



## 1. Money Market

### Government Securities

The government Treasury bill auction held during the week raised a total of K3.51 billion from total applications of K3.51 billion, resulting in a nil rejection rate. The average yields for the 91 days, 182 days and 364 days tenors were 9.57%, 12.96% and 14.20% respectively (previous week: 91 days: 9.59% and 182 days: 12.98% and 364 days: 14.20%). Treasury note (2-yr) auction held during the week raised a total K12.71 billion from total applications of K16.23 billion, resulting in a rejection rate of 21.69%. The weighted average yield was 16.63%. Maturities for the week stood at K5.93 billion, resulting in a net withdraw of K10.29 billion (Source: RBM).

### Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K21.48 billion from K12.94 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K15.72 billion (previous week: K19.23 billion) at an average rate of 11.98% (previous week: 11.98%). Access to the Lombard facility during the week in review averaged K96.32 billion (previous week: K86.72 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

## 2. Stock Market

The MASI closed the week at 40,572.00 points (previous week: 40,349.78 points), the Domestic Share Index (DSI) closed at 33,396.17 points (previous week: 32,198.05 points) and the Foreign Share Index (FSI) closed at 3,454.70 points (previous week: 3,455.20 points). The increases in the MASI and DSI were due to share price gains in FDH Bank, NBM, and NITL, despite share price loss in NBS. The decrease in the FSI was due to share price loss in FM BCH. A total volume of 10.41 million shares were traded during the week at a value of K217.33 million in 63 deals (Source: MSE).

## 3. Local Market Developments

Retail maize prices increased by 5.00% during the month of August 2021. The prices increased in 21 markets and remained constant in 5 markets. The largest increase was recorded in Chitipa (31.00%). Chikwawa recorded the highest average retail price at K200.00/kg while Chitipa recorded the lowest average retail price at K94.00/kg (Source: IFPRI).

## 4. Regional Developments in the Week

The Executive Board of the International Monetary Fund (IMF) has approved a disbursement of SDR132.6 million (US\$189.08 million) under the Rapid Credit Facility (RCF) and a purchase equivalent to SDR265.2 million (US\$378.17 million) under the Rapid Financing Instrument (RFI) to Tanzania. The disbursement under the RCF and purchase under the RFI will help finance the interventions needed to mitigate the severe socio-economic impacts of the pandemic and help catalyse support from development partners (Source: Reuters).

## 5. Global Developments in the Week

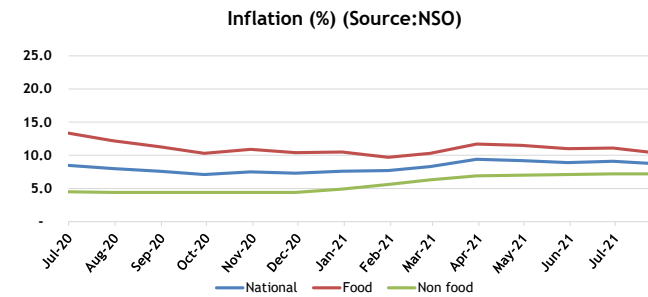
China's third quarter economic growth has been projected at 0.30% in the July-September 2021 period down from 1.30% recorded in the second quarter. This is attributed to new restrictions on travel that China introduced from late July 2021 to squash an imported outbreak of the delta virus variant. A new cluster has developed in Southern China in September 2021, suggesting that some restrictions will remain, and consumers will continue to be cautious. Further, China has been tightening access to financing for real estate developers and reducing the pace of mortgage lending to home buyers as it tries to prevent the build-up of financial risks and reduce its economic dependence on property (Source: Bloomberg).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	10-Sept-21	17-Sept-21
Counter				MK/Share	MK/Share
Airtel	5.25	19.91	18.26	39.99	39.99
BHL	0.00	(20.36)	1.37	11.00	11.00
FDH Bank	2.81	7.55	3.92	13.59	↑ 15.31
ICON	1.90	9.41	1.00	12.12	12.12
ILLOVO	0.75	69.18	2.64	265.60	265.60
MPICO	1.33	11.41	1.11	21.00	21.00
NBM	4.12	14.07	2.68	675.02	↑↓ 675.21
NBS Bank	4.37	10.87	4.00	26.33	↓ 26.32
NICO	4.18	5.73	1.43	55.00	55.00
NITL	1.61	7.37	0.84	80.70	↑ 80.71
PCL	2.07	50.08	1.14	1,494.98	1,494.98
Standard Bank	3.58	12.35	2.77	1,250.00	1,250.00
Sunbird	0.00	(19.95)	0.87	90.00	90.00
TNM	2.22	23.40	4.12	18.01	18.01
FMBCH	0.96	15.95	2.44	65.00	↓ 64.49
OMU	0.87	(44.12)	2.88	2,100.00	2,100.00
DSI	N/A	N/A	N/A	33,198.05	↑ 33,396.17
FSI	N/A	N/A	N/A	3,455.20	↓ 3,454.70
MASI	3.12	16.30	2.58	40,349.78	↑ 40,572.00

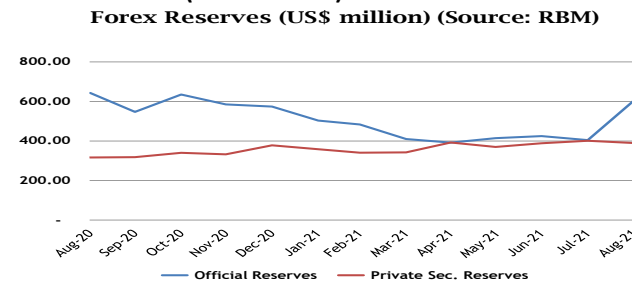
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2020	2021
MASI Return (YTD)	3.99%	25.25%

### Inflation (Source: NSO)



### Forex Reserves (Source: RBM)



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

CURRENCY	10-Sep-21	17-Sep-21	% Change
MK/US Dollar	812.51	813.50	↓ -0.12%
MK/GBP	1125.00	1127.72	↓ -0.24%
MK/ZAR	57.35	55.81	↑ 2.68%
MK/EUR	960.87	957.49	↑ 0.35%

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

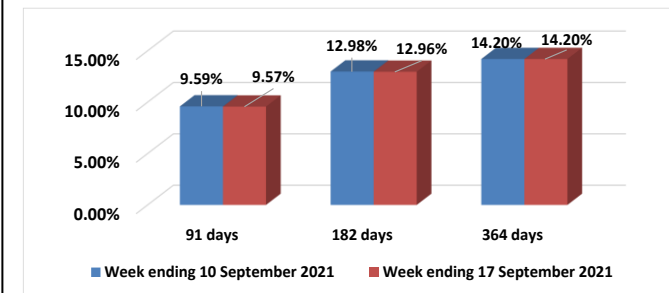
	10-Sep-21	17-Sep-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor (3 months)	0.114%	0.122%	↑ 0.008%
US Libor (6 months)	0.147%	0.150%	↑ 0.0029%
US Treasury yield (10 years)	1.325%	1.371%	↑ 0.046%
BOE Rate	0.100%	0.100%	→ 0.000%
ECB Rate	0.000%	0.000%	→ 0.000%

\*LIBOR = London Interbank Offered Rates

\*BOE= Bank of England

\*ECB= European Central Bank

### Government Securities for Week ending 17 September 2021 (Source: RBM)



### Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	159.44	9.57
182 days TB	53.59	12.96
364 days TB	3,294.89	14.20
2-yr TN	12,710.00	16.63
<b>TOTAL</b>	<b>16,217.92</b>	

### 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%	3.00%
GOVERNMENT	5.10%	0.90%	3.80%	
<b>Average Real GDP</b>	<b>4.40%</b>	<b>0.38%</b>	<b>2.78%</b>	<b>4.33%</b>

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