



## 1. Money Market

### Government Securities

The government Treasury bill auction held during the week raised a total of K19.42 billion a increase from K5.75 billion the previous week. The average yields across the 91 days, 182 days and 364 days tenors stood at 9.40%, 10.36% and 11.35% respectively. The Treasury bill all type yield decreased to 10.37% from 10.50% the previous week. Total maturities for the week decreased to K24.45 billion from K76.74 billion observed in the previous week. This resulted in a net injection of K5.03 billion (Source: RBM).

### Interbank

Liquidity levels decreased during the week in review to a daily average of K24.28 billion from K35.64 billion recorded the previous week. The volume on Interbank borrowing increased to a daily average of K7.70 billion (last week: K6.77 billion) at an average interbank rate of 4.95% (previous week: 5.21%). No bank accessed the Lombard facility during the week in review (previous week: Nil) (Source: RBM).

## 2. Stock Market

The Malawi All Share Index (MASI) and the Domestic Share Index (DSI) decreased during the week in review. The MASI closed the week at 27,290.96 points (previous week: 27,303.65 points) and the DSI closed at 20,471.39 points (previous week: 20,483.29 points). The FSI remained at 4,521.94 points from last week. The decrease was due to share price losses in NBS which was enough to offset gains from MPICO. A total volume of 6.29 million shares were traded during the week at a value of K1.06 billion in 62 deals. The closing market capitalisation for the week was K1.28 trillion (Source: MSE).

## 3. Local Development

- National Bank of Malawi (NBM) Plc released their financial results for the year ending 31 December 2018. The bank has made a profit after tax of K15.97 billion a decline from K19.15 billion realised during the same period in 2017. This represents a 16.60% decrease in profit after tax. The decline in performance was attributed to subdued loan book the bank experienced in the first half of 2018 (Source: NBM Bank Plc).
- Electricity Supply Corporation of Malawi (ESCOM) started implementing the life-line for domestic customers. This facility entitles all customers to a maximum of 50 units per month at a lower rate. Any subsequent purchase above the 50 units will be charged as at K67.25/unit an increase from K63.79/unit (Source: ESCOM).

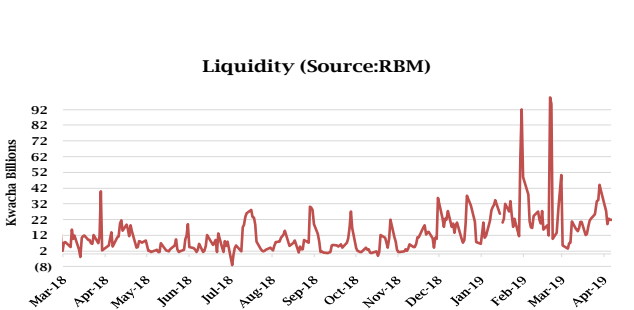
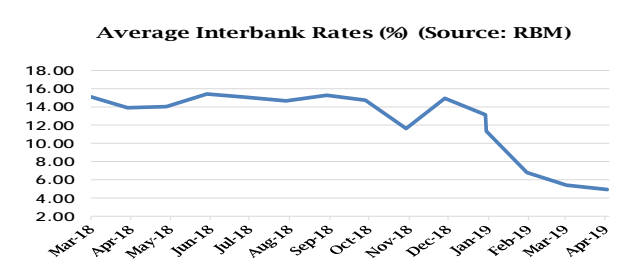
## 4. Regional Developments in the Week

- The South African Rand weakened during the first week of April 2019 after it was announced that the government was considering more financial support for the highly indebted utility Eskom. This comes up after it was found that one of the coal plants that was commissioned to supplement electricity supply is defective (Source: Bloomberg)
- The World Bank approved on March 28, 2019 a US\$82 million grant to increase access to electricity in five of the poorest provinces of Mozambique, including Niassa, Nampula, Zambezia, Cabo Delgado and Sofala. The project is also supported through a US\$66 million Multi-Donor Trust Fund administered by the World Bank. With a potential to benefit about 1.5 million people, this financing will help with the implementation of the Government of Mozambique's Energy for All project, also known as ProEnergia (Source: World Bank)

## 5. Global Developments in the Week

- U.S. stocks markets opened higher and Treasury bill yields opened near two-week highs after a US Labor department report showed that employment rate rebounded more than the initial forecast in March 2019. The month of March 2019 saw a 33,000 increase in jobs more than an original estimate of 20,000. As a result, the Dollar strengthened against most of its major trading currencies whilst the Wall Street opened on a high (Source: Reuters)

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	22-Mar-19	1-Apr-19
Counter				MK/Share	MK/Share
Blantyre Hotels	8.87	21.49	2.11	12.96	12.96
ILLOVO	0.00	8.67	2.34	200.00	200.00
ICON	0.00	6.35	1.46	11.00	11.00
MPICO	1.38	5.90	1.09	13.07	↑ 13.08
NBM	6.13	7.68	1.82	315.01	315.01
NBS Bank	0.00	26.38	2.30	9.90	↓ 9.69
NICO	3.57	3.94	1.94	41.97	41.97
NITL	1.73	4.56	1.18	75.00	75.00
PCL	2.08	3.64	1.15	1,200.00	1,200.00
Standard Bank	1.87	10.98	1.85	569.00	569.00
Sunbird	0.63	14.83	1.92	138.00	138.00
TNM	2.40	19.19	8.63	25.05	25.05
FMBCH	0.00	8.28	2.01	85.00	85.00
OMU	0.00	10.36	1.54	2,513.23	2,513.23
DSI	N/A	N/A	N/A	20,483.29	↓ 20,471.84
FSI	N/A	N/A	N/A	4,521.94	4,521.94
MASI	N/A	N/A	N/A	27,303.65	↓ 27,290.96
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index					
		<b>2018</b>	<b>2019</b>		
	<b>MASI Return (YTD)</b>	17.08%	-5.84%		



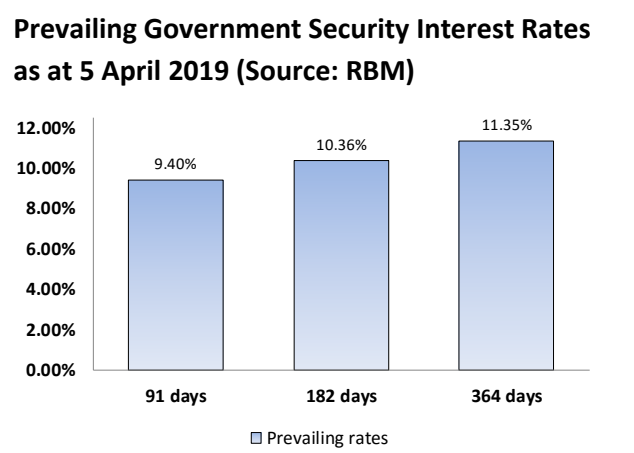
**Exchange Rates - Middle Rates (Source: RBM)**

CURRENCY	29-Mar-19	05-Apr-19	% Change
MK/US Dollar	731.79	733.07	↓ -0.18%
MK/GBP	956.52	961.20	↓ -0.49%
MK/ZAR	50.17	51.91	↓ -3.47%
MK/EUR	822.02	823.09	↓ -0.13%

**Global Market Rates (Source: Bloomberg, WSJ, CNBC)**

	29-Mar-19	5-Apr-19	Change
US Fed Rate	2.50%	2.50%	→ 0.00%
US Libor (3 months)	2.59%	2.59%	↓ 0.00%
US Libor (6 months)	2.64%	2.65%	↑ 0.01%
US Treasury yield (10 year)	2.63%	2.63%	→ 0.00%
BOE Rate	0.75%	0.75%	→ 0.00%
ECB Rate	0.00%	0.00%	→ 0.00%

\*LIBOR = London Interbank Offered Rates \*BOE= Bank of England  
\*ECB= European Central Bank



**Government Securities for Week ending 5 April 2019 (Source: RBM)**

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	2,931.29	9.40
182 days TB	7,607.22	10.36
364 days TB	8,882.46	11.35
Total	19,420.97	10.37

**Malawi Real GDP Projections**

Real GDP Growth Projections				
	2018	2019	2020	2021
EIU	2.10%	3.90%	4.90%	4.50%
IMF	3.30%	4.70%	5.00%	5.50%
AfDB	3.70%	4.60%	5.60%	5.50%
WORLD BANK	3.50%	4.30%	5.20%	5.50%
RBM	4.00%	4.10%		
Average Real GDP	3.32%	4.32%	5.18%	5.25%

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