



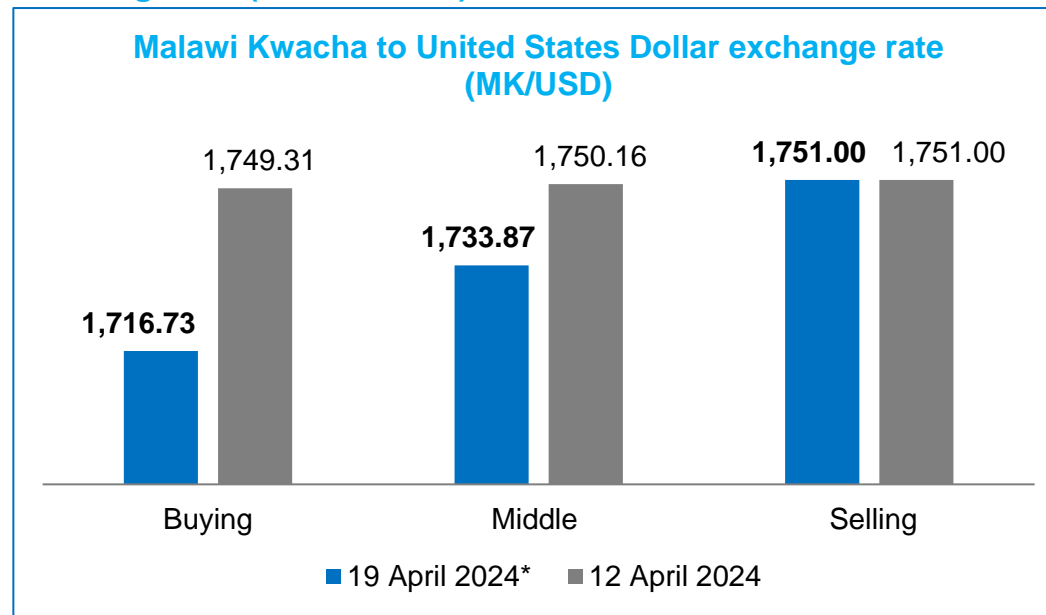
Malawi Financial Market Update

Week ending 19 April 2024

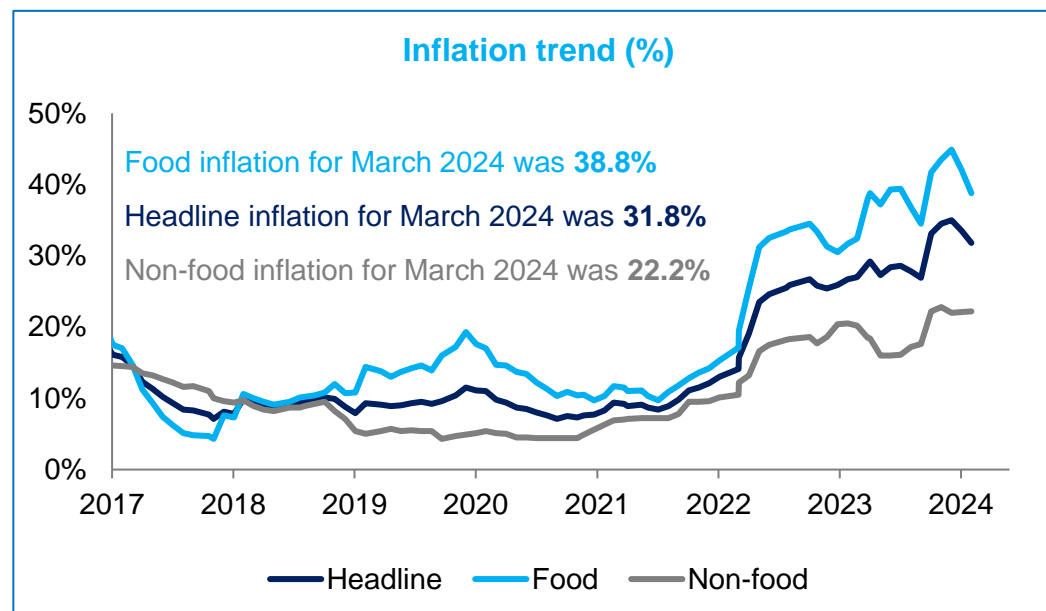


Exchange rate and other market developments

Exchange rate (Source: RBM)



Inflation (Source: NSO)



What Happened This Week

1. According to the National Statistical Office (NSO), the year-on-year inflation rate for March 2024 was 31.8%, a decrease from 33.5% recorded in February 2024. The Food and Non-Food inflation rates were 38.8% and 22.2%, respectively (*NSO Consumer Price Indices: March 2024*).
2. On Monday 15 April 2024, the 2024 Tobacco Marketing Season officially commenced. The 2024 Tobacco Marketing Season was officially launched at Chinkhoma Floors in Kasungu District by the president of the Republic of Malawi. According to most farmers, the current marketing season has started on a high note, with prices on the opening day surpassing USD3/Kg (*The Nation, 16 April 2024*).
3. According to the Reserve Bank of Malawi (RBM) February 2024 monthly economic review, Malawi's merchandise trade balance recorded a deficit of USD128.5 million (approximately MK225.0 billion) in February 2024, compared to a deficit of USD184.8 million (approximately MK323.5 billion) in January 2024. The RBM has attributed the narrower trade deficit to a 39.6% growth in exports and an 18.1% decrease in imports. In February 2023, the merchandise trade balance recorded a deficit of USD223 million (approximately MK390.5 billion) (*The Reserve Bank of Malawi, April 2024*).
4. In its recently published Macro Poverty Outlook, the World Bank has forecasted that Malawi's poverty rate will increase, albeit slightly, to 72% in 2024 from 71.7% in 2023. The World Bank forecasts this poverty rate due to anticipated lower agricultural output, expected to heighten food insecurity and prices. The World Bank stated that the lower agricultural output will be due to the prolonged dry spells experienced by the country during the growing season and the limited availability of inputs arising from foreign exchange liquidity challenges (*The World Bank, April 2024*).
5. In its recently published World Economic Outlook, the International Monetary Fund (IMF) has projected a Gross Domestic Product (GDP) growth of 3.3% for Malawi in 2024. This projection remains unchanged from an earlier projection in January 2024 issued following an IMF staff visit to Malawi (*The International Monetary Fund, April 2024*).

*: Reserve Bank of Malawi opening exchange rates as of 19 April 2024

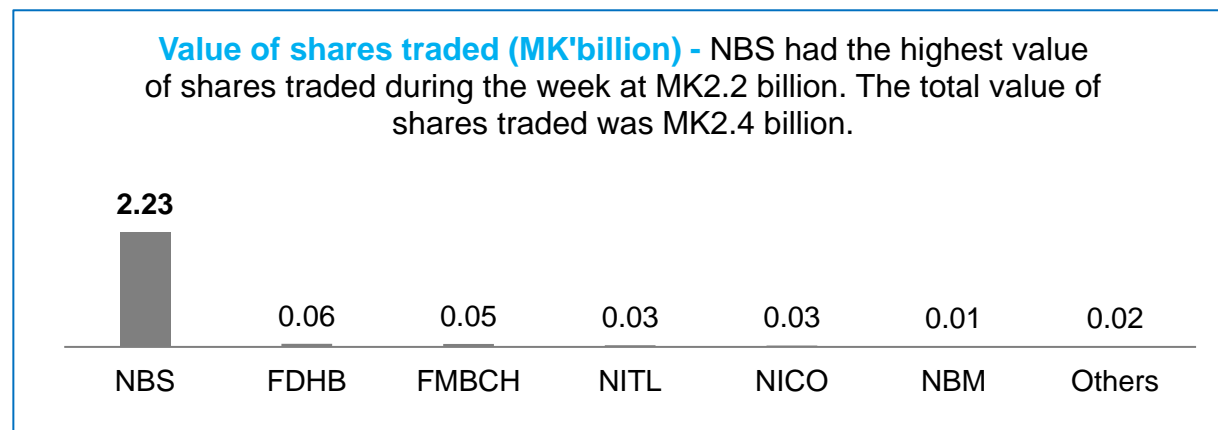
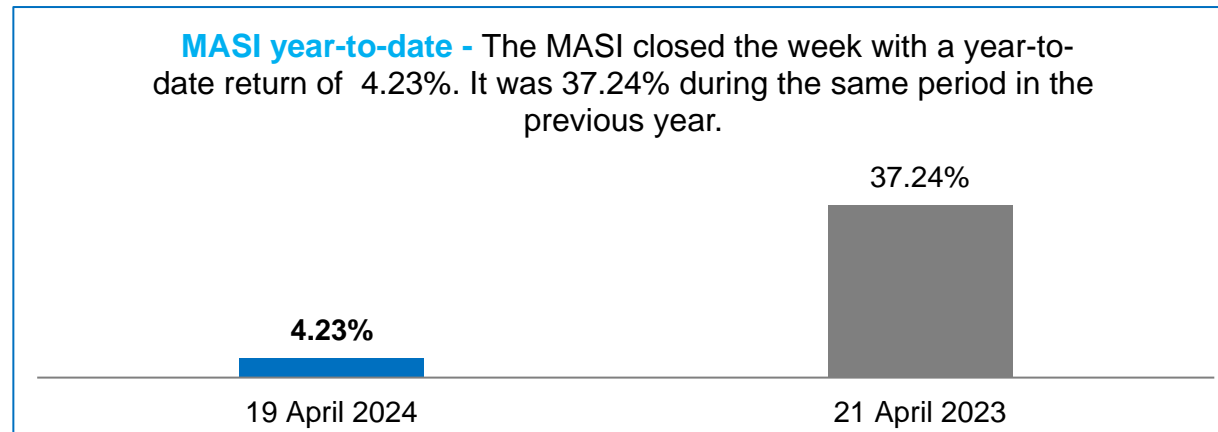
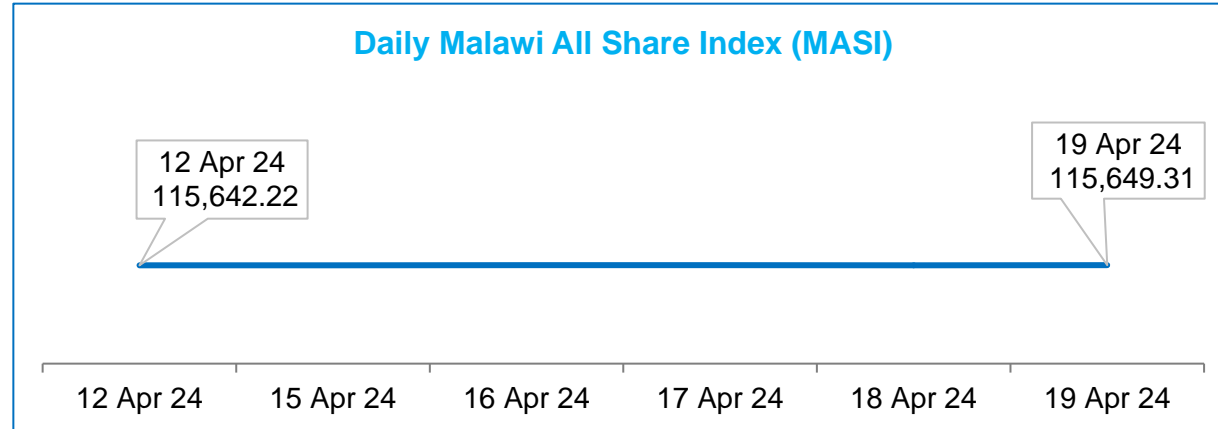


Malawi Financial Market Update: Week ending 19 April 2024

Stock market (Source: MSE)

The stock market was flat with the Malawi All Share Index (MASI) closing the week ending 19 April 2024 at 115,649.31 points from 115,642.22 points for the week ending 12 April 2024.

Airtel disclosed that its profit after tax decreased by 96% to MK1.41 billion in 2023 from MK36.93 billion in 2022.



Week-on-week share price percentage change

TNM	0.17%
MPICO	0.07%
AIRTEL	0.06%
FDHB	0.03%
FMBCH	0.002%
ILLOVO	0.001%
NBM	0.001%
OMU	0.001%
PCL	0.0004%
BHL	0.00%
NITL	0.00%
STANDARD	0.00%
SUNBIRD	0.00%
NICO	-0.01%
NBS	-0.03%
ICON	-0.24%

Symbol	Closing prices as of 19-April 2024 (MK/share)	Closing prices as of 12-April 2024 (MK/share)
AIRTEL	50.16	50.13
BHL	13.04	13.04
FDHB	65.11	65.09
FMBCH	411.88	411.87
ICON	16.8	16.84
ILLOVO	1,350.15	1,350.13
MPICO	14.67	14.66
NBM	2,400.13	2,400.10
NBS	109.87	109.90
NICO	199.58	199.59
NITL	411.49	411.49
OMU	1,500.03	1,500.02
PCL	2,507.00	2,506.99
STANDARD	3,950.23	3,950.23
SUNBIRD	195.03	195.03
TNM	12.06	12.04



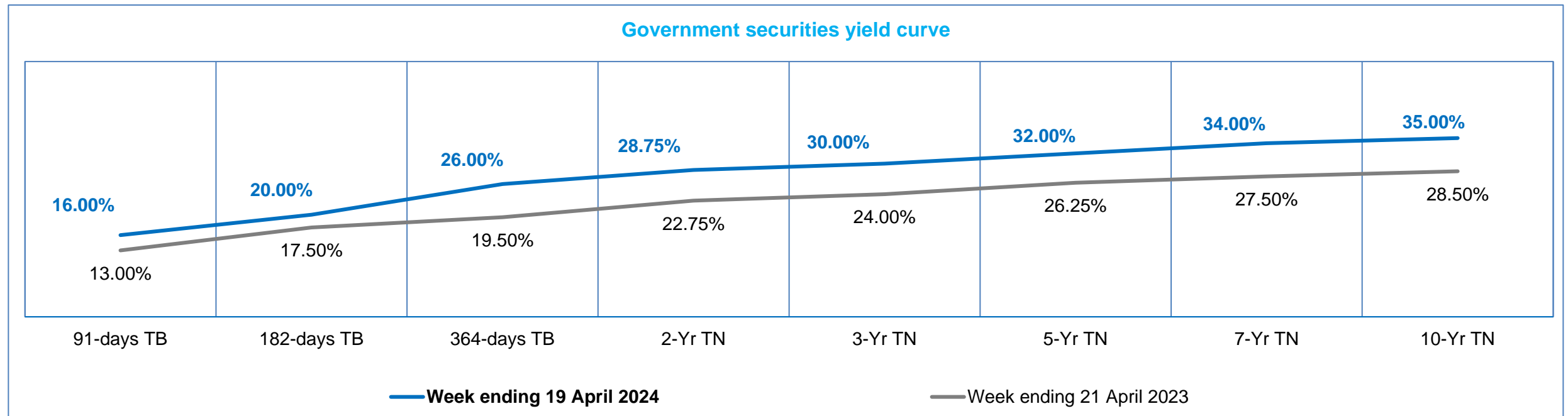
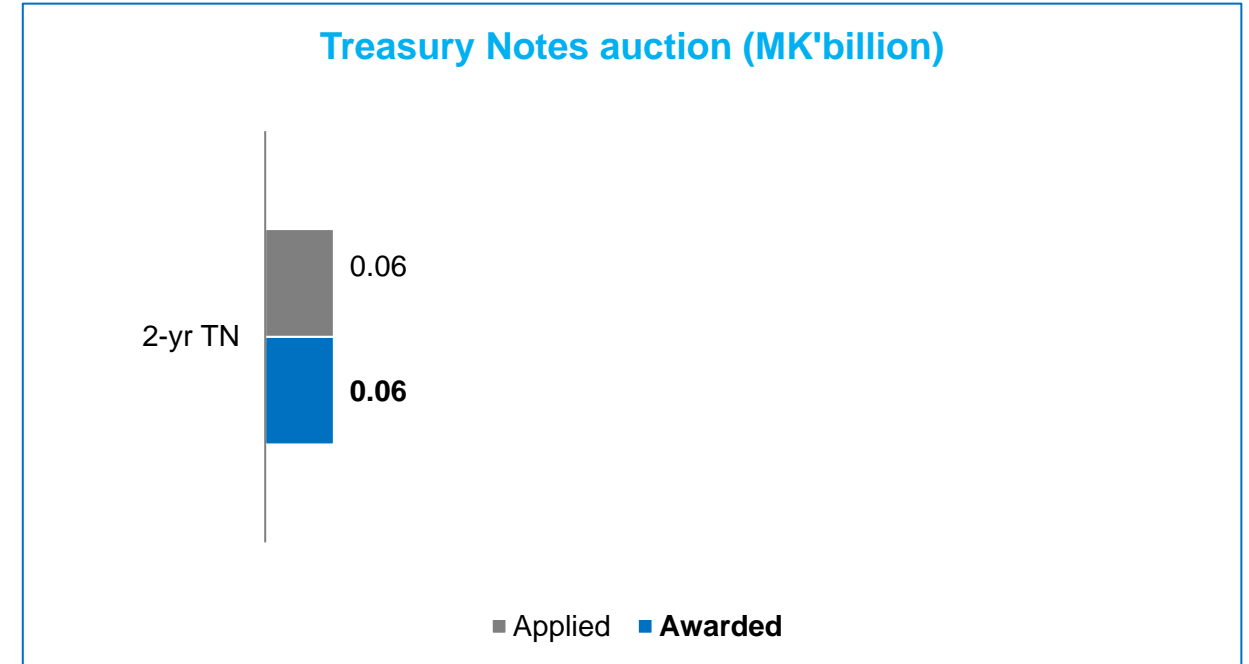
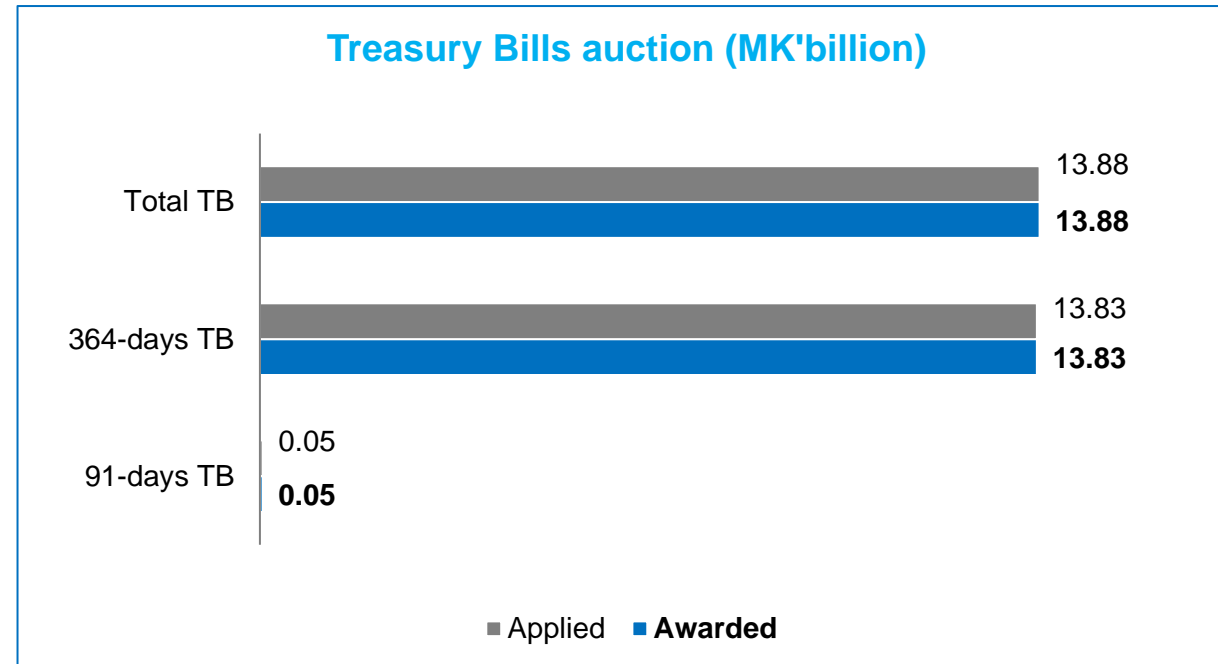
Government securities (Source: RBM)

The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and the 2-year Treasury Note (TN) during the period under review.

MK13.83 billion was raised from the 364-day TB auction, while MK0.05 billion was raised from the 91-day TB. There were no applications for the 182-Days TB during the period under review.

A total of MK0.06 billion was raised from the 2-year TN auction held during the period under review.

The average TB and TN yield maintained at 20.67% and 31.95% during the period under review.



TB: Treasury Bill
TN: Treasury Note



Appendix 1: Historical Economic Indicators

	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-2024	19-Apr-2024
Exchange rates (middle rates)														
MK/USD	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	1,697.80	1,698.50	1,750.38	1,733.87*
MK/GBP	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	2,221.35	2,217.83	2,268.77	2,216.82*
MK/EUR	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	1,888.43	1,887.38	1,949.34	1,899.11*
MK/ZAR	59.76	57.89	53.58	57.92	61.70	60.02	60.67	63.95	92.72	93.54	92.94	90.38	94.79	92.98*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	228.49	200.08	194.82	321.53	267.91	239.56	242.68	169.3	165.20	242.58	174.80	143.60	N/A	N/A
Private Sector Reserves (USD'mn)	375.36	403.93	386.90	407.47	406.63	419.35	409.46	396.9	413.20	433.01	401.90	396.72	N/A	N/A
Total reserves (USD'mn)	603.85	604.01	581.72	729.00	674.54	658.91	652.14	566.2	578.40	675.58	576.70	540.32	N/A	N/A
Gross Official Reserves Import cover (months)	0.91	0.80	0.78	1.29	1.07	0.96	0.97	2.3	0.7	1.0	0.70	0.57	N/A	N/A
Inflation														
Headline	27.0%	28.8%	29.2%	27.3%	28.4%	28.6%	27.8%	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	N/A
Food	32.4%	37.9%	38.8%	37.2%	39.3%	39.4%	36.8%	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	N/A
Non-food	20.2%	18.5%	18.4%	16.0%	16.0%	16.1%	17.2%	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	N/A
Interest Rates														
Monetary Policy rate	18.00%	22.00%	22.00%	22.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%
Average Interbank rate	15.00%	15.19%	19.26%	20.38%	20.51%	22.76%	22.79%	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.68%
Lombard rate	18.20%	22.20%	22.20%	22.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	26.20%	26.20%	26.20%
Commercial Bank reference rate	17.30%	17.30%	20.00%	21.00%	22.70%	22.70%	23.40%	23.50%	23.50%	23.60%	23.60%	24.90%	24.90%	24.90%
Government Securities Yields														
91-days Treasury Bill	13.00%	12.98%	13.00%	13.00%	13.00%	14.70%	14.70%	14.70%	14.70%	14.70%	14.70%	16.00%	16.00%	16.00%
182-days Treasury Bill	17.50%	17.50%	17.50%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	19.50%	19.50%	22.49%	22.50%	22.50%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%
2-year Treasury Note	22.75%	22.75%	24.75%	24.75%	24.75%	26.75%	26.75%	26.75%	26.75%	26.75%	26.75%	28.75%	28.75%	28.75%
3-year Treasury Note	24.00%	24.00%	26.00%	26.00%	26.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%
5-year Treasury Note	26.25%	26.25%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	32.00%	32.00%	32.00%
7-year Treasury Note	27.50%	27.50%	29.50%	29.50%	29.50%	30.46%	32.00%	32.00%	32.00%	32.00%	32.00%	34.00%	34.00%	34.00%
10-year Treasury Note	28.50%	28.50%	31.19%	31.25%	31.25%	32.83%	33.00%	33.00%	33.00%	33.00%	33.00%	35.00%	35.00%	35.00%
Stock Market Indices														
MASI	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	115,670.54	113,039.66	114,236.98	115,649.31
DSI	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	86,383.46	84,454.87	86,761.71	86,781.61
FSI	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	21,124.59	20,597.92	19,012.48	20,591.98

*: Reserve Bank of Malawi opening exchange rates (middle) as of 19 April 2024

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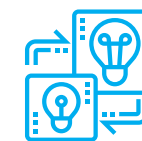
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