



## 1. Money Market

### Government Securities

The government Treasury bill auction held during the week raised a total of K3.26 billion from total applications of K3.26 billion resulting in a nil rejection rate. The average yield for the 91 days, 182 days and 364 days tenor was 9.95%, 12.60% and 13.80% respectively. Total maturities for the week stood at K11.53 billion; resulting in a net injection of K8.27 billion (Source: RBM).

### Interbank Market

Liquidity level increased during the week in review to a daily average of K11.08 billion from K3.58 billion recorded in the previous week. The volume on Interbank borrowing decreased to a daily average of K7.49 billion (previous week: K7.78 billion) at an average rate of 13.63% (previous week: 13.61%). Access to the Lombard facility during the week in review averaged K26.85 billion a day at an average rate of 13.70% (previous week: K46.31 billion at an average rate of 13.70%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 31,477.62 points (previous week: 31,855.04 points), the Domestic Share Index (DSI) closed at 26,903.85 points (previous week: 27,200.88 points) and the Foreign Stock Index (FSI) closed at 1,411.44 points (previous week: 1,460.99). The decrease was caused by share price loses in Airtel, FDH Bank, NBM, FM BCH and TNM which offset share price gains in NBS Bank. Total volume of 90.06 million shares were traded during the week at a value of K1.73 billion in 83 deals (Source: MSE).

## 3. Local Development

- NITL plc has published its half year financial statements for the period up to 30 June 2020 which shows a profit after tax of K346 million, a 48.50% decline from K627 million the previous year. The directors have approved an interim dividend of K0.50 per share (2019: 0.50 per share) payable on 30 October 2020 (Source: NITL).

## 4. Regional Developments in the Week

Tunisia's central bank cut its key interest rate for the second time in 2020, by 50 basis points to 6.25%. This was aimed to stimulate investment and push faltering growth of the economy. Due to high debt and deteriorating public services, made worse by the coronavirus pandemic, Tunisia's tourism and foreign investment sectors have been affected, causing a reduction in foreign exchange reserves which were recorded at 21.12 billion Tunisian Dinars (US\$7.62 billion) equivalent to 141 days of imports compared to 101 days of imports in 2019 (Source: Reuters).

## 5. Global Developments in the Week

In response to the economic slump caused by the coronavirus pandemic Canada is launching a US\$7.5 billion, three-year infrastructure plan to help the country recover from the outbreak and create 60,000 jobs. The money is expected to come from a US\$26.27 billion pool managed by Canada Infrastructure Bank (CIB). The CIB will seek to underpin private investment in infrastructure, and it will aim to make returns so that the bank can invest and reinvest going forward (Source: Reuters).

**Stock Market (Source: Malawi Stock Exchange)**

	Div yield %	P/E	P/BV	25-Sep-20	2-October-20
Counter				MK/Share	MK/Share
Airtel	4.31	20.05	20.25	30.00	↓ 29.00
Blantyre Hotels	1.55	23.28	1.67	12.94	12.94
FDH Bank	0.00	10.55	3.65	12.49	↓ 12.00
ICON	1.68	11.51	1.13	12.49	12.49
ILLOVO	0.62	5.70	0.81	80.50	80.50
MPICO	1.04	9.97	1.41	24.00	24.00
NBM	3.97	16.89	2.87	618.76	↓ 618.73
NBS Bank	0.79	12.71	3.98	19.44	↑ 21.00
NICO	3.96	6.25	1.57	48.00	48.00
NITL	0.79	7.20	1.11	94.98	94.98
PCL	1.93	19.81	1.03	1,343.99	1,343.99
Standard Bank	3.56	12.58	2.29	851.00	851.00
Sunbird	0.83	12.10	1.34	120.00	120.00
TNM	3.66	13.66	4.48	21.30	↓ 20.50
FMBCH	0.00	(15.36)	0.98	24.00	↓ 23.00
OMU	2.46	25.32	3.18	2,199.99	2,199.99
DSI	N/A	N/A	N/A	27,200.88	↓ 26,903.85
FSI	N/A	N/A	N/A	1,460.99	↓ 1,411.44
MASI	N/A	N/A	N/A	31,855.04	↓ 31,477.62

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

	2019	2020
<b>MASI Return (YTD)</b>	2.21%	4.05%

**Half Year Financial Results for companies listed on the Malawi Stock Exchange (Source: Respective Companies)**

**Published Half Year Financials for 2020 and 2019**

Period	Net Profit/(Loss) (MK'Billion)			Total Dividend (Per Share) (Kwacha)		
	Feb-20	Feb-19	% Change	Aug-19	Aug-18	% Change
ILLOVO	2.05	8.12	↓ -74.78%	0.00	0.00	⇒ 0.00%
Period	Jun-20	Jun-19	% Change	Jun-20	Jun-19	% Change
AIRTEL	11.42	2.02	↑ 465.35%	0.00	0.00	⇒ 0.00%
ICON	2.11	2.52	↓ -16.27%	0.11	0.10	↑ 10.00%
NBS BANK	2.84	1.41	↑ 102.42%	0.45	0.00	↑ 100.00%
STANDARD	12.63	8.09	↑ 56.12%	10.65	8.95	↑ 18.99%
NBM	9.07	9.13	↓ -0.61%	5.35	5.35	⇒ 0.00%
NITL	0.35	0.67	↓ -48.48%	0.50	0.50	⇒ 0.00%
SUNBIRD	(1.34)	1.20	↓ -211.61%	0.00	0.50	↓ -100.00%
TNM	4.97	6.71	↓ -25.93%	0.18	0.00	↑ 100.00%
NICO	7.64	7.29	↑ 4.80%	0.67	0.60	↑ 11.67%
PCL	12.69	11.17	↑ 13.66%	6.00	6.00	⇒ 0.00%
FDH	3.22	3.35	↓ -3.88%	0.00	0.00	⇒ 0.00%
	Net Profit/(Loss) (US\$' million)			Total Dividend (Per Share) (US\$)		
FMBCH	14.29	5.08	↑ 181.30%	0.00	0.00	⇒ 0.00%

**TRADING STATEMENT**

MPICO: Expects its half year ending 30 June 2020 profit after tax to be at least 25% lower than the previous corresponding period

BHL: Expects its half year ending 30 September 2020 profit after tax to be at least 200% lower than the previous corresponding period

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

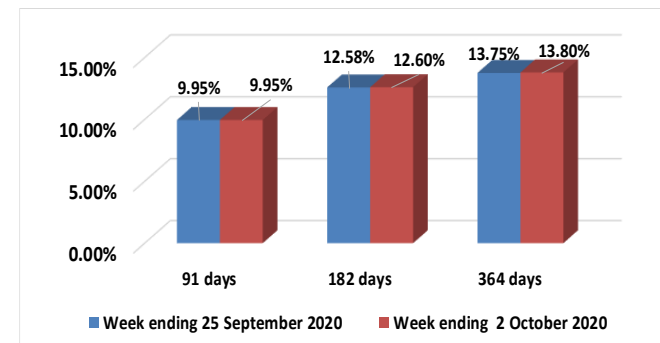
CURRENCY	25-Sep-20	2-Oct-20	% Change
MK/US Dollar	751.37	751.37	⇒ 0.00%
MK/GBP	959.50	966.94	↓ -0.78%
MK/ZAR	44.40	45.06	↓ -1.47%
MK/EUR	877.30	881.35	↓ -0.46%

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

	25-Sep-20	2-Oct-20	Change
US Fed Rate	0.250%	0.250%	⇒ 0.000%
US Libor (3 months)	0.225%	0.234%	↑ 0.009%
US Libor (6 months)	0.272%	0.251%	↓ -0.021%
US Treasury yield (10 years)	0.658%	0.694%	↑ 0.036%
BOE Rate	0.100%	0.100%	⇒ 0.000%
ECB Rate	0.000%	0.000%	⇒ 0.000%

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

**Prevailing Government Security Interest Rates (Source: RBM)**



**Government Securities for Week ending 2 October 2020 (Source: RBM)**

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	13.90	9.95
182 days TB	363.60	12.60
364 days TB	2,879.48	13.80
<b>TOTAL</b>	<b>3,256.98</b>	

**Malawi Real GDP Projections**

Real GDP Growth Projections				
	2019	2020	2021	2022
EIU	4.10%	-3.90%	2.10%	4.40%
IMF	4.00%	1.00%	2.50%	6.00%
WORLD BANK	4.40%	2.00%	3.50%	5.30%
GOVERNMENT	5.00%	1.90%	4.50%	
<b>Average Real GDP</b>	<b>4.38%</b>	<b>0.25%</b>	<b>3.15%</b>	<b>5.23%</b>

**Contacts:**

**Head Office**  
NICO Asset Managers Limited, 19 Glyn Jones Road  
Chibisa House, P.O. Box 3173, Blantyre  
Tel No: 01 832 085/086  
Email: [invest@nicoassetmanagers.com](mailto:invest@nicoassetmanagers.com) Website: [www.nicoassetmanagers.com](http://www.nicoassetmanagers.com) NICO Asset Managers/Facebook

**Lilongwe Branch**  
NICO Asset Managers Limited, Corner Kenyatta Drive  
NICO Centre, P.O. Box 30729, Lilongwe 3  
Tel No: 01 757 086