



1. Money Market

Government Securities

The government Treasury bill auction held during the week raised a total of K2.50 billion from total applications of K2.50 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: 91 days: 9.95%, 182 days: 12.80%, 364 days: 13.80%). The government Treasury notes (5-year) raised a total of K20.99 billion from total applications of K21.24 billion, resulting in a rejection rate of 1.18%. The average yield was 19.98%. Total maturities for the week stood at K11.21 billion; resulting in a net withdrawal of K12.28 billion (Source: RBM).

Interbank Market

Liquidity levels increased during the week in review to a daily average of K7.26 billion from K2.92 billion recorded in the previous week. The volume on Interbank borrowing decreased to a daily average of K16.92 billion (previous week: K12.22 billion) at an average rate of 11.45% (previous week: 11.39%). Access to the Lombard facility during the week in review averaged K12.27 billion (previous week: K43.04 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 32,581.65 points (previous week: 32,586.56 points), the Domestic Share Index (DSI) closed at 27,727.36 points (previous week: 27,732.50 points) and the Foreign Stock Index (FSI) closed at 1,614.33 points (previous week: 1,613.34 points). The decrease in MASI was due to share price losses in Airtel, ICON, MPICO, NICO, PCL and TNM; despite share price gains in Standard Bank and FMBCH. Total volume of 6.08 million shares were traded during the week at a value of K197.27 million in 63 deals (Source: MSE).

3. Local Development

- Blantyre Hotels Limited (BHL) plc has released its financial statement for the financial year ended 30 September 2020. The results indicate that the company has registered a loss after tax of K454 million from K467million recorded in the previous year (Source: BHL).
- FDH plc has released a trading statement which indicates that the company expects profit after tax for the year ended 31 December 2020 to be at least 88% higher than that recorded in the previous year (Source: FDH).
- The Headline Inflation Rate for February 2021 has increased to 8.3% from 7.7% recorded in January 2021. Food and Non-food inflation rate stood at 10.3% and 6.3% respectively (January 2021: 9.7% and 5.6% respectively) (Source: NSO).

4. Regional Developments in the Week

Zambia is expected to resume virtual talks with the International Monetary Fund (IMF) as the country seeks to stabilise its debt-burdened economy. The aim of the discussions is to agree on an appropriate policy reform agenda to address the economic challenges and support the country's return to a sustainable macro-fiscal state (Source: Reuters).

5. Global Developments in the Week

The Central Bank of Portugal has maintained its 2021 economic growth projection for the country at 3.9%, despite having been locked down since mid-January 2021. The maintenance is due to an expected growth of 13.7% in exports, well above the previous 9.2% forecast released in December 2020 (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	19-Mar-21	26-Mar-21
Counter				MK/Share	MK/Share
Airtel	4.47	19.33	19.52	27.96	↓ 27.95
Blantyre Hotels	1.82	19.79	1.42	11.00	11.00
FDH Bank	0.00	14.50	5.02	16.49	16.49
ICON	1.72	11.22	1.10	12.19	↓ 12.18
ILLOVO	2.49	20.96	0.80	80.46	80.46
MPICO	1.20	8.68	1.23	20.90	↓ 20.89
NBM	2.76	17.74	3.01	650.05	650.05
NBS Bank	1.52	15.02	4.36	23.00	23.00
NICO	3.66	6.76	1.70	51.94	↓ 51.93
NITL	0.79	7.20	1.11	94.94	94.94
PCL	2.17	17.69	0.92	1,199.95	↓ 1,199.94
Standard Bank	3.73	11.86	2.66	1,200.10	↑ 1,200.11
Sunbird	1.11	9.07	1.01	90.00	90.00
TNM	4.55	10.99	3.61	19.50	↓ 16.49
FM BCH	0.00	(18.12)	1.16	27.10	↑ 27.12
OMU	2.47	26.35	3.31	2,199.00	2,190.00
DSI	N/A	N/A	N/A	27,732.50	↓ 27,727.36
FSI	N/A	N/A	N/A	1,613.34	↑ 1,614.33
MASI	N/A	N/A	N/A	32,586.56	↓ 32,581.65

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

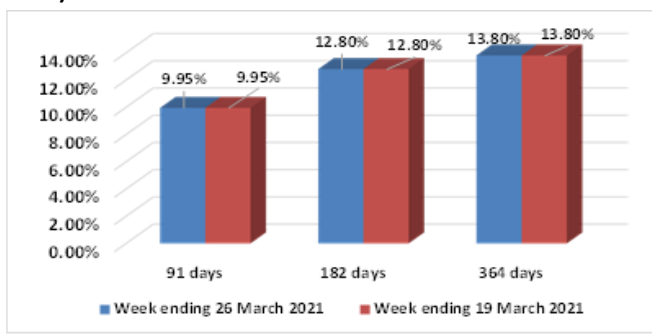
	2020	2021
MASI Return (YTD)	-4.46%	0.58%

Annual Year 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%
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 ended 30 September 2020 profit after tax to be at least 200% lower than the previous corresponding period
NBS BANK	Expects its annual year ended 31 December 2020 profit after tax to be at least 25% higher than the previous corresponding period
SUNBIRD	Expects its annual year ended 31 December 2020 profit after tax to be at least 150% lower than the previous corresponding period
AIRTEL	Expects its annual year ended 31 December 2020 profit after tax to be at least 40% higher than the previous corresponding period
TNM	Expects its annual year ended 31 December 2020 profit after tax to be at least 25% lower than the previous corresponding period
FM BCH	Expects its annual year ended 31 December 2020 profit after tax to be at least 200% higher than the previous corresponding period
NITL	Expects its annual year ended 31 December 2020 profit after tax to be at least 17% lower than the previous corresponding period
NBM	Expects its annual year ended 31 December 2020 profit after tax to be at least 20% higher than the previous corresponding period
ICON	Expects its annual year ended 31 December 2020 profit after tax to be at least 20% higher than the previous corresponding period
OMU	Expects its annual year ended 31 December 2020 profit after tax to be at least 166% lower than the previous corresponding period
NICO	Expects its annual year ended 31 December 2020 profit after tax to be at least 20% higher than the previous corresponding period

Prevailing Government Security Interest Rates (Source: RBM)



Government Securities for Week ending 26 March 2021 (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	15.00	9.95
182 days TB	617.16	12.80
364 days TB	1,867.03	13.80
5-Yr TN	20,990.00	19.98
TOTAL	23,489.19	

Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	19-Mar-21	26-Mar-21	% Change
MK/US Dollar	782.12	783.10	↓ -0.13%
MK/GBP	1087.92	1077.39	↑ 0.97%
MK/ZAR	53.04	52.40	↑ 1.21%
MK/EUR	931.97	922.65	↑ 1.00%

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

	19-Mar-21	26-Mar-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor [3 months]	0.187%	0.193%	↓ -0.006%
US Libor [6 months]	0.204%	0.204%	→ 0.000%
US Treasury yield (10 years)	1.690%	1.658%	↑ 0.032%
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

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%

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 Website: www.nicoassetmanagers.com

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