



Malawi Financial Market Update

Week ending 29 November 2024

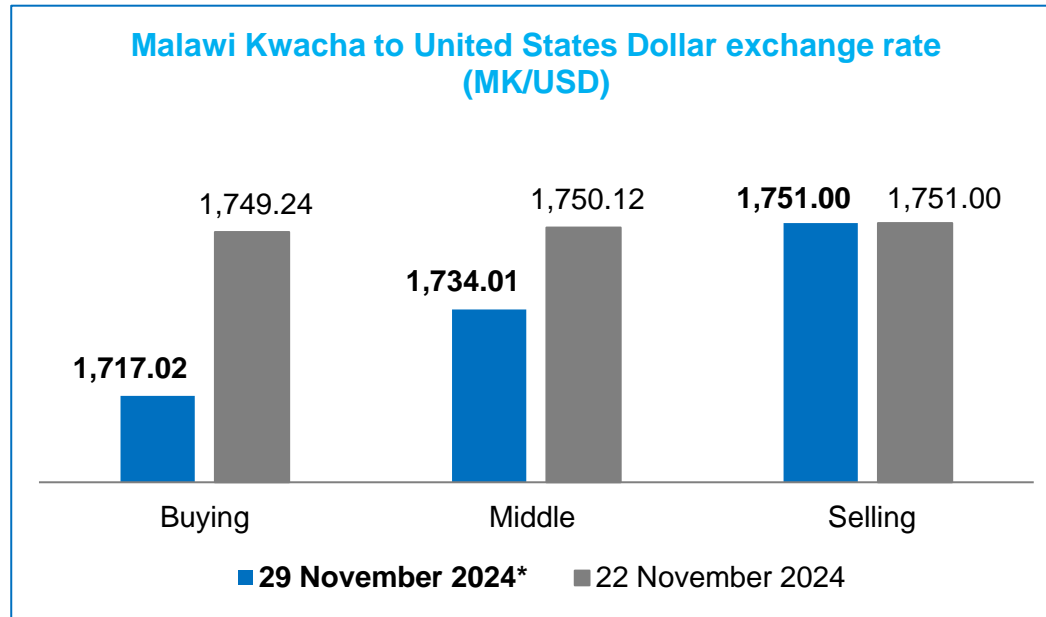


The Malawi government has signed three landmark agreements with the European Union (EU) and its member states during the inaugural Malawi-EU Investment Forum.

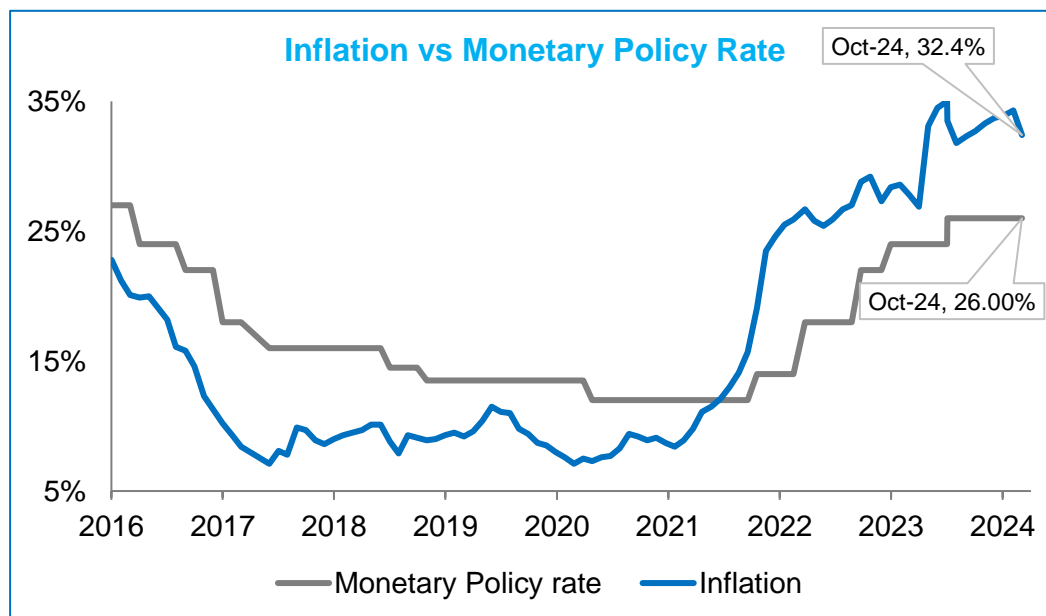
Malawi Financial Market Update: Week ending 29 November 2024

Exchange rate and other market developments

Exchange rate (Source: RBM)



Malawi Inflation and Monetary Policy Rate (Source: NSO and RBM)



What Happened This Week

1. The Malawi government has signed three landmark agreements with the European Union (EU) and its member states during the inaugural Malawi-EU Investment Forum. The agreements include EUR50 million (about MK95 billion) for the Strengthening Public Financial and Economic Management Project, the Enhanced Energy Policy Performance Grant to boost the energy sector, and the second phase of the Agriculture Commercialization Project-Multi Donor Trust Fund to transform agriculture (*The Nation*, 27 November 2024).
2. The Malawi Chamber of Mines has projected that the mining sector's contribution to Malawi's Gross Domestic Product (GDP) will reach 12% by 2027. The estimate is in line with significant progress registered at Kayelekera Uranium Mine in Karonga, Kanyika Niobium Mine in Mzimba, and Kangankunde Rare Earth Project in Balaka, of which all are expected to commence within two years. These projects align with Malawi's goal of achieving lower-middle-income status by 2030 (*The Nation*, 28 November 2024).
3. The International Monetary Fund (IMF) has reaffirmed its commitment to supporting Malawi's four-year USD178 million Extended Credit Facility (ECF) programme to restore economic stability and foster sustainable growth. However, the IMF has noted that the progress has been slow due to policy setbacks, delays in reforms, and challenges such as high food prices and fuel shortages (*The Daily Times*, 29 November 2024).
4. According to the Ministry of Energy, Malawi will begin importing electricity from Mozambique by June 2025. Construction of the Moma interconnector on the Malawi side will finish by March 2025, and Mozambique's by April 2025, with testing set for May 2025. The project will enable Malawi to import up to 50 megawatts, helping to stabilize its power supply (*The Daily Times*, 29 November 2024).
5. Blantyre Hotels (BHL) plc has initiated a rights share offering from 25 November to 6 December 2024 to raise MK62.4 billion to complete the Marriott Lilongwe Ryalls Hotel. The project, valued at over USD54 million, seeks investments from individuals and institutions, encouraging them to apply for shares and become co-owners of this landmark venture (*The Daily Times*, 25 November 2024).

*: Reserve Bank of Malawi opening exchange rates as of 29 November 2024

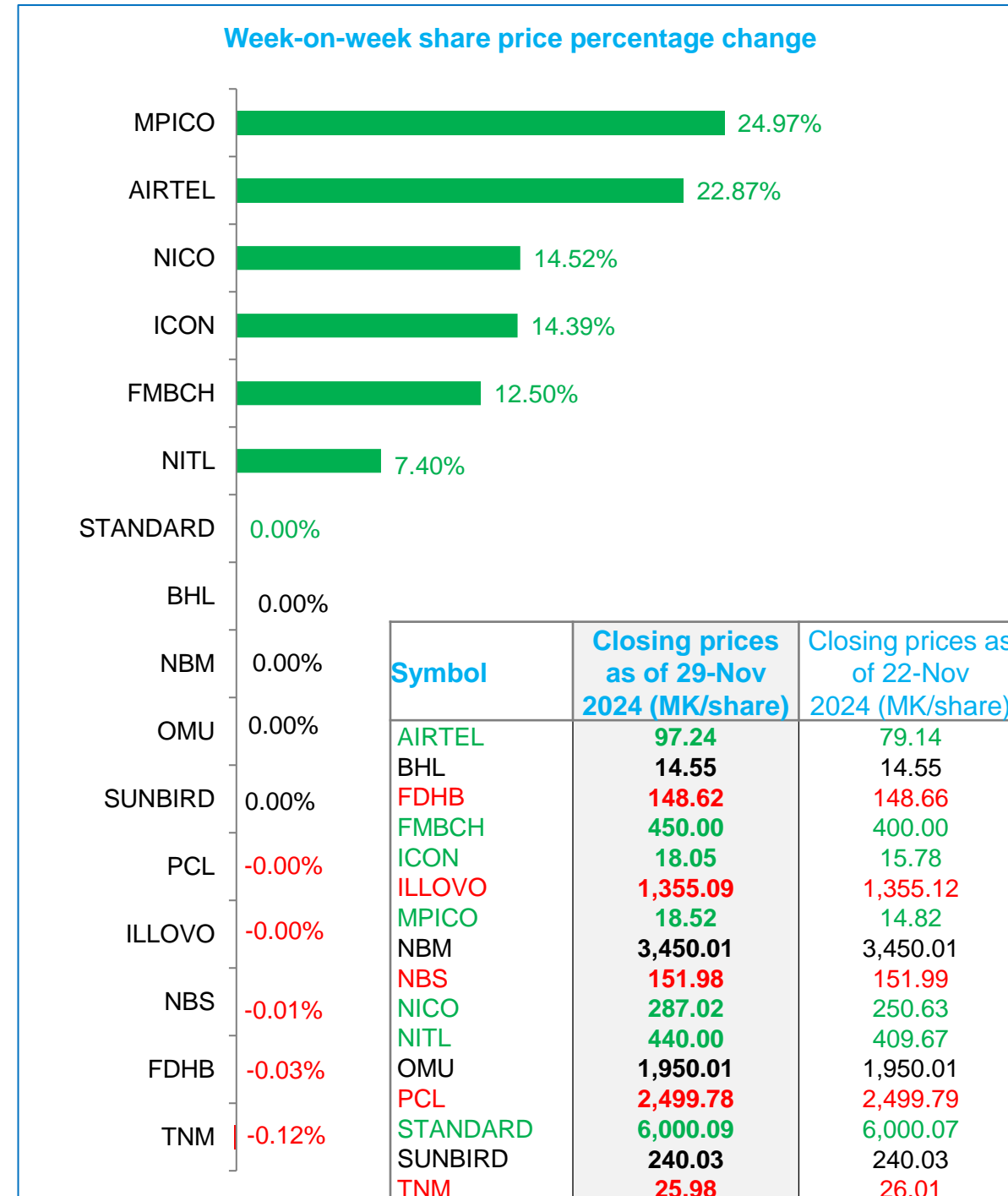
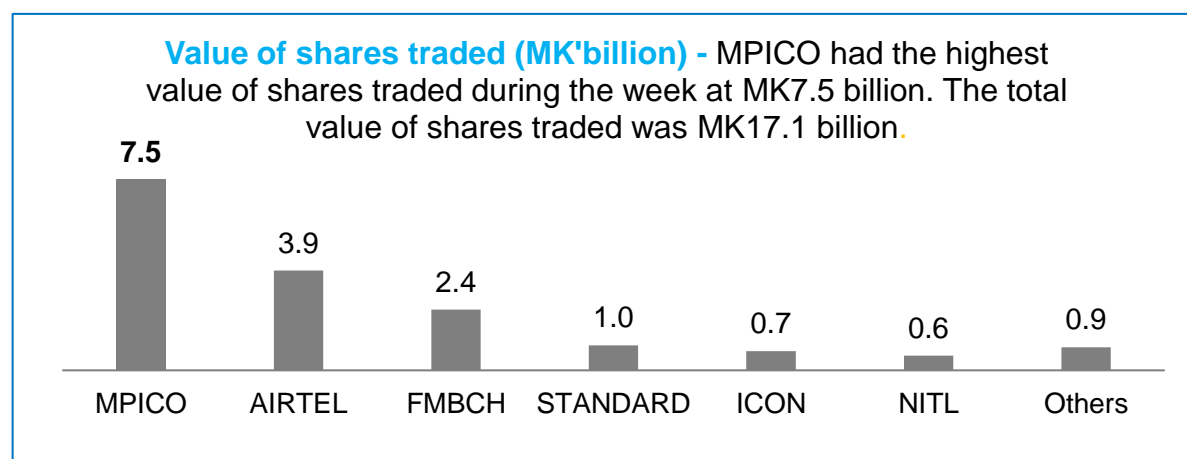
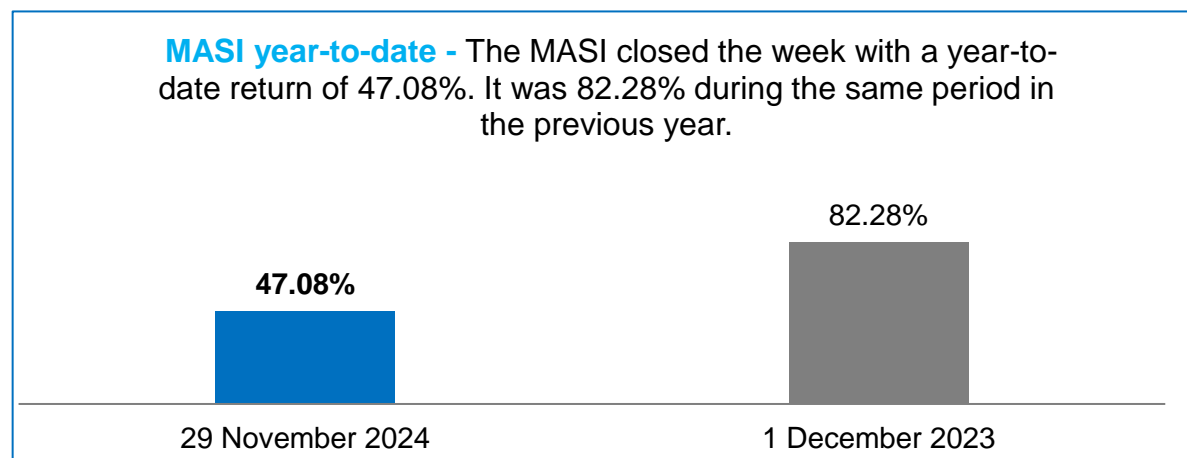
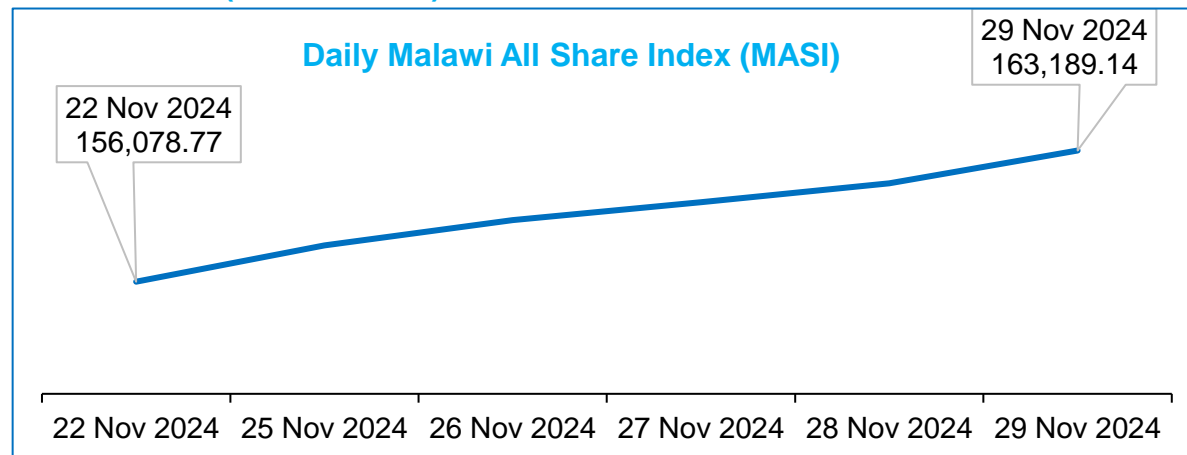


The stock market was bullish, with the Malawi All Share Index (MASI) closing the week ending 29 November 2024 at 163,189.14 points from 156,078.77 points for the week ending 22 November 2024.

MPICO Plc has issued a cautionary statement regarding ongoing negotiations for the potential sale of up to 20.56% of its shares by a substantial shareholder.

Malawi Financial Market Update: Week ending 29 November 2024

Stock market (Source: MSE)





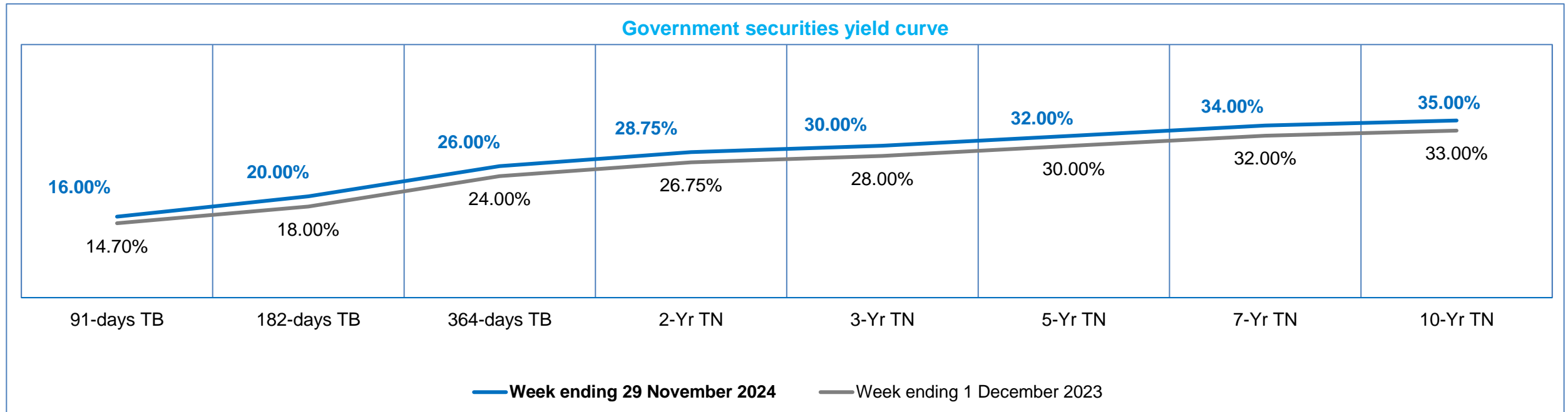
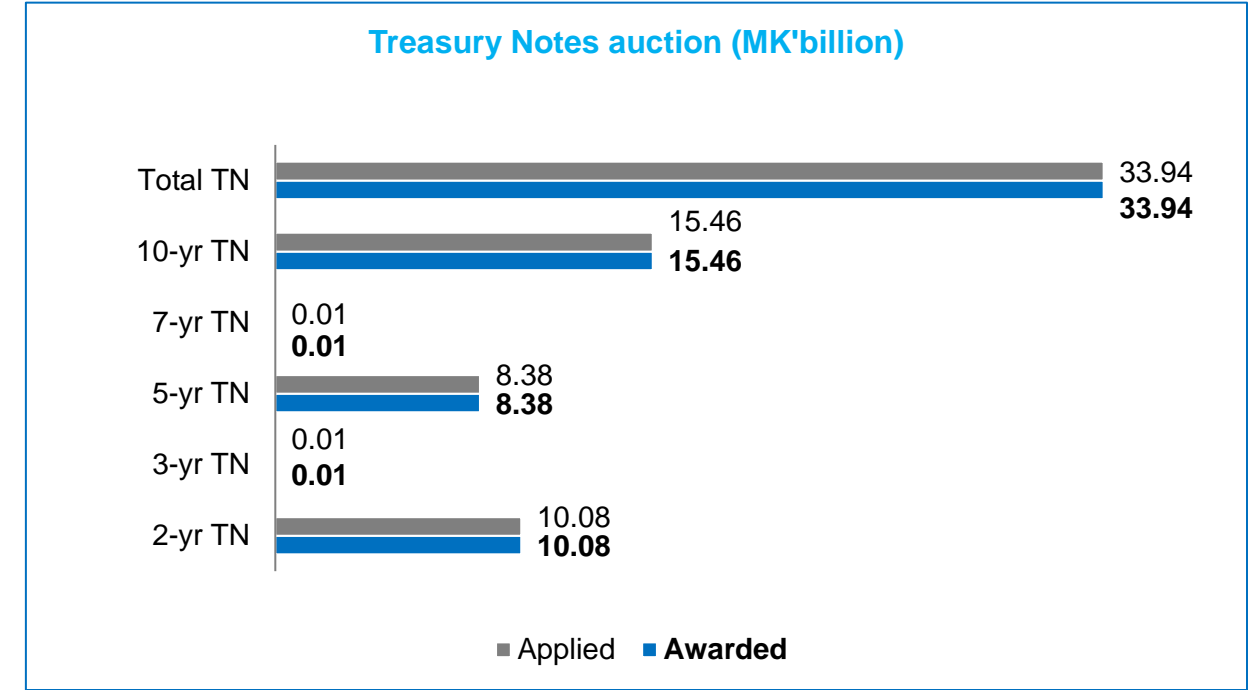
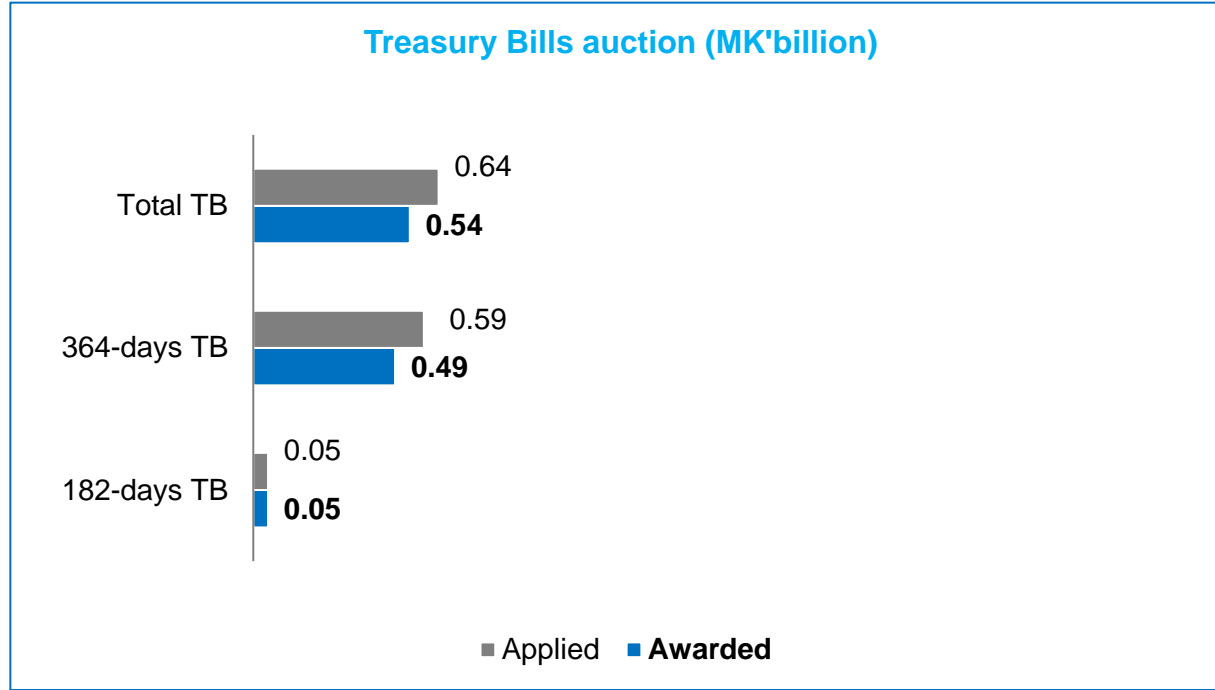
Government securities (Source: RBM)

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 the TBs was MK0.54 billion, primarily driven by the 364-days TB. There were no applications for the 91-days TB.

The total amount raised from the TNs was MK33.94 billion, primarily driven by 10-year TN and 2-year TN.

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





Appendix 1: Historical Economic Indicators

	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	29-Nov-24
Exchange rates (middle rates)														
MK/USD	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	1,750.37	1,749.95	1,734.01*
MK/GBP	1,473.63	2,219.25	2,224.30	2,221.35	2,217.83	2,268.77	2,256.81	2,285.22	2,274.74	2,311.11	2,368.68	2,411.29	2,338.28	2,269.87*
MK/EUR	1,285.81	1,907.62	1,917.45	1,888.43	1,887.38	1,949.34	1,922.25	1,951.14	1,922.54	1,947.33	1,994.06	2,003.14	1,953.49	1,887.66*
MK/ZAR	63.95	92.72	94.17	92.94	90.38	94.64	95.40	95.89	96.89	97.91	101.09	105.69	101.15	98.82*
Foreign Exchange Reserves														
Gross Official Reserves (USD'mn)	169.3	165.20	242.58	174.80	143.60	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Private Sector Reserves (USD'mn)	396.9	413.20	433.01	401.90	396.72	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Reserves (USD'mn)	566.2	578.40	675.58	576.70	540.32	552.94	603.07	610.18	591.51	572.02	549.85	N/A	N/A	N/A
Gross Official Reserves Import Cover (months)	2.3	0.7	1.0	0.70	0.57	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Inflation														
Headline	26.9%	33.1%	34.5%	35.0%	33.5%	31.8%	32.3%	32.7%	33.3%	33.7%	33.9%	34.3%	32.4%	N/A
Food	34.5%	41.7%	43.5%	44.9%	42.0%	38.8%	39.9%	40.7%	41.5%	41.9%	42.0%	43.5%	40.3%	N/A
Non-food	17.6%	22.2%	22.8%	22.0%	22.1%	22.2%	22.4%	22.1%	22.2%	22.4%	22.7%	21.8%	21.2%	N/A
Interest Rates														
Monetary Policy Rate	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
Average Interbank Rate	22.91%	23.00%	23.00%	23.00%	22.63%	22.22%	22.54%	23.39%	24.17%	24.20%	24.37%	24.20%	24.20%	23.23%
Lombard Rate	24.20%	24.20%	24.20%	24.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%	26.20%
Commercial Bank Reference Rate	23.50%	23.50%	23.60%	23.60%	24.90%	24.90%	24.90%	25.00%	25.10%	25.40%	25.40%	25.40%	25.40%	25.50%
Government Securities Yields														
91-days Treasury Bill	14.70%	14.70%	14.70%	14.70%	16.00%	16.00%	16.00%	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%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
364-days Treasury Bill	24.00%	24.00%	24.00%	24.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
2-year Treasury Note	26.75%	26.75%	26.75%	26.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%	28.75%
3-year Treasury Note	28.00%	28.00%	28.00%	28.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
5-year Treasury Note	30.00%	30.00%	30.00%	30.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%	32.00%
7-year Treasury Note	32.00%	32.00%	32.00%	32.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
10-year Treasury Note	33.00%	33.00%	33.00%	33.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Year-to-date Return														
MASI	83.72%	81.81%	78.85%	4.25%	1.88%	2.96%	2.95%	4.03%	9.15%	16.26%	27.33%	28.60%	32.69%	47.08%
DSI	76.48%	74.35%	69.99%	0.03%	-2.21%	0.47%	0.46%	1.68%	7.63%	14.76%	27.45%	28.90%	33.57%	47.71%
FSI	167.39%	168.05%	181.28%	33.77%	30.43%	20.39%	20.39%	20.38%	19.75%	26.76%	26.48%	26.54%	26.51%	42.71%

*: Reserve Bank of Malawi opening exchange rates (middle) as of 29 November 2024

Disclaimer

Although every effort was made to ensure the information in this report is authentic, the report should only be used for indicative purposes. Bridgepath Capital Limited accepts no responsibility or liability resulting from usage of information from this report. Every recipient using this report should make independent efforts to ascertain the accuracy of the information.

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

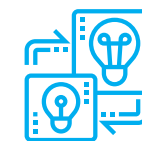
Website: www.bridgepathcapitalmw.com

Our Financial Advisory Solutions

We provide a range of financial advisory solutions to meet your needs and challenges:



Valuations



Business/Financial Modeling



Independent Business Reviews



Mergers and Acquisitions Transaction Services



Business Plans/feasibility studies/Financial Projections



Project Finance Advisory



Capital Raising



Equity/IPO Advisory

**Invest.
 Achieve.
 Be Different.**