



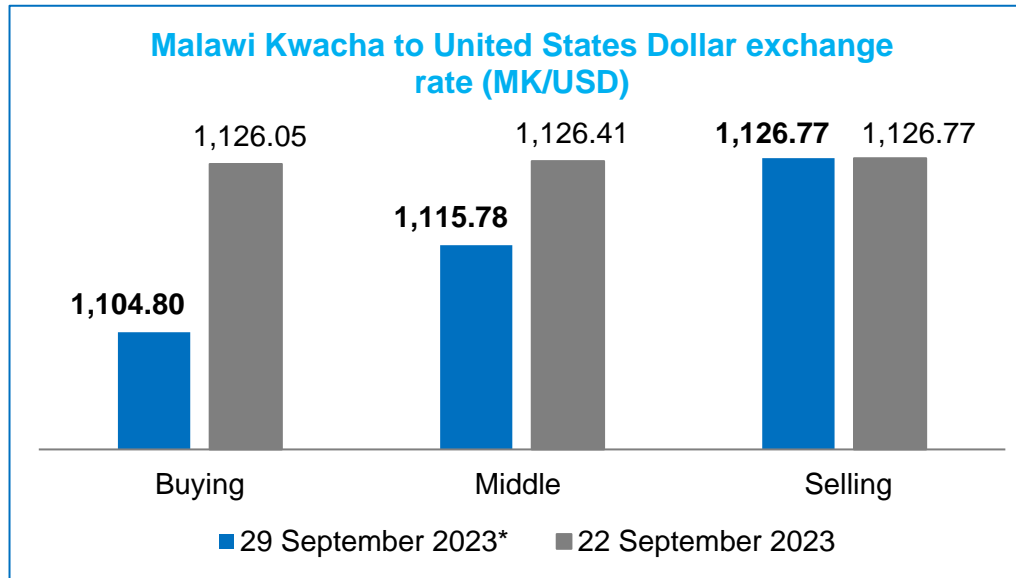
Malawi Financial Market Update

Week ending 29 September 2023

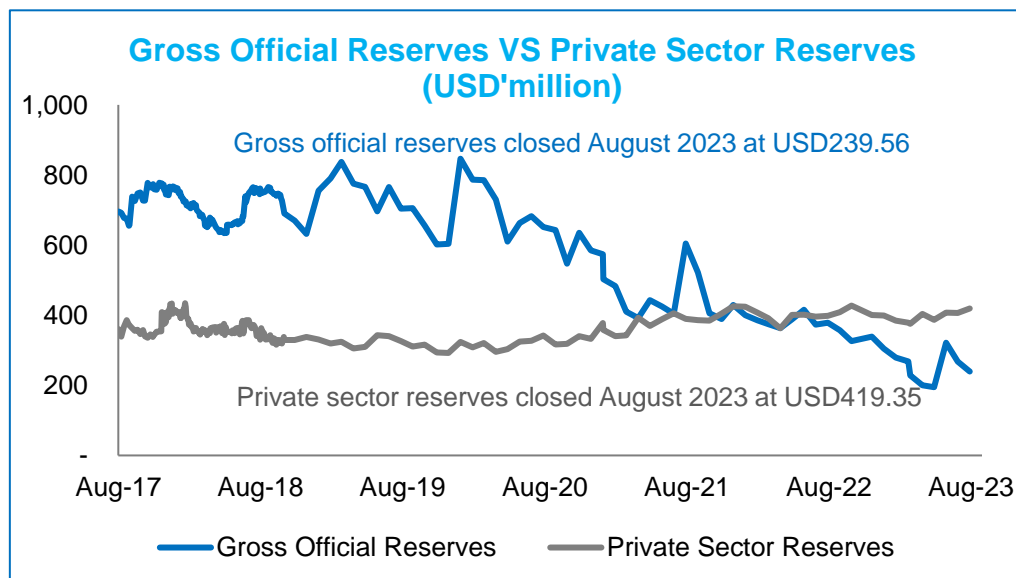


Exchange rate and other market developments

Exchange rate (Source: RBM)



Foreign exchange reserves (Source: RBM)



*: Reserve Bank of Malawi opening exchange rates as of 29 September 2023

What Happened This Week

- As of 31 August 2023, gross official reserves decreased by 10.6% to USD239.56 million (0.96 months of import cover) from USD267.91 million (1.07 months of import cover) in July 2023. Private sector reserves increased by 3.1% to USD419.35 million (1.68 months of import cover) from USD406.63 million (1.63 months of import cover) in the period under review. In total, foreign exchange reserves held in the country in August 2023 decreased by 2.3% to USD658.91 million from USD674.54 million in July 2023. The total foreign exchange reserves import cover decreased to 2.64 months from 2.70 months in the period under review (*The Reserve Bank of Malawi, 27 September 2023*).
- The Reserve Bank of Malawi (RBM) held a foreign exchange auction on 27 September 2023, in which USD350,000 (approximately MK390 million) was raised. The RBM disclosed that the highest bid rate accepted was MK1,184.00/USD, while the lowest bid rate accepted was MK1,160.00/USD. The weighted average rate accepted was MK1,180.29/USD. This rate is the new market selling price and will be effective from 2 October 2023. This represents a 4.7% depreciation from the previous maximum selling price of MK1,126.77/USD (*Reserve Bank of Malawi, 28 September 2023*).
- According to the recently published Malawi annual public debt report, Malawi's total public debt stock rose to MK9.4 trillion in March 2023 (75% of GDP) from MK6.84 trillion in March 2022 (63% of GDP), representing a 38% increase. Out of the total public debt stock, external debt was USD3.94 billion (approximately MK3.94 trillion) whilst domestic debt was USD5.22 billion (approximately MK5.22 trillion). Out of the external debt, International Development Association (IDA) continues to be the largest creditor to the Malawi government at 36% of total external debt, followed by Afrexim bank at 12% of total external debt. In terms of domestic debt, commercial banks remained the biggest creditors followed by the Reserve Bank of Malawi (*The Daily Times, 25 September 2023*).
- On Monday 25 September 2023, the Malawi Stock Exchange listed 5 development bonds and 25 Treasury Notes which have a combined face value of MK1.69 trillion on the Malawi Stock Exchange (*Malawi Stock Exchange, 25 September 2023*).
- During the week, several Malawi Stock Exchange listed companies posted their 2023 half year financials. BHL posted a 2% increase in half-year loss after tax to MK494 million in 2023 from MK484 million in 2022. Old Mutual Limited posted a 7% decrease in 2023 half-year profit after tax (PAT) to ZAR4.9 billion in 2023 from ZAR5.2 billion in 2022. Sunbird posted a 296% increase in half-year PAT to MK1.6 billion in 2023 from MK400 million in 2022 (*The Nation, 28 - 29 September 2023*).



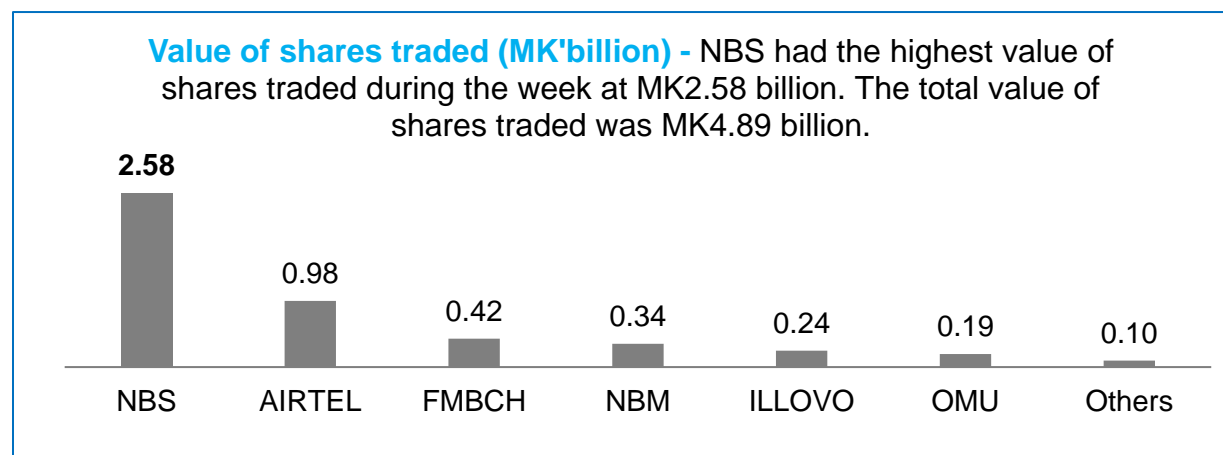
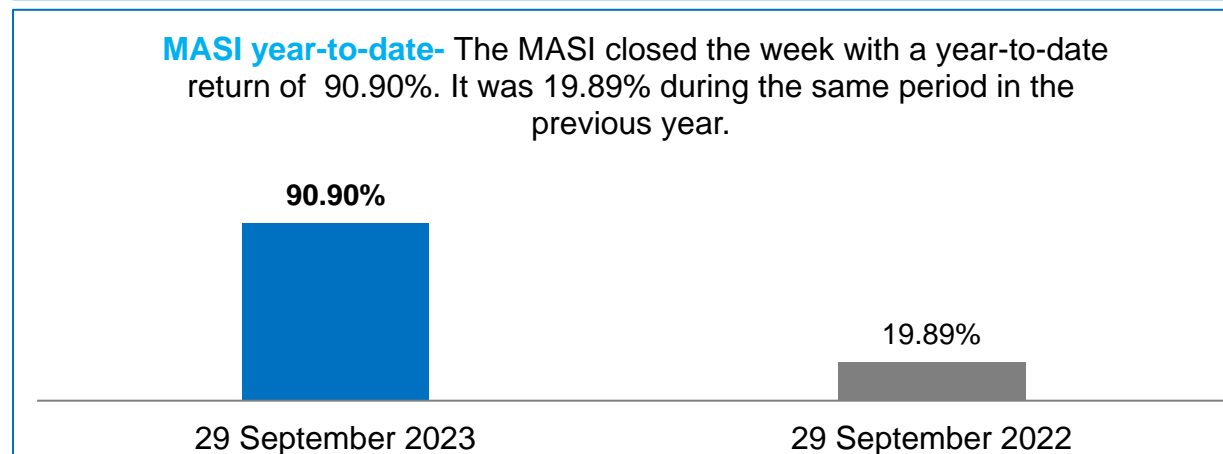
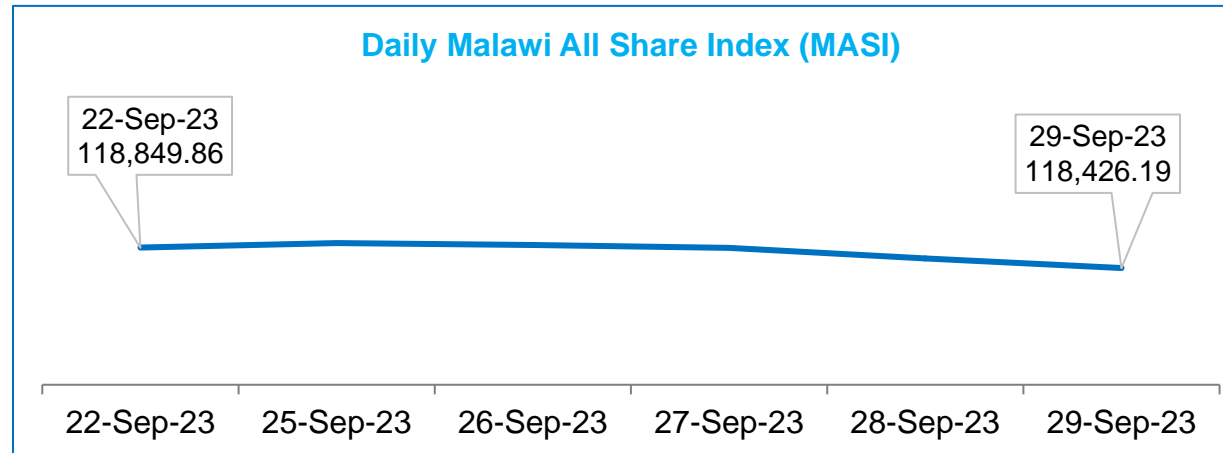
Malawi Financial Market Update: Week ending 29 September 2023

Stock market (Source: MSE)

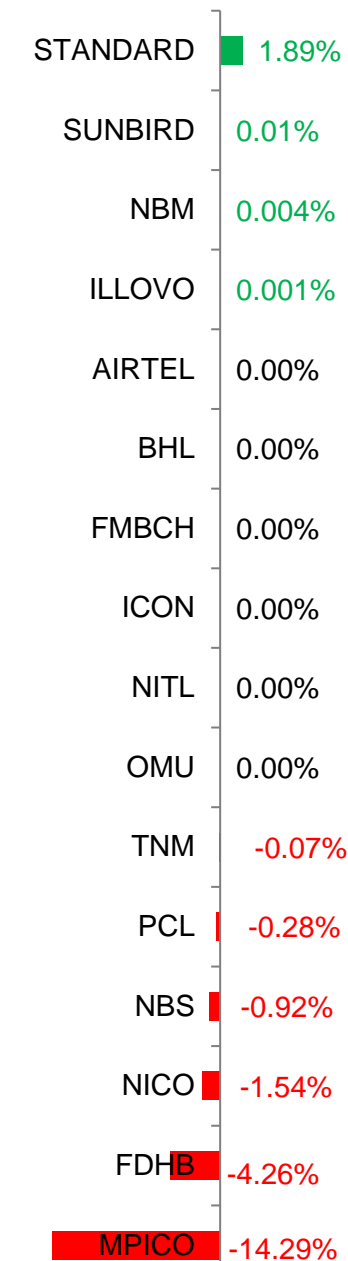
The stock market was marginally bearish, with the Malawi All Share Index (MASI) closing the week ending 29 September 2023 at 118,426.19 points from 118,849.86 points for the week ending 22 September 2023. Week on week, this represents a 0.36% marginal decrease.

There was a 1.89% share price gain for STANDARD. There were also marginal share price gains for SUNBIRD, NBM and ILLOVO. The share price gains were offset by 14.29%, 4.26% and 1.54% share price losses for MPICO, FDH Bank, and NICO respectively. There were also marginal share price losses for NBS, PCL and TNM during the week under review.

Sunbird has disclosed that an interim dividend for the 2023 period amounting to MK524 million (MK2.00 per share) has been proposed.



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



Symbol	Closing prices as of 29-Sep-2023 (MK/share)	Closing prices as of 22-Sep-2023 (MK/share)
AIRTEL	100.45	100.45
BHL	10.06	10.06
FDHB	72.21	75.42
FMBCH	415.03	415.03
ICON	18.00	18.00
ILLOVO	1,121.44	1,121.43
MPICO	15.00	17.50
NBM	2,101.12	2,101.03
NBS	108.99	110.00
NICO	160.00	162.50
NITL	401.05	401.05
OMU	1,050.00	1,050.00
PCL	2,500.00	2,507.00
STANDARD	2,700.01	2,650.01
SUNBIRD	191.03	191.02
TNM	29.88	29.90



Government securities (Source: RBM)

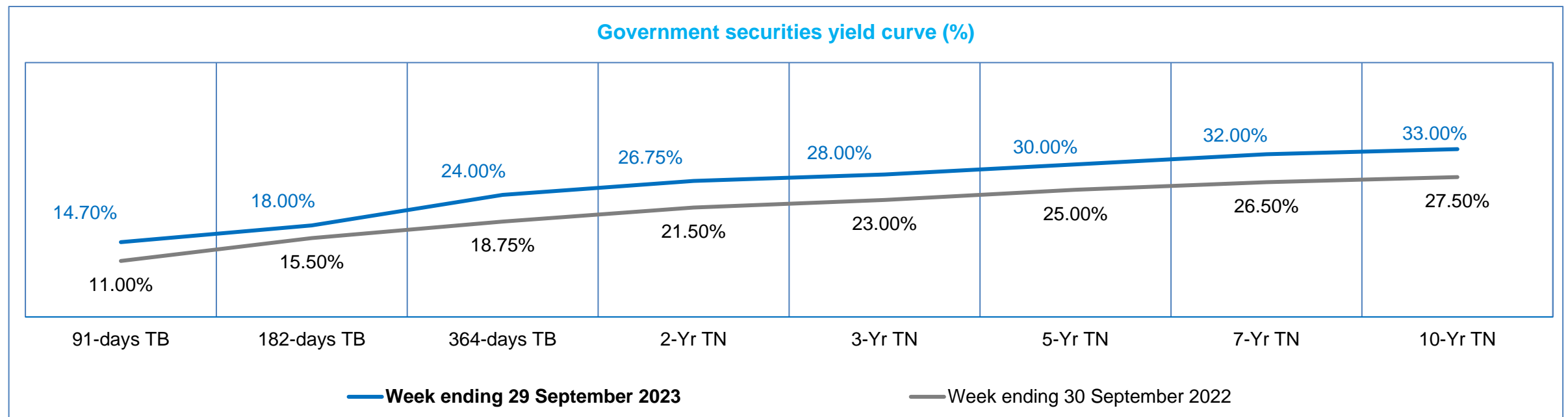
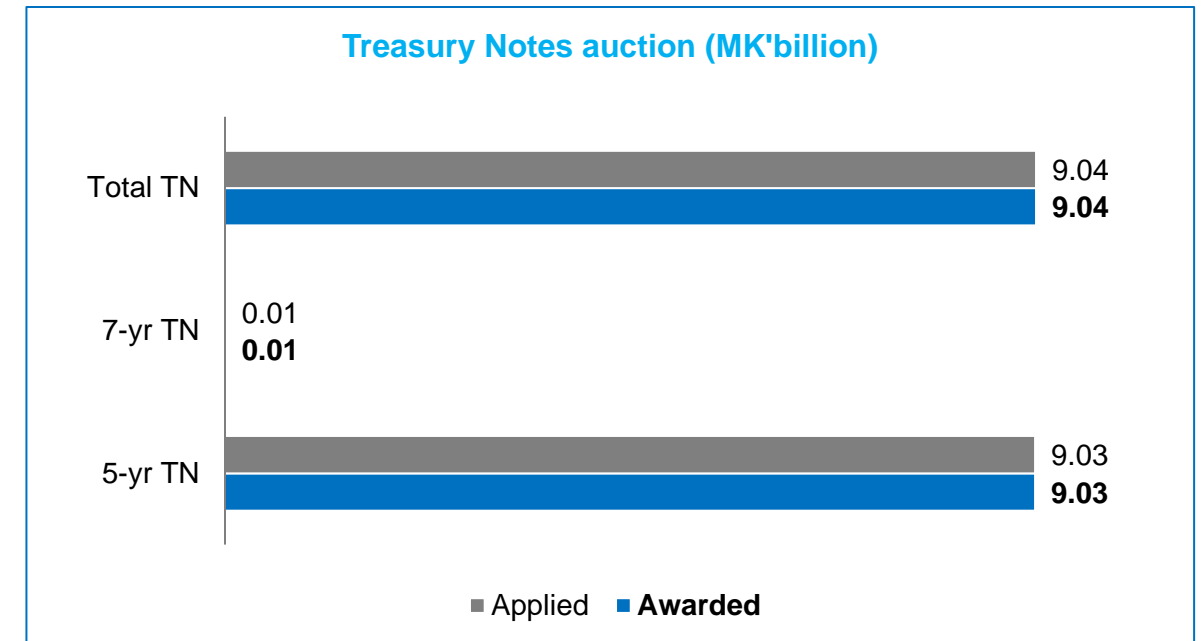
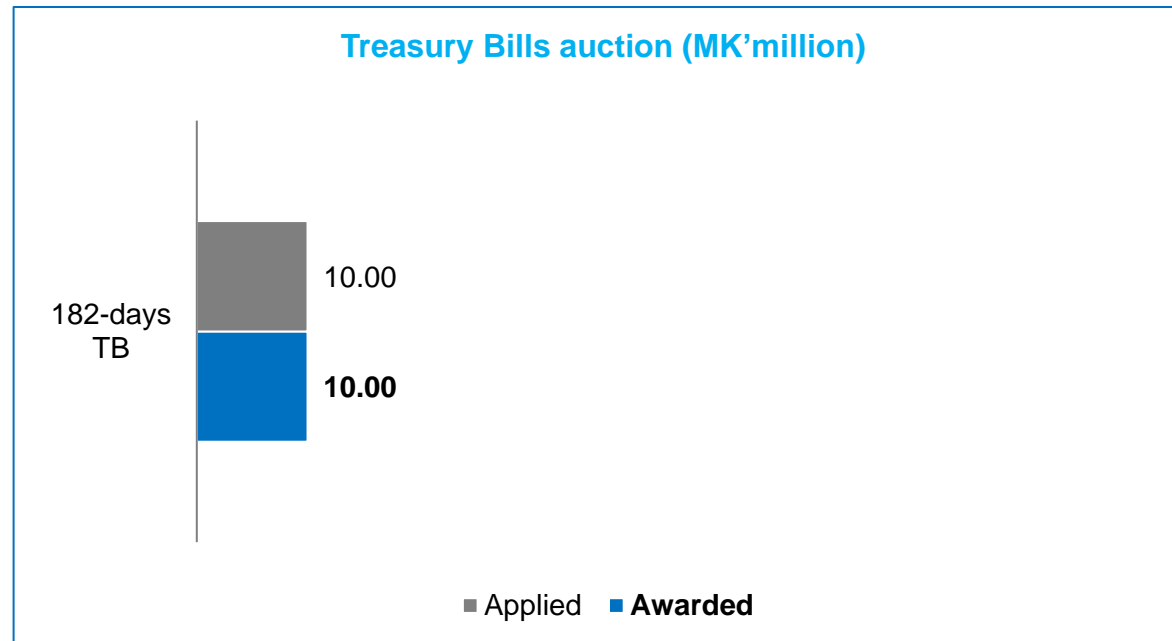
The Reserve Bank of Malawi (RBM) held auctions for all tenors of Treasury Bills (TBs) and all tenors of Treasury Notes (TNs) during the period under review.

An amount of MK10 million was raised from the 182-day TB auctions held during the period under review. There were no bids for the 91-day and 364-day TBs.

An amount of MK9.04 billion was raised from all the TNs auctions held during the period under review.

The 5-year TN yield maintained its position at 30.00% whilst the 7-year TN yield increased to 32.00% from 30.99%.

The average TB yield remained constant at 18.90%, whilst the average TN yield marginally increased to 29.95% from 29.75% 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	29-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	1,405.20*	
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	1,216.14*	
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	60.80*	
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	239.56	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	419.35	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	658.91	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	0.96	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%	28.6%	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%	39.4%	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%	16.1%	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%	22.79%	
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%	32.00%	
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%	33.00%	
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	118,426.19	
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	89,173.86	
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	20,692.42	

*: Reserve Bank of Malawi opening exchange rates as of 22 September 2023

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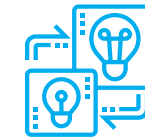
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