



1. Money Market

Government Securities

The Government Treasury Bill auctions held during the week raised a total of K5.79 billion from total applications of K5.79 billion, resulting in a nil rejection rate. The average yield for the 91 days, 182 days and 364 days tenors were 9.75%, 15.00%, and 17.51% respectively (previous week: 91 days: 9.75%, 182 days: 15.00%, 364 days: 17.50%). The Treasury Note (5-yr and 10-yr) auctions held during the week raised a total of K8.69 billion from total applications of K8.69 billion, resulting in a nil rejection rate. The weighted average yield was 24.00% and 27.00% respectively. The (2-yr) Treasury Note auction resulted in a 100.00% rejection rate. Total maturities for the week stood at K19.90 billion, resulting in a net injection of K5.42 billion.

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of negative K2.90 billion from 1.15 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K7.92 billion at 12.50% (previous week: K19.80 billion at 12.50%). Access to the Lombard facility during the week in review averaged K38.03 billion at an average rate of 14.20% (previous week: K16.68 billion at 14.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 49,595.64 points (previous week: 49,644.80 points), the Domestic Share Index (DSI) closed at 39,010.39 points (previous week: 39,042.04 points) and the Foreign Share Index (FSI) closed at 6,539.01 points (previous week: 6,539.01 points). The decrease the MASI was due to share price loss in FDH Bank, despite share price gains in Airtel, NITL, and NBM. A total volume of 16.98 million shares were traded during the week at a value of K275.16 million in 74 deals (Source: MSE).

3. Local Market Developments

During the week in review, the Malawi Energy Regulatory Authority (MERA) announced an increase in fuel prices by an average of 35.00% to cover the rising cost of imports following a 25.00% devaluation of the Malawi Kwacha. The government agency said the pump price of petrol had increased by 44.92%, diesel by 30.61% and paraffin by 29.29% to reflect the exchange rate of the kwacha against the US Dollar and high global petroleum prices. Following the adjustments, petrol will now sell at K1,999.90/l, up from K1,150.00/l, and diesel at K1920.00/l, up from K1,120.00/l (Source: MERA).

4. Regional Developments in the Week

The World Bank has approved a US\$2.30 billion program for Eastern and Southern African countries to help them tackle food insecurity. An estimated 66.40 million people in the region were forecast to experience food stress or a food crisis, emergency, or famine by July 2022. Food system shocks brought on by extreme weather, pest and disease outbreaks, political and market instability, and conflict are becoming more frequent and severe, putting more people at risk of food insecurity. The war in Ukraine is further exacerbating these effects by disrupting the global food, fuel, and fertilizer markets (Source: Reuters).

5. Global Developments in the Week

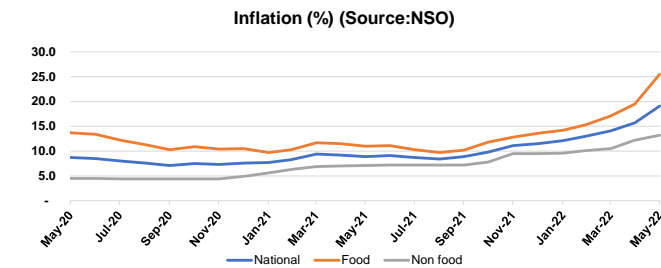
Copper prices in London headed for their worst week since 2021, while prices in Shanghai were on track for the sharpest weekly fall since March 2020 as growing concerns over recession and weak economic readings pointed to a likely impact on demand. Copper, used in power and construction sectors, is seen as a gauge for global economic health, and has fallen more than 20.00% since scaling a peak of US\$10,845.00 in March 2022 to US\$8,399.00/MT during the week in review on the London Metal Exchange (LME). Base metals are expected to extend losses following their recent fall caused principally by the Fed's tightening and China's economic slowdown on the back of the country's zero-COVID policy (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	17-June-22	24-June-22
Counter				MK/Share	MK/Share
AIRTEL	6.06	16.55	16.06	48.60	↑ 48.66
BHL	0.00	(20.38)	1.37	11.01	11.01
FDH Bank	7.50	8.29	3.06	14.48	↓ 14.00
ICON	2.00	9.31	0.91	12.00	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	4.92	13.37	3.27	1,000.20	↑ 1,000.23
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	110.00	↑ 110.03
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
FM BCH	1.13	14.41	3.31	127.99	127.99
OMU	2.57	20.91	3.36	1,600.00	1,600.00
DSI	N/A	N/A	N/A	39,054.12	↓ 39,010.38
FSI	N/A	N/A	N/A	6,539.01	6,539.01
MASI	3.97	12.55	2.65	49,644.80	↓ 49,595.64

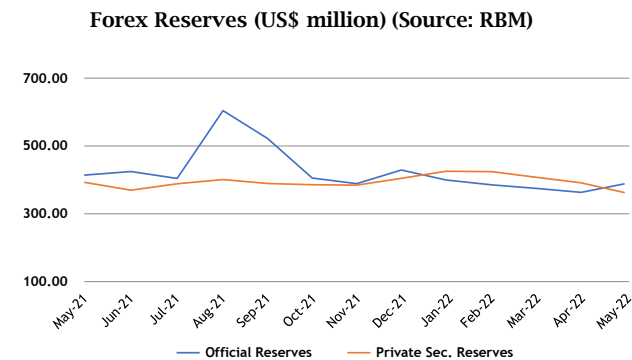
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2021	2022
MASI Return (YTD)	6.87%	9.32%

Inflation (Source: NSO)



Forex Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	17-Jun-22	24-Jun-22	% Change
MK/US Dollar	1,021.59	1,021.59	0.00%
MK/GBP	1,256.76	1,254.62	0.17%
MK/ZAR	63.94	64.21	-0.43%
MK/EUR	1,074.92	1,077.07	-0.20%

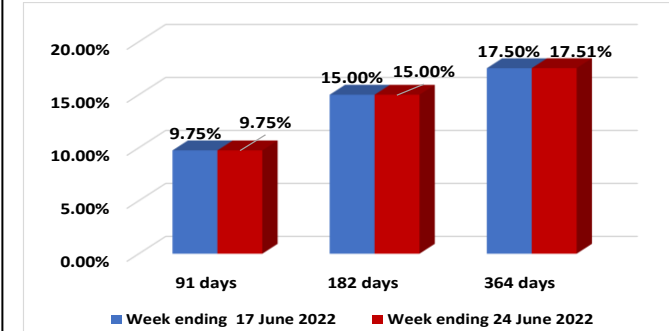
Global Market Rates (Source: Reuters, WSJ, CNBC)

	17-Jun-22	24-Jun-22	Change
US Fed Rate	1.750%	1.750%	0.000%
US Libor (3 months)	2.030%	2.185%	0.155%
US Libor (6 months)	2.748%	2.827%	0.079%
US Treasury yield (10 years)	3.214%	3.084%	-0.130%
BOE Rate	1.250%	1.250%	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 24 June 2022 (Source: RBM)



Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	2.00	9.75
182 days TB	9.40	15.00
364 days TB	5,778.28	17.51
5-year TN	6,610.00	24.00
10-year TN	2,080.00	27.00
TOTAL	14,479.68	

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

	Real GDP Growth Projections			
	2019	2020	2021	2022
EIU	4.10%	-1.00%	2.70%	2.00%
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%
Average Real GDP	4.40%	0.38%	2.90%	2.73%

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