



## 1. Money Market

### Government Securities

The government Treasury bill auction held during the week raised a total of K29.32 billion from total applications of K29.32 billion resulting in a nil rejection rate. The average yield for the 91 days, 182 days and 364 days were 9.95%, 12.80% and 13.68% respectively (previous week: 91 days: 9.95%, 182 days: 12.78%, 364 days: 13.73%). The government Treasury note (3-year) raised a total of K16.35 billion from total applications of K16.35 billion, resulting in a nil rejection rate. The weighted average yield was 18.66%. Total maturities for the week stood at K34.98 billion; resulting in a net withdrawal of K10.71 billion (Source: RBM).

### Interbank Market

Liquidity levels increased during the week in review to a daily average of K52.79 billion from K41.27 billion recorded in the previous week. The volume on Interbank borrowing decreased to a daily average of K13.55 billion (previous week: K21.70 billion) at an average rate of 10.58% (previous week: 11.37%). There was no borrowing on the Lombard facility during the week in review (previous week: K2.83 billion at an average rate of 12.20%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 32,977.97 points (previous week: 32,988.58 points), the Domestic Share Index (DSI) closed at 28,080.02 points (previous week: 28,090.02 points) and the Foreign Stock Index (FSI) closed at 1,614.08 points (previous week: 1,613.58 points). The decrease in MASI was due to share price losses in Airtel, FDH Bank, ICON, MPICO, NBS Bank, NITL and SUNBIRD despite share price gains in FMBCH and Standard Bank. Total volume of 2.27 million shares were traded during the week at a value of K88.02 million in 40 deals (Source: MSE).

## 3. Local Development

- The Board of Directors of National Bank of Malawi (NBM) plc has resolved a second interim dividend of K2.5 million, representing K5.35 per share, payable on 31 March 2021 (Source: NBM).
- The reference rate for February 2021 has decreased to 12.00% from 12.10% recorded in January 2021 (Source: Commercial Banks).

## 4. Regional Developments in the Week

Zambia, which became Africa’s first pandemic-era sovereign default in November 2020, has requested a restructuring of its debt under a new framework supported by the Group of 20 major economies. The country is due to begin negotiations to establish a relief program with the International Monetary Fund (IMF) which will base the debt treatment on sustainability analysis prepared in collaboration with the IMF. Zambia is committed to transparency and equal treatment of all creditors during the restructuring process (Source: Reuters).

## 5. Global Developments in the Week

Canada’s economy is expected to see spiking unemployment levels amid restrictions aimed at slowing the spread of the coronavirus. National Statistics of Canada have shown that unemployment rate increased to 9.4% in January 2021 from 8.8% recorded in December 2020. The January results were considerably worse than expected, with economists predicting a loss of 40,000 jobs against 212,800 actual positions lost in January 2021 (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	29-Jan-21	5-Feb-21
Counter				MK/Share	MK/Share
Airtel	4.47	19.34	19.53	27.98	↓ 27.97
Blantyre Hotels	1.82	19.79	1.42	11.00	11.00
FDH Bank	0.00	12.70	4.40	14.45	↓ 14.44
ICON	1.72	11.24	1.10	12.24	↓ 12.20
ILLOVO	2.49	4.77	0.80	80.47	80.47
MPICO	1.19	8.70	1.23	20.99	↓ 20.94
NBM	2.76	17.74	3.01	650.00	650.00
NBS Bank	1.71	13.36	3.88	20.47	↓ 20.46
NICO	3.65	6.77	1.70	52.00	52.00
NITL	0.79	7.20	1.11	94.95	↓ 94.94
PCL	1.99	19.31	1.00	1,309.47	1,309.47
Standard Bank	2.52	17.73	3.23	1,200.00	↑ 1,200.01
Sunbird	1.11	9.07	1.01	90.00	↓ 89.99
TNM	3.87	12.92	4.24	19.39	19.39
FM BCH	0.00	(18.10)	1.15	27.08	↑ 27.09
OMU	2.46	25.73	3.23	2,199.98	2,199.98
DSI	N/A	N/A	N/A	28,090.021	↓ 28,080.02
FSI	N/A	N/A	N/A	1,613.58	↑ 1,614.08
MASI	N/A	N/A	N/A	32,988.58	↓ 32,977.97
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index					
		<b>2020</b>	<b>2021</b>		
<b>MASI Return (YTD)</b>		-4.12%	1.81%		

### Annual 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)	
	Aug-20	Aug-19	% Change	Aug-20	Aug-19 % Change
ILLOVO	2.74	10.08	↓ -72.84%	2.00	0.50 ↑ 300.00%
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%
MPICO	2.51	3.58	↓ -30.01%	0.00	0.10 ↓ -100.00%
FDH	3.22	3.35	↓ -3.88%	0.00	0.00 → 0.00%
	Net Profit/(Loss) (US\$ million)			Total Dividend (Per Share) (US\$)	
FM BCH	14.29	5.08	↑ 181.30%	0.00	0.00 → 0.00%

TRADING STATEMENT	
BHL	Expects its half year ending 30 September 2020 profit after tax to be at least 200% lower than the previous corresponding period
NBS BANK	Expects its annual year ending 31 December 2020 profit after tax to be at least 25% higher than the previous corresponding period
SUNBIRD	Expects its annual year ending 31 December 2020 profit after tax to be at least 150% lower than the previous corresponding period
AIRTEL	Expects its annual year ending 31 December 2020 profit after tax to be at least 40% higher than the previous corresponding period
TNM	Expects its annual year ending 31 December 2020 profit after tax to be at least 25% higher than the previous corresponding period
FM BCH	Expects its annual year ending 31 December 2020 profit after tax to be at least 200% higher than the previous corresponding period
NITL	Expects its annual year ending 31 December 2020 profit after tax to be at least 40% lower than the previous corresponding period
NBM	Expects its annual year ending 31 December 2020 profit after tax to be at least 20% higher than the previous corresponding period

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

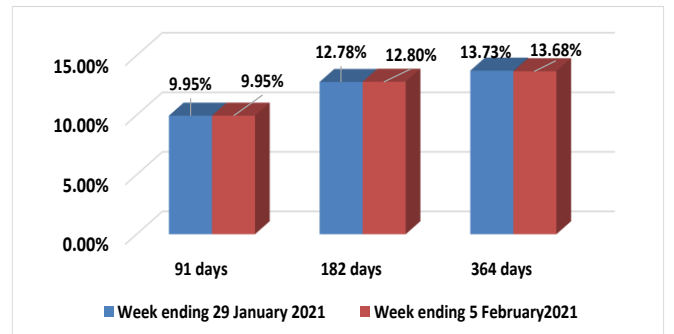
CURRENCY	29-Jan-21	5-Feb-21	% Change
MK/US Dollar	771.20	773.80	↓ -0.34%
MK/GBP	1057.32	1058.87	↓ -0.15%
MK/ZAR	50.69	51.67	↓ -1.92%
MK/EUR	933.54	925.69	↑ 0.84%

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

	29-Jan-21	5-Feb-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor (3 months)	0.205%	0.193%	↓ -0.012%
US Libor (6 months)	0.220%	0.223%	↑ 0.002%
US Treasury yield (10 years)	1.082%	1.144%	↑ 0.062%
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 5 February 2021 (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	85.59	9.95
182 days TB	6,235.44	12.80
364 days TB	23,002.86	13.68
3-Yr	16,350.00	18.69
<b>TOTAL</b>	<b>45,693.89</b>	

### Malawi Real GDP Projections (Source: EIU, IMF, World Bank, Malawi Government)

Real GDP Growth Projections				
	2019	2020	2021	2022
EIU	4.10%	-3.90%	2.10%	4.40%
IMF	4.00%	0.60%	2.20%	6.00%
WORLD BANK	4.40%	1.00%	3.30%	5.30%
GOVERNMENT	5.10%	1.20%	4.50%	
<b>Average Real GDP</b>	<b>4.40%</b>	<b>-0.28%</b>	<b>3.03%</b>	<b>5.23%</b>

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