

MALAWI

Political and economic news

Escom taps 20MW from Zambia

Electricity Supply Corporation of Malawi (Escom) has completed tapping 20MW of power through 33KV overhead lines from Chipata in Zambia through Mchinji to boost power supply amid reduced local supply. The five-year cross border power agreement means that Escom will have at least 220MW of power from the current 200MW against a peak demand of around 350MW subdued by reduced water levels in Lake Malawi and its sole outlet Shire River, among other factors. Escom said the Zambia power purchase project will be commissioned on 2 November 2018 adding that Zambia Electricity Supply Corporation was making final touches on technical aspects of their line. *(Source: The Nation)*

September inflation increases to 9.5%

Increases in price of food and non-food items has pushed up September 2018 inflation rate by 200bps to 9.5 percent, figures from the National Statistical Office show. During the review period, food and non-food inflation rate rose 100bps and 200 bps to 10.2 percent and 8.9 percent, respectively. In September, Malawi Energy Regulatory Authority (Mera) increased the price of fuel by an average of five percent, a development which compelled service providers to push up their prices as well. During the same month, Mera also approved a 31.8 percent tariff hike for Electricity Supply Corporation of Malawi to be spread over a four-year period. Maize prices, on the other hand, have also gone up to an average of K7,500 per 50kg bag from an average of K5,000 per 50kg bag some months ago. Maize, Malawi's staple commodity, traditionally impacts inflation given that food constitutes about 45.2 percent in the consumer price index. *(Source: The Nation)*

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
SUNBIRD	2018	Interim	K0.50	16-Nov-18

(Source: Company filings)

Market activity and colour

The market traded 24.8m shares with a market turnover of K3.7bn (\$5.0m) in 51 trades. 10m Illovo shares traded at a special bargain price of K165 per share while 14.1m FMBCH went at a special bargain of K140.00. FMBCH dropped to K139.00 on 500 shares while TNM decreased to K25.49. NBM recorded an increase to K330.03 on small volumes. Comparatively in the previous week, the market traded 2.4m shares with a market turnover of K191.3m (\$260.3K) in 59 trades.

Week's Trading Summary

October 22 to 26 trade summary

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
BHL	12.30	12.30		0	0.00	0	10,328,933,671.50
FMBCH	156.99	139.00	↓ 11.4%	14,100,500*	1,974,069,500.00	6	324,738,750,000.00
ILLOVO	204.85	204.85		10,000,200+	1,650,041,170.00	6	146,149,083,496.35
MPICO	19.50	19.50		0	0.00	0	44,811,925,470.00
NBM	325.01	330.03	↑ 1.5%	8,469	2,794,409.00	7	154,101,481,492.14
NBS	10.00	10.01	↑ 0.1%	71,131	711,900.00	6	29,134,839,293.56
NICO	51.00	50.99	↓ 0.0%	240,394	12,259,888.00	3	53,184,665,485.04
NITL	86.01	86.00	↓ 0.0%	105,000	9,031,000.00	5	11,610,000,000.00
OMU	2,513.25	2,513.25		0	0.00	0	14,647,228,539.75
PCL	1,049.25	1,050.00	↑ 0.1%	40,000	42,000,000.00	1	126,268,611,000.00
STANDARD	670.00	670.00		0	0.00	0	157,227,668,540.00
SUNBIRD	145.00	145.00		0	0.00	0	37,929,474,100.00
TNM	26.17	25.49	↓ 2.6%	312,973	7,946,144.50	17	255,931,070,500.00
				24,878,667	3,698,854,011.50	51	1,366,063,731,588.34

* 14.1m shares of FMBCH were traded at a negotiated price of K140.00 per share
+ 10m Illovo shares were traded at a negotiated price of K165.00 per share

(Source: MSE)

Previous 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
				2,399,751	191,320,626.79	59	1,412,468,860,576

Cedar Capital Limited
4th Floor, Livingstone Towers
Sir Glyn Jones Road
P O Box 3340
Blantyre, Malawi
+265 1 831 995
Feedback: nzimar@cedarcapital.mw

www.cedarcapital.mw

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