



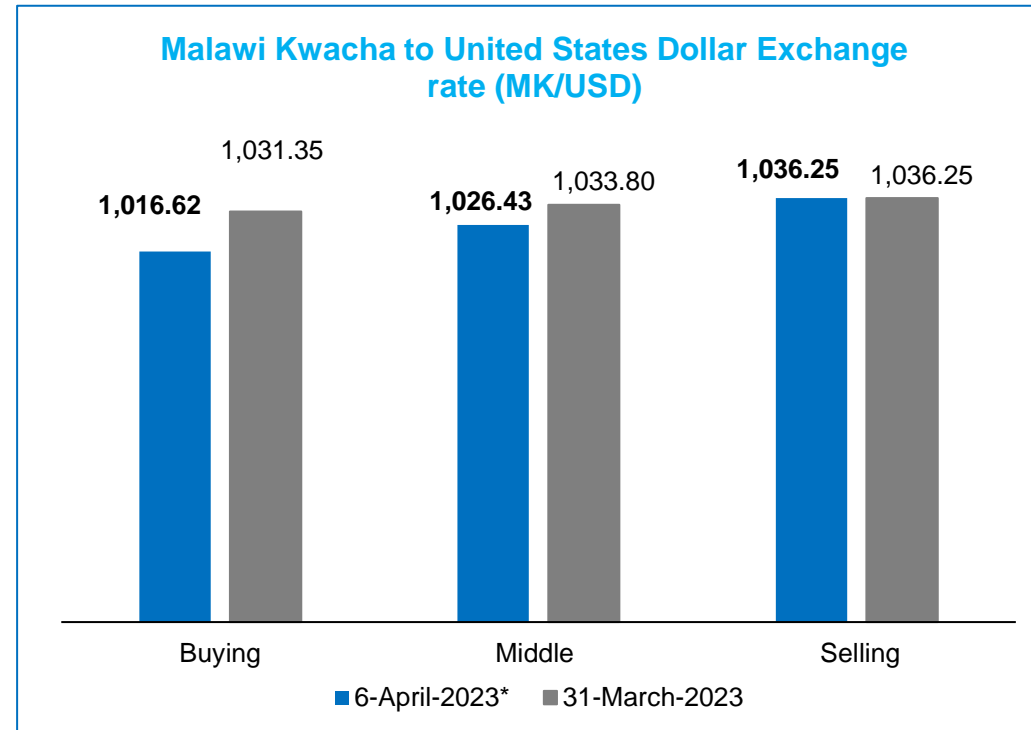
Malawi Financial Market Update

Week ending 6 April 2023



Foreign currency market and other market developments

Foreign currency (Source: RBM)



The United Nations (UN), together with other humanitarian partners in Malawi, are calling for USD115.9 million (about MK120 billion) support to be used in assisting community members affected by Tropical Cyclone Freddy and the cholera outbreak.

What Happened This Week

1. The United Nations (UN), together with other humanitarian partners in Malawi, are calling for USD115.9 million (about MK120 billion) support to be used in assisting community members affected by Tropical Cyclone Freddy and the cholera outbreak. The UN estimates that USD70.6 million would be used to assist 1.1 million people affected by the cyclone while USD45.3 million would be used for cholera (*The Daily Times, 3-April-2023*).
2. The Reserve Bank of Malawi (RBM) has reported the country's import bill continues to increase on account of a weak kwacha and rising global prices. This has resulted in the country's trade balance worsening. According to the RBM, imports stood at USD91.2 million (MK94.5 billion) in January 2023 from USD85.8 million (MK88.9 billion) in December 2022 (*The Nation, 3-April-2023*).
3. According to the Famine Early Warning Systems Network (FewsNet), high demand and prices of maize in neighboring countries has led to an increase in informal exports of the stable grain. The severe drought that has affected East African countries, such as Kenya, affected their production and increased their appetite for importing maize. Maize prices are currently hovering around MK38,000 per 50 kilogramme bag, which is above the post-harvest period average for the last 5 years (*The Nation, 4-April-2023*).
4. The International Monetary Fund (IMF) stated that their current intervention in Malawi does not include a cash package as they disbursed about USD100 million in October 2022 under the food shock window. Their discussion with the Government of Malawi is centered on securing a new Extended Credit Facility (ECF) (*The Daily Times, 4-April-2023*).
5. Electricity Generation Company (Egenco) has resumed operations at Kapichira Hydro Power Station in Chikwawa District. The station was closed 14 months ago after Tropical Cyclone Ana washed away a section of Kapichira cofferdam. Currently, only one machine (produces 32.4 megawatts against the plant's total capacity of 129 megawatts) has been switched on. Egenco plans to switch on at least three machines while they continue with construction works. ESCOM's Chief Executive Office stated that USD30 million was required to restore the damaged infrastructure and improve the resilience of the system (*The Daily Times, 6-April-2023*).

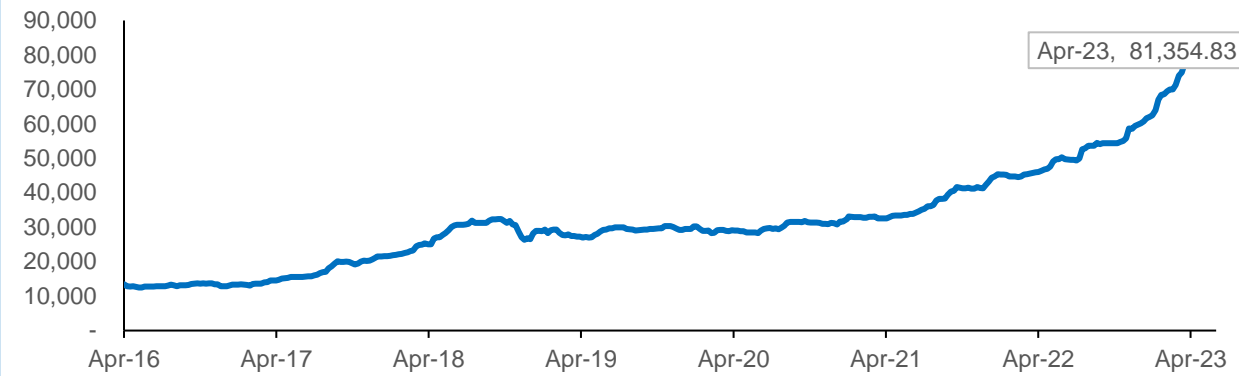
*: Reserve Bank of Malawi opening exchange rates as of 6 April 2023



Financial Market Update: Week ending 6 April 2023

Stock market (Source: MSE)

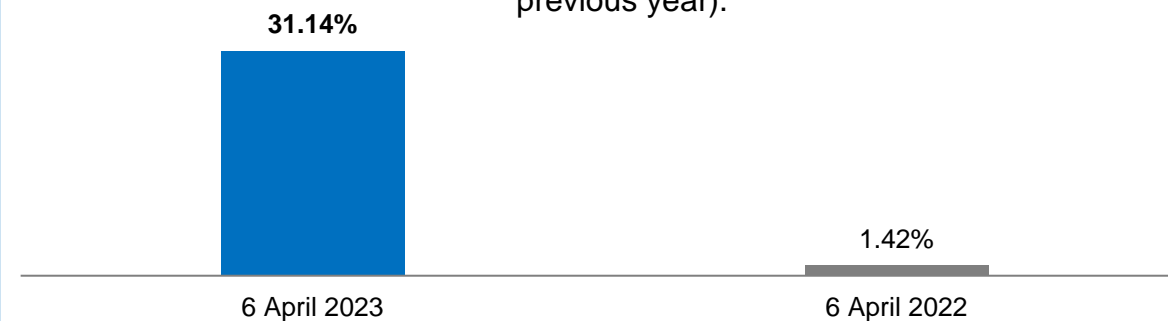
Malawi All Share Index (MASI)



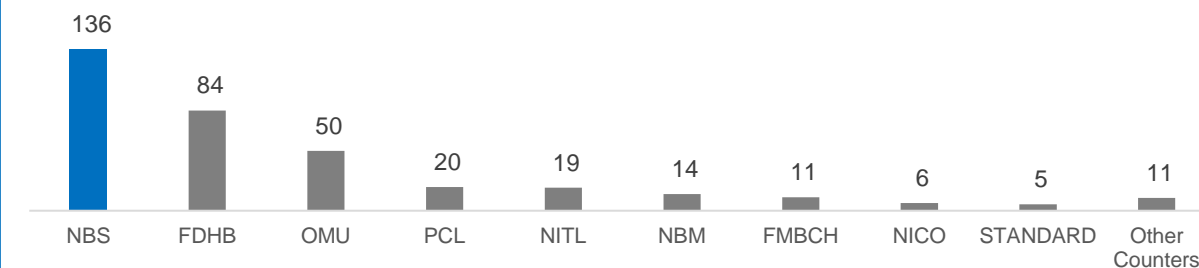
The stock market was bullish with the Malawi All Share Index (MASI) closing the week ending 6 April 2023 at 81,354.83 points, from 80,298.12 points for the week ending 31 March 2023. Week on week, this represents a 1.32% increase.

There were share price gains for OMU, NITL, NBS, NICO, TNM and NBM as well as a marginal share price gain for AIRTEL. The share price gains offset marginal share price losses by PCL and FMBCH, during the week under review.

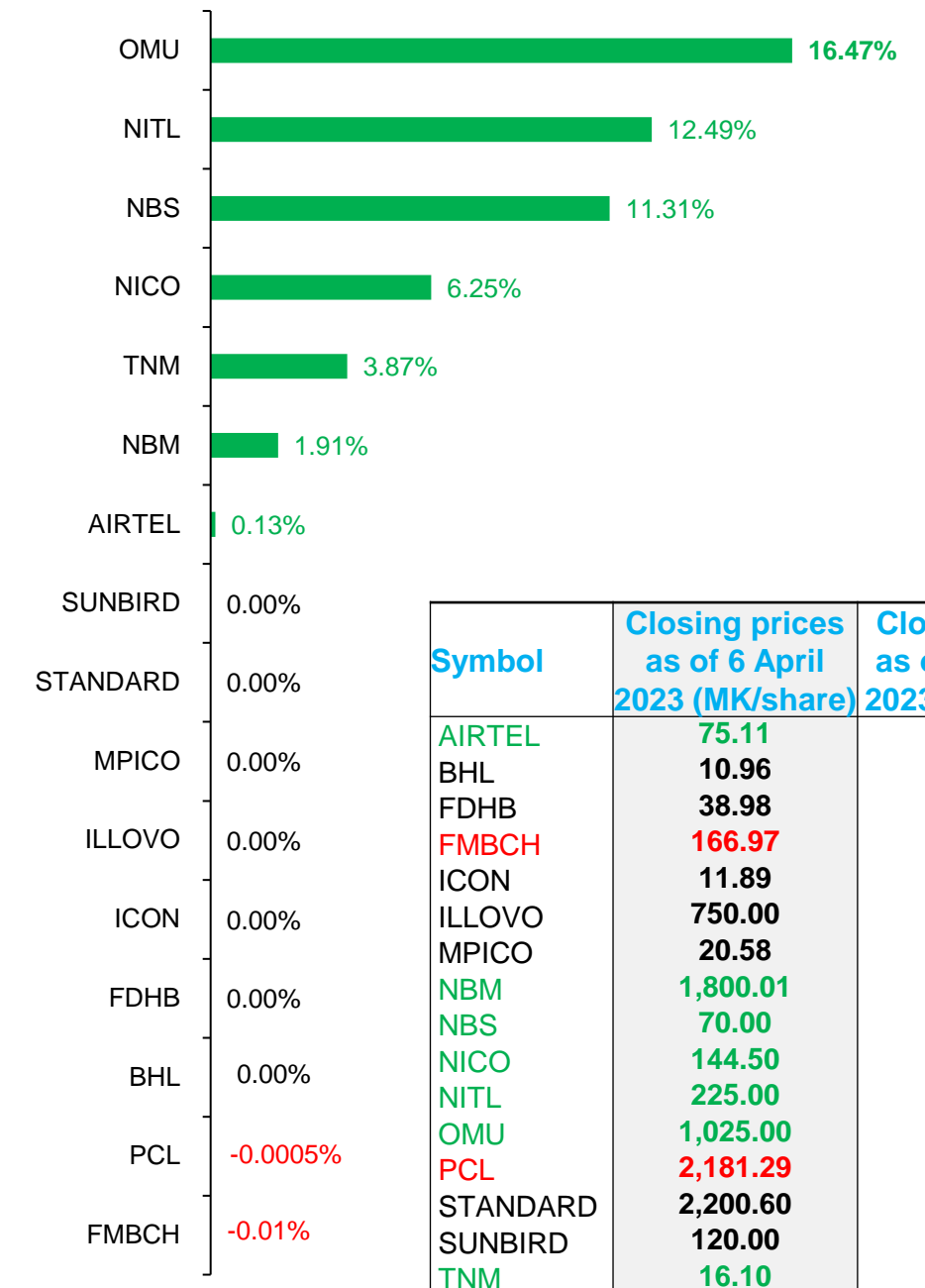
MASI year-to-date - the MASI closed the week with a year-to-date return of 31.14% (it was 1.42% during the same period in the previous year).



Value of Shares Traded (MK'million)- NBS had the highest value of shares traded during the week at MK136 million. The total value of shares traded was MK357 million.



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



| Symbol | Closing prices as of 6 April 2023 (MK/share) | Closing prices as of 31 March 2023 (MK/share) |
|----------|----------------------------------------------|-----------------------------------------------|
| AIRTEL | 75.11 | 75.01 |
| BHL | 10.96 | 10.96 |
| FDHB | 38.98 | 38.98 |
| FMBCH | 166.97 | 166.98 |
| ICON | 11.89 | 11.89 |
| ILLOVO | 750.00 | 750.00 |
| MPICO | 20.58 | 20.58 |
| NBM | 1,800.01 | 1,766.29 |
| NBS | 70.00 | 62.89 |
| NICO | 144.50 | 136.00 |
| NITL | 225.00 | 200.01 |
| OMU | 1,025.00 | 880.04 |
| PCL | 2,181.29 | 2,181.30 |
| STANDARD | 2,200.60 | 2,200.60 |
| SUNBIRD | 120.00 | 120.00 |
| TNM | 16.10 | 15.50 |

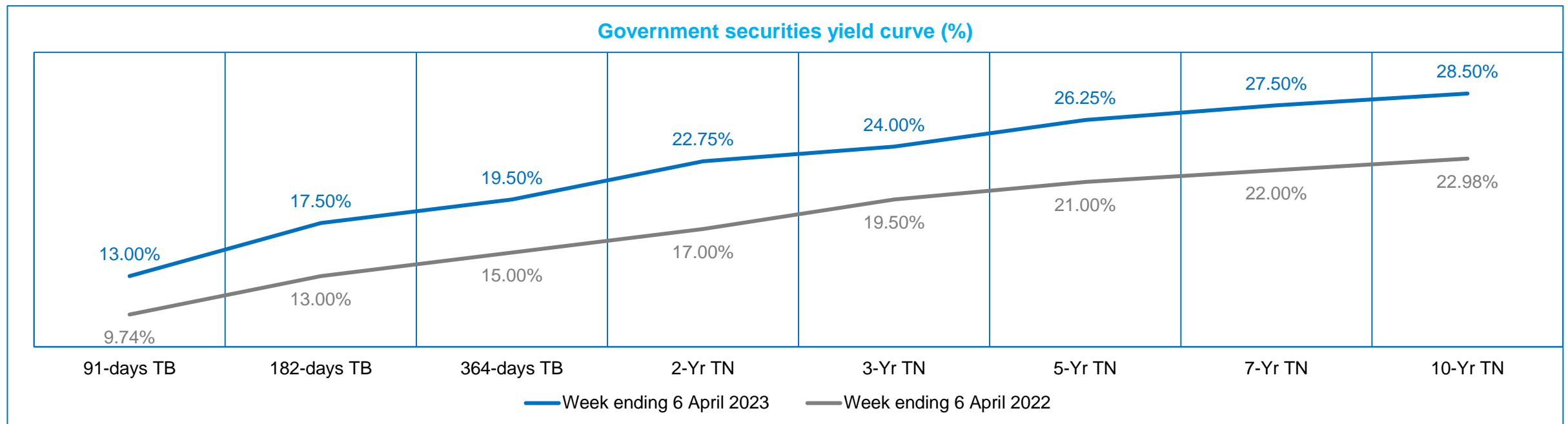
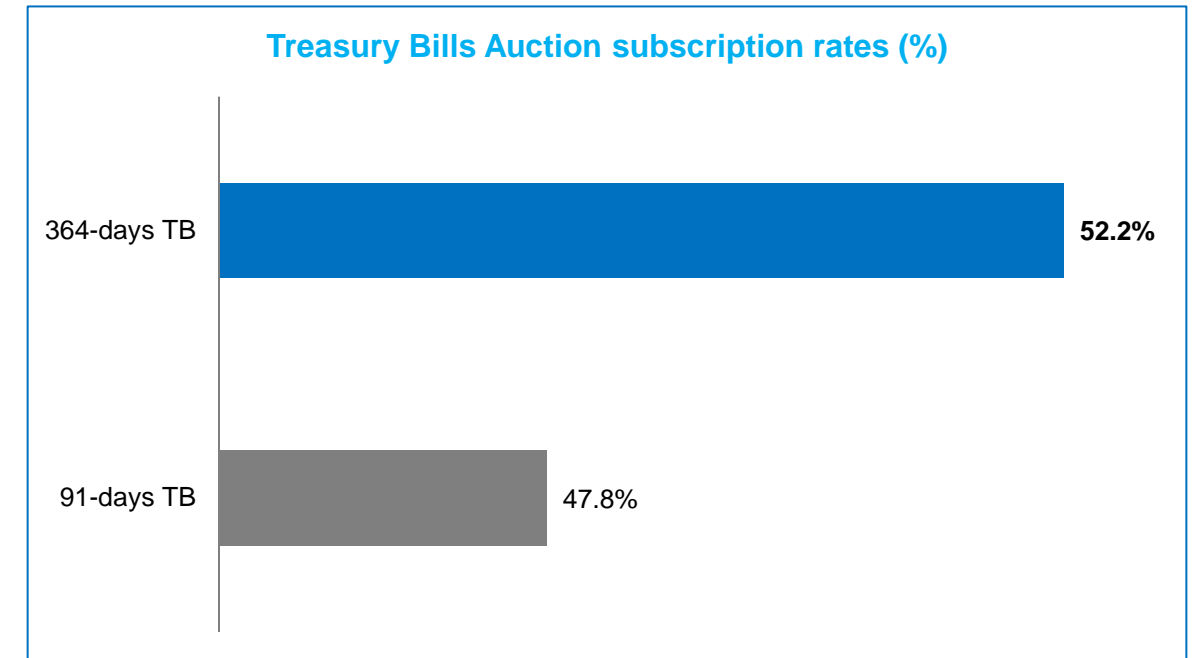
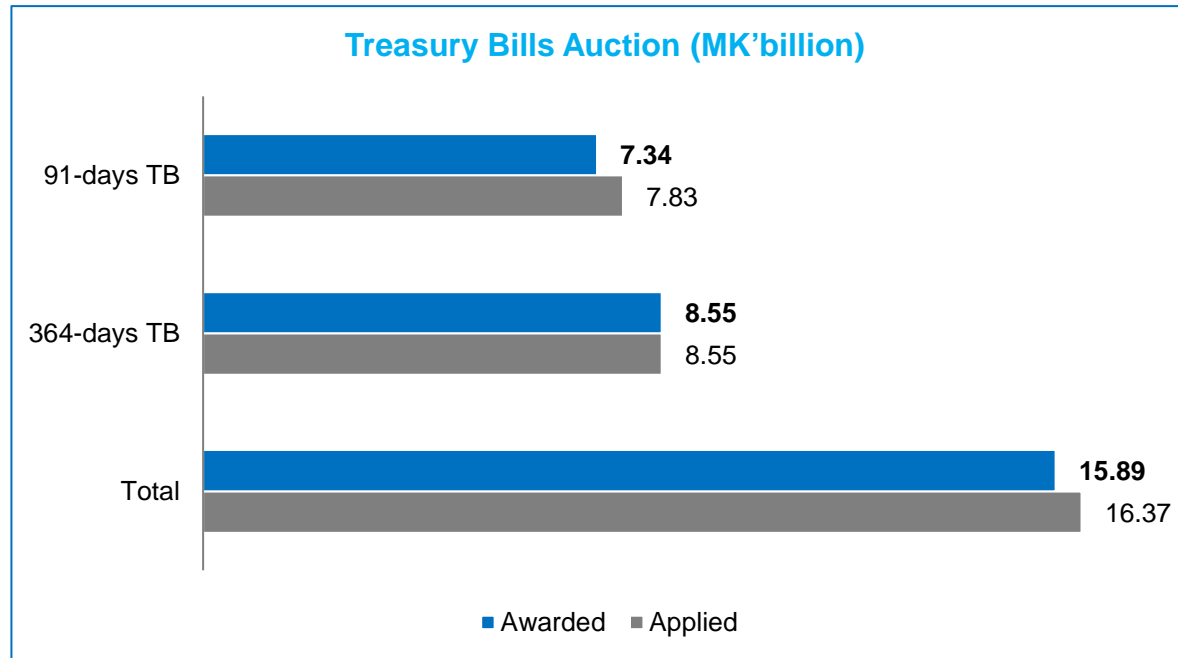


Government securities (Source: RBM)

A total of MK15.89 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 2.94% rejection rate, with the 364-days TB having the highest subscription rate at 52.20%.

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 | 6-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 | 1,316.14* |
| 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 | 1,152.38* |
| 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 | 58.48* |
| 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 | 81,354.83 |
| 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 | 65,813.39 |
| 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 6 April 2023

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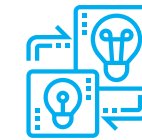
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