



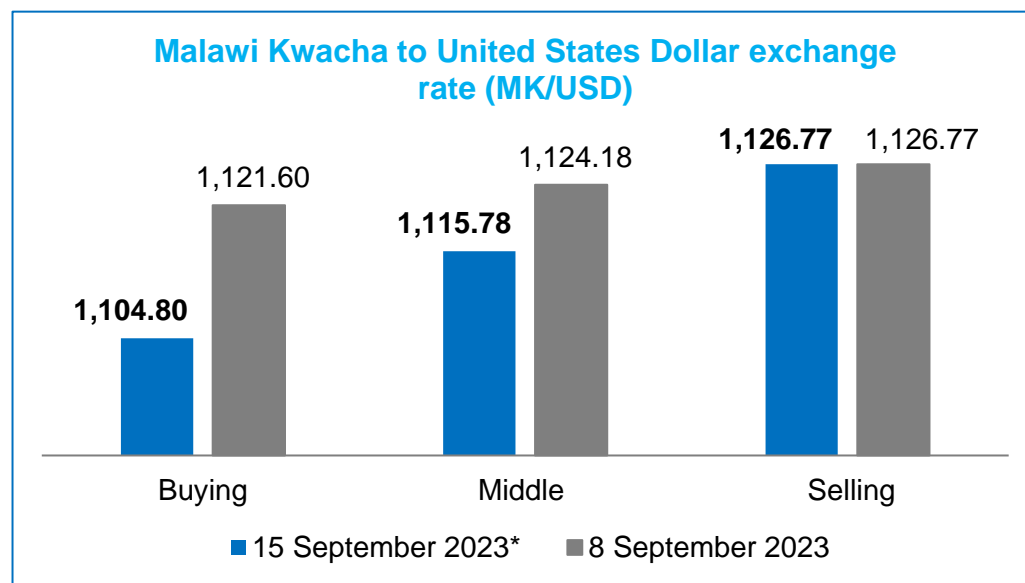
Malawi Financial Market Update

Week ending 15 September 2023

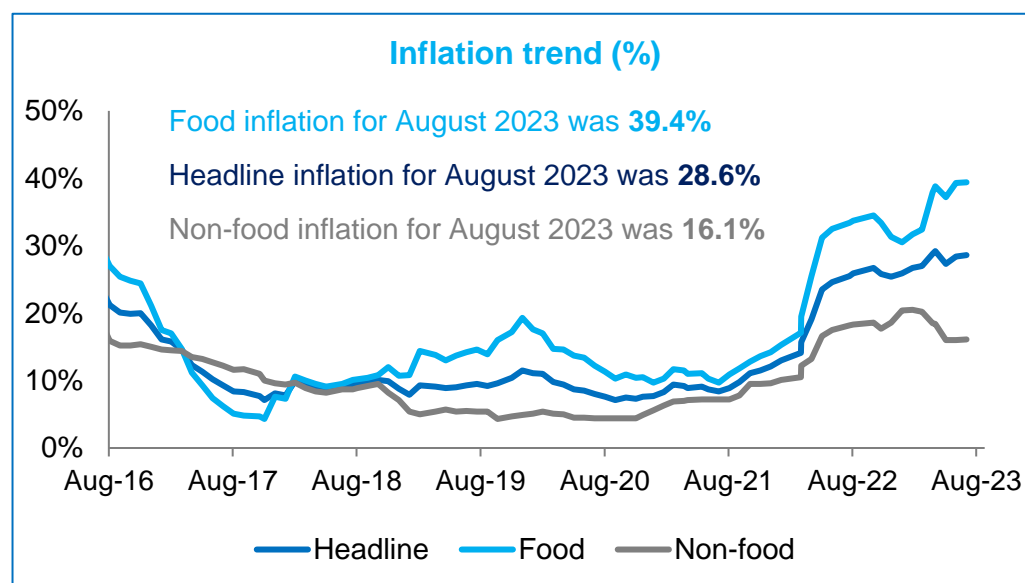


Exchange rate and other market developments

Exchange rate (Source: RBM)



Inflation (Source: NSO)



*: Reserve Bank of Malawi opening exchange rates as of 15 September 2023

What Happened This Week

- The latest statistics from the National Statistics Office (NSO) reveal that the year-on-year inflation rate for August 2023 stands at 28.6%, an increase of 0.2 percentage points from 28.4% recorded in July 2023. The food inflation rate marginally increased to 39.4% in August 2023 from 39.3% in July 2023. Similarly, the non-food inflation rate marginally increased to 16.1% in August 2023 from 16.0% in July 2023 (NSO, 15 September 2023).
- The June 2023 Financial Stability report released by the Reserve Bank of Malawi (RBM) shows that the country's pension assets rose to MK2.3 trillion in the second quarter of 2023 from MK1.9 trillion in the first quarter. The report indicates that the pension sector recorded growth in both pension contributions and investment income during the first six months of the year to June 2023, with growth in total assets being MK0.7 trillion compared to MK112.1 billion as at June 2022. The growth in pension contributions and investment income has been on account of an increase in membership to the national pension scheme to 572,579 as of June 2023 from 532,901 recorded in June 2022 (The Daily Times, 11 September 2023).
- Data from the RBM's July 2023 Monthly Economic Review shows that the 2023/24 national budget recorded a MK20.7 billion surplus in July 2023 from a deficit of MK51.5 billion in June 2023. The report has said that the surplus is due to improved tax collection and grants. Total government revenues increased by 21% to MK246.7 billion in July 2023 from MK203.9 billion in June 2023, whilst total government expenditures declined by 11.5% to MK226 billion in July 2023 from MK255.4 billion in June 2023 (The Nation, 13 September 2023).
- The United States Agency for International Development (USAID) and Pyxus Agriculture Malawi have announced that they will jointly invest about USD44.6 million (approximately MK50 billion) to boost economic growth in Malawi through improved legume production. Through the partnership, USAID and Pyxus will seek to increase the availability of high-quality groundnut seeds, boost groundnut production and processing, and support the livelihoods of smallholder farmers. USAID will contribute about USD14.6 million toward the investment, while Pyxus will contribute about USD30 million (The Daily Times, 13 September 2023).
- Data from the International Food Policy Research Institute (IFPRI) August 2023 monthly maize market report showed that retail maize prices increased by 6% in August 2023 compared to 27% in July 2023. The retail maize price increased from MK649/kg in the last week of July 2023 to MK690/kg in the last week of August 2023. The report further shows that maize prices were highest in the Southern region but relatively stable whilst continuing to grow in the Northern and Central regions (IFPRI, 15 September 2023).

The National Statistical Office (NSO) has disclosed that headline inflation for August 2023 stands at 28.6%, up 0.2 percentage points from 28.4% recorded in July 2023.

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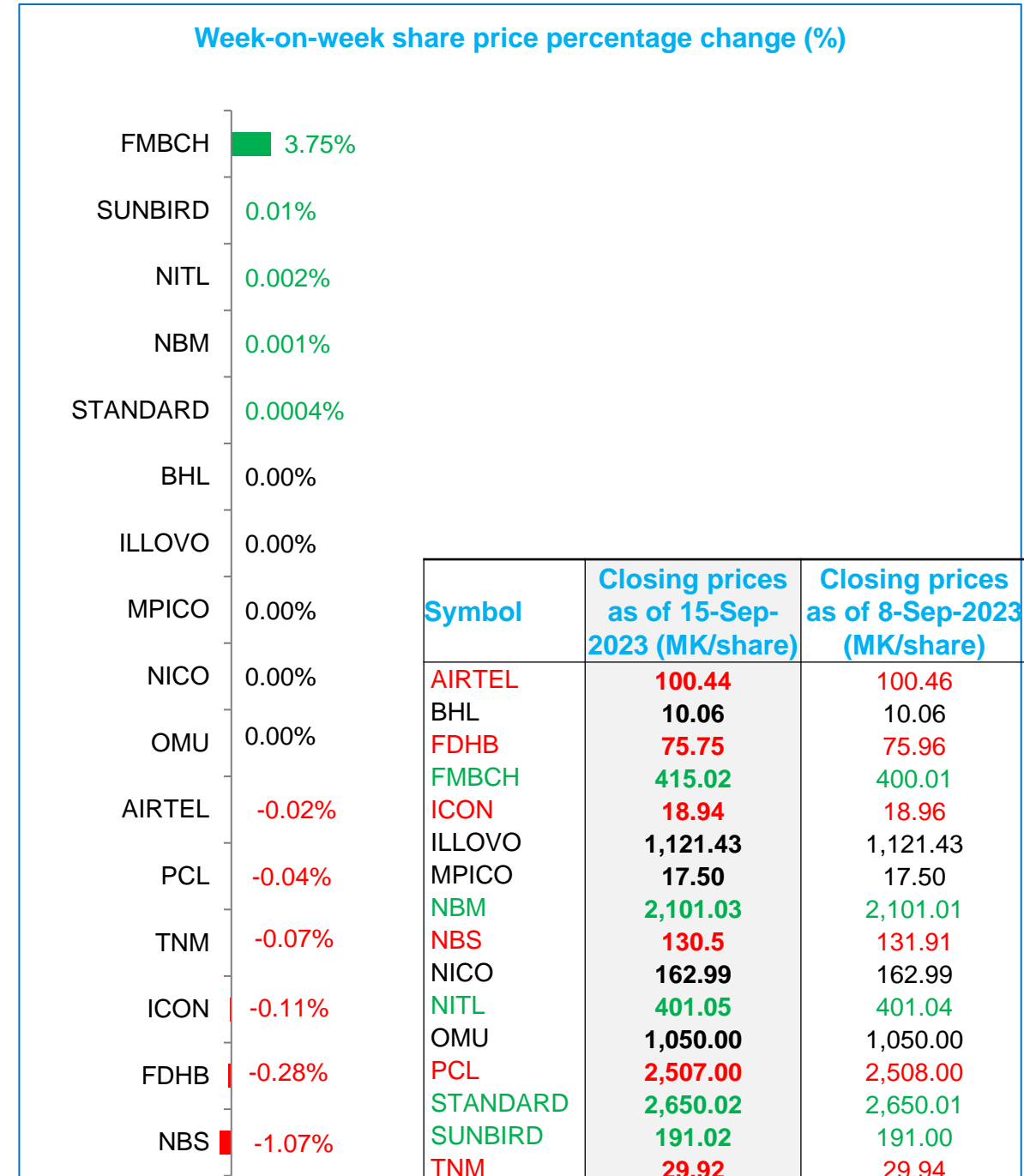
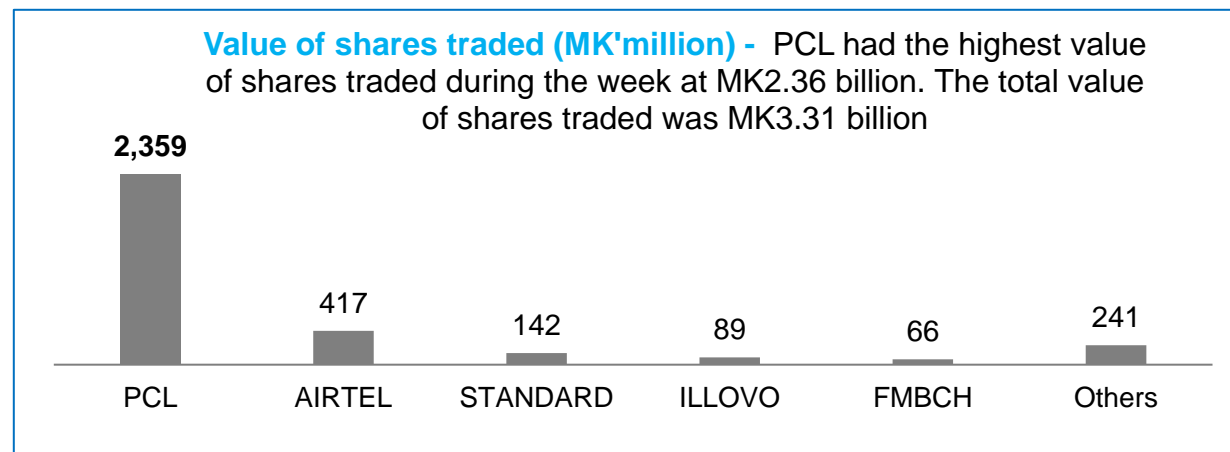
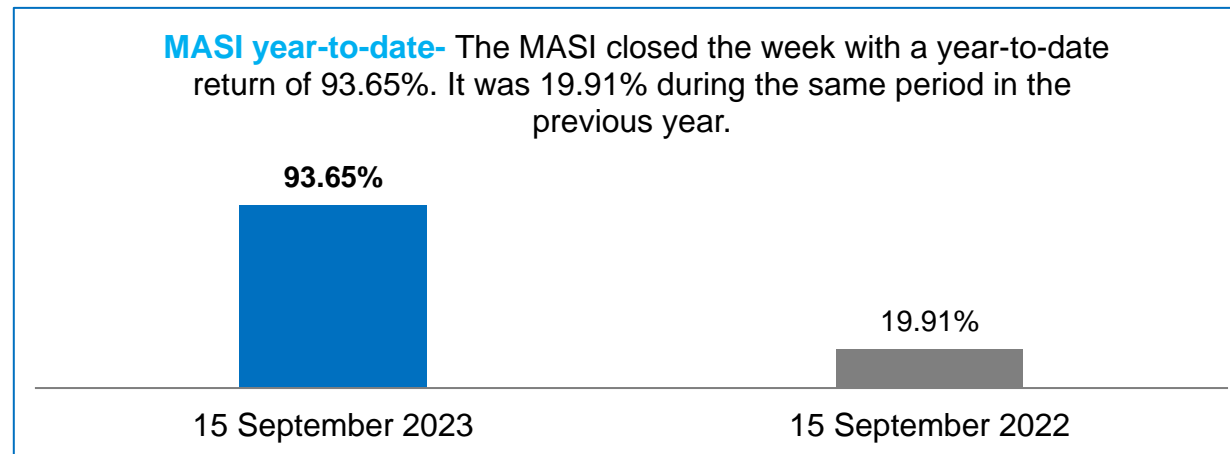
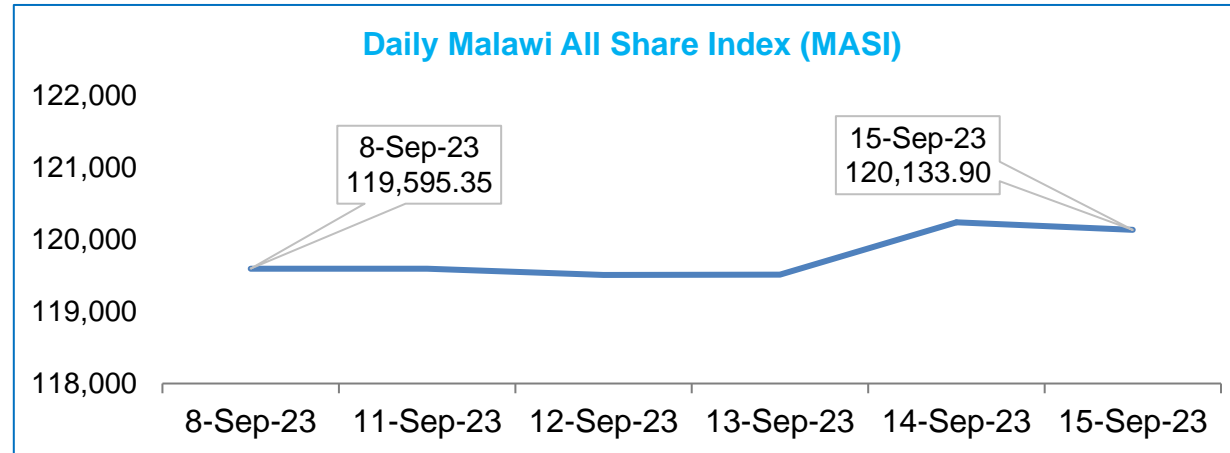
Malawi Financial Market Update: Week ending 15 September 2023

Stock market (Source: MSE)

The stock market was marginally bullish, with the Malawi All Share Index (MASI) closing the week ending 15 September 2023 at 120,133.90 points from 119,595.35 points for the week ending 8 September 2023. Week on week, this represents a 0.45% increase.

There was a 3.75% share price gain for FMBCH. There were also marginal share price gains for SUNBIRD, NITL, NBM, and STANDARD. These offset a 1.07% share price loss by NBS and marginal share price losses by AIRTEL, PCL, TNM, ICON, and FDH Bank during the week under review.

ICON Properties posted a 42% increase in profit after tax to MK6.4 billion for the half year ended 30 June 2023 from MK4.5 billion in the previous corresponding period.



Symbol	Closing prices as of 15-Sep-2023 (MK/share)	Closing prices as of 8-Sep-2023 (MK/share)
AIRTEL	100.44	100.46
BHL	10.06	10.06
FDHB	75.75	75.96
FMBCH	415.02	400.01
ICON	18.94	18.96
ILLOVO	1,121.43	1,121.43
MPICO	17.50	17.50
NBM	2,101.03	2,101.01
NBS	130.5	131.91
NICO	162.99	162.99
NITL	401.05	401.04
OMU	1,050.00	1,050.00
PCL	2,507.00	2,508.00
STANDARD	2,650.02	2,650.01
SUNBIRD	191.02	191.00
TNM	29.92	29.94



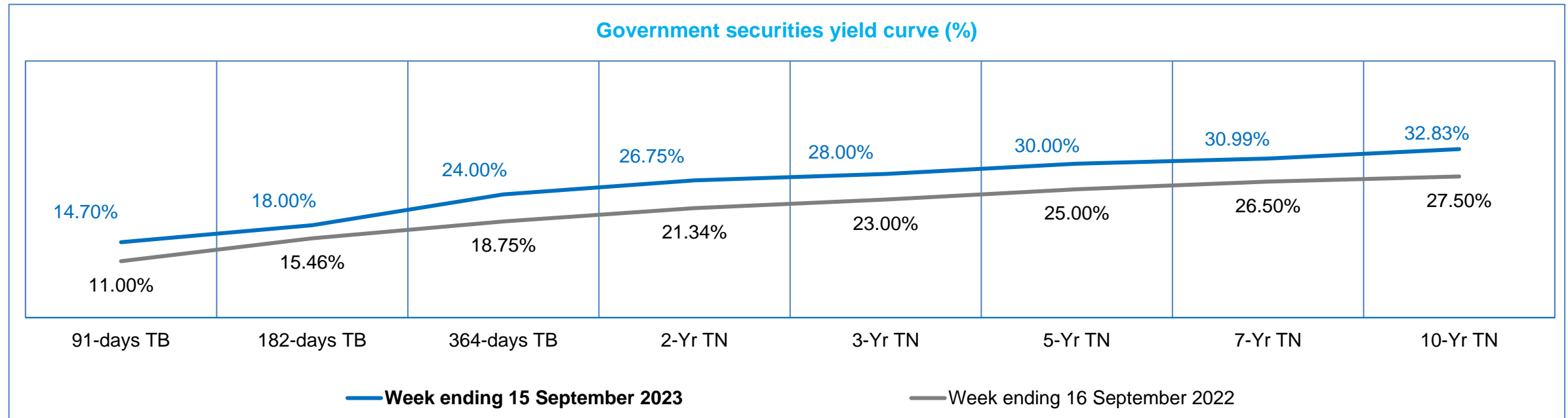
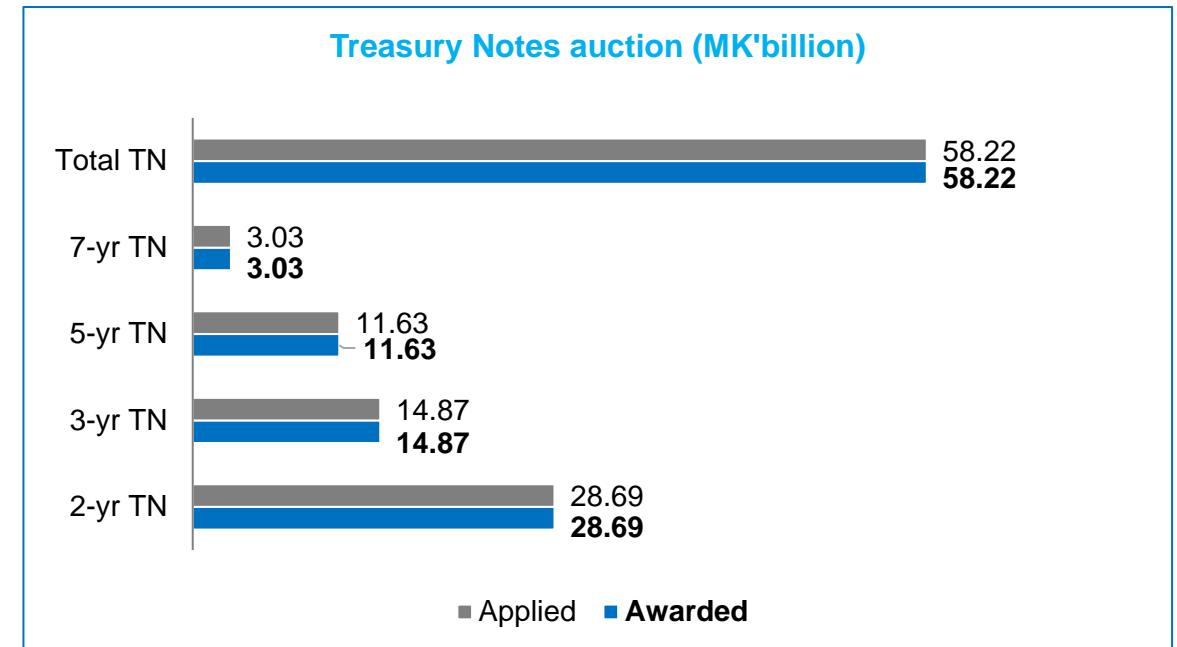
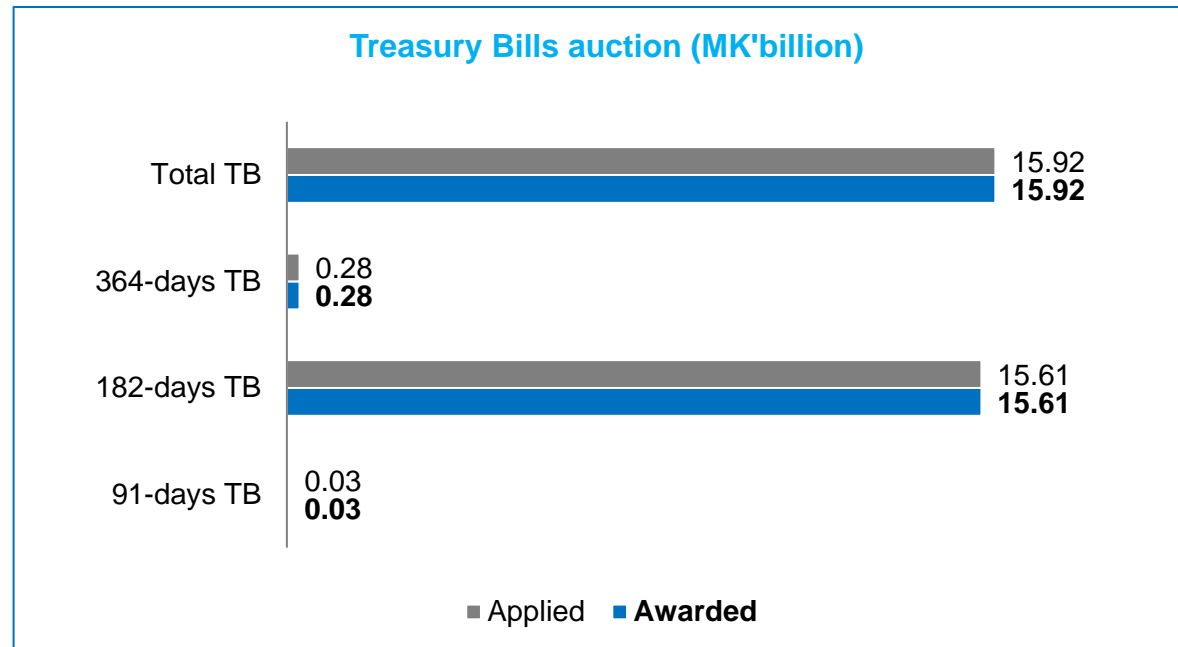
Government securities (Source: RBM)

The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TBs) and 2, 3, 5, and 7-year Treasury Notes (TNs) during the period under review.

A total amount of MK15.92 billion was raised from all the TBs auctions held during the review period.

MK58.22 billion was raised from all the TNs auctions held during the period under review.

The average TB yield remained constant at 18.90%, whilst the average TN yield marginally decreased to 29.71% from 29.92% during the period under review.



TB: Treasury Bill
TN: Treasury Note
Yr: Year



Appendix 1: Historical Economic Indicators

	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	15-Sep-23	
Exchange rates (middle rates)																			
MK/USD	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	1,034.86	1,034.46	1,053.44	1,053.44	1,094.74	1,115.78*	
MK/GBP	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	1,325.22	1,317.23	1,367.48	1,388.31	1,429.20	1,427.72*	
MK/EUR	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	1,171.01	1,135.21	1,177.92	1,191.37	1,226.61	1,224.65*	
MK/ZAR	59.34	72.04	65.02	64.13	62.49	58.78	58.36	62.11	62.69	60.72	57.32	59.76	57.89	53.58	57.82	61.01	60.02	60.54*	
Foreign Exchange Reserves																			
Gross Official Reserves (USD'mn)	363.27	388.22	415.73	372.99	378.89	357.18	326.06	338.87	304.65	279.22	280.66	228.49	200.08	194.82	321.53	267.91	N/A	N/A	
Private Sector Reserves (USD'mn)	362.84	401.13	401.60	396.02	398.43	408.84	427.67	400.77	399.20	384.37	378.54	375.36	403.93	386.90	407.47	406.63	N/A	N/A	
Total reserves (USD'mn)	726.11	789.35	817.33	769.01	777.32	766.02	753.73	739.64	703.85	663.59	659.20	603.85	604.01	581.72	729.00	674.54	N/A	N/A	
Gross Official Reserves Import cover (months)	1.45	1.55	1.66	1.49	1.52	1.43	1.30	1.36	1.22	1.12	1.12	0.91	0.80	0.78	1.29	1.07	N/A	N/A	
Inflation																			
Headline	15.70%	19.10%	23.50%	24.6%	25.5%	25.9%	26.7%	25.8%	25.4%	25.9%	26.7%	27.0%	28.8%	29.2%	27.3%	28.4%	N/A	N/A	
Food	19.50%	25.50%	31.20%	32.5%	33.4%	33.7%	34.5%	33.4%	31.3%	30.5%	31.7%	32.4%	37.9%	38.8%	37.2%	39.3%	N/A	N/A	
Non-food	12.20%	13.20%	16.60%	17.5%	18.2%	18.3%	18.6%	17.7%	18.6%	20.4%	20.5%	20.2%	18.5%	18.4%	16.0%	16.0%	N/A	N/A	
Interest Rates																			
Monetary Policy rate	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%	22.00%	22.00%	24.00%	24.00%	24.00%	
Average Interbank rate	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%	19.26%	20.38%	20.51%	22.76%	22.77%	
Lombard rate	12.20%	14.20%	14.20%	14.20%	14.20%	14.20%	18.20%	18.20%	18.20%	18.20%	18.20%	18.20%	18.20%	22.20%	22.20%	24.20%	24.20%	24.20%	
Commercial bank reference rate	12.20%	13.50%	13.80%	13.90%	13.80%	13.90%	13.90%	16.60%	17.30%	17.30%	17.30%	17.30%	17.30%	20.00%	21.00%	21.40%	22.70%	23.40%	
Government Securities Yields																			
91-days Treasury Bill	9.57%	9.75%	9.75%	10.00%	11.00%	11.00%	11.00%	13.00%	13.00%	13.00%	13.00%	13.00%	12.98%	13.00%	13.00%	13.00%	14.70%	14.70%	
182-days Treasury Bill	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%	17.50%	18.00%	18.00%	18.00%	18.00%	
364-days Treasury Bill	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%	22.49%	22.50%	22.50%	24.00%	24.00%	
2-year Treasury Note	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%	24.75%	24.75%	24.75%	26.75%	26.75%	
3-year Treasury Note	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%	26.00%	26.00%	26.00%	28.00%	28.00%	
5-year Treasury Note	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%	28.00%	28.00%	28.00%	30.00%	30.00%	
7-year Treasury Note	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%	29.50%	29.50%	29.50%	30.46%	30.99%	
10-year Treasury Note	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%	31.19%	31.25%	31.25%	32.83%	32.83%	
Stock Market Indices																			
MASI	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	86,462.61	102,837.75	108,656.97	112,492.50	119,077.99	120,133.90	
DSI	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	70,512.35	83,365.40	87,071.03	88,364.93	90,336.93	90,693.78	
FSI	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	8,202.52	10,396.15	12,297.19	14,982.64	19,947.76	20,691.93	

*: Reserve Bank of Malawi opening exchange rates as of 15 September 2023

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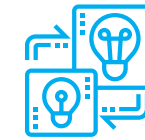
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