



1. Money Market

Government Securities

The government Treasury bill auction held during the week raised a total of K13.22 billion from total applications of K13.22 billion resulting in a nil rejection rate. The average yield for the 182 days and 364 days tenors were 12.80% and 13.80% respectively (there were no applications for the 91 days tenor). Total maturities for the week stood at K16.73 billion; resulting in a net injection of K3.51 billion (Source: RBM).

2. Interbank Market

Liquidity levels increased during the week in review to a daily average of K32.52 billion from K14.62 billion recorded in the previous week. The volume on Interbank borrowing increased to a daily average of K16.03 billion (previous week: K10.60 billion) at an average rate of 11.33% (previous week: 11.06%). Access to the Lombard facility during the week in review averaged K16.45 billion a day (previous week: K14.03 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

3. Stock Market

The MASI closed the week at 32,993.44 points (previous week: 33,009.75 points), the Domestic Share Index (DSI) closed at 28,093.67 points (previous week: 28,108.19 points) and the Foreign Stock Index (FSI) remained steady at 1,614.45 points. The decrease was due to share price losses in Airtel, FDH Bank, Icon and Illovo. Total volume of 0.33 million shares were traded during the week at a value of K14.61 million in 21 deals (Source: MSE).

4. Local Development

- The reference rate for commercial banks in Malawi has been adjusted downwards to 11.90% for March 2021 from 12.00% recorded in February 2021 (Source: Commercial Banks).
- NITL plc has released a trading statement which indicates that the company expects profit after tax for the year ending 31 December 2020 to be approximately 17% lower than the corresponding period in 2019 (Source: NITL).
- NICO Holdings plc has released a trading statement which indicates that the company expects profit after tax for the year ending 31 December 2020 to be at least 20% higher than the corresponding period in 2019 (Source: NICO).

5. Regional Developments in the Week

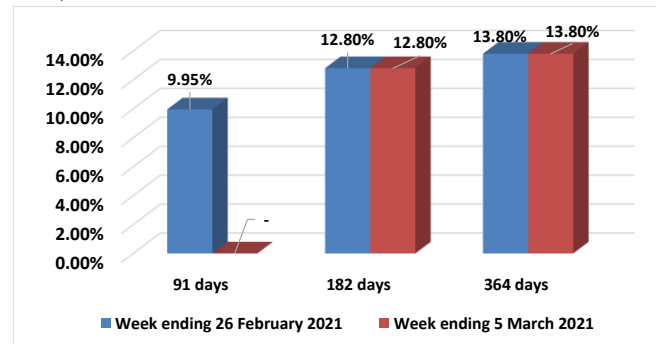
The International Monetary Fund staff have concluded their virtual mission held in Zambia from 11 February 2021 to 3 March 2021. The Fund staff reached a broad agreement that resolving the current macroeconomic challenges would require navigating the need to continue supporting the population and the economy through the pandemic in a constrained fiscal environment while setting the stage for a sustained recovery as the impact of COVID-19 eases and macroeconomic imbalances are resolved (Source: Reuters).

6. Global Developments in the Week

The U.S. unemployment rate declined to 6.20% in February 2021 owing to a decline in COVID-19 cases, along with easing of business restrictions in some states. The February employment growth was propelled by a 355,000 surge in leisure and hospitality employment, an industry hit-hardest by the COVID-19 pandemic and key to a broader recovery in the labour market (Source: Bloomberg).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	26-Feb-21	5-Mar-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	14.51	5.02	16.60	↓ 16.50
ICON	1.72	11.23	1.10	12.20	↓ 12.19
ILLOVO	2.49	20.96	0.80	80.47	↓ 80.46
MPICO	1.19	8.70	1.23	20.93	20.93
NBM	2.76	17.74	3.01	650.01	650.01
NBS Bank	1.71	13.35	3.88	20.45	20.45
NICO	3.66	6.77	1.70	51.98	51.98
NITL	0.79	7.20	1.11	94.94	94.94
PCL	2.17	17.69	0.92	1,199.96	1,199.96
Standard Bank	2.52	17.73	3.23	1,200.03	1,200.03
Sunbird	1.11	9.07	1.01	90.00	90.00
TNM	3.87	12.92	4.24	19.38	19.38
FM BCH	0.00	(18.10)	1.15	27.10	27.10
OMU	2.46	25.73	3.23	2,199.00	2,199.00
DSI	N/A	N/A	N/A	28,108.19	↓ 28,093.67
FSI	N/A	N/A	N/A	1,614.45	1,614.45
MASI	N/A	N/A	N/A	33,009.75	↓ 32,993.44
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index					
		2020	2021		
MASI Return (YTD)		-3.52%	1.85%		

Prevailing Government Security Interest Rates (Source: RBM)



Government Securities for Week ending 5 March 2021 (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	0.00	-
182 days TB	2,589.65	12.80
364 days TB	10,628.65	13.80
TOTAL	13,218.29	

Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	26-Feb-21	5-Mar-21	% Change
MK/US Dollar	780.13	780.13	↓ 0.00%
MK/GBP	1087.27	1083.21	↑ 0.37%
MK/ZAR	52.08	51.11	↑ 1.87%
MK/EUR	948.17	932.72	↑ 1.63%

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

	26-Feb-21	5-Mar-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor (3 months)	0.191%	0.176%	↓ -0.015%
US Libor (6 months)	0.201%	0.203%	↑ 0.002%
US Treasury yield (10 years)	1.499%	1.592%	↑ 0.093%
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

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

Published 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%
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% lower 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					
STANDARD	Expects its annual year ending 31 December 2020 profit after tax to be at least 45% higher than the previous corresponding period					

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

Real GDP Growth Projections				
	2019	2020	2021	2022
EIU	4.10%	-1.00%	2.30%	4.00%
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%	
Average Real GDP	4.40%	0.45%	3.08%	5.10%

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