



1. Money Market

Government Securities

The government Treasury bill auction held during the week raised a total of K12.96 billion from total applications of K12.96 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 13.80% respectively (previous week: 182 days: 12.80%, 364 days: 13.80%). The government Treasury note (2-year) raised a total of K38.57 billion from total applications of K40.86 billion, resulting in a 6% rejection rate. The weighted average yield was 16.50%. Total maturities for the week stood at K13.08 billion; resulting in a net withdrawal of K38.45 billion (Source: RBM).

Interbank Market

Liquidity levels decreased during the week in review to a daily average of K15.45 billion from K32.52 billion recorded in the previous week. The volume on Interbank borrowing decreased to a daily average of K14.68 billion (previous week: K16.03 billion) at an average rate of 11.25% (previous week: 11.28%). Access to the Lombard facility during the week in review averaged K8.82 billion (previous week: K16.45 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 33,119.85 points (previous week: 32,993.44 points), the Domestic Share Index (DSI) closed at 28,206.15 points (previous week: 28,093.67 points) and the Foreign Stock Index (FSI) remained steady at 1,614.45 points. The increase in MASI was due to share price gains in NBM, NBS Bank and Standard Bank, despite share price losses in MPICO. Total volume of 3.17 million shares were traded during the week at a value of K164.73 million in 81 deals (Source: MSE).

3. Local Development

- Standard Bank plc has released its financial statement for the year ended 31 December 2020. The results show that the company's profit after tax for the year 2020 stood at MK23.7 billion, representing a 50% increase from MK15.9 billion recorded in 2019 (Source: Standard).
- MPICO 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 40% lower than the corresponding period in 2019 (Source: MPICO).
- OMU 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 166% lower than the corresponding period in 2019 (Source: OMU).

4. Regional Developments in the Week

The economy of Ghana is expected to grow nearly by 5% in 2021, above the International Monetary Fund's 2021 projection of 3.2% for Sub-Saharan Africa. This is due to a strong boost in economic activities, which are already picking up, following the ongoing vaccination exercise and the easing of restrictions instituted to curb the effected of the disease for rapid economic growth (Source: Reuters).

5. Global Developments in the Week

The U.K. economy contracted less than expected during the coronavirus lockdown in January 2021, driven by a surprise gain in construction and stronger activity in the health sector. The country's Gross Domestic Product (GDP) fell by 2.9%, much less than the 4.9% contraction that economists had forecast. Gains in health services from both vaccine rollout and increased testing partially offset the declines in other industries (Source: Bloomberg).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	5-Mar-21	12-Mar-21
Counter				MK/Share	MK/Share
Airtel	4.47	19.34	19.53	27.97	27.97
Blantyre Hotels	1.82	19.79	1.42	11.00	11.00
FDH Bank	0.00	14.51	5.02	16.50	16.50
ICON	1.72	11.23	1.10	12.19	12.19
ILLOVO	2.49	20.96	0.80	80.46	80.46
MPICO	1.20	8.68	1.23	20.93	↓ 20.90
NBM	2.76	17.74	3.01	650.01	↑ 650.05
NBS Bank	1.54	14.89	4.33	20.45	↑ 22.80
NICO	3.66	6.76	1.70	51.98	51.95
NITL	0.79	7.20	1.11	94.94	94.94
PCL	2.17	17.69	0.92	1,199.95	1,199.95
Standard Bank	3.73	11.86	2.66	1,200.03	↑ 1,200.10
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	26.46	3.32	2,199.00	2,199.00
DSI	N/A	N/A	N/A	28,093.67	28,206.15
FSI	N/A	N/A	N/A	1,614.45	1,614.45
MASI	N/A	N/A	N/A	32,993.44	33,119.85

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

	2020	2021
MASI Return (YTD)	-3.52%	2.24%

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)

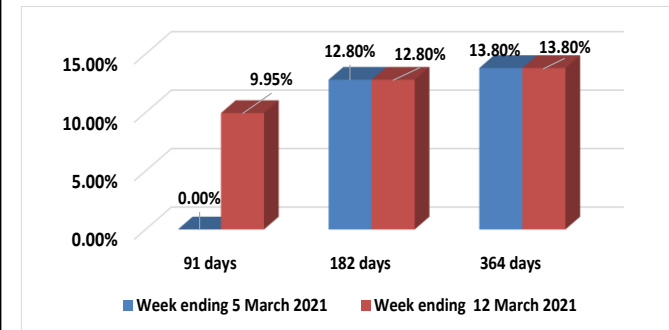
CURRENCY	5-Mar-21	12-Mar-21	% Change
MK/US Dollar	780.13	782.12	↓ -0.25%
MK/GBP	1083.21	1091.76	↓ -0.79%
MK/ZAR	51.11	52.40	↓ -2.53%
MK/EUR	932.72	934.63	↓ -0.20%

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

	5-Mar-21	12-Mar-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor (3 months)	0.176%	0.184%	↓ -0.008%
US Libor (6 months)	0.203%	0.193%	↑ 0.010%
US Treasury yield (10 years)	1.592%	1.612%	↓ -0.020%
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 12 March 2021 (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	24.76	9.95
182 days TB	7,301.63	12.80
364 days TB	5,635.25	13.80
2-Yr TN	38,570.00	16.50
TOTAL	51,531.64	

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%	0.90%	3.50%	
Average Real GDP	4.40%	0.38%	2.83%	5.10%

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