



1. Money Market

Government Securities

The Government Treasury bill auction held during the week raised a total of K133.15 million from total applications of K133.15 million, resulting in a nil rejection rate. The average yield for 182 days and 364 days tenors were 12.98% and 14.20% respectively, there were no applications for the 91 days tenor (previous week: 364 days: 14.20%, there were no applications for the 91 days tenor and 182 days tenor). The Treasury note (3-year) auction held during the week raised a total of K21.33 billion from total applications of K21.33 billion, resulting in a nil rejection rate. The weighted average yield was 19.00%. Maturities for the week stood at K12.21 billion, resulting in a net withdrawal of K9.25 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K12.52 billion from K7.04 billion recorded in the previous week. The volume on Interbank overnight borrowing increased to a daily average of K23.36 billion (previous week: K11.94 billion) at an average rate of 11.98% (previous week: 11.98%). Access to the Lombard facility during the week in review averaged K105.85 billion (previous week: K117.61 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 41,712.84 points (previous week: 41,231.09 points), the Domestic Share Index (DSI) closed at 34,585.49 points (previous week: 34,156.83 points) and the Foreign Share Index (FSI) remained unchanged at 3,232.25 points. The increase in the MASI and DSI were due to share price gains in NBM, PCL and Standard Bank, despite share price losses in Airtel, NBS Bank and TNM. A total volume of 3.82 million shares were traded during the week at a value of K245.20 million in 60 deals (Source: MSE).

3. Local Market Developments

The Monetary Policy Committee (MPC) during its 4th MPC meeting held in October, has revised upwards its 2021 forecast for inflation from 8.80% to average at 9.10% in 2021, representing an upward revision of 0.30%. The 2022 inflation has also been revised upwards from 8.20% to 8.90%. The revisions reflect the impact of the recent increase in domestic fuel pump prices; a higher-than-anticipated rise in maize prices in the fourth quarter of 2021; and persistent disruptions to global supply chains. Headline inflation is expected to average at 10.00% in the fourth quarter of 2021 (Source: RBM).

4. Regional Developments in the Week

The International Monetary (IMF) has reached a staff level agreement with Kenya on a second review of IMF loan arrangements that would release about US\$264.00 million to Kenya upon Executive Board approval. The disbursement would bring total IMF financial support for Kenya to US\$984.00 million for 2021 through an Extended Credit facility (ECF) and an Extended Fund Facility (EFF). Kenya's economic rebound continues, and the COVID-19 vaccination program has ramped up. New challenges include drought, emerging security needs, rising energy prices, along with higher food prices (Source: Reuters).

5. Global Developments in the Week

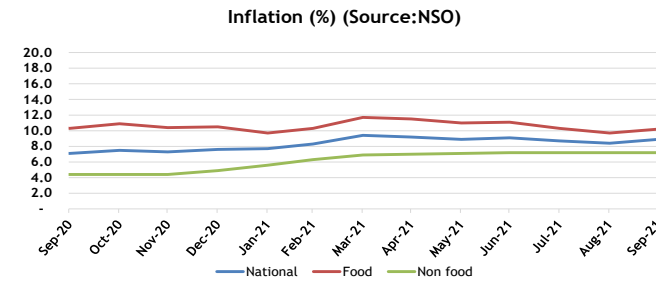
The UK's economic recovery slowed sharply between July and September 2021, as deepening disruption in supply chains and a shortage of workers held back economic growth. Total output grew 1.30% in the third quarter of 2021, significantly lower than 5.50% in the previous quarter. While many nations have suffered logistical problems and shortages of workers in key areas, the UK has been more vulnerable due to the flight of workers and disruption to trade after Brexit. Household spending remains 4.40% lower than it was before the pandemic began (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	5-Nov-21	12-Nov-21
Counter				MK/Share	MK/Share
Airtel	5.48	19.07	17.48	38.30	↓ 38.29
BHL	0.00	(20.36)	1.37	11.00	11.00
FDH Bank	2.68	7.91	4.10	16.03	16.03
ICON	1.78	10.05	1.07	12.95	12.95
ILLOVO	0.75	69.03	2.63	265.00	265.00
MPICO	1.33	11.41	1.11	21.00	21.00
NBM	3.97	14.61	2.78	701.05	↑ 701.06
NBS Bank	5.01	9.47	3.48	22.96	↓ 22.94
NICO	4.18	5.73	1.43	55.00	55.00
NITL	1.37	8.67	0.99	94.99	94.99
PCL	1.81	57.37	1.30	1,494.95	↑ 1,712.62
Standard Bank	3.58	12.35	2.77	1,250.00	↑ 1,250.01
Sunbird	0.00	(19.95)	0.87	90.00	90.00
TNM	1.74	29.86	5.26	23.00	↓ 22.98
FMBCB	1.03	14.84	2.27	60.00	60.00
OMU	0.87	(44.12)	2.88	2,099.99	2,099.99
DSI	N/A	N/A	N/A	34,156.83	↑ 34,585.49
FSI	N/A	N/A	N/A	3,232.25	3,232.25
MASI	3.07	16.56	2.62	41,231.09	↑ 41,712.84

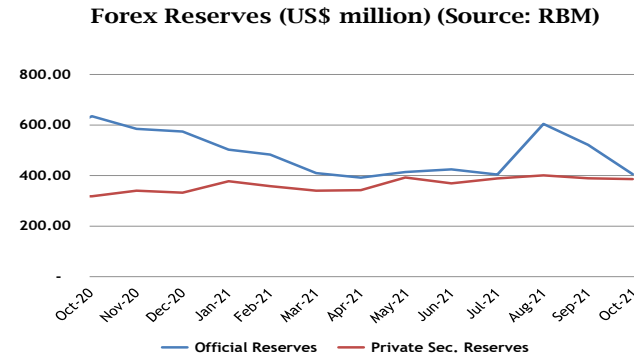
MASI= Malawi All Share Index, DSI= Domestic Share Index, FSI= Foreign Share Index

	2020	2021
MASI Return (YTD)	2.34%	28.77%

Inflation (Source: NSO)



Forex Reserves (Source: RBM)



Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	5-Nov-21	12-Nov-21	% Change
MK/US Dollar	815.50	815.50	→ 0.00%
MK/GBP	1100.43	1090.24	↑ 0.93%
MK/ZAR	53.58	53.35	↑ 0.43%
MK/EUR	942.31	933.26	↑ 0.96%

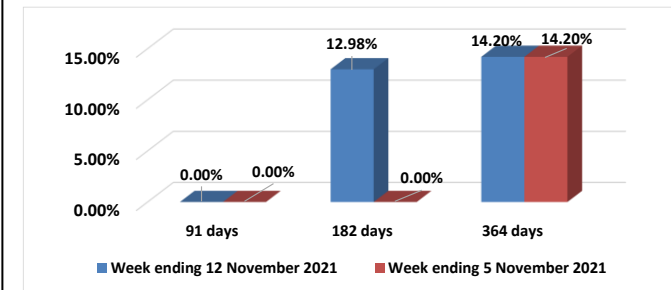
Global Market Rates (Source: Reuters, WSJ, CNBC)

	5-Nov-21	12-Nov-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor (3 months)	0.154%	0.140%	↓ -0.015%
US Libor (6 months)	0.220%	0.219%	↓ -0.0010%
US Treasury yield (10 years)	1.575%	1.525%	↓ -0.050%
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 12 November 2021 (Source: RBM)



Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	0.00	-
182 days TB	18.23	12.98
364 days TB	114.92	14.20
3-Year TN	21,330.00	19.00
TOTAL	21,463.15	

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

Real GDP Growth Projections				
	2019	2020	2021	2022
EIU	4.10%	-1.00%	2.70%	4.00%
IMF	4.00%	0.60%	2.20%	3.00%
WORLD BANK	4.40%	1.00%	2.80%	5.30%
GOVERNMENT	5.10%	0.90%	3.80%	
Average Real GDP	4.40%	0.38%	2.88%	4.10%

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