



## 1. Money Market

### Government Securities

The Government Treasury Bill auctions held during the week raised a total of K3.72 billion from total applications of K5.54 billion, resulting in a 32.99% rejection rate. The average yield for the 91 days, 182 days and 364 days tenors were 9.75%, 15.00%, and 17.50% respectively (previous week: 182 days: 15.00%, 364 days: 17.50%, there were no applications for the 91 days tenor). Treasury Note (10-yr) auctions held during the week raised a total of K7.77 billion from total applications of K22.49 billion, resulting in a 65.45% rejection rate. The weighted average yield was 25.28%. Total maturities for the week stood at K8.77 billion, resulting in a net withdrawal of K17.44 billion.

### Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of negative K1.15 billion from 16.02 billion recorded in the previous week. The volume on Interbank overnight borrowing increased to a daily average of K19.80 billion at 12.50% (previous week: K13.88 billion at 12.50%). Access to the Lombard facility during the week in review averaged K16.68 billion at an average rate of 14.20% (previous week: K34.68 billion at 14.20%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 49,644.80 points (previous week: 49,718.86 points), the Domestic Share Index (DSI) closed at 39,054.12 points (previous week: 39,042.04 points) and the Foreign Share Index (FSI) closed at 6,539.01 points (previous week: 6,638.60 points). The decrease the MASI was due to share price loss in NITL, despite share price gains in Airtel, ICON, and NBM. The decrease in FSI was due to the share price loss in FMBCH. A total volume of 38.15 million shares were traded during the week at a value of K662.37 million in 67 deals (Source: MSE).

## 3. Local Market Developments

- The headline inflation rate (year on year) for May 2022 stands at 19.10%, an increase from 15.70% in April 2022. The food and non-food Inflation rates are at 25.50% and 13.20% respectively (April 2022: 19.50% and 12.20% respectively). The National month to month Inflation rate for May 2022 stands at 1.10%. Food inflation rate is at 1.20% while Non-Food Inflation rate is at 1.00% (Source: NSO).
- During the 11th week of tobacco sales, volumes of tobacco brought to the auction floors has increased. All types of tobacco prices have increased in the 2022 marketing season compared to the previous marketing season. During the 11th week cumulative sales of tobacco amounted to sales of 41.96 million kgs valued at US\$87.10 million at an average price of US\$2.07/kg (June 2021: 86.9 million kgs valued at US\$86.90 at an average price of US\$1.64/kg (Source: AHL).

## 4. Regional Developments in the Week

According to the Finance Minister of Tanzania, the country expects overall spending to rise by 9.00% to TZS41.48 trillion (US\$17.84 billion) in the 2022/23 (July-June) fiscal year, from TZS37.98 trillion in the 2021/2022 fiscal year. The Minister told parliament that of this amount, TZS3.03 trillion would be borrowed from external non-concessional sources, while TZS5.78 trillion would be borrowed from domestic non-concessional sources (Source: Reuters).

## 5. Global Developments in the Week

The US Federal Reserve launched its biggest broadside against inflation, raising benchmark interest rates by 0.75% in a move that equates to the most aggressive hike since 1994. Ending weeks of speculation, the rate-setting Federal Open Market Committee (FOMC) took the level of its benchmark funds rate to a range of 1.50%-1.75%, the highest since just before the COVID-19 pandemic began in March 2020. The Chair of the Federal Reserve expects to see a further increase of 50 or 75 basis points in July 2022 FOMC meeting (Source: CNBC).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	10-June-22	17-June-22
Counter				MK/Share	MK/Share
AIRTEL	6.07	16.53	16.04	48.54	↑ 48.60
BHL	0.00	(20.38)	1.37	11.01	11.01
FDH Bank	7.25	8.57	3.17	14.48	14.48
ICON	2.00	9.31	0.91	11.99	↑ 12.00
ILLOVO	5.89	10.65	2.47	305.53	305.53
MPICO	1.35	11.24	1.09	20.70	20.70
NBM	4.93	13.37	3.27	1,000.19	↑ 1,000.20
NBS Bank	5.93	8.62	2.86	22.77	22.77
NICO	4.92	4.87	1.22	46.75	46.75
NITL	2.59	3.18	0.85	110.03	↓ 110.00
PCL	1.63	63.65	1.45	1,900.00	1,900.00
Standard Bank	2.32	15.16	3.21	1,600.03	1,600.03
Sunbird	0.00	27.93	0.75	80.00	80.01
TNM	3.07	14.51	2.85	14.00	14.00
FMBCB	1.13	14.41	3.31	130.00	↓ 127.99
OMU	2.57	20.91	3.36	1,600.00	1,600.00
DSI	N/A	N/A	N/A	39,042.04	↑ 39,054.12
FSI	N/A	N/A	N/A	6,638.60	↓ 6,539.01
MASI	3.96	13.72	2.73	49,718.86	↓ 49,644.80

MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2021	2022
MASI Return (YTD)	5.77%	9.43%

### Inflation (Source: NSO)

Inflation (%) (Source: NSO)

### Forex Reserves (Source: RBM)

Forex Reserves (US\$ million) (Source: RBM)

### Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	10-Jun-22	17-Jun-22	% Change
MK/US Dollar	1,021.59	1,021.59	→ 0.00%
MK/GBP	1,278.01	1,256.76	↑ 1.66%
MK/ZAR	66.18	63.94	↑ 3.38%
MK/EUR	1,086.57	1,074.92	↑ 1.07%

### Global Market Rates (Source: Reuters, WSJ, CNBC)

	10-Jun-22	17-Jun-22	Change
US Fed Rate	1.000%	1.750%	↑ 0.750%
US Libor (3 months)	1.688%	2.030%	↑ 0.342%
US Libor (6 months)	2.266%	2.748%	↑ 0.482%
US Treasury yield (10 years)	3.045%	3.214%	↑ 0.169%
BOE Rate	1.000%	1.000%	→ 0.000%
ECB Rate	0.000%	0.000%	→ 0.000%

\*LIBOR = London Interbank Offered Rates \*BOE= Bank of England  
\*ECB= European Central Bank

### Government Securities for Week ending 17 June 2022 (Source: RBM)

### Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	2.61	9.75
182 days TB	321.90	15.00
364 days TB	3,391.14	17.50
10-year TN	7,770.00	25.28
<b>TOTAL</b>	<b>11,485.65</b>	

### GDP growth projections (Source: EIU, IMF, WBG, MW Gov)

	Real GDP Growth Projections			
	2019	2020	2021	2022
EIU	4.10%	-1.00%	2.70%	2.80%
IMF	4.00%	0.60%	2.20%	2.70%
WORLD BANK	4.40%	1.00%	2.80%	2.10%
GOVERNMENT	5.10%	0.90%	3.90%	4.10%
<b>Average Real GDP</b>	<b>4.40%</b>	<b>0.38%</b>	<b>2.90%</b>	<b>2.93%</b>