

## MALAWI

### Political and economic news

*MCA-M hands over power infrastructure in the North*

Millennium Challenge Account – Malawi (MCA-M), a local implementing agency of the \$350.7m (K257.7bn) energy compact which wound up on 20 September 2018, has officially handed over power infrastructure constructed in the northern region of the country. The five-year compact financed by Millennium Challenge Corporation a US government agency, was aimed at expanding Malawi's access to electricity by modernising infrastructure, institutional reforms and protecting the environment. In the northern region, the infrastructure includes Sonda and Luwanga substations in Mzuzu, New Bwengu substation in Mzimba and a 169-km distribution line from Chintheche in Nkhatabay to Bwengu. US embassy economic affairs officer Joel Hansen observed that the country has laid a foundation in the power sector to meet its goals of supplying electricity to 30 percent of the population by 2030. *(Source: The Nation)*

*Admarc invests K800m in cotton production*

State produce trader Agricultural Development and Marketing Corporation (Admarc) has invested about K800m (\$1.1m) in cotton irrigation farming in Chikwawa to increase output and boost the cotton industry. Production of cotton, Malawi's number four foreign exchange earner after tobacco, tea and sugar, has over the years been decreasing due to what experts say is lack of sustainable input supply system arising from lack of financial support to farmers due to loan defaults. Cotton Council of Malawi executive director Cosmas Luwanda said the country produced about 15,000 MT of cotton in the 2017/18 growing season, down from a record 100,000MT in the 2011/12, a season government injected K1.6bn to scale up production. He said through investments that lead to a combination of both rain-fed and irrigation cotton farming, Malawi can achieve maximum production of the crop. *(Source: Daily Times)*

### Company news

*Nedbank offers to buy out odd-lot holders of their shares*

Following the unbundling and distribution of a significant portion of Old Mutual Limited's shareholding in Nedbank plc to its shareholders, Nedbank Plc has ended up with nearly 500,000 shareholders from previously about 20,000. Most of the new shareholders hold less than 100 Nedbank shares known as Odd-lot holders. Nedbank has therefore made an offer to repurchase the odd-lot holdings from the odd-lot holders at 5% premium to the 10-day volume weighted average price of Nedbank shares as at 3 December 2018. The odd-lot offer is subject to approval by a general meeting of shareholders of Nedbank on 22 November 2018. Odd-lot holders will have until 14 December 2018 to elect to retain their odd-lot holdings otherwise they will be deemed to have accepted the offer from Nedbank. The unbundling and distribution of Nedbank shares by Old Mutual Limited is a final step in the now defunct Old Mutual Plc managed separation process which saw its breakup and subsequent distributions to shareholders in special dividends or *in specie*. *(Source: Company filings and Cedar Capital Research)*

### Corporate action

#### Dividends

COMPANY	YEAR	TYPE	AMOUNT	LAST CUM DATE
PCL	2018	Interim	K6.00	19-Oct-18
SUNBIRD	2018	Interim	K0.28	TBA

NITL 2018 Interim K0.50 19-Oct-18

(Source: Company filings)

## Market activity and colour

The market traded 2.4m shares with a market turnover of K191.3m (\$260.3K) in 59 trades. Comparatively in the previous week, the market traded 8.8m shares with a market turnover of K1.3bn (\$1.8m) in 43 trades. PCL continued to rise 6.8% to an average of K1,049.25 – having traded at K1,050.00. NBS surged ahead to K10.00 much to our surprise while TNM recovered to K26.17 as per our expectation. FMBCH retreated to K156.99.

## Week's Trading Summary

October 15 to 19 trade summary

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
BHL	12.30	12.30		137,000	1,683,990.00	7	10,328,933,672
FMBCH	157.98	156.99	↓ 0.6%		23,548,500.00	3	366,767,887,500
ILLOVO	204.85	204.85			0.00	0	146,149,083,496
MPICO	19.50	19.50		500,000	9,750,000.00	6	44,811,925,470
NBM	325.00	325.01	↑ 0.0%	10,183	3,309,577.00	3	151,757,484,167
NBS	9.01	10.00	↑ 11.0%		300,100.00	2	29,105,733,560
NICO	51.00	51.00		1,601,355	81,669,110.00	10	53,195,095,896
NITL	86.00	86.01	↑ 0.0%	2,509	215,799.09	1	11,611,350,000
OMU	2,513.25	2,513.25		1,048	2,633,886.00	3	14,647,228,540
PCL	965.83	1,049.25	↑ 8.6%		64,450,495.00	4	126,178,419,135
STANDARD	670.00	670.00			0.00	0	157,227,668,540
SUNBIRD	145.00	145.00			0.00	0	37,929,474,100
TNM	24.50	26.17	↑ 6.8%	147,656	3,759,169.70	20	262,758,576,500
				<b>2,399,751</b>	<b>191,320,626.79</b>	<b>59</b>	<b>1,412,468,860,576</b>

(Source: MSE)

## Previous week's Trading Summary

October 8 to 12 trade summary

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
BHL	11.30	12.30	↑ 8.8%	181,771	2,174,449.50	6	10,328,933,672
FMBCH	157.98	157.98		0	0.00	0	369,080,775,000
ILLOVO	205.00	204.85	↓ 0.1%	6,206,300*	1,032,261,500.00	3	146,149,083,496
MPICO	19.50	19.50		0	0.00	0	44,811,925,470
NBM	320.00	325.00	↑ 1.5%	159,642	51,874,668.00	3	151,752,814,850
NBS	9.01	9.01		1,645,358	15,039,737.00	4	26,224,265,938
NICO	52.00	51.00	↓ 1.9%	7,720	393,720.00	2	53,195,095,896
NITL	86.00	86.00		150,000	12,900,000.00	1	11,610,000,000
OMU	2,513.25	2,513.25		0	0.00	0	14,647,228,540
PCL	850.00	965.83	↑ 13.6%	242,166	228,307,700.00	9	116,146,678,631
STANDARD	670.01	670.00	↓ 0.0%	500	335,000.00	3	157,227,668,540
SUNBIRD	145.00	145.00		0	0.00	0	37,929,474,100
TNM	28.67	24.50	↓ 14.6%	187,944	4,842,936.75	12	245,991,025,000
				<b>8,781,401</b>	<b>1,348,129,711.25</b>	<b>43</b>	<b>1,385,094,969,131.76</b>

\* 6 million Illovo shares traded at a special bargain price of K165.00 per share

Cedar Capital Limited  
4<sup>th</sup> Floor, Livingstone Towers  
Sir Glyn Jones Road  
P O Box 3340  
Blantyre, Malawi  
+265 1 831 995  
Feedback: [nzimar@cedarcapital.mw](mailto:nzimar@cedarcapital.mw)

[www.cedarcapital.mw](http://www.cedarcapital.mw)

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