



1. Money Market

Government Securities

The Government Treasury Bill auctions held during the week raised a total of K40.00 million from total applications of K40.00 million, resulting in a nil rejection rate. The average yield for the 364 days tenors was 15.00%, there were no applications for the 91 days and 182 days tenors (previous week: 91 days: 9.74%, 182 days: 13.00%, 364 days: 15.00%). Treasury Note (3-yr) auction during the week raised a total of K36.52 billion from total applications of K36.52 billion, resulting in a nil rejection rate. The weighted average yield was 19.50%. Total maturities for the week stood at K13.13 billion, resulting in a net withdrawal of K23.43 billion.

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K67.40 billion from K76.24 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K10.13 billion at 11.70% (previous week: K14.75 billion at 11.70%). Access to the Lombard facility during the week in review averaged K20.64 billion at an average rate of 12.20% (previous week: K11.23 billion at 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 46,801.61 points (previous week: 46,441.69 points), the Domestic Share Index (DSI) closed at 37,592.20 points (previous week: 37,602.09 points) and the Foreign Share Index (FSI) closed at 5,175.11 points (previous week: 4,753.49 points). The increase in the MASI and FSI was due to share price gains in FMBCH, NITL and NBM despite share price losses in FDH Bank, ICON, TNM, and NBS Bank. A total volume of 15.85 million shares were traded during the week at a value of K3.20 billion in 84 deals (Source: MSE).

3. Local Market Developments

During the third week of tobacco sales in April 2022, about 0.60 million kgs were sold at a value of US\$0.96 million at an average price of US\$1.49/kg (April 2021: 14.96 million kgs at a value of US\$24.80 million at an average price of US\$1.66/kg). Low tobacco inflows on the market have contributed to the fall of sales volumes and earnings compared to the corresponding period in 2021 (Source: AHL).

4. Regional Developments in the Week

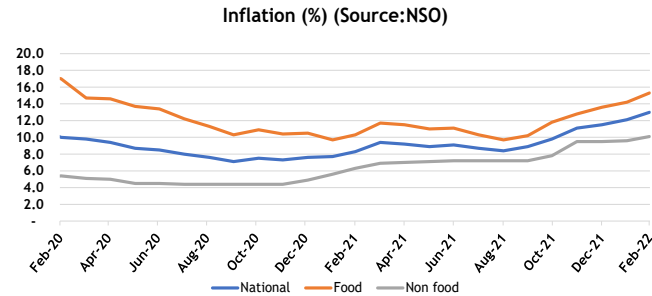
South Africa's Rand was on track for a 6.00% weekly drop against the US Dollar as severe power cuts and floods dented the country's economic growth prospects. Also weighing on the Rand, US Federal Reserve Chair Jerome Powell stated that a half-point interest rate hike would be on the table in May 2022, boosting the US Dollar and hurting emerging-market currencies. The crisis at state power utility Eskom and floods in KwaZulu-Natal province that caused at least R10.00 billion of infrastructure damage have reminded investors that Africa's most industrialized economy faces significant constraints. The South African government's benchmark 2030 bond was also weaker, with the yield rising 7.5 basis points to 9.94% (Source: Reuters).

5. Global Developments in the Week

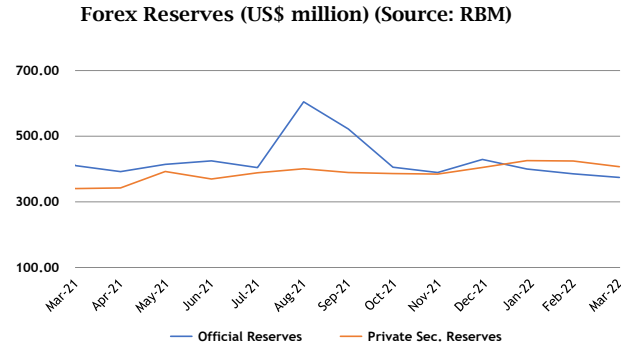
London copper prices steadied during the week but remained on track for a third consecutive weekly loss on demand concerns prompted by COVID-19 lockdowns in China, with sentiment also dented by rising inventories and a stronger US Dollar. Copper on the London Metal Exchange (LME) fetched US\$10,284.50/T at the end of the week in review, and down 0.3% over the week. Weaker expectations of growth amid an economic slowdown and COVID-19 in China is weighing on base metals, and that strength in the Dollar from a spike in US bond yields is adding negative pressure on commodities. The International Monetary Fund (IMF) lowered its forecast for global growth, citing the Russia-Ukraine conflict, denting demand prospects for industrial metals such as copper (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	15-April- 22	22-April-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	2.80	7.58	3.93	15.39	↓ 15.37
ICON	1.82	9.80	1.04	12.68	↓ 12.63
ILLOVO	5.89	10.65	2.47	305.43	305.43
MPICO	1.35	11.24	1.09	20.70	20.70
NBM	5.19	12.68	3.10	948.53	↑ 948.54
NBS Bank	5.05	9.41	3.46	22.80	↓ 22.79
NICO	4.18	5.73	1.43	55.00	55.00
NITL	2.59	3.18	0.85	110.00	↑ 110.01
PCL	1.81	57.37	1.30	1,900.00	1,900.00
Standard Bank	2.65	13.27	2.81	1,400.11	1,400.11
Sunbird	0.00	(19.96)	0.87	90.02	90.02
TNM	2.30	22.59	3.98	17.40	↓ 17.39
FMBCH	0.62	24.73	3.79	91.49	↑ 100.00
OMU	1.02	(37.51)	2.45	1,785.00	1,785.00
DSI	N/A	N/A	N/A	37,602.09	↓ 37,592.20
FSI	N/A	N/A	N/A	4,753.49	↑ 5,175.11
MASI	3.50	14.62	3.98	46,441.69	↑ 46,801.61
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index					
		2021	2022		
MASI Return (YTD)		2.88%	3.16%		

Inflation (Source: NSO)



Forex Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	15-Apr-22	22-Apr-22	% Change
MK/US Dollar	816.64	816.64	→ 0.00%
MK/GBP	1,072.66	1,063.92	↑ 0.81%
MK/ZAR	56.15	53.04	↑ 5.53%
MK/EUR	891.44	885.65	↑ 0.65%

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

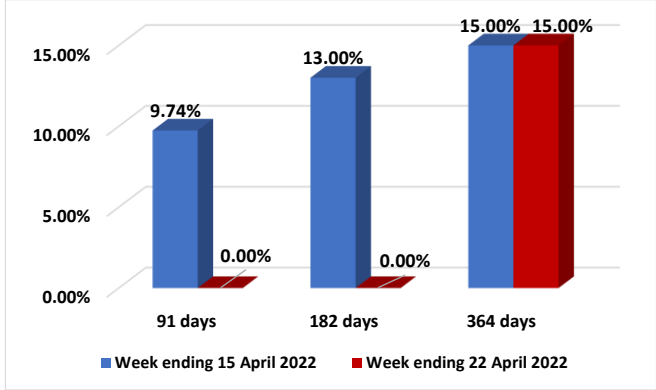
	15-Apr-22	22-Apr-22	Change
US Fed Rate	0.500%	0.500%	→ 0.000%
US Libor (3 months)	1.044%	1.136%	↑ 0.092%
US Libor (6 months)	1.552%	1.675%	↑ 0.123%
US Treasury yield (10 years)	2.786%	2.950%	↑ 0.164%
BOE Rate	0.750%	0.750%	→ 0.000%
ECB Rate	0.000%	0.000%	→ 0.000%

*LIBOR = London Interbank Offered Rates *BOE= Bank of England

*ECB= European Central Bank

Government Securities for Week ending 22 April 2022

(Source: RBM)



Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	0.00	-
182 days TB	0.00	-
364 days TB	40.00	15.00
3-year TN	36,520.00	19.50
TOTAL	36,560.00	

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%	2.40%	3.00%
GOVERNMENT	5.10%	0.90%	3.90%	4.10%
Average Real GDP	4.40%	0.38%	2.80%	3.15%

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