



Malawi Financial Market Update

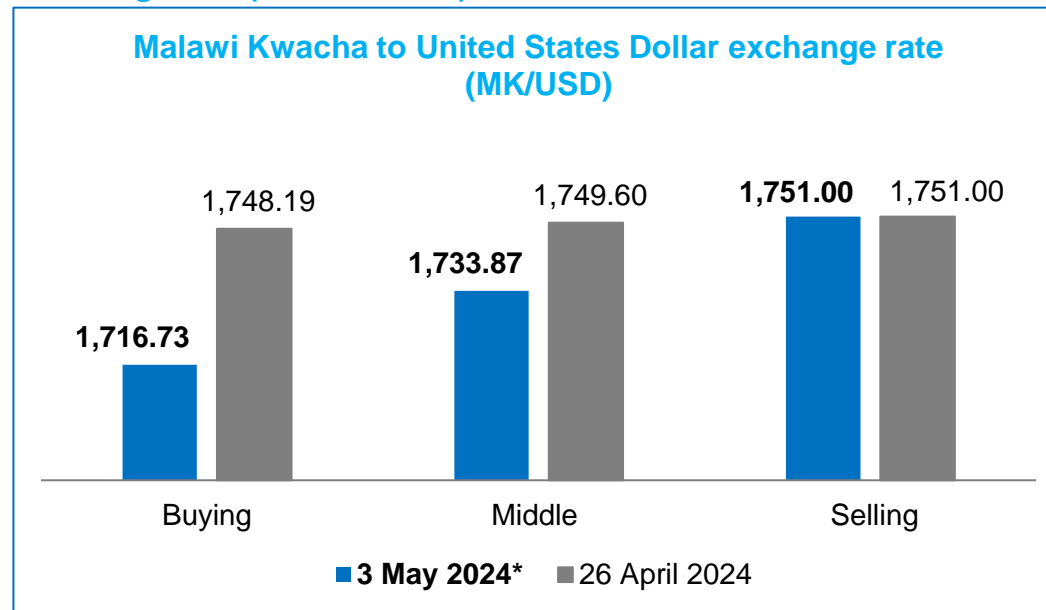
Week ending 3 May 2024



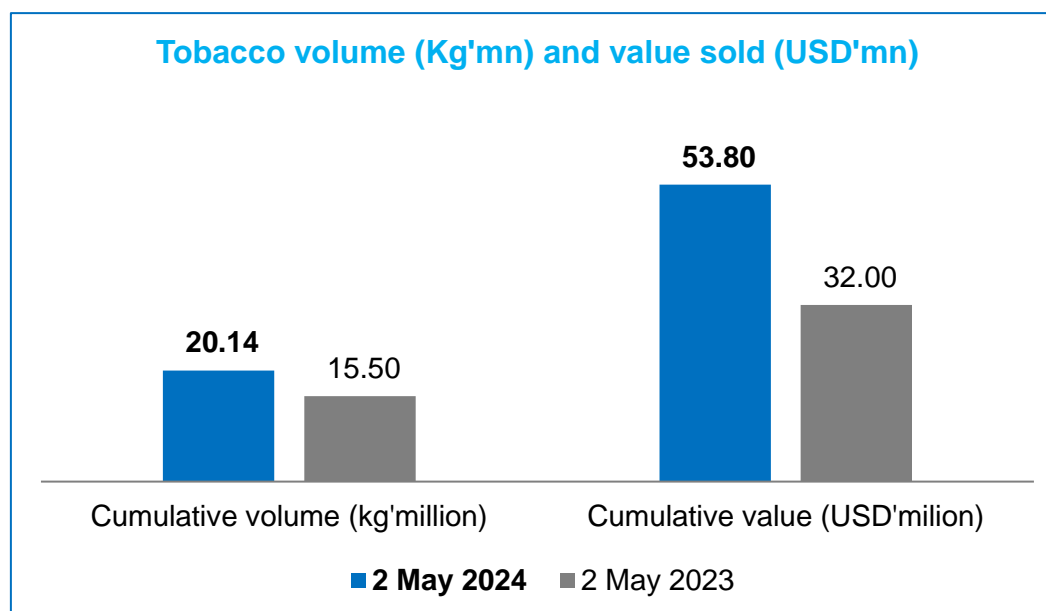
Malawi Financial Market Update: Week ending 3 May 2024

Exchange rate and other market developments

Exchange rate (Source: RBM)



Tobacco Volume (Source: AHL Limited)



*: Reserve Bank of Malawi opening exchange rates as of 3 May 2024

What Happened This Week

- As of 2 May 2024, Auction Holdings Limited (AHL) Tobacco Sales Season-to-Date report, USD53.8 million has been raised in the 2024 tobacco auctions. This represents an increase of 68.1% compared to the USD 32 million raised as of 2 May 2023. The average price of the tobacco sold was USD2.67 per kilogram, it was USD2.06 per kilogram during the same period last year, representing a 30% increase. The kilograms sold grew by 30% to 20.14 million kilograms as of 2 May 2024 from 15.50 million kilograms as of 2 May 2023. (2 May 2024 AHL Tobacco Sales season-to-date report).
- The World Bank has released USD56.7 million (about MK99.3 billion) to the government of Malawi to support Malawians affected by food shortage. The funds have been disbursed through the Catastrophe Deferred Drawdown Option (CAT-DDO), a contingent financing line providing immediate liquidity to countries to address shocks related to natural disasters and health-related events. This follows the declaration of a State of Disaster announced by the President of Malawi on 23 March 2024. Preliminary assessments show that more than two million farming households have been affected by erratic weather conditions caused by El Nino (The Nation, 27 April 2024).
- At the launch of the National El Nino-induced Prolonged Dry Spell and Floods Response Appeal, the President of Malawi stated that there is a deficit of USD366 million (about MK641 billion) in its plan to support people affected by El Nino in 23 of the country's 28 districts. The government has received USD56.7 million from the World Bank and USD21.6 million from other well-wishers. According to the Commissioner for the Department of Disaster Management Affairs (Dodma), nine million Malawians are food insecure after disasters. The Commissioner added that long- and short-term plans are in place to help those affected by food insecurity (The Daily Times, 1 May 2024).
- As per the Cotton Council of Malawi (CCM), this year's cotton marketing season is set to open on 9 May 2024. The minimum price increased by 50% to MK900/kg from MK600/kg last year. Cotton Farmers Association (Cofa) had initially proposed a minimum price of MK1,200/kg, while the buyers insisted on MK720/kg (The Daily Times, 1 May 2024).
- Paramount Holdings Limited, a local firm in Malawi, has exported a trial consignment of 240 metric tonnes (MT) of soya beans to China. This development gives Malawian exporters an opportunity because the Chinese market is looking for 100,000 MT of soya beans. The Minister of Trade and Industry stated that the two governments have signed protocols on soya beans, macadamia nuts, and dry chilies, and negotiations are ongoing to sign protocols on tobacco, tea, and ornamental fish (The Nation, 1 May 2024).

According to AHL Tobacco Sales Ltd, a cumulative USD53.8 million was raised on 2 May 2024. This represents an increase of 68% compared to the USD32 million raised during the same period last year.



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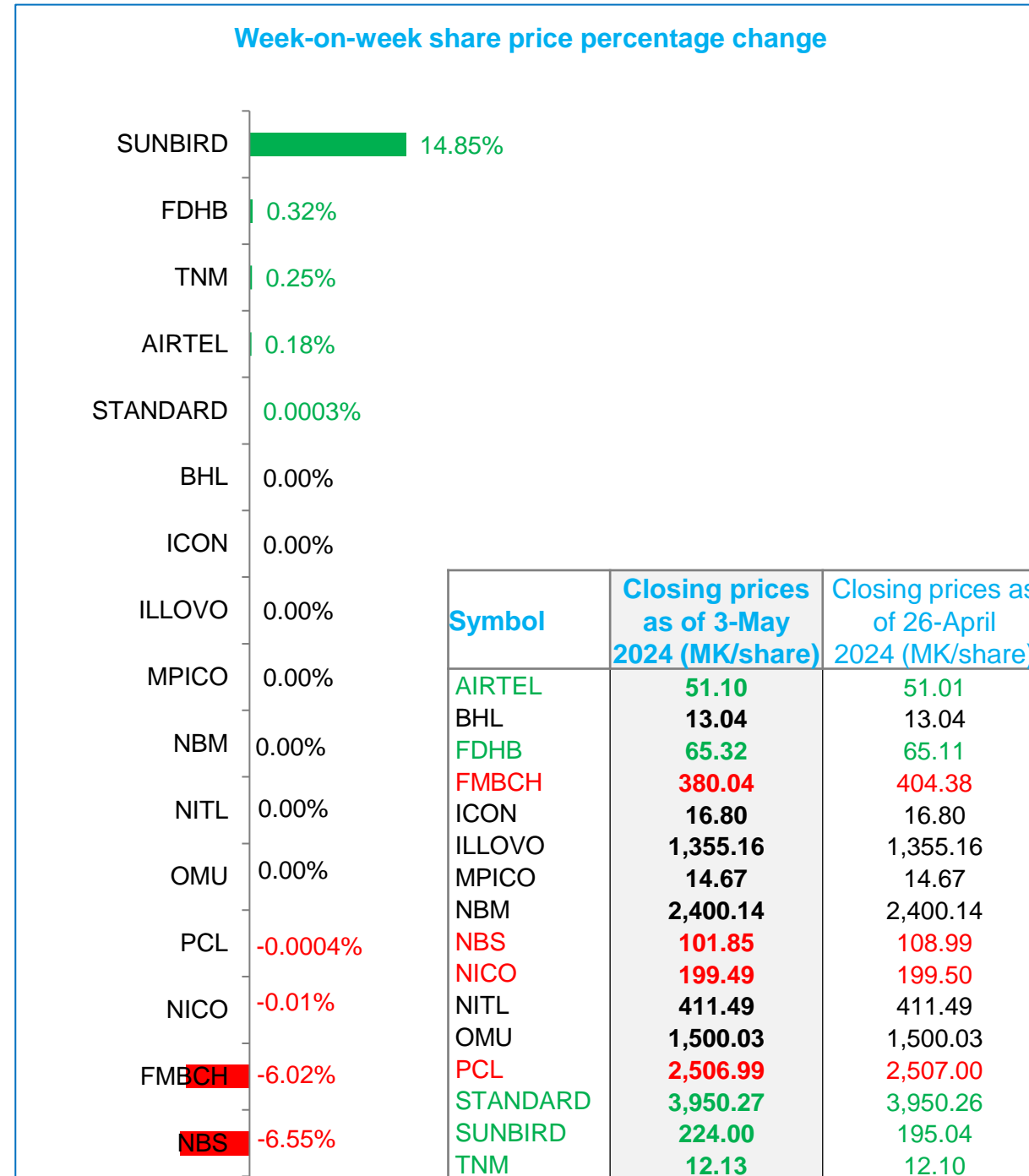
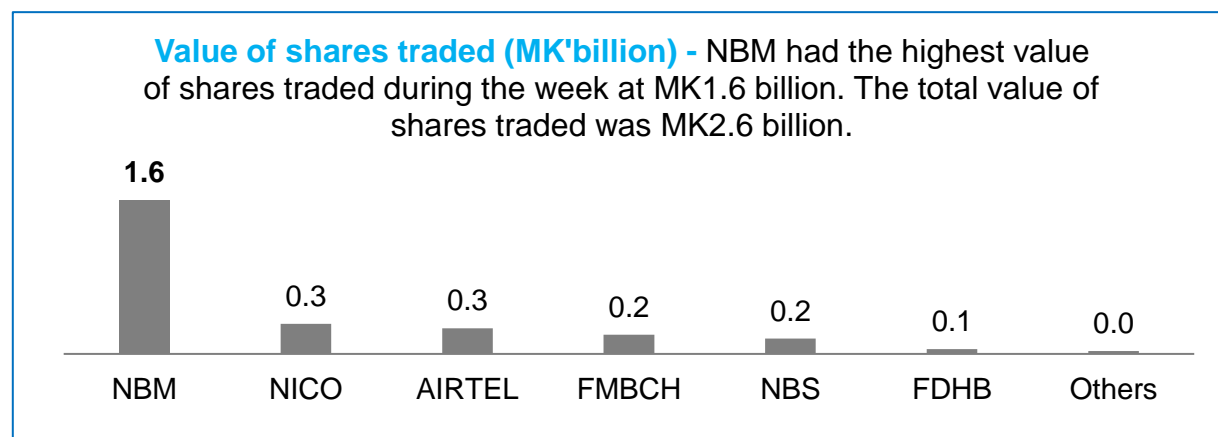
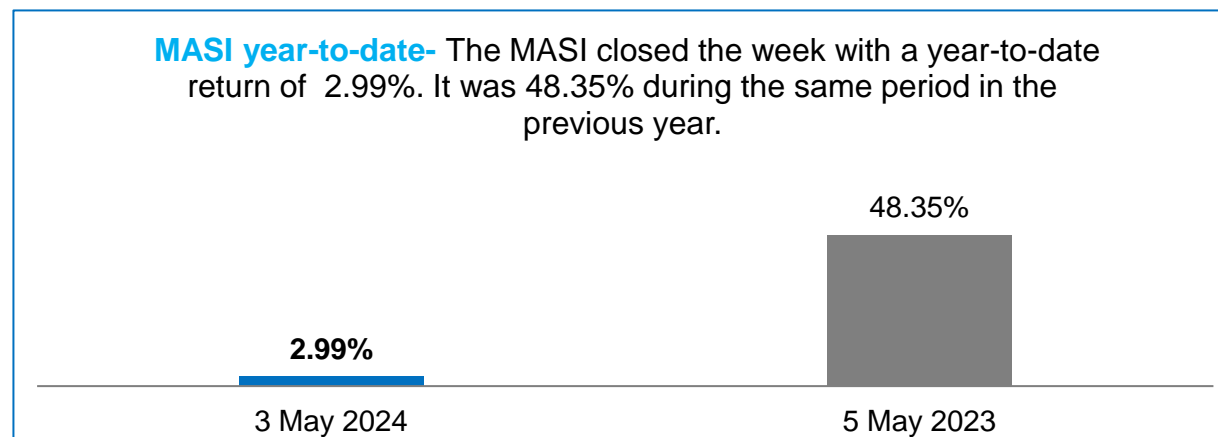
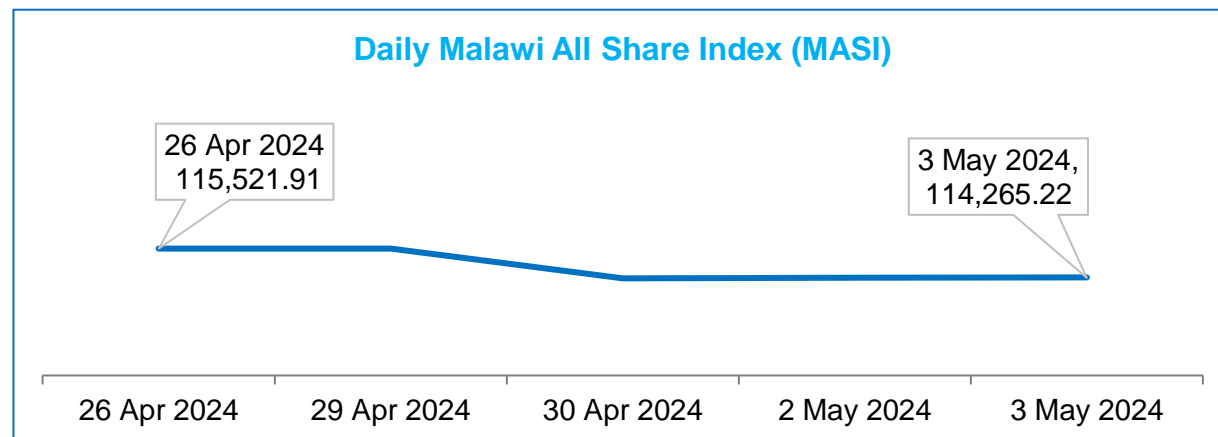
Stock market (Source: MSE)

The stock market was bearish with the Malawi All Share Index (MASI) closing the week ending 3 May 2024 at 114,265.22 points from 115,521.91 points for the week ending 26 April 2024.

There was a 14.85% share price gain for SUNBIRD. There were also marginal share price gains for FDHB, TNM, AIRTEL, and STANDARD.

There were 6.55% and 6.02% share price losses for NBS and FMBCH, respectively. There were also marginal share price losses for NICO and PCL.

BHL plc and Sunbird plc have released their audited financial statements for the year ended 31 December 2023. BHL registered a MK792.76 million loss while Sunbird registered a MK5.25 billion profit as at 31 December 2023.

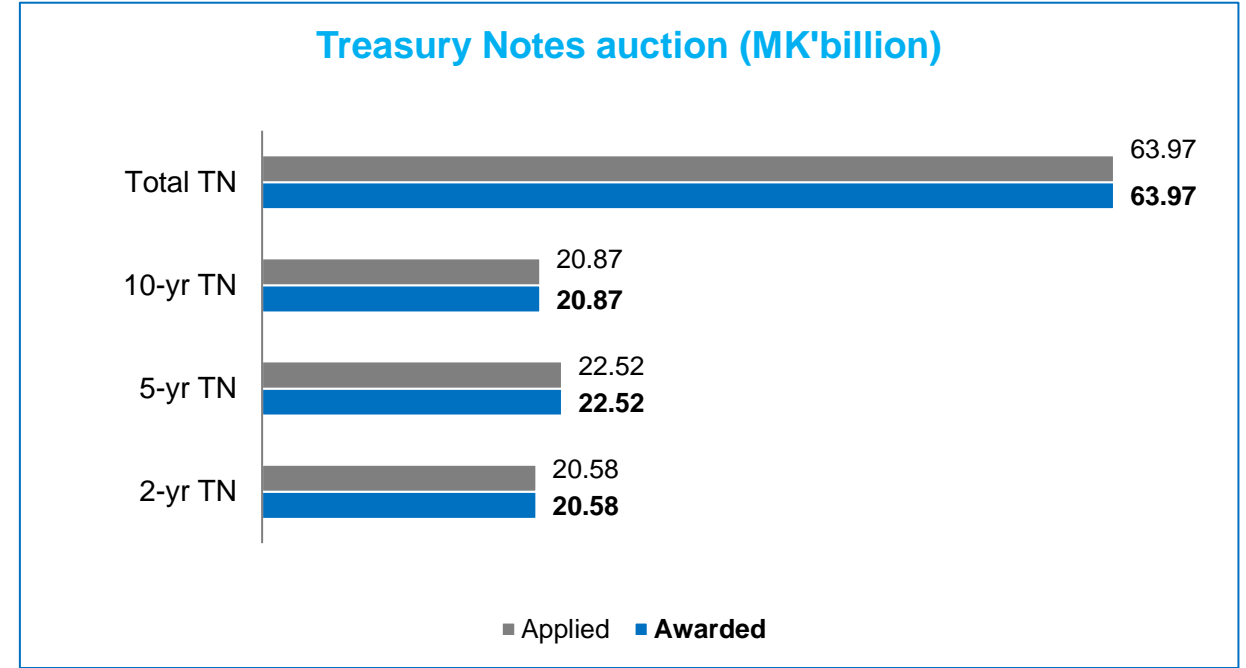
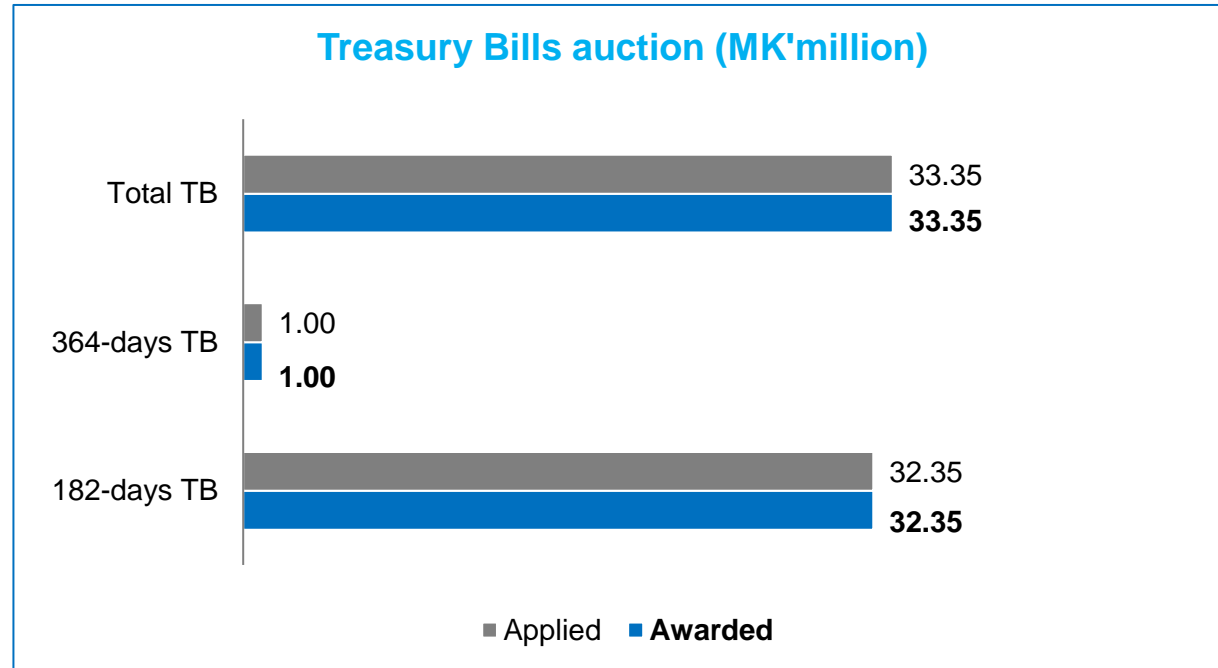


Symbol	Closing prices as of 3-May 2024 (MK/share)	Closing prices as of 26-April 2024 (MK/share)
AIRTEL	51.10	51.01
BHL	13.04	13.04
FDHB	65.32	65.11
FMBCH	380.04	404.38
ICON	16.80	16.80
ILLOVO	1,355.16	1,355.16
MPICO	14.67	14.67
NBM	2,400.14	2,400.14
NBS	101.85	108.99
NICO	199.49	199.50
NITL	411.49	411.49
OMU	1,500.03	1,500.03
PCL	2,506.99	2,507.00
STANDARD	3,950.27	3,950.26
SUNBIRD	224.00	195.04
TNM	12.13	12.10



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Government securities (Source: RBM)

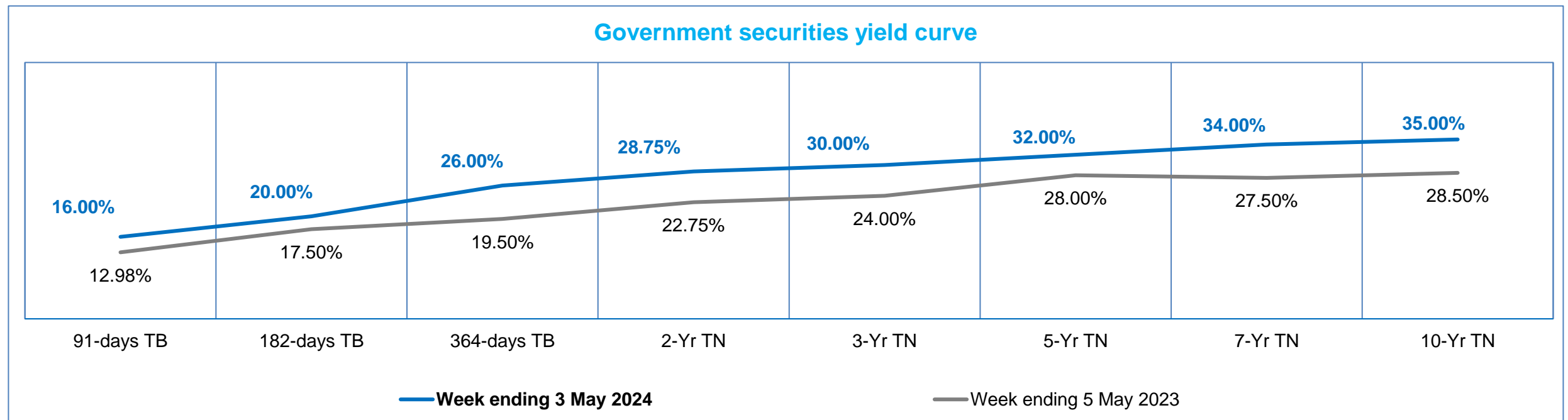


The Reserve Bank of Malawi held auctions for all tenors of TBs and the 2-year, 5-year, 10-year TNs during the period under review.

MK32.35 million was raised from the 182-days TB auction, while MK1 million was raised from the 364-days TB. There were no applications for the 91-days TB during the period under review.

A total of MK20.58 billion was raised from the 2-year TN auction, MK22.52 billion from the 5-year TN auction, and MK20.87 billion from the 10-year TN auction 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	3-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	2,240.21*
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	1,916.43*
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	96.27*
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	N/A	N/A	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%	N/A	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%	N/A	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%	N/A	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%	22.60%	22.60%
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%	24.90%
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	114,265.22
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	86,785.28
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 3 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

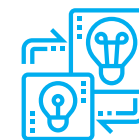
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