



# Malawi Financial Market Update

Week ending 20 September 2024

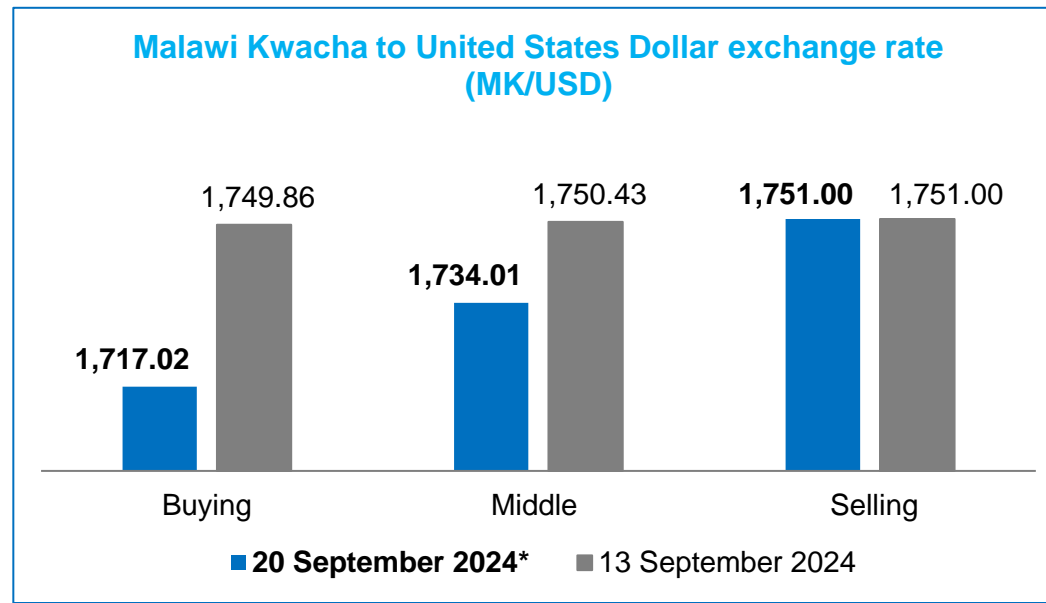


The National Statistical Office reported that the headline inflation has increased to 33.9% from 33.7% in July 2024.

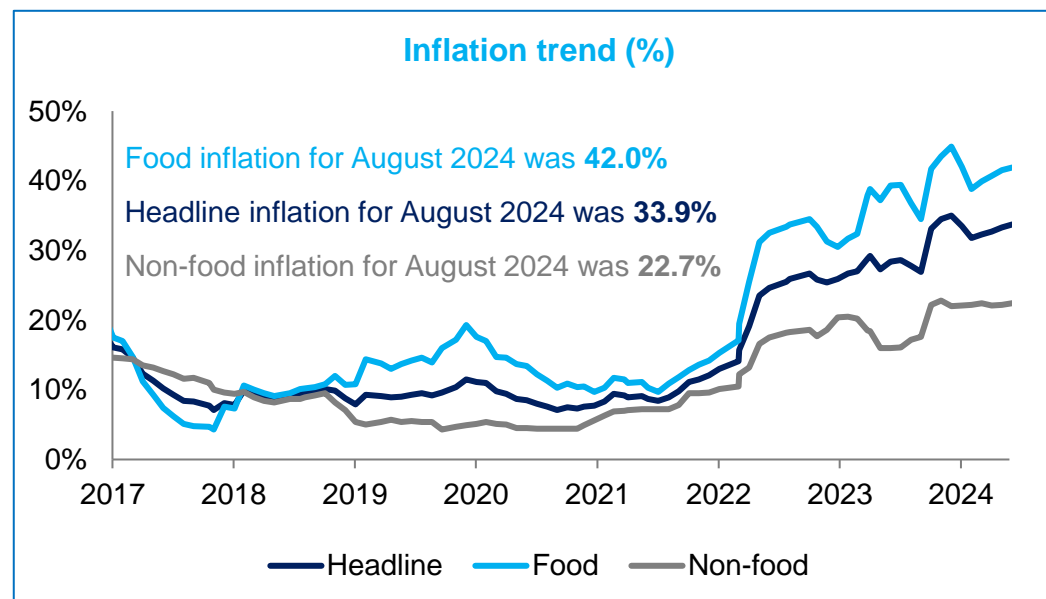
## Malawi Financial Market Update: Week ending 20 September 2024

### Exchange rate and other market developments

#### Exchange rate (Source: RBM)



#### Malawi Inflation Rates (Source: National Statistical Office)



#### What Happened This Week

1. The National Statistical Office reported that the headline inflation increased to 33.9% in August from 33.7%. Food inflation has increased to 42.0% from 41.9% and non-food inflation to 22.7% from 22.4% (*National Statistical Office, 2024*).
2. The Export Development Fund (EDF) has projected that Malawi could generate at least USD300 million annually from exports linked to a new cannabis processing plant expected to produce pharmaceutical products. The project will cost USD10 million. MMC Laboratories Limited has partnered with EDF, Malawi Agricultural and Industrial Investment Corporation and Balon Estate Corporation to set up the factory that is expected to boost the country's exports (*The Business Times, 18 September 2024*).
3. According to the Reserve Bank of Malawi (RBM) Financial Stability Report, Lending Survey results show a notable increase in loan demand from households, small and medium enterprises, and large enterprises in the first half of 2024. Additionally, the report shows a decline in forex reserves (to USD180.3 million in June 2024, from USD238.6 million in June 2023) (*Financial Stability Report, RBM 2024*).
4. Blantyre Hotels Limited (BHL) plc, which owns Protea Hotel by Marriott in Blantyre, has announced plans to raise MK62.4 billion through a rights offer to fund the completion of the Lilongwe hotel project, which is expected to be completed by August 2025. The company has called for an extraordinary general meeting in October to seek shareholders' approval (*The Daily Times, 19 September 2024*).
5. Parliament has approved the Real Estate Bill, introducing new regulations for real estate management, agents, developers, and transactions. Additionally, two land-related bills—the Sectional Titles Bill and the Property Valuation Bill—were passed, aimed at increasing property ownership, creating jobs, and safeguarding Malawians against fraudulent land transactions. (*The Daily Times, 18 September 2024*).
6. The Cotton Council of Malawi (CCM) seeks financial support to meet the growing local and international demand for cotton. The primary cause of the production shortfall is the lack of access to quality agricultural inputs, particularly cotton seeds (*Daily Times, 16 September 2024*).

\*: Reserve Bank of Malawi opening exchange rates as of 20 September 2024





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## Stock market (Source: MSE)

The stock market was bullish with the Malawi All Share Index (MASI) closing the week ending 20 September 2024 at 143,430.94 points from 143,372.79 points for the week ending 13 September 2024 primarily driven by BHL and TNM.

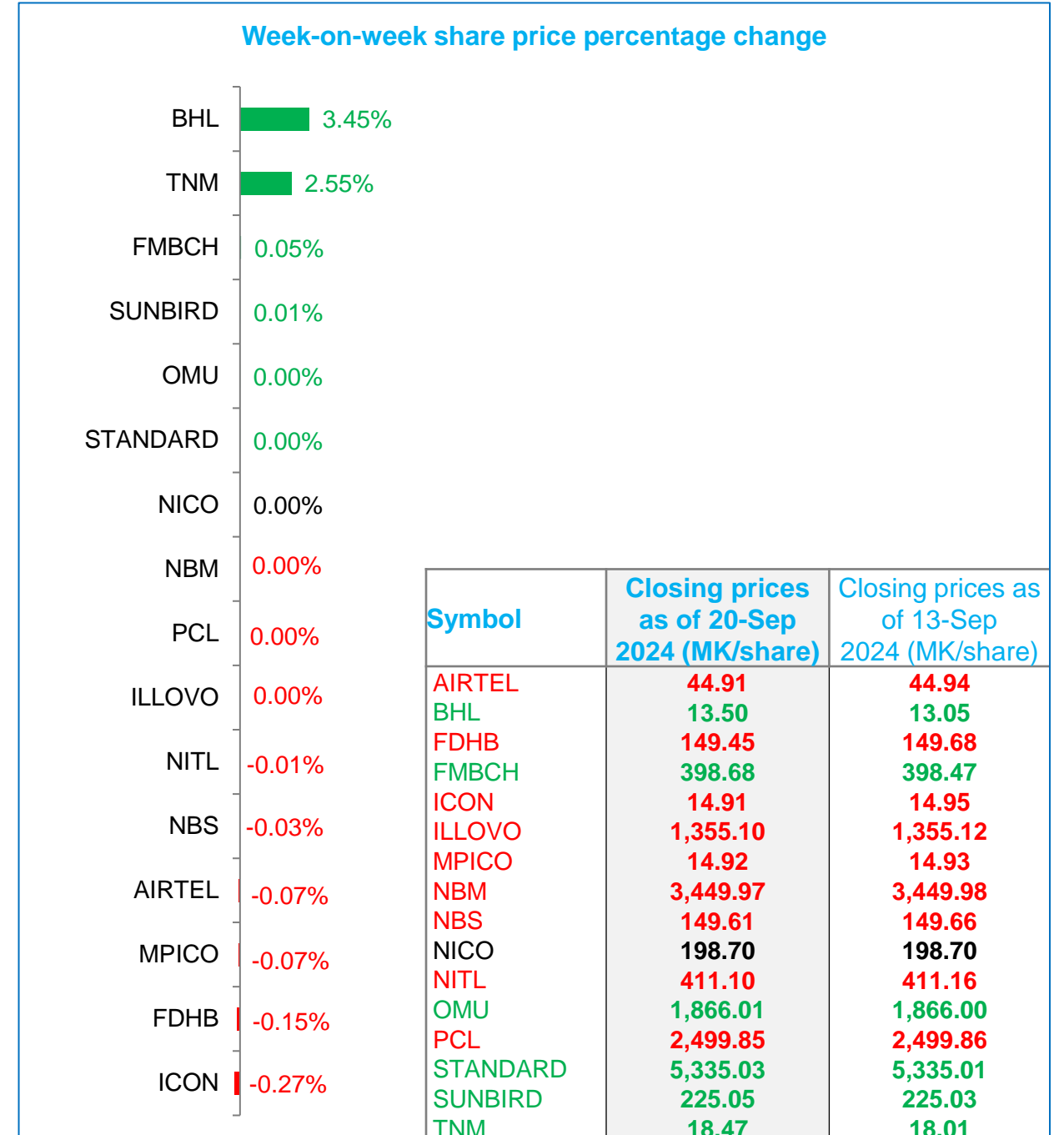
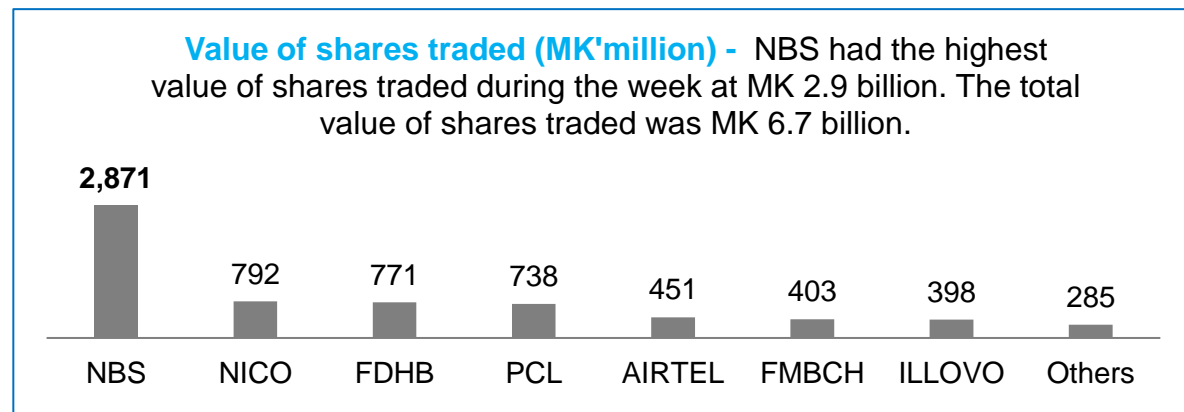
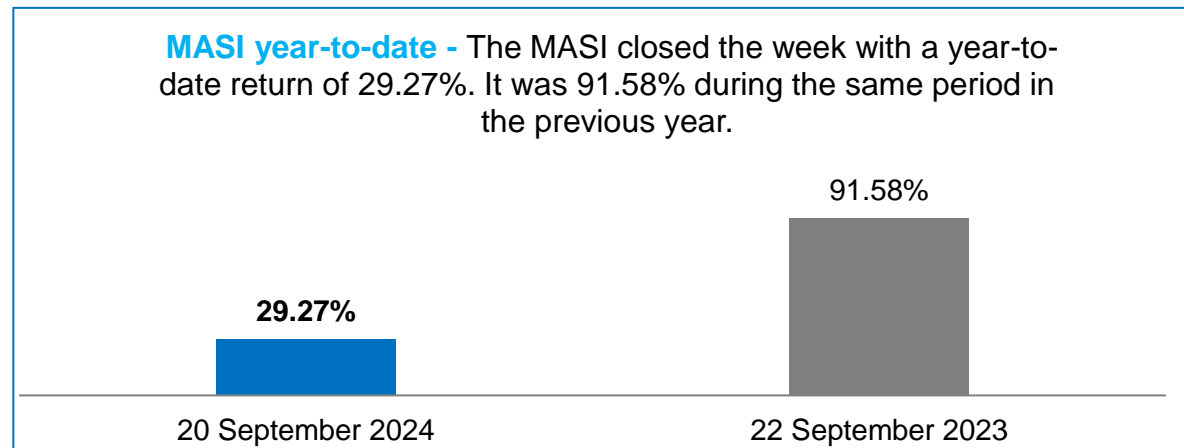
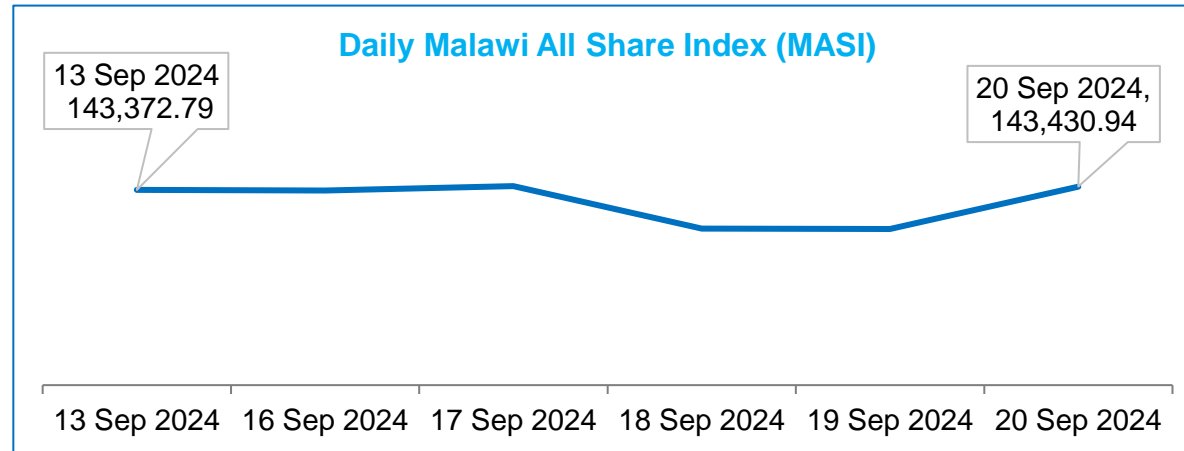
NBS Bank disclosed that the profit after tax for the half year ending 30 June 2024 is MK32.7 billion from MK12.2 billion in June 2023.

AIRTEL's half-year profit has increased to MK21.3 billion from MK18.2 billion in 2023.

SUNBIRD's half-year profit has increased to MK4.8 billion from MK1.8 billion in 2023.

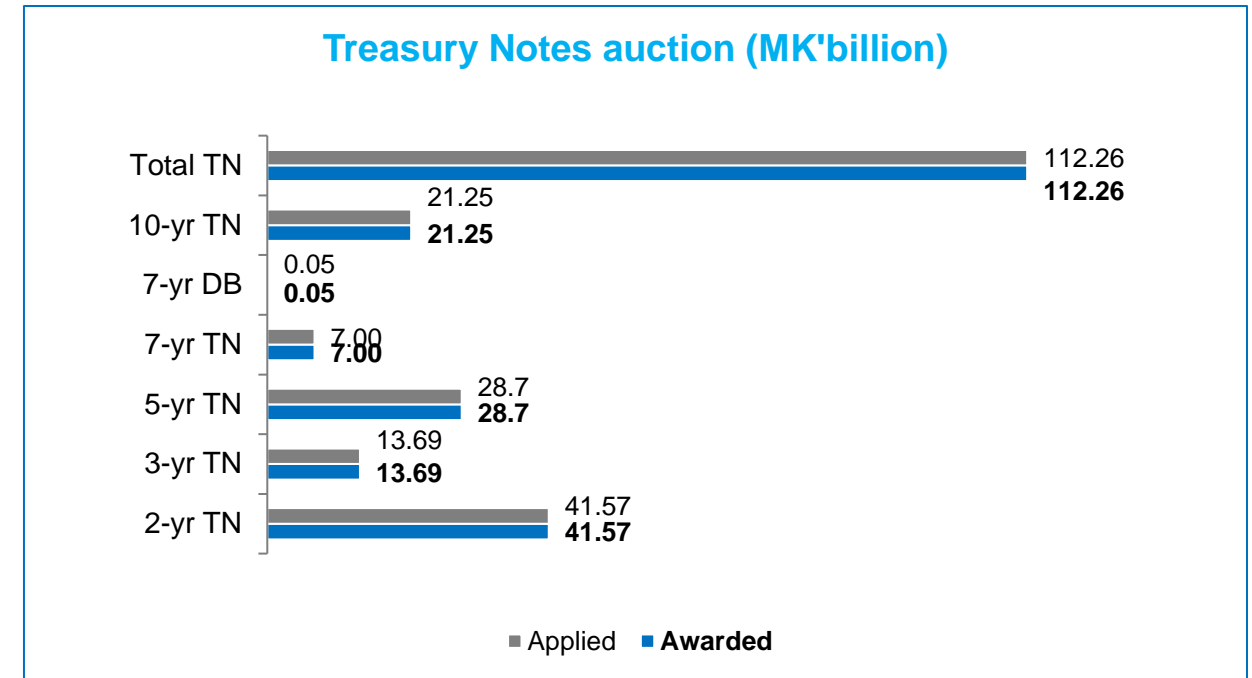
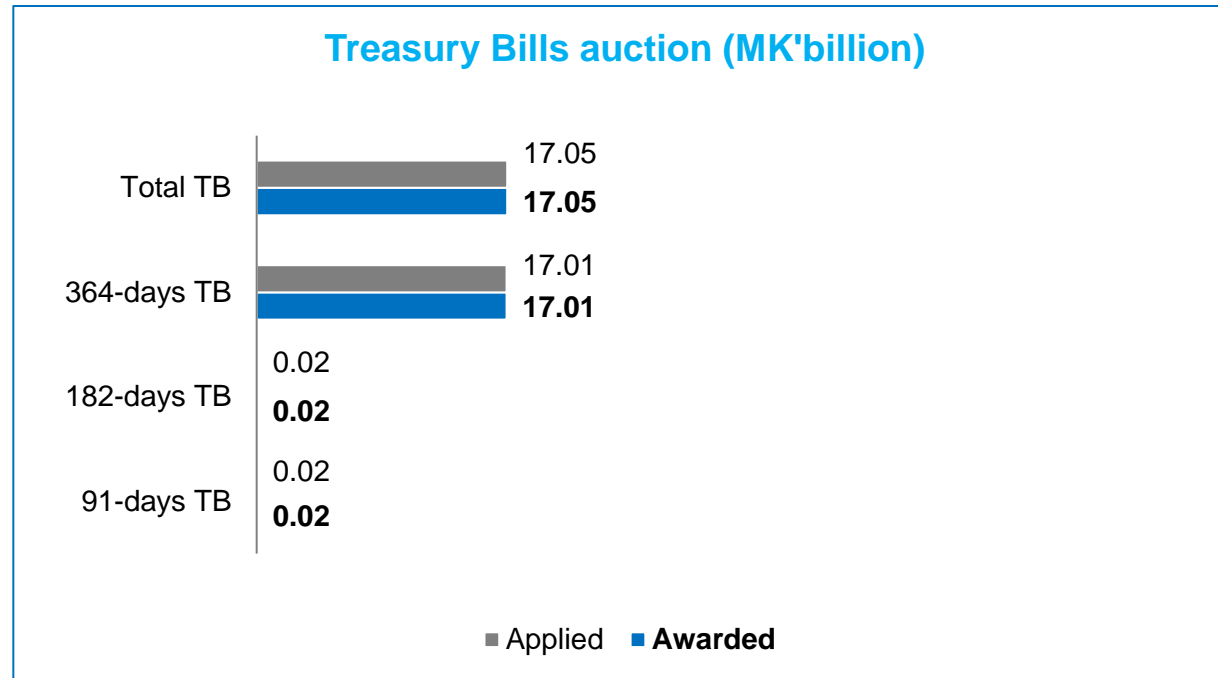
PCL's half year profit has increased to MK45.3 billion from MK34.3 billion in 2023.

NICO's half year profit after tax has increased to MK49.3 billion from MK28.4 billion in 2023





**Government securities (Source: RBM)**

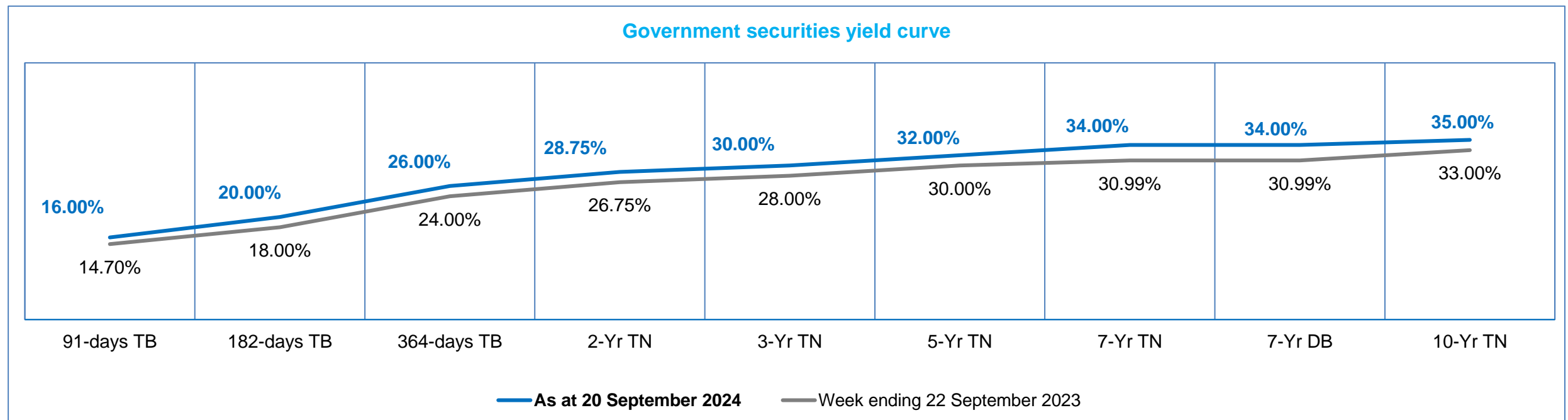


The Reserve Bank of Malawi held auctions for all tenors of Treasury Bills (TBs) and Treasury Notes (TNs) during the period under review.

The total amount raised from TBs was MK17.05 billion, primarily driven by the 364-day tenor.

The total amount raised from TNs was MK112.26 billion, primarily driven by the 2-year, 5-year and 10-year tenors.

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





## Appendix 1: Historical Economic Indicators

	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	20-Sept-2024
<b>Exchange rates (middle rates)</b>														
MK/USD	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	1,750.31	<b>1,734.01*</b>
MK/GBP	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	2,368.68	<b>2,378.99*</b>
MK/EUR	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	1,994.06	<b>1,995.18*</b>
MK/ZAR	60.02	60.67	63.95	92.72	93.54	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	<b>102.07*</b>
<b>Foreign Exchange Reserves</b>														
Gross Official Reserves (USD'mn)	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	<b>N/A</b>
Private Sector Reserves (USD'mn)	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	<b>N/A</b>
Total reserves (USD'mn)	658.91	652.14	566.2	578.40	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	N/A	<b>N/A</b>
Gross Official Reserves Import cover (months)	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	<b>N/A</b>
<b>Inflation</b>														
Headline	28.6%	27.8%	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	<b>N/A</b>
Food	39.4%	36.8%	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	<b>N/A</b>
Non-food	16.1%	17.2%	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	<b>N/A</b>
<b>Interest Rates</b>														
Monetary Policy Rate	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%	<b>26.00%</b>
Average Interbank Rate	22.76%	22.79%	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	<b>24.20%</b>
Lombard Rate	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%	<b>26.20%</b>
Commercial Bank Reference Rate	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%	<b>25.40%</b>
<b>Government Securities Yields</b>														
91-days Treasury Bill	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%	<b>16.00%</b>
182-days Treasury Bill	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%	<b>20.00%</b>
364-days Treasury Bill	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%	<b>26.00%</b>
2-year Treasury Note	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%	<b>28.75%</b>
3-year Treasury Note	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%	<b>30.00%</b>
5-year Treasury Note	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%	<b>32.00%</b>
7-year Treasury Note	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%	<b>34.00%</b>
10-year Treasury Note	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%	<b>35.00%</b>
<b>Stock Market Indices</b>														
MASI	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	141,275.06	<b>143,430.94</b>
DSI	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	110,067.28	<b>111,978.62</b>
FSI	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	19,974.30	<b>19,983.22</b>

\*: Reserve Bank of Malawi opening exchange rates (middle) as of 20 September 2024

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