NICO Asset Managers

Invest Today for Tomorrow

MONTHLY ECONOMIC REPORT

APRIL 2022

Investment Management | Corporate Finance | Investor Services

Contents

LIST OF ACRONYMS

ADF: African Development Fund
AfDB: African Development Bank
ADMARC: Agricultural Development and Marketing Corporation
AfCTA: African Continental Free Trade Area
AIP: Affordable Inputs Program
BOE: Bank of England
BHL: Blantyre Hotels Plc
BWB: Blantyre Water Board
CCRT: Catastrophe Containment and Relief Trust
COP26: 26th Conference of Parties
CPI: Consumer Price Index
DCCMS: Department of Climate Change and Meteorological Services
DOC: Declaration of Parties
DSI: Domestic Share Index
DODMA: Department of Disaster Management Affairs
ECB: European Central Bank
ECF: Extended Credit Facility
EIU: Economist Intelligence Unit
ESCOM: Electricity Supply Corporation of Malawi
EU: European Union
EUR: Euro
FEWSNET: Famine Early Warning Systems Network
FISP: Farm Input Subsidy Program
FMBCH: FMB Capital Holdings Plc
FOB: Free On Board
FOMC: Federal Open Market Committee
FSI: Foreign Share Index
GBP: British Pound
GDP: Gross Domestic Product
GFS: Government Finance Statistics
IATF: Intra-African Trade Fair
IFPRI: International Food Policy Research Institute
IMF: International Monetary Fund
K: Malawi Kwacha
LIBOR: London Inter-Bank Offered Rate
MASI: Malawi All Share Index
MASL: Meters Above Sea Level
MB/D: Million barrels per day
MERA: Malawi Energy Regulatory Authority
MITC: Malawi Investment and Trade Center
MPC: Monetary Policy Committee
MSE: Malawi Stock Exchange
MT: Metric Tonnes
MRA: Malawi Revenue Authority
MW: Mega Watts
NBM: National Bank of Malawi Plc
NBS: NBS Bank Plc
NGOs: Non-Governmental Organisations
NGL: Natural Gas Liquids
NICO: NICO Holdings Plc
NITL: National Investment Trust Plc
NSO: National Statistical Office
OECD: Organization for Economic Co-operation and Development
OMO: Open Market Operations
OPEC: Organization of the Petroleum Exporting Countries
PCL: Press Corporation Plc
PPP: Private Public Partnerships
RBM: Reserve Bank of Malawi
RBZ: Reserve Bank of Zimbabwe
SADC: Southern African Development Community
SAFEX: South African Futures Exchange
SARB: South Africa Reserve Bank
SONA: State of the Nation Address
SFFRFM: Smallholder Farmers Fertilizer Revolving Fund
SPRUT: Sprott Physical Uranium Trust
SSA: Sub Sahara Africa
Sunbird: Sunbird Tourism Plc
TB: Treasury Bills
TC: Tobacco Commission
TNM: Telekom Networks Malawi Plc
WBG: World Bank Group
WEO: World Economic Outlook
WHO: World Health Organization
WTO: World Trade Organization
TZS: Tanzania Shillings
UBOS: Ugandan Bureau of Statistics
UGX: Ugandan Shillings
UK: United Kingdom
US: United States
UNFCCC: United Nations Framework Convention on Climate Change
USA: United States of America
USAID: US Agency for International Development
US$: United States Dollar
ZAR: South African Rand
ZK: Zambian Kwacha

EXECUTIVE SUMMARY
Economic Outlook — Malawi

During the month of April 2022, using the RBM middle rates, the Malawi Kwacha appreciated against all major currencies except the US Dollar. The Malawi Kwacha appreciated against the British Pound, EURO, and South African Rand by 4.61%, 5.60% and 8.57% respectively. The Kwacha depreciated by the 0.03% against the US Dollar closing the month at K816.64/US$1.

The Monetary Policy Committee (MPC), at its second meeting of 2022 held on 29th April, decided to raise the Policy rate by 200 basis points to 14.00%. Meanwhile, the MPC maintained the Liquidity Reserve Requirement (LRR) ratio on domestic and foreign currency denominated deposits at 3.75%; and the Lombard rate at 20 basis points above the Policy rate. In arriving at this decision, the Committee noted that inflation pressures continue to mount following persistence of the pandemic-induced supply-demand imbalances, supply-chain disruptions, and rising global energy and food prices, which have been compounded by the Russia-Ukraine war.

Based on various institutions' projections, the economy is expected to grow by an estimated average of 2.93% in 2022. The government's 2022 projection of GDP growth is higher than other institutions at 4.10% for 2022, while the EIU has forecast 2.80%, IMF at 2.70% and the WBG at 2.10%. The improvement was premised on an expansion of the agriculture sector, supported by favorable weather conditions and continued implementation of the AIP, following removal of COVID-19 pandemic-related mobility restrictions. However, downside risks to the forecast have materialized, which could jeopardize the growth prospects. Among the risks are the impact of the cyclone Ana and cyclone Batsirai which hit the southern part of the country; delayed and early cessation of rains; intermittent electricity power supply; spill-over effects of the ongoing Russia-Ukraine war; global supply-chain disruptions; and the resurgence of new waves of the COVID-19 pandemic

Key Economic Risks – Malawi

1. Russia-Ukraine conflict spill-over effects – Supply chain disruptions and higher global interest rates leading to higher commodity prices and reduced fiscal space in the economy
2. Persistently weak export base - Affects the Kwacha's stability against the major currencies due to a widening trade deficit.
3. Coronavirus pandemic - Affects the operations of all businesses and unplanned government heavy expenditure on medical supplies and enforcement of measures to mitigate its spread and effects.
4. High government debt levels - Create a future obligation for the government to repay the debt plus interest.
5. Climate change – Changes in weather patterns and extreme weather conditions, impacting infrastructure development, livelihoods, and agricultural production.
6. High population growth rates - May reduce the country's ability to allocate resources to more productive activities.

ECONOMIC OVERVIEW

Inflation (Source: NSO)

The headline inflation rate for April 2022 increased to 15.70% from 14.10% recorded in March 2022. This was due to an increase in both food and non-food as can be seen in the table below:

	Apr-22	Mar-22	Apr-21	%Change (1 Month)	%Change (12 Months)
Headline inflation	15.70%	14.10%	9.20%	1.60%	4.90%
Food	19.50%	17.10%	11.50%	2.40%	5.60%
Non-food	12.20%	10.50%	7.00%	1.70%	3.50%

Government Securities (Source: RBM)

During April 2022, the all-type Treasury bill yield decreased to 12.55% from 12.57% recorded in March 2022.

Tenor	Apr-22	Mar-22	Apr-21	Change 1 Month	Change 12 Months
91 days	9.65%	9.71%	9.88%	-0.06%	-0.23%
182 days	13.00%	13.00%	12.77%	0.00%	0.23%
364days	15.00%	15.00%	13.79%	0.00%	1.21%
All Type	12.55%	12.57%	12.15%	-0.02%	0.40%

Total Treasury bill applications for April 2022 stood at K23.26 billion and K23.26 billion was allotted representing a nil rejection rate. The 364 days paper accounted for the highest subscription rate at 90.64%, followed by the 182 days paper at 8.72%, and the 91 days paper at 0.64%.

During the month of April 2022, the government held Treasury notes auction of 2-year, 3-year, and 7-year tenors. The tenors were at an average yield of 16.95%, 19.49%, and 21.99% respectively. There were total applications of K61.83 billion but K57.54 billion was alloted, resulting in a 6.94% rejection rate. A 10-year Development Bond auction also held during the month raised a total of K500.00 million at 23.35%.

Total maturities for government securities for the month amounted to K10.60 billion resulting in a net withdrawal of K53.25 billion.

Foreign Currency Market (Source: RBM)

During the month of April 2022, the Malawi Kwacha appreciated against all major currencies expect the US Dollar. See table below:

CURRENCY	Apr-22	Mar-22	Apr-21	% Movement 1 month	% Movement 12 months
MK/USD	816.64	816.40	792.08	-0.03%	-3.10%
MK/GBP	1,021.70	1,071.04	1,104.32	4.61%	7.48%
MK/ZAR	51.45	56.27	55.33	8.57%	7.02%
MK/EUR	860.17	911.18	959.37	5.60%	10.34%

The official forex reserves decreased to US$363.27 million (1.45 months' worth of import cover) in April 2022 from US$374.48 million (1.50 months of import cover) in March 2022. Private sector reserves decreased to US$362.84 million (1.45 months of import cover) in April 2022 from US$391.49 million (1.57 months of import cover) in March 2022.

As of 29 April 2022, total forex reserves stood at US$726.11 million (2.90 months of import cover) a decrease from US$765.97 million (3.07 months of import cover) registered at the end of March 2022.

	Apr-22 (US$ million)	Mar-22 (US$ million)	Apr-21 (US$ million)	% 1 month change	% 12 months change
Official Reserves	363.27	374.48	410.16	-2.99%	-11.43%
Private Sector	362.84	391.49	342.58	-7.32%	5.91%
Total	726.11	765.97	752.74	-5.20%	-3.54%
Import Cover (Months)					
Gross Official	1.45	1.5	1.96	-3.33%	-26.02%
Private Sector	1.45	1.57	1.64	-7.64%	-11.59%
Total	2.90	3.07	3.60	-5.54%	-19.44%

(The monthly import requirement increased in May 2021 from US$209.00 million to US$250.00 million to cover the rising import bill).

Interbank Markets and Interest Rates (Source: RBM, BAM)

Liquidity levels (excess reserves after central bank operations) for the month of April 2022 increased to a daily average of K64.03 billion from K59.47 billion recorded in March 2022. Access to the Lombard facility (discount window borrowing) during the month of March 2022 averaged K24.33 billion per day at an average rate of 12.20% while that of March 2022 averaged K28.56 billion per day at an average rate of 12.20%.

During the month of April 2022, overnight borrowing between banks increased to a daily average of K12.96 billion from K12.86 billion recorded in March 2022. This was at an average rate of 11.70% (March 2022: 11.70%).

The reference rate for the month of April 2022 increased to 13.50% from 12.20% recorded in March 2022.

Stock Market (Source: MSE)

The stock market was bullish in the month of April 2022 as reflected in the upward movement of the Malawi All Share Index (MASI) from 45,921.23 points registered in March 2022 to 46,934.16 points registered in April 2022, giving a return on index of 2.21% compared to 2.51% registered in the April of 2021.

The price gains were registered by five counters. Share price gains by FMBCH (+38.73%), NITL (+15.80%), NBM (+0.06%), Airtel (+0.05%), Illovo (+0.03%), and Standbank Bank (0.001%) were enough to offset share price losses in TNM (-8.05%), ICON (-5.44%), FDH Bank (-1.74%), PCL (-0.05%) and NBS (-0.04%), resulting in a upward movement of the MASI.

The Domestic Share Index inched downwards by -0.80% to close at 37,283.40 , while the Foreign Share Index inched upwards by 36.69% to close at 5,720.11 points. Market capitalization increased in both Kwacha and United States terms from K2.49 trillion (US$3.05 billion) in March 2022 to MK2.55 trillion (US$3.12 billion) in April 2022.

In the month of April 2022, the market transacted a total of 112.06 million shares at a total consideration of K7.25 billion (US$8.88 million) in 312 trades. In the previous month of March 2022, the market transacted a total of K49.17 million shares at a total consideration of K1.79 billion (US$2.20 million) in 306 trades.

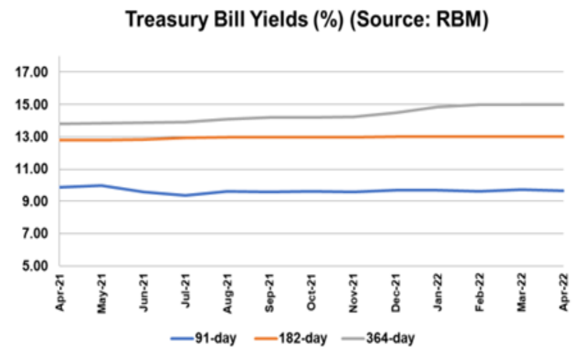
The average dividend yield on the MASI increased in April 2022 to 3.69% from 3.17% in March 2022.

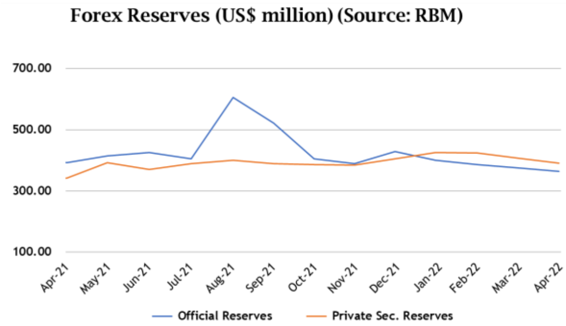
Counter	Apr-22	Mar-22	Apr-21	Change (1 months)	Change (12 months)
	MK/Share	MK/Share	MK/Share	%	%
AIRTEL	42.02	42.00	31.00	0.05%	35.55%
BHL	11.01	11.01	11.00	0.00%	0.09%
FMBCH	111.00	80.01	31.77	38.73%	249.39%
FDHB	15.29	15.56	16.47	-1.74%	-7.16%
ICON	12.00	12.69	12.16	-5.44%	-1.32%
ILLOVO	305.50	305.42	80.46	0.03%	279.69%
MPICO	20.70	20.70	20.88	0.00%	-0.86%
NBM	948.54	948.01	650.06	0.06%	45.92%
NBS	22.78	22.79	23.00	-0.04%	-0.96%
NICO	55.00	55.00	51.92	0.00%	5.93%
NITL	110.01	95.00	94.94	15.80%	15.87%
OMU	1,785.00	1,785.00	2,190.00	0.00%	-18.49%
PCL	1,899.00	1,900.00	1,199.94	-0.05%	58.26%
STANDARD	1,400.11	1,400.09	1,200.13	0.001%	16.66%
SUNBIRD	90.02	90.02	90.00	0.00%	0.02%
TNM	16.00	17.40	16.36	-8.05%	-2.20%
MASI	46,934.16	45,921.23	33,380.63	2.21%	40.60%
DSI	37,283.40	37,584.34	28,257.89	-0.80%	31.94%
FSI	5,720.11	4,184.71	1,844.72	36.69%	210.08%

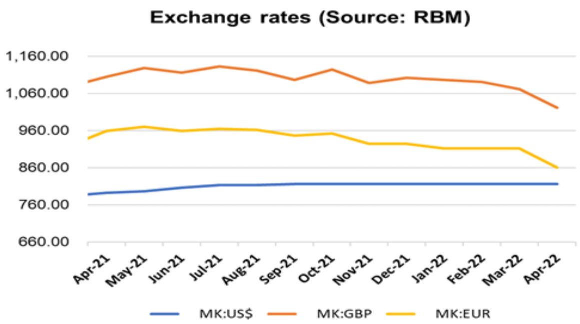
Below is a presentation of the published 2021 and 2020 end year financials for the respective companies.

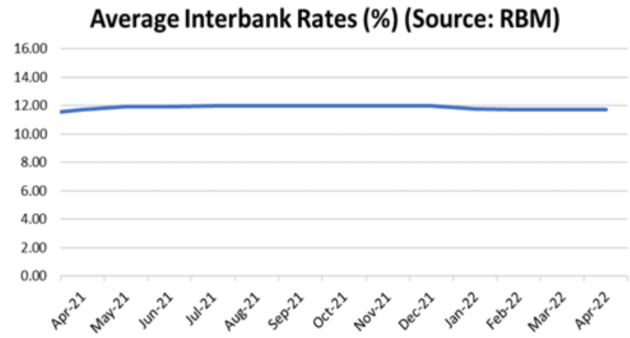
Published Financials for 2021 and 2020						
	Net Profit/(Loss) (MK'Billion)			Total Dividend (Per Share) (Kwacha)		
Period	**Aug-21**	**Aug-20**	**% Change**	**Aug-21**	**Aug-20**	**% Change**
ILLOVO	20.47	2.74	647.08%	10.00	2.00	400.00%
Period	**Dec-21**	**Dec-20**	**% Change**	**Dec-21**	**Dec-20**	**% Change**
AIRTEL	32.34	22.09	46.40%	2.95	2.10	40.48%
ICON	8.72	8.79	-0.80%	0.24	0.23	4.35%
MPICO	6.42	4.34	47.93%	0.31	0.28	10.71%
STANDARD	24.77	23.74	4.34%	49.86	23.43	112.80%
NBM	34.21	22.45	52.38%	49.26	27.84	76.94%
NITL	4.67	1.48	215.54%	2.85	1.30	119.23%
FDH BANK	11.66	13.99	-16.65%	1.05	0.43	144.19%
TNM	9.69	7.73	25.36%	0.43	0.40	7.50%
NBS BANK	7.69	7.05	9.08%	1.35	1.15	17.39%
SUNBIRD	0.75	(1.18)	163.47%	0.00	0.00	0.00%
	Net Profit/(Loss) (ZAR' billion)			**Total Dividend (Per Share) (ZAR)**		
OMU	6.66	(5.10)	230.67%	0.51	0.35	45.71%
	Net Profit/(Loss) (US$' million)			**Total Dividend (Per Share) (US$)**		
FMBCH	40.45	21.28	90.08%	0.18	0.00	100.00%
TRADING STATEMENT						
PCL	Expects its full year ending 31st December 2021 profit after tax to be approximately 50% higher than the previous corresponding period					
BHL	Expects its full year ending 31st December 2021 loss after tax to be more than negative 93% compared to the previous corresponding period					

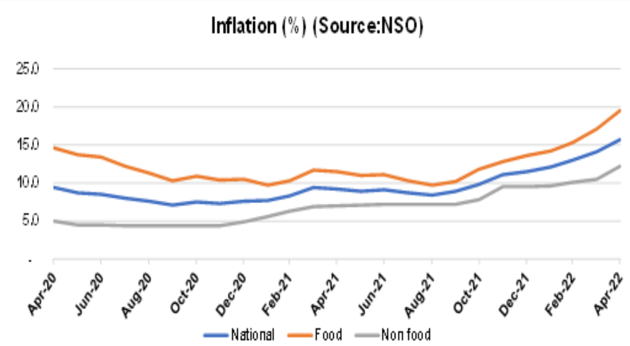
Trend Graphs

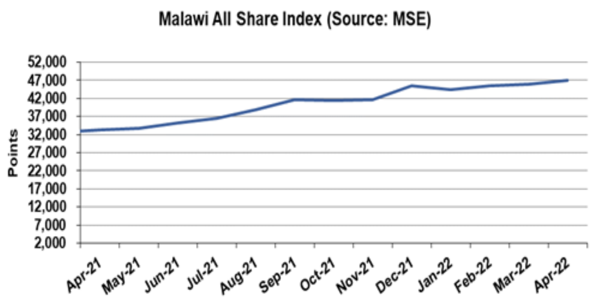












OTHER MARKET DEVELOPMENTS

Tobbacco Market Update (Source: AHL Group)

The 2022 rate of no-sale rejection continues to decline consistently on the burley market auction. As sales progressed through week 6, the rate decreased significantly to 7.00% in 2022 compared to 46.00% recorded during the same period in 2021.

Improvement of tobacco prices was noticed on the market in week 6 of sales in 2022, compared to that sold during the same period in 2021. After 6 weeks since the opening of the tobacco season, the average price peaked at US$2.60/kg recorded on auction burley market and US$3.00/Kg on contract in 2022. During the same period in 2021, the highest price stood at US$2.00/kg and US$2.55/kg on the auction and contract sales respectively. A total volume of 5.70 million kgs of flue cured and burley tobacco types valued at US$11.10 million have been sold by the end of 6 weeks in 2022 compared to 40.97 million kgs sold at a total consideration of US$67.60 million during the same period in 2021.

Tea Production and Sales (Source: RBM)

Tea production amounted to 7.10 million kgs in March 2022, which was slightly higher than 7.00 million kgs produced in February 2022 but was lower than 8.0 million kgs produced in a corresponding month in 2021. Meanwhile, tea volumes sold increased to 1.6 million kgs in the review month from 0.8 million kgs in February 2022, and 1.2 million kgs in March 2021. In terms of prices, average prices for tea increased to US$1.41/kg in March 2022 from US$1.39/kg recorded in the previous month but were down from US$1.48/kg in March 2021. Consequently, the value of tea sales increased to US$2.3 million in March 2022 from US$1.1 million in February 2022 (March 2021: US$1.8 million).

Rainfall Season & Food Security Update (Source: FEWSNET)

Despite an unprecedented dry start to the production season, rainfall performance has improved significantly since February 2022, with cumulative rainfall total and length of growing period expected to be sufficient for crops to fully mature. However, mid-season rainfall volatility, multiple tropical storms, and atypically low fertilizer usage are likely to reduce nation crop production to a range from 15.00% to 25.00% below average, with the most considerable reductions in southern Malawi.

Production for main food and cash crops remain lower due to weather factors. While crop damage and access to fertilizer continue to negatively impact crop production, rainfall performance has significantly improved since February 2022. Recent remote sensing data and field observations indicate that production prospects remain lower than average, ranging to 15.00% to 25.00% below average. Despite the improvements in the rainfall and increased rainfall window, there was little recovery from crop damage caused by the tropical storms. Overall, crop damage was extensive, and replanting and recovery was very low, limiting the positive impacts of better-than-expected rainfall on crop prospects.

The main harvest season starts between late April 2022 and early May 2022 in Malawi. Currently, most crops have reached maturity in southern Malawi and are ready for harvest. Crops have also matured in central Malawi and will be ready for harvest by mid-May 2022. The main harvest also marks the transition into the 2022/23 consumption season. Despite lower-than-average crop production, the current availability of own food for consumption, both green and main harvest, is likely easing food gaps and improving overall food security outcomes for most rural households.

As of 20 April 2022, Strategic Grain Reserve (SGR) maize stocks stood at 31,036.00 metric tons (MT) out of which 6,067.00 MT was already committed for Department of Disaster Management Affairs (DoDMA) for emergency response thereby bringing un uncommitted stocks to 24,968.00 MT. ADMARC has stocks of around 162,714.00 MT, resulting a carryover stock of 187,682.00 MT into the 2023 consumption season. Private traders and farm-households are also reported to have carryover stocks of approximately 1.20 million MT, resulting in a total carry overstock of 1.40 MT.

Overall, in northern and parts of central Malawi, minimal (IPC Phase 1) acute food security outcomes are expected to continue through the harvest and post-harvest period. Despite entering the harvest period, districts in southern and central Malawi impacted by multiple tropical storms, worsening market dynamics, and below-average harvest expectations face Stressed (IPC Phase 2) acute food security outcomes. In the Lower Shire livelihood zone, Crisis (IPC Phase 3) acute food security outcomes are expected through the outlook period, September 2022, as underlying vulnerabilities have been exacerbated by multiple shocks impacting crop production, access to livelihoods, and financial access to food.

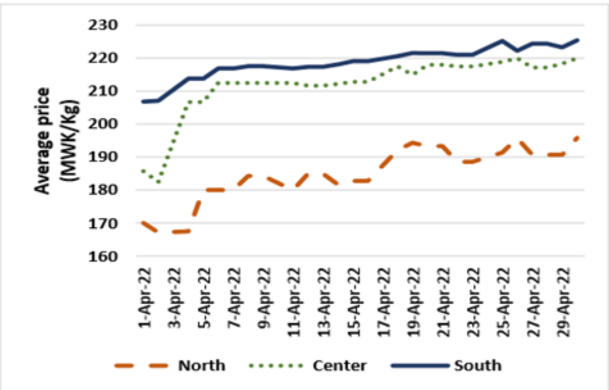
* *Refer to Appendix 11 for more details on Food Insecurity Phase Descriptions*

Maize Market Update (Source: IFPRI)

Contrary to the usual pattern of falling prices in anticipation of the harvest, maize prices have shot up in April 2022. By the end of the month, maize retail prices averaged at K209.0/kg, 22.00% higher than in April 2021. This maize price spike is likely related to Russia's invasion of Ukraine.

Within the month of April 2022, maize retail prices were highest in Liwonde, selling at K260.00/kg and lowest in Rumphi, selling at K175.00/kg. Despite price increases across markets ranging from 4.00% in Lunzu to as high as 33.00% in Chitipa, 3 markets (Chikwawa, Chiringa and M'baluku) registered a marginal price decline of 1% each.

Figure 2. Daily average maize retail prices by region during April 2022

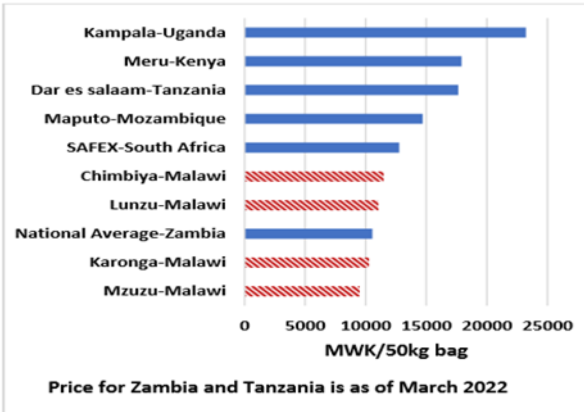


Recently harvested maize had high moisture content, which makes it unsuitable for milling into flour and for storage, and therefore less valuable than drier old maize. New maize, harvested in the (current) 2021/22 season averaged at K182.00/kg in April, 13.00% cheaper than old maize. This is 33.00% higher than new maize in April 2021 and 21.00% lower than minimum farmgate price (K220.00/kg) set by government mid-April 2022. However, there is no new maize yet on the market in the North.

No ADMARC purchases were reported in any of the markets monitored by IFPRI. ADMARC sales were reported in 8 out of the 26 markets monitored by IFPRI (2 from the North; 2 from the Center and 4 from the South).

As of the end of April, retail prices of maize in the Malawian markets were lower than in selected regional markets in eastern Africa and on SAFEX. Prices in Chimbiya and Lunzu were higher than Zambia's national average of March 2022.

Figure 3. Retail maize prices in selected markets in eastern and southern Africa (as of April 2022)



GLOBAL DEVELOPMENTS

Economic Growth

Global economic prospects have worsened significantly since the last World Economic Outlook (WEO) forecast in January 2022. At the time, the global recovery was projected to strengthen from the second quarter of 2022 after a short-lived impact of the Omicron variant. Since then, the outlook has deteriorated, largely because of Russia's invasion of Ukraine, causing a tragic humanitarian crisis in Eastern Europe and the sanctions aimed at pressuring Russia to end hostilities. This crisis unfolds while the global economy was on a mending path but had not yet fully recovered from the COVID-19 pandemic, with a significant divergence between the economic recoveries of advanced economies and emerging market and developing ones.

In addition to the war, frequent and wider-ranging lockdowns in China, including in key manufacturing hubs have also slowed activity there and could cause new bottlenecks in global supply chains. Higher, broader, and more persistent price pressures also led to a tightening of monetary policy in many countries. Overall risks to economic prospects have risen sharply and policy trade-offs have become ever more challenging. Beyond the immediate humanitarian impacts, the war will severely set back the global recovery, slowing growth and increasing inflation even further. This report projects global growth at 3.60% in 2022 and 2023, 0.8 and 0.2 percentage points lower than in the January forecast, respectively. The downgrade largely reflects the war's direct impacts on Russia and Ukraine and global spillovers. Both Russia and Ukraine are projected to experience large GDP contractions in 2022.

The economic effects of the war are spreading far and wide like seismic waves that emanate from the epicenter of an earthquake mainly through commodity markets, trade, and financial linkages. Because Russia is a major supplier of oil, gas, and metals, and, together with Ukraine, of wheat and corn, the current and anticipated decline in the supply of these commodities has already driven their prices up sharply. Europe, The Caucasus and Central Asia, Middle East and North Africa, and Sub-Saharan Africa are most affected. The food and fuel price increases will hurt lower-income households globally.

Global Oil

World oil demand growth in 2022 is expected to increase by 3.4 mb/d (million barrels per day) year-on-year, representing a downward revision of 0.3 mb/d from last month's report, with 1.8 mb/d in the OECD and 1.6 mb/d in the non-OECD. Oil demand growth in the second quarter of 2022 is projected to be slower at 2.8 mb/d, compared with 5.2 mb/d in the first quarter. Demand in 2022 is expected to be impacted by ongoing geopolitical developments in Eastern Europe, as well as COVID-19 pandemic restrictions.

Non-OPEC supply growth for 2022 is revised down by 0.3 mb/d year-on-year to 2.4 mb/d. Russia's liquids production for 2022 is revised down by 0.36 mb/d. The US liquids supply growth forecast for 2022 is broadly unchanged at 1.29 mb/d. The main drivers of liquids supply growth for the year are expected to be the US, Canada, Brazil, Kazakhstan, Guyana and Norway. OPEC NGLs are forecast to grow by 0.1 mb/d both in 2021 and 2022 to average 5.1 mb/d and 5.3 mb/d, respectively. OPEC-13 crude oil production in April, increased by 153 tb/d (trillion barrels per day) month-on-month, to average 28.65 mb/d, according to available secondary sources.

Crude oil spot prices dropped in April 2022. Softening crude buying interests compared to the previous month, amid easing concerns about a tightening market and an oil supply crunch that significantly reduced the risk premium, resulted in a sharp price correction with elevated volatility. Spot prices were under pressure in April due to a slowdown in buying interests, including from China; rising volumes of unsold cargoes for April and May loadings, with some sellers struggling to clear their cargoes; and refinery maintenances in several regions. The OPEC Reference Basket (ORB) value fell sharply in April, dropping by nearly US$8.0, or 7.0% month-on-month. All ORB component values declined significantly alongside their respective crude oil benchmarks, specifically North Seat Dated. On a monthly basis, the ORB value declined to US$105.64/b, its lowest level since February 2022.

Currency Movements

The era of ultra-loose monetary policy has come to an end. In 2022 central banks across most advanced economies have begun to wind down some of their stimulus measures, and currency movements will be driven by the pace of monetary tightening, which is set to diverge across regions. A hawkish turn at the Fed will support the value of the US Dollar in 2022.

The combination of continued geopolitical uncertainties in Europe and COVID-19 lockdowns in Asia should continue to fuel the growth divergence narrative. The US, with continued policy normalization from the Fed, clean local balance sheets, and elevated savings, may be more immune to the perceived global slowdown. Morgan Stanley does, however, expect that the US Dollar will peak by early autumn with the Dollar index not breaking out of its long-term range. A meaningful growth slowdown and further vulnerability in risk appetite would potentially trigger further Dollar buying and create an overshoot beyond its longer-term range. This would be a particular risk if there is an escalation in the Ukraine conflict and further deterioration in China.

Overall, Morgan Stanley analysts expect the Euro to Dollar (EUR/USD) exchange rate will weaken to 1.03 by the third quarter and potentially even overshooting to below parity. The bank still expects that the Euro-zone outlook will be stronger than expected. Further optimism on EU integration and an accelerated ECB normalization could bring EUR/USD toward a bull case of 1.14, while sub-expectations growth may keep EUR/ USD under 1.10. As far as the Yen is concerned it expects policy divergence will continue to undermine the Yen. The Bank expects JPY to be the pre-eminent funding currency heading into the second half of 2022 and beyond.

Morgan Stanley expects that the Pound Sterling will tend to struggle with the Bank of England (BOE) and is unlikely to meet market expectations while political elements will also remain a negative factor. As far as the Pound to Dollar exchange is concerned, the GBP/USD should remain in the 1.20 range, falling to 1.22 by the third quarter of 2022 before turning modestly higher to 1.28 by mid-2023.

Global trade

According to the World Trade Organization (WTO), 2021 saw a sharp rebound in trade volumes after the pandemic-induced slump of 2020, but growth might have been stronger without recurring waves of COVID-19 during the year. Every region had export growth below the world average of 9.80% except for Asia, which saw its exports increase by 13.80%. The situation was reversed on the import side, where North America, South America, and Asia all recorded above average growth.

The forecast foresees 2022 export volume growth of 3.40% in North America, -0.30% in South America, 2.90% in Europe, 1.4% in Africa, 11.00% in the Middle East, and 2.00% for Asia. It also anticipates import growth of 3.90% in North America, 4.80% in South America, 3.70% in Europe, 2.50% in Africa, 11.70% in the Middle East and 2.00% in Asia. Least Developing Countries (LDCs) should see their export and import volumes increase by 3.50% and 6.60% respectively in 2022. Except for the Middle East, all regions saw forecasts for 2023 revised downward. Trade costs should rise in the short run because of sanctions, export restrictions, energy costs and disruptions in transport due to COVID-19. Services trade will also be affected by the conflict in Ukraine, including in the transport sector, which covers container shipping and passenger air transport.

Interest Rate Movements

The BOE is expected to raise interest rates to their highest level in 13 years in a bid to tackle soaring inflation. In a widely expected move, policymakers at the BOE will vote for a fourth consecutive rate hike since December at a time when millions of U.K. households are grappling with skyrocketing living costs. The Bank’s Monetary Policy Committee is expected to approve a 25-basis point increase, taking the base interest rate up to 1.00%. Like many central banks around the world, the BOE is tasked with steering the economy through an inflation surge that has been exacerbated by Russia’s unprovoked onslaught in Ukraine. The Bank expects U.K. inflation to rise to roughly 10.00% this year as a result of the Russia-Ukraine war and lockdowns in China. It has also warned prices are likely to rise faster than income for many people, deepening the cost-of-living crisis.

US Libor rates increased significantly between March 2022 and April 2022. The 3 months US Libor increased to close at 1.335% in March 2022 from 0.962% in March 2022. The US Libor for 6 months also increased to 1.911% April 2022 from 1.400% in March 2022. The US Treasury yield (10-year) also increased to close at 2.890% in April 2022 from 2.320% recorded in March 2022.

Fed Chair Jerome Powell repeated his commitment to getting inflation closer to the Fed's 2.00% target, and cautioned that it might not be easy and could come at the expense of a 3.60% unemployment rate that is just above the lowest level since the late 1960s. The U.S. economy saw growth contract at a 1.40% pace in the first quarter of 2022, due largely to ongoing supply side constraints, spread of the omicron COVID-19 variant and the Russia-Ukraine conflict. However, tighter monetary policy has added to concerns about a steeper downturn and has sparked an aggressive sell-off on Wall Street. In addition to the interest rate hikes, the Fed also has halted its monthly bond-buying program, which is also known as quantitative easing, and will begin shedding some of the US$9.0 trillion in assets it has acquired starting May 2022 (Source: The Fed & WSJ).

	Apr-22	Mar-22	Apr-21	Change 1 month	Change 12 months
US Fed Rate	0.500%	0.500%	0.250%	0.000%	0.25%
US Libor (3 months)	1.335%	0.962%	0.186%	0.373%	1.15%
US Libor (6 months)	1.911%	1.400%	0.206%	0.511%	1.71%
US Treasury yield (10 years)	2.890%	2.320%	1.875%	0.570%	1.02%
BOE Rate	0.750%	0.750%	0.100%	0.000%	0.65%
ECB Rate	0.000%	0.000%	0.000%	0.000%	0.000%

REGIONAL MARKET DEVELOPMENT

Sub-Saharan Africa (SSA)

The Russian invasion of Ukraine has triggered a global economic shock that is hitting the region at a time when countries' policy space to respond is minimal to nonexistent. Most notably, surging oil and food prices are straining the external and fiscal balances of commodity-importing countries and have increased food security concerns in many countries. High food prices will disproportionately harm the most vulnerable segments of the population, especially in urban areas.

Moreover, the shock threatens to compound some of the region's most pressing policy challenges, including the COVID-19 pandemic's social and economic legacy, climate change, heightened security risks in the Sahel, and the ongoing tightening of monetary policy in the United States. Because of this, the growth momentum for the region has weakened. The International Monetary Fund (IMF) in its April 2022 Regional Economic Outlook report has projected that economic activity for Sub-Saharan Africa is expected to expand by 3.8% in 2022, held down by weaker growth prospects in oil-importing countries.

Zambia

Zambia's headline inflation for the month of April 2022 decreased to 11.50% from 13.10% recorded in March 2022. progress towards debt restructuring for Zambia. During the month of April 2022, the Zambian Kwacha appreciated against the US Dollar and closed at K17.03/US$ compared to K18.07/US$. According to the International Monetary Fund (IMF) April 2022 Regional Economic Outlook, economic growth in 2022 is projected to average 3.10% and 3.60% in 2023.

Zimbabwe

In April 2022, the headline inflation for Zimbabwe increased to 96.40% compared to 72.70% recorded in March 2022. The local currency closed at ZWL$159.35/US$ compared to ZWL$142.42/US$ recorded in March 2022.The International Monetary Fund (IMF) has projected that economic growth will average 3.50% in 2022 and 3.00% in 2023.

Tanzania

Annual headline inflation rate for the month of April 2022 has increased to 3.80% from 3.60% recorded in March 2022. During the month of April, the Tanzanian Shilling slightly depreciated against the US Dollar and closed at TZS2,29.85/US$ compared to TZS2,298.52 recorded in March 2022. In 2022, growth is projected at 5.20%. Much of the growth is expected to be driven by on-going public investment in infrastructure, transport due to logistics for intra-regional trade, mining and quarrying activities, manufacturing, agriculture, and private sector investment.

Uganda

The headline inflation rate for Uganda for April 2022 increased to 4.90% from 3.70% in March 2022. The Ugandan Shilling appreciated against the US Dollar in April 2022 and closed at UGX3,561.43/US$ compared to UGX3,590.48/US$ recorded in March 2022. Uganda's growth is expected to be between 3.50% and 4.00% in 2022. Growth recovery is strong due to the full reopening of the economy, but the pace of growth is expected to weaken as global supply disruptions could worsen and commodity prices increase.

South Africa

The annual consumer price inflation for South Africa was 5.90% in April 2022 same as that recorded in March 2022. The Bank's forecast of headline inflation for this year has been revised higher to 5.80% (from 4.90%), primarily due to the higher food and fuel prices. The South African economy is expected to grow by 2.00% in 2022, revised up from 1.70% at the time of the January 2022 meeting. This is due to a combination of factors, including stronger growth in 2021 and higher commodity export prices.

OUTLOOK FOR APRIL 2022 AND BEYOND – MALAWI

Exchange Rates

During the month of April 2022, using the RBM middle rates, the Malawi Kwacha appreciated against all major currencies except the US Dollar. The Malawi Kwacha appreciated against the British Pound, Euro, and South African Rand by 4.61%, 5.60% and 8.57% respectively. The Kwacha depreciated by the 0.03% against the US Dollar closing the month at K816.64/US$1.

Owing to a chronic current-account deficit, the Kwacha regularly comes under pressure which has been exacerbated by high global commodity prices. The EIU anticipates a continued depreciation of the Kwacha, from an average of K804.20/US$1 in 2021 to K837.70/US$1 in 2022. Further depreciation is expected in 2023-26, averaging 2.80% a year, and the exchange rate in 2026 is expected to average K937.4/US$1 as the foreign exchange shortage continues to bite. A low stock of reserves and the high probability of a sudden end to foreign-currency inflows remain the major downside risks to exchange-rate stability over the forecast period, as the authorities will not be able to support the Kwacha if these risks materialize. An IMF ECF agreement will be paramount to improving Malawi's foreign reserve position. A meeting between government officials and IMF officials is expected to happen at the end of May 2022.

POSSIBLE IMPACT: *Lower foreign exchange inflows are expected to increase pressure on the Kwacha as foreign reserves decline, resulting in further depreciation of the Kwacha.*

Inflation

The headline inflation rate (year-on-year) for April 2022 is 15.70% compared to 14.10% recorded in March 2022 (April 2021: 9.20%). This was attributed to an increase in both food and non-food inflation. The rates closed at 19.50% and 12.20% in April 2022 from 17.10% and 10.50% respectively (Source: NSO).

According to the Reserve Bank of Malawi (RBM), inflationary pressures are likely to rise throughout 2022, mainly due to seasonal increase in prices of domestically produced food items, imported inflation, and the impact of Cyclone Ana. Reflecting these pressures, the inflation path has shifted upwards.

Oil prices continue to rise due to fears of possible supply shortages following the invasion of Ukraine by Russia. Prices of agricultural commodities (wheat, maize, barley, and rapeseed) are also expected to soar as the prices of agricultural inputs, mainly fertilizer are expected to reach record highs due to supply reductions resulting from economic sanctions placed on Russia. Disruptions to trade routes are also expected to increase transportation costs, exacerbating the supply chain disruptions resulting from the impact of the COVID-19 pandemic. As a result, the upside risks to inflation remains high, globally, and locally. International prices for energy, food and other related commodities are among those affected by the war in Ukraine and sanctions on Russia and its allies. For instance, Brent crude oil prices rose to US$115.60/barrel (b) at the end of the first quarter of 2022 from US$74.3/b at the end of the fourth quarter of 2021. Wheat prices increased to US$533.10/(Metric Tones) MT at the end of the first quarter of 2022 from US$327.80/MT recorded at the end of the fourth quarter of 2021. Similarly, the price for di-ammonium phosphate (DAP) fertilizer, at US$938.10/MT at the end of the first quarter of 2022, was higher than the preceding quarter's position of US$745.00/MT.

Following these developments, the inflation trajectory has shifted upwards from that envisaged during the first 2022 MPC forecasting round. The annual average headline inflation for 2022 is now projected at 12.30% from an earlier forecast of 10.40%. The foregoing developments have resulted in an elevated path for domestic inflation and higher than the outturn of 9.30% for 2021. Meanwhile, the forecast for the second quarter of 2022 headline inflation is at 12.80%.

POSSIBLE IMPACT: *Inflation rate is likely to remain on an upward trajectory due to a rally in global commodity prices and the adverse impacts of weather shocks on food prices in the country. Rising* *prices will have a negative impact especially on lower income households' access to food and necessities.*

External Sector

Merchandise trade resulted in a narrower deficit of US$456.60 million during 2022Q1 than US$610.30 million for 2021Q4 and compared to a deficit of US$465.70 million for 2021Q1. The outcome followed a sharp decrease of US$224.20 million (25.80%) in imports to US$646.4 million, which offset the US$14.00 million (27.10%) fall in exports to US$189.8 million during the same period. The decline in imports was most pronounced in fertilizers (by 70.70% to US$32.50 million), vehicles (by 45.10% to US$42.80 million) and petroleum products (by 18.90% to US$93.90 million). Meanwhile, the decrease in exports was attributed to the seasonal fall in exports of tobacco (by 56.50% to US$54.70 million) and sugar (by 51.90% to US$8.70 million) commodities.

In the market for foreign exchange, the supply continued to be insufficient to finance the available demand, such that the imbalances persisted during the period. The soaring global commodity prices exacerbated the situation as this phenomenon translated into an increase in bills for imports of essentials. Consequently, the country-wide foreign exchange reserves have been declining. According to the World Bank, the current account deficit is estimated to increase to 14.40% of GDP. Exports are expected to maintain their current momentum, but the cost of imports is expected to increase, offsetting export gains.

POSSIBLE IMPACT: *A widening current account deficit will continue to exert further downward pressure on the Kwacha versus currencies of Malawi's trading partners. Malawi will need to improve its competitiveness and diversify its export base to improve its trade position.*

Monetary Policy

The Monetary Policy Committee (MPC), at its second meeting of 2022 held on 29 April 2022, decided to raise the Policy rate by 200 basis points to 14.00%. Meanwhile, the MPC maintained the Liquidity Reserve Requirement (LRR) ratio on domestic and foreign currency denominated deposits at 3.75%; and the Lombard rate at 20 basis points above the Policy rate. In arriving at this decision, the Committee noted that inflation pressures continue to mount following persistence of the pandemic-induced supply-demand imbalances, supply-chain disruptions, and rising global energy and food prices, which have been compounded by the Russia-Ukraine war.

The MPC observed that the prominence of fuel and other war-affected commodities in the domestic consumption basket could lead to broader and more persistent price pressures. To contain the impact of these pressures on inflation expectations, the Committee decided to raise the Policy rate by 200 basis points to 14.00% while maintaining the rest of the policy parameters at their previous levels.

POSSIBLE IMPACT: *RBM is expected to raise the policy rate to slow down the pace of inflation. However rising interest rates may result in the slowdown of the economy due to the rising costs of borrowing which may hinder investments in the real economy.*

Fiscal Policy

Central Government operations for the third quarter of the 2021/22 fiscal year (FY2021/22Q3) resulted in a lower deficit of K155.57 billion than a deficit of K259.37 billion recorded in the previous quarter and compared to a deficit of K189.23 billion registered during FY2020/21Q3. Revenues totaled K463.69 billion but were insufficient to finance the required expenditures which amounted to K619.07 billion during the period. The overall fiscal balance for the 2021/22 fiscal year was therefore a deficit amounting to K388.82 billion. At that level, the fiscal deficit was lower than a deficit of K440.96 billion incurred during the first nine 9 months of the 2020/21 fiscal year.

The coronavirus pandemic continues to have a large effect on Malawi's fiscal balance. Revenue underperformance, owing to slow economic growth and the expenditure on vaccine supplies, remain heavy weights on Malawi's fiscal position. Total revenue in fiscal year (FY) 2021/22 (July-June) will remain subdued, owing to a sluggish recovery in Malawi's key sectors, including agriculture and tourism. The government is aiming to collect about US$1.60 billion in revenue and grants compared with the officially expected outturn of some US$1.90 billion in 2020/21. This reflects a shrinking of the tax base and declining international support.

In light of limited fiscal revenue, which is expected to persist until 2023/24 FY, the probability of another Fund program will be necessary to meet the state's financing requirements as the IMF pressurizes the government into expenditure cuts. As agriculture and tourism recover in fiscal years 2024/25-2025/26, the tax base is expected to expand, resulting in a modest recovery in government revenue and improvement in tax collection, as well as budgetary support that is likely to follow from an IMF program. Expenditure will remain elevated, at more than 30.00% of GDP in fiscal years 2021/22-2025/26, in view of the government's poverty reduction mandate and large public-sector wage bill.

The EIU forecasts that the fiscal deficit as a share of GDP will be 10.90% in 2021/22 FY (down from 12.60% in 2020/21), significantly higher than the government's projection of 7.00%, owing to economic growth forecast differentials. The forecast factors in the impact of weather shocks on agriculture, which will necessitate significant spending on food subsidies. The budget deficit will narrow to 8.50% of GDP in the 2022/23 FY, reflecting a reduction in recurrent expenditure, notably on subsidies.

POSSIBLE IMPACT: *The Government has projected a declining fiscal deficit, however this is unlikely to materialise due to greater than expected expenditures to rehabilitate infrastructure damage and social spending on families affected by cyclone Ana and Batsirai.*

Economic Growth

Real GDP Growth Projections				
	2019	2020	2021	2022
EIU	4.10%	-1.00%	2.90%	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%
Average Real GDP	**4.40%**	**0.38%**	**2.95%**	**2.93%**

Based on various institutions' projections, the economy is expected to grow by an estimated average of 2.93% in 2022. The government's 2022 projection of GDP growth is higher than other institutions at 4.10% for 2022, while the EIU has forecast 2.80%, IMF at 2.70% and the WBG at 2.10%. The improvement was premised on an expansion of the agriculture sector, supported by favorable weather conditions and continued implementation of the AIP, following removal of COVID-19 pandemic-related mobility restrictions. However, downside risks to the forecast have materialized, which could jeopardize the growth prospects. Among the risks are the impact of the cyclone Ana and cyclone Batsirai which hit the southern part of the country; delayed and early cessation of rains; intermittent electricity power supply; spill-over effects of the ongoing Russia-Ukraine war; global supply-chain disruptions; and the resurgence of new waves of the COVID-19 pandemic.

The economy continues to recover from the impacts of the COVID-19 pandemic. Cases surged during the spread of the Omicron variant in late 2021, but symptoms associated with the strain were milder and the government did not impose substantial additional mobility restrictions. However, vaccine uptake is low, and the country remains susceptible to new strains of the virus. Exports continue to recover slowly, while imports have been increasing from a higher base, which continues to weaken the current account balance. Investment is limited by a weak business environment characterized by limited access to credit, numerous non-tariff barriers, high transport costs, corruption, and access to foreign currency. Together with erratic electricity supply, this constrains diversification and increased value addition despite the growth of some sectors, such as soya and mining. High reliance on subsistence rain-fed agriculture, susceptible to weather shocks, further impedes economic activity. Implementation of expansionary policies and weak fiscal management have contributed to high fiscal deficits, resulting in increased high-cost domestic debt. This has crowded out private investment. The recent uptake of non-concessional external debt has pushed Malawi into high risk of public debt distress. Associated higher debt servicing costs further reduce fiscal space for government investment. Further, poor public financial management has continued to dampen the outlook for budgetary support from foreign donors as corruption and high debt levels continue to rise in the country. Frequent weather shocks, along with the slow pace of structural transformation, have contributed to the high and stagnant poverty rate in the last decade.

Between 2010 and 2020, the share of people below the US$1.90 per day poverty line increased from 72.00% to 74.00%. According to the World Bank, economic growth increased to 2.80% of GDP in 2021 despite three waves of COVID-19 infections. Growth was driven by the strong performance of the agricultural sector, aided by favorable weather and increased input use. This offset weak growth in industry and services, which were more significantly impacted by restrictions related to COVID-19. Rising food prices have impacted households' budget by reducing consumption levels, resulting in declining welfare, and counteracting improvements in economic growth. In turn, Malawi's share of population below US$1.90 international poverty rate has remained at 74.00%. Growth is projected to decline to 2.10% in 2022, from 2.80% in 2021. This reduction is largely due to weather-related shocks, macro-fiscal imbalances, and the impacts of the Russia-Ukraine war. The late onset of rains has been compounded by heavy rainfall and floods caused by Tropical Cyclones Ana and Batsirai, which have negatively impacted production of key export crops and other sectors that rely on agricultural inputs. Electricity disruptions from the damaged Kapichira hydroelectric power station are affecting industry.

The Russia-Ukraine conflict has impacted the economy through both direct price effects and implications on downstream activities. Instability in global commodity markets is resulting in higher prices for fuel and fertilizer, further constraining foreign currency reserves and exerting downward pressure on the exchange rate. Global commodity prices, which were already elevated from pandemic-induced supply chain disruptions and increased global demand, are also rising due to the conflict. Due to the weather-related shocks affecting agricultural productivity and incomes, the share of the population below the international US$1.90 poverty line is projected to stagnate around 74.00% in 2022 and 2023.

POSSIBLE IMPACT: *The COVID-19 pandemic restrictions continue to ease around the globe. However, the conflict between Ukraine and Russia poses possible threats to the growth of the economy as does adverse weather conditions due to Malawi's heavy dependence on agricultural produce.*

ECONOMIC RISKS

ECONOMIC RISK	IMPACT ON ECONOMY	MITIGATING MEASURES
Russia-Ukraine Conflict Spill-Over Effects	1. Supply-chain disruptions which are leading to higher commodity prices 2. Imported inflation due to higher energy and oil prices 3. Increase of interest rates 4. Higher food prices	1. Tightening of the monetary policy
Coronavirus Pandemic	1. Unbudgeted government expenditure putting fiscal pressure on the government's budget. 2. Increases in commodity and service prices e.g. transportation. 3. Loss of human capital as result of death and illness. 4. Disruptions in supply chains. 5. Rising income inequality. Rising unemployment especially in tourism sector.	1. Sensitising people on the dangers of the virus and practice social distancing and wearing masks.
Increase in government debt	1. Creates a future obligation for government which may keep the budget deficit large. 2. Crowds out the private sector, reducing the expansion of the private sector as funds are not available.	1. Tighten fiscal policy by reducing government expenditure. 2. Increase government revenue base to finance debt. 3. Ensure tax compliance
Global tobacco lobby (anti-smoking)	1. Decline in demand for Malawi tobacco and services from supporting industries resulting in lower commodity prices. 2. Reduction in export earnings (tobacco accounts for 60% of Malawi's export earnings). 3. Reduced employment opportunities in the tobacco and supporting industry. 4. Lower income for farmers- small holder and commercial.	1. Diversify into other sectors such as mining and cotton etc. 2. Engage in aggressive tourism marketing and investment.
Insufficient power supply	1. Commercial productivity remains small scale as large-scale enterprises are difficult to implement with limited power supply. 2. Low industrial productivity in the manufacturing sector resulting in low economic productivity and dampening economic growth. 3. Deferment of development by investors due to lack of infrastructure	1. Encourage use of energy saver bulbs. 2. Rehabilitate and develop new power plants. 3. Public-Private Partnerships to enhance energy production through alternative power sources. 4. The entrance of Independent Power Producers (IPPs) may help boost power generation.

High population growth rates	1. Reduced per capita income. 2. Over-crowding on public resources. Resources which could have been allocated to more productive activities are used to take care of the growing population.	1. Civic education to raise awareness on the need to have less children. 2. Civic education on family planning methods
Uncertainty in the external environment	1. Dampening export demand for major export commodities i.e., tobacco, tea, cotton and sugar. 2. Declining investor interest in Malawi resulting in fewer investments, hence less foreign currency coming into the country. 3. Declining remittances from abroad, hence contributing to lower forex levels. 4. Reduced access to foreign capital, hence financing not available or difficulties in accessing letters of credit. 5. Impaired growth and Balance of Payments (BOP) due to declining exports and low foreign investments. 6. Decline in tourism levels leading to lower forex revenues.	1. Diversification of export base of products. 2. Diversify away from agricultural production, focus more on value added goods, manufacturing, and service sector products.
Agriculture	7. Adverse weather shocks exacerbated by climate change 8. Pest infestation, damaging crops 9. Animal diseases infiltrating Malawi’s livestock	3. Improved seed quality, diversification, and availability of safe pesticides. 4. Ensure sustainable farming practices. 5. Increased Climate change awareness on a Global scale.

APPENDIX

Appendix 1: Selected economic indicators for Malawi (RBM, MSE, MERA, NSO)

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
MK : US$	792.08	796.89	805.59	812.51	812.51	815.50	815.50	816.40	816.40	816.40	816.40	816.40	816.64
MK : GBP	1,104.32	1,128.49	1,115.50	1,132.48	1,120.69	1,096.27	1,124.41	1,087.28	1,102.14	1,095.94	1,090.96	1,071.04	1,021.70
MK : ZAR	55.33	57.80	56.46	55.58	55.70	53.89	53.83	50.38	51.35	52.49	53.31	56.27	51.45
MK : EUR	959.37	970.08	958.90	964.77	961.04	945.81	951.60	923.59	924.25	911.51	911.59	911.18	860.17
Forex reserves (Source: RBM)													
Gross Official Reserves (US$'mn)	392.01	414.40	424.99	404.18	604.50	521.87	405.66	389.26	429.17	399.98	385.40	374.48	363.27
Private Sector Reserves (US$'mn)	392.61	369.64	388.78	405.79	389.47	386.05	384.75	404.81	425.52	424.49	407.22	391.49	362.84
Total Reserves (US$'mn)	784.62	784.05	813.77	809.97	993.97	907.92	790.41	794.41	854.69	824.47	792.62	765.97	726.11
Total Import Cover (months)	3.76	3.14	3.26	3.24	3.98	3.63	3.16	3.18	3.42	3.30	3..17	3.07	2.90
Inflation (NSO)													
Headline Inflation	9.40	8.90	9.10	8.70	8.40	8.90	9.80	11.10	11.50	12.10	13.00	14.10	15.70
Food	11.70	11.00	11.10	10.30	9.70	10.20	11.80	12.80	13.60	14.20	15.30	17.10	19.50
Non Food	6.90	7.10	7.20	7.20	7.20	7.20	7.80	9.50	9.50	9.60	10.10	10.50	12.20
Interbank Rates (Source: RBM)													
Monetary Policy Rate	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	14.00%
Average Interbank Rate	11.72%	11.92%	11.94%	11.97%	11.96%	11.98%	11.98%	11.98%	11.98%	11.79%	11.70%	11.70%	12.96%
Average Base Lending Rates	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	12.20%	13.50%
Treasury Bill Yields (Source: RBM)													
91 day Treasury Bill Yield	9.88%	9.96%	9.59%	9.37%	9.60%	9.34%	9.60%	9.60%	9.69%	9.70%	9.70%	9.71%	9.65%
182 day Treasury Bill yield	12.77%	12.80%	12.81%	12.95%	12.98%	12.98%	12.80%	12.80%	13.00%	13.00%	13.00%	13.00%	13.00%
364 day Treasury Bill yield	13.79%	13.85%	13.81%	13.90%	14.07%	14.20%	14.20%	14.22%	14.47%	14.84%	15.00%	15.00%	15.00%
Stock Market Indices (Point) (Source: MSE)													
MASI	33,380.63	22,676.89	35,144.56	36,496.03	38,945.62	41,550.15	41,458.37	41,565.98	45,367.68	44,501.63	45,472.09	45,921.23	46,934.16
DSI	28,257.89	28,376.03	28,739.26	29,749.56	31,929.22	34,266.54	34,188.36	34,284.11	34,284.11	36,322.34	37,186.63	37,584.34	37,283.40
FSI	1,844.72	2.030.51	3,234.45	3,479.97	3,479.97	3,454.70	3,450.25	3,450.24	3,450.24	4,183.22	4,182.23	4,184.71	5,720.11
Fuel Prices per Litre (Source: MERA)													
Petrol	834.60	834.60	834.60	834.60	834.60	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00	1,150.00
Diesel	826.40	826.40	826.40	826.40	826.40	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00	1,120.00
Paraffin	613.20	613.20	613.20	613.20	613.20	833.20	833.20	833.20	833.20	833.20	833.20	833.20	833.20

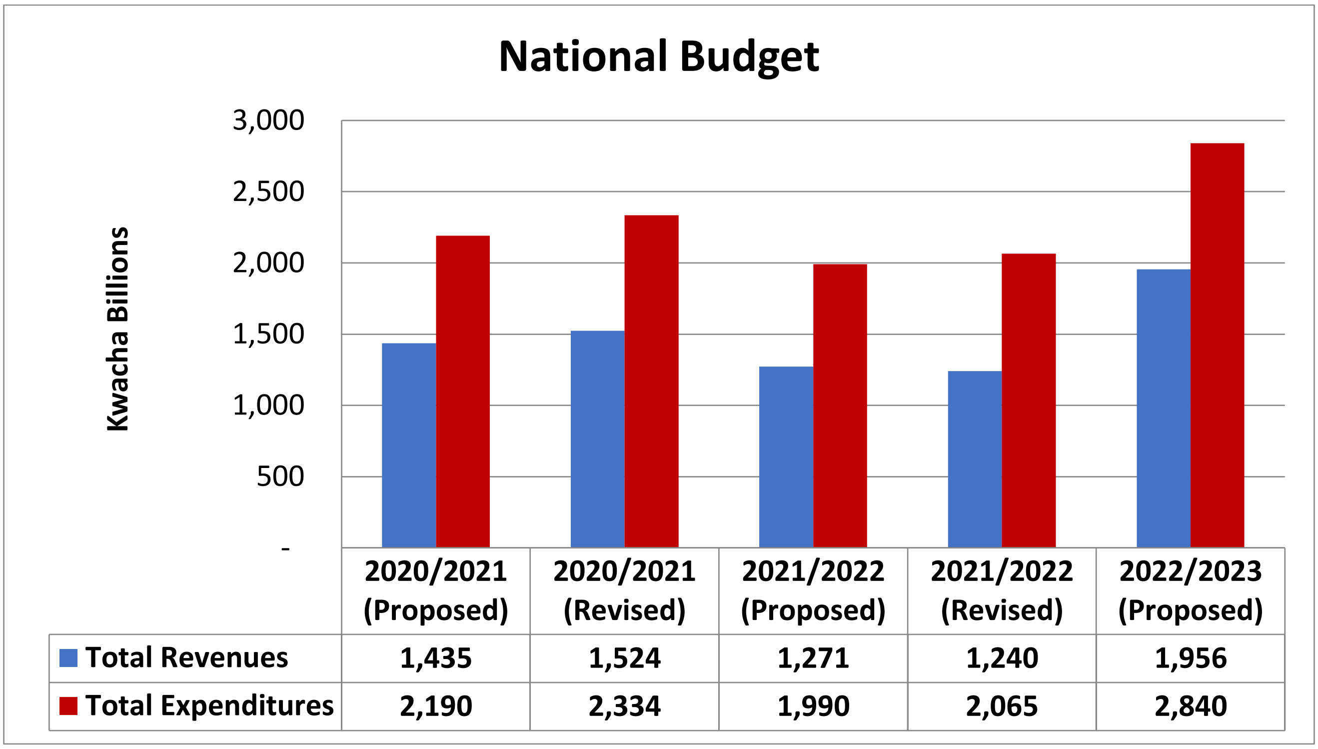
Appendix 2: Selected economic indicators for Tanzania, Uganda, Zambia, and Mozambique

	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22
TANZANIA													
Exchange rate													
US$	2,318.48	2,298.59	2,298.93	2,299.23	2,299.49	2,297.27	2,296.90	2,294.20	2,297.81	2,298.11	2,298.53	2,298.51	2,298.85
GBP	3,197.30	3,254.70	3,179.43	3,209.15	3,164.56	3,092.82	3,098.00	3,061.03	3,104.45	3,074.52	3,254.96	3,023.93	2,865.98
ZAR	160.83	166.21	160.10	157.74	157.15	152.13	152.37	141.25	144.63	147.00	159.43	158.91	144.49
EUR	2,811.64	2,791.87	2,732.97	2,730.57	2,713.40	2,674.71	2,668.37	2,294.96	2,606.29	2,558.94	2,807.20	2,807.20	2,414.72
Inflation %	3.30	3.30	3.60	3.80	3.80	4.00	4.00	4.10	4.20	4.00	4.20	3.60	3.80
UGANDA													
Exchange rate													
US$	3,543.28	3,543.28	3,554.07	3,555.04	3,535.04	3,539.09	3,555.52	3,569.09	3549.3	3509.96	3538.96	3590.48	3561.43
GBP	4,975.68	4,975.68	4,934.84	4,931.39	4,848.50	4,790.97	4,906.97	4,759.42	4786.65	4700.00	4697.94	4716.25	4452.90
EUR	4,286.50	4.286.50	4,246.59	4,194.74	4,154.96	4,131.55	4,152.67	4,039.72	4028.26	3913.44	3931.74	3984.99	3744.93
Inflation %	2.10	2.10	2.00	2.10	1.90	2.20	1.90	2.60	2.90	2.70	3.20	3.70	4.90
Central Bank Rate %	7.00	7.00	7.00	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50	6.50
ZAMBIA													
Exchange rate													
US$	22.45	22.45	22.64	19.21	15.94	16.78	17.26	17.83	16.69	18.05	17.76	18.07	17.03
GBP	30.91	31.91	31.31	26.79	21.93	22.60	23.74	23.78	29.12	24.22	23.81	23.71	21.37
ZAR	1.55	1.64	1.59	1.32	1.09	1.11	1.13	1.12	1.04	1.16	1.15	1.24	1.08
Inflation %	22.70	23.20	24.60	24.60	24.40	24.10	20.07	19.30	16.40	15.10	14.20	13.10	11.50
Central Bank Rate %	8.50	8.50	8.50	8.50	8.50	8.50	8.50	9.00	9.00	9.00	9.00	9.00	9.00
Mozambique													
US$	59.18	62.99	63.47	63.63	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83	63.83
ZAR	4.22	4.57	4.44	4.36	4.29	4.41	4.05	4.06	4.20	4.22	4.33	4.00	4.05
EUR	72.10	76.29	75.26	75.51	74.72	74.30	71.95	72.12	72.28	72.56	70.18	67.39	68.38
Inflation%	5.19	5.49	5.52	5.48	5.61	6.04	6.42	6.80	6.70	7.80	6.84	6.70	7.90

(Source: Bank of Zambia, Bank of Tanzania, Bank of Mozambique, Bank of Uganda)

Appendix 3: Budget Framework (Source: Ministry of Finance)

K'Billion	2019/2020 (Revised)	2020/2021 (Proposed)	2020/2021 (Revised)	2021/2022 (Proposed)	2021/2022 (Revised)	2022/2023 (Proposed)
Total Revenues	**1,527**	**1,435**	**1,524**	**1,271**	**1,240**	**1,956**
Domestic revenues	1,352	1,179	1,186	1,101	1,101	1,636
Grants	175	256	338	170	139	320
Budgetary support						
Earmarked grants						
Total Expenditure	**1,842**	**2,190**	**2,335**	**1,990**	**2,065**	**2,840**
Reccurent expenditure	1,371	1,679	1,719	1,419	1,525	2,019
Wages & Salaries	466	524	542	436	439	670
Interest on debt	244	376	376	300	300	524
Investment Expenditure	471	511	616	571	540	821
Deficit/Surplus	**(315)**	**(755)**	**(811)**	**(719)**	**(825)**	**(883)**
Deficit as a % of Revenue	**-21%**	**-53%**	**-53%**	**-57%**	**-67%**	**-45%**



Appendix 4: Central Government Budgetary Operations in billions of Kwacha (Source: RBM)

Table 3: Central Government Budgetary Operations (MK' billion)

	Mar	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Total Revenues	**130.8**	**149.5**	**89.7**	**158.0**	**112.5**	**130.1**	**125.8**	**130.8**	**117.3**	**130.3**	**144.1**	**159.9**	**167.4**
Domestic Revenues	114.4	137.6	87.4	138.6	107.6	109.9	114.9	121.6	103.0	119.8	129.5	112.4	157.1
Tax Revenue	93.4	104.3	82.3	129.7	103.1	106.1	109.1	116.5	99.3	104.1	116.3	100.4	105.9
Non-Tax revenue	21.0	33.3	5.1	8.9	4.6	3.7	5.8	5.1	3.7	5.1	13.2	12.0	51.3
Departmental receipts	2.9	1.8	4.2	3.9	3.5	2.6	3.8	4.5	2.7	10.5	12.3	3.0	14.6
Other Receipts	18.1	31.5	0.8	5.0	1.0	1.1	2.0	0.7	1.0	..	..	..	..
Grants	16.3	11.9	2.4	19.4	4.9	20.3	10.9	9.1	14.3	10.5	14.6	47.5	10.2
Total Expenditures	**218.8**	**130.4**	**150.1**	**186.4**	**159.3**	**139.7**	**192.5**	**210.2**	**189.4**	**227.0**	**142.0**	**276.2**	**208.6**
Recurrent Expenditure	200.7	117.5	141.8	158.1	138.3	121.2	163.1	194.6	145.3	206.6	123.7	210.8	170.1
Interest Payments	48.0	28.2	52.6	34.8	19.6	25.1	25.7	27.5	42.9	51.1	25.3	26.7	26.8
Domestic	45.0	26.5	51.6	33.4	19.5	22.9	22.0	26.7	42.0	49.8	24.0	25.6	25.6
Foreign	3.0	1.7	1.0	1.5	0.1	2.2	3.7	0.8	0.9	1.3	1.3	1.0	1.3
Development	18.1	12.9	8.3	28.3	21.0	18.5	29.5	15.6	44.2	20.4	18.4	65.3	38.5
Deficit/Surplus	**-88.1**	**19.1**	**-60.4**	**-28.4**	**-46.8**	**-9.6**	**-66.7**	**-79.5**	**-72.1**	**-96.7**	**2.1**	**-116.2**	**-41.2**
Financing (net)	144.7	-38.3	22.4	44.0	50.9	18.0	66.9	88.3	56.3	96.7	-2.1	116.2	41.2
Foreign	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.8	-4.8	-2.1	-2.2
Domestic	144.7	-38.3	22.4	44.0	50.9	18.0	66.9	88.3	56.3	96.7	-2.1	118.3	43.4
Banking System	126.5	-32.7	8.1	0.7	63.4	10.6	58.7	181.7	49.8				
Non-Bank Sector	18.2	-5.6	14.3	43.3	-12.5	7.4	11.2	-100.4	6.5				
Errors and Omissions	56.7	-19.2	31.9	15.5	4.1	8.5	3.2	8.8	-15.8				

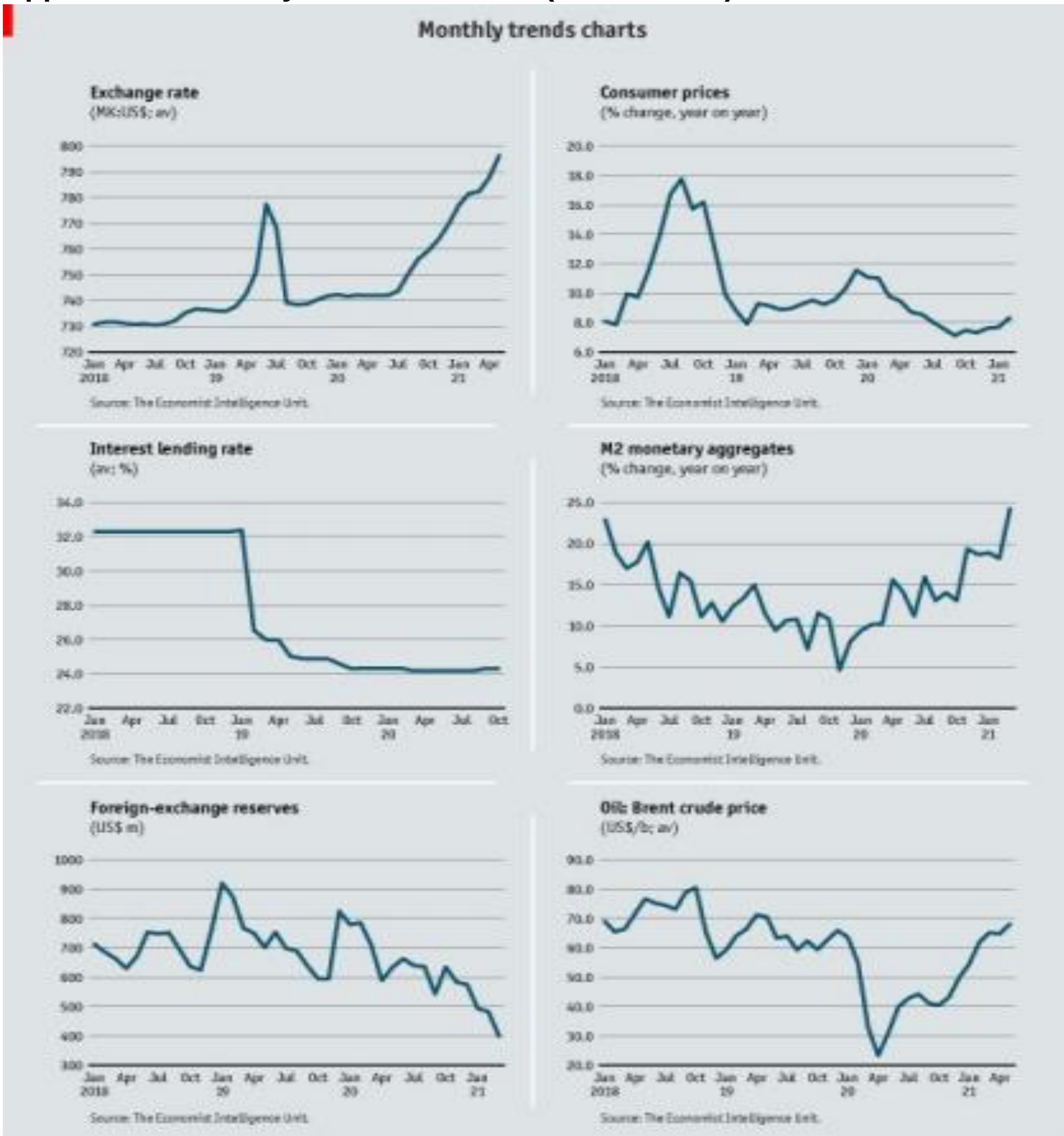
Appendix 5: Malawi selected Economic indicators (Source: RBM)

Table 8: Selected Economic Indicators (in MK' billion, unless otherwise stated)

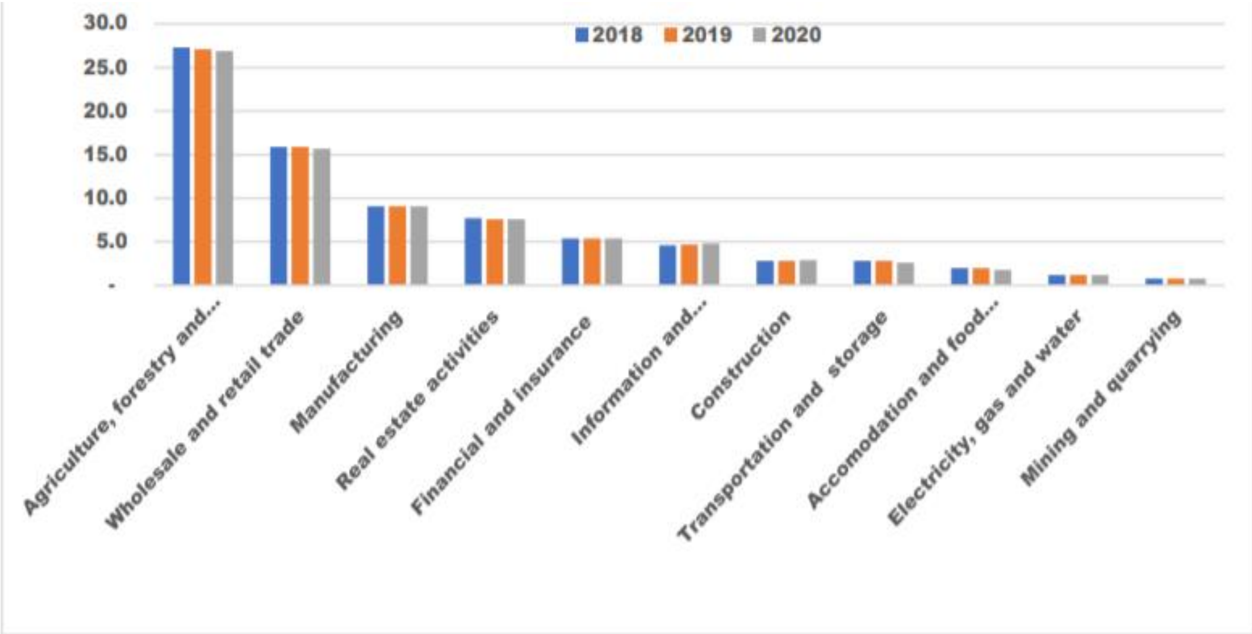
	2014	2015	2016	2017	2018	2019	2020	2021	2021 Mar	2022 Mar
Real Sector[6]										
Population (million)	15.8	16.3	16.8	17.4	17.9	18.5	19.1	19.5	19.1	19.5
GDP at current market prices	2,534.5	3,212.7	3,812.6	4,631.9	5,266.3	8,098.5	8,816.2	9,861.2	8,769,1	9,861.2
Real GDP growth (percent)	6.2	3.3	2.7	5.1	4.0	5.1	0.9	3.9	0.8	3.9
GDP per capita (K'000)	160.4	197.1	226.9	266.6	293.7	437.8	461.6	505.7	459.1	505.7
GDP per capita (US$)	378.0	394.5	318.1	365.1	401.0	592.2	615.8	628.7	612.54	628.7
Consumer Price Index (CPI)[7]	157.6	192.0	233.7	260.7	104.7	114.5	124.4	136.0	128.6	147.1
Year-on-year inflation rate (percent)	23.8	21.9	21.7	11.5	9.2	9.4	8.6	9.3	7.3	11.5
Fiscal Sector										
Total Revenue	535.9	661.3	810.0	946.6	1,079.1	1,208.5	1,302.0	1,141.5	93.7	117.3
Domestic Revenues	483.0	614.2	742.0	858.7	988.6	1,058.5	1,096.0	989.7	83.6	103.0
Grants	52.9	47.1	67.0	87.9	90.5	145.0	206.1	151.8	10.1	14.3
Total expenditure	593.1	762.7	964.3	1,136.1	1,316.7	1,446.2	1,804.4	1655.5	179.4	189.4
Recurrent	534.4	667.2	832.5	973.1	1,119.9	1,241.9	1,557.0	969.2	164.0	145.3
Development	58.7	95.5	131.8	163.0	196.9	204.3	247.4	670.8	15.4	44.2
Deficit/GDP ratio (after grants)	-2.6	-3.2	-4.0	-4.1	-4.5	-2.9	-5.7	-5.3	-1.0	-0.7
Monetary Sector										
Net Foreign Assets	241.6	339.5	355.8	455.7	250.5	331.9	-182.9	-410.4		
Net Domestic Credit	458.2	604.4	755.0	937.8	1,300.7	1,433.1	1,849.7	2,701.4		
Government	153.4	209.0	337.5	519.9	744.1	700.5	976.9	1,608.8		
Statutory bodies	4.3	5.1	9.2	8.1	34.1	48.2	50.6	205.3		
Private (gross)	300.5	390.3	408.3	409.8	493.2	595.0	692.8	821.9		
Money Supply (M2)	629.8	778.8	897.3	1,074.4	1,198.3	1,320.4	1,541.4	2,004.4		
M2 Growth Rate (annual percent)	20.7	23.7	15.2	19.7	11.5	10.2	16.7	30.0		
Reserve Money	212.3	206.0	240.6	278.9	289.8	303.4	342.1	449.4		
Banks Deposits	92.4	66.0	56.2	78.2	59.6	26.0	57.3	89.3		
External Sector										
Overall Balance	76.3	45.1	-45.0	1.9	-2.8	54.5.4	-191.7	202.5	..	..
Current Account	-482.1	-550.1	-727.6	-1,088.9	-814.5	-945.0	-1058.0	1,282.8	..	..
Exports (fob)	600.9	531.6	737.5	611.2	814.5	975.4	838.3	788.0	41.2	32.8
Imports (cif)	1171.4	1,134.6	1,577.6	1,864.1	2,141.6	2,421.2	2,285.7	2,330.2	194.8	201.7
Trade balance	-570.4	-603.0	-840.1	-1,252.9	-1,327.1	-1,445.9	-1,447.5	-1,542.2	-153.6	-168.9
Capital account balance	194.1	114.0	525.1	761.8	629.1	693.8	613.0	730,.2	..	..
Gross foreign exchange reserves	389.6	549.2	586.7	739.4	660.1	700.6	731.3	..	537.7	766.0
Official	276.6	445.3	438.6	549.9	548.2	605.5	437.2	..	374.8	374.5
Commercial banks	113.0	103.9	148.1	189.5	111.9	95.2	188.9	..	162.9	391.5
Import cover (Official reserves in months)	3.1	3.2	2.9	3.6	3.6	3.9	2.7	..	2.3	1.5
Current account balance/GDP (percent)	-19.7	-17.1	-19.1	-23.5	-17.3	-15.1	-12.1	..	..	..
Debt/GDP (percent)										
Debt Service/Exports (percent)	3.4	3.8	4.1	6.0	6.2	6.8	12.9	..	..	..
MK/US Dollar (eop)	435.229	664.365	725.01	730.46	733.69	738.87	773.11	819.44	787.03	823.60
MK/US Dollar (pd avg)	369.181	499.607	713.85	726.65	732.33	742.23	749.53	805.90	781.52	823.61

Source: National Statistical Office, Reserve Bank of Malawi and Ministry of Finance and Economic Affairs.

Appendix 6: Monthly Trends—Malawi (Source: EIU)



Appendix 7: Contribution to GDP by sector (Source: NSO, RBM)



Source: National Statistical Office, Reserve Bank, Ministry of Finance and Ministry of Economic Planning and Development

Appendix 8: Malawi Economic growth Projections (Source: EIU)

Economic growth

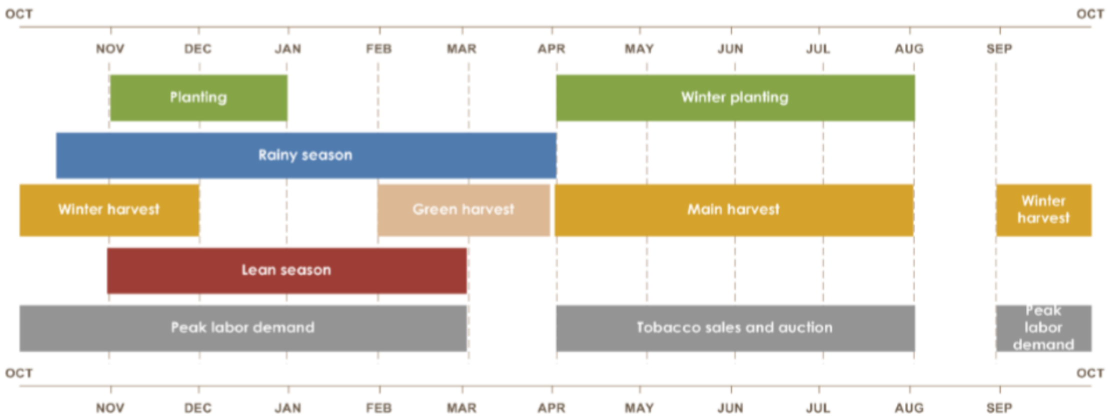
%	2020[a]	2021[b]	2022[b]	2023[b]	2024[b]	2025[b]
GDP	-1.0	2.3	4.0	4.5	4.9	5.2
Private consumption	-1.5	1.5	3.0	4.0	4.3	4.8
Government consumption	2.0	2.0	3.0	4.0	2.0	3.0
Gross fixed investment	-5.0	5.0	5.0	8.0	8.0	7.0
Exports of goods & services	-12.0	3.6	5.0	5.2	6.5	7.2
Imports of goods & services	-5.0	3.0	4.0	5.0	5.8	6.5
Domestic demand	-1.6	2.0	3.2	4.5	4.5	4.9
Agriculture	3.0	3.0	3.1	4.0	4.5	5.0
Industry	-1.6	2.1	5.4	5.2	5.8	5.6
Services	-3.0	2.0	4.1	4.5	4.9	5.2

[a] Economist Intelligence Unit estimates. [b] Economist Intelligence Unit forecasts.

Appendix 9: Global Projections (Source: IMF)

	Year over Year						Q4 over Q4 2/		
					Difference from October 2020 WEO Projections 1/				
		Estimate	Projections				Estimate	Projections	
	2019	2020	2021	2022	2021	2022	2020	2021	2022
World Output	**2.8**	**–3.5**	**5.5**	**4.2**	**0.3**	**0.0**	**–1.4**	**4.2**	**3.7**
Advanced Economies	**1.6**	**–4.9**	**4.3**	**3.1**	**0.4**	**0.2**	**–3.9**	**4.6**	**1.9**
United States	2.2	–3.4	5.1	2.5	2.0	–0.4	–2.1	4.0	2.0
Euro Area	1.3	–7.2	4.2	3.6	–1.0	0.5	–6.8	5.8	2.0
Germany	0.6	–5.4	3.5	3.1	–0.7	0.0	–5.3	5.2	1.7
France	1.5	–9.0	5.5	4.1	–0.5	1.2	–8.2	7.4	2.0
Italy	0.3	–9.2	3.0	3.6	–2.2	1.0	–8.3	4.2	2.3
Spain	2.0	–11.1	5.9	4.7	–1.3	0.2	–9.8	7.1	2.0
Japan	0.3	–5.1	3.1	2.4	0.8	0.7	–2.3	2.7	1.6
United Kingdom	1.4	–10.0	4.5	5.0	–1.4	1.8	–8.3	6.0	1.9
Canada	1.9	–5.5	3.6	4.1	–1.6	0.7	–4.0	3.7	2.7
Other Advanced Economies 3/	1.8	–2.5	3.6	3.1	0.0	0.0	–2.2	4.5	1.9
Emerging Market and Developing Economies	**3.6**	**–2.4**	**6.3**	**5.0**	**0.3**	**–0.1**	**0.9**	**3.7**	**5.4**
Emerging and Developing Asia	5.4	–1.1	8.3	5.9	0.3	–0.4	3.2	3.8	6.4
China	6.0	2.3	8.1	5.6	–0.1	–0.2	6.2	4.2	6.0
India 4/	4.2	–8.0	11.5	6.8	2.7	–1.2	0.6	1.7	7.8
ASEAN-5 5/	4.9	–3.7	5.2	6.0	–1.0	0.3	–3.2	5.2	6.1
Emerging and Developing Europe	2.2	–2.8	4.0	3.9	0.1	0.5	–2.7	4.8	3.0
Russia	1.3	–3.6	3.0	3.9	0.2	1.6	–4.6	5.3	2.6
Latin America and the Caribbean	0.2	–7.4	4.1	2.9	0.5	0.2	–4.8	2.3	2.8
Brazil	1.4	–4.5	3.6	2.6	0.8	0.3	–1.9	1.6	2.6
Mexico	–0.1	–8.5	4.3	2.5	0.8	0.2	–5.4	2.2	2.4
Middle East and Central Asia	1.4	–3.2	3.0	4.2	0.0	0.2	. . .	. . .	. . .
Saudi Arabia	0.3	–3.9	2.6	4.0	–0.5	0.6	–3.1	3.5	4.0
Sub-Saharan Africa	3.2	–2.6	3.2	3.9	0.1	–0.1	. . .	. . .	. . .
Nigeria	2.2	–3.2	1.5	2.5	–0.2	0.0	. . .	. . .	. . .
South Africa	0.2	–7.5	2.8	1.4	–0.2	–0.1	–6.2	2.8	0.6
Memorandum									
Low-Income Developing Countries	5.3	–0.8	5.1	5.5	0.2	0.0	. . .	. . .	. . .
World Growth Based on Market Exchange Rates	2.4	–3.8	5.1	3.8	0.3	0.0	–2.0	4.3	3.1
World Trade Volume (goods and services) 6/	**1.0**	**–9.6**	**8.1**	**6.3**	**–0.2**	**0.9**	. . .	. . .	. . .
Advanced Economies	1.4	–10.1	7.5	6.1	0.4	1.0	. . .	. . .	. . .
Emerging Market and Developing Economies	0.3	–8.9	9.2	6.7	–1.0	0.8	. . .	. . .	. . .
Commodity Prices (US dollars)									
Oil 7/	–10.2	–32.7	21.2	–2.4	9.2	–5.4	–27.6	13.5	–2.2
Nonfuel (average based on world commodity import weights)	0.8	6.7	12.8	–1.5	7.7	–2.0	15.4	2.0	–0.1
Consumer Prices									
Advanced Economies 8/	1.4	0.7	1.3	1.5	–0.3	–0.1	0.5	1.5	1.6
Emerging Market and Developing Economies 9/	5.1	5.0	4.2	4.2	–0.5	–0.1	3.2	3.8	3.7
London Interbank Offered Rate (percent)									
On US Dollar Deposits (six month)	2.3	0.7	0.3	0.4	–0.1	–0.1	. . .	. . .	. . .
On Euro Deposits (three month)	–0.4	–0.4	–0.5	–0.6	0.0	–0.1	. . .	. . .	. . .
On Japanese Yen Deposits (six month)	0.0	0.0	–0.1	–0.1	–0.1	–0.1	. . .	. . .	. . .

Appendix 10: Seasonal calendar for a typical year (Source: Fews NET)



Source: *FEWS NET*

Appendix 11: Food Insecurity Phase Descriptions (Source: Fews NET)

IPC Acute Food Insecurity Phase Descriptions (Area)

PHASE 1 Minimal	Households are able to meet essential food and non-food needs without engaging in atypical and unsustainable strategies to access food and income.
PHASE 2 Stressed	Households have minimally adequate food consumption but are unable to afford some essential non-food expenditures without engaging in stress-coping strategies.
PHASE 3 Crisis	Households either: - Have food consumption gaps that are reflected by high or above-usual acute malnutrition; OR - Are marginally able to meet minimum food needs but only by depleting essential livelihood assets or through crisis-coping strategies.
PHASE 4 Emergency	Households either: - Have large food consumption gaps which are reflected in very high acute malnutrition and excess mortality; OR - Are able to mitigate large food consumption gaps but only by employing emergency livelihood strategies and asset liquidation.
PHASE 5 Famine	Households have an extreme lack of food and/or other basic needs even after full employment of coping strategies. Starvation, death, destitution, and extremely critical acute malnutrition levels are evident. (For Famine Classification, area needs to have extreme critical levels of acute malnutrition and mortality.)
	At least 25 percent of households met at least 25 percent of their caloric requirements through humanitarian food assistance.
	At least 25 percent of households met at least 50 percent of their caloric requirements through humanitarian food assistance.
!	Phase classification would likely be at least one phase worse without current or programmed humanitarian food assistance.

Disclaimer

This report has been prepared for indicative purposes only. Whilst every effort has been made to ensure the accuracy of information contained herein no responsibility or liability whatsoever resulting from the use of information contained in this report is accepted by *NICO Asset Managers Limited.* Recipients of this report shall be solely responsible for making their own independent appraisal and investigation into all matters contemplated in this report.

NICO Asset Managers Limited is a specialist investment management and advisory firm, providing a premier range of investment management, corporate finance, infrastructure development and investor services to institutional and individual investors.

We are registered with the Reserve Bank of Malawi as a Portfolio/Investment Manager, Investment Advisor and Transfer Secretary. We are a wholly owned subsidiary of NICO Holdings Plc.

Vision

"To be the preferred provider of investment and financial solutions through a culture of excellence and innovation"

Mission Statement

"To provide innovative investment and financial solutions that grow our client's' wealth"

Our Services

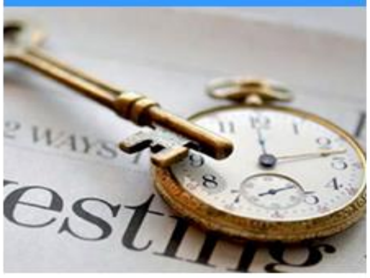
Investment/Fund Management

- Pension fund management-Segregated Funds
- Pension fund management-Pooled Funds
- Institutional Fund management
- Trust fund management
- NICO Nominees - Fixed Deposit
- NICO Nominees - Invest Plus

Corporate Finance

- Capital raising
- Feasibility studies
- Company valuation
- Mergers and Acquisitions
- Company set up

Investor Services



- Transfer Secretarial Services
- Economic Research
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Registered by the Registrar of Financial Institutions (Reserve Bank of Malawi)

RBM Portfolio/Investment Manager Licence No: PM001/19
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