



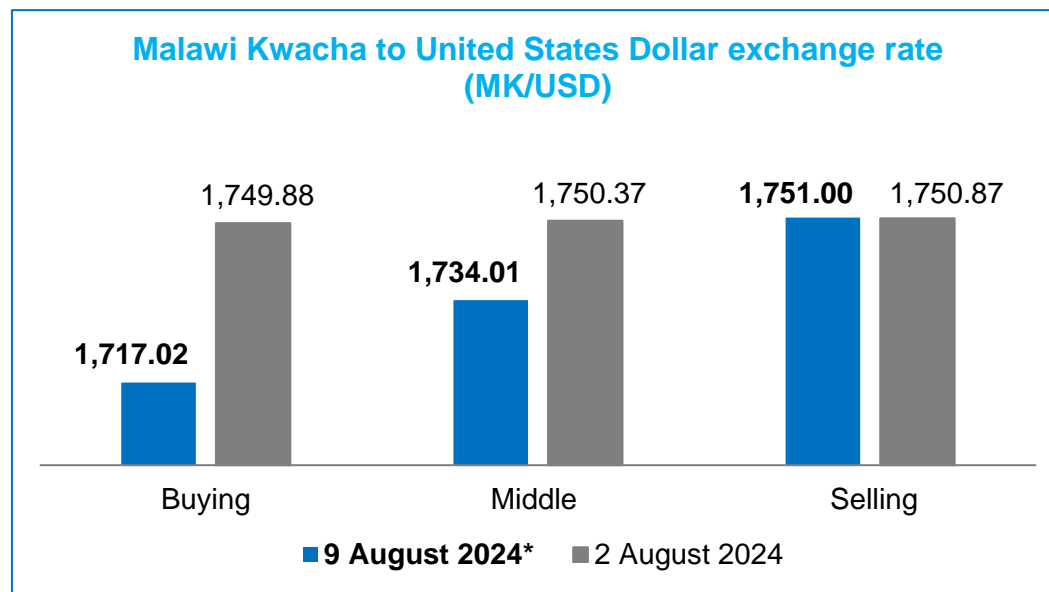
Malawi Financial Market Update

Week ending 9 August 2024

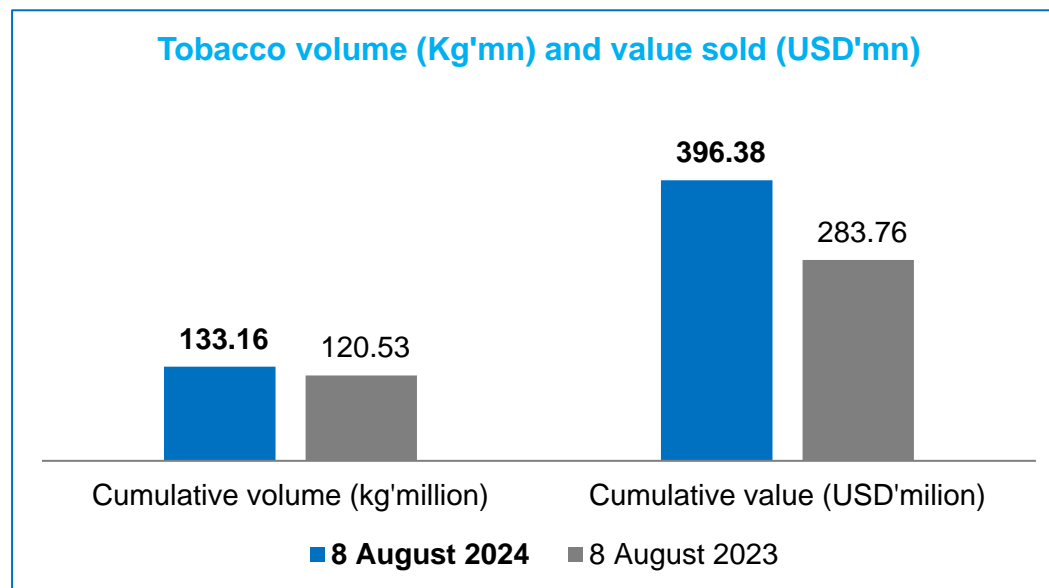


Exchange rate and other market developments

Exchange rate (Source: RBM)



Tobacco Volume and Value Sold (Source: AHL)



*: Reserve Bank of Malawi opening exchange rates as of 9 August 2024

What Happened This Week

- At the launch of the Trustee Development Programme in Blantyre, the Reserve Bank of Malawi (RBM) reported that the import cover is under a month and has been under a month for a long time. The RBM thought it would have increased import cover by the end of the second quarter, but the bill for fuel has been excessively high. The monthly fuel bill is over USD50 million (about MK88 billion). The RBM further indicated that the commercial banks hold most of the foreign currency from the private sector, bringing the import cover at a national level to over two months (*The Daily Times*, 6 August 2024).
- The Malawi Revenue Authority (MRA) collected MK389.89 billion in total tax revenues in July 2024. This represents a 5% or MK15.81 billion surplus above the MK314.08 billion target for July 2024 and 62% higher than the MK203.85 billion collected in July 2023 (*The Daily Times*, 6 August 2024).
- Sovereign Metals has received a funding boost for its Kasiya Rutile-Graphite project following an additional purchase of 34.5 million shares by Rio Tinto valued at AUD18.4 million (about MK20.7 billion). This comes a year after Rio Tinto acquired 15% of Sovereign Metals Limited equity in 2023 when it initially subscribed and purchased 83.09 million shares at AUD40.4 million (about MK45.3 billion). In its quarterly report released in July 2024, Sovereign Metals Limited said it will use the money realised from Rio Tinto investment to advance its Kasiya Rutile-Graphite project in Malawi (*The Nation*, 8 August 2024).
- Malawi's pension assets reached MK2.8 trillion as at June 2024 from a membership of 618,152. It was MK74.8 billion from a membership of 102,505 as at December 2011. At the launch of the Trustee Development Programme, the RBM said this development suggests the sector's importance to financial stability. Further, the RBM observed that pensions are long-term products requiring specialized knowledge, thus the absence of specialized training for trustees in Malawi until now has been a significant gap. According to the RBM, the current asset portfolio mix of pension funds is skewed towards listed shares and government securities, which seems to suggest that trustees are focusing on short-term returns (*The Nation*, 6 August 2024).
- According to the Auction Holdings Limited (AHL) Tobacco Sales Season-to-Date report, USD396.38 million has been raised in the 2024 tobacco auctions as of 8 August 2024. This represents an increase of 39.7% compared to the USD283.76 million raised as of 8 August 2023. The average price of the tobacco sold was USD2.98 per kilogram, representing a 26.8% increase from USD2.35 per kilogram during the same period last year. The kilograms sold grew 10.5% to 133.16 million as of 8 August 2024 from 120.53 million kilograms as of 8 August 2023 (*8 August 2024 AHL Tobacco Sales season-to-date report*).

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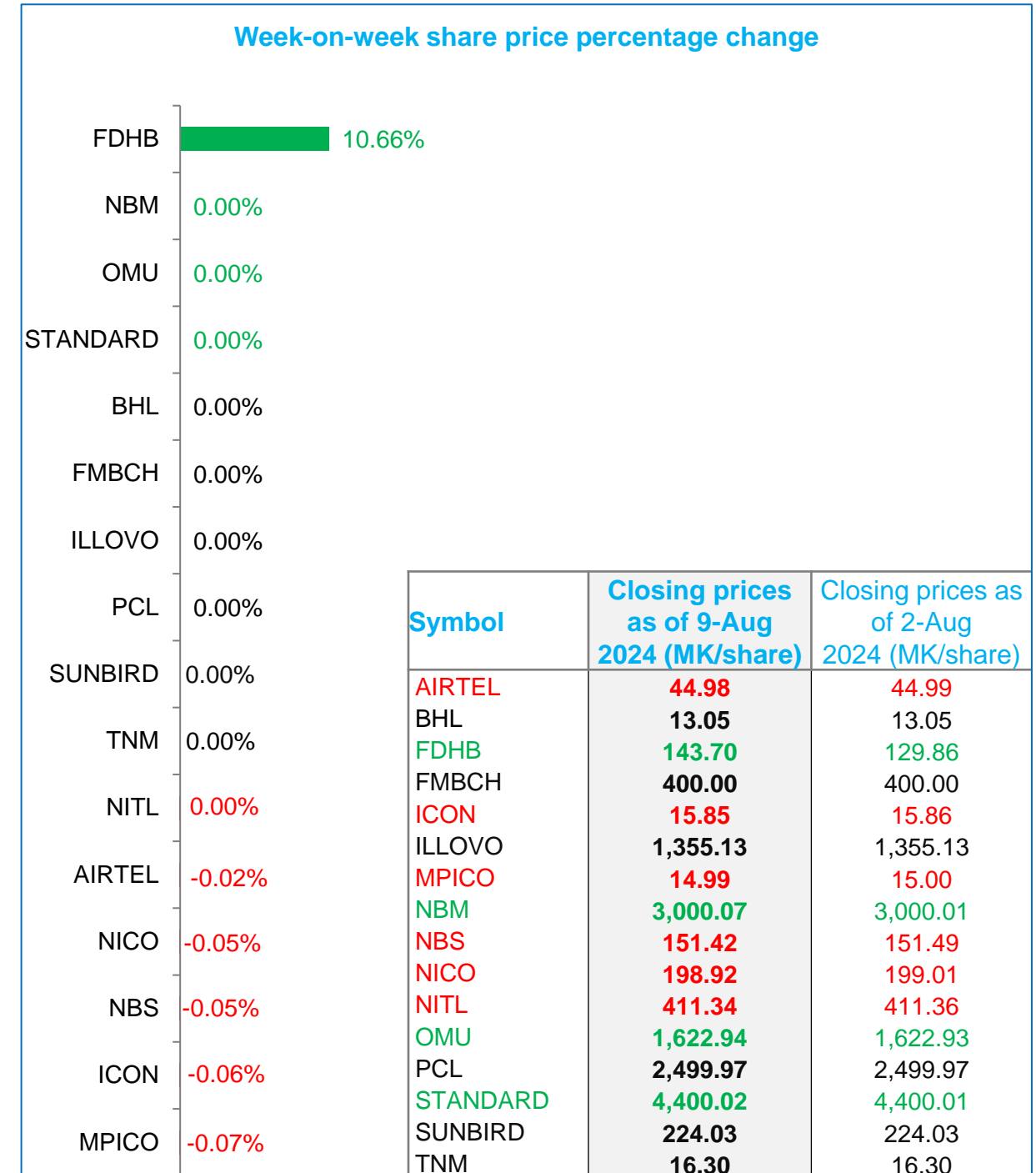
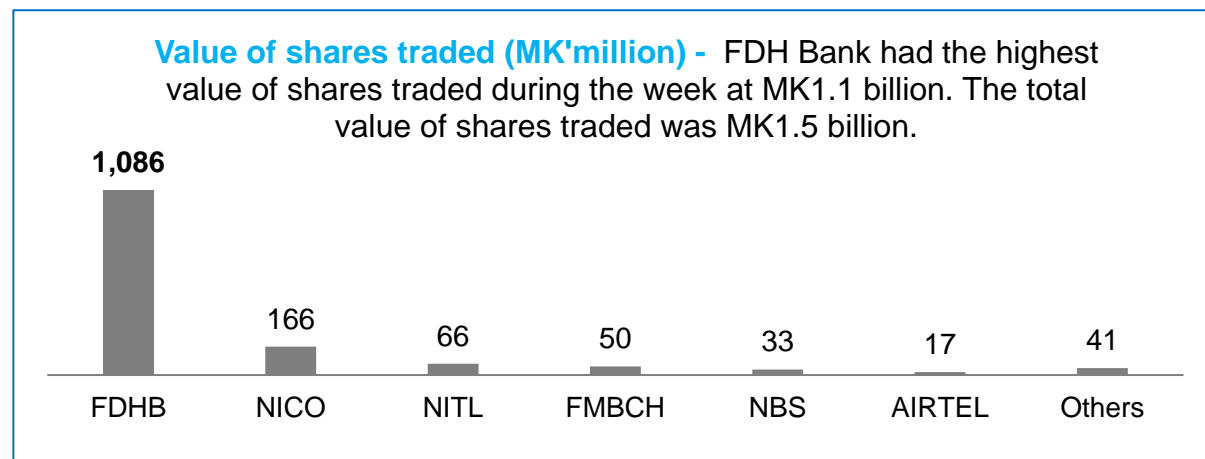
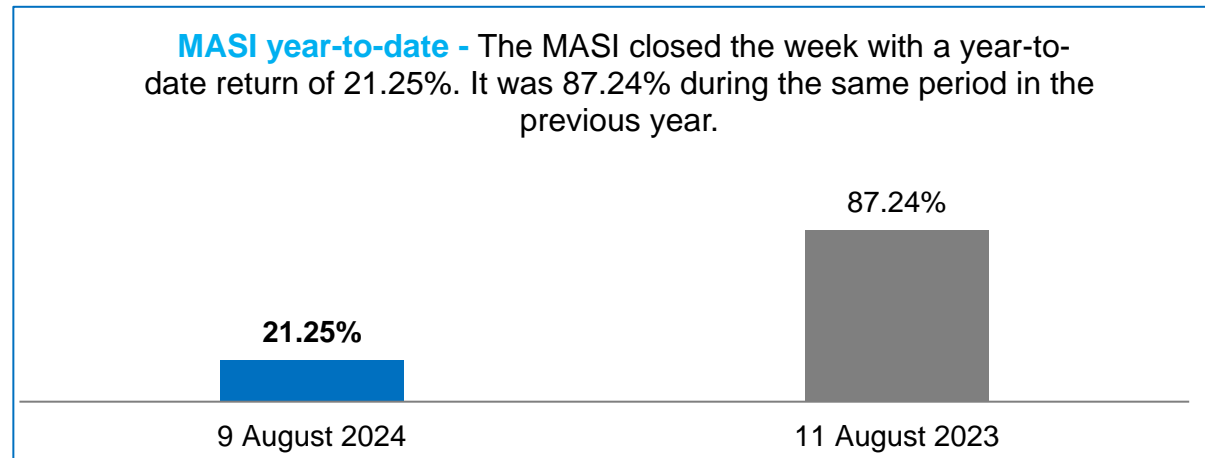
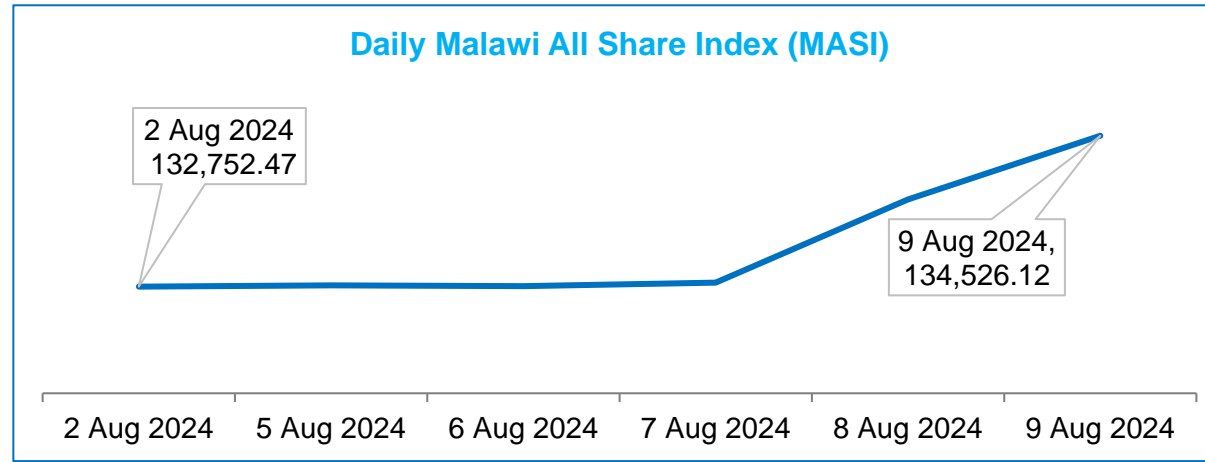


Malawi Financial Market Update: Week ending 9 August 2024

Stock market (Source: MSE)

The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 9 August 2024 at 134,526.12 points from 132,752.47 points for the week ending 2 August 2024.

FDH Bank increased by 10.66% during the period under review.

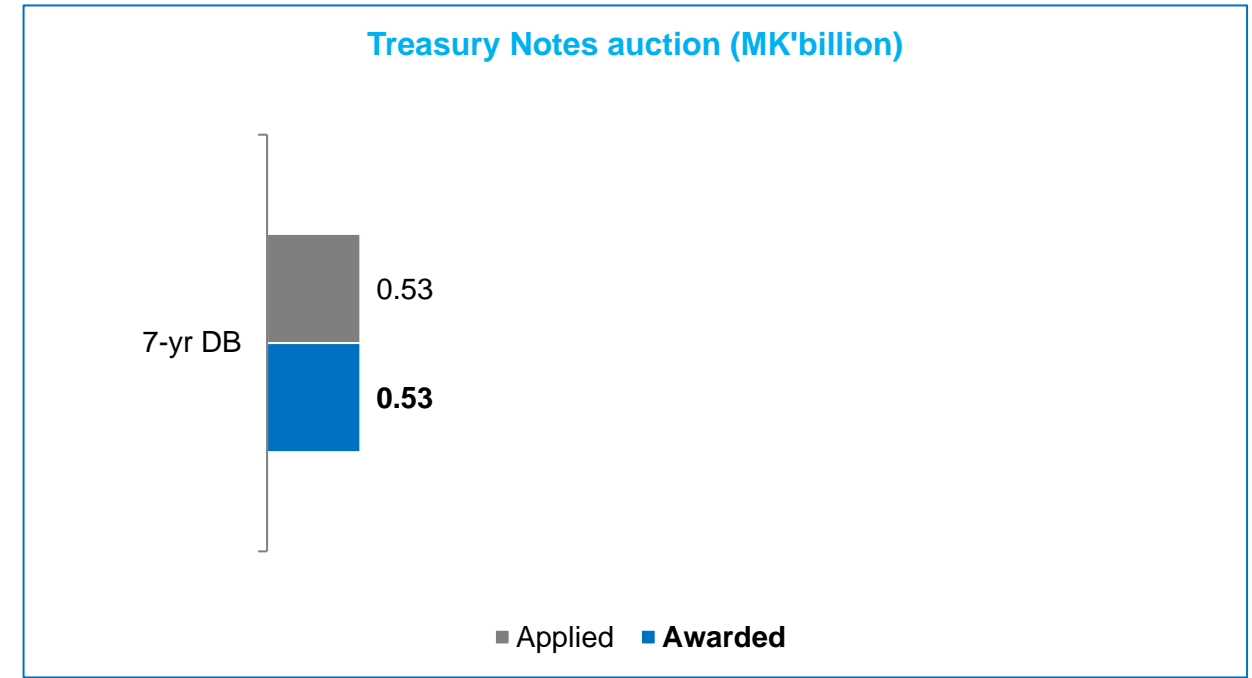
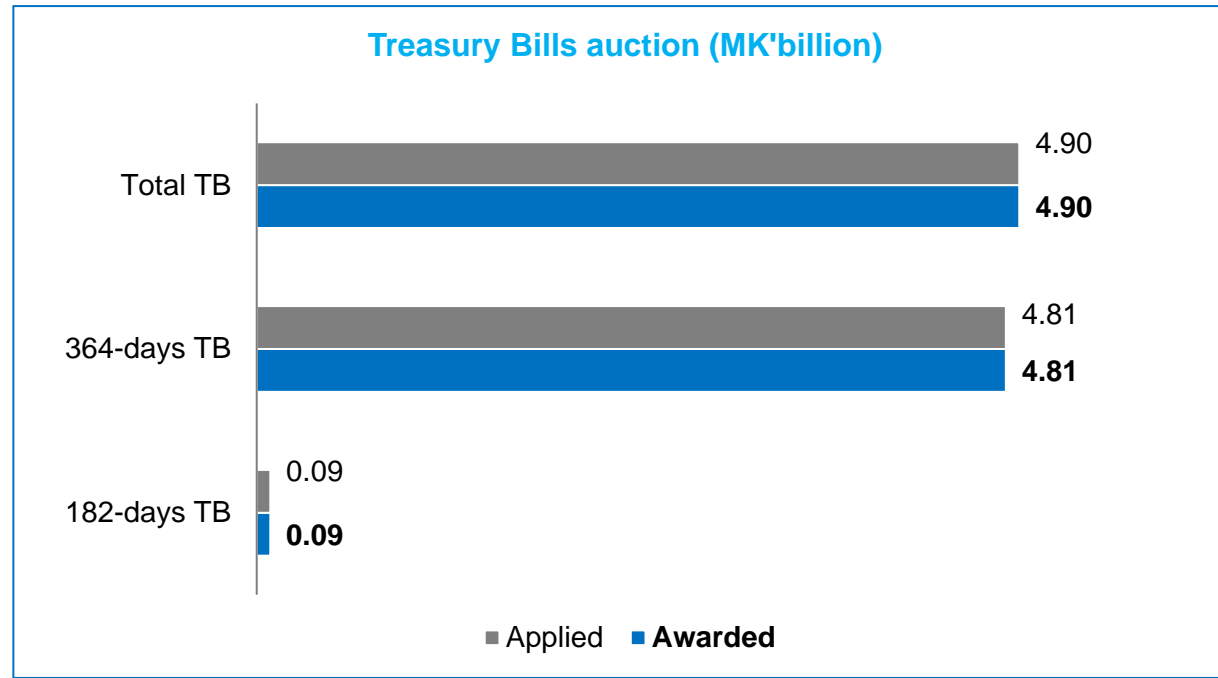


Symbol	Closing prices as of 9-Aug 2024 (MK/share)	Closing prices as of 2-Aug 2024 (MK/share)
AIRTEL	44.98	44.99
BHL	13.05	13.05
FDHB	143.70	129.86
FMBCH	400.00	400.00
ICON	15.85	15.86
ILLOVO	1,355.13	1,355.13
MPICO	14.99	15.00
NBM	3,000.07	3,000.01
NBS	151.42	151.49
NICO	198.92	199.01
NITL	411.34	411.36
OMU	1,622.94	1,622.93
PCL	2,499.97	2,499.97
STANDARD	4,400.02	4,400.01
SUNBIRD	224.03	224.03
TNM	16.30	16.30



Malawi Financial Market Update: Week ending 2 August 2024

Government securities (Source: RBM)

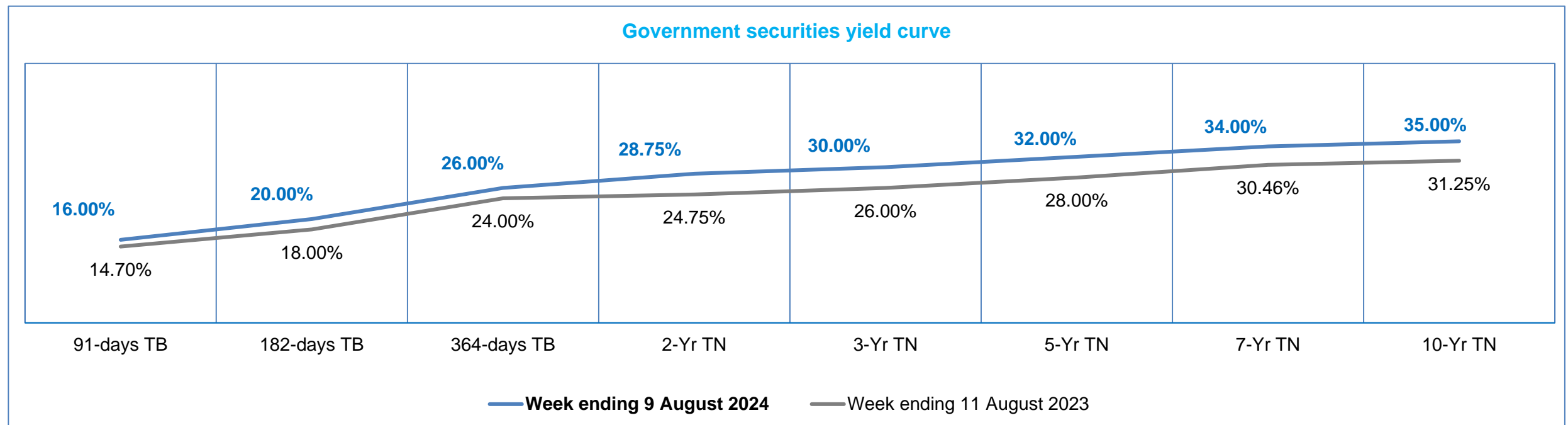


The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and the 7-year Development Bond (DB) during the period under review.

The total amount raised from TBs was MK4.90 billion, primarily driven by the 364-day tenor.

The total amount raised from the DB was MK0.53 billion.

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



TB: Treasury Bill
TN: Treasury Note



Appendix 1: Historical Economic Indicators

	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	9-Aug-2024
Exchange rates (middle rates)														
MK/USD	1,061.67	1,094.74	1,126.50	1,179.83	1,699.31	1,697.98	1,697.80	1,698.50	1,750.38	1,745.70	1,750.76	1,749.51	1,749.95	1,734.01*
MK/GBP	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	2,285.22	2,274.74	2,311.11	2,278.80*
MK/EUR	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	1,951.14	1,922.54	1,947.33	1,950.70*
MK/ZAR	61.70	60.02	60.67	63.95	92.72	93.54	92.94	90.38	94.64	95.40	95.89	96.89	97.91	97.52*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	267.91	239.56	242.68	169.3	165.20	242.58	174.80	143.60	N/A	N/A	N/A	N/A	N/A	N/A
Private Sector Reserves (USD'mn)	406.63	419.35	409.46	396.9	413.20	433.01	401.90	396.72	N/A	N/A	N/A	N/A	N/A	N/A
Total reserves (USD'mn)	674.54	658.91	652.14	566.2	578.40	675.58	576.70	540.32	552.94	603.07	610.18	591.51	N/A	N/A
Gross Official Reserves Import cover (months)	1.07	0.96	0.97	2.3	0.7	1.0	0.70	0.57	N/A	N/A	N/A	N/A	N/A	N/A
Inflation														
Headline	28.4%	28.6%	27.8%	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	N/A	N/A
Food	39.3%	39.4%	36.8%	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	N/A	N/A
Non-food	16.0%	16.1%	17.2%	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	N/A	N/A
Interest Rates														
Monetary Policy Rate	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Average Interbank Rate	20.51%	22.76%	22.79%	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.20%
Lombard Rate	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	24.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%
Commercial Bank Reference Rate	22.70%	22.70%	23.40%	23.50%	23.50%	23.60%	23.60%	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%
Government Securities Yields														
91-days Treasury Bill	13.00%	14.70%	14.70%	14.70%	14.70%	14.70%	14.70%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
182-days Treasury Bill	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	18.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	22.50%	24.00%	24.00%	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
2-year Treasury Note	24.75%	26.75%	26.75%	26.75%	26.75%	26.75%	26.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%
3-year Treasury Note	26.00%	28.00%	28.00%	28.00%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
5-year Treasury Note	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%
7-year Treasury Note	29.50%	30.46%	32.00%	32.00%	32.00%	32.00%	32.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
10-year Treasury Note	31.25%	32.83%	33.00%	33.00%	33.00%	33.00%	33.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Stock Market Indices														
MASI	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	115,418.29	121,101.77	128,996.65	134,526.12
DSI	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	87,814.00	92,949.19	99,107.18	104,027.35
FSI	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	19,011.00	18,911.41	20,018.57	20,018.58

*: Reserve Bank of Malawi opening exchange rates (middle) as of 9 August 2024

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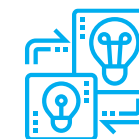
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