



1. Money Market

Government Securities

The government Treasury bill auction held during the week raised a total of K1,912.93 million from total applications of K1,912.93 million, resulting in a nil rejection rate. The average yields for the 91 days, 182 days and 364 days were 9.20%, 12.97% and 13.89% respectively (previous week: 91 days: 9.33% 182 days: 12.85%, 364 days: 13.89%). Total maturities for the week stood at K8.70 billion, resulting in a net injection of K6.79 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves) decreased to a daily average of K8.70 billion from K17.36 billion recorded in the previous week. The volume on Interbank overnight borrowing increased to a daily average of K10.86 billion (previous week: K8.65 billion) at an average rate of 11.95% (previous week: 11.95%). Access to the Lombard facility during the week in review averaged K38.94 billion (previous week: K37.66 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 35,340.65 points (previous week: 35,108.69 points), the Domestic Share Index (DSI) closed at 28,712.39 points (previous week: 28,707.33 points) and the Foreign Share Index (FSI) closed at 3,491.59 points (previous week: 3,234.45 points). The increase was due to share price gains in FM BCH, NBM, and Airtel, despite share price losses in NBS Bank and PCL. Total volume of 1.69 million shares were traded during the week at a value of K84.20 million in 58 deals (Source: MSE).

3. Local Market Developments

- The Tobacco Commission reported that the eleventh week of tobacco sales in 2021 was more favourable than the corresponding period in 2020. Total volume sold was 86,944,469.00 kg valued at US\$143,015,309.63 (July 2020: 72,747,512.00 kg valued at US\$110,198,788.38) representing a 30.00% increase in value sold. The average price was USD\$1.64, 9.00% higher than the previous year (July 2020: USD\$1.51) (Source: Tobacco Commission).
- The reference rate for July 2021 has remained unchanged at 12.20% (June 2021: 12.20%) (Source: RBM).

4. Regional Developments in the Week

Zambia's annual inflation for June 2021 has increased to 24.60% from 23.20% recorded in May 2021. On average, prices of goods and services increased by 24.60% between June 2020 and June 2021. The increase in the annual rate of inflation was mainly attributed to price increases in some food items (Source: Zambia Statistics Agency).

5. Global Developments in the Week

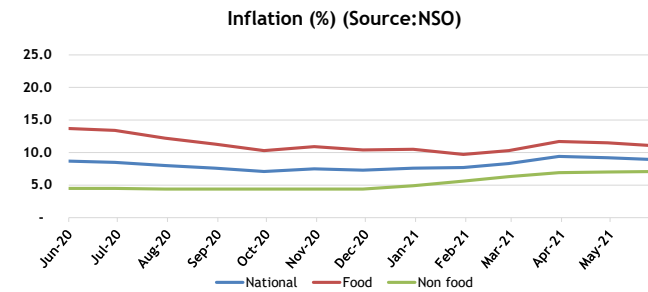
The UK's post-lockdown economic rebound slowed sharply in May 2021 despite a relaxation of social-distancing rules. The gross domestic product (GDP) expanded by 0.80%, faster than its typical pre-pandemic pace but down from 2.00% recorded in April 2021. Despite this, the Bank of England expects the UK's economy to grow by 7.25% in 2021 (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	2-July-21	9-July-21
Counter				MK/Share	MK/Share
Airtel	6.45	16.21	14.87	32.53	↑ 32.56
BHL	0.00	(20.36)	1.37	11.00	11.00
FDH Bank	2.69	7.89	4.09	16.00	16.00
ICON	1.90	9.42	1.00	12.13	12.13
ILLOVO	1.91	27.28	1.04	104.72	104.72
MPICO	1.75	8.69	0.84	16.00	16.00
NBM	4.28	13.55	2.58	650.08	↑ 650.09
NBS Bank	4.36	10.90	4.01	26.40	↓ 26.39
NICO	4.18	5.73	1.43	55.00	55.00
NITL	1.61	7.37	0.84	80.70	80.70
PCL	2.58	40.19	0.91	1,199.94	↓ 1,199.93
Standard Bank	3.73	11.86	2.66	1,200.15	1,200.15
Sunbird	0.00	(19.95)	0.87	90.00	90.00
TNM	2.50	20.79	3.66	16.00	16.00
FMBCB	0.95	16.07	2.46	59.82	↑ 65.01
OMU	0.83	(46.02)	3.01	2,190.00	2,190.00
DSI	N/A	N/A	N/A	28,707.33	↑ 28,712.39
FSI	N/A	N/A	N/A	3,234.45	↑ 3,491.59
MASI	N/A	N/A	N/A	35,108.69	↑ 35,340.65

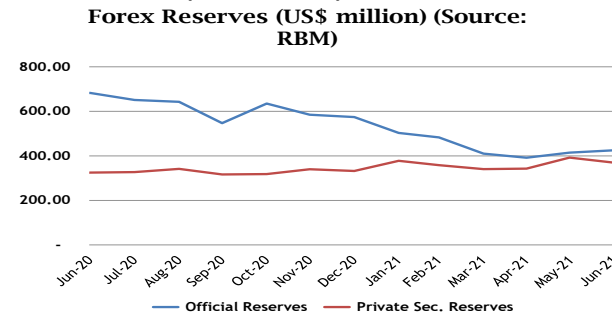
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2020	2021
MASI Return (YTD)	-2.34%	9.10%

Inflation (Source: NSO)



Forex Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	2-Jul-21	9-Jul-21	% Change
MK/US Dollar	805.59	809.53	↓ -0.49%
MK/GBP	1108.01	1113.92	↓ -0.53%
MK/ZAR	55.63	56.45	↓ -1.47%
MK/EUR	953.50	957.19	↓ -0.39%

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

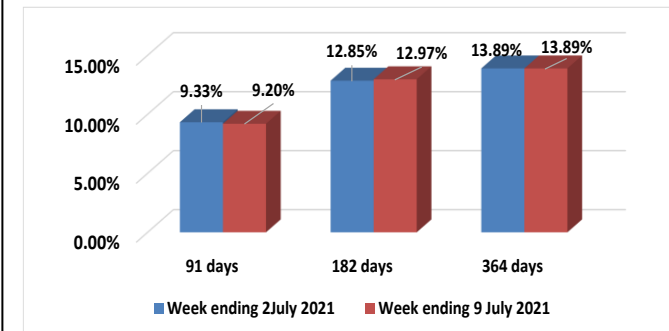
	2-Jul-21	9-Jul-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor (3 months)	0.146%	0.124%	↓ -0.022%
US Libor (6 months)	0.160%	0.162%	↑ 0.002%
US Treasury yield (10 years)	1.453%	1.329%	↓ -0.124%
BOE Rate	0.100%	0.100%	→ 0.000%
ECB Rate	0.000%	0.000%	→ 0.000%

*LIBOR = London Interbank Offered Rates

*BOE= Bank of England

*ECB= European Central Bank

Government Securities for Week ending 9 July 2021 (Source: RBM)



Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	613.24	9.20
182 days TB	216.46	12.97
364 days TB	1,083.23	13.89
TOTAL	1,912.93	

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%	2.80%	5.30%
GOVERNMENT	5.10%	0.90%	3.80%	
Average Real GDP	4.40%	0.38%	2.78%	5.10%

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