

Financial market highlights for the week

The following highlights compare the week ending 2 October 2020 to the week ending 25 September 2020:



EQUITY MARKET (Source: MSE)

- MASI decreased to 31,477.62 points this week, from 31,855.04 points last week. The return on MASI (year-to-date) was 4.05%. It was 2.21% during the same period last year.
- There was a share price gain for NBS (from K19.44 to K21.00).
- There were share price losses for Airtel (from K30.00 to K29.00), FDH Bank (from K12.49 to K12.00), FMBCH (from K24.00 to K23.00), NBM (from K618.76 to K618.73) and TNM (from K21.30 to K20.50).



CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha marginally appreciated against the USD from K758.91 per USD to K758.59 per USD.
- The Kwacha depreciated against the GBP (from K997.08 to K1,007.28), EUR (from K917.96 to K924.15) and ZAR (from K47.11 to K48.18).



GOVERNMENT SECURITIES (Source: RBM)

- A total of K3.26 billion was raised this week in the Treasury Bill (TB) auction from K3.35 billion in the previous week.
- There were no rejections for the TB this week from the 44.59% rejection rate last week.
- The all type TB yield increased to 12.12% from 12.10% during this period.



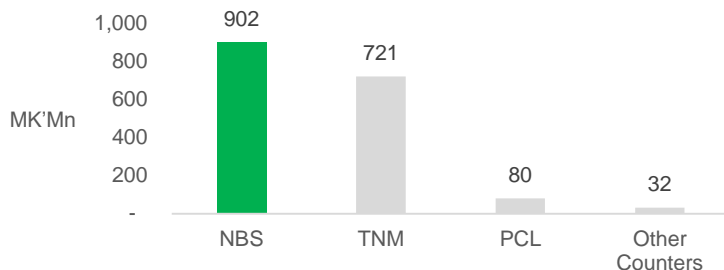
FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

- The daily overnight interbank average rate this week increased to 13.63% from 13.61%.

Equity Market Bullish (Source : MSE)

The stock market was bearish during the week under review, relative to the previous week due to the decrease in both the Domestic Share Index (DSI) and the Foreign Share Index (FSI) during this period. The MASI registered a year-to-date return of 4.05% this year (it was 2.21% last year). The share price changes are shown in the table on the right.

NBS shares had the highest value of shares traded at K902 million. The total value of shares traded this week was K1.73 billion.



Corporate Announcements

- PCL, NBS and NITL declared their interim dividends (per share) of K6.00, K0.45 and K0.50, respectively. The payment date for PCL and NBS dividends is 23 October 2020 while NITL dividend will be paid on 30 October 2020.

MSE Code	Dividend yield%	P/E ratio	P/BV	Share Price (K)		% Change
				25-Sep-20	02-Oct-20	
Airtel	4.31	20.05	20.25	30.00	29.00	↓ -3.33%
BHL	1.55	23.28	1.67	12.94	12.94	→ 0.00%
FDHB	-	10.55	3.65	12.49	12.00	↓ -3.92%
FMBCH	-	(15.36)	0.98	24.00	23.00	↓ -4.17%
ICON	1.68	11.51	1.13	12.49	12.49	→ 0.00%
ILLOVO	0.62	5.70	0.81	80.50	80.50	→ 0.00%
MPICO	1.04	9.97	1.41	24.00	24.00	→ 0.00%
NBM	2.89	16.89	2.87	618.76	618.73	↓ 0.00%
NBS	1.67	13.71	3.98	19.44	21.00	↑ 8.02%
NICO	3.96	6.25	1.57	48.00	48.00	→ 0.00%
NITL	0.79	7.20	1.11	94.98	94.98	→ 0.00%
OML	2.46	25.32	3.18	2,199.99	2,199.99	→ 0.00%
PCL	1.93	19.81	1.03	1,343.99	1,343.99	→ 0.00%
STANDARD	3.56	12.58	2.29	851.00	851.00	→ 0.00%
SUNBIRD	0.83	12.10	1.34	120.00	120.00	→ 0.00%
TNM	3.66	13.66	4.48	21.30	20.50	↓ -3.76%
MASI	2.72	14.52	2.22	31,855.04	31,477.62	↓ -1.18%
DSI	N/A	N/A	N/A	27,200.88	26,903.85	↓ -1.09%
FSI	N/A	N/A	N/A	1,460.99	1,411.44	↓ -3.39%

• Investment Management

• Financial and Investment Advisory

Financial Market Update

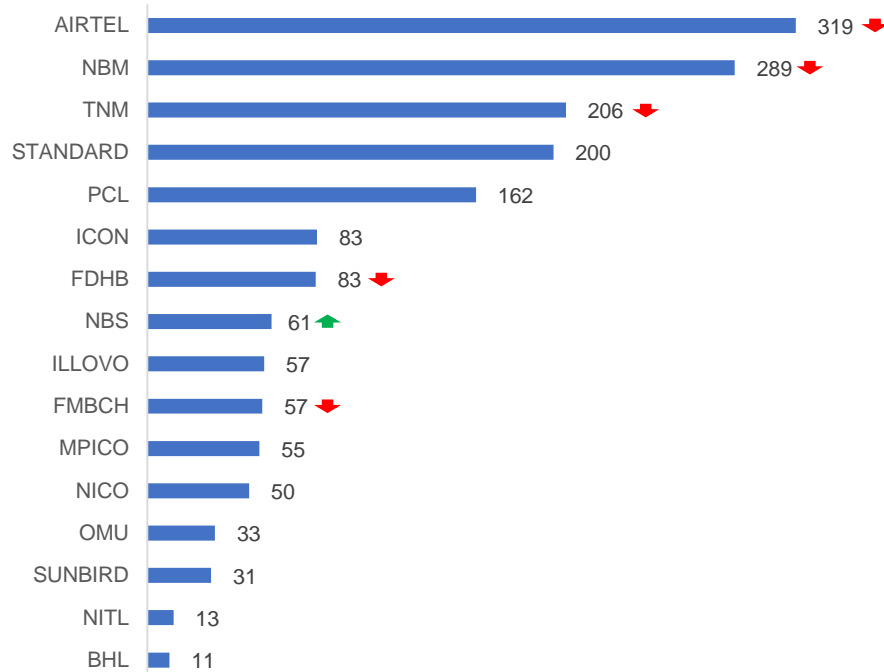
Week ending 2 October 2020



EQUITY MARKET (Continued)

Airtel leads the Malawi Stock Exchange counters with a market capitalization of K319 billion. The total market capitalization is K1.71 trillion.

Market Capitalization (K' Billion)

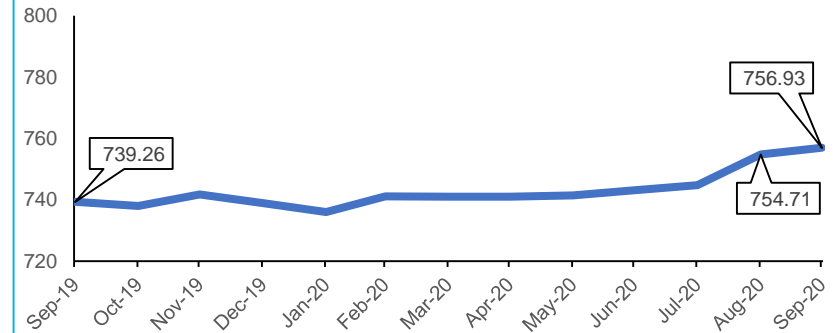


CURRENCY MARKET (Source: RBM)

During the week under review, the Malawi Kwacha marginally appreciated against the United States Dollar from MK758.91 per USD to MK758.59 per USD. However, it depreciated against the GBP, EUR and ZAR during the period. The table below summarizes the movements in the Kwacha during the period.

CURRENCY	25-Sep-20	01-Oct-20	% Change
MK/USD	758.91	758.59	↑ 0.04%
MK/GBP	997.08	1,007.28	↓ -1.02%
MK/ZAR	47.11	48.18	↓ -2.27%
MK/EUR	917.96	924.15	↓ -0.67%

MK/USD Exchange Rate (Source: RBM)

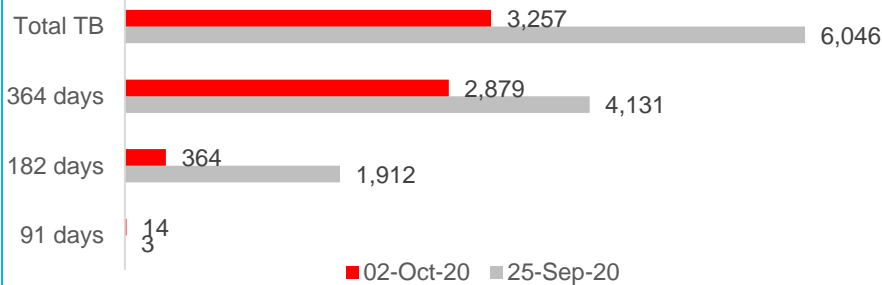




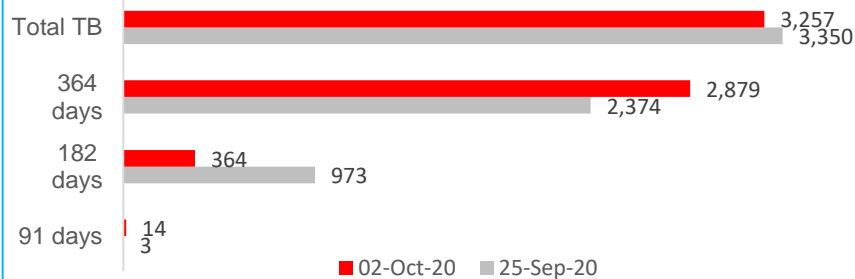
GOVERNMENT SECURITIES (Source: RBM)



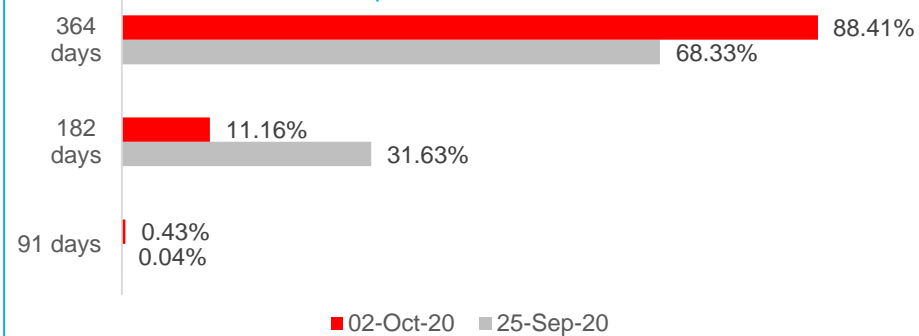
Treasury bill applications (K'million) - there were less applications this week at K3.26 billion compared to the K6.05 billion applications in the previous week.



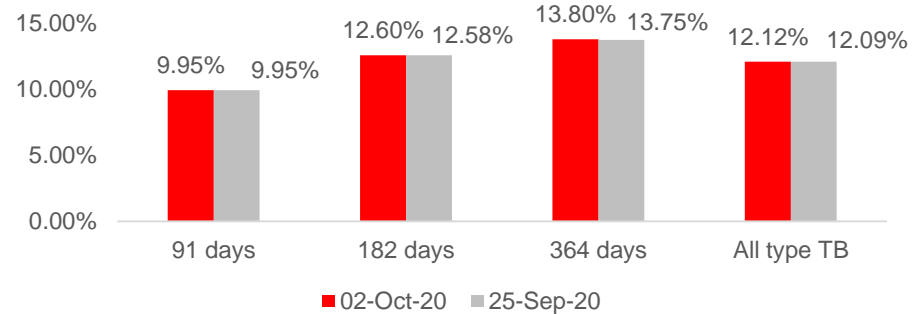
Treasury bill allotments (K'million) - a total of K3.26 billion was allotted this week from K3.35 billion last week. There was no rejection this week.



Subscription Rate (%) - The 364 days paper had the highest subscription this week at 88.41% from 68.33% in the previous week.



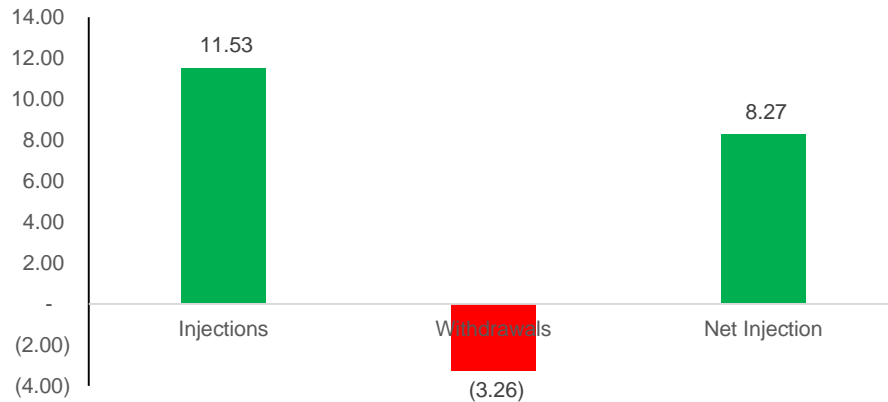
Treasury bill yields - The average all type treasury bill yield increased to 12.12% this week from 12.09% in the previous week.



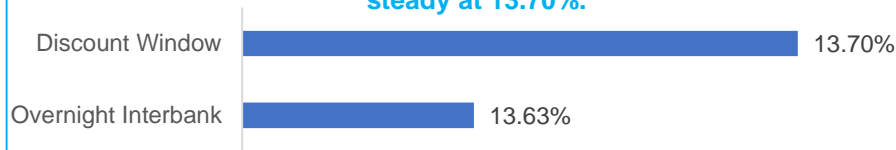


OTHER FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

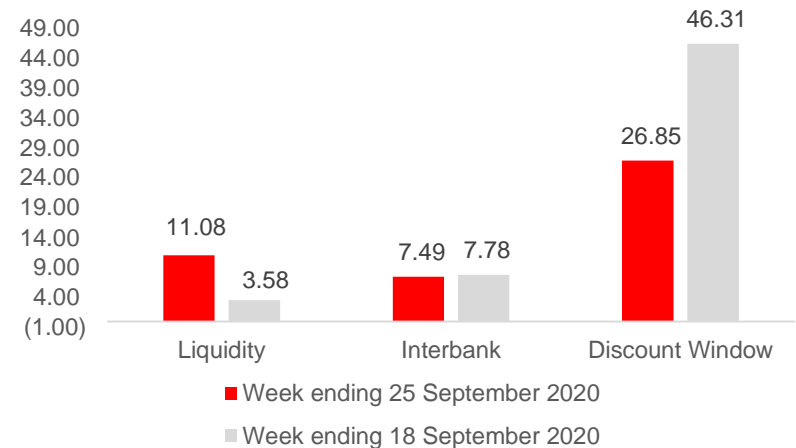
There was a net liquidity injection of K8.27 billion as maturities and withdrawals were K11.53 billion and K3.26 billion, respectively.



The interbank rate increased to 13.63% this week from 13.61% last week while the discount window rate was steady at 13.70%.



There were decreases in the daily average volumes accessed on the Overnight Interbank and Discount Window while liquidity volumes increased.



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