



1. Money Market

Government Securities

The Government Treasury Bill auctions held during the week raised a total of K7.29 billion from total applications of K7.29 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 14.54% respectively (previous week 91 days: 9.70%, 182 days: 13.00%, 364 days: 14.50%). Total maturities for the week stood at K18.72 billion, resulting in a net injection of K11.43 billion (Source: RBM).

Interbank Market

Liquidity levels (excess reserves after Central Bank Operations) increased to a daily average of K16.19 billion from K8.68 billion recorded in the previous week. The volume on Interbank overnight borrowing decreased to a daily average of K19.33 billion (previous week: K6.55 billion) at an average rate of 11.98% (previous week: 11.98%). Access to the Lombard facility during the week in review averaged K11.42 billion (previous week: K112.16 billion) at an average rate of 12.20% (previous week: 12.20%) (Source: RBM).

2. Stock Market

The MASI closed the week at 45,367.68 points (previous week: 44,755.61 points), the Domestic Share Index (DSI) closed at 37,061.70 points (previous week: 36,517.07 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 Airtel and NBM despite a share price loss in FDH Bank. A total volume of 2.32 million shares were traded during the week at a value of K116.19 million in 46 deals (Source: MSE).

3. Local Market Developments

- National Bank of Malawi (NBM) plc has indicated the company’s profit after tax for the year ending 31 December 2021 is expected to be at least 30.00% higher than the profit recorded the previous corresponding year (Source: NBM plc).
- TNM plc has indicated that the company’s profit after tax for the year ending 31 December 2021 is expected to be at least 20.00% higher than the profit reported in the previous corresponding period (Source: TNM plc).

4. Regional Developments in the Week

The Executive Board of the International Monetary Fund (IMF) completed the sixth review of Angola’s economic program supported by an extended arrangement under the Extended Fund Facility (EFF). The Board’s decision allows for an immediate disbursement of about US\$748.00 million, bringing total disbursements under the arrangement to about US\$4.50 billion. In completing the review, the Executive Board also approved waivers of non-observance of the performance criterion on net international reserves of the Bank of Angola (Source: IMF).

5. Global Developments in the Week

The International Monetary Fund’s (IMF) Executive Board has approved 18-month extensions (through end-June 2023) of the temporary increases to the cumulative access limits under its emergency financing instruments (the Rapid Financing Instrument (RFI), the Rapid Credit Facility (RCF), and the RFI’s and RCF’s Large Natural Disaster (LND) and other access limits). This decision reflects the expected and ongoing gradual shift to Upper-Credit-Tranche (UCT) quality arrangements from emergency financing triggered by urgent pandemic-related balance of payment (BoP) needs. At the same time, the decision ensures continued access by member countries to the Fund’s emergency financing (Source: IMF).

Stock Market (Source: Malawi Stock Exchange)					
	Div yield %	P/E	P/BV	24-Dec-21	31-Dec-21
Counter				MK/Share	MK/Share
AIRTEL	5.25	19.92	18.26	37.00	↑ 40.00
BHL	0.00	(20.38)	1.37	11.01	11.01
FDH Bank	2.72	7.80	4.05	15.84	↓ 15.81
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	810.11	↑ 810.12
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	94.98	94.98
PCL	1.81	57.37	1.30	1,900.00	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	36,517.07	↑ 37,061.70
FSI	N/A	N/A	N/A	4,223.15	4,223.15
MASI	3.25	16.10	2.82	44,755.61	↑ 45,367.68

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

	2020	2021
MASI Return (YTD)	7.08%	40.05%

Inflation (Source: NSO)

Inflation (%) (Source: NSO)

Month	National	Food	Non food
Nov-20	8.0	10.0	4.0
Dec-20	8.0	10.0	4.0
Jan-21	8.0	10.0	4.0
Feb-21	8.0	10.0	4.0
Mar-21	8.0	10.0	4.0
Apr-21	8.0	10.0	4.0
May-21	8.0	10.0	4.0
Jun-21	8.0	10.0	4.0
Jul-21	8.0	10.0	4.0
Aug-21	8.0	10.0	4.0
Sep-21	8.0	10.0	4.0
Oct-21	8.0	10.0	4.0
Nov-21	8.0	10.0	4.0

Forex Reserves (Source: RBM)

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

Month	Official Reserves	Private Sec. Reserves
Nov-20	600.00	300.00
Dec-20	600.00	300.00
Jan-21	600.00	300.00
Feb-21	600.00	300.00
Mar-21	600.00	300.00
Apr-21	600.00	300.00
May-21	600.00	300.00
Jun-21	600.00	300.00
Jul-21	600.00	300.00
Aug-21	600.00	300.00
Sep-21	600.00	300.00
Oct-21	600.00	300.00
Nov-21	600.00	300.00

Exchange Rates - Middle Rates (Source: RBM)

CURRENCY	24-Dec-21	31-Dec-21	% Change
MK/US Dollar	816.40	816.40	0.00%
MK/GBP	1094.06	1102.14	-0.74%
MK/ZAR	52.23	51.35	1.68%
MK/EUR	925.23	924.25	0.11%

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

	24-Dec-21	31-Dec-21	Change
US Fed Rate	0.250%	0.250%	0.000%
US Libor (3 months)	0.211%	0.224%	0.013%
US Libor (6 months)	0.326%	0.354%	0.0284%
US Treasury yield (10 years)	1.495%	1.502%	0.007%
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 31 December 2021 (Source: RBM)

Tenor	Week ending 24 December 2021	Week ending 31 December 2021
91 days	9.70%	9.70%
182 days	13.00%	13.00%
364 days	14.50%	14.54%

Prevailing Government Security Interest Rates (Source: RBM)

TENORS	VOLUME (K'MILLION)	AVERAGE YIELD (%)
91 days TB	0.49	9.70
182 days TB	735.74	13.00
364 days TB	6,550.21	14.54
TOTAL	7,286.44	

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%