

## MALAWI

### Political and economic news

#### *RBM outlines inflation risks*

Reserve Bank of Malawi (RBM) says the country's inflation rate, which is on an upward trajectory, faces considerable risks which could keep it elevated further than projected. The central bank currently projects headline inflation to rise to 24.5% in 2023 as opposed to a disinflation of 18.2% that was predicted during the first Monetary Policy Committee (MPC) forecasting round and compared to an average outturn of 20.9% for 2022. But in its Monetary Policy Report published, RBM said the revised inflation rate projection is subject to some upside risks which could worsen the inflation outlook. The central bank said although inflation may slow down during the harvesting period in the current quarter, the moderation will likely be short-lived such that the lean period may set in earlier than normal. Reads the report; A faster than anticipated rate of exchange rate depreciation resulting from strengthening of key currencies of advanced economies in response to the aggressive tight monetary policy stance being pursued by the central banks in those economies poses a challenge for our forecast. *(Source: The Nation)*

#### *Govt borrowing eases in April*

The government's borrowing using instruments like Treasury Bills (TBs) and Treasury Notes (TNs) dropped by 68% in April, figures from asset management firm, Bridgepath Capital Limited, show. In its April 2023 Monthly Economic Report, Bridgepath Capital Limited says the government secured about MWK 85.20bn through TBs and TNs auctions from MWK 265.61bn in March 2023. During the month, MWK 65.05bn was secured through the TBs auctions compared to MWK 125.78bn in March 2023, while MWK 20.15bn was secured in the TNs auctions compared to MWK 139.83bn in March 2023. The TBs had a 0.7% rejection rate, while the TNs had a nil rejection rate in April 2023. The average TB yield marginally decreased to 16.66%, while the average TN yield stood at 25.80%, the report reads. Market analyst said the drop might be attributed to a rise in government revenue. He said during the month, the government payments and overall expenditure were relatively low. If it is not a deliberate effort that the government has implemented to reduce borrowing, we expect the borrowing level to start increasing going forward. *(Source: Times Business)*

#### *NBM tips SMEs on business solutions*

National Bank of Malawi (NBM) plc has urged small and medium enterprises (SMEs) to use the facilities the Malawi Stock Exchange-listed bank has created to grow their businesses and cushion themselves from economic shocks. NBM plc head of retail banking said this in Lilongwe when the bank hosted representatives from SMEs to a business breakfast and interaction meeting. He said NBM plc has created new banking solutions to cater for the needs of different segments of the market, including vulnerable groups such as women and the youth, to promote their access to finance. We know that women and the youth have historically struggled to secure loans. We interacted with them and provided training on financial management to ensure that they get loans and manage them efficiently. He said the bank has also created unique solutions to ease the burden on consumers. We have developed solutions and interventions to help consumers. Some loans have concessionary fees. *(Source: The Nation)*

## Market activity and colour

### Market commentary

The market traded 24m shares in 295 trades recording a market turnover of MWK 1.8bn during the week ended. FMBCH, ICON (+2.1%), NBS (+13.1%), NICO and STD were the market gainers whilst FDHB (-0.2%) and ILLOVO dropped in prices. The increase in the prices on the counters registered pushed MASI up with 0.6%.

However, on year-to-date the index went up by 67.9%. As a result, the market capitalisation rose 67.81% in both MWK and USD terms.

# Weekly Market Report



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## SYMBOL SUMMARY



### Trading Summary for the week ending 16 June 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	100.05	100.05	0.0%	214,143	21,425,005.00	28	1,100,550,000,000
BHL	10.06	10.06	0.0%	0	0.00	0	8,447,892,092
FDHB	64.15	63.99	-0.2% ↓	2,714,300	173,728,405.27	37	441,596,989,688
FMBCH	218.67	218.68	0.0% ↑	402,117	87,934,842.40	21	537,570,110,000
ICON	11.26	11.50	2.1% ↑	10,200,000	114,876,000.00	4	76,820,000,000
ILLOVO	1,121.42	1,121.41	0.0% ↓	17,252	19,346,640.00	15	800,063,674,511
MPICO	20.58	20.58	0.0%	139	2,860.62	1	47,293,816,727
NBM	2,000.33	2,000.33	0.0%	418,277	836,692,398.77	26	934,017,563,474
NBS	88.39	100.00	13.1% ↑	2,399,500	212,855,324.00	35	291,057,335,600
NICO	163.00	163.02	0.0% ↑	184,326	30,046,678.00	15	170,036,559,470
NITL	330.00	330.00	0.0%	118,896	39,235,680.00	27	44,550,000,000
OMU	1,127.51	1,127.51	0.0%	35,776	40,337,795.00	5	15,803,928,827
PCL	2,181.27	2,181.27	0.0%	1,731	3,775,778.15	4	262,310,412,491
STANDARD	2,300.01	2,300.05	0.0% ↑	11,028	25,364,720.00	6	539,748,506,008
SUNBIRD	180.50	180.50	0.0%	47,887	8,643,604.00	12	47,215,655,690
TNM	29.99	29.99	0.0%	7,247,393	217,361,290.00	59	301,113,095,500
<b>Totals</b>				<b>24,012,765</b>	<b>1,831,627,021.21</b>	<b>295</b>	<b>5,618,195,540,078</b>

					16-Jun-23	9-Jun-23	31-Dec-22
<b>INDEX (week)</b>	<b>103,536.44</b>	<b>104,177.24</b>	<b>0.6% ↑</b>	<b>MWK/USD</b>	1026.43	1026.43	1026.43
<b>INDEX (month)</b>	<b>102,837.75</b>	<b>104,177.24</b>	<b>1.3% ↑</b>	<b>MWK/GBP</b>	1352.62	1327.35	1273.64
<b>INDEX (year to date)</b>	<b>62,036.05</b>	<b>104,177.24</b>	<b>67.9% ↑</b>	<b>MWK/ZAR</b>	58.08	56.05	62.35

Market cap (MWK'm)	5,618,195.54	3,348,012.68
Market cap (USD'm)	5473.504009	3261.787967

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