



1. Money Market

Government Securities

The Government Treasury Bill auctions held during the week raised a total of K5.83 billion from total applications of K5.83 billion, resulting in a nil rejection rate. The average yield for 91 days, 182 days, and 364 days tenors were 9.70%, 13.00% and 14.50% respectively (previous week 91 days: 9.70%, 364 days: 14.50%, there were no applications for the 182 days tenor). The Treasury Notes (2-Yr, 3-Yr, 5-Yr) auction held during the week raised a total of K143.01 billion from total applications of K143.01 billion. Total maturities for the week stood at K20.79 billion, resulting in a net withdrawal of K128.05 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K8.68 billion from -K70.20 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K6.55 billion (previous week: K13.80 billion) at an average rate of 11.98% (previous week: 11.98%). Access to the Lombard facility during the week in review averaged K112.16 billion (previous week: K108.16 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 44,755.61 points (previous week: 44,334.15 points), the Domestic Share Index (DSI) closed at 36,517.07 points (previous week: 36,142.05 points) and the Foreign Share Index (FSI) closed at 4,223.15 points (previous week: 4,223.15 points). The increase in the MASI and DSI were due to share price gains in PCL, and NBM despite share price loss in NITL. A total volume of 5.64 million shares were traded during the week at a value of K381.57 million in 55 deals (Source: MSE).

3. Local Market Developments

- Sunbird Tourism plc has indicated the company’s profit after tax for the year ending 31 December 2021 is expected to be more than 150% higher than the previous corresponding year (Source: Sunbird plc).
- Airtel Malawi plc has indicated that the company’s profit after tax for the year ending 31 December 2021 is expected to be approximately 35% higher than the profit reported in the previous corresponding period (Source: Airtel plc).

4. Regional Developments in the Week

The government of Mozambique is on the verge of securing a financing agreement with the International Monetary Fund (IMF). The IMF stated that it is ready to start negotiations with Mozambique about a financing program in January 2022. The Fund-supported program could help ease financing pressures as the economic recovery takes hold, support the authorities’ agenda in poverty reduction and restoring sustainable growth, while also helping catalyse additional development financing (Source: IMF).

5. Global Developments in the Week

The International Monetary Fund’s (IMF) has approved the extension of US\$115.00 million in debt relief to 25 eligible low-income countries from 11 January to 13 April 2022. This helps to free up scarce financial resources for vital health, social and economic support to mitigate the impact of the COVID-19 pandemic. The damage from the COVID-19 pandemic has been greater than that from the 2008-2009 global financial crisis, most notably in Africa and South Asia, according to the UN Conference on Trade and Development (UNCTAD). The recovery from the COVID-19 pandemic remains hobbled and the world economy could sustain as much as US\$5.30 trillion in losses over the next five years if the vaccine divide is not reduced (Source: IMF).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	17-Dec-21	24-Dec-21
Counter				MK/Share	MK/Share
AIRTEL	5.67	18.43	16.90	37.00	37.00
BHL	0.00	(20.38)	1.37	11.01	11.01
FDH Bank	2.71	7.81	4.05	15.84	15.84
ICON	1.78	10.01	1.06	12.89	12.89
ILLOVO	6.00	10.46	2.43	300.00	300.00
MPICO	1.35	11.24	1.09	20.70	20.70
NBM	3.44	16.88	3.21	810.00	↑ 810.11
NBS Bank	5.02	9.45	3.48	22.90	22.90
NICO	4.18	5.73	1.43	55.00	55.00
NITL	1.37	8.67	0.99	94.99	↓ 94.98
PCL	1.81	57.37	1.30	1,712.62	↑ 1,900.00
Standard Bank	3.20	13.84	3.11	1,400.00	1,400.00
Sunbird	0.00	(19.96)	0.87	90.01	90.01
TNM	1.75	29.78	5.24	22.92	22.92
FMBCH	0.78	19.78	3.03	80.00	80.00
OMU	0.87	(44.12)	2.88	2,099.99	2,099.99
DSI	N/A	N/A	N/A	36,142.05	↑ 36,517.07
FSI	N/A	N/A	N/A	4,223.15	4,223.15
MASI	3.33	15.74	2.76	44,334.15	↑ 44,755.61

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

	2020	2021
MASI Return (YTD)	4.49%	38.17%

Inflation (Source: NSO)

Inflation (%) (Source: NSO)

Forex Reserves (Source: RBM)

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

Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	17-Dec-21	24-Dec-21	% Change
MK/US Dollar	816.40	816.40	→ 0.00%
MK/GBP	1088.34	1094.06	↓ -0.53%
MK/ZAR	51.16	52.23	↓ -2.08%
MK/EUR	925.80	925.23	↑ 0.06%

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

	17-Dec-21	24-Dec-21	Change
US Fed Rate	0.250%	0.250%	→ 0.000%
US Libor (3 months)	0.214%	0.211%	↓ -0.003%
US Libor (6 months)	0.312%	0.326%	↑ 0.0144%
US Treasury yield (10 years)	1.395%	1.495%	↑ 0.100%
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 24 December 2021 (Source: RBM)

Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	121.66	9.70
182 days TB	2,201.63	13.00
364 days TB	3,503.60	14.50
2-Year TN	12,760.00	16.64
3-Year TN	45,810.00	19.04
5-Year TN	84,440.00	20.35
TOTAL	148,836.89	

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%	2.50%	5.40%
Average Real GDP	4.40%	0.38%	2.55%	4.43%

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