

# Financial Market Update

| Week ending 14 January 2021



## FINANCIAL MARKET HIGHLIGHTS FOR THE WEEK

The following highlights compare the week ending 14 January 2021 to the week ending 8 January 2021 :



### GOVERNMENT SECURITIES (Source: RBM)

- A total of K54.77 billion was raised in the Treasury Bill (TB) and Treasury Note (TN) auctions.
- The TB and TN auctions raised K53.32 billion and K1.45 billion, respectively.
- There were nil rejections in the TB and TN auctions.
- The average all type TB yield decreased to 12.00% this week from 12.01 % last week.



### CURRENCY MARKET (Source: RBM)

- The Malawi Kwacha maintained its position against the USD at K778.18 per USD.
- The Kwacha marginally appreciated against the EUR (to K992.79 per EUR from K998.42 per EUR)
- The Kwacha however depreciated against the GBP (to K1,108.80 from K1,086.41) and ZAR (to K54.44 from K53.65).



### EQUITY MARKET (Source: MSE)

- The MASI decreased to 33,011.20 points this week, from 33,161.01 points last week. This was due to share price losses in various counters. The return on MASI (year-to-date) was 2.07% compared to negative 2.49% during the same period last year.
- There was a share price gain for FMBCH (to K27.00 from K26.00).
- There were share price losses for BHL (to K11.00 from K12.93), SUNBIRD (to K90.00 from K105.00) and TNM (to K19.50 from K19.98).



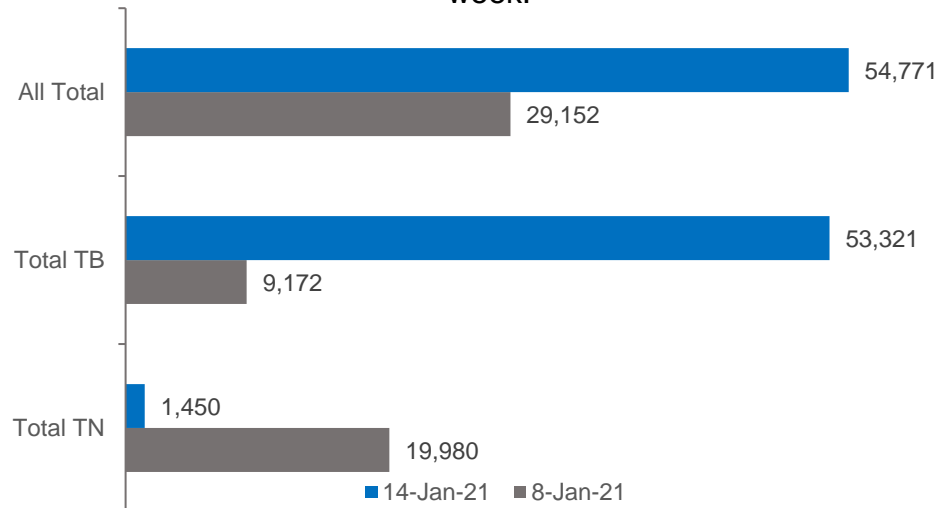
### FINANCIAL MARKET DEVELOPMENTS (Source: RBM)

- The daily overnight interbank average rate decreased to 11.30% this week from 11.34% last week.

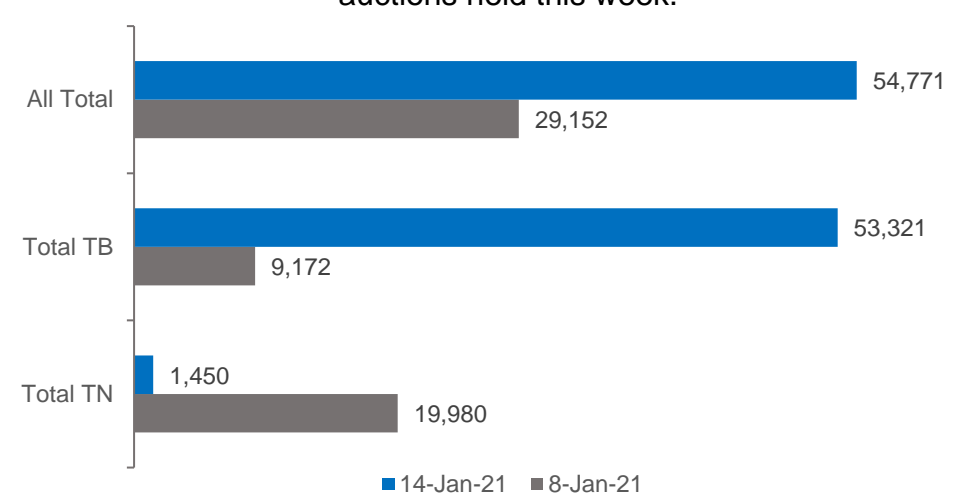


# GOVERNMENT SECURITIES (Source: RBM)

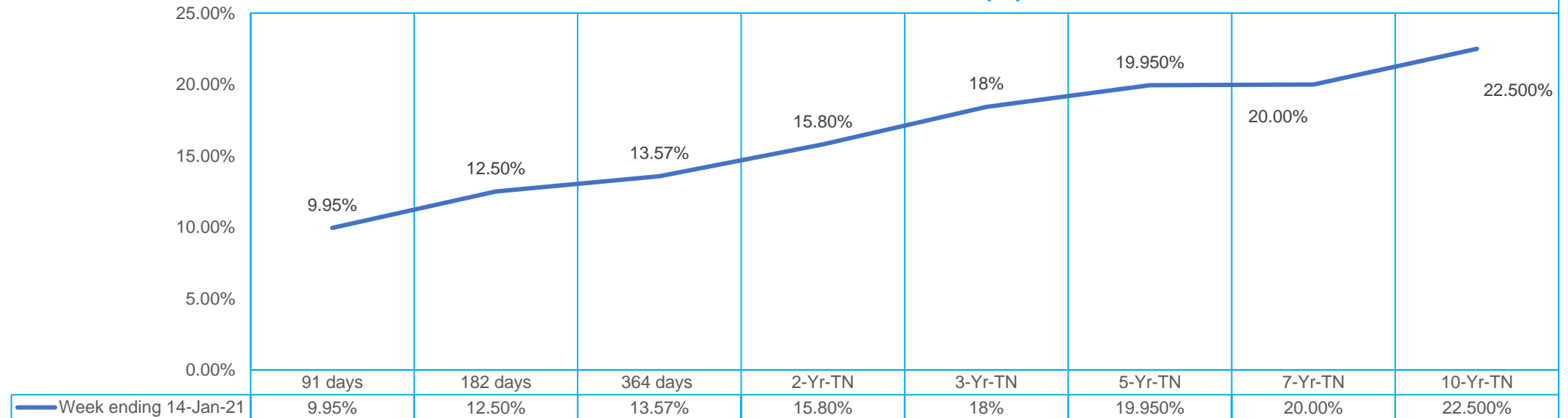
**TB and TN application (K'million) –** there were applications of K54.77 billion in the auctions held this week.



**TB and TN allotments (K'million) –** there were nil rejections as K54.77 billion was allotted in the auctions held this week.

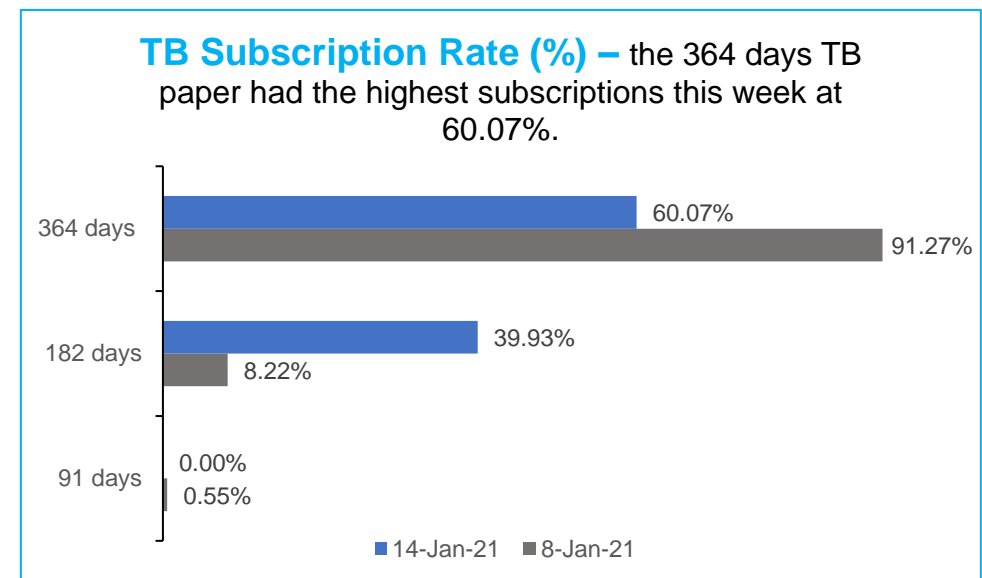
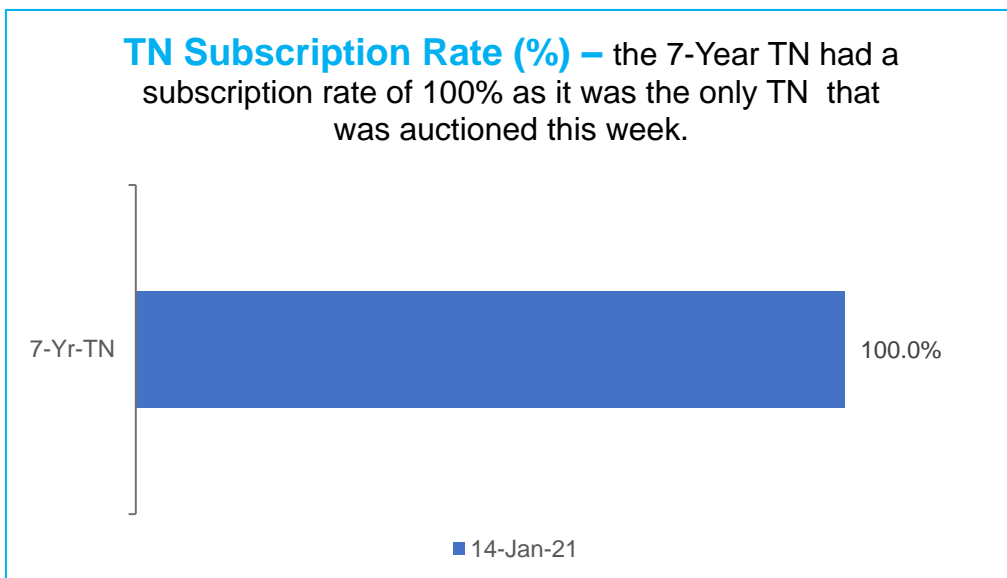
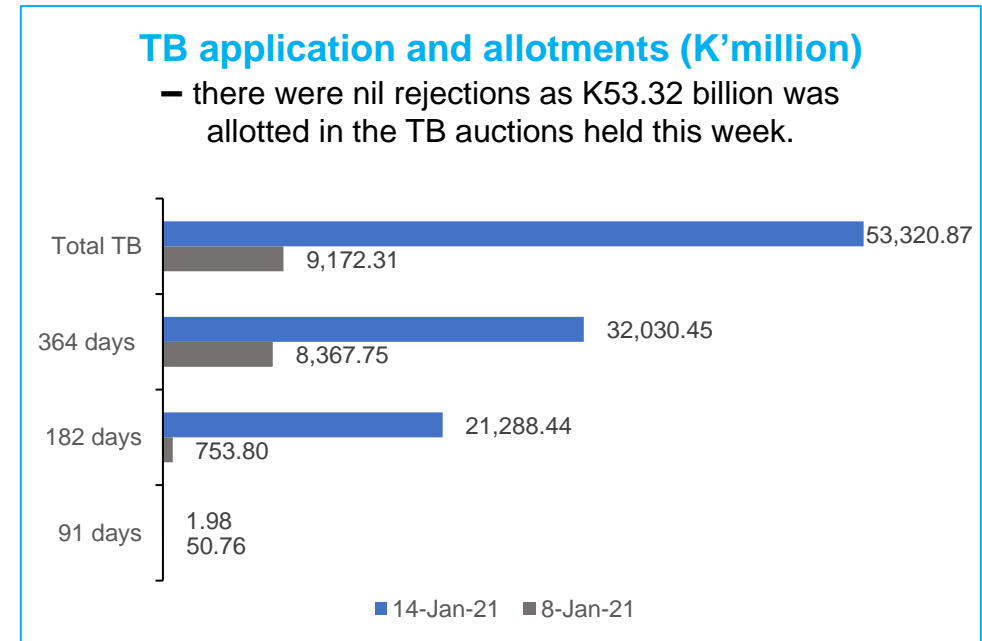
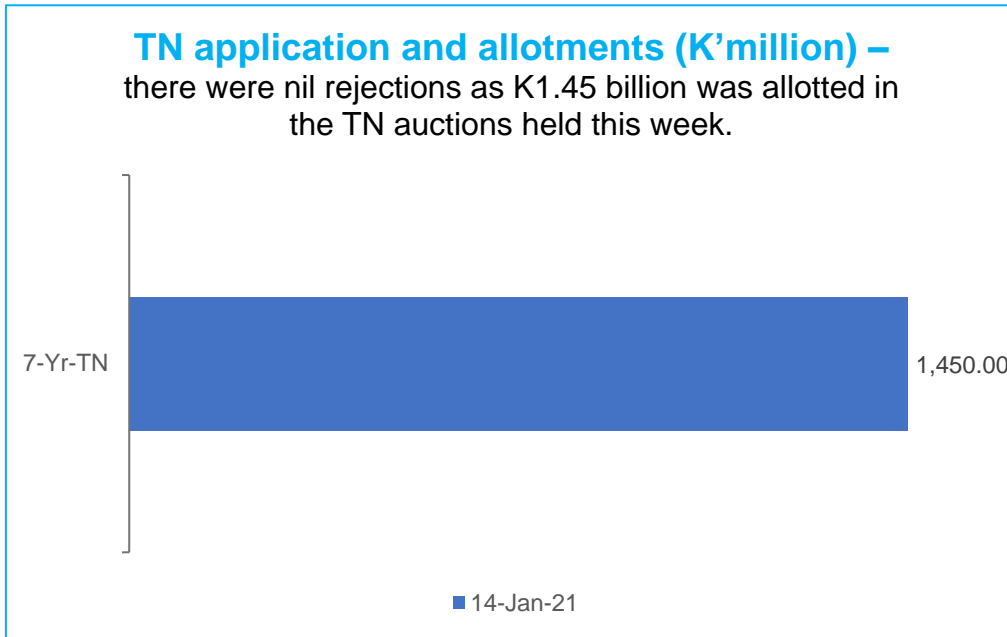


**Government Securities Yield Curve (%)**





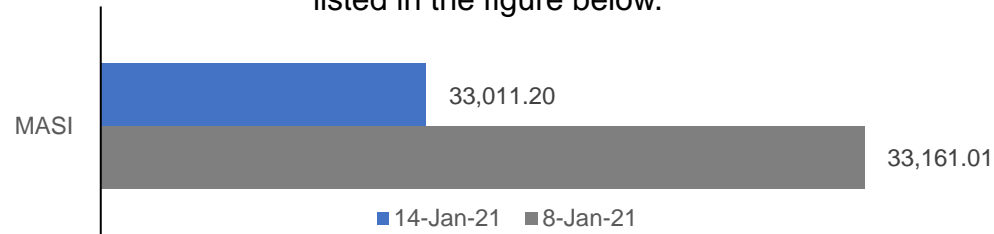
# GOVERNMENT SECURITIES (Source: RBM)



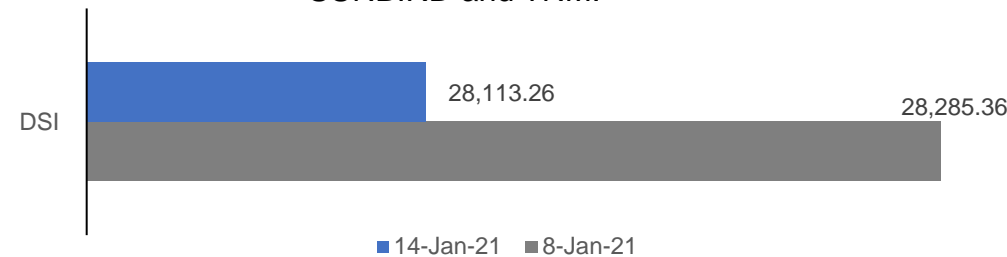


## EQUITY MARKET (Source: MSE)

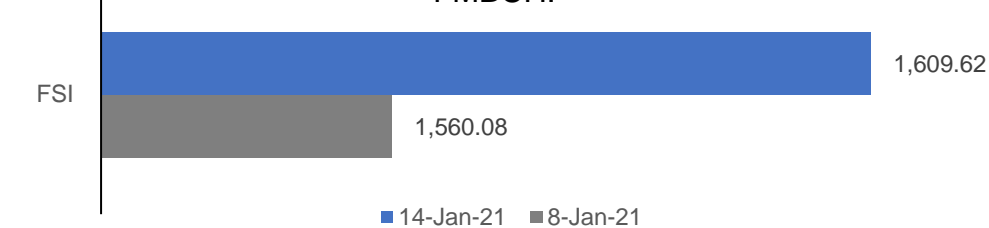
**MASI** – the stock market was bearish this week as the MASI decreased to 33,011.20 points from 33,161.01 points. This was due to share price increases which are listed in the figure below.



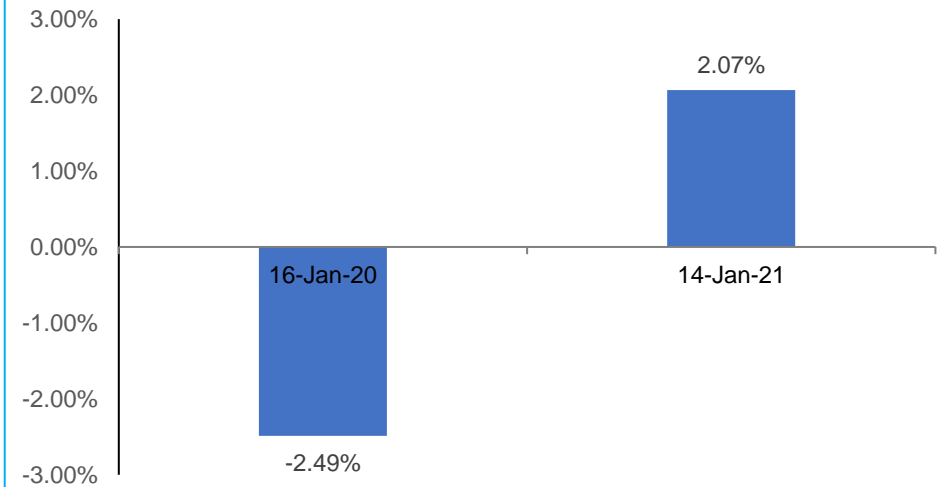
**DSI** – the DSI decreased to 28,113.26 points from 28,285.36 points due to share price losses in BHL, SUNBIRD and TNM.



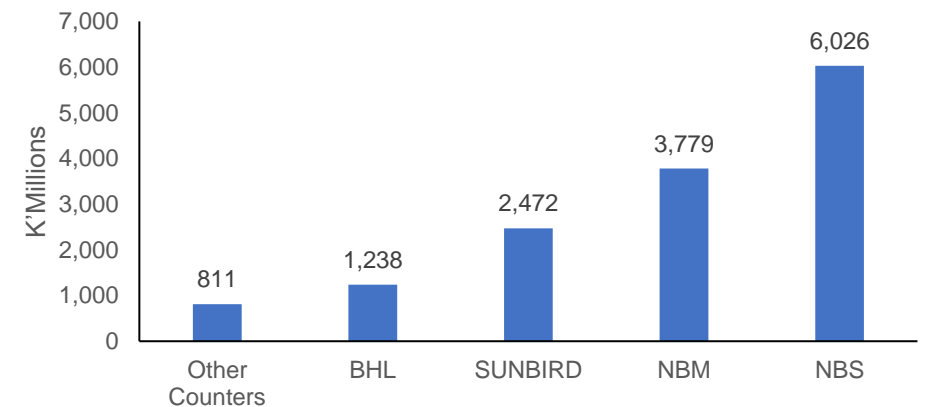
**FSI** – the FSI increased to 1,609.62 points from 1,560.08 points this week due to the share price gain in FMBCH.



**MASI YTD Return (%)** – the MASI registered a year-to-date return of 2.07% this year (it was negative 2.49% last year).



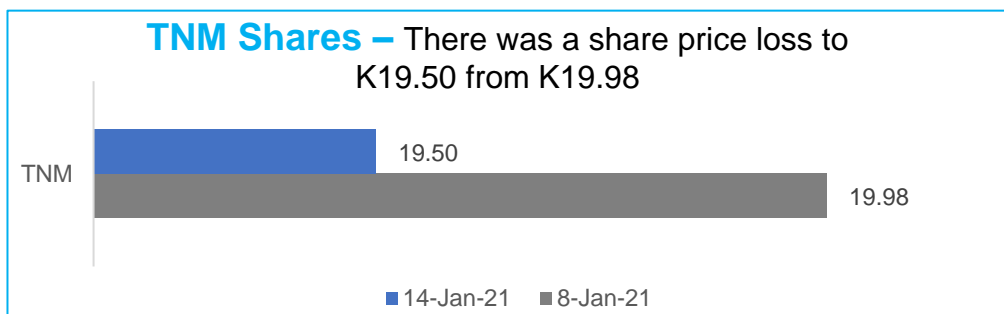
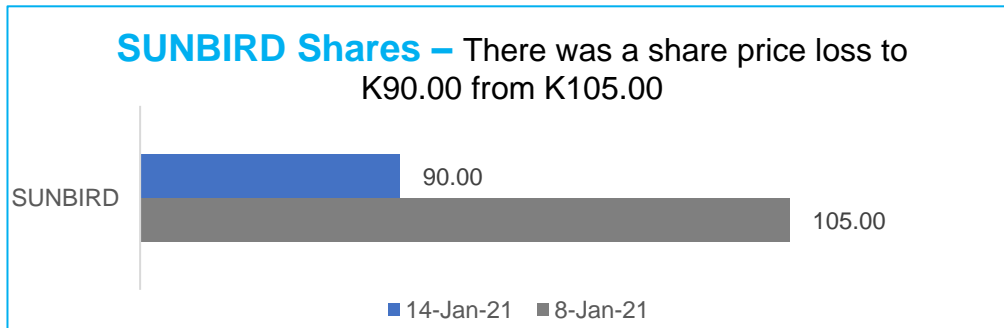
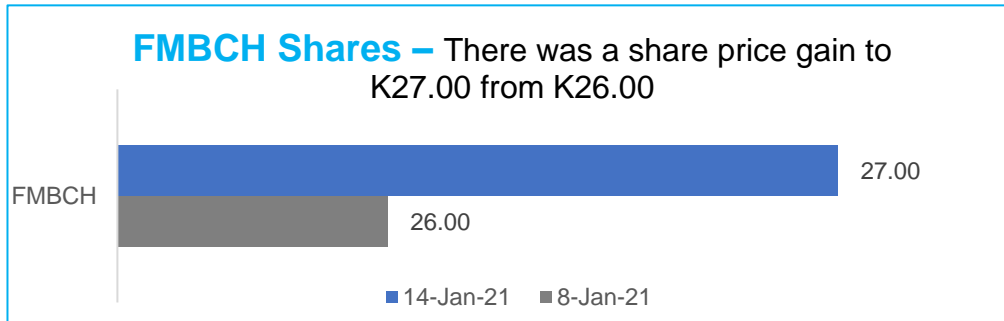
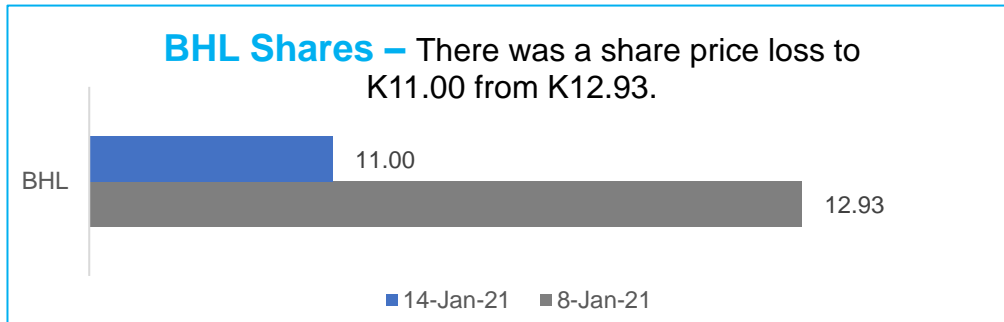
**Value of Shares Traded** – NBS had the highest value of shares traded at K6.03 million. The total value of shares traded this week was K14.33 million.



MASI: Malawi All Share Index  
DSI: Domestic share Index  
FSI: Foreign share Index  
OMU: Old Mutual Limited



## EQUITY MARKET (Continued)



The other counters closed at the same prices as the previous week. Their closing prices are shown in the table below:

No.	MSE Code	Share Price (K)
		14-Jan-21
1	Airtel	27.98
2	FDHB	14.45
3	ICON	12.27
4	ILLOVO	80.48
5	NBM	650.00
6	NICO	52.00
7	NITL	94.95
8	OMU	2,199.98
9	PCL	1,309.47
10	STANDARD	1,200.00
11	NBS	20.50
12	MPICO	20.99



Trading Statements (Source: MSE)

1.

**Airtel Profit After Tax (K'Billions)** - according to their trading statement, they expect a 40% increase in profits for the period ending 31 December 2020 to at least K22.27 billion from K15.91 billion.



2.

**TNM Profit After Tax (K'Billions)** - according to their trading statement, they expect a 25% decrease in profit after tax (PAT) for the period ending 31 December 2020. As such, the PAT will decrease to at most K11.30 billion from K15.06 billion.



3.

**Standard Bank Profit After Tax (K'Billions)** - according to their trading statement, Standard Bank expects a 45% increase in profits for the period ending 31 December 2020 to at least K23.03 billion from K15.88 billion.



4.

**Sunbird Profit After Tax (K'Billions)** - according to their trading statement, they expect a 150% decrease in profits for the period ending 31 December 2020 to negative K1.3 billion from K2.59 billion. This was attributed to the effect of COVID-19.



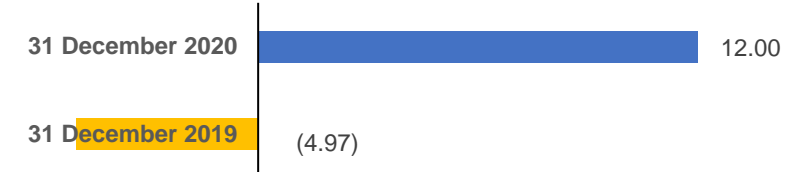
5.

**NITL Profit After Tax (K'Billions)** - according to their trading statement, they expect a 40% decrease in profits for the period ending 31 December 2020 to at most K1.07 billion from K1.78 billion.



6.

**FMBCH Profit After Tax (USD'Millions)** - according to their trading statement, they expect a 200% increase in profits for the period ending 31 December 2020 to at least USD12 million (K9.25 billion) from a loss of USD4.97 million (K3.83 billion).

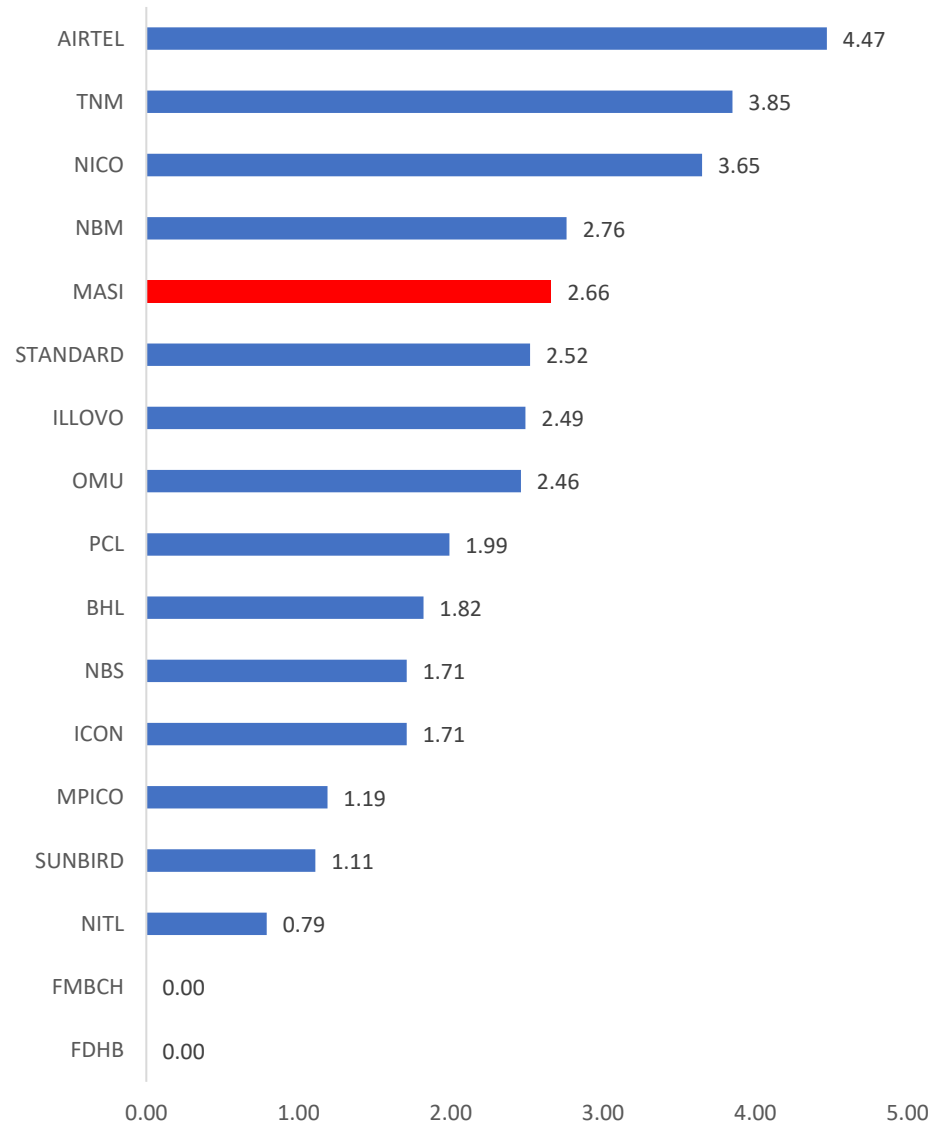




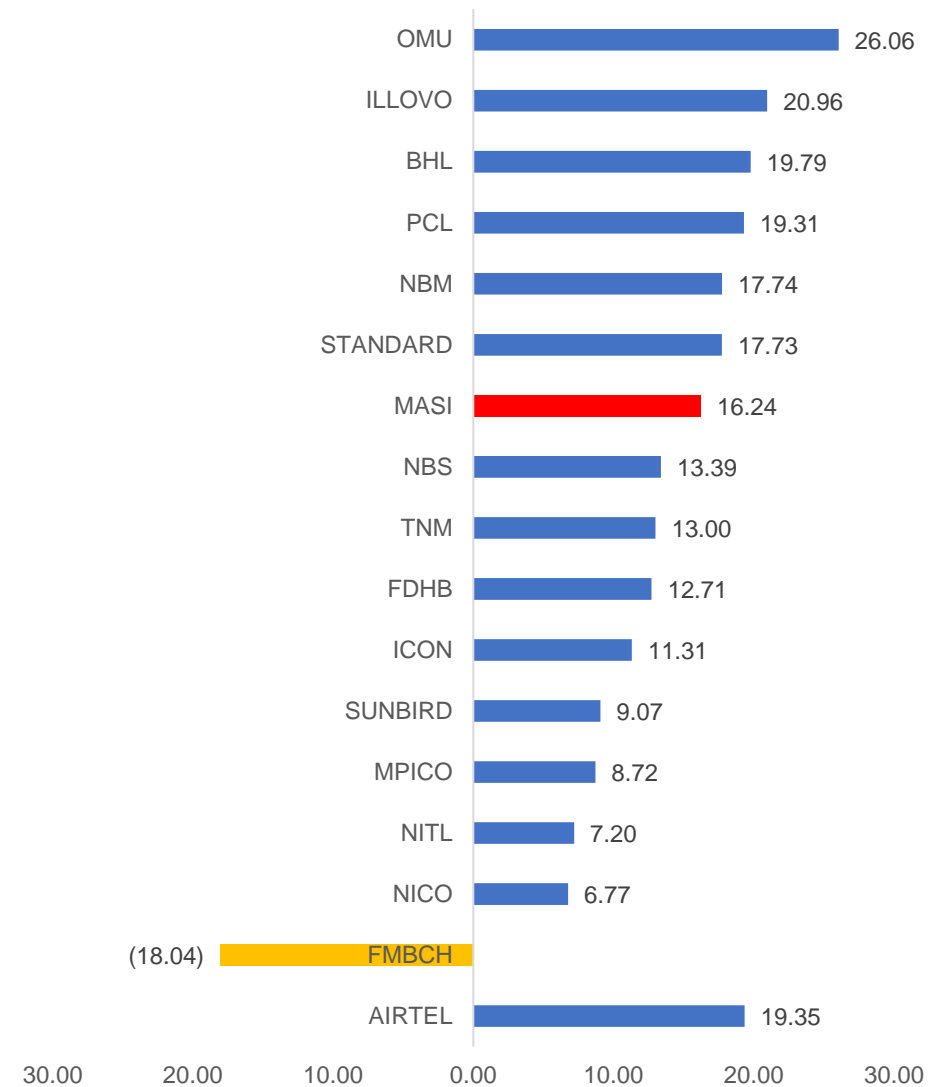


## EQUITY MARKET (Continued)

**Dividend yield (%)** - the weighted average dividend yield on the MSE is 2.66%. The counter with the highest dividend yield is AIRTEL at 4.47%.



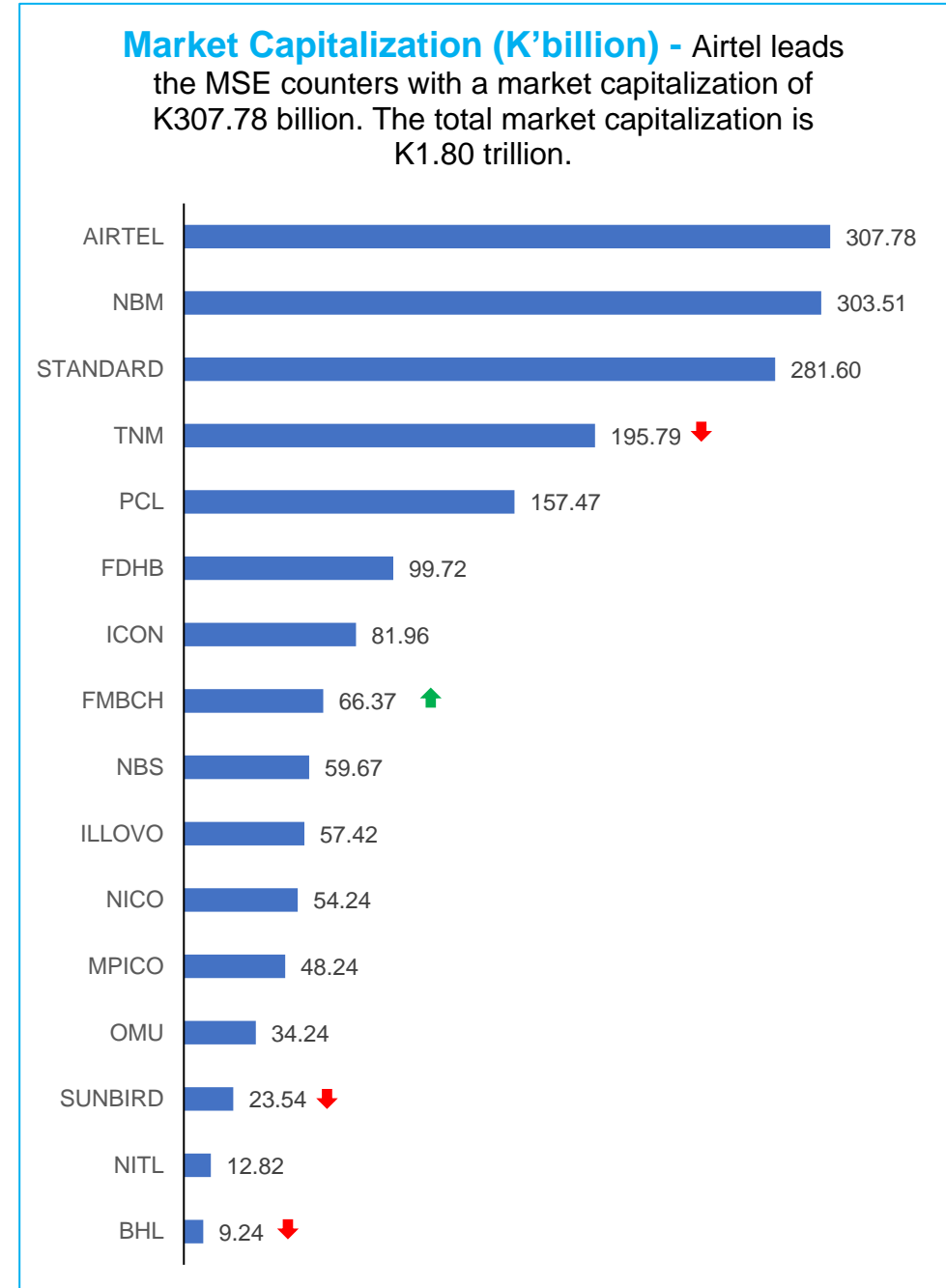
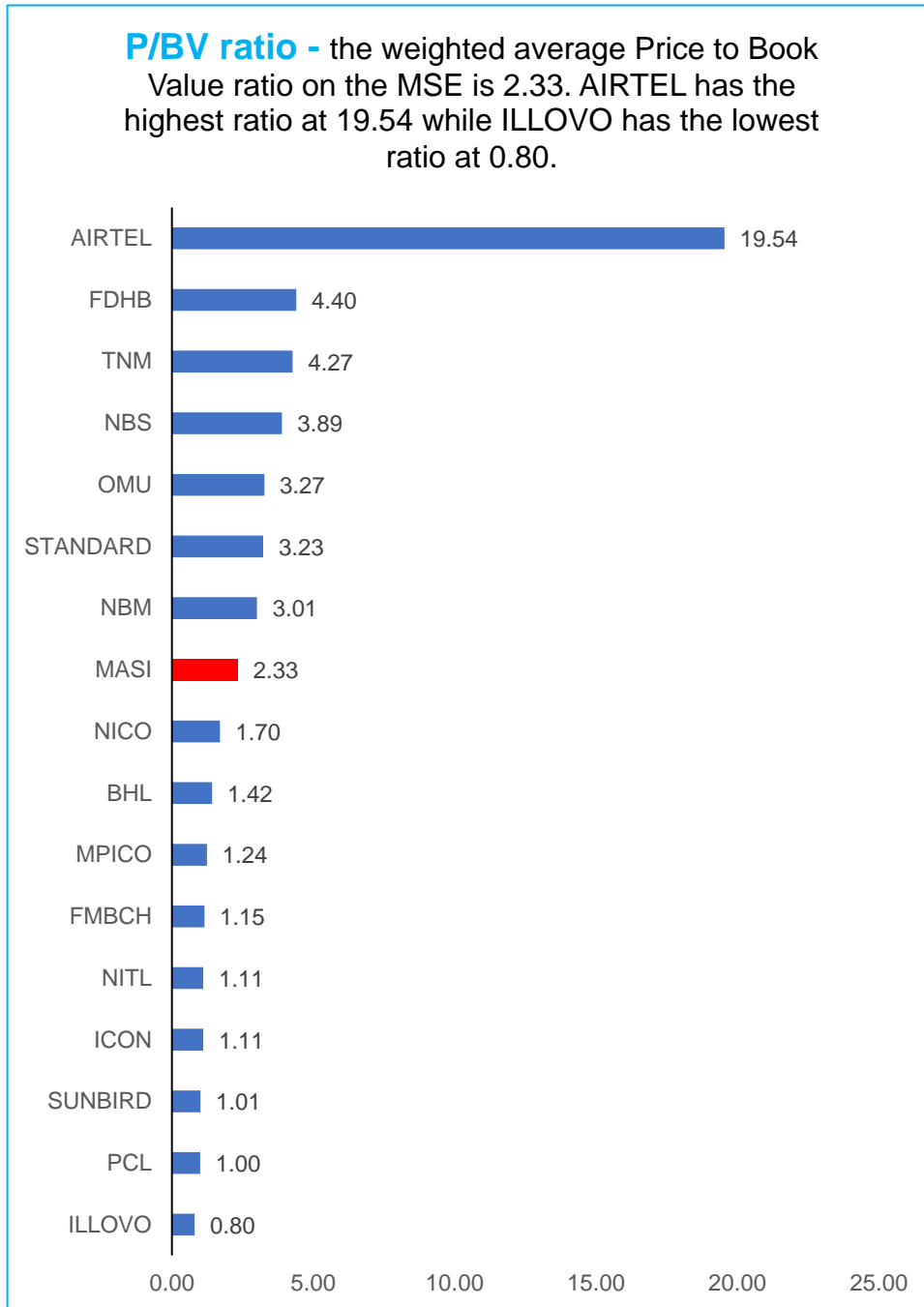
**P/E ratio** - the MSE has a weighted average Price to Earnings ratio of 16.24. FMBCH has the lowest at negative 18.04 while OMU has the highest at 26.06.





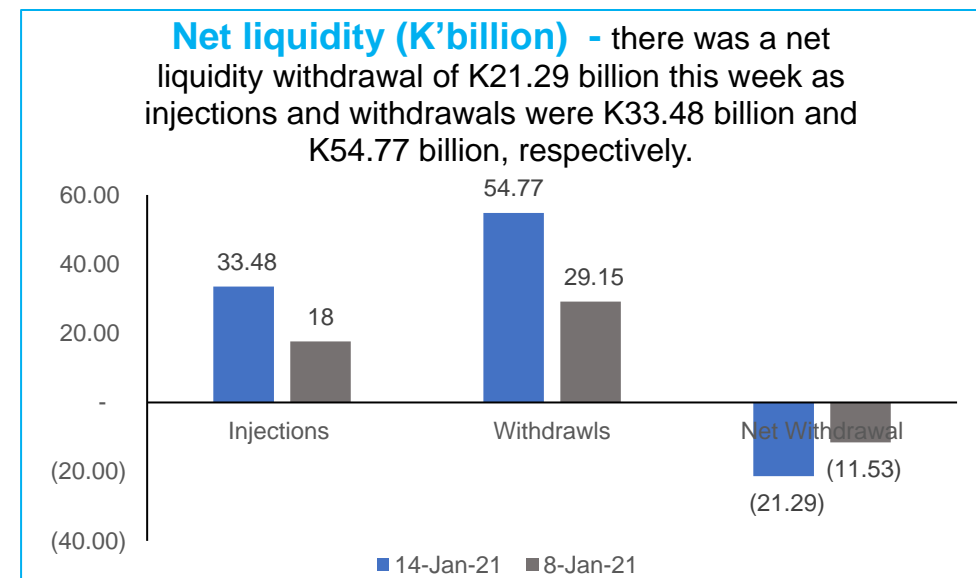
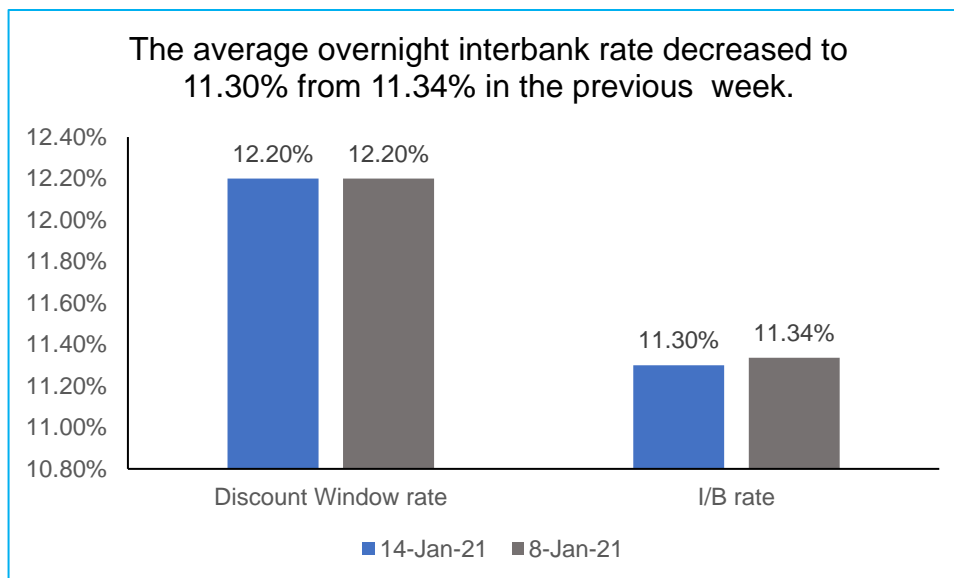
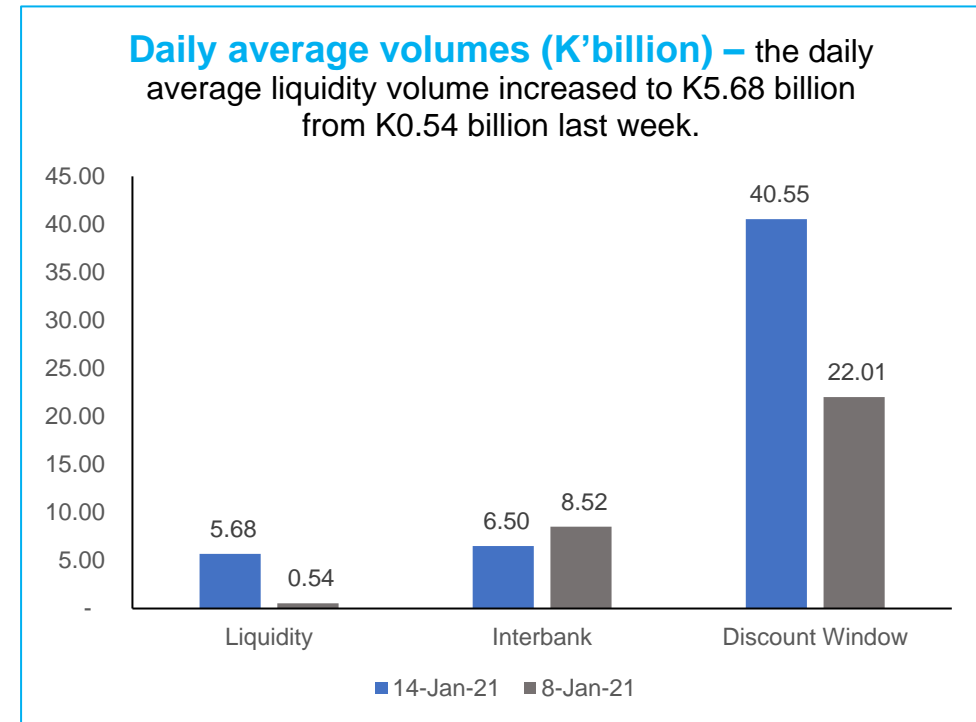
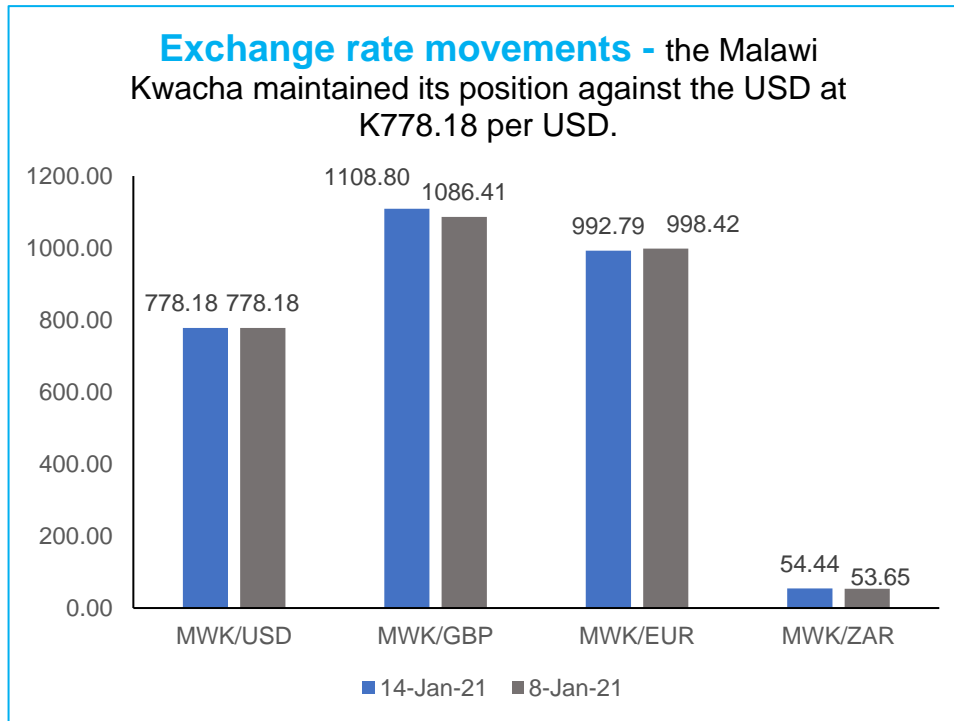


## EQUITY MARKET (Continued)





## OTHER FINANCIAL MARKET DEVELOPMENTS (Source: RBM)



EUR – Euro  
 GBP – Great British Pound  
 I/B – Interbank  
 USD – United States Dollar  
 ZAR – South African Rand

## Disclaimer

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