



# Financial Market Update

Week ending 22 October 2021



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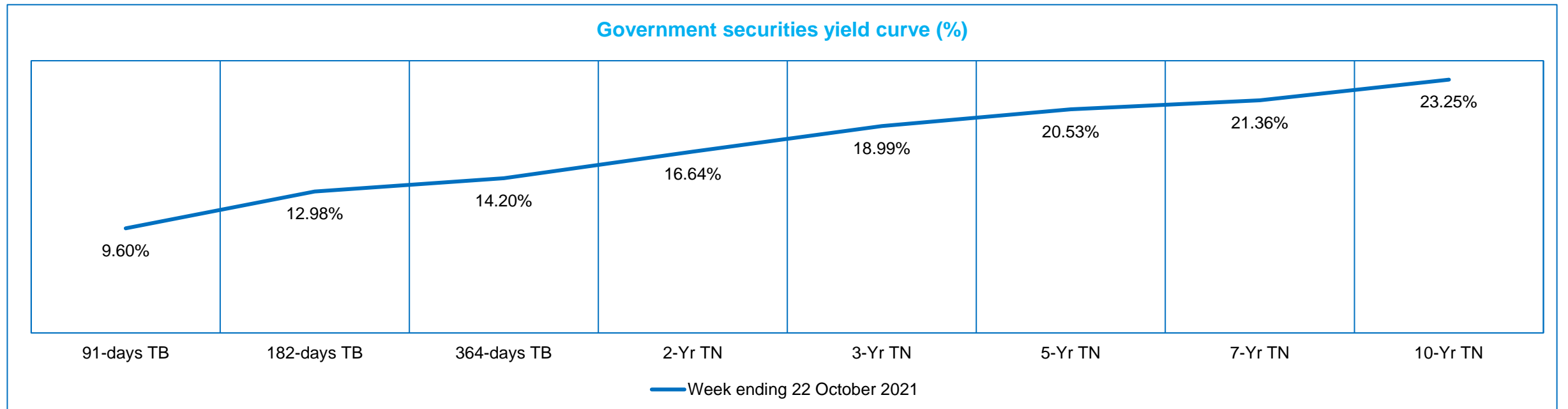
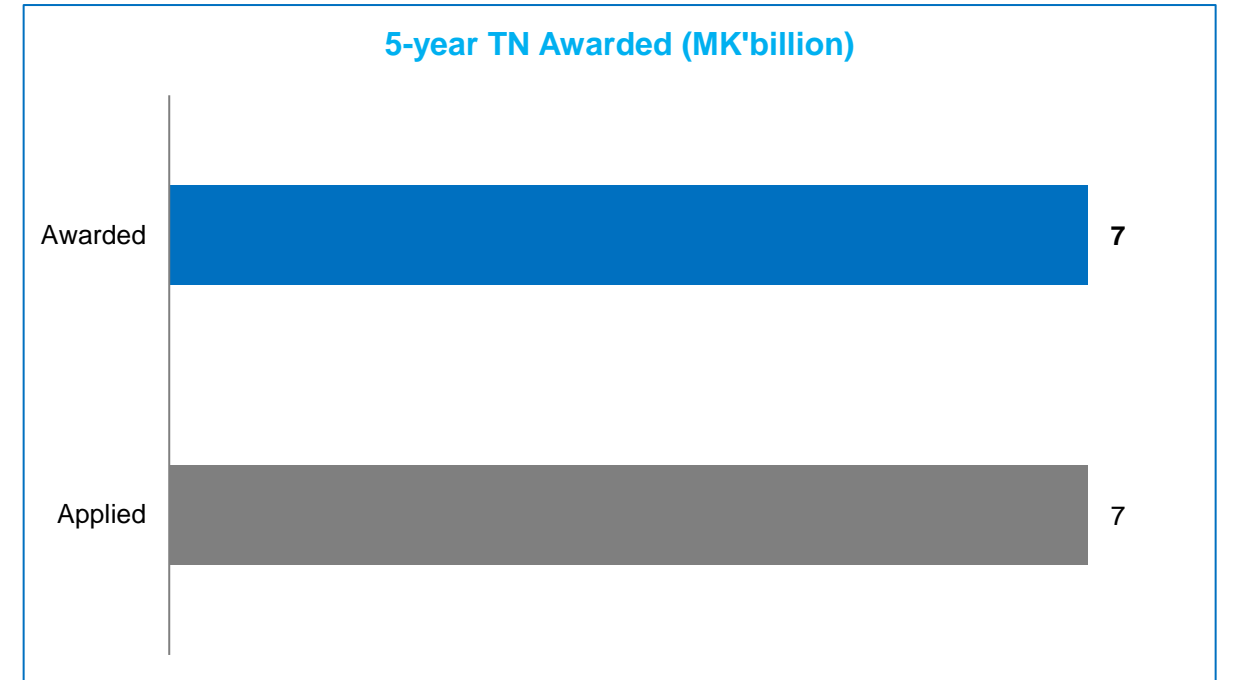
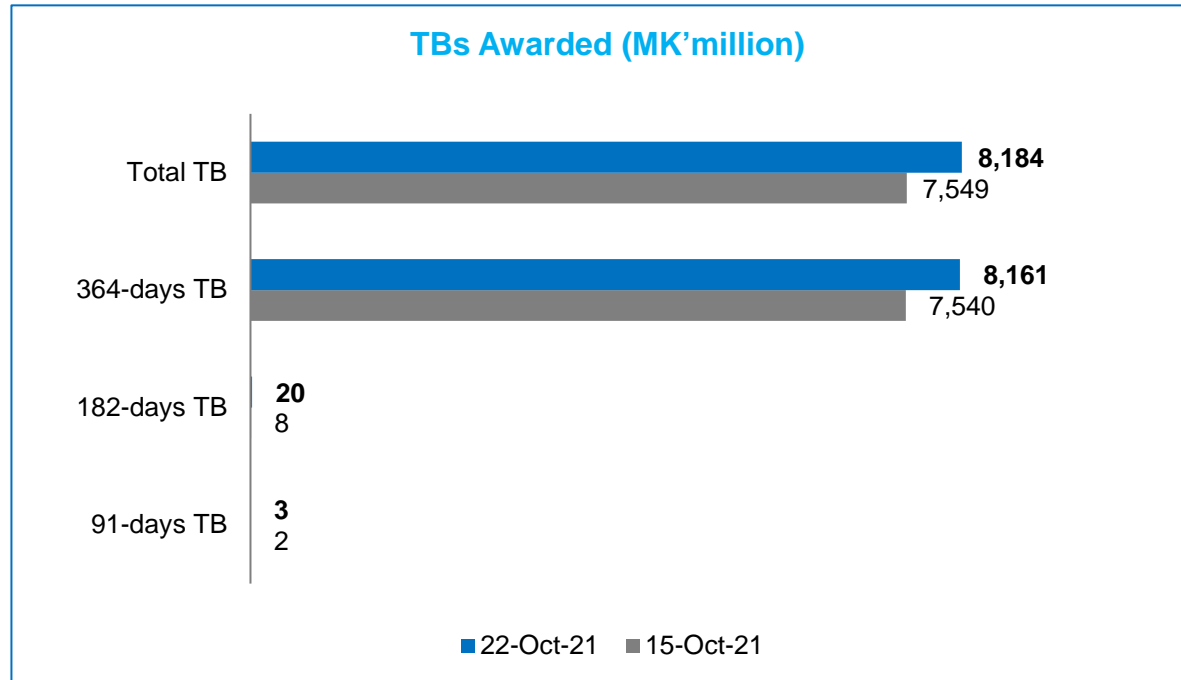
## Government securities (Source: RBM)

A total of MK15.40 billion was awarded during this week's Treasury Bills (TBs) and 5-year Treasury Note (TN) auctions.

MK8.18 billion and MK7.22 billion was raised in the TBs and 5-year TN auctions, respectively.

The TB and TN auctions had nil rejection rates during the period under review.

The average TB yield maintained its position at 12.26% while the average TN yield increased to 20.15% from 20.10% during the period under review.



TB: Treasury Bill  
TN: Treasury Note

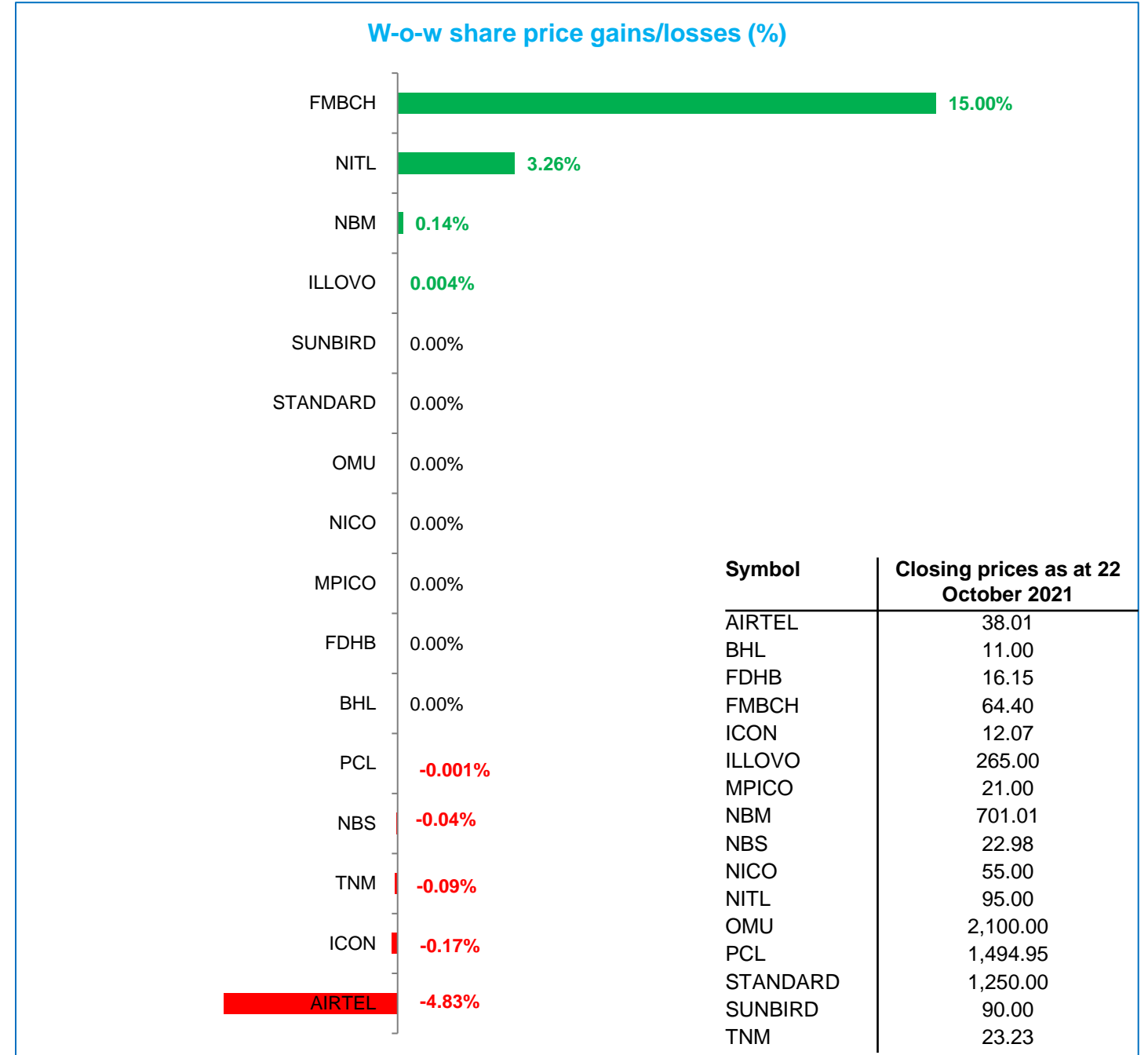
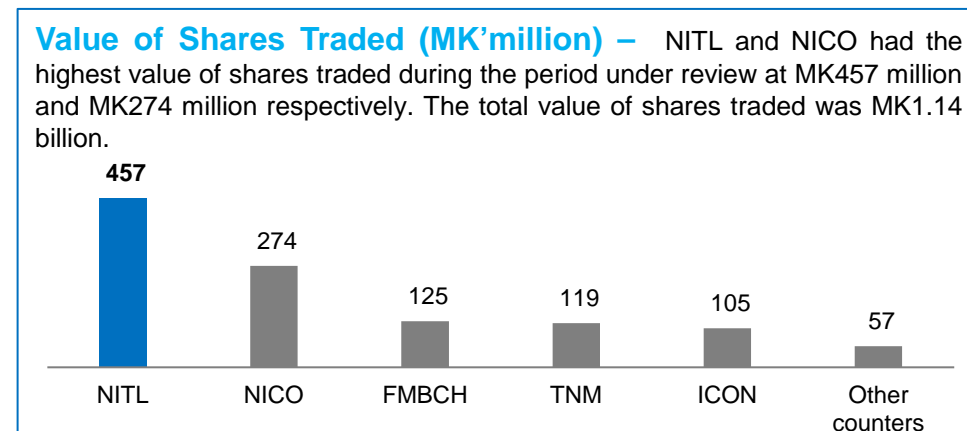
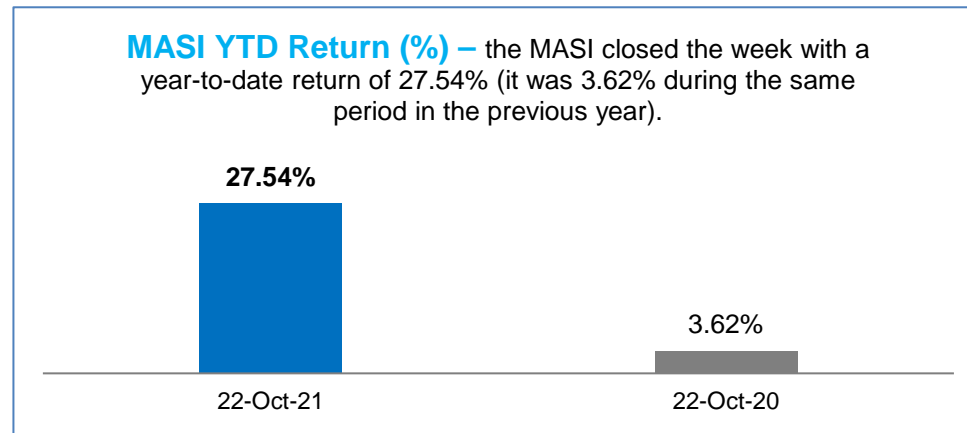
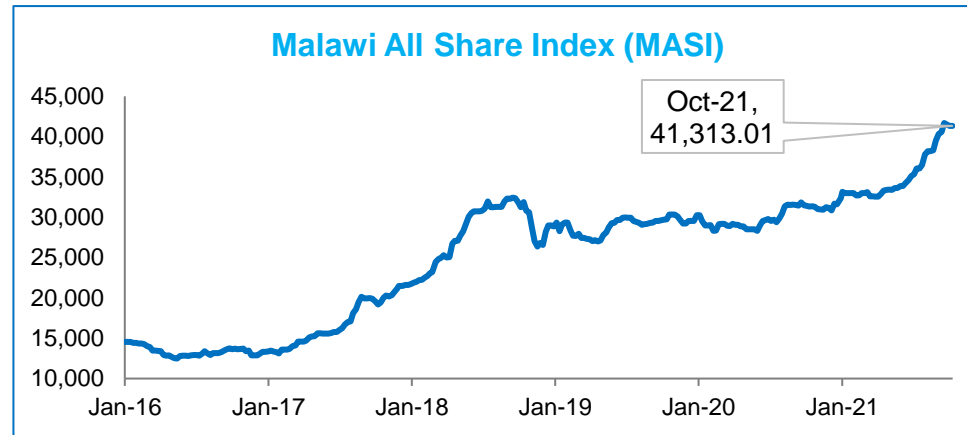


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Stock market (Source: MSE)

The stock market was bearish over the period with the Malawi All Share Index (MASI) closing the week ending 22 October 2021 at 41,313.01 points from 41,333.29 points for the week ending 15 October 2021. W-o-w, this represents a decrease of 0.05%.

There were share price gains for FMBCH and NITL during the period under review. There were also marginal share price gains for ILLOVO and NBM during the period under review. The share price gains were offset by a share price loss for AIRTEL and marginal share price losses for ICON, NBS, PCL and TNM during the same period.



Symbol	Closing prices as at 22 October 2021
AIRTEL	38.01
BHL	11.00
FDHB	16.15
FMBCH	64.40
ICON	12.07
ILLOVO	265.00
MPICO	21.00
NBM	701.01
NBS	22.98
NICO	55.00
NITL	95.00
OMU	2,100.00
PCL	1,494.95
STANDARD	1,250.00
SUNBIRD	90.00
TNM	23.23



## Financial Market Update: Week ending 22 October 2021

Stock market (Source: MSE) (Continued)

*PCL's declared interim dividend of MK6.00/share is to be paid on 29 October 2021.*

### Corporate Announcements

#### 1. Dividends:

Below is a summary of the dividends that have been declared and proposed by listed companies:

Company	Declared/Proposed	Type	Dividend (MK)	Last Day To Register	Payable
PCL	Declared	Interim	6.00	15-Oct-21	29-Oct-21
NITL	Declared	Interim	0.60	22-Oct-21	29-Oct-21
NICO	Declared	Special	0.50	22-Oct-21	4-Nov-21

#### 2. FDH Bank Plc cautionary statement

FDH Bank PLC wishes to inform its shareholders and the general public that shareholders of the Bank's holding company, FDH Financial Holdings Limited, are engaged in shareholding discussions. The discussions may result in changes in the shareholding structure of FDH Financial Holdings Limited. Shareholders are therefore advised to exercise caution and consult their professional advisors before dealing in their shares until such time as the result of the discussions are known.

### Financial year Trading Statements

The following companies wish to advise the public that their profit/loss after tax for the financial year is expected to be higher or lower than the previous corresponding period by the specified amount.

*Amounts in billions of Malawi Kwacha unless specified otherwise.*

Counter	31 August 2021	31 August 2020	Trading statement profit/loss expectation
ILLOVO Sugar Malawi	20.00 (Range 18-22)	2.74	630%



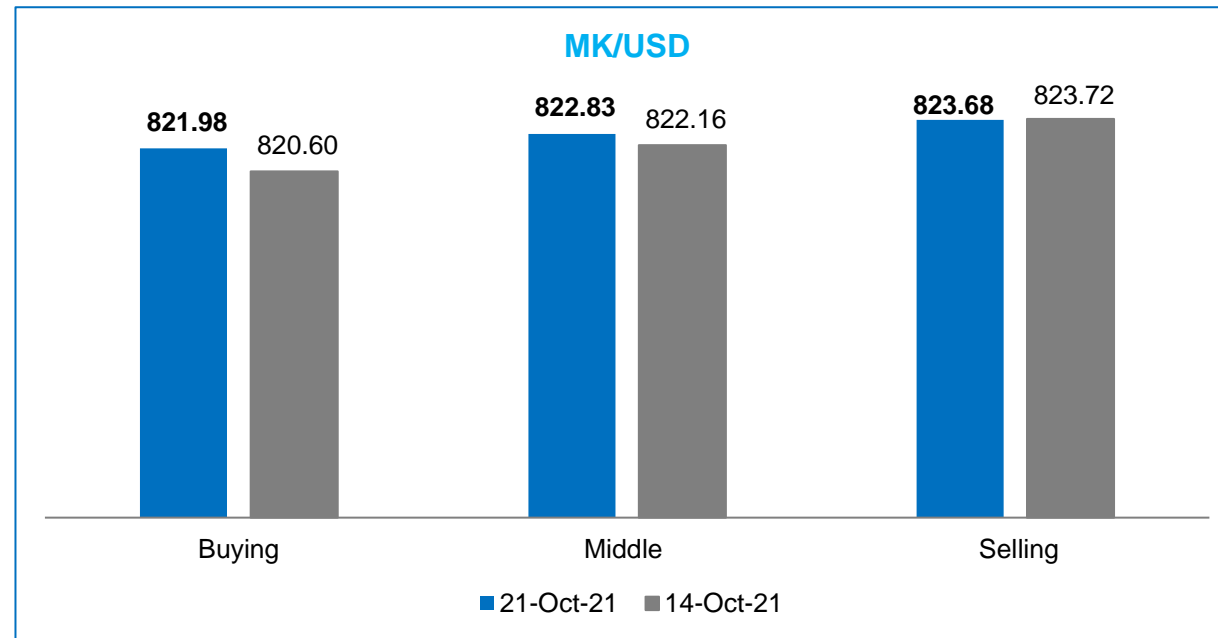
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Foreign currency market and other market developments (Source: RBM)

Year-to-date, the Malawi Kwacha has depreciated against the United States Dollar by 5.92%.

The Malawi Kwacha was stable at MK822.83/USD during the period under review.

## Foreign currency (Source RBM)



## What happened this week?

- The government of Japan has given Malawi a grant worth MK23.1 billion for capacity building, refurbishment and rebuilding of the Kanengo and Old Town power substations. The project aims to make current infrastructure more effective and efficient while improving energy supply (*The Daily Times, 19-Oct-21*).
- The World Bank Group cautions low-income countries against persistent borrowing in the hope that external loans will be forgiven. On the contrary, low-income countries are advised to gradually move towards achieving consolidated economies that keep the welfare of citizens as the guiding principle, enhance and simplify tax structures while reducing imprudent expenditure (*The Nation, 19-Oct-21*).
- The United States and Malawi signed a USD1.2 billion (MK1 trillion) five-year bilateral Development Objective Agreement Grant (DOAG). The grant aims to support Malawi’s vision 2063 and progress toward a self-reliant Malawi that is gender equitable and democratically accountable (*The Daily Times, 20-Oct-21*).
- The completion of the Malawi-Mozambique power interconnection project is expected to delay by nine months. The Electricity Supply commission of Malawi (ESCOM) has attributed the delay to the Covid-19 pandemic. Upon completion, 50 MW is expected to be added to the Malawi’s national power grid (*The Daily Times, 20-Oct-21*).
- The Parliamentary Committee on Natural Resources and Climate Change has proposed increasing the government’s quota of fuel imports. If approved, the move will increase the import quota of the state-owned National Oil Company of Malawi (NOCMA) to 90% from 55%, while reducing the quota of Petroleum Importers Limited (PIL) to 10% from 45%. PIL is a consortium of private sector oil marketing companies (*The Nation, 22-Oct-21*).



## Appendix 1: Historical Economic Indicators

	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Week ending 22 October 2021
<b>Exchange rates (middle rates)</b>															
MK/USD	754.71	756.93	759.47	765.92	776.82	776.49	787.03	790.30	797.66	800.17	811.95	817.43	820.40	822.17	<b>822.83</b>
MK/GBP	1,024.89	999.88	1,015.11	1,061.76	1,070.14	1,107.24	1,140.90	1,139.62	1,164.37	1,191.58	1,192.94	1,203.74	1,196.67	1,168.72	<b>1,211.68</b>
MK/EUR	935.56	928.35	925.23	958.34	987.95	991.78	1,006.72	993.04	1,035.48	1,042.52	1,032.04	1,048.56	1,044.60	1,026.14	<b>1,064.71</b>
MK/ZAR	47.53	47.33	49.18	53.09	56.43	54.60	55.69	56.13	59.33	62.28	61.42	60.79	60.90	58.90	<b>61.43</b>
<b>Foreign Exchange Reserves</b>															
Gross Official Reserves (USD'mn)	642.86	546.99	635.05	584.89	574.26	502.98	483.38	410.16	392.01	414.41	424.99	404.18	604.50	521.87	-
Private Sector Reserves (USD'mn)	316.74	318.47	340.22	332.51	377.97	358.29	340.50	342.58	392.61	369.64	388.78	405.79	389.47	386.05	-
Total reserves (USD'mn)	959.6	865.46	975.27	917.4	952.23	861.27	823.88	752.74	784.62	784.05	813.77	809.97	993.97	907.92	-
Gross Official Reserves Import cover (months)	3.08	2.62	3.04	2.80	2.75	2.41	2.31	1.96	1.88	1.77	1.70	1.62	2.42	2.09	-
<b>Inflation</b>															
Headline	7.60%	7.10%	7.50%	7.30%	7.60%	7.70%	8.30%	9.40%	9.2%	8.9%	9.1%	8.7%	8.4%	8.9%	-
Food	11.30%	10.30%	10.90%	10.40%	10.50%	9.70%	10.30%	11.70%	11.5%	11.0%	11.1%	10.3%	9.7%	10.9%	-
Non-food	4.40%	4.40%	4.40%	4.40%	4.90%	5.60%	6.30%	6.90%	7.0%	7.1%	7.2%	7.2%	7.2%	7.2%	-
<b>Interest Rates</b>															
Monetary Policy rate	13.50%	13.50%	13.50%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	<b>12.00%</b>
Average Interbank rate	13.59%	13.61%	13.62%	12.51%	11.41%	11.34%	10.67%	11.37%	11.72%	13.36%	11.94%	11.96%	11.98%	11.98%	<b>11.98%</b>
Average base lending rate	13.40%	13.60%	13.60%	13.60%	12.30%	12.10%	12.00%	11.90%	12.10%	12.10%	12.20%	12.20%	12.20%	12.20%	<b>12.20%</b>
<b>Government Securities' Yields</b>															
91-days Treasury Bill	9.85%	9.94%	9.95%	9.95%	9.95%	9.95%	9.95%	9.95%	9.88%	9.98%	9.62%	9.33%	9.60%	9.59%	<b>9.60%</b>
182-days Treasury Bill	12.55%	12.58%	12.87%	12.73%	12.49%	12.59%	12.80%	12.80%	12.77%	12.80%	12.81%	12.96%	12.96%	12.98%	<b>12.98%</b>
364-days Treasury Bill	13.73%	13.74%	13.88%	13.40%	13.53%	13.64%	13.77%	13.80%	13.80%	13.83%	13.87%	12.06%	14.08%	14.20%	<b>14.20%</b>
2-year Treasury Note	16.46%	16.46%	16.46%	16.46%	16.46%	16.50%	16.50%	16.50%	16.50%	16.51%	16.65%	16.63%	16.63%	16.63%	<b>16.64%</b>
3-year Treasury Note	16.89%	18.02%	18.47%	17.79%	18.30%	18.56%	18.66%	18.66%	18.80%	18.80%	18.97%	19.00%	18.99%	18.99%	<b>18.99%</b>
5-year Treasury Note	19.82%	19.82%	19.82%	19.82%	19.77%	19.95%	19.97%	19.98%	19.98%	19.98%	20.08%	20.00%	20.09%	20.26%	<b>20.53%</b>
7-year Treasury Note	20.75%	20.75%	20.75%	19.95%	20.00%	20.00%	20.50%	20.50%	20.50%	20.50%	20.59%	20.98%	21.36%	21.36%	<b>21.36%</b>
10-year Treasury Note	-	22.14%	22.14%	22.14%	22.50%	22.50%	22.50%	22.50%	22.50%	22.50%	21.85%	22.54%	23.01%	23.25%	<b>23.25%</b>
<b>Stock Market Indices</b>															
MASI	31,328.10	31,743.36	31,303.78	31,225.08	32,392.84	32,988.58	33,009.75	32,562.96	33,380.63	33,676.89	35,144.56	36,496.03	38,945.62	41,681.86	<b>41,313.01</b>
DSI	26,732.01	27,101.51	26,787.57	26,717.15	27,755.46	28,090.02	28,108.19	27,710.72	28,257.89	28,376.03	28,739.26	29,749.56	31,959.22	34,383.73	<b>34,059.02</b>
FSI	1,460.99	1,460.99	1,362.39	1,362.89	1,363.88	1,613.58	1,614.45	1,614.33	1,844.72	2,030.51	3,234.45	3,479.97	3,479.97	3,454.70	<b>3,450.25</b>



## Appendix 2

### Published half-year financial statements

Amounts in billions of Malawi Kwacha unless specified otherwise.

Counter	28 February 2021	28 February 2020	% Change in Profit/Loss
Illovo	6.12	2.05	199%

Counter	31 March 2021	31 March 2020	% Change in Profit/Loss
BHL (MK'million)	(390.65)	70.01	-658%

Counter	30 June 2021	30 June 2020	% Change in Profit/Loss
NITL	1.23	0.36	234.5%
FDH Bank	4.55	3.22	41%
National Bank	12.8	9.1	41%
Standard Bank	11.59	12.63	-8%
NBS Bank	4.40	2.84	55%
Press Corporation	12.87	11.68	10%
Airtel Malawi	11.35	11.42	-0.61%
TNM	4.51	3.78	19%
NICO	7.03	7.64	8%
ICON	3.07	2.11	45%
MPICO	2.84	2.51	13%
Sunbird	(0.48)	(1.34)	-64%
Old Mutual (ZAR'billion)	3.16	4.22	-25%
FMBCH (USD'million)	13.09	14.29	-8%

## **Disclaimer**

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