

MALAWI

MARKET PERFORMANCE REPORT FOR THE PERIOD 1 MAY TO 8 MAY 2020

Symbol	Open	High	Low	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B	
AIRTEL	17.50	17.50	17.50	17.50	0.0%	708,744	12,403,020.00	15	192,500,000,000	18,088.00	##	10.64	103.61
BHL	12.94	12.94	12.94	12.94	0.0%	0	0.00	0	10,866,374,123	466.70		23.28	1.67
FMBCH	34.00	34.00	34.00	34.00	0.0%	0	0.00	0	83,580,500,000	12,053.97	\$\$	6.93	1.44
ICON	10.45	10.45	10.40	10.40	-0.5% ↓	156,290	1,625,416.00	3	69,472,000,000	1,241.63		55.95	1.03
ILLOVO	94.50	94.50	94.50	94.50	0.0%	2,700	255,150.00	5	67,420,494,950	10,083.00		6.69	0.95
MPICO	24.99	24.99	24.99	24.99	0.0%	412	10,295.88	1	57,428,206,025	5,532.02		10.38	1.47
NBM	550.00	550.01	550.01	550.01	0.0%	26,796	14,738,065.00	6	256,817,125,217	17,106.00		15.01	2.55
NBS	14.00	17.50	14.00	17.49	24.9% ↑	2,379,985	36,490,507.00	22	50,905,927,996	4,457.61		11.42	3.32
NICO	48.44	48.44	48.44	48.44	0.0%	1,354	65,587.76	2	50,524,910,690	8,011.00		6.31	1.59
NITL	95.00	95.00	95.00	95.00	0.0%	22,300	2,118,500.00	4	12,825,000,000	1,779.69		7.21	1.11
OMU	2,499.99	2,499.99	2,499.99	2,499.99	0.0%	0	0.00	0	32,422,930,308	1,313.71		24.68	3.10
PCL	1,400.00	1,400.00	1,400.00	1,400.00	0.0%	0	0.00	0	168,358,148,000	8,157.00		20.64	1.07
STANDARD	750.01	760.00	750.00	758.34	1.1% ↑	88,017	66,747,090.00	7	177,958,253,971	15,879.00		11.21	2.04
SUNBIRD	120.00	120.00	120.00	120.00	0.0%	6,000	720,000.00	3	31,389,909,600	2,594.55		12.10	1.34
TNM	24.99	24.99	22.00	22.00	-12.0% ↓	35,955,325	791,017,122.00	34	220,889,900,000	15,063.00		14.66	4.81
Week totals						39,347,923	926,190,753.64	102	1,483,359,680,880.00				
<i>b/f totals</i>						<i>85,267,149</i>	<i>4,207,221,417.14</i>	<i>938</i>	<i>1,501,597,270,261.22</i>				
Year to date totals						124,635,072	5,133,412,170.78	1,040	1,483,359,680,880.00				
						USD	6,937,043.47		2,004,540,109.30				

MSE ALL SHARE INDEX

	Opening	Closing	%
Month to date (8 May)	28857.39	28501.69	-1.2% ↓
Year to date	30252.20	28501.69	-5.8% ↓
Prior year comparison	27693.09	28501.69	2.9% ↑

INFLATION FIGURES

Mar-20	9.8
Jan-20	11.1
Apr-19	9.1

EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

	8-May-20	31-Dec-19	8-May-19
USD	736.56	738.87	736.88
ZAR	39.74	52.43	51.20
GBP	912.97	969.19	962.81

INTEREST RATES

	May-20	Jan-20	Apr-19
Policy rate	13.50	13.50	14.50
Base rate	13.20	13.10	13.90
TB rate 9 dy	7.50	6.20	9.30

Foot note to company earnings

We have applied Airtel's forecast earnings for FY19 which were in the December 2019 prospectus
 \$\$ This is based on FY18 earnings for FMBCH. FY19 expected to drop by at least 70% as per Trading statement

Our analysis is on the next page

COMMENTS ON THE FIRST WEEK OF MAY 2020 TRADING REPORT

Market Performance

The year-to-date index has come down 5.8% due to drops in FMBCH and Illovo. However y/y the index has increased 2.9% due to increases in the prices of heavyweights; NBM (up 72% y/y to K550); Standard Bank (up 52% to K758.34) and PCL –which has since gone up 16.7% to K1,400.00 during the 12-month period.

NBS Plc

- Biggest riser with 24.9% to K17.49 – this is a recovery after a surprise drop given its growth in earnings in FY19. The performance of the stock confirms our BUY recommendation in November 2018 against market sentiment at the time.

TNM Plc

- TNM has dropped 12% to K22.00 during the week. Since the listing of Airtel, TNM price has fluctuated between K22 and K25 which we attribute to the listing of its telecommunications peer. We think there is value in TNM and it will eventually hold its own.
- The market still awaits Airtel FY19 results which may assist in determining the relative value of TNM

Covid 19 in Malawi

As of 11 May, Malawi had registered 56 cases of Covid-19 infections since the first three cases were registered on 2 April 2020 with three deaths. An attempt by government to impose a nation-wide lockdown was blocked by the courts at the request of human rights defenders organisation and members of the opposition. Malawi is preparing for a re-run of the presidential election which was annulled by the courts. The rerun is scheduled for 2 July 2020 and has politicised the response to the pandemic. Malawians are still gathering in political party rallies despite the threat of the pandemic.

We maintain our advice to local investors to take precautionary measures and our offices continue to operate on a skeleton staff basis as we have a policy to work from home.

We expect the Covid 19 to impact negatively on listed companies but we believe the effects will be seen in the FY20 results with some indicators shown as companies issue trading updates for interim results.

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

This document is confidential and issued for the information of internal and external clients of Cedar Capital Limited registration 8700. It is subject to copyright and may not be reproduced in whole or in part without written permission. The information, opinions and recommendations contained herein are and must be construed solely as statements of opinion and not statements of fact. No warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Cedar Capital in any form or manner whatsoever. Each recommendation or opinion must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein and such user must accordingly make its own study and evaluation of each strategy/ security that it may consider purchasing, holding or selling and should appoint its own investment or financial or other advisors to assist the user in reaching any decision. Cedar Capital will accept no responsibility of whatsoever nature in respect of any statement, opinion, recommendation or information contained in this document.