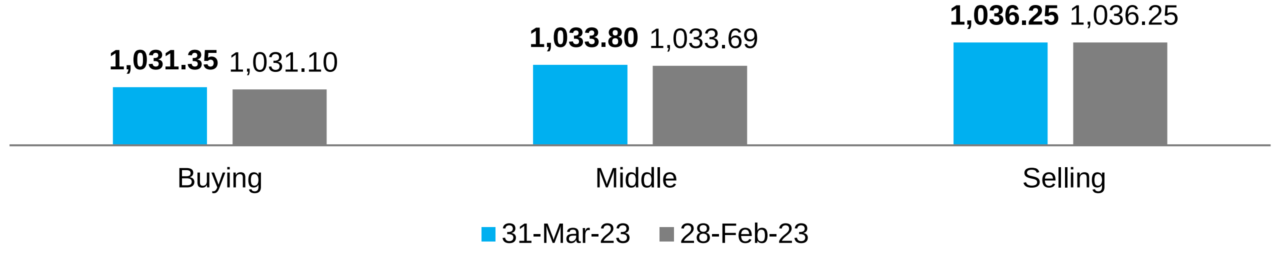
Foreign reserve position

As of 31 March 2023, the country's gross official foreign exchange reserves marginally increased by 0.5% to USD280.66 million, from a gross official foreign exchange reserve position of USD279.22 million in January 2023. Foreign exchange reserves held by the private sector decreased by 2% to USD378.54 million as of 31 March 2023, from USD384.37 million as of 31 January 2023. In total, foreign exchange reserves held in the country in February 2023 were USD659.20 million, a marginal decrease of 0.7% from USD663.59 million in January 2023.

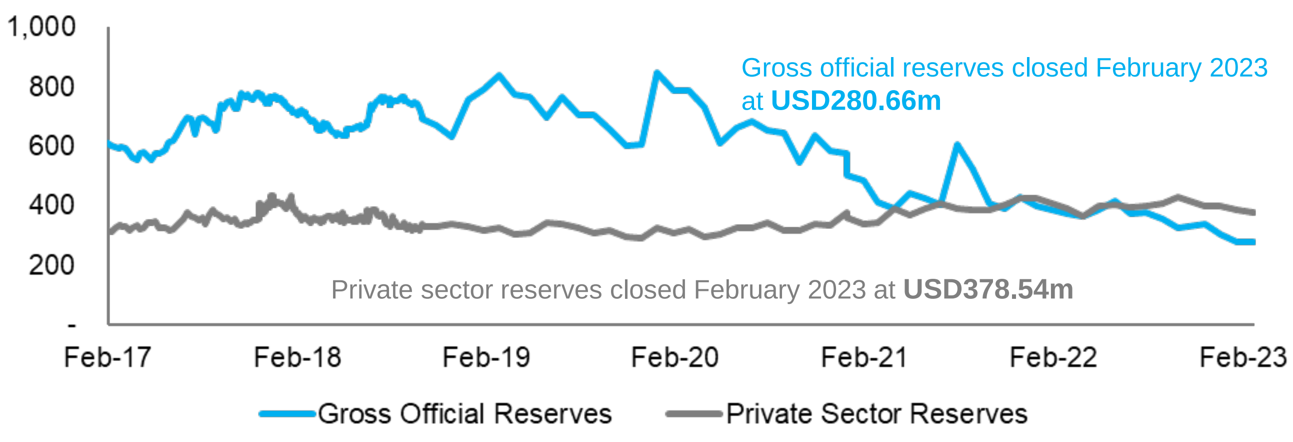
The import cover for gross official foreign exchange reserves for February 2023 maintained its position at 1.12 months during the period under review. For private sector foreign exchange reserves, import cover was 1.51 months in February 2023, a decrease of 2% from 1.54 months in January 2023. In February 2023, the import cover for gross official foreign exchange reserves remained below the required threshold of 3 months. The total foreign exchange reserves import cover decreased to 2.63 months in February 2023, from 2.66 months in January 2023.

	Gross Official (USD'million)	Private Sector (USD'million)	Gross Official import cover (months)	Private sector import cover (months)
Feb-23	**280.66**	**378.54**	**1.12**	**1.51**
Jan-23	279.22	384.37	1.12	1.54

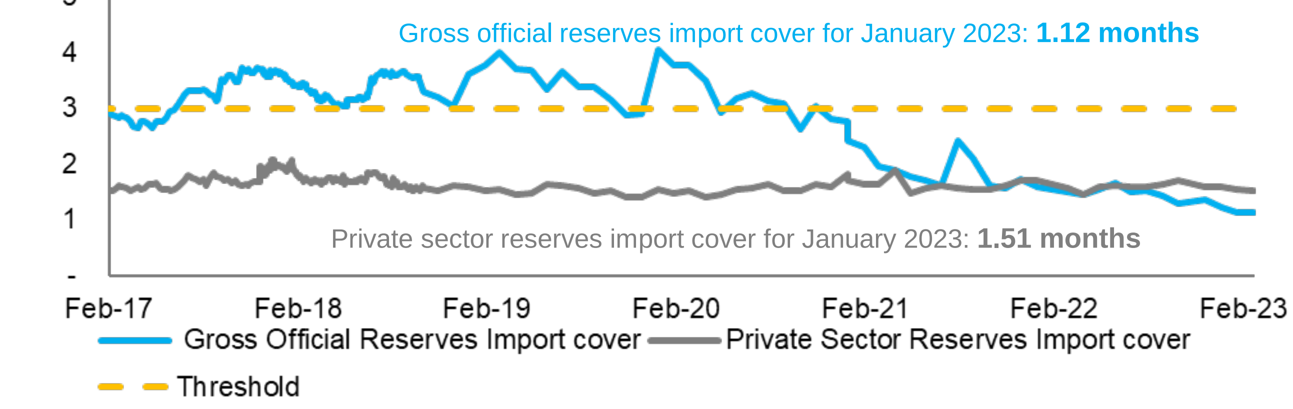
MWK/USD



Gross Official Reserves Vs Private Sector Reserves (USD'million)



Gross Official Reserves Vs Private Sector Reserves Import Cover (months)



USD – United States Dollar

NB: The reported closing rates are actual trade-weighted market average Telegraphic Transfer rates.

Economic overview (Continued)

Stock market (Source: MSE)

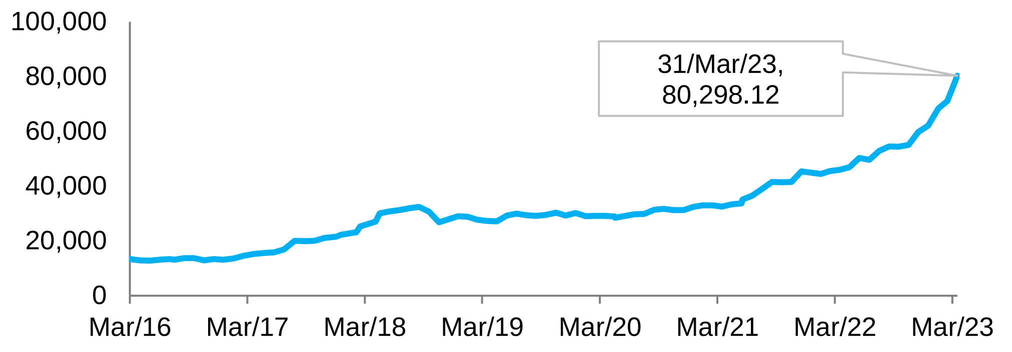
The MASI year-to-date return was 29.44% in March 2023, and it was 1.22% during the same period in the previous year.

The stock market was bullish over the period as the Malawi All Share Index (MASI) increased to 80,298.12 points in March 2023, from 71,069.31 points in February 2023, representing a 13% increase. The year-to-date return on the MASI is 29.44%, it was 1.22% during the same period in the previous year.

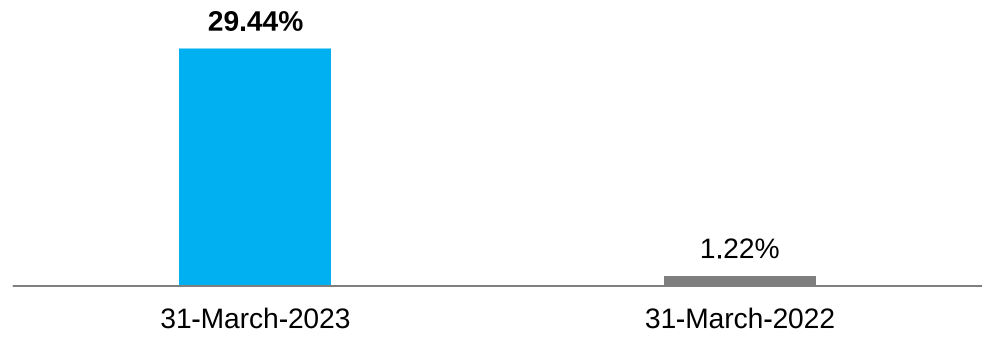
In March 2023, NBS was the largest share price gainer as its share price increased by 63.61% to MK62.89 per share, from MK38.44 per share in February 2023. Other counters that had share price gains were NICO, ILLOVO, AIRTEL, SUNBIRD, FDH Bank, TNM, NBM and NITL. There were also marginal share price gains for Standard Bank and OMU during the period.

In terms of share price losses, there were marginal share price losses for ICON, FMBCH and PCL during the period under review.

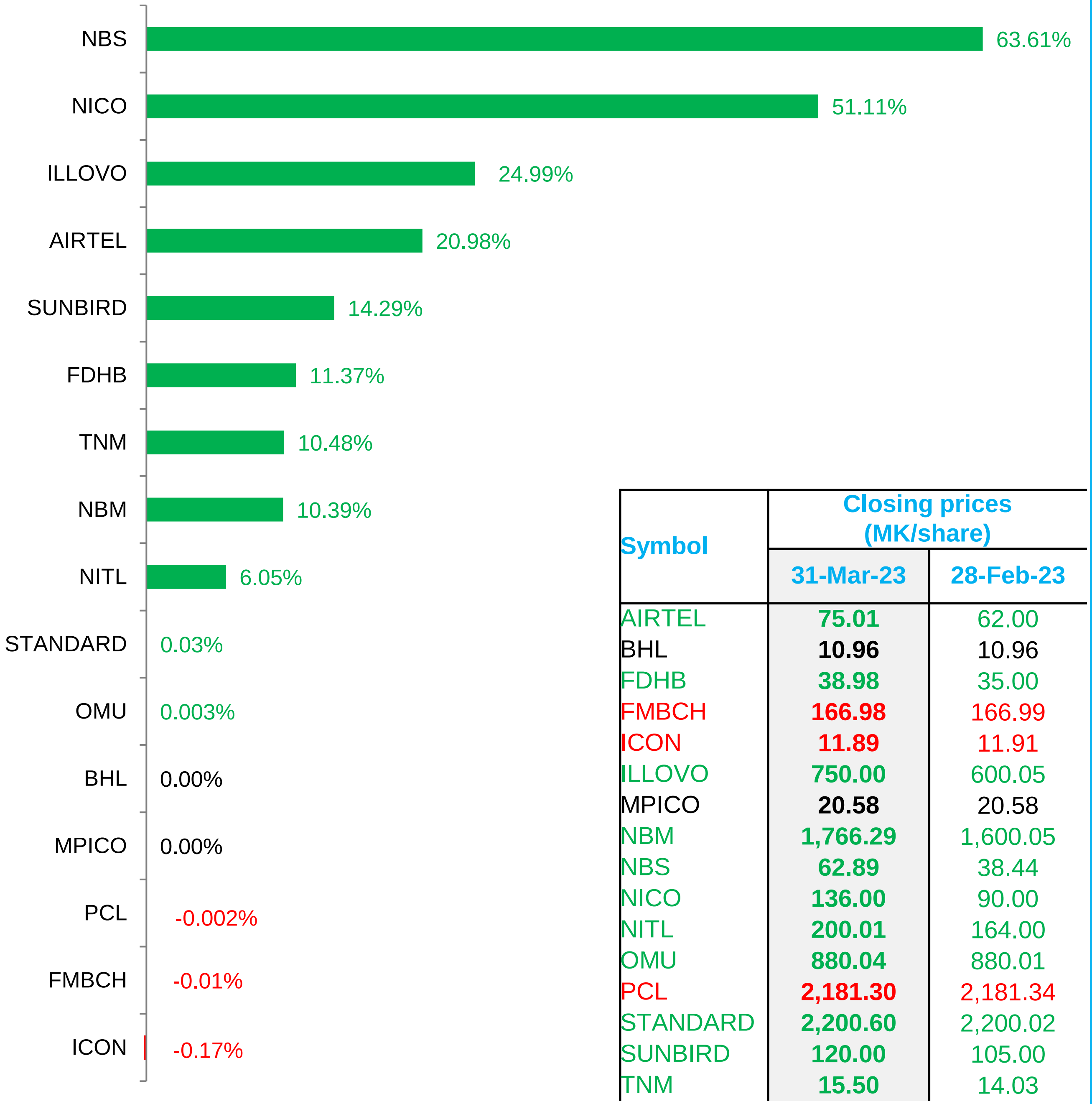
Malawi All Share Index (MASI)



MASI Year-to-date return (%)



Month-on-Month share price percentage change (%)



Symbol	Closing prices (MK/share)	
	31-Mar-23	28-Feb-23
AIRTEL	75.01	62.00
BHL	10.96	10.96
FDHB	38.98	35.00
FMBCH	166.98	166.99
ICON	11.89	11.91
ILLOVO	750.00	600.05
MPICO	20.58	20.58
NBM	1,766.29	1,600.05
NBS	62.89	38.44
NICO	136.00	90.00
NITL	200.01	164.00
OMU	880.04	880.01
PCL	2,181.30	2,181.34
STANDARD	2,200.60	2,200.02
SUNBIRD	120.00	105.00
TNM	15.50	14.03

Economic overview (Continued)

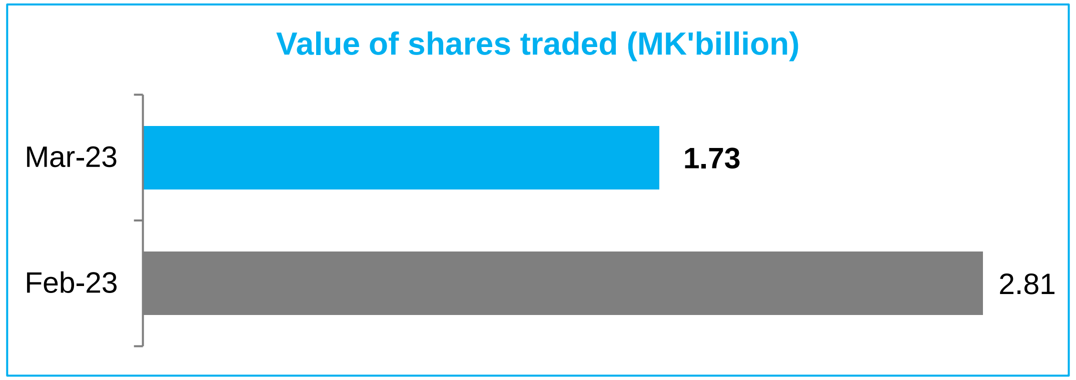
Stock market (Source: MSE)

According to its summary audited financial statements, SUNBIRD reported a profit after tax of MK3.1 billion for the year ended 31 December 2022, an increase of 307% from a profit after tax of MK0.75 billion in the previous year.

MSE Traded Volumes

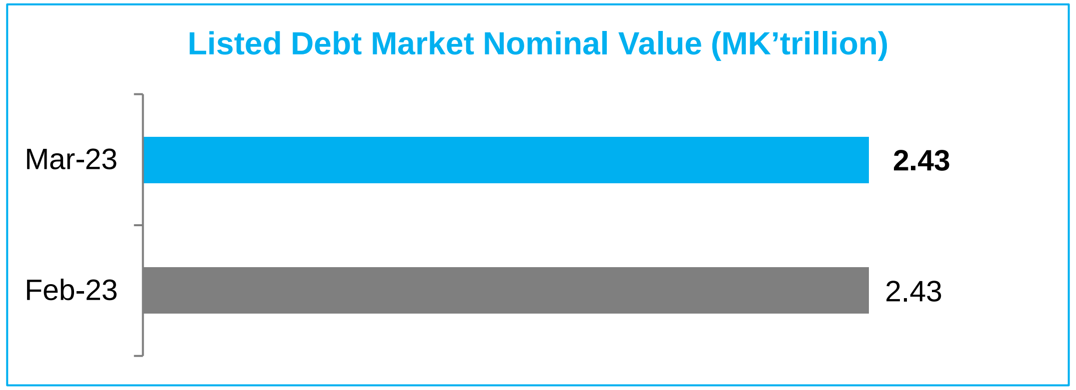
A total of MK1.73 billion worth of shares was traded on the Malawi Stock Exchange (MSE) in March 2023. This was a 38% decrease from MK2.81 billion worth of shares traded in February 2023. FDH Bank had the highest value of shares traded in March 2023 at MK415 million.

The total number of trades increased to 599 in March 2023, from 507 in February 2023. The figure below shows the total value of shares traded on the MSE in March 2023 compared to February 2023.



Listed Debt Market

The total number of instruments listed on the debt market maintained its position at 61 in March 2023. There were no trades on the debt market in March 2023. The nominal value of all listed debt securities maintained its position at MK2.43 trillion in March 2023.



Corporate Announcements

Trading Statements

Amounts in billions of Malawi Kwacha unless specified otherwise.

Counter	31 December 2022	31 December 2021	Trading statement profit/loss expectation
BHL	(0.60)	(0.75)	20%
TNM	0.97	9.69	(90%)
FMBCH *(USD'million)*	28.39	21.84	30%
ICON	14.64	8.61	70%
NBM	45.41	34.93	30%
MPICO	5.65	4.71	20%
ILLOVO*	32.0 – 34.5	9.2	248% - 275%
NICO	18.51	9.74	90%

Published financial results

Amounts in billions of Malawi Kwacha unless specified otherwise.

Counter	Profit/(loss) for the year ended 31 December 2022	Profit/(loss) for the year ended 31 December 2021	Percentage Change (%)
SUNBIRD	3.1	0.75	307%
NBS	18.9	7.7	145%
FDHB	22.9	11.7	96%
STANDARD	39.2	24.8	58%

Dividends

Counter	Dividend type	Proposed/ Declared	Dividend per share (MK)	Last day to register	Date of payment
ILLOVO	Final	Declared	5.44	24 March 2023	31 March 2023
NBM	2nd interim	Declared	21.42	17 March 2023	6 April 2023
OMU	Final	Proposed	28.91	14 April 2023	17 April 2023
Standard	Final	Proposed	51.14	TBA	TBA
FDHB	Final	Proposed	0.58	TBA	TBA
NITL	Final	Proposed	2.35	TBA	TBA

*: for the year ending 28 February 2023, compared to the year ended 28 February 2022.

Economic overview (Continued)

Government securities (Source: RBM)

The government awarded a total of MK265.6 billion through Treasury Bills (TBs) and Treasury Notes (TNs) auctions in March 2023. This represents a 70% increase form MK156.2 billion awarded in February 2023.

Treasury Bills (TBs)

In March 2023, the government sought to borrow MK71.4 billion through Treasury Bills (TBs) auctions. This represents a 26% decrease from MK96.1 billion sought in February 2023. Participants applied to place a total of MK126.3 billion through TBs auctions in March 2023. This represents a 21% increase from MK104.7 billion that was applied for in February 2023. The government awarded a total MK125.8 billion in March 2023, a 74% increase from MK72.1 billion that was awarded in February 2023. The TBs had a 0.4% rejection rate in March 2023 compared to 31.14% in March 2023. In March 2023, only the 91-days TB and 364-days TB were issued following the suspension of the 182-days TB in the first quarter of 2023 due to an over allotment of the tenor.

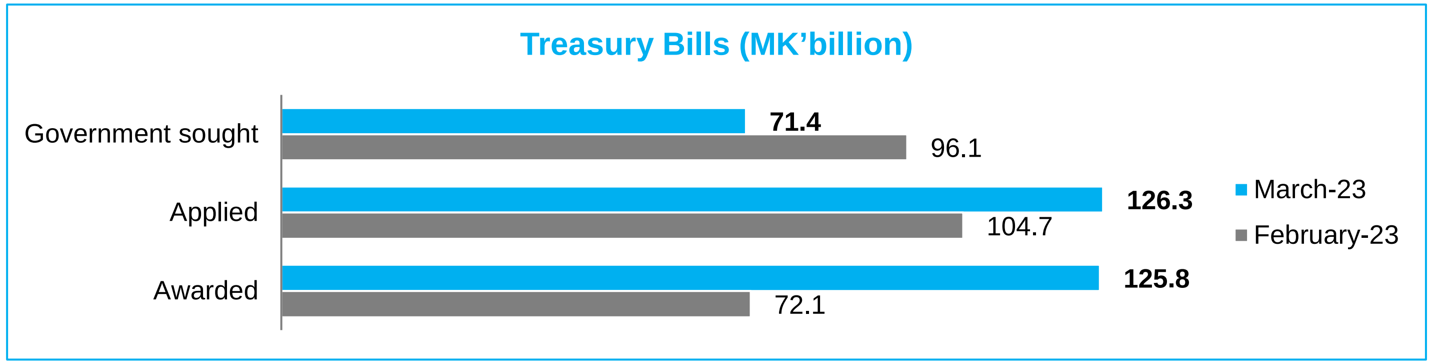
Treasury Notes (TNs)

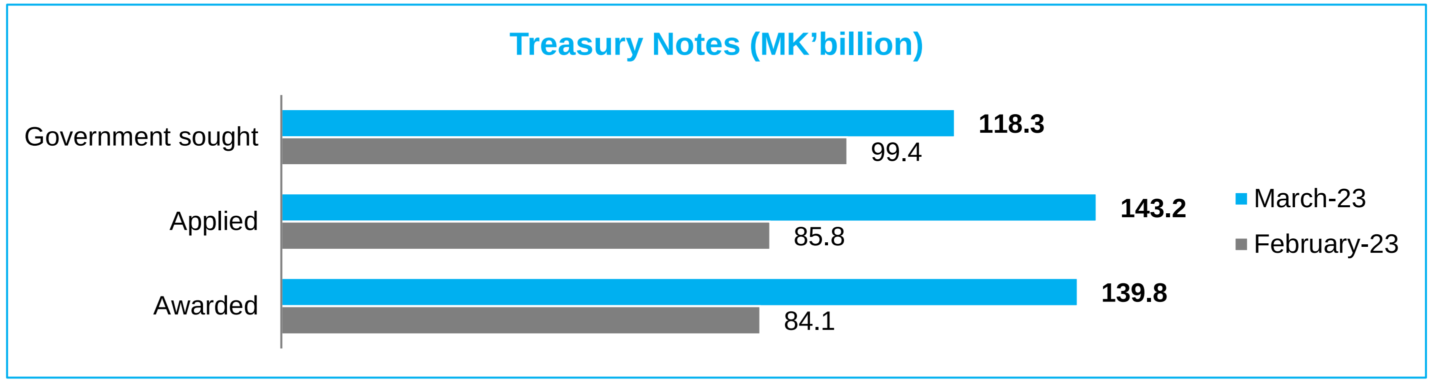
The government sought to borrow MK118.3 billion through Treasury Notes (TNs) auctions in March 2023. This represents a 19% increase from MK99.4 billion that was sought in February 2023. Participants applied to place a total of MK143.2 billion through TNs auctions in March 2023. This represents a 67% increase from MK85.8 billion that was applied for in February 2023. A total of MK139.8 billion was awarded in the TNs auctions in March 2023. This was a 66% decrease from MK84.1 billion that was awarded in February 2023. The TNs had a 2.3% rejection rate in March 2023 compared to 2.0% in February 2023.

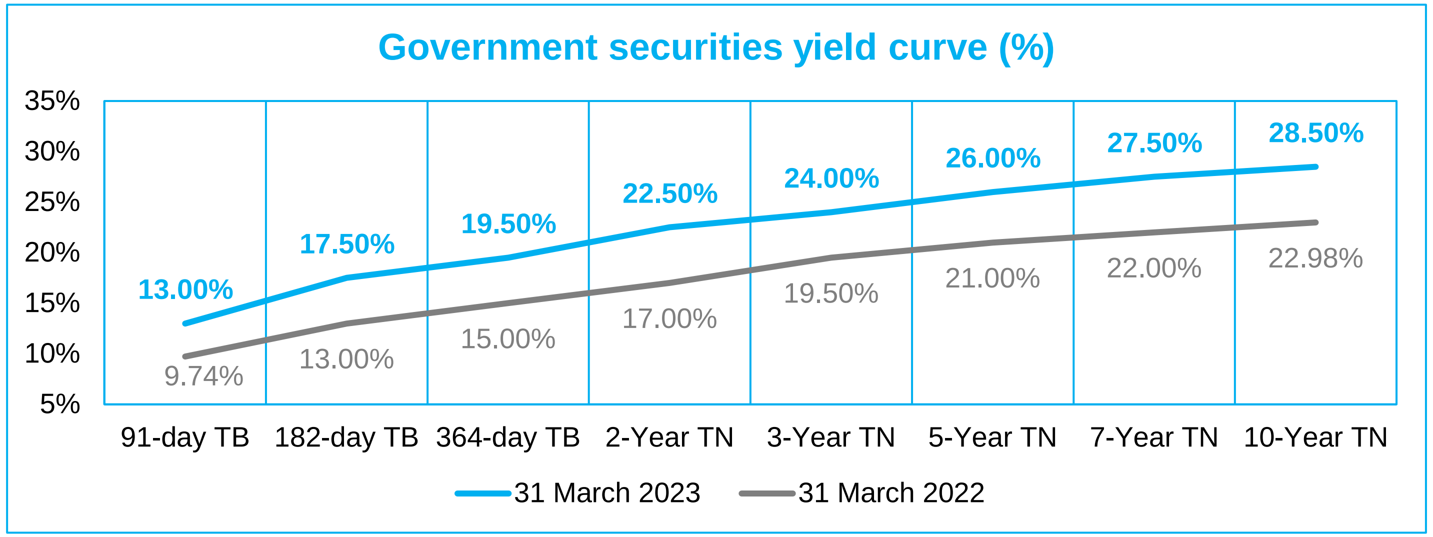
Government Securities Yield Curve

The average TB yield maintained its position at 16.67% during the period under review. The yields for 91-days TB, the 182-days TB and the 364-day TBs remained at 13.00%, 17.50%, and 19.50%, respectively, during the period under review.

The average TN yield marginally increased to 25.80% in March 2023 from 25.79% in February 2023. During the period under review, the yield on the 5-year TN increased to 26.25%, from 26.19%, while the yields on the 2-year, 3-year, 7-year and 10-year TNs maintained their positions.







Other Market Developments

Fiscal and Monetary Policy (Source: RBM, Various Published Media)

The national budget for the 2023-24 fiscal year, which was originally set at MK3.9 trillion, was passed by Parliament on 30 March 2023. However, the budget was revised downward to MK3.8 trillion to reflect the economic conditions following the aftermath of Tropical Cyclone Freddy.

Fiscal Policy

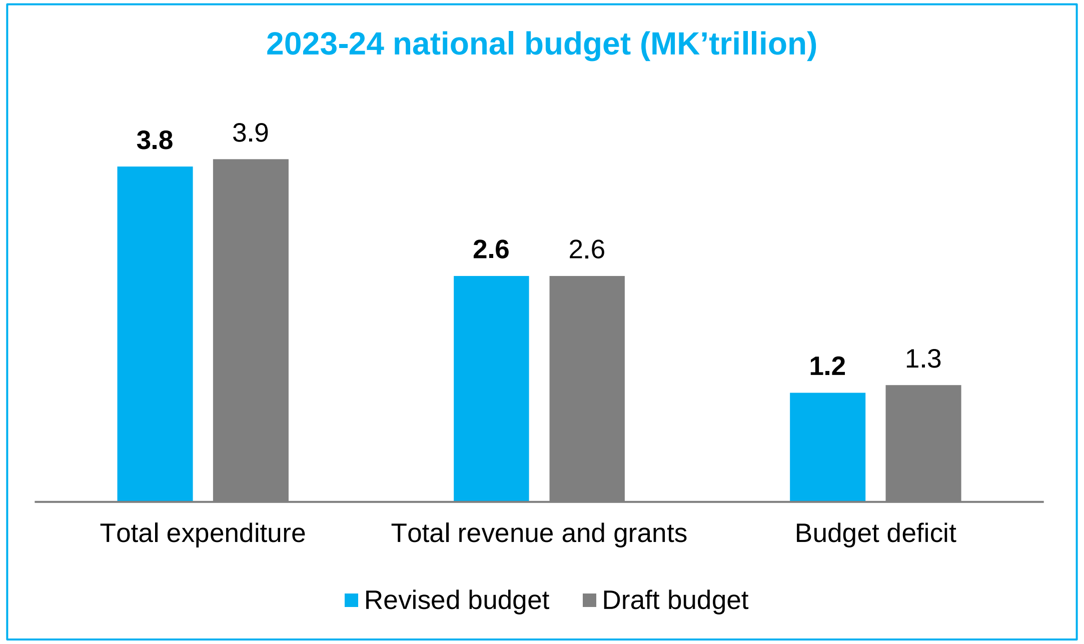
On 30 March 2023, the Parliament passed the MK3.8 trillion 2023-24 national budget. The budget was initially pegged at MK3.9 trillion but it was revised downward to reflect the economic environment in the aftermath of the Tropical Cyclone Freddy. Although the budget was revised to account for the effects of the cyclone, the revised budget has not been adjusted for the full impact of the cyclone which affected all the districts in the southern region of the country. Furthermore, the Minister of Finance stated that the government would be looking for support from its development partners to enable recovery from the effects of the cyclone.

With the revision of the budget, the projected budget deficit decreased to MK1.2 trillion, from MK1.3 trillion for the 2023-24 fiscal year. Some of the reductions in allocation that were passed include a decrease in the recurrent budget by MK19.79 billion and in the development budget by MK63.85 billion. These reductions are aimed at mitigating the growth in the deficit level in case of additional expenditures that may arise from Cyclone Freddy.

Among other adjustments, the revised budget increased the allocation to the Roads Authority by 400% to MK45 billion, from MK9 billion to enable the rebuilding of some damaged infrastructure. In addition, the allocation for the Unforeseen Expenditure was increased by 150% to MK5 billion, from MK2 billion.

The revised national budget also introduced additional measures for resource mobilization and these are the temporary introduction of an additional income tax of 10% for banks whose profits are in excess of MK10 billion, the postponement of the reduction in excise tax on airtime and data, and the restructuring of levies to accommodate the “Freddy levy” which is pegged at MK54.00 per litre of fuel and is estimated to raise an annual revenue of MK30 billion.

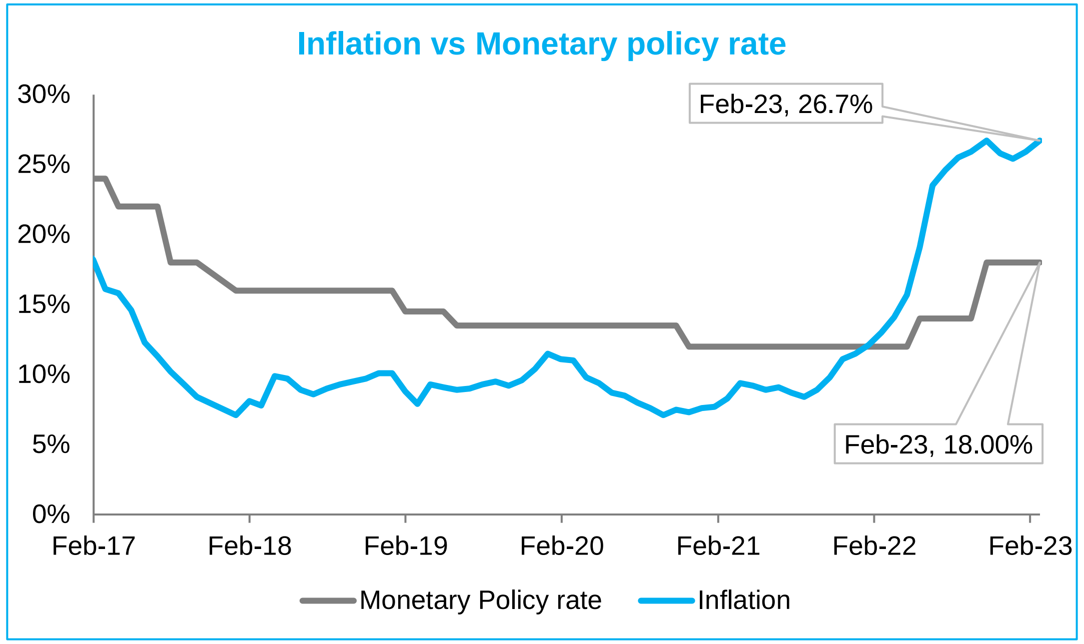
The Minister of Finance also stated that the government was looking to pursue a crisis window with the World Bank although this may take a few months to put together a project to rebuild in the health, education, agriculture and infrastructure clusters.



Monetary Policy

During the first Monetary Policy Committee (MPC) meeting of 2023 held on 1 and 2 February 2023, the MPC decided to keep the policy rate at 18.0%. The decision to maintain the policy rate was made to allow for more time for the impact of the October 2022 policy rate adjustment to transmit through the economy. In anticipation of a more favourable outlook on inflation the policy rate was maintained at 18.0% and further adjustment may be necessitated by trends in the inflation rate as the year progresses.

The second MPC meeting for 2023, is scheduled for the 26 and 27 April 2023.



Regional And Global Market Developments

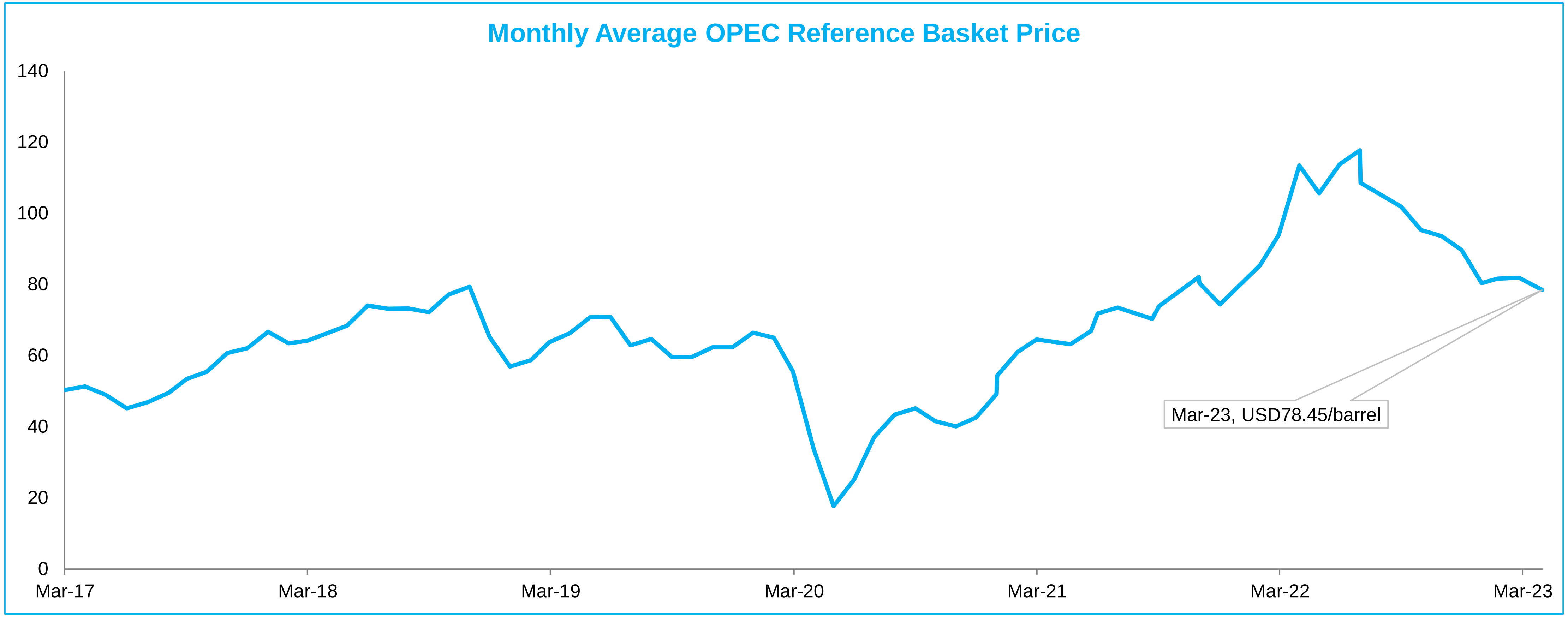
Global oil price developments (Source: OPEC, Reuters)

The monthly average OPEC Reference Basket (ORB) price decreased by 4.19% to a monthly average of USD78.45/barrel in March 2023, from USD81.88/barrel in February 2023.

The monthly average OPEC reference basket price decreased to USD78.45/barrel in March 2023, from a monthly average of USD81.88/barrel in February 2023. This represents a decrease of 4.19% month-on-month. Year-on-year, this represents a 31% decrease from an average price of USD113.87/barrel as of March 2022.

Saudi Arabia and other OPEC+ oil producers on 2 April 2023 announced further oil output cuts of around 1.16 million barrels per day, an event that analysts anticipate may cause a rise in prices. With the most recent oil output cut pledges, brings the total volume of cuts to 3.66 million barrels per day, estimated to be about 3.7% of the global demand. These developments have occurred despite OPEC+ having agreed in October 2022, to an output cut of 2 million barrels per day from November 2022.

The OPEC+ member implementing the voluntary output cuts cite as a precautionary measure aimed at supporting the stability of the oil market as well as on concerns that a global banking crisis may affect the global demand.



Preliminary Economic Assessment of the Impact of Cyclone Freddy

Malawi has been hit hard by Cyclone Freddy, causing floods and mudslides that damaged power lines, roads, farmlands and livestock, as well as disrupted water supply, and telecommunication services. As at 29 March 2023, a total of 511 people had been confirmed dead, and 533 people were missing. The disaster has affected over 500,000 people and a total of 563 771, people had been displaced in 577 camps.

Introduction

On 12 March 2023, Malawi was hit by a tropical cyclone called Freddy. It has been termed as the longest-lasting and highest Accumulated Cyclone Energy (ACE) producing cyclone ever recorded worldwide. Technically, the cyclone first developed as a disturbance in the Australian region cyclone basin, and it moved into the South-West Indian Ocean where it intensified further.

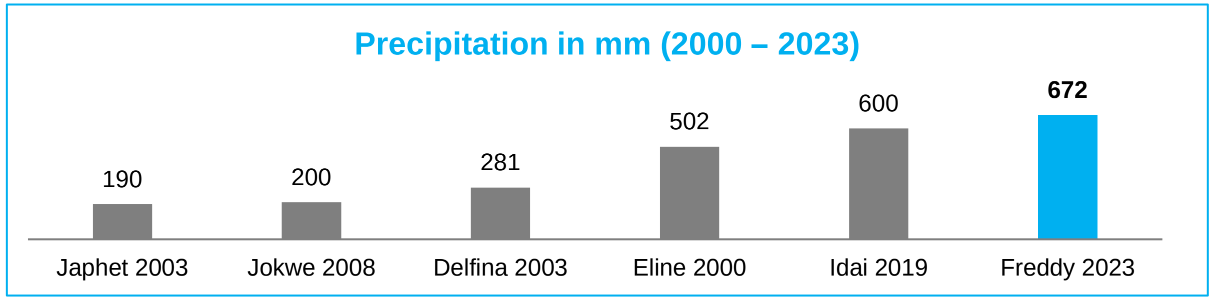
Freddy first made landfall on 21 February 2023 in Madagascar. From there, the storm moved on to Mozambique and then back across the Indian Ocean. On 11 March 2023, it reached Mozambique for the second time and then moved on to Malawi. Other than being in Madagascar, Mozambique and Malawi, the cyclone caused heavy rains and very strong winds in Zimbabwe, Mauritius and the French Reunion Islands, and in some areas, it caused damage to infrastructure and homes and resulted in the death of people. To a milder extent the cyclone caused heavy rainfall in countries namely, South Africa, Zambia.

In all the affected countries, a total of 707 people had been reported dead while 552 were missing. The full extent of the damage caused to housing, crops, and infrastructure is yet to be determined.

The table below summarizes some of the impacts in the various countries:

	Fatalities	Missing	Injuries	Affected
Reunion	0	0	0	25,000
Mauritius	1	16	0	2,500
Zimbabwe	2	0	0	0
Madagascar	17	3	0	299,000
Mozambique	176	0	280	886,487
Malawi	511	533	1,724	563,771
Totals	**707**	**552**	**2,004**	**1,776,589**

Rainfall per Tropical Cyclone Experienced in the South-Eastern African Region



The Situation in Malawi

The cyclone caused heavy rainfall in 10 districts in the southern region of Malawi, resulting in flash floods that destroyed homes, infrastructure, and claimed lives. On 13 March 2023, a state of disaster was declared in 14 districts that were severely hit by the storm. Public infrastructure such as schools, health facilities, and roads had been damaged in all the affected districts. A hydroelectric power plant was also affected, causing a nationwide power outage as the Electricity Generation Company Malawi Limited (EGENCO) shut down power to avoid further damage. The rainfall was extremely heavy, with over a month's worth of rain falling in just one day.

According to Department of Disaster Management Affairs (DODMA), as of 29 March 2023, there were 511 deaths reported while 533 people were missing. At least 1,724 people were injured and at least 563,771 people displaced in 577 camps as thousands of homes and in some instances entire villages had been washed away. Blantyre and Mulanje have reported the highest number of deaths at 212 and 143 people, respectively.

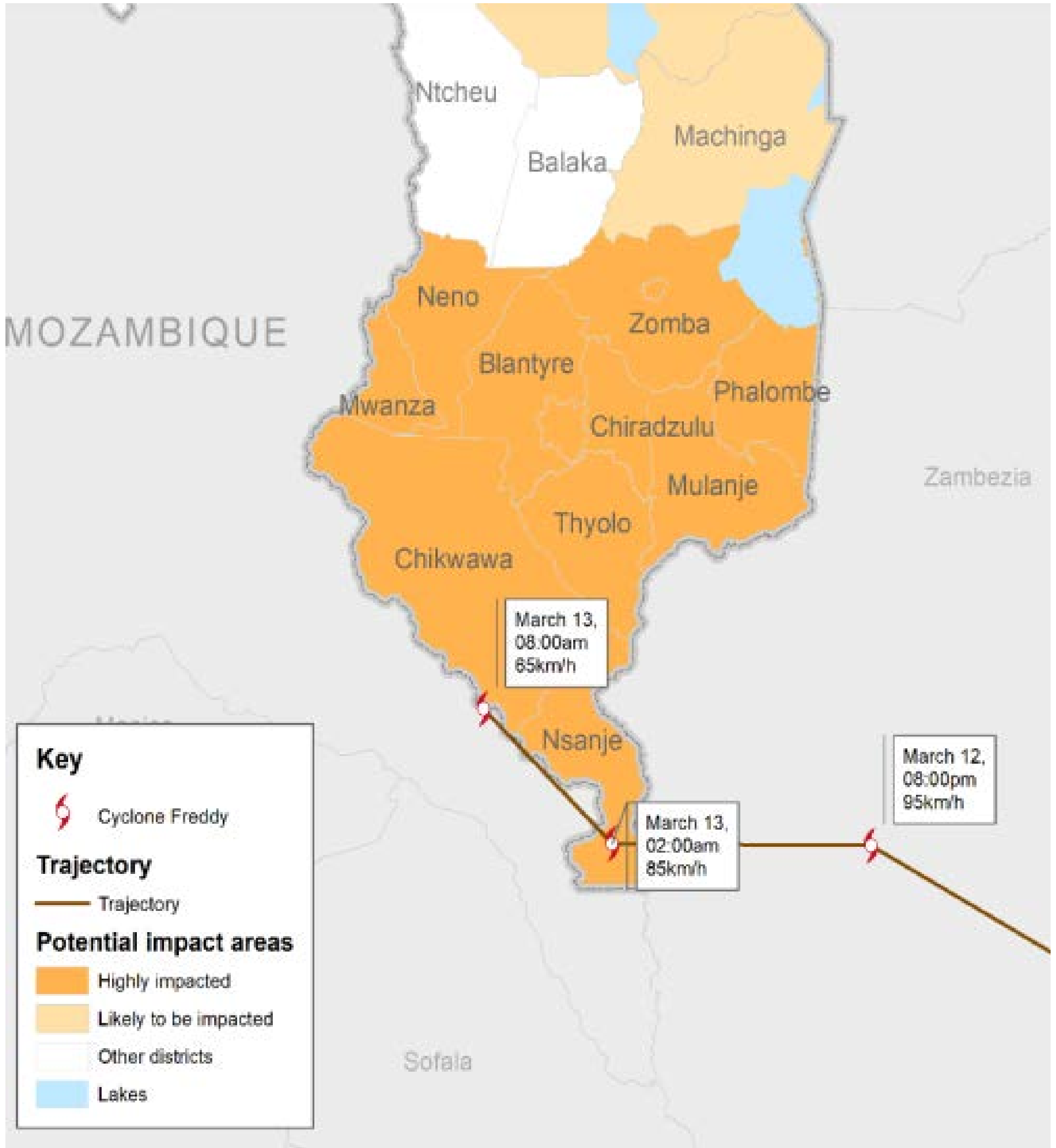
The cyclone caused damage to 547 schools, comprising of 484 primary schools and 63 secondary schools. As of 29 March 2023, a total of 426 schools are being used as camps and 726 classrooms are being used to host displaced people. A total of 40 roads have also been damaged.

When the storm hit, the country was amid its worst cholera outbreak and according to the Ministry of Health, new cholera cases had been confirmed in several flood-affected districts. The Ministry of Health, highlighted that the passing of the cyclone increased the risk of spread of other communicable diseases such as dysentery, typhoid, and diarrhea. A total of 81 health facilities had been affected as 74 were functional but inaccessible and services had been suspended in 7 health centres.

Many markets in the affected districts remain inaccessible or do not have sufficient food stocks, which affected food prices in the region. According to the World Food Programme (WFP), prices across the Southern Region have on average increased by 300% compared to the same time last year. In Nsanje district, the price of maize reached a record high of MK1,140 per kg (USD1.1 per kg), which is 400% higher than the same time last year and 75% higher than a month before the cyclone hit. The floods also caused widespread damage to farm fields, as an estimated area of 204,833 hectares of crops was damaged with 84,930 hectares submerged and 119,903 hectares washed away. In addition to this, over 285,500 livestock had been affected, including 194,584 dead and 90,955 injured.

The Malawian government, with the support of 28 humanitarian partners, is leading relief efforts and has revised its 2023-24 budget downwards following the impact of Cyclone Freddy, introducing new taxes to raise resources for rebuilding, while the Malawi Revenue Authority and government revenue-collecting Ministries and Departments will enhance domestic revenue mobilization.

Map of the Affected Districts in the Southern Region



Government Response to the Cyclone

The government was leading relief efforts, with the support of at least 28 humanitarian partners at the time. There was a coordinated search and rescue for those trapped by flood waters and mudslides. The government has reached out and obtained assistance from various developmental partners including multilateral organizations and other countries.

The government passed the revised 2023-24 draft Budget which adjusted expenditure downwards from MK3.87 trillion to MK3.79 trillion in consideration of the likely changes in macroeconomic assumptions underpinning the budget following the devastating impact of Cyclone Freddy. The recurrent budget has been reduced by MK19.79 billion while the development budget has gone down by MK63.85 billion to help control the growth in the deficit level in case of additional expenditures that may arise from Cyclone Freddy. To mobilize more resources for rebuilding livelihoods and damaged infrastructure, the government has planned on introducing an additional yet temporary income tax of 10% for banks with profits above MK10 billion, that is increasing corporate tax to 40% from 30% for profits in excess of the stated amount, postponed the reduction of the excise tax on airtime and data, and restructured levies to accommodate "Freddy Levy" pegged at MK54.00 per liter of fuel.

The Malawi Revenue Authority (MRA) and all government revenue-collecting Ministries, Departments, and Agencies (MDA's) are to enhance domestic revenue mobilization. Additional resources had been provided to cater to disaster response and recovery efforts, and increase road maintenance budget. However, the Ministry of Finance will provide the revised macroeconomic assumptions and revised revenue projections after completion of the damage quantification caused by Cyclone Freddy.

The cyclone in Malawi resulted in extensive damage to infrastructure, livelihoods, and public health, causing various economic impacts such as anticipated increase government expenditure, disrupted business operations, inflationary pressure, and increased healthcare costs, although the full extent of the damage is not yet known.

Potential Impacts

Although the full cost of the damage caused by the cyclone is yet to be assessed, it has been reported that the cyclone has had a significant impact on the Malawian economy. The damage caused to infrastructure, the disruption of livelihoods and the reported public health crisis may have the following impacts on the economy:

1. **Expected higher government expenditure on emergency response and reconstruction efforts:** the government is currently playing a critical role in response to the aftermath of the cyclone, including providing emergency aid, evacuations, and restoration of some of the damaged infrastructure, as well as the provision of shelter, food, and water. This may result in higher-than-budgeted government expenditure and diversion of resources from other areas of planned government spending, towards relief efforts. As of 29 March 2023, the Malawi government had committed MK1.7 billion (about USD1.6 million) to assist thousands of people affected by the cyclone. The recently approved 2023/24 National Budget has been amended to account for the additional spending required for the response to the cyclone.

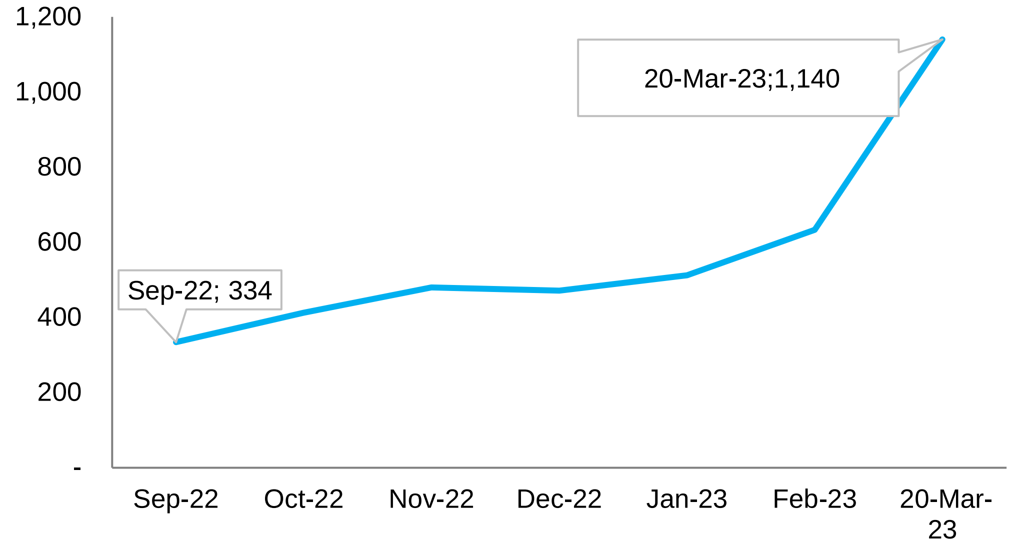
   To finance the fiscal deficit, the government may need to borrow more, which might then lead to an increase in public debt. This, in turn, can lead to higher government securities yields and interest rates, making it more expensive for the government to borrow in the future. In addition to this, the increase in government borrowing will crowd out private sector borrowing in the country.

2. **Disruption of business operations and other economic activity due to damage to infrastructure, supply chain disruptions, and loss of power supply:** the cyclone disrupted business operations due to damage to infrastructure such as roads, markets and other buildings. Supply chains have also been disrupted due to the damage made to roads and reduced availability of goods. Additionally, loss of power supply resulted in businesses reducing production, even in areas not directly affected by the cyclone.

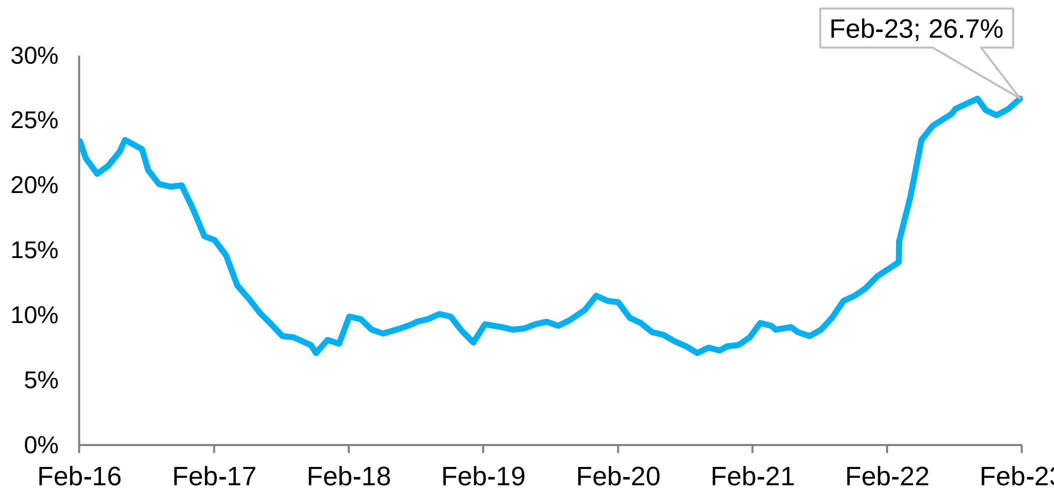
3. **Expected inflationary pressure from the damage caused to agriculture production and supply-chain disruptions:** the cyclone caused damage to agriculture production and resulted in disruption of supply chains. These occurrences may exert inflationary pressure on prices due to reduced supply. Additionally, the cost of repairing or replacing damaged infrastructure and equipment can also result in increased costs for businesses and consumers. Other affected areas have already started registering an increase in the prices of maize.

4. **Expected increase in health care costs:** the spread in communicable diseases such as cholera that have already been reported in camps may lead to an increase in health care costs and put a strain to the already frail healthcare system. The health and sanitation sector might require extra funding to carry out vaccination campaigns, and public health education as well as treatment for those already affected.

Monthly Maize Prices (MK/Kg)



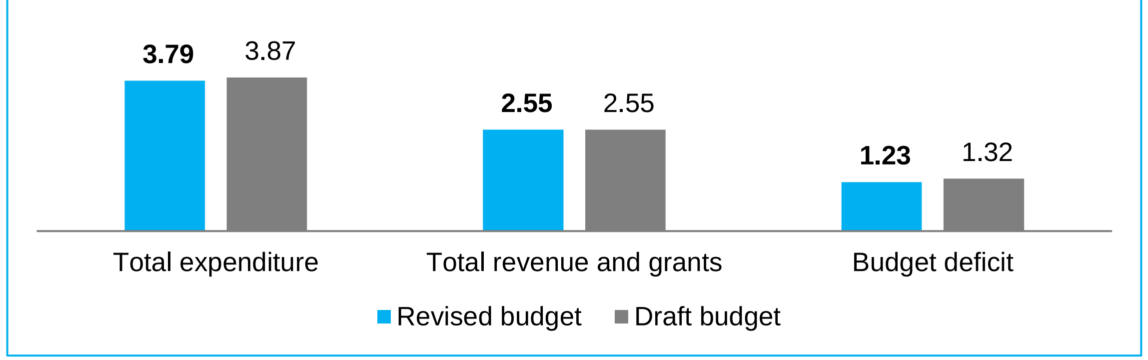
Inflation trend (%)



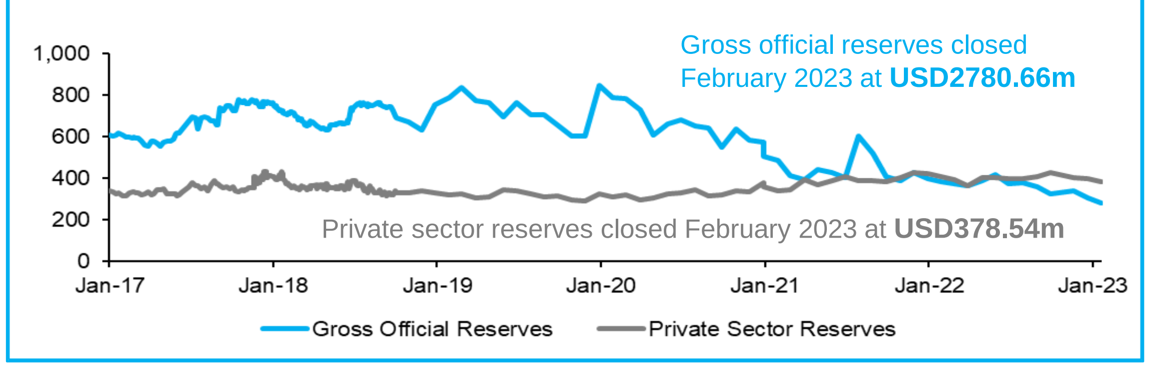
The destruction of export crops and infrastructure may lead to a decline in export earnings, worsening forex reserves position, and a decline in GDP. Meanwhile, the need for increased government expenditure on relief efforts and reconstruction may lead to higher fiscal deficits, public debt, and borrowing costs.

Potential Impacts (Continued)

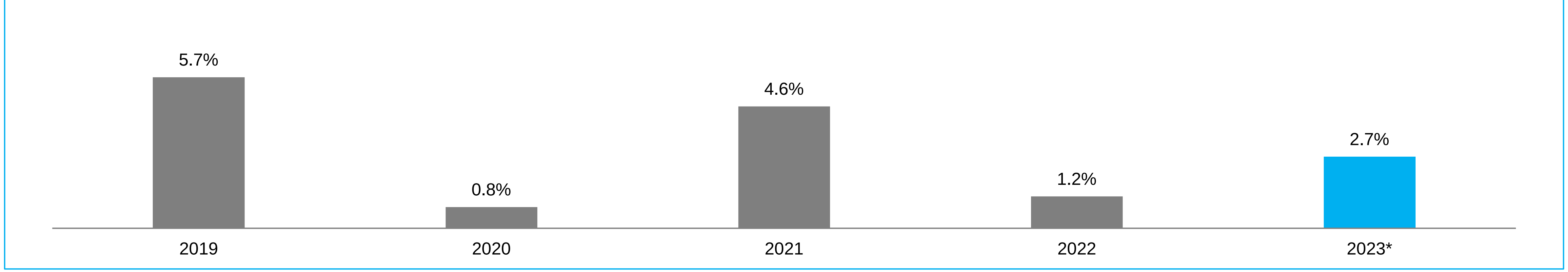
5. **Expected decline in export earnings:** the cyclone has destroyed a proportion of the country's crops as an estimated 204,833 hectares of crops have either been submerged or washed away. Crops damaged in the affected areas include maize, pigeon peas, beans, tobacco and sorghum. This may reduce the country's ability to earn foreign exchange, which can lead to a decline in export earnings. Export of agricultural produce accounts for 80% of the country's export earnings which are an important source of foreign exchange and are used to pay for imports of essential goods such as medicine and fuel. With the expected decline in foreign exchange earnings, the country may struggle to maintain its balance of payments and may face difficulty meeting its external obligations.
6. **Expected worsening of the country's forex reserve position:** this may be expected following the decline in export earnings and to finance reconstruction efforts to repair and rebuild critical infrastructure such as roads that were damaged by the cyclone. The worsening forex reserves position might result in increased currency volatility and may also limit the country's ability to fund critical imports or meet its international financial obligations.
7. **Expected decline in the Gross Domestic Product (GDP):** The damage caused by the cyclone has led to the loss of crops, livestock, and infrastructure. This loss of production and disruption to supply chains may have a further effect on other sectors of the economy, exacerbating the economic down-turn. The disruption in agriculture and other productive work due to the cyclone may lead to a decline in the country's GDP. The World Bank revised downwards its earlier GDP growth projection of 2.7% for 2023, to 1.6%.



2023-24 national budget (MK'trillion)



Gross Official Reserves Vs Private Sector Reserves (USD'million)



Malawi GDP Growth Rate (%)

**: GDP Growth rate projections made by the Malawi Government*

The recent cyclone is likely to have significant impacts on different industries in the affected areas and the entire country. The industries affected include, agriculture and manufacturing.

Impact on Industries

The following will examine the impact of the cyclone on two industries: agriculture and manufacturing.

1. Agriculture: the recent cyclone that hit the country before the harvest season is likely to have significant impacts on the agriculture industry. The cyclone has caused damage to crops and infrastructure and as a result, farmers may experience significant losses in their yield during the upcoming harvest season, which could lead to long-term effects on food security and the local economy.
2. Manufacturing: although to a lesser extent the cyclone might potentially impact the manufacturing sector in the country as it has disrupted agriculture whose produce is used as raw materials and has led to supply chain disruptions, and this could potentially lead to reduced output and economic losses.

Impact on Key Economic Variables

The following are the likely impacts that the cyclone might have on key economic variables:

1. Inflation: the cyclone has disrupted supply chains, damaged infrastructure, and destroyed crops and livestock, this may lead to supply shortages and resulting higher prices for goods and services and ultimately cause inflation to rise in the short term.
2. GDP growth: the cyclone has caused a disruption to economic activity, and this might lead to a contraction in GDP, as businesses are forced to halt operations and consumers reduce spending. However, in the longer term, the reconstruction and recovery efforts following the damage caused by the cyclone is expected to create new economic opportunities and stimulate growth.
3. Exchange rates: with the expected decline in foreign exchange earnings from the damage caused to export crops, the local currency may potentially weaken.
4. Interest rates: as the government increases its spending on disaster relief and rebuilding efforts, this can lead to an increase in government debt and ultimately higher interest rates. In addition to this, the monetary authorities might raise interest rates in order to curb the rising inflation caused by the cyclone.

How to Mitigate the Impacts of the Cyclone

When a cyclone strikes, it is crucial to have effective mitigation strategies in place to minimize its impact on affected areas. However, it is essential to recognize that one-size-fits-all solutions are not appropriate, and strategies must be customized to meet the unique context and needs of each location. With that in mind, here are some strategies that can help to mitigate the impact of cyclones:

1. Early Warning Systems and Better Preparation Plans : the country should invest in implementing early warning systems to help provide advance notice of an incoming cyclone, giving people time to evacuate or take other precautions. Early warning systems can also help to reduce the number of casualties during a cyclone and disaster preparedness plans should include strategies for emergency response, relief efforts, and post-cyclone recovery.
2. Infrastructure improvements and imposing building codes: improving infrastructure such as roads, bridges, and drainage systems can help to reduce the risk of damage and disruption during a cyclone. For example, improving drainage systems can help to reduce the risk of flooding. In addition to this, the country should ensure that buildings in cyclone-prone areas are constructed according to appropriate building codes which can help to reduce the risk of structural damage and collapse during a cyclone.
3. Support from Multilateral partners and other donors: Inflows from multilateral partners and other donors to help support restoration and recovery efforts. This support can take various forms, including grants, loans, and technical expertise. They may also provide long-term support for reconstruction and infrastructure development, such as funding for the rebuilding of damaged roads, bridges etc, or for the construction of new infrastructure to better withstand future disasters.

Appendix

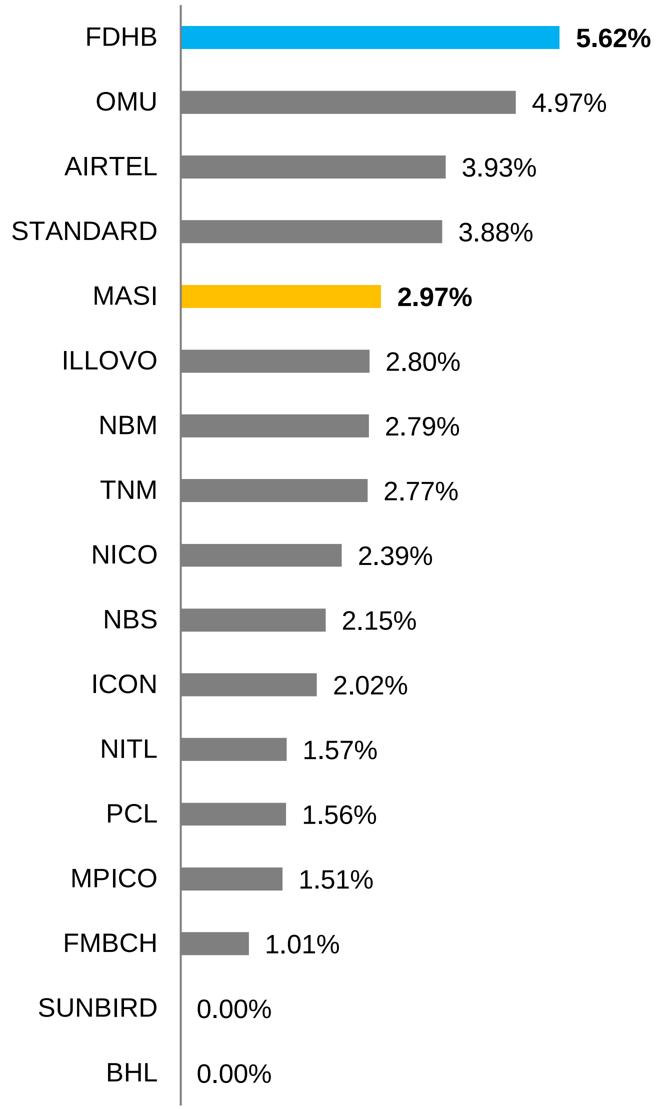
Appendix 1: Historical Monthly Economic Indicators

	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	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23
Exchange rates (middle rates)																		
MK/USD	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	1,034.42	1,031.87	1,031.87	1,033.68	**1,033.80**
MK/GBP	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	1,276.81	1,305.57	1,305.57	1,280.21	**1,315.33**
MK/EUR	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	1,105.82	1,152.30	1,152.30	1,128.21	**1,156.66**
MK/ZAR	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	62.11	60.72	60.72	57.83	**59.76**
Foreign Exchange Reserves																		
Gross Official Reserves (USD'mn)	405.66	389.26	429.17	399.98	385.40	374.48	363.27	388.22	415.73	372.99	378.89	357.18	326.06	338.87	304.65	279.22	280.66	**N/A**
Private Sector Reserves (USD'mn)	384.75	404.81	425.52	424.49	407.22	391.49	362.84	401.13	401.60	396.02	398.43	408.84	427.67	400.77	399.20	384.37	378.54	**N/A**
Total reserves (USD'mn)	790.41	794.07	854.69	824.47	792.62	765.97	726.11	789.35	817.33	769.01	777.32	766.02	753.73	739.64	703.85	663.59	659.20	**N/A**
Gross Official Reserves Import cover (months)	1.62	1.56	1.72	1.60	1.54	1.50	1.45	1.55	1.66	1.49	1.52	1.43	1.30	1.36	1.22	1.12	1.12	**N/A**
Inflation																		
Headline	9.8%	11.1%	11.5%	12.1%	13.0%	14.10%	15.70%	19.10%	23.50%	24.6%	25.5%	25.9%	26.7%	25.8%	25.4%	25.9%	26.7%	**N/A**
Food	11.8%	12.8%	13.6%	14.2%	15.3%	17.10%	19.50%	25.50%	31.20%	32.5%	33.4%	33.7%	34.5%	33.4%	31.3%	30.5%	31.7%	**N/A**
Non-food	7.8%	9.5%	9.5%	9.6%	10.1%	10.50%	12.20%	13.20%	16.60%	17.5%	18.2%	18.3%	18.6%	17.7%	18.6%	20.4%	20.5%	**N/A**
Interest Rates																		
Monetary Policy rate	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%	18.00%	18.00%	18.00%	18.00%	**18.00%**
Average Interbank rate	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%	15.00%	15.00%	15.00%	15.00%	**15.00%**
Average base lending rate	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%	18.20%	18.20%	18.20%	18.20%	**18.20%**
Government Securities Yields																		
91-days Treasury Bill	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%	13.00%	13.00%	13.00%	13.00%	**13.00%**
182-days Treasury Bill	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%	17.50%	17.50%	17.50%	17.50%	**17.50%**
364-days Treasury Bill	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%	19.50%	19.50%	19.50%	19.50%	**19.50%**
2-year Treasury Note	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%	22.50%	22.50%	22.75%	22.75%	**22.75%**
3-year Treasury Note	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%	23.00%	24.00%	24.00%	24.00%	**24.00%**
5-year Treasury Note	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%	26.00%	26.00%	26.19%	26.19%	**26.25%**
7-year Treasury Note	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%	27.50%	27.50%	27.50%	27.50%	**27.50%**
10-year Treasury Note	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%	27.50%	28.50%	28.50%	28.50%	**28.50%**
Stock Market Indices																		
MASI	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	55,795.69	62,036.05	68,451.77	71,069.31	**80,298.12**
DSI	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	48,811.22	50,804.03	54,351.80	56,674.50	**64,886.76**
FSI	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	5,613.43	5,614.30	8,374.09	8,382.28	**8,381.79**

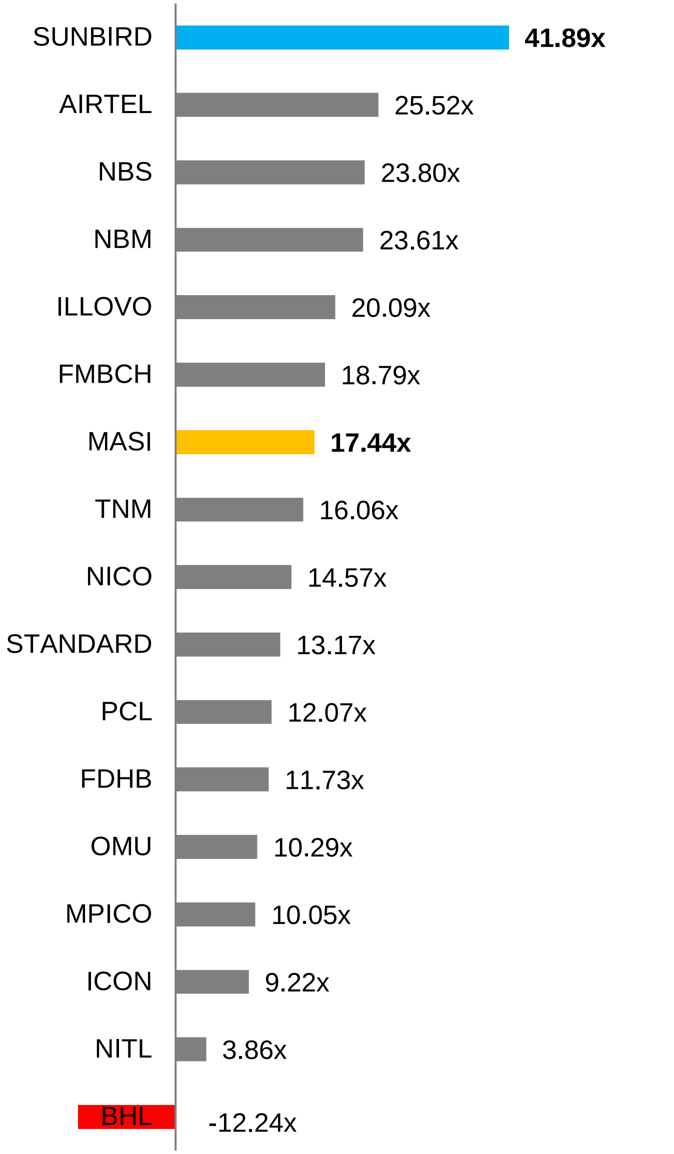
Appendix 2: Selected stock market statistics as of 31 March 2023

Bridgepath Capital
Invest to Achieve

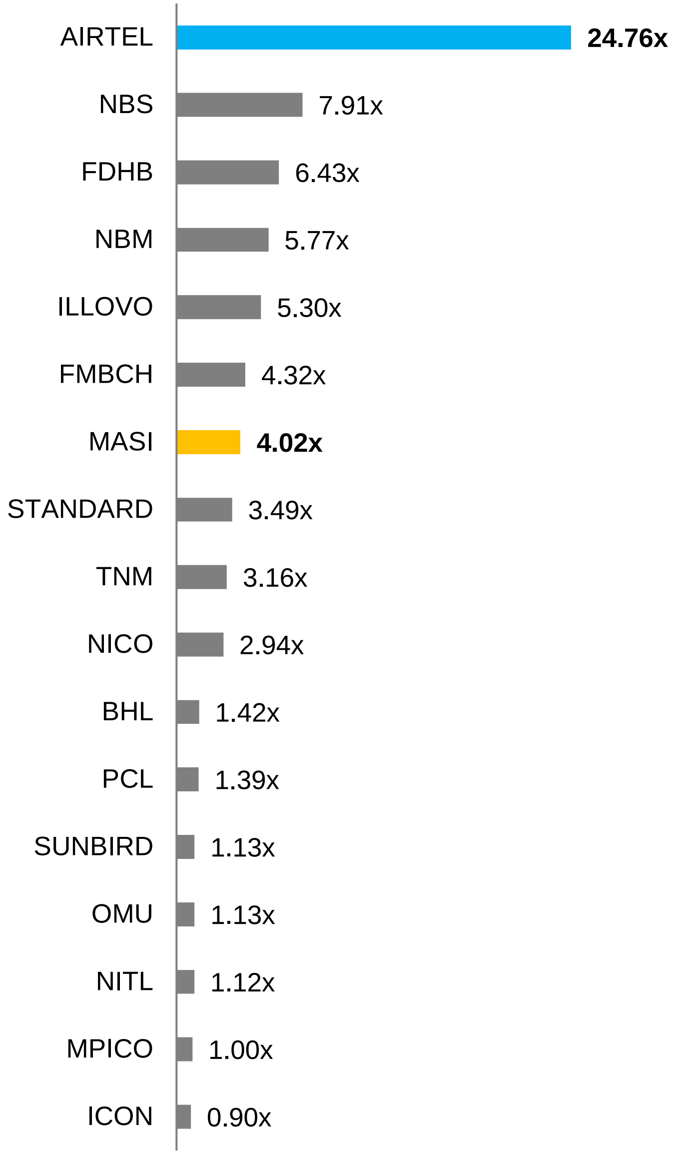
Dividend Yield (%) - the weighted average dividend yield on the MSE was 2.97% in March 2023. The counter with the highest dividend yield was FDH Bank at 5.62%.



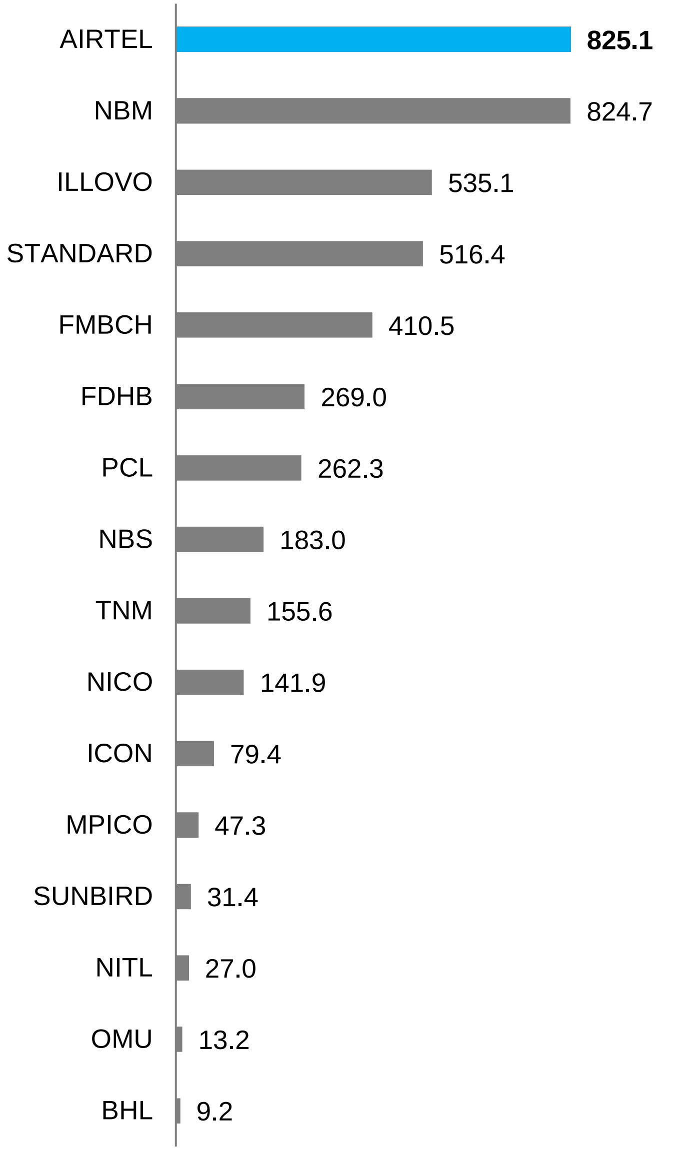
P/E Ratio - the weighted average price to earnings on the MSE was 17.44x in March 2023. The counter with the highest ratio was SUNBIRD at 41.89x.



P/BV Ratio - the weighted average price to book value on the MSE was 4.02x in March 2023. The counter with the highest ratio is AIRTEL at 24.76x.



Market Capitalization (MK'billion) – AIRTEL had the highest market capitalization at MK825 billion in March 2023.



Appendix 3: EIU and Oxford Economics Projections (December 2022)

Bridgepath Capital
Invest to Achieve

EIU projections

Economic growth	2022	2023*	2024*
Real GDP Growth	1.8	1.6	3.0
Private consumption (% of GDP)	1.2	2.5	3.0
Government consumption (% of GDP)	2.0	2.8	2.8
Gross fixed investment(% of GDP)	4.0	5.5	5.6
Exports of goods & services (USD'million)	974	952	1,177
Imports of goods & services (USD'million)	-3,178	-2,809	-2,813
Agriculture (% of GDP)	1.9	1.5	3.0
Industry (% of GDP)	1.9	2.0	2.7
Services (% of GDP)	1.8	1.6	3.0
**: EIU forecasts*			

Key indicators	2020	2021	2022	2023*	2024*
Real GDP growth (%)	-1.0	5.8	1.8	1.6	3.0
Consumer price inflation (av; %)	8.6	9.2	21.4	17.4	12.3
Government balance (% of GDP)	-6.2	-6.7	-10.1	-7.4	-6.2
Current-account balance (% of GDP)	-19.5	-19.3	-24.6	-16.1	-12.5
Lending Interest rate (av; %)	24.2	23.9	26.0	26.0	24.0
**: EIU forecasts*					

Oxford Economics Projections

Malawi forecast overview		2019	2020	2021	2022	2023*	2024*
Nominal GDP	$bn	8.0	8.5	8.6	9.0	8.9	9.9
Nominal GDP per capita	$	424.9	436.5	432.9	438.9	427.2	459.7
Real GDP growth	% year	5.4	0.8	2.8	1.3	1.7	3.7
CPI inflation	%	9.4	8.6	9.3	22.1	19.2	13.2
Exchange rate (MK/USD)	Average	745.5	749.5	804.2	940.7	1,114.0	1,182.2
Exports	$bn	1.1	0.8	1.1	1.2	1.3	1.4
Imports	$bn	2.8	2.6	3.0	3.2	3.4	3.6
Current account	$bn	-1.3	-1.5	-1.5	-1.6	-1.7	-1.7
Current account	% of GDP	-16.5	-17.3	-17.9	-18.3	-18.5	-16.9
Foreign direct investment	% of GDP	1.1	1.0	1.0	1.1	1.2	1.2
External debt	% of GDP	30.3	34.8	47.8	59	71.9	75.8
Reserves	$bn	0.8	0.6	0.4	0.4	0.4	0.5
Import cover	Months	3.1	2.2	1.5	1.2	1.3	1.5
Government balance	% of GDP	-6.3	-11.4	-12.4	-11.6	-10.5	-8.4
Government debt	% of GDP	62.3	76.2	88.6	87.3	86.9	84.7
Brent Crude oil	US$/bbl	64.4	41.8	70.7	102.6	92.3	87

Appendix 4: IMF Projections (November 2022)

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	2021	2022	2023*	2024*	2025*	2026*	2027*
National accounts and prices (percent change, unless otherwise indicated)							
Real GDP	2.2	0.8	2.4	3.2	3.8	4.3	4.5
Nominal GDP (MK'bn)	9,599	11,354	14,018	16,684	19,278	21,641	24,048
GDP deflator	6.5	17.3	20.6	15.3	11.3	7.6	6.3
CPI (annual average)	9.3	20.8	22.7	17.1	12.1	8.1	6.8
Central government (percent of GDP on a fiscal year)							
Revenue	14.9	15.4	15.5	17.0	18.1	17.5	16.9
Tax and nontax revenue	13.1	13.4	13.9	14.9	15.7	15.9	16.1
Expenditure and net lending	22.3	24.3	24.6	25.8	25.6	24.2	23.1
Overall balance (excl. grants)	-9.2	-11.6	-10.6	-10.5	-9.2	-7.2	-5.8
Overall balance (incl. grants)	-7.5	-9.7	-9.0	-8.4	-6.8	-5.6	-5.0
Financial gap/residual gap	0.0	0.0	4.1	4.5	2.1	1.9	0.8
Domestic primary balance	-2.5	-4.1	-0.6	0.8	2.2	2.7	2.4
Money and credit (percentage change)							
Broad money	30.0	27.5	23.5	19.0	15.5	12.3	10.6
Credit to private sector	18.6	27.9	14.7	10.9	8.2	7.4	5.2
External sector (USD million, unless otherwise indicated)							
Exports (goods and services)	1,262	1,294	1,421	1,477	1,544	1,638	1,792
Imports (goods and services)	3,255	3,409	3,173	3,291	3,265	3,217	3,261
Gross official reserves	429	172	409	682	835	980	1,039
(months of imports)	1.6	0.6	1.5	2.5	3.1	3.6	3.7
Current account (% of GDP)	-14.6	-14.8	-13.6	-14.3	-13.1	-11.2	-9.6
Overall balance (% of GDP)	0.00	-1.7	-2.4	0.2	-0.1	0.0	0.5
Financing gap (% of GDP)	0.00	2.8	4.9	2.6	1.9	1.8	0.5
Debt stock and service (percent of GDP, unless otherwise indicated)							
External public debt	32.8	38.9	37.1	35.6	33.6	30.9	28.8
Total public debt	64.0	76.6	74.6	74.5	73.8	72.6	71.0
External debt service (% of exports)	14.4	55.6	26.7	22.7	20.2	20.6	12.2

Appendix 5: List of Acronyms and Abbreviations

ADBs:	Authorized Dealer Banks
AfDB:	African Development Bank
AIP:	Affordable Inputs Program
BHL:	Blantyre Hotels Plc
CPI:	Consumer Price Index
DSI:	Domestic Share Index
EIU:	Economist Intelligence Unit
EU:	European Union
EUR:	Euro
FDHB:	FDH Bank Plc
FMBCH:	FMB Capital Holdings Plc
FSI:	Foreign Share Index
GBP:	Great British Pound
GDP:	Gross Domestic Product
IMF:	International Monetary Fund
LRR:	Liquidity Reserve Requirement
MASI:	Malawi All Share Index
Mb/d:	Million barrels per day
MDA:	Ministry's Departments and Agencies
MK:	Malawi Kwacha
M-O-M:	Month-on-month
MPC:	Monetary Policy Committee
MSE:	Malawi Stock Exchange
MW:	Mega Watts
NBM:	National Bank of Malawi Plc
NICO:	NICO Holdings Plc
NITL:	National Investment Trust Limited Plc
NSO:	National Statistical Office
OMU:	Old Mutual Limited Plc
OPEC:	Organization of the Petroleum Exporting Countries
ORB:	OPEC Reference Basket
P/BV:	Price to book value
PCL:	Press Corporation Limited Plc
P/E:	Price to earnings
RBM:	Reserve Bank of Malawi
SUNBIRD:	Sunbird Tourism Plc
TB:	Treasury Bill
TN:	Treasury Note
TNM:	Telekom Networks Malawi Plc
TT:	Telegraphic Transfer
UN:	United Nations
USA:	United States of America
USD:	United States Dollar
Y-O-Y:	Year-on-year
YTD:	Year-to-date
ZAR:	South African Rand

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