



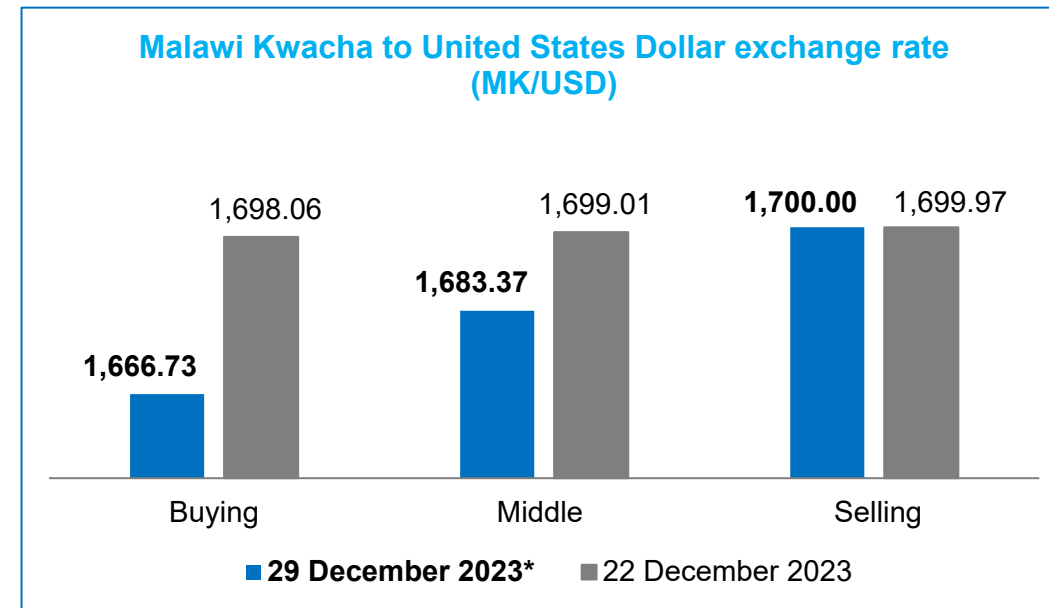
Malawi Financial Market Update

Week ending 29 December 2023

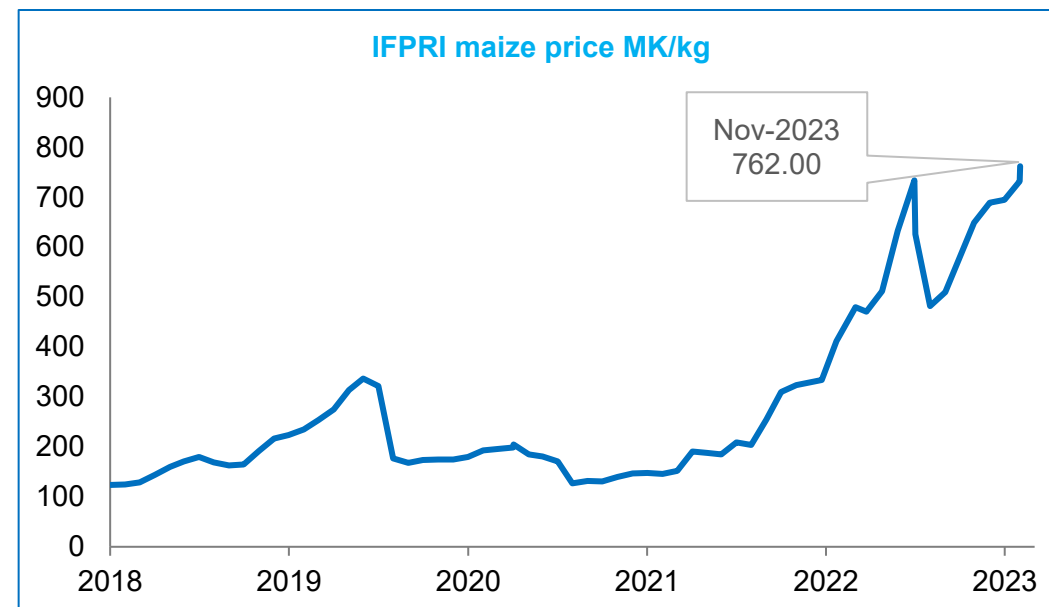


Exchange rate and other market developments

Exchange rate (Source: RBM)



Maize Price (Source: IFPRI)



PCL, NICO, AIRTEL, TNM, NBS, Standard Bank, NITL and BHL release year end trading statements.

What Happened This Week

1. In their trading statement, Press Corporation Plc (PCL) expects the consolidated profit after tax for the year ending 31 December 2023 to range between MK62.8 billion and MK69.8 billion, representing an increase of between 73% and 92% from the previous corresponding period consolidated profit of MK20 billion (*The Malawi Stock Exchange*).
2. In their trading statement, NICO Holdings Plc expects the profit after tax attributable to the owners of the parent company for the year ending 31 December 2023 to range between MK32 billion and MK34 billion, representing an increase of between 60% and 70% from the previous corresponding period profit of MK20 billion. The consolidated profit after tax for the year ending 31 December 2023 is expected to range between MK61 billion and MK66 billion, representing an increase of between 61% and 74% from the previous corresponding period consolidated profit of MK38 billion (*The Malawi Stock Exchange*).
3. In their trading statement, Airtel Malawi Plc expects the profit/loss after tax for the year ending 31 December 2023 to range between a profit of MK1.75 billion and a loss of MK2.00 billion, representing a decrease of between 95% and 105% from the previous corresponding period profit after tax of MK36.90 billion (*The Malawi Stock Exchange*).
4. In their trading statement, Telekom Networks Malawi (TNM) Plc expects the loss after tax for the year ending 31 December 2023 to range between MK4.7 billion and MK5.0 billion, representing an increase in loss of between 161% and 177% from the previous corresponding period loss of MK1.8 billion (*The Malawi Stock Exchange*).
5. In their trading statement, NBS Plc expects the profit after tax for the year ending 31 December 2023 to range between MK28.4 billion and MK31.0 billion, representing an increase of between 50% and 64% from the previous corresponding period profit after tax of MK18.9 billion.
6. In their trading statement, Standard Bank Plc expects the profit after tax for the year ending 31 December 2023 to range between MK46.5 billion and MK52.3 billion, representing an increase of between 20% and 35% from the previous corresponding period profit of MK38.8 billion.
7. National Investment Trust (NITL) Plc and Blantyre Hotels Plc (BHL) also released trading statements. NITL expects a profit after tax of between MK19.5 billion and MK20.5 billion from the previous corresponding period profit of MK6.99 billion. BHL expects a loss of between MK1.40 billion and MK1.43 billion for the year ending 31 December 2023 from the previous corresponding period loss of MK136 million (*The Malawi Stock Exchange*).
8. The Strategic Grain Reserves (SGR) Committee allocated 10,000 metric tonnes (MT) of maize to the Agricultural Development and Marketing Corporation (Admarc) in an attempt to increase maize supply on the market. The Committee also gave the Department of Disaster Management Affairs (Dodma) 20,000 MT, leaving the National Food Reserve Agency (NFRA) with 14,000 MT. The increase in supply will assist households in accessing maize at affordable prices, complimented by MK150,000 per household for vulnerable communities under the Social Cash Transfer Programme (*The Nation*, 25 December 2023).

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



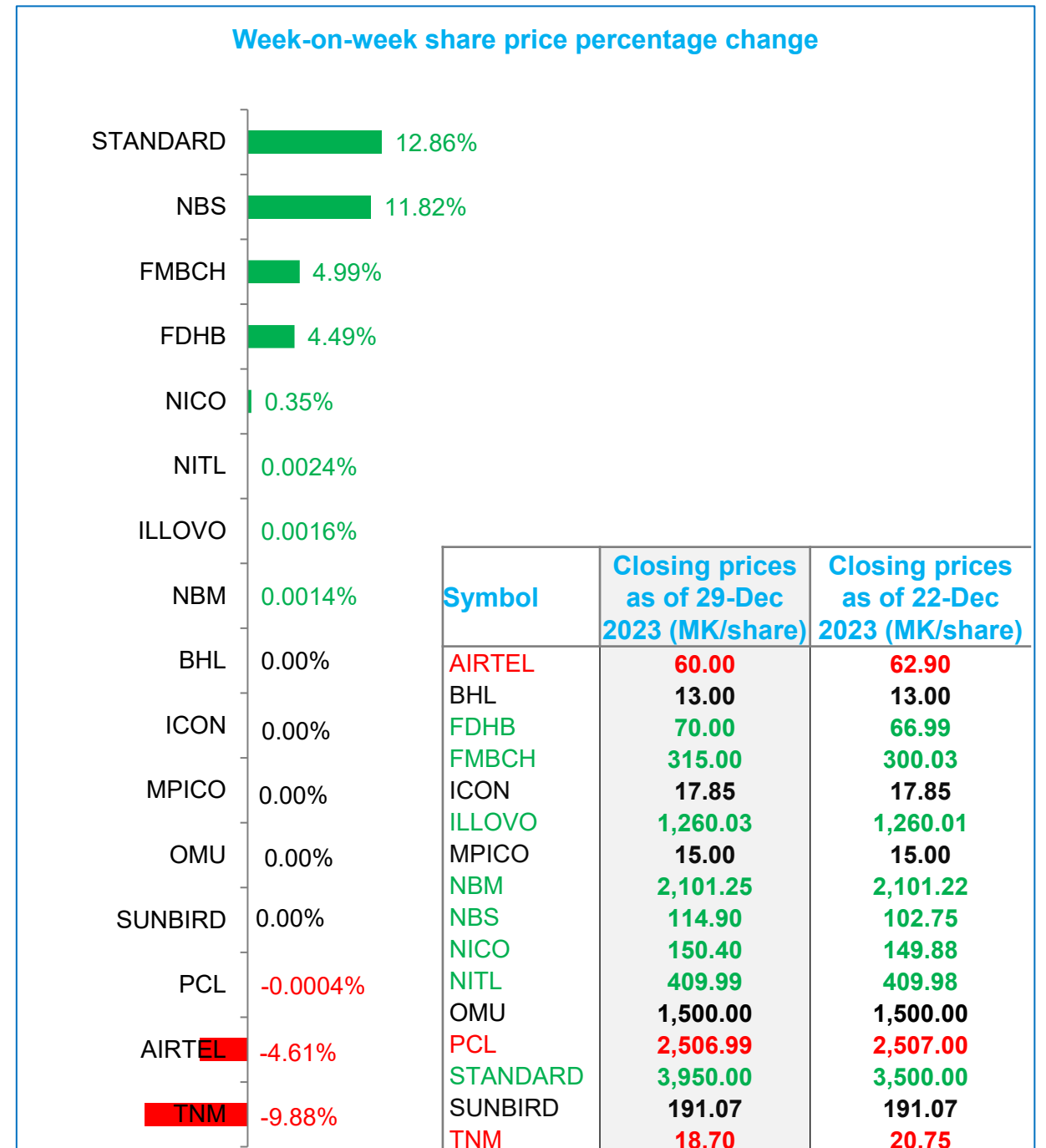
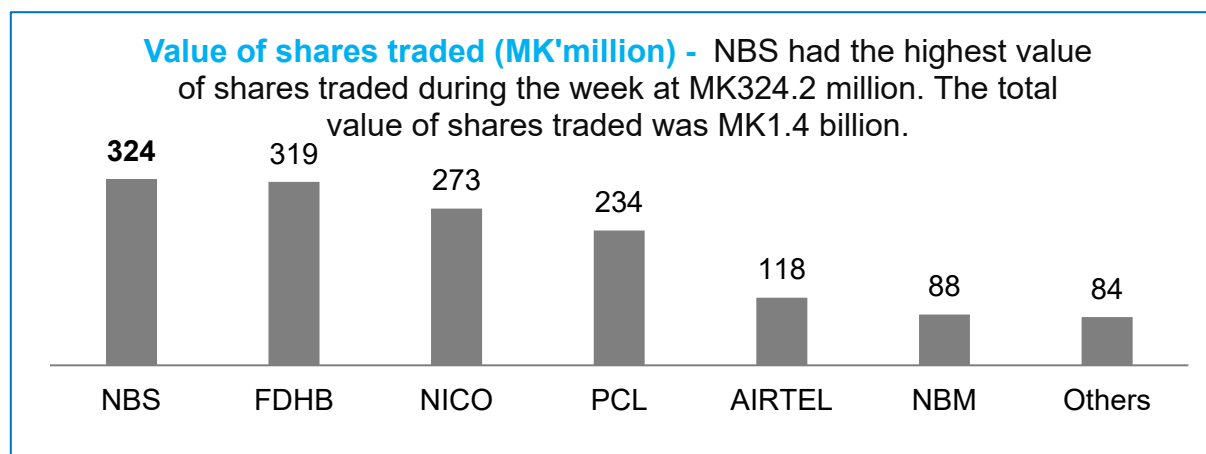
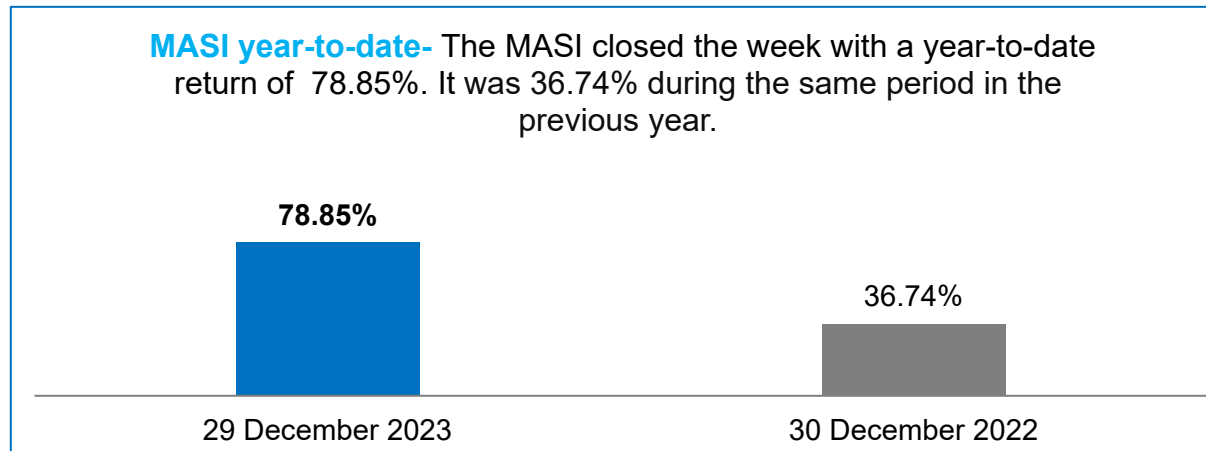
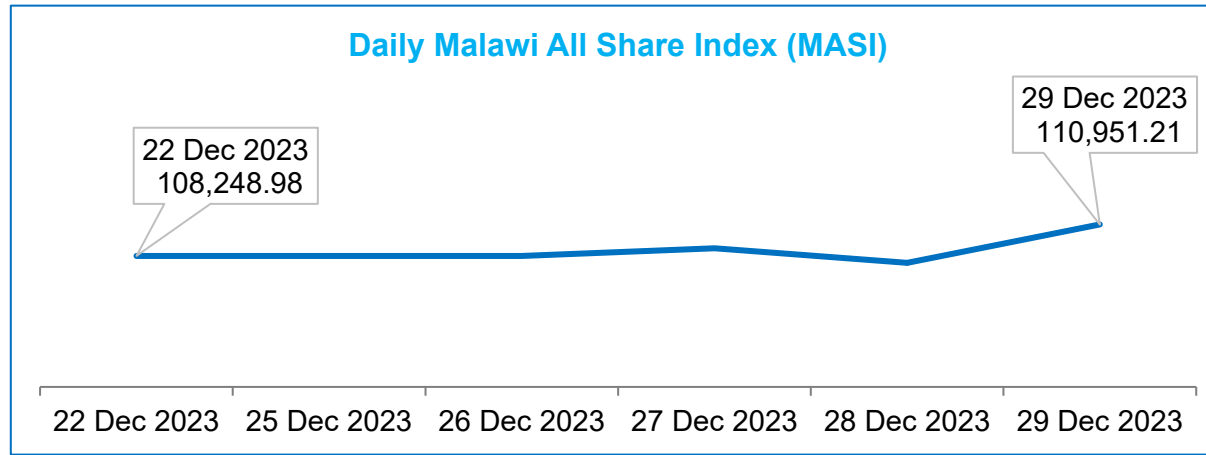
Malawi Financial Market Update: Week ending 29 December 2023

Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 29 December 2023 at 110,951.21 from 108,248.98 points for the week ending 22 December 2023. Week on week, this represents a 2.50% increase.

There were share price gains for STANDARD (12.86%), NBS (11.82%), FMBCH (4.99%) and FDHB (4.49%). There were also marginal share price gains for NICO, NITL, ILLOVO and NBM during the week under review.

The marginal share price gains were offset by TNM and AIRTEL share price losses amounting to 9.88% and 4.61%, respectively. There was also a marginal share price loss for PCL during the week under review.





Government securities (Source: RBM)

The RBM held auctions for all tenors of Treasury Bills (TBs) and the, 7-year Treasury Note (TN) during the period under review.

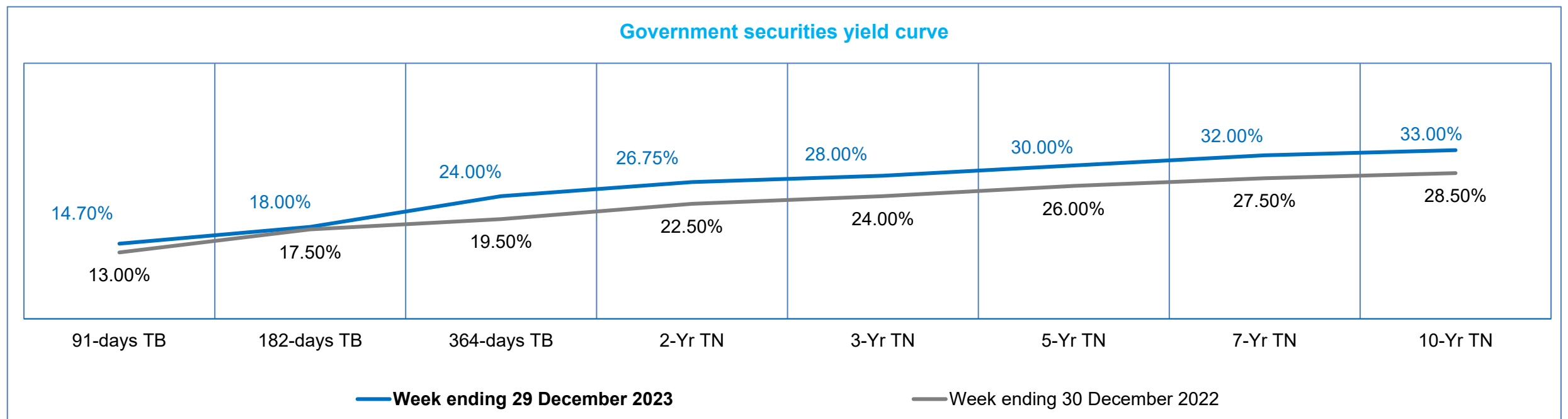
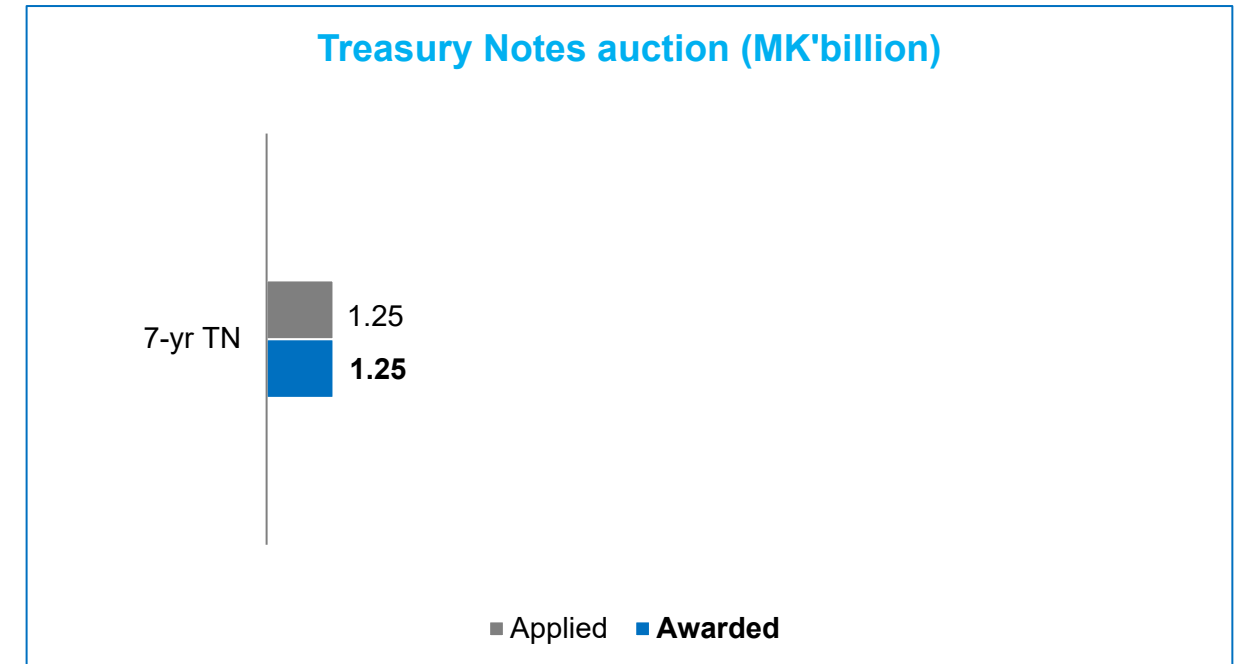
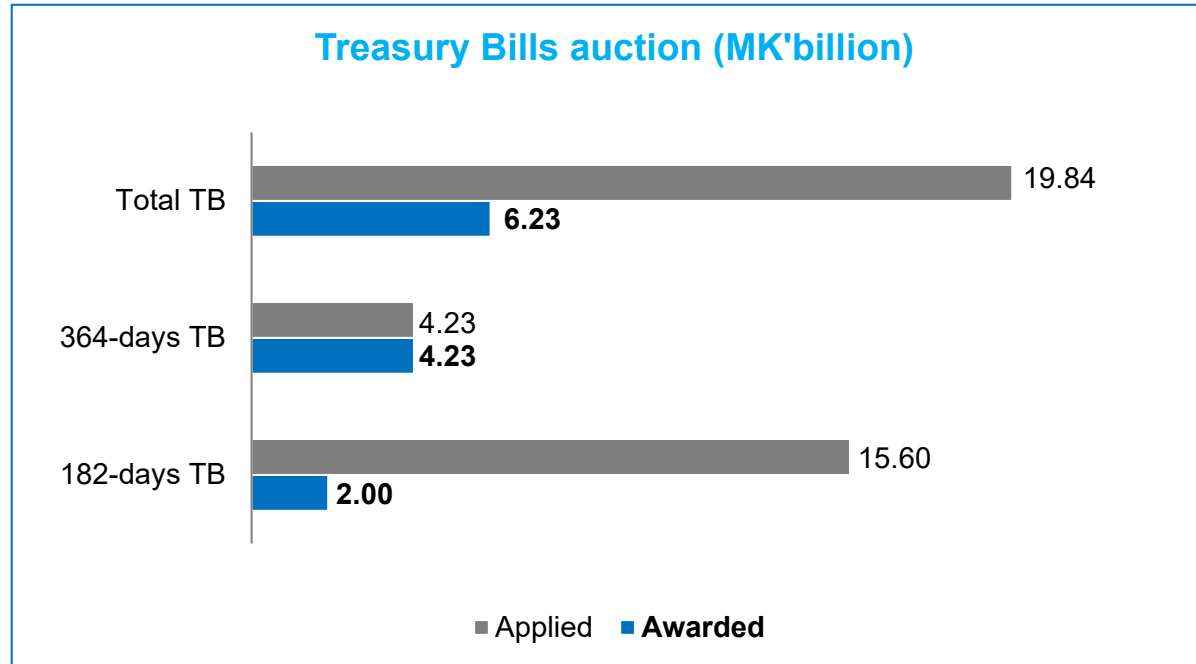
A total amount of MK6.23 billion was raised from the TBs auctions held during the period under review.

An amount of MK1.25 billion was raised from the TN auction held during the period under review.

The average TB and TN yields remained constant at 18.90% and 29.95% respectively during the period under review.

The RBM also conducted OMO reverse repo auctions for the 29-day, 30-day, 42-day and 62-day tenors held during the week under review. The average yields ranged between 23.13% and 24.00%.

A total amount of MK55.5 billion was withdrawn from the market.



TB: Treasury Bill
TN: Treasury Note
Yr: Year

OMO: Open Market Operation
Repo: Repurchase



Appendix 1: Historical Economic Indicators

	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	29-Dec-2023
Exchange rates (middle rates)														
MK/USD	1,034.42	1,031.87	1,031.87	1,033.68	1,033.80	1,034.86	1,034.46	1,058.82	1,061.67	1,094.74	1,126.50	1,179.83	1,699.31	1,683.37*
MK/GBP	1,276.81	1,305.57	1,305.57	1,280.21	1,315.33	1,325.22	1,317.23	1,377.77	1,400.92	1,429.20	1,412.17	1,473.63	2,219.25	2,212.41*
MK/EUR	1,105.82	1,152.30	1,152.30	1,128.21	1,156.66	1,171.01	1,135.21	1,183.15	1,203.76	1,226.61	1,225.22	1,285.81	1,907.62	1,918.18*
MK/ZAR	62.11	60.72	60.72	57.83	59.76	57.89	53.58	57.92	61.70	60.02	60.67	63.95	92.72	93.54*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	338.87	304.65	279.22	280.66	228.49	200.08	194.82	321.53	267.91	239.56	242.68	169.3	N/A	N/A
Private Sector Reserves (USD'mn)	400.77	399.20	384.37	378.54	375.36	403.93	386.90	407.47	406.63	419.35	409.46	396.9	N/A	N/A
Total reserves (USD'mn)	739.64	703.85	663.59	659.20	603.85	604.01	581.72	729.00	674.54	658.91	652.14	566.2	N/A	N/A
Gross Official Reserves Import cover (months)	1.36	1.22	1.12	1.12	0.91	0.80	0.78	1.29	1.07	0.96	0.97	2.3	N/A	N/A
Inflation														
Headline	25.8%	25.4%	25.9%	26.7%	27.0%	28.8%	29.2%	27.3%	28.4%	28.6%	27.8%	26.9%	33.1%	N/A
Food	33.4%	31.3%	30.5%	31.7%	32.4%	37.9%	38.8%	37.2%	39.3%	39.4%	36.8%	34.5%	41.7%	N/A
Non-food	17.7%	18.6%	20.4%	20.5%	20.2%	18.5%	18.4%	16.0%	16.0%	16.1%	17.2%	17.6%	22.2%	N/A
Interest Rates														
Monetary Policy rate	18.00%	18.00%	18.00%	18.00%	18.00%	22.00%	22.00%	22.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%
Average Interbank rate	15.00%	15.00%	15.00%	15.00%	15.00%	15.19%	19.26%	20.38%	20.51%	22.76%	22.79%	22.91%	23.00%	23.00%
Lombard rate	18.20%	18.20%	18.20%	18.20%	18.20%	22.20%	22.20%	22.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%
Commercial Bank reference rate	16.60%	17.30%	17.30%	17.30%	17.30%	17.30%	20.00%	21.00%	22.70%	22.70%	23.40%	23.50%	23.50%	23.60%
Government Securities Yields														
91-days Treasury Bill	13.00%	13.00%	13.00%	13.00%	13.00%	12.98%	13.00%	13.00%	13.00%	14.70%	14.70%	14.70%	14.70%	14.70%
182-days Treasury Bill	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	17.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%
364-days Treasury Bill	19.50%	19.50%	19.50%	19.50%	19.50%	19.50%	22.49%	22.50%	22.50%	24.00%	24.00%	24.00%	24.00%	24.00%
2-year Treasury Note	22.50%	22.50%	22.75%	22.75%	22.75%	22.75%	24.75%	24.75%	24.75%	26.75%	26.75%	26.75%	26.75%	26.75%
3-year Treasury Note	23.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	28.00%	28.00%	28.00%	28.00%	28.00%
5-year Treasury Note	26.00%	26.00%	26.19%	26.19%	26.25%	26.25%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%
7-year Treasury Note	27.50%	27.50%	27.50%	27.50%	27.50%	27.50%	29.50%	29.50%	29.50%	30.46%	32.00%	32.00%	32.00%	32.00%
10-year Treasury Note	27.50%	28.50%	28.50%	28.50%	28.50%	28.50%	31.19%	31.25%	31.25%	32.83%	33.00%	33.00%	33.00%	33.00%
Stock Market Indices														
MASI	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	113,969.91	112,790.18	110,951.21
DSI	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	89,656.70	88,577.93	86,359.68
FSI	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	15,011.81	15,048.88	15,792.06

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

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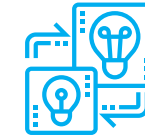
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