

Market Statistics Report



Equity research | News & Analysis

MALAWI

MARKET PERFORMANCE REPORT FOR THE PERIOD 29 JUNE TO 17 JULY 2020

| Symbol | Open | High | Low | Close | % | Volume | Value | Trades | Market Capitalization | Earnings K'million | P/E | P/B |
|----------------------------|----------|----------|----------|----------|----------|--------------------|-------------------------|--------------|-----------------------------|-----------------------|-------|-------|
| AIRTEL | 20.00 | 20.01 | 20.00 | 20.01 | 0.1% ↑ | 27,576 | 551,645.76 | 4 | 220,110,000,000 | 15,908.00 | 13.84 | 12.22 |
| 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 | 29.99 | 29.99 | 25.50 | 25.50 | -15.0% ↓ | 1,254,700 | 33,138,453.00 | 16 | 62,685,375,000 | (3,679.93) | | 1.07 |
| ICON | 11.40 | 11.40 | 11.40 | 11.40 | 0.0% | 1,716,033 | 19,562,776.00 | 12 | 76,152,000,000 | 7,248.62 | 10.51 | 1.03 |
| ILLOVO | 94.50 | 94.50 | 94.00 | 94.00 | -0.5% ↓ | 100 | 9,400.00 | 1 | 67,063,772,754 | 4,009.00 | ## | 16.73 |
| MPICO | 24.98 | 24.98 | 24.00 | 24.00 | -3.9% ↓ | 738 | 18,190.24 | 3 | 55,153,139,040 | 5,532.02 | 9.97 | 1.47 |
| NBM | 550.00 | 550.01 | 550.00 | 550.00 | 0.0% | 15,773 | 8,675,155.00 | 10 | 256,812,455,900 | 17,106.00 | 15.01 | 2.55 |
| NBS | 19.50 | 19.50 | 19.45 | 19.47 | -0.2% ↓ | 437,482 | 8,525,400.00 | 15 | 56,668,863,241 | 4,457.61 | 12.71 | 3.32 |
| NICO | 48.42 | 48.43 | 48.42 | 48.42 | 0.0% | 5,464 | 264,608.18 | 2 | 50,504,049,868 | 8,011.00 | 6.30 | 1.59 |
| NITL | 94.99 | 94.99 | 94.99 | 94.99 | 0.0% | 681 | 64,688.19 | 2 | 12,823,650,000 | 1,779.69 | 7.21 | 1.11 |
| OMU | 2,199.99 | 2,199.99 | 2,199.99 | 2,199.99 | 0.0% | 334 | 734,796.66 | 4 | 29,881,599,574 | 1,313.71 | 22.75 | 3.10 |
| PCL | 1,399.76 | 1,399.76 | 1,350.00 | 1,397.07 | -0.2% ↓ | 18,008 | 25,158,440.00 | 3 | 168,005,798,447 | 8,157.00 | 20.60 | 1.07 |
| STANDARD | 790.00 | 830.00 | 790.00 | 830.00 | 5.1% ↑ | 18,767 | 15,025,930.00 | 6 | 194,774,574,460 | 15,879.00 | 12.27 | 2.04 |
| SUNBIRD | 120.00 | 120.00 | 120.00 | 120.00 | 0.0% | 17,402 | 2,088,240.00 | 5 | 31,389,909,600 | 2,594.55 | 12.10 | 1.34 |
| TNM | 24.92 | 25.00 | 23.13 | 24.94 | 0.1% ↑ | 5,728,492 | 142,849,714.62 | 26 | 250,408,823,000 | 15,063.00 | 16.62 | 4.81 |
| Week totals | | | | | | 9,241,550 | 256,667,437.65 | 109 | 1,543,300,385,007.67 | | | |
| <i>b/f totals</i> | | | | | | <i>243,782,267</i> | <i>8,410,865,020.01</i> | <i>1,459</i> | <i>1,540,562,830,783.07</i> | | | |
| <i>Year to date totals</i> | | | | | | <i>253,023,817</i> | <i>8,667,532,457.66</i> | <i>1,568</i> | <i>1,543,300,385,007.67</i> | | | |
| USD | | | | | | | 11,755,136.65 | | 2,085,541,060.82 | | | |

MSE ALL SHARE INDEX

| | Opening | Closing | % |
|---------------------------------|----------|----------|---------|
| Three-week change | 29667.91 | 29706.44 | 0.1% ↑ |
| Year to date 17-Jul-20 | 30252.20 | 29706.44 | -1.8% ↓ |
| Prior year comparison 17-Jul-19 | 29954.46 | 29706.44 | -0.8% ↓ |

| INFLATION FIGURES | |
|-------------------|------|
| Jun-20 | 8.5 |
| Jan-20 | 11.1 |
| Jun-19 | 9.0 |

EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

| | 17-Jul-20 | 31-Dec-19 | 17-Jul-19 |
|-----|-----------|-----------|-----------|
| USD | 737.34 | 738.87 | 771.55 |
| ZAR | 44.05 | 52.43 | 55.23 |
| GBP | 925.29 | 969.19 | 958.11 |

INTEREST RATES

| | Jun-20 | Jan-20 | Jun-19 |
|---------------|--------|--------|--------|
| Policy rate | 13.40 | 13.50 | 13.50 |
| Base rate | 13.20 | 13.10 | 13.90 |
| TB rate 91 dy | 7.50 | 6.20 | 9.00 |

Foot note to company earnings

We have used Illovo's half-year results to compute 12mth trailing earning.

Our analysis is on page 3

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MARKET PERFORMANCE REPORT FOR THE MONTH OF JUNE 2020

| Symbol | Open | High | Low | Close | % | Volume | Value | Trades | Market Capitalization | Earnings K'million | P/E | P/B | |
|-------------------------------------|-------------|-------------------|----------|----------------------|----------|----------------------|-------------------------|--------------|-----------------------------|-----------------------|-------|-------|------|
| AIRTEL | 17.50 | 20.01 | 17.50 | 20.00 | 14.3% ↑ | 3,433,174 | 67,785,330.00 | 31 | 220,000,000,000 | 15,908.00 | 13.83 | 12.22 | |
| 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 | 29.99 | 29.99 | -11.8% ↓ | 77,500 | 2,328,836.00 | 11 | 73,722,917,500 | (3,679.93) | | 1.07 | |
| ICON | 10.40 | 11.50 | 10.39 | 11.40 | 9.6% ↑ | 29,939,297 | 314,548,802.40 | 38 | 76,152,000,000 | 7,248.62 | 10.51 | 1.03 | |
| ILLOVO | 94.50 | 94.50 | 94.50 | 94.50 | 0.0% | 60,308 | 5,699,106.50 | 8 | 67,420,494,950 | 4,009.00 | ## | 16.82 | 0.94 |
| MPICO | 24.99 | 24.99 | 24.98 | 24.98 | 0.0% ↓ | 145,965 | 3,646,324.78 | 15 | 57,405,225,551 | 5,532.02 | 10.38 | 1.47 | |
| NBM | 550.00 | 550.01 | 550.00 | 550.00 | 0.0% | 65,133 | 35,823,366.00 | 31 | 256,812,455,900 | 17,106.00 | 15.01 | 2.55 | |
| NBS | 17.50 | 19.50 | 17.49 | 19.50 | 11.4% ↑ | 1,317,994 | 23,439,951.83 | 33 | 56,756,180,442 | 4,457.61 | 12.73 | 3.32 | |
| NICO | 48.43 | 48.44 | 48.42 | 48.42 | 0.0% ↓ | 127,553 | 6,177,372.24 | 3 | 50,504,049,868 | 8,011.00 | 6.30 | 1.59 | |
| NITL | 95.00 | 95.00 | 94.99 | 94.99 | 0.0% ↓ | 64,766 | 6,152,170.00 | 5 | 12,823,650,000 | 1,779.69 | 7.21 | 1.11 | |
| OMU | 2,499.99 | 2,499.99 | 2,199.99 | 2,199.99 | -12.0% ↓ | 48,897 | 107,590,895.32 | 18 | 29,881,599,574 | 1,313.71 | 22.75 | 3.10 | |
| PCL | 1,400.00 | 1,400.00 | 1,300.00 | 1,399.76 | 0.0% ↓ | 61,640 | 86,281,640.00 | 3 | 168,329,286,603 | 8,157.00 | 20.64 | 1.07 | |
| STANDARD | 758.34 | 790.00 | 758.34 | 790.00 | 4.2% ↑ | 34,664 | 27,145,160.00 | 11 | 185,387,847,980 | 15,879.00 | 11.68 | 2.04 | |
| SUNBIRD | 120.00 | 120.00 | 120.00 | 120.00 | 0.0% | 0 | 0.00 | 0 | 31,389,909,600 | 2,594.55 | 12.10 | 1.34 | |
| TNM | 22.00 | 25.00 | 22.00 | 24.94 | 13.4% ↑ | 29,334,674 | 695,886,729.78 | 92 | 250,408,823,000 | 15,063.00 | 16.62 | 4.81 | |
| June 2020 month | | | | | | 64,711,565 | 1,382,505,684.85 | 299 | 1,547,860,815,090.45 | | | | |
| <i>b/f totals</i> | | | | | | <i>185,498,738</i> | <i>7,198,164,222</i> | <i>1,211</i> | <i>1,483,373,686,885.72</i> | | | | |
| <i>Year to date totals</i> | | | | | | <i>250,210,303</i> | <i>8,580,669,906.94</i> | <i>1,510</i> | <i>1,547,860,815,090.45</i> | | | | |
| USD | | | | | | 11,547,927.10 | 2,091,703,804.18 | | | | | | |
| <i>Previous months comparatives</i> | | | | | | | | | | | | | |
| May-20 | 100,211,589 | 2,990,942,804.95 | 273 | 1,483,373,686,885.72 | | | | | | | | | |
| Apr-20 | 14,400,820 | 2,384,558,649.69 | 177 | 1,501,597,270,261.22 | | | | | | | | | |
| Mar-20 | 36,746,715 | 791,098,926.11 | 279 | 1,518,677,101,525.80 | | | | | | | | | |
| Feb-20 | 14,722,356 | 421,390,547.14 | 268 | 1,519,822,088,545.02 | | | | | | | | | |
| Jan-20 | 19,417,258 | 610,173,294.20 | 214 | 1,368,877,592,423.98 | | | | | | | | | |
| b/f totals | | | | | | 185,498,738 | 7,198,164,222 | 1,211 | 1,483,373,686,885.72 | | | | |
| <i>Prior year comparatives</i> | | | | | | | | | | | | | |
| Jun-19 | 14,124,014 | 807,635,164.50 | 192.00 | 1,418,261,664,729.75 | | | | | | | | | |
| YTD to June-19 | 627,465,771 | 29,294,347,511.67 | 1,631.00 | 1,418,261,664,729.75 | | | | | | | | | |

MSE ALL SHARE INDEX

| | Opening | Closing | % |
|---------------------------------|----------|----------|---------|
| Month change 31-May-20 | 28501.97 | 29784.70 | 4.5% ↑ |
| Year to date -30 June 20 | 30252.20 | 29784.70 | -1.5% ↓ |
| Prior year comparison 30-Jun-19 | 29956.00 | 29784.70 | -0.6% ↓ |

INFLATION FIGURES

| Jun-20 | 8.5 |
|--------|------|
| Jan-20 | 11.1 |
| Jun-19 | 9 |

MONTHLY AVGE FX RATES EQUIV TO ONE UNIT OF FX

| | June 2020 | May 2020 | June 2019 |
|-----|-----------|----------|-----------|
| USD | 743.05 | 741.38 | 785.22 |
| ZAR | 44.02 | 43.64 | 55.37 |
| GBP | 924.12 | 920.44 | 989.93 |

INTEREST RATES

| | Jun-20 | Jan-20 | Jun-19 |
|---------------|--------|--------|--------|
| Policy rate | 13.40 | 13.50 | 13.50 |
| Base rate | 13.20 | 13.10 | 13.90 |
| TB rate 91 dy | 7.50 | 6.20 | 9.00 |

Foot note to company earnings

We have used Illovo's half-year results to compute 12mth trailing earning.

Our analysis is on the next page

COMMENTARY ON THE THREE-WEEK REPORT TO 17 JULY

The three-week period saw 9.2m shares change hands in 109 trades worth K256.7m (\$348K) – not a very active period for the market. The index inched up 10bps during the period due to a 5.1% increase in Standard Bank to K830.00. Other slight increases were noted in TNM and Airtel both putting on 10 bps. However, the rise in index was held back by fallers in FMBCH down 15% to K25.50 –on the release of its FY19 results. MPICO lost 3.9% to K24 while Illovo shed K0.50 on nominal volume to close at K94. PCL and NBS both shed 20bps due to supply outstripping demand. The index closed at 29,706.44 – 1.8% down since the beginning of the year and 80bps south compared to last year.

COMMENTARY ON THE JUNE 2020 REPORT

The month of June saw a total of 64.7m shares traded worth K1.38bn (\$1.8m) in 299 trades. This compares to 100.2m shares worth K2.9bn (\$4m) in 273 trades in the previous month of May – 54% drop in value month on month.

Cumulatively year to June recorded 250.2m shares traded valued at K8.5bn (\$11.5m) in 1,510 trades compared to 627.4m shares traded for the first half of 2019 worth K29.3bn (\$37.3m) in 1,631 trades. This represents a 60% drop in volume traded and a 71% drop in value when the two halves of 2020 and 2019 are compared. Making 2020 a really tough year for the market. The impact of Covid-19 seems to cast its spell on the markets.

The index gained 4.5% during the month due to significant price increases in heavyweights AIRTEL (14.3% to K20); TNM (13.4% to K24.94) and STANDARD (4.2% to K790.00). NBS and ICON were also in green contributing to the cause. Notable fallers were FMBCH (11.8% down to K29.99) and OMU (12% down to K1,399.76). OMU price still remains artificial when compared to the JSE price (R12.32 or K542.00) considering the stock is fungible between the exchanges. The index closed the month at 29,784.70; 1.5% down y-t-d and 60bps down y/y.

June inflation recorded at 8.5%

Headline inflation for June 2020 was recorded at 8.5% y/y shedding 20 bps on the previous month. Compared to June 2019; headline inflation stood at 9% y/y. This slowdown in inflation was aided by a drop in food inflation from 13.7% in May to 13.4% while non-food inflation remained stagnant at 4.5% over the two months.

President Chakwera appoints his full cabinet

Newly elected President Lazarus Chakwera of Malawi Congress Party which led an alliance of nine parties has appointed his full cabinet comprising 31 members – 23 ministers and 8 deputy ministers. This is a departure from the previous regime which generally maintained 20 cabinet posts. Chakwera's cabinet looks after some members of the alliance and has been met with criticism regarding inclusion of members of the same family.

EARNINGS UPDATE

FMBCH 1H20 earnings to rise 90%

FMBCapital Holdings Plc expects its half year earnings to June 2020 to be at least 90% above the 1H19. FMBCH Group has been hit by Zimbabwe currency instability and the classification of that economy as hyper inflationary necessitating adjustments in FY19 in line with IAS 29: *Financial reporting in hyper inflationary economies*.

MPICO 1H20 earnings to fall 25%

MPCO Plc expects its half year earnings to June 2020 to be at least 25% below the 1H19. Put into perspective, MPICO's 1H19 earnings were K3.5bn putting the 1H20 earnings around K2.6bn. We think the drop in earnings may come from interest income which might have suffered due to a falling interest rate environment and reduced rental arrears with government.

Covid 19 in Malawi

As of 22 July, Malawi had registered 3,302 cases (from 1,224 on 30 June) of Covid-19 infections since the first three cases were registered on 2 April 2020 with 71 deaths (14 on 30 June) – making July the worst month in terms of loss of lives. Number of tests has reached 25,281 a rise of 81.6% from 13,918 tests as of 30 June. While the number tested has risen by 81% during the three-week period, the number of infections shot up 169.8% and loss of lives has skyrocketed by over 407% to 71. Since testing is mostly targeted at patients showing symptoms, there is a good chance that the infection rate is higher than what has been recorded.

Unless serious interventions are put in place, this is a disaster happening before our very eyes as there is very little change in people's lifestyle.

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