



1. Money Market

Government Securities

The Government Treasury Bill auctions held during the week raised a total of K3.49 billion from total applications of K3.49 billion, resulting in a nil rejection rate. The average yield for the 91 days, 182 days and 364 days tenors were 9.57%, 13.00%, and 15.00% respectively (previous week: 364 days: 15.00%, there were no applications for the 91 days and 182 days tenors). The Government 10-year Development Bond auction held during the week raised a total of K0.50 billion from total applications of K0.50 billion, resulting in a nil rejection rate. The weighted average yield was 23.35%. Total maturities for the week stood at K19.88 billion, resulting in a net injection of K15.88 billion.

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K56.88 billion from K67.40 billion recorded in the previous week. The volume on Interbank overnight borrowing increased to a daily average of K14.54 billion at 11.70% (previous week: K10.13 billion at 11.70%). Access to the Lombard facility during the week in review averaged K39.99 billion at an average rate of 12.20% (previous week: K20.64 billion at 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 46,934.16 points (previous week: 46,801.61 points), the Domestic Share Index (DSI) closed at 37,283.40 points (previous week: 37,592.20 points) and the Foreign Share Index (FSI) closed at 5,720.11 points (previous week: 5,175.11 points). The increase in the MASI and FSI was due to share price gains in Airtel, Illovo, and FMBCH. The decrease in DSI was due to share price losses in FDH Bank, ICON, TNM, PCL, and NBS Bank. A total volume of 14.55 million shares were traded during the week at a value of K601.83 million in 58 deals (Source: MSE).

3. Local Market Developments

During the 4th week of tobacco sales in April 2022, a volume of 1.60 million kgs were sold at a value of US\$2.90 million at an average price of US\$1.75/kg representing a 4.79% increase from the same period in the previous year (April 2021: 20.40 million kgs valued at US\$34.10 million at US\$1.67/kg). Delayed rainfall slowed down tobacco farming in the 2021/2022 season, affecting the inflow of tobacco onto the market (Source: AHL).

4. Regional Developments in the Week

Zambian inflation slowed to a two year low in April 2022. This has eased pressure on the Bank of Zambia's (BoZ) Monetary Policy Committee (MPC) to raise interest rates when it meets in May 2022. Consumer prices rose to 11.50% from 2021, compared to 13.10% in March 2022. Food-price growth slowed to 14.10% in April 2022, compared to 15.30% in the previous month, and non-food inflation decelerated to 8.20% from 10.30%. The slowdown supports the BoZ's view that inflation which has breached the top of its 6.00%-8.00% target band since May 2019, is trending downward. The deceleration also gives the MPC time to assess the impact a stronger currency will have in offsetting upward price pressures caused by supply shocks from the war in Ukraine, the removal of fuel subsidies, and Indonesia's ban on cooking oil exports (Source: Bloomberg).

5. Global Developments in the Week

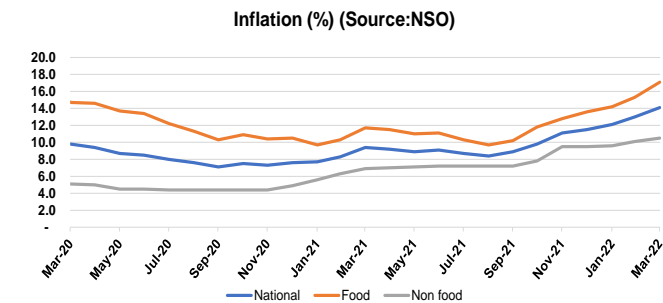
The Central Bank of Russia has cut its key interest rate to 14.00% from 17.00% as it looks to mitigate the impact of international economic sanctions. In the aftermath of Russia's invasion of Ukraine and the ensuing unprecedented Western sanctions, the Central Bank is juggling a sharply shrinking economy and skyrocketing inflation. Economists expect a double-digit contraction for the economy, and inflation in excess of 20.00% in 2022. Russian inflation reached 17.60% as of April 2022 and the central bank stated that it expects annual inflation to close between 18.00% and 23.00% in 2022, before slowing to between 5.00% and 7.00% in 2023 (Source: Bloomberg).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	22-April-22	29-April-22
Counter				MK/Share	MK/Share
AIRTEL	5.00	20.92	19.19	42.00	↑ 42.02
BHL	0.00	(20.38)	1.37	11.01	
FDH Bank	6.87	9.05	3.34	15.37	↓ 15.29
ICON	1.92	9.32	0.99	12.63	↓ 12.00
ILLOVO	5.89	10.65	2.47	305.43	↑ 305.50
MPICO	1.35	11.24	1.09	20.70	20.70
NBM	5.19	12.68	3.10	948.54	948.54
NBS Bank	5.93	8.62	2.86	22.79	↓ 22.78
NICO	4.18	5.73	1.43	55.00	55.00
NITL	2.59	3.18	0.85	110.01	110.01
PCL	1.63	63.61	1.45	1,900.00	↓ 1,899.00
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	2.69	16.58	3.26	17.39	↓ 16.00
FMBCH	0.56	27.45	4.20	100.00	↑ 111.00
OMU	1.02	(37.51)	2.45	1,785.00	1,785.00
DSI	N/A	N/A	N/A	37,592.20	↓ 37,283.40
FSI	N/A	N/A	N/A	5,175.11	↑ 5,720.11
MASI	3.69	14.65	2.75	46,801.61	↑ 46,934.19

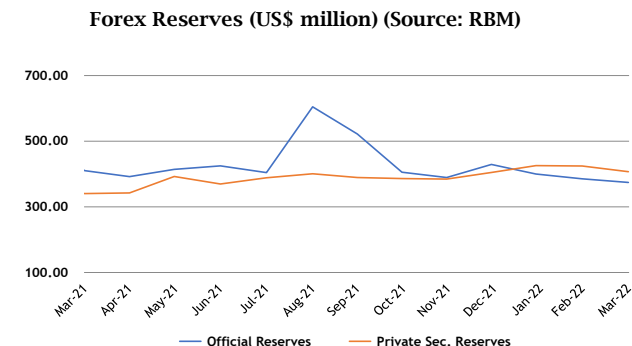
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2021	2022
MASI Return (YTD)	3.05%	3.45%

Inflation (Source: NSO)



Forex Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	22-Apr-22	29-Apr-22	% Change
MK/US Dollar	816.64	816.64	⇒ 0.00%
MK/GBP	1,063.92	1,021.70	↑ 3.97%
MK/ZAR	53.04	51.45	↑ 3.01%
MK/EUR	885.65	860.17	↑ 2.88%

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

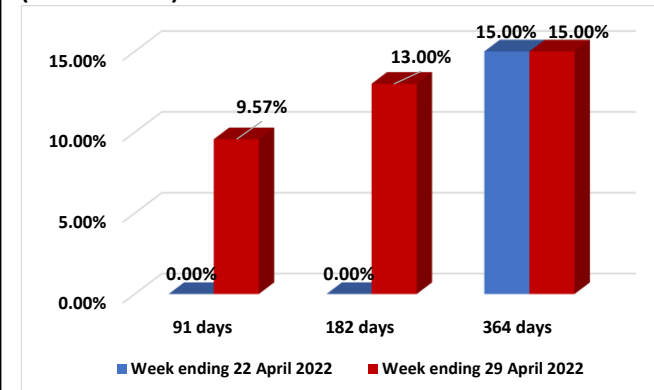
	22-Apr-22	29-Apr-22	Change
US Fed Rate	0.500%	0.500%	⇒ 0.000%
US Libor (3 months)	1.136%	1.239%	↑ 0.103%
US Libor (6 months)	1.675%	1.826%	↑ 0.152%
US Treasury yield (10 years)	2.950%	2.883%	↓ -0.067%
BOE Rate	0.750%	0.750%	⇒ 0.000%
ECB Rate	0.000%	0.000%	⇒ 0.000%

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

*ECB= European Central Bank

Government Securities for Week ending 29 April 2022

(Source: RBM)



Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	86.47	9.57
182 days TB	7.50	13.00
364 days TB	3,401.02	15.00
10-year DB	500.00	23.35
TOTAL	3,994.99	

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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