



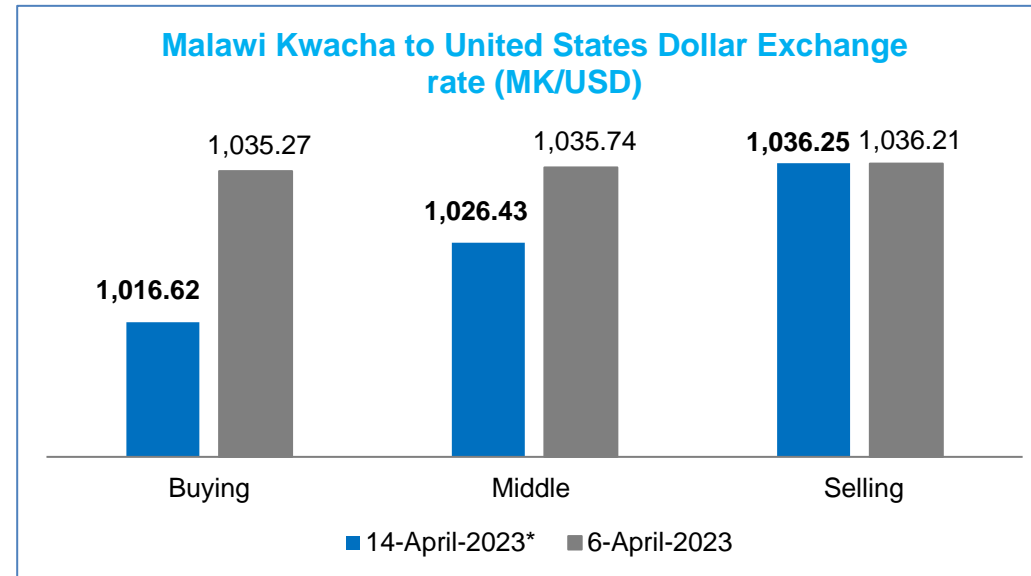
Malawi Financial Market Update

Week ending 14 April 2023

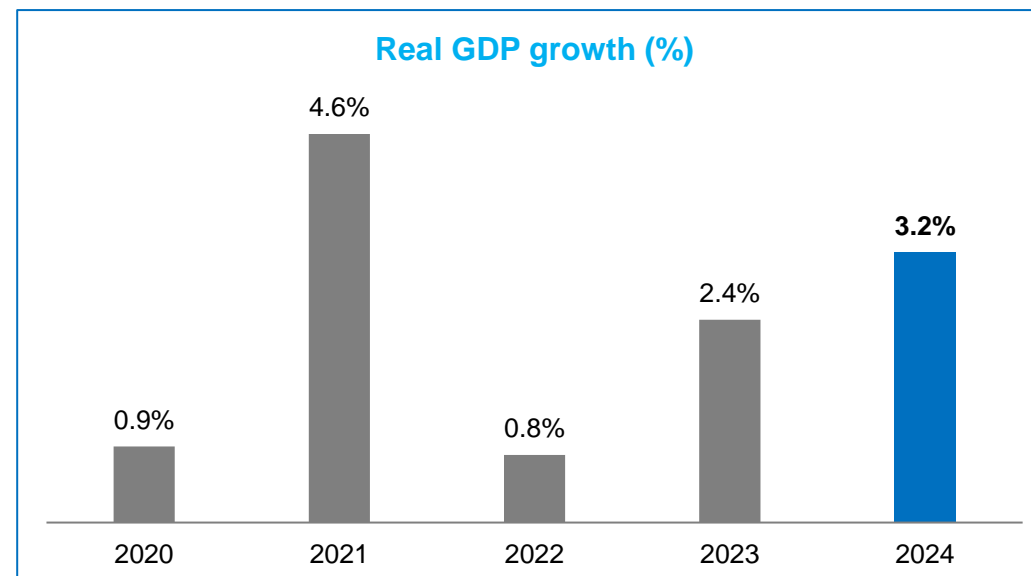


Foreign currency market and other market developments

Foreign currency (Source: RBM)



Real GDP growth (Source: IMF World Economic Outlook April 2023)



*: Reserve Bank of Malawi opening exchange rates as of 14 April 2023

What Happened This Week

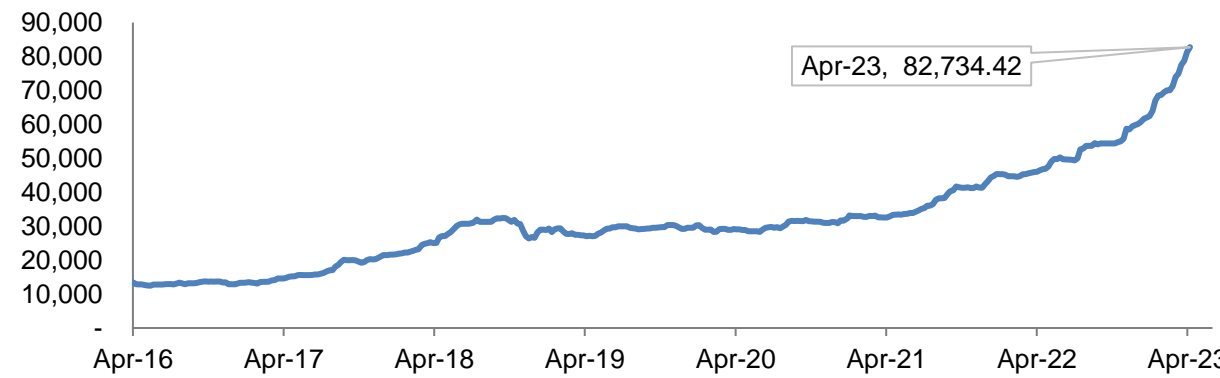
1. Tea Association of Malawi Limited (TAML) stated that about 100 hectares of tea were affected by the tropical cyclone Freddy. Consequently, this has left over 2,000 farmers in the tea growing districts of Thyolo and Mulanje stranded. TAML further stated that as a result, the yield may be lower than in the previous year, therefore expecting it to have an effect on the country's foreign exchange generation capacity (*The Daily Times, 10 April 2023*).
2. The World Bank has revised its projection of Malawi's gross domestic product (GDP) growth for 2023 downwards to 1.4%, from a previously estimated 3.0%. According to the World Bank, the GDP growth forecast of more than half of the countries in the region have been revised downwards. The World Bank further stated that the downward revisions were on account of the Sub-Saharan Africa region facing uncertainty from the global economy, underperformance of the continent's largest economies, high inflation as well as a deceleration of investment growth (*The Daily Times, 10 April 2023*).
3. Following the restoration of three of four power generation machines at the Kapichira hydro-power plant, the station is currently contributing 97.2 megawatts (MW) to the national grid. This represents the restoration of 75% of the 129 MW that the station was producing prior to taking in damage from the tropical cyclone Ana in January 2022. This is expected to reduce the loadshedding experienced in the previous months (*The Nation, 14 April 2023*).
4. The Department of Disaster Management Affairs (DODMA) has indicated that it requires about MK147.8 billion to implement Tropical Cyclone Freddy Response Plan to address immediate survival needs of the affected people. So far DODMA, has raised MK37.3 billion, leaving a deficit of MK110.6 billion. The Plan is expected to run for three months and targets 363,856 households, equivalent to 1.6 million individuals (*The Nation, 14 April 2023*).
5. The International Monetary Fund (IMF) has projected Malawi's current account deficit to widen to 12.2% of gross domestic product (GDP) in 2023, from an estimated 3.6% in the previous year. This projected increase is on account of commodity price increases as a result of the Russia-Ukraine war, which disrupted global supply chains and trade balances. As such, for countries like Malawi, the increased cost of importation of commodities negatively affected the current account balance (*The Nation, 14 April 2023*).



Financial Market Update: Week ending 14 April 2023

Stock market (Source: MSE)

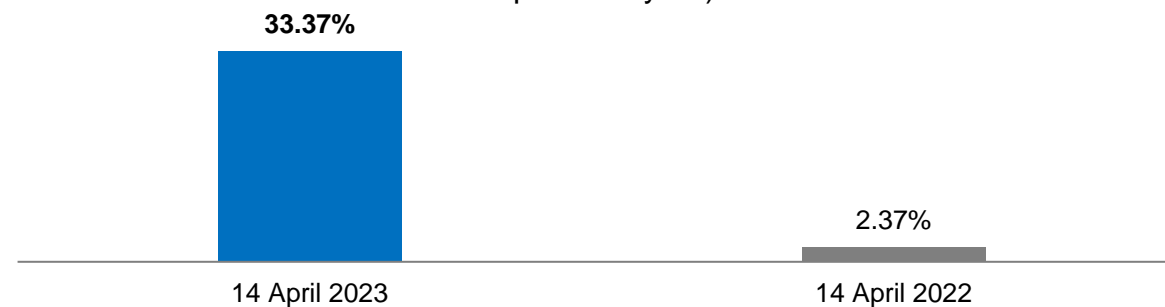
Malawi All Share Index (MASI)



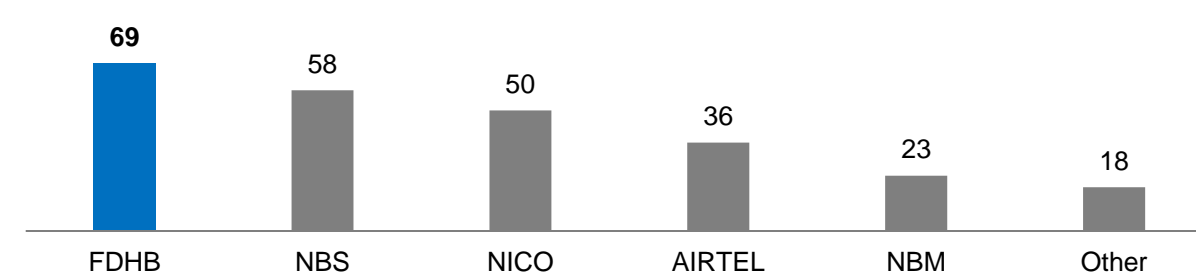
The stock market was bullish with the Malawi All Share Index (MASI) closing the week ending 14 April 2023 at 82,734.42 points from 81,354.83 points for the week ending 6 April 2023. Week on week, this represents a 1.70% increase.

There were share price gains for AIRTEL and ILLOVO as well as marginal share price gains for TNM, NBM, SUNBIRD and Standard Bank. The share price gains offset marginal share price losses for ICON and MPICO, during the week under review.

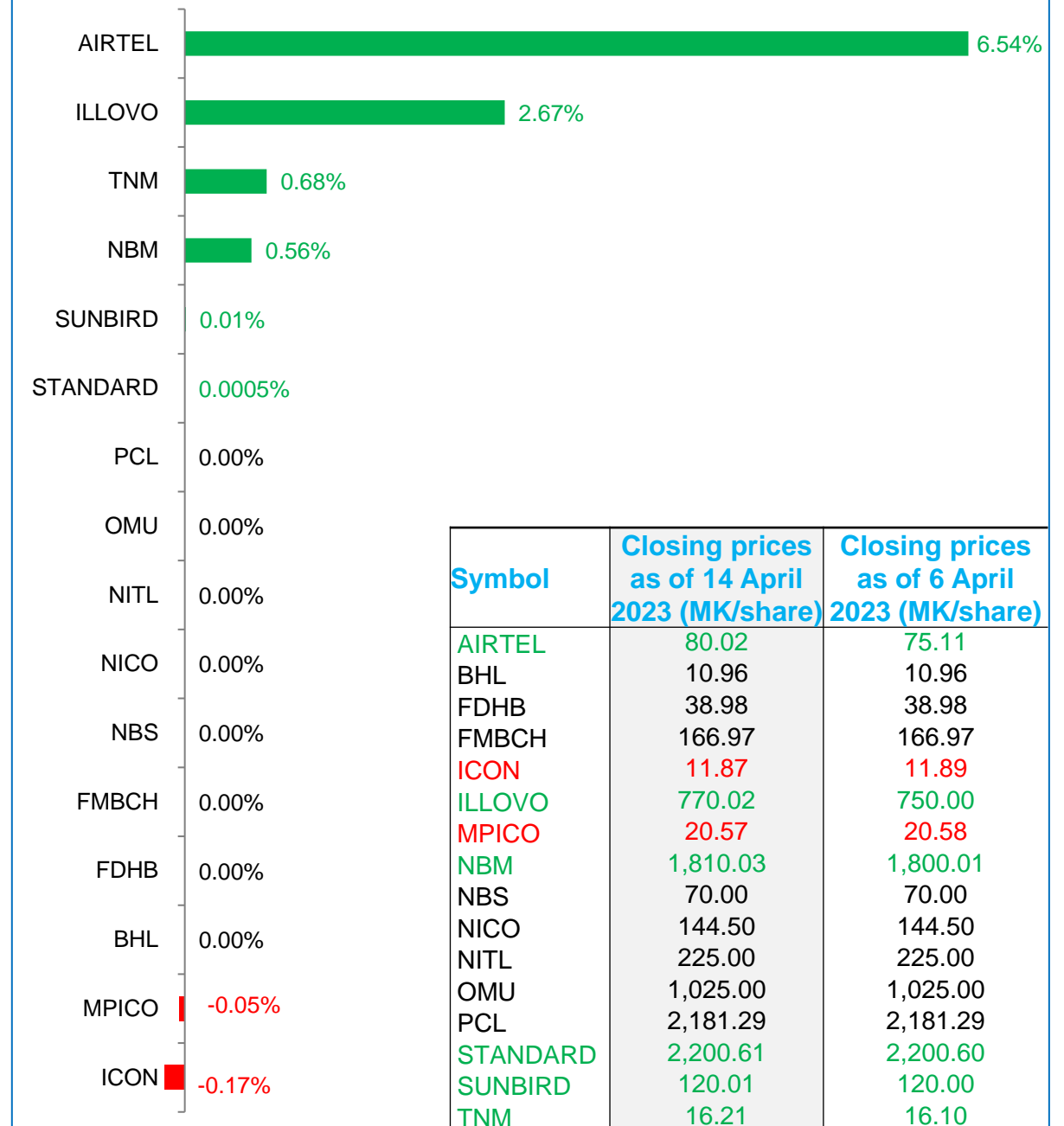
MASI year-to-date - the MASI closed the week with a year-to-date return of 33.37% (it was 2.37% during the same period in the previous year).



Value of shares traded (MK'million) – FDH Bank had the highest value of shares traded during the week at MK69 million. The total value of shares traded was MK255 million.



Week-on-week share price percentage change (%)

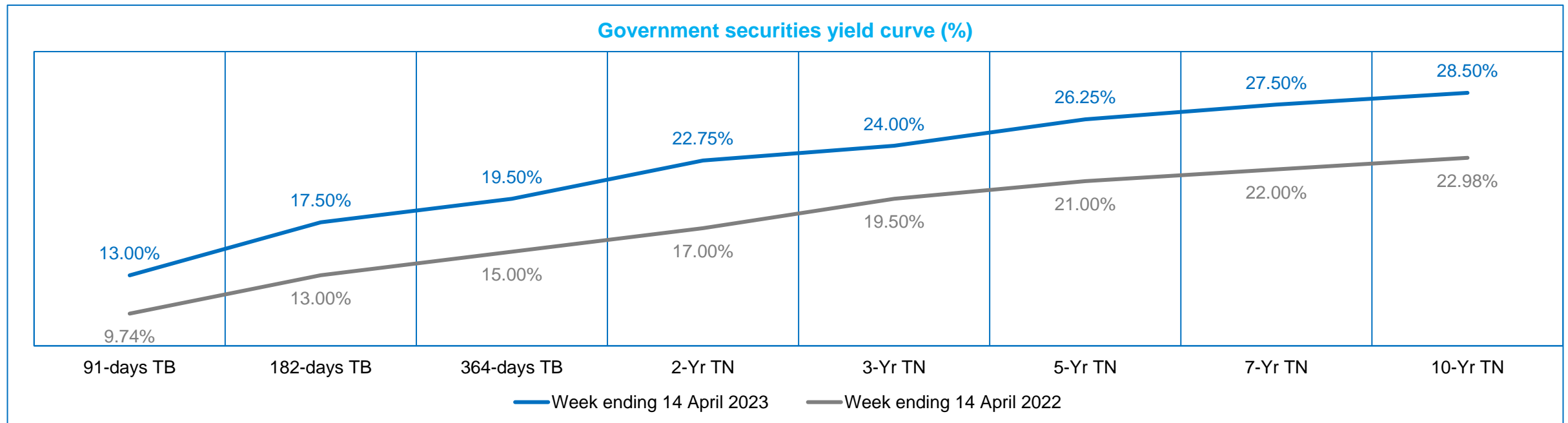
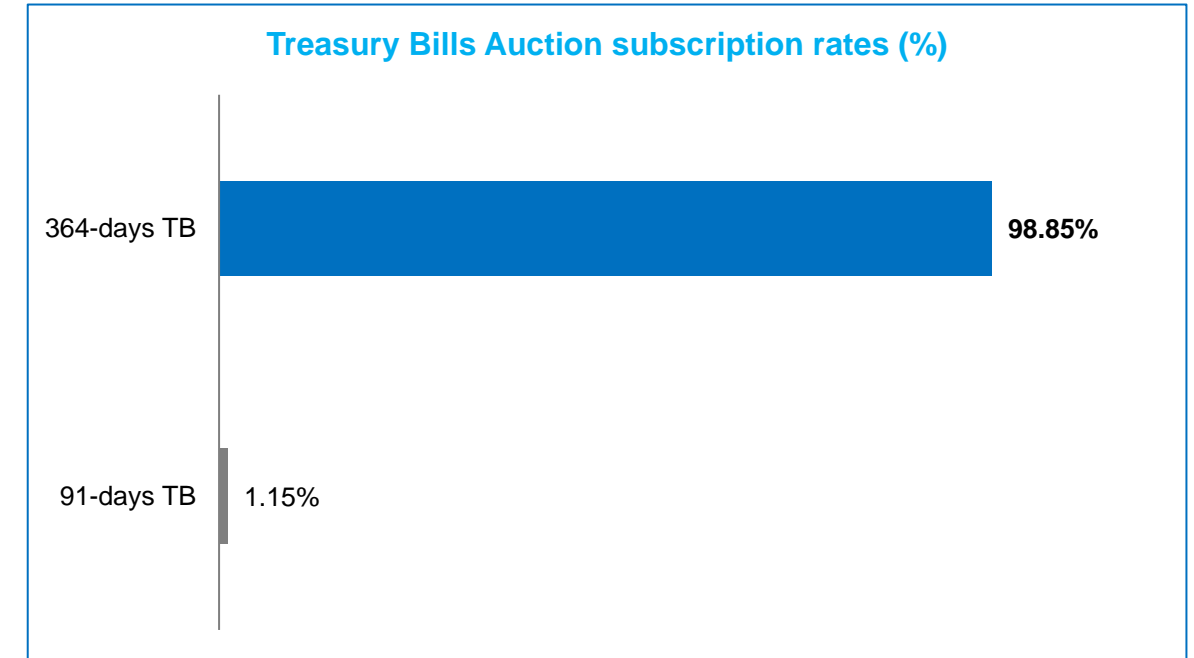
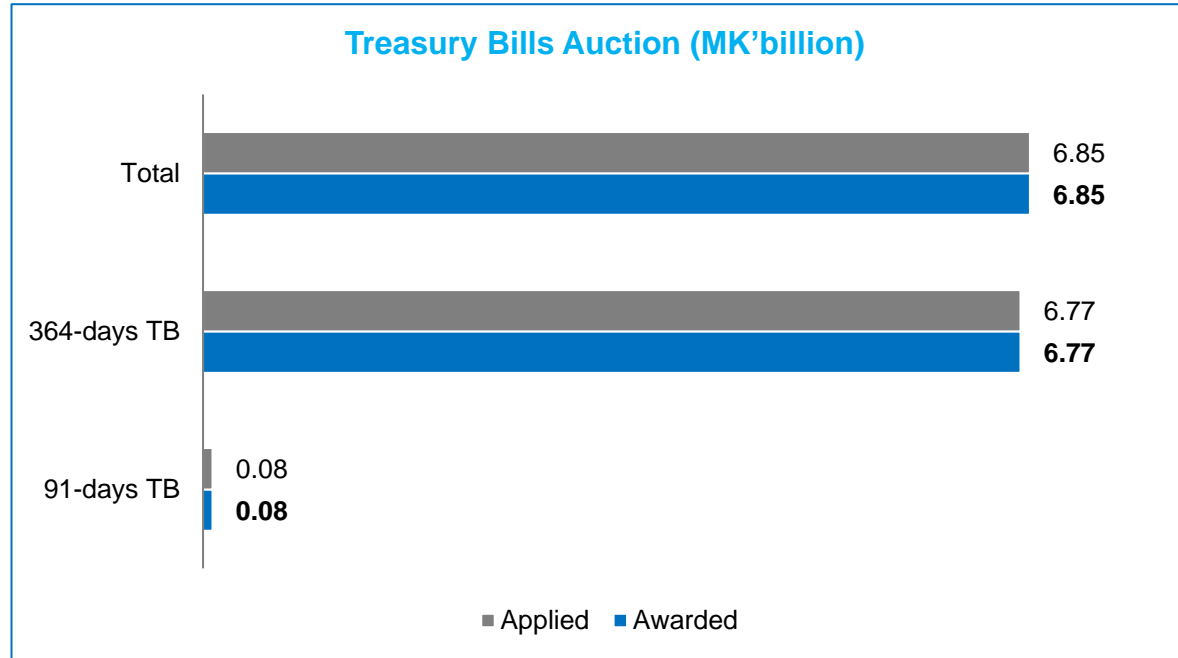


Symbol	Closing prices as of 14 April 2023 (MK/share)	Closing prices as of 6 April 2023 (MK/share)
AIRTEL	80.02	75.11
BHL	10.96	10.96
FDHB	38.98	38.98
FMBCH	166.97	166.97
ICON	11.87	11.89
ILLOVO	770.02	750.00
MPICO	20.57	20.58
NBM	1,810.03	1,800.01
NBS	70.00	70.00
NICO	144.50	144.50
NITL	225.00	225.00
OMU	1,025.00	1,025.00
PCL	2,181.29	2,181.29
STANDARD	2,200.61	2,200.60
SUNBIRD	120.01	120.00
TNM	16.21	16.10



Government securities (Source: RBM)

A total of MK6.85 billion was awarded during this week's Treasury Bills (TBs) auction. The 182-days TB was not auctioned during the period under review. The TBs had a nil rejection rate, with the 364-days TB having the highest subscription rate at 98.85%. The average TB yield maintained its position at 16.67% during the week under review.



TB: Treasury Bill
TN: Treasury Note
Yr: Year



Appendix 1: Historical Economic Indicators

	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	14-Apr-23
Exchange rates (middle rates)																	
MK/USD	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	1,034.67	1,031.87	1,033.68	1,033.80	1,026.43*
MK/GBP	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	1,282.60	1,305.57	1,280.21	1,315.33	1,325.45*
MK/EUR	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	1,130.92	1,152.30	1,129.46	1,156.66	1,169.93*
MK/ZAR	57.68	61.82	64.84	66.90	59.34	72.04	65.02	64.13	62.49	58.78	58.36	62.11	62.69	60.72	57.32	59.76	58.65 *
Foreign Exchange Reserves																	
Gross Official Reserves (USD'mn)	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	N/A
Private Sector Reserves (USD'mn)	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	N/A
Total reserves (USD'mn)	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	659.2	N/A	N/A
Gross Official Reserves Import cover (months)	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	N/A
Inflation																	
Headline	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	N/A
Food	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	N/A
Non-food	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	N/A
Interest Rates																	
Monetary Policy rate	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%	18.00%
Average Interbank rate	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%	15.00%
Average base lending rate	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%	18.20%
Government Securities Yields																	
91-days Treasury Bill	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%	13.00%
182-days Treasury Bill	13.00%	13.00%	12.99%	13.00%	13.00%	15.00%	15.00%	15.00%	15.50%	15.50%	15.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%
364-days Treasury Bill	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%	19.50%
2-year Treasury Note	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%	22.75%
3-year Treasury Note	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%	24.00%
5-year Treasury Note	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%	26.25%
7-year Treasury Note	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%	27.50%
10-year Treasury Note	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%	28.50%
Stock Market Indices																	
MASI	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	82,734.42
DSI	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	67,040.96
FSI	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	8,399.21

*: Reserve Bank of Malawi opening exchange rates as of 14 April 2023

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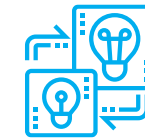
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