



**1. Money Market**

**Government Securities**

The Government Treasury bill auction held during the week raised a total of K3.67 billion from total applications of K3.67 billion, resulting in a nil rejection rate. The average yield for 91 days and 364 days tenors were 9.60% and 14.20% respectively. There were no applications for the 182 days tenor (previous week: 182 days: 12.98%, 364 days: 14.20%, there were no applications for the 91 days tenor). Total maturities for the week stood at K8.99 billion, resulting in a net injection of K5.32 billion (Source: RBM).

**Interbank Market**

Liquidity levels (excess reserves after Central Bank Operations) decreased to a daily average of K8.42 billion from K12.52 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K16.08 billion (previous week: K23.36 billion) at an average rate of 11.98% (previous week: 11.98%). Access to the Lombard facility during the week in review averaged K107.22 billion (previous week: K105.85 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

**2. Stock Market**

The MASI closed the week at 41,389.96 points (previous week: 41,712.84 points), the Domestic Share Index (DSI) closed at 34,297.80 points (previous week: 34,585.49 points) and the Foreign Share Index (FSI) closed at 3,232.74 points (previous week: 3,232.25 points). The decrease in the MASI and DSI were due to share price losses in Airtel, FDH Bank, NBS Bank, ICON and TNM, despite share price gains in NBM and Standard Bank. The increase in the FSI was due to share price gains in FMBCH. A total volume of 532.47 thousand shares were traded during the week at a value of K25.42 million in 42 deals (Source: MSE).

**3. Local Market Developments**

Malawi has signed a K840.00 billion (US\$1.00 billion) deal with Elsewedy Electric at the ongoing 2021 Intra African Trade Fair (IATF) in Durban, South Africa. According to the Minister of Trade, Elsewedy will bring flagship investments into Malawi in sectors such as energy, manufacturing and tourism that will help boost the country's economy. The Minister further stated that Malawi has also secured other trade deals within the African Continental Free Trade Area (ACFTA), citing Angola, Botswana, South Africa, South Sudan and Cote d'Ivoire for the export of rice, maize and beans (Source: Ministry of Trade).

**4. Regional Developments in the Week**

The Reserve Bank of South Africa has revised upwards its forecast for headline inflation for the fourth quarter of 2021. Inflation is now forecast to close at 5.30% from 5.00%. The average headline inflation forecast has also been revised upwards to 4.50% from 4.40% for 2021, 4.30% from 4.20% for 2022, and 4.60% from 4.50% for 2023. The high inflation risks have led the Bank to raise its main lending rate by 25 basis points to 3.75%. (Source: Reuters).

**5. Global Developments in the Week**

India's economic advisory council expects the country's growth to range between 7.00% and 7.50% in the 2022/23 fiscal year and the budget to have a clear roadmap for privatizing state-owned assets. The government expects the economy to grow by 10.5% in the 2020/21 fiscal year following a record contraction of 7.30% in 2020. Recent indicators such as tax collection, export growth, retail sales and power demand point towards a better-than-expected recovery, leading some economists to revise India's growth projection upwards (Source: Reuters).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	12-Nov-21	19-Nov-21
Counter				MK/Share	MK/Share
Airtel	5.49	19.06	17.48	38.29	↓ 38.28
BHL	0.00	(20.36)	1.37	11.00	11.00
FDH Bank	3.07	6.91	3.58	16.03	↓ 14.00
ICON	1.78	10.01	1.06	12.95	↓ 12.90
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	701.06	↑ 701.07
NBS Bank	5.22	9.09	3.34	22.94	↓ 22.02
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	1,712.62	1,712.62
Standard Bank	3.58	12.35	2.77	1,250.01	↑ 1,250.02
Sunbird	0.00	(19.95)	0.87	90.00	90.00
TNM	1.74	29.83	5.25	22.98	↓ 22.96
FMBCH	1.03	14.84	2.27	60.00	↑ 60.01
OMU	0.87	(44.12)	2.88	2,099.99	2,099.99
DSI	N/A	N/A	N/A	34,585.49	↓ 34,297.80
FSI	N/A	N/A	N/A	3,232.25	↑ 3,232.74
MASI	3.07	16.56	2.62	41,712.84	↓ 41,389.96

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

	2020	2021
MASI Return (YTD)	2.30%	27.78%

### Inflation (Source: NSO)

Inflation (%) (Source: NSO)

Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21 Apr-21 May-21 Jun-21 Jul-21 Aug-21 Sep-21 Oct-21

— National — Food — Non food

### Forex Reserves (Source: RBM)

Forex Reserves (US\$ million) (Source: RBM)

Oct-20 Nov-20 Dec-20 Jan-21 Feb-21 Mar-21 Apr-21 May-21 Jun-21 Jul-21 Aug-21 Sep-21 Oct-21

— Official Reserves — Private Sec. Reserves

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

CURRENCY	12-Nov-21	19-Nov-21	% Change
MK/US Dollar	815.50	816.40	↓ -0.11%
MK/GBP	1090.24	1101.49	↓ -1.03%
MK/ZAR	53.35	52.41	↑ 1.75%
MK/EUR	933.26	926.78	↑ 0.69%

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

	12-Nov-21	19-Nov-21	Change
US Fed Rate	0.250%	0.250%	🟡 0.000%
US Libor (3 months)	0.140%	0.158%	↑ 0.018%
US Libor (6 months)	0.219%	0.229%	↑ 0.0101%
US Treasury yield (10 years)	1.525%	1.596%	↑ 0.071%
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 19 November 2021 (Source: RBM)

91 days 182 days 364 days

■ Week ending 12 November 2021 ■ Week ending 19 November 2021

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

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	166.88	9.60
182 days TB	0.00	-
364 days TB	3,504.32	14.20
<b>TOTAL</b>	<b>3,671.20</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%	2.70%	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%	
<b>Average Real GDP</b>	<b>4.40%</b>	<b>0.38%</b>	<b>2.88%</b>	<b>4.10%</b>

**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](mailto:invest@nicoassetmanagers.com) Website: [www.nicoassetmanagers.com](http://www.nicoassetmanagers.com) NICO Asset Managers/Facebook

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

**INVESTMENT MANAGEMENT | CORPORATE FINANCE | INVESTOR SERVICES**