



1. Money Market

Government Securities

The Government Treasury Bill auctions held during the week raised a total of K13.04 billion from total applications of K13.04 billion, resulting in a nil rejection rate. The average yield for 91 days, 182 days and 364 days tenors were 9.70%, 13.00% and 15.00% respectively, (previous week: 91 days: 9.70%, 182 days: 13.00%, 364 days: 15.00%). Treasury Notes (2yr, 3yr, 5yr, 7yr) auctions held during the week raised a total of K38.65 billion from total applications of K42.30 billion, resulting in an 8.63% rejection rate. Total maturities for the week stood at K3.98 billion, resulting in a net withdrawal of K47.71 billion.

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K98.57 billion from K38.88 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K7.90 billion at 11.70% (previous week: K12.04 billion at 11.70%). Access to the Lombard facility during the week in review averaged K35.95 billion at an average rate of 12.20% (previous week: K13.48 billion at 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 45,746.97 points (previous week: 45,565.29 points), the Domestic Share Index (DSI) closed at 37,429.68 points (previous week: 37,268.01 points) and the Foreign Share Index (FSI) closed at 4,184.21 points (previous week: 4,184.21 points). The increase in the MASI and DSI was due to share price gain in NBM, despite share price losses in ICON and TNM. A total volume of 770.56 thousand shares were traded during the week at a value of K26.06 million in 46 deals (Source: MSE).

3. Local Market Developments

The headline inflation rate (year-on-year) for February 2022 stands at 13.00% up from 12.10% in January 2022. This was attributed to an increase in both food and non-food inflation which closed at 15.30%, and 10.10% respectively (January 2022: 14.20% and 9.60% respectively) (Source: NSO).

4. Regional Developments in the Week

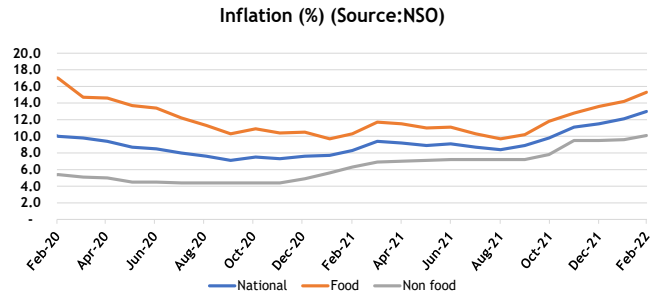
The African Development Bank (AfDB) is committing US\$2.80 billion over the next five years to support private sector investment in South Africa. The South African government is seeking to foster a rebound from the global pandemic, which temporarily shuttered large swathes of the economy and helped push unemployment rates to record levels. The support from the AfDB will target agriculture, renewable energy, transport, youth employment, health, and vaccine manufacturing. The AfDB is already supporting South Africa's struggling state-owned companies and is currently preparing a US\$400.00 million loan package to assist coal-dependent power utility Eskom transition to renewable energy (Source: Bloomberg).

5. Global Developments in the Week

UK inflation rose to a 30-year high in February 2022, putting fresh pressure on Chancellor Rishi Sunak to announce greater support for households when he delivers his Spring Statement on 30 March 2022. The Office for National Statistics (ONS) stated that the Consumer Price Index (CPI) rose at an annual rate of 6.20% in February 2022, up from 5.50% in January and the highest rate since 1992. The recent surge has been driven by soaring global prices for energy, petrol, food, and durable goods. Additionally, others factors driving the February increase came from transport, furniture, and household goods. Furthermore, the Bank of England warned that CPI would rise above 8.00% by June 2022 and could reach double digits towards the end of the year if Russia's invasion of Ukraine kept global energy prices at elevated levels (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	18-Mar-22	25-Mar-22
Counter				MK/Share	MK/Share
AIRTEL	5.00	20.91	19.18	42.00	42.00
BHL	0.00	(20.38)	1.37	11.01	11.01
FDH Bank	3.05	6.96	3.61	14.11	14.11
ICON	1.80	9.93	1.05	12.85	↓ 12.79
ILLOVO	5.89	10.65	2.47	305.42	305.42
MPICO	1.35	11.24	1.09	20.70	20.70
NBM	2.94	19.76	3.76	925.00	↑ 948.00
NBS Bank	5.04	9.41	3.46	22.80	22.80
NICO	4.18	5.73	1.43	55.00	55.00
NITL	1.37	8.67	0.99	95.00	95.00
PCL	1.81	57.37	1.30	1,900.00	1,900.00
Standard Bank	2.65	13.26	2.81	1,400.09	1,400.09
Sunbird	0.00	(19.96)	0.87	90.02	90.02
TNM	2.30	22.61	3.98	17.50	↓ 17.40
FMBCH	0.78	19.78	3.03	80.00	80.00
OMU	1.02	(37.51)	2.45	1,785.00	1,785.00
DSI	N/A	N/A	N/A	37,268.01	↑ 37,429.68
FSI	N/A	N/A	N/A	4,184.221	4,184.21
MASI	3.17	15.90	2.81	45,565.29	↑ 45,746.97
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index					
		2021	2022		
MASI Return (YTD)		0.53%	0.40%		

Inflation (Source: NSO)



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

Real GDP Growth Projections				
	2019	2020	2021	2022
EIU	4.10%	-1.00%	2.70%	3.10%
IMF	4.00%	0.60%	2.20%	3.50%
WORLD BANK	4.40%	1.00%	2.40%	3.00%
GOVERNMENT	5.10%	0.90%	3.00%	4.10%
Average Real GDP	4.40%	0.38%	2.58%	3.43%

Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	18-Mar-22	25-Mar-22	% Change
MK/US Dollar	816.40	816.40	→ 0.00%
MK/GBP	1,074.63	1,079.20	↓ -0.43%
MK/ZAR	54.76	56.34	↓ -2.88%
MK/EUR	904.90	900.41	↑ 0.50%

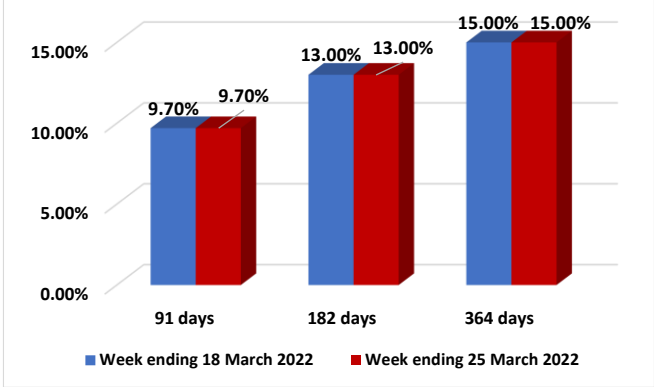
Global Market Rates (Source: Reuters, WSJ, CNBC)

	18-Mar-22	25-Mar-22	Change
US Fed Rate	0.500%	0.250%	↑ 0.250%
US Libor (3 months)	0.948%	0.966%	↑ 0.018%
US Libor (6 months)	1.257%	1.390%	↑ 0.1327%
US Treasury yield (10 years)	2.154%	2.352%	↑ 0.198%
BOE Rate	0.500%	0.500%	→ 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 25 March 2022 (Source: RBM)



Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	344.36	9.70
182 days TB	6,591.87	13.00
364 days TB	6,101.13	15.00
2-Year TN	15,670.00	16.96
3-Year TN	5,820.00	19.47
5-Year TN	17,090.00	20.98
7-Year TN	70.00	21.99
TOTAL	51,687.36	

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