



1. Money Market

Government Securities

The Government Treasury Bill auctions held during the week raised a total of K12.04 billion from total applications of K12.85 billion, resulting in a 6.28% rejection rate. The average yield for the 91 days, 182 days and 364 days tenors were 10.00%, 15.00%, and 17.75% respectively (previous week: 91 days: 9.83%, 182 days: 15.00%, 364 days: 17.75%). Total maturities for the week stood at K13.41 billion, resulting in a net injection of K1.37 billion.

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K25.36 billion from K19.51 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K27.16 billion at 12.50% (previous week: K27.31 billion at 12.50%). Access to the Lombard facility during the week in review averaged K24.50 billion at an average rate of 14.20% (previous week: K33.66 billion at 14.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 52,637.81 points (previous week: 49,936.72 points), the Domestic Share Index (DSI) closed at 42,415.25 points (previous week: 39,701.44 points) and the Foreign Share Index (FSI) closed at 5,647.70 points (previous week: 6,044.06 points). The increase in MASI was due to share price gains in Illovo, NBM, NITL, PCL, and Standard Bank despite share price losses in Airtel, MPICO, NBS Bank, and NICO. The decrease in FSI was due to share price loss in FMBCH. A total volume of K12.86 million shares were traded during the week at a value of K810.96 billion in 78 deals (Source: MSE).

3. Local Market Developments

The headline inflation for June 2022 increased to 23.50% from 19.10% recorded in May 2022. This was mainly attributed to an increase in both food and non-food inflation which closed at 31.20% and 16.60% respectively (May 2022: 19.50% and 12.20% respectively) (Source: NSO).

4. Regional Developments in the Week

The World Bank has agreed to provide the U.N.'s World Food Program (WFP) with US\$100 million for an emergency safety net project to address food insecurity in Sudan. The program aims to provide 2 million Sudanese with cash transfers and food. While funding under agreements signed with the Government of Sudan remains paused, development partners are pleased to provide direct support to the Sudanese people during this critical time. The WFP earlier this year estimated that the number of people experiencing crisis and emergency levels of hunger will reach 18 million by September 2022 in Sudan, a country of about 45 million (Source: Reuters).

5. Global Developments in the Week

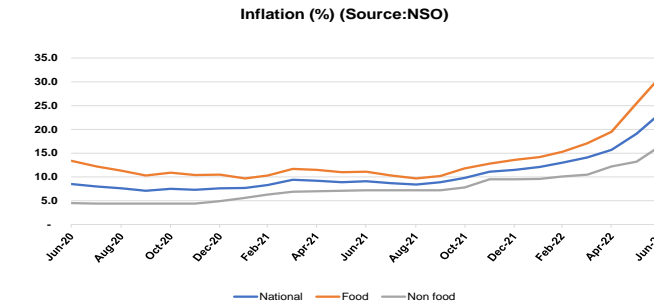
Russia and Ukraine have signed a deal to reopen Ukrainian Black Sea ports for grain exports after the blockade worsened global supply chain disruptions and stoked high inflation in food and energy prices. The agreement has raised hopes that an international food crisis aggravated by the Russian invasion can be eased. The accord is expected to both restore Ukrainian grain exports while easing Russian grain and fertilizer shipments despite tough Western sanctions on Moscow. Further, the accord also opens the way to significant volumes of commercial food exports from three key Ukrainian ports and the U.N. would set up a coordination centre to monitor implementation of the deal (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	15 July-22	22-July-22
Counter				MK/Share	MK/Share
AIRTEL	5.76	17.35	16.84	50.13	↓ 51.01
BHL	0.00	(20.38)	1.37	11.01	11.01
FDH Bank	7.51	8.28	3.06	13.99	13.99
ICON	2.00	9.31	0.91	12.00	12.00
ILLOVO	4.56	13.76	3.19	305.60	↑ 394.78
MPICO	1.50	10.10	1.00	20.70	↓ 20.69
NBM	4.48	14.71	3.59	1,000.01	↑ 1,000.04
NBS Bank	5.93	8.61	2.86	22.76	↓ 22.75
NICO	6.95	5.01	1.01	46.74	↓ 46.73
NITL	2.59	3.18	0.85	110.03	↑ 110.05
PCL	1.56	12.07	1.39	1,899.99	↑ 2,181.45
Standard Bank	2.01	17.43	3.69	1,600.03	↑ 1,840.03
Sunbird	0.00	27.93	0.75	80.01	80.01
TNM	3.61	12.33	2.42	11.90	11.90
FMBCH	1.53	12.38	2.85	118.00	↓ 110.00
OMU	2.57	20.91	3.36	1,600.00	1,600.00
DSI	N/A	N/A	N/A	39,701.44	↑ 42,415.25
FSI	N/A	N/A	N/A	6,044.06	↓ 5,647.70
MASI	3.77	13.32	2.81	49,936.72	↑ 52,637.81

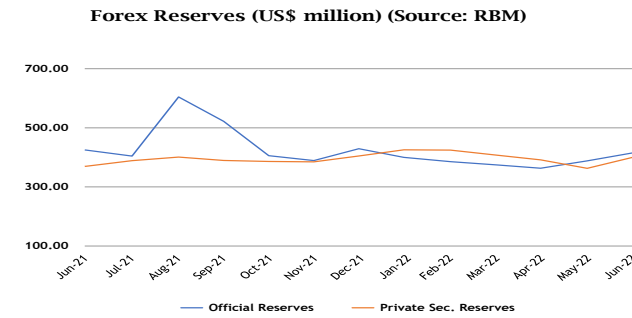
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2021	2022
MASI Return (YTD)	6.87%	16.03%

Inflation (Source: NSO)



Forex Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	15-Jul-22	22-Jul-22	% Change
MK/US Dollar	1,026.43	1,026.43	→ 0.00%
MK/GBP	1,213.55	1,227.41	↓ -1.14%
MK/ZAR	59.77	60.19	↓ -0.71%
MK/EUR	1,027.97	1,045.73	↓ -1.73%

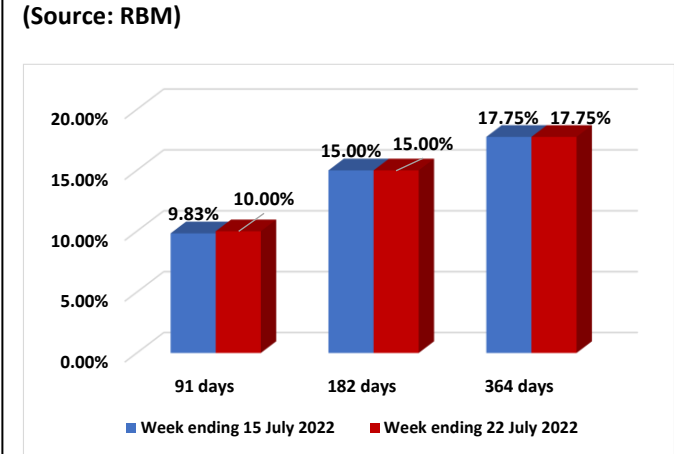
Global Market Rates (Source: Reuters, WSJ, CNBC)

	15-Jul-22	22-Jul-22	Change
US Fed Rate	1.750%	1.750%	→ 0.000%
US Libor (3 months)	2.740%	2.783%	↑ 0.043%
US Libor (6 months)	3.381%	3.377%	↓ -0.004%
US Treasury yield (10 years)	2.920%	2.803%	↓ -0.117%
BOE Rate	1.250%	1.250%	→ 0.000%
ECB Rate	0.000%	0.000%	→ 0.000%

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

*ECB= European Central Bank

Government Securities for Week ending 22 July 2022 (Source: RBM)



Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	20.00	10.00
182 days TB	12,000.43	15.00
364 days TB	21.24	17.75
TOTAL	12,041.67	

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

	Real GDP Growth Projections			
	2019	2020	2021	2022
EIU	4.10%	-1.00%	2.70%	2.00%
IMF	4.00%	0.60%	2.20%	2.70%
WORLD BANK	4.40%	1.00%	2.80%	2.10%
GOVERNMENT	5.10%	0.90%	3.90%	4.10%
Average Real GDP	4.40%	0.38%	2.90%	2.73%

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