



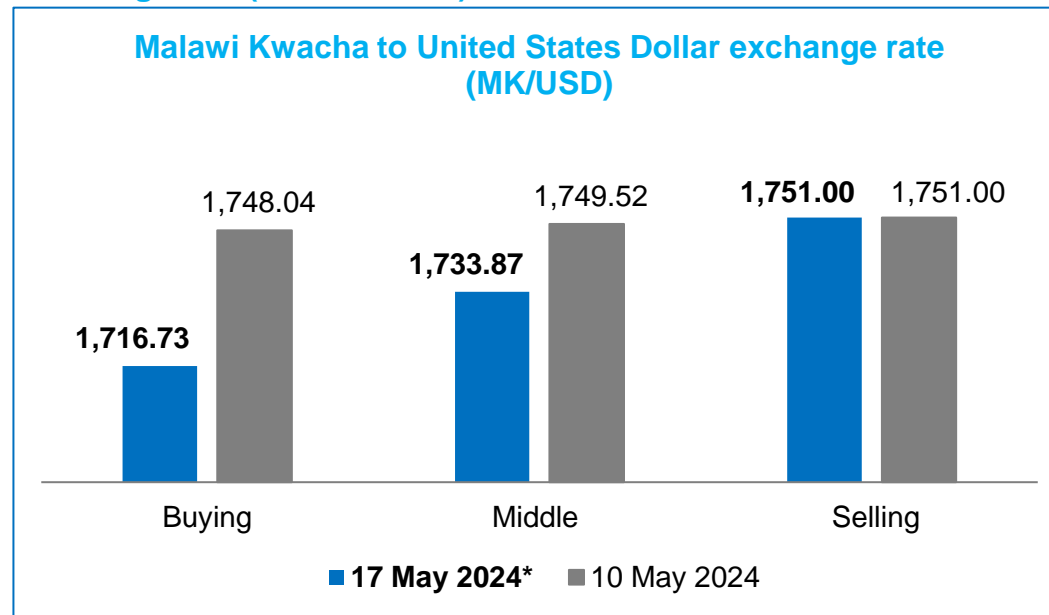
Malawi Financial Market Update

Week ending 17 May 2024

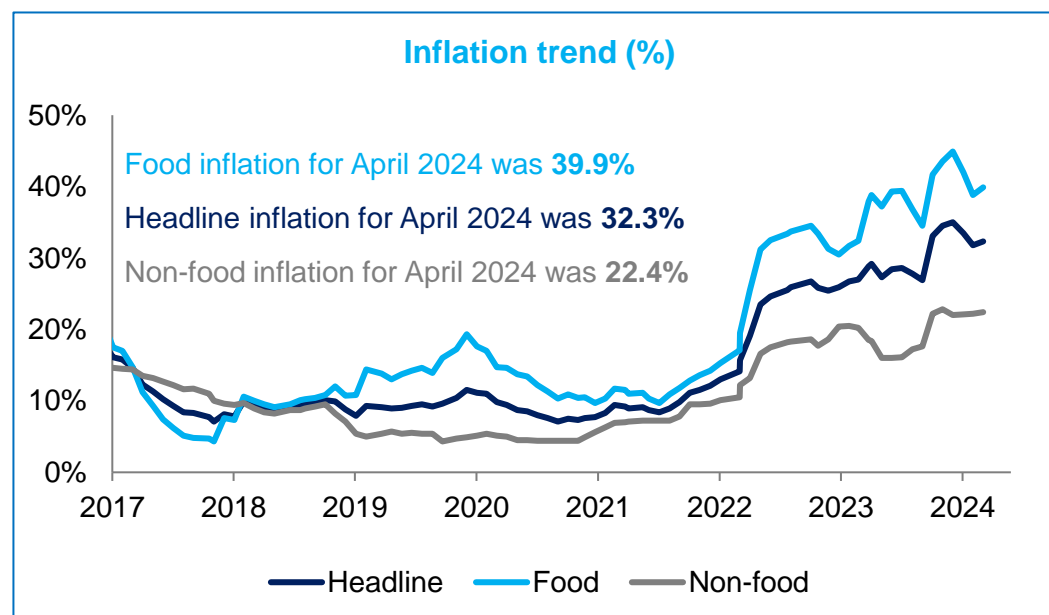


Exchange rate and other market developments

Exchange rate (Source: RBM)



Malawi Inflation (Source: NSO)



*: Reserve Bank of Malawi opening exchange rates as of 17 May 2024

What Happened This Week

1. According to the National Statistical Office (NSO), the year-on-year inflation rate for April 2024 was 32.3%, an increase from 31.8% recorded in March 2024. The Food and Non-Food inflation rates increased to 39.9% and 22.4% in April 2024 from 38.8% and 22.2% in March 2024, respectively (NSO Consumer Price Indices: April 2024).
2. According to the Auction Holdings Limited (AHL) Tobacco Sales Season-to-Date report, USD108.6 million has been raised in the 2024 tobacco auctions as of 16 May 2024. This represents an increase of 56.0% compared to the USD69.6 million raised as of 16 May 2023. The average price of the tobacco sold was USD2.74 per kilogram, it was USD2.16 per kilogram during the same period last year, representing a 26.9% increase. The kilograms sold grew by 22.9% to 39.6 million kilograms as of 16 May 2024 from 32.2 million kilograms as of 16 May 2023 (16 May 2024 AHL Tobacco Sales season-to-date report).
3. The African Development Bank (AfDB) has approved a USD22.7 million (about MK39.7 billion) budget support grant to Malawi. The funds are intended for implementing the Agricultural Productivity and Marketing Program to reform the agricultural sector and strengthen resilience to climate change. The national program is designed to catalyze economic growth and ensure food security within Malawi. The funds will support the development of a farmer registration module and the rollout of a national agricultural management information system. (AFDB, 15 May 2024).
4. According to the Reserve Bank of Malawi (RBM), the total foreign exchange reserves increased by 9.1% to USD603.0 million (2.41 months of imports) in April 2024, from USD552.9 million (2.21 months of imports) recorded in March 2024. The reserves stood at USD604.0 million in April 2023. In their March 2024 monthly economic review, Malawi's merchandise trade balance recorded a deficit of USD194 million (approximately MK333.7 billion) in March 2024, compared to a deficit of USD128.5 million (approximately MK218.5 billion) in February 2024. The wider trade deficit has been attributed to a 28.2% growth in imports and a 25.5% drop in exports. In March 2023, the merchandise trade balance recorded a deficit of USD9.4 million (The Reserve Bank of Malawi, May 2024).
5. According to the International Food Policy Institute (IFPRI) Malawi Maize Market Report for April 2024, the retail price of maize decreased by 7% for old maize and 2% for new maize in April. The weekly average maize prices in the final week of March dropped to MK709/kg from MK760/kg in the final week of March. In the previous year, the market saw a 15% decrease to MK626/kg during the same period. The highest weekly average price was recorded in the Northern region at MK821/kg for old maize, and the lowest was in the Southern region at MK362/kg for new Maize (IFPRI Maize Market Report for April 2024).



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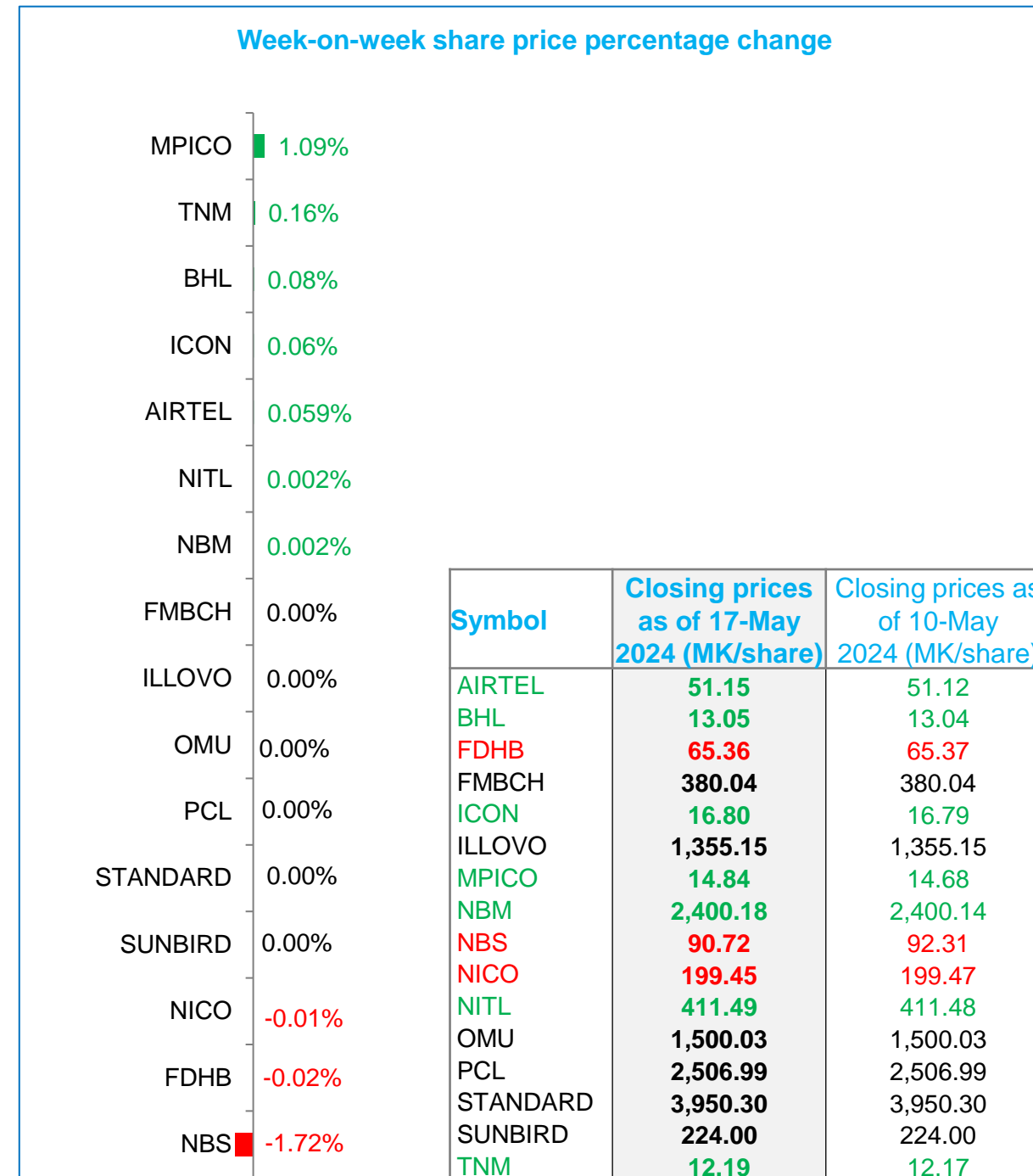
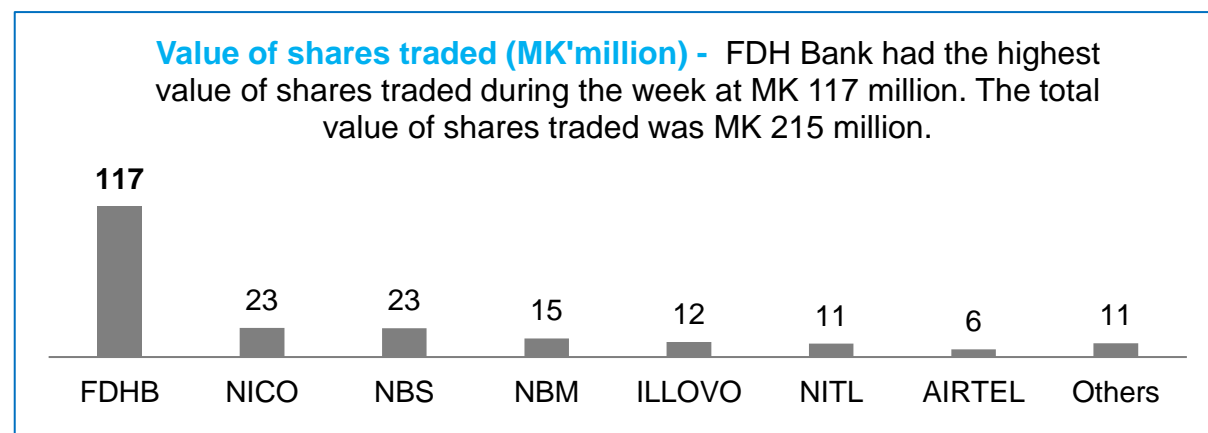
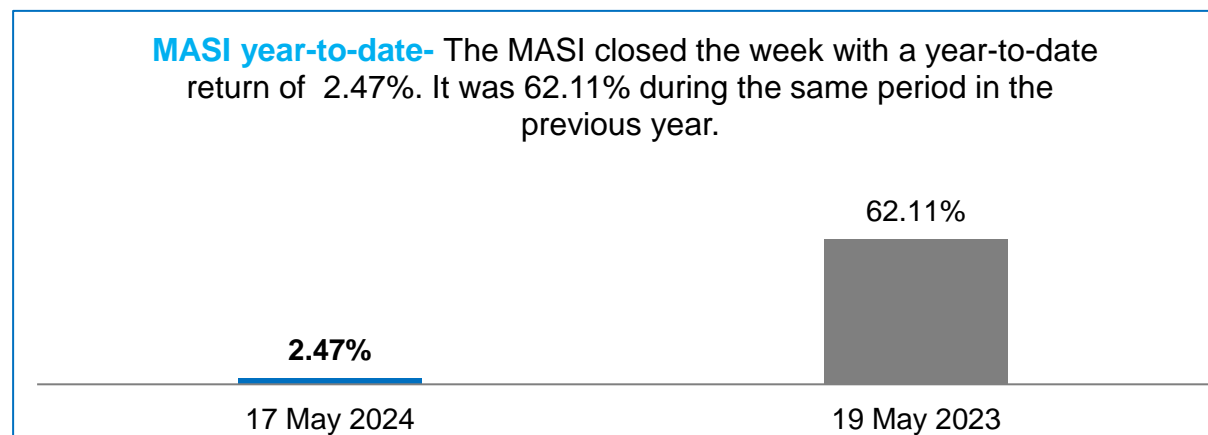
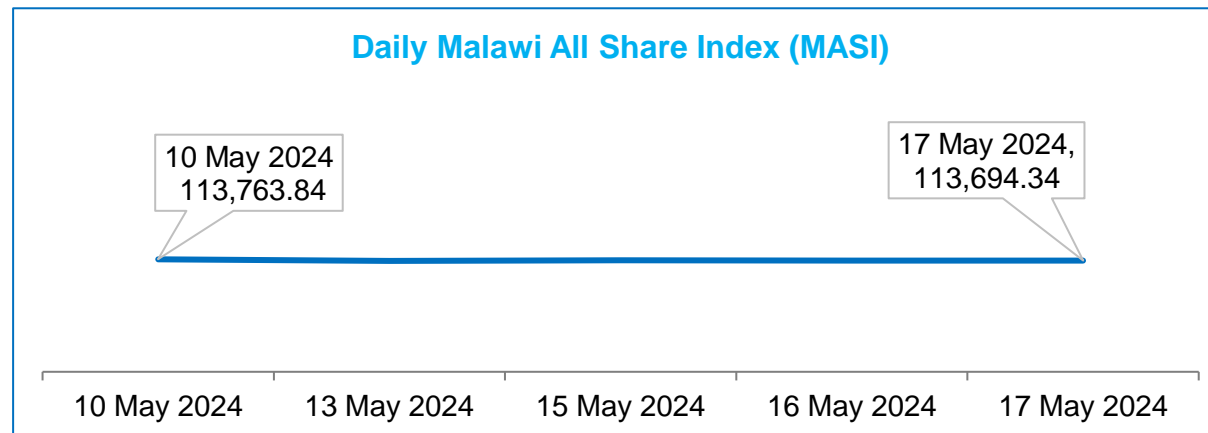
Stock market (Source: MSE)

The stock market was flat with the Malawi All Share Index (MASI) closing the week ending 17 May 2024 at 113,694.34 points from 113,763.84 points for the week ending 10 May 2024.

There was a 1.09% share price gain for MPICO.

There were also marginal share price gains for TNM, BHL, ICON, AIRTEL, NITL, and NBM during the period under review.

There was a 1.72% share price loss for NBS. There were also marginal share price losses for FDH Bank and NICO during the period under review.

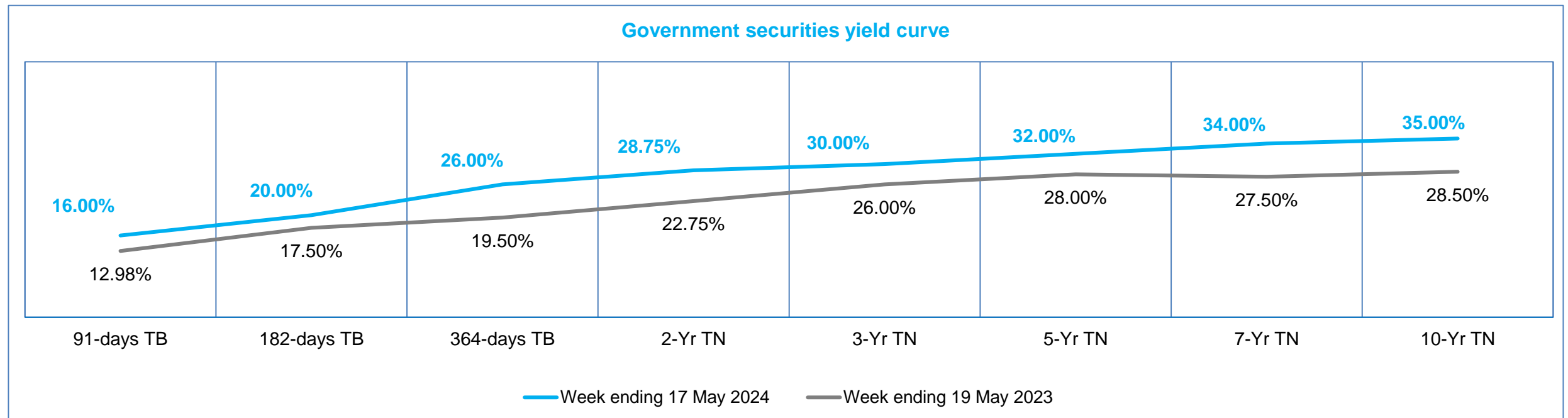
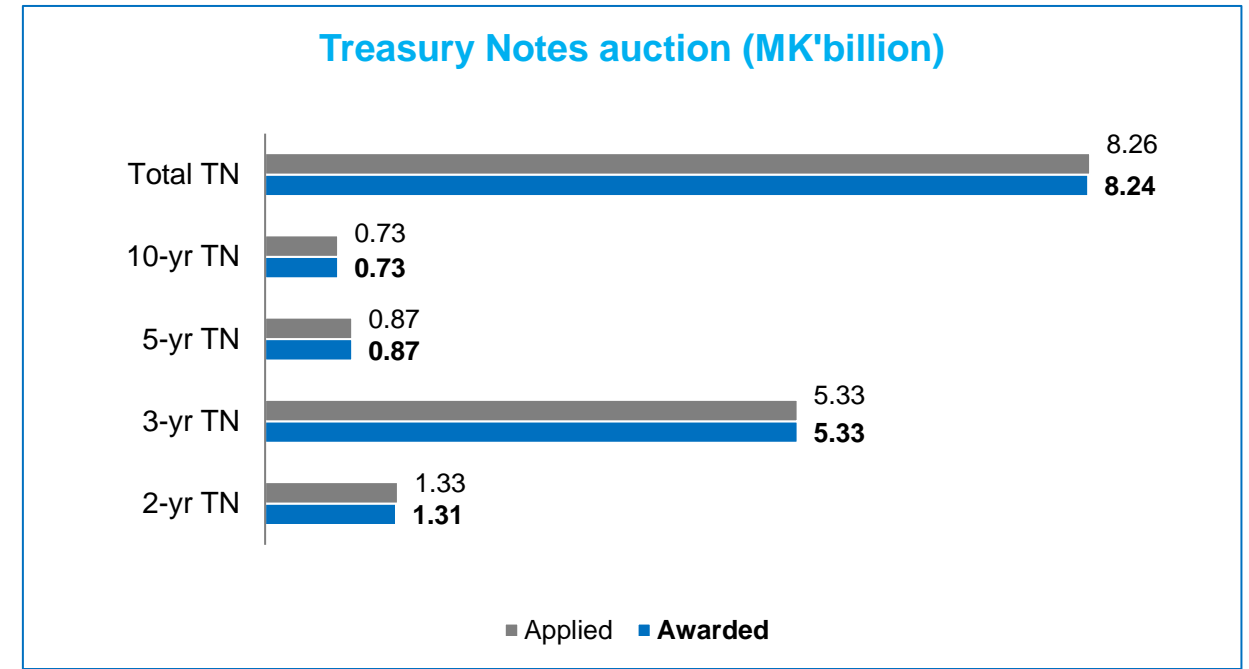
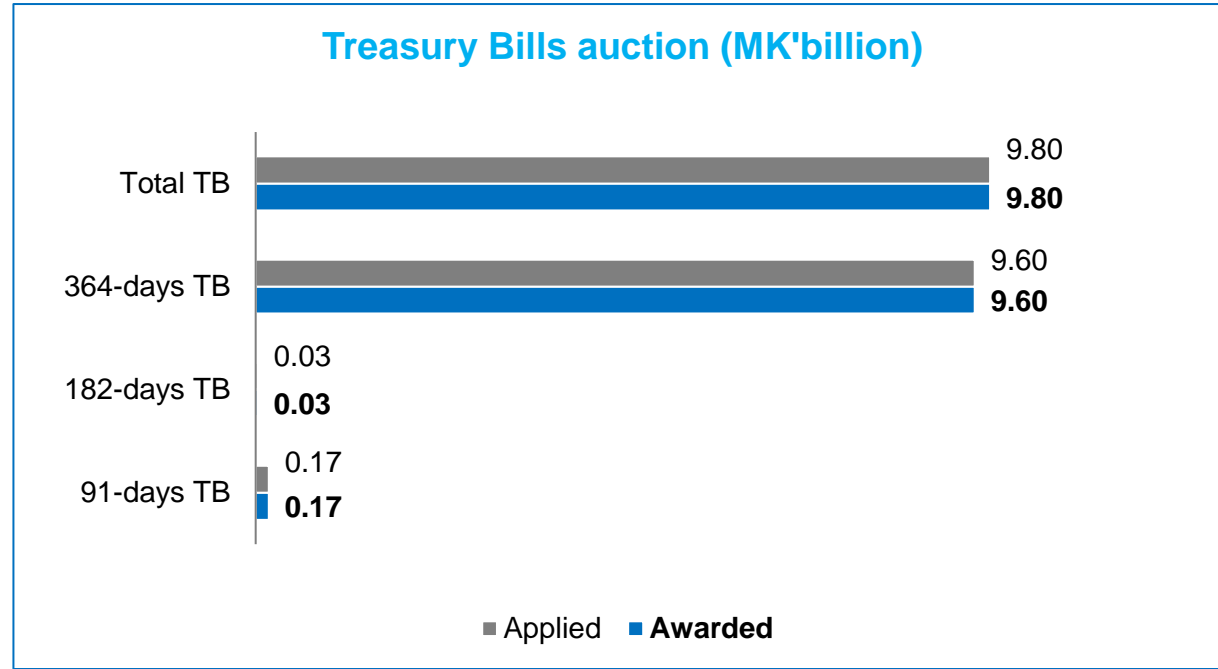


Symbol	Closing prices as of 17-May 2024 (MK/share)	Closing prices as of 10-May 2024 (MK/share)
AIRTEL	51.15	51.12
BHL	13.05	13.04
FDHB	65.36	65.37
FMBCH	380.04	380.04
ICON	16.80	16.79
ILLOVO	1,355.15	1,355.15
MPICO	14.84	14.68
NBM	2,400.18	2,400.14
NBS	90.72	92.31
NICO	199.45	199.47
NITL	411.49	411.48
OMU	1,500.03	1,500.03
PCL	2,506.99	2,506.99
STANDARD	3,950.30	3,950.30
SUNBIRD	224.00	224.00
TNM	12.19	12.17



Malawi Financial Market Update: Week ending 17 May 2024

Government securities (Source: RBM)



The Reserve Bank of Malawi held auctions for all tenors of TBs and the 2-year, 3-year, 5-year, 10-year TNs during the period under review.

MK174.38 million was raised from the 91-days TB auction, MK30.22 million from the 182-days TB auction, and MK9.60 billion from the 364-days TB auction.

A total of MK1.31 billion was raised from the 2-year TN auction, MK5.33 billion from the 3-year TN auction, MK0.87 billion from the 5-year TN auction, and MK0.73 billion from the 10-year TN auction, all held during the period under review.

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



Appendix 1: Historical Economic Indicators

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-2024	Apr-2024	17-May-2024
Exchange rates (middle rates)														
MK/USD	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	1,745.70	1,733.87*
MK/GBP	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	2,256.81	2,260.93*
MK/EUR	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	1,922.25	1,940.18*
MK/ZAR	57.89	53.58	57.92	61.70	60.02	60.67	63.95	92.72	93.54	92.94	90.38	94.79	95.43	98.22*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	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	N/A
Private Sector Reserves (USD'mn)	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	N/A
Total reserves (USD'mn)	604.01	581.72	729.00	674.54	658.91	652.14	566.2	578.40	675.58	576.70	540.32	552.94	603.07	N/A
Gross Official Reserves Import cover (months)	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	N/A
Inflation														
Headline	28.8%	29.2%	27.3%	28.4%	28.6%	27.8%	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	N/A
Food	37.9%	38.8%	37.2%	39.3%	39.4%	36.8%	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	N/A
Non-food	18.5%	18.4%	16.0%	16.0%	16.1%	17.2%	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	N/A
Interest Rates														
Monetary Policy rate	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%	26.00%
Average Interbank rate	15.19%	19.26%	20.38%	20.51%	22.76%	22.79%	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.54%	23.00%
Lombard rate	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%	26.20%
Commercial Bank reference rate	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%	25.00%
Government Securities Yields														
91-days Treasury Bill	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%	16.00%
182-days Treasury Bill	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%	20.00%
364-days Treasury Bill	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%	26.00%
2-year Treasury Note	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%	28.75%
3-year Treasury Note	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%	30.00%
5-year Treasury Note	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%	32.00%
7-year Treasury Note	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%	34.00%
10-year Treasury Note	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%	35.00%
Stock Market Indices														
MASI	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	114,228.31	113,694.34
DSI	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	86,753.99	86,277.30
FSI	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	19,012.49	19,014.47

*: Reserve Bank of Malawi opening exchange rates (middle) as of 17 May 2024

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Contact Information

Bridgepath Capital Limited
 1st Floor (106), Development House
 Corner Henderson Street Road
 P.O. Box 2920
 Blantyre

Tel No: + 265 111 828 355

Email: info@bridgepathcapitalmw.com

Website: www.bridgepathcapitalmw.com

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