

MALAWI

MARKET PERFORMANCE REPORT FOR THE PERIOD 21 SEPTEMBER TO 2 OCTOBER 2020

Symbol	BUY	SELL	Open	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B	
AIRTEL	28.81	29.00	28.80	29.00	0.7% ↑	350,388	10,440,440.00	25	319,000,000,000	25,307.00	##	12.61	11.74
BHL	0.00	12.94	12.94	12.94	0.0%	0	0.00	0	10,866,374,123	466.70	##	23.28	1.67
FDHB	0.00	12.00	12.49	12.00	-3.9% ↓	1,498,430	18,004,709.83	18	82,812,375,000	7,904.84	##	10.48	3.57
FMBCH	23.00	24.00	24.00	23.00	-4.2% ↓	1,099,200	26,360,800.00	13	56,539,750,000	(606.93)	##		1.00
ICON	0.00	12.49	12.50	12.49	-0.1% ↓	171,595	2,143,231.49	10	83,433,200,000	6,991.35	##	11.93	1.10
ILLOVO	80.50	0.00	80.50	80.50	0.0%	0	0.00	0	57,432,273,476	4,009.00	##	14.33	0.38
MPICO	0.00	23.95	24.00	24.00	0.0%	0	0.00	0	55,153,139,040	4,545.92	##	12.13	1.35
NBM	0.00	618.73	618.76	618.73	0.0% ↓	781,856	483,781,136.40	13	288,904,674,253	17,056.00	##	16.94	2.60
NBS	0.00	21.00	19.44	21.00	8.0% ↑	84,095,984	1,601,708,406.00	39	61,122,040,476	5,896.48	##	10.37	3.37
NICO	41.00	48.00	48.00	48.00	0.0%	5,817	279,216.00	1	50,065,972,608	8,745.00	##	5.73	1.42
NITL	0.00	94.98	94.98	94.98	0.0%	0	0.00	0	12,822,300,000	1,471.47	##	8.71	1.07
OMU	0.00	2,199.95	2,199.99	2,199.99	0.0%	268,357	477,274,500.00	7	33,267,425,984	1,313.71	##	25.32	3.10
PCL	0.00	1,343.00	1,343.99	1,343.99	0.0%	745,440	751,121,760.00	7	161,622,619,522	8,841.00	##	18.28	1.01
STANDARD	851.00	0.00	851.00	851.00	0.0%	2,643	2,249,193.00	2	199,702,605,862	20,418.00	##	9.78	1.95
SUNBIRD	0.00	120.00	120.00	120.00	0.0%	0	0.00	0	31,389,909,600	60.91	##	515.37	1.43
TNM	0.00	20.50	20.50	20.50	0.0%	41,968,040	761,717,455.50	36	205,829,225,000	13,141.00	##	15.66	4.27
Period totals						130,987,750	4,135,080,848.22	171	1,709,963,884,942.48	MARKET AVERAGE	47.39	2.56	
<i>b/f totals</i>						<i>681,245,646</i>	<i>17,033,287,032.18</i>	<i>2,273</i>	<i>1,709,143,953,771.76</i>				
<i>Year to date totals</i>						<i>812,233,396</i>	<i>21,168,367,880.40</i>	<i>2,444</i>	<i>1,709,963,884,942.48</i>				
USD							28,173,099.02		2,310,762,006.68				

MSE ALL SHARE INDEX

	Opening	Closing	%
Period change	31459.77	31477.62	0.1% ↑
Year to date 02-Oct-20	30252.20	31477.62	4.1% ↑
Prior year comparison 02-Oct-19	29546.47	31477.62	6.5% ↑

INFLATION FIGURES

Aug-20	7.6
Jul-20	8.0
Jun-20	8.5
Jan-20	11.1
Aug-19	9.5

EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

	2-Oct-20	18-Sep-20	31-Dec-19	2-Oct-19
USD	751.37	751.37	738.87	734.46
ZAR	45.06	46.60	52.43	48.35
GBP	966.94	975.28	969.19	903.10

INTEREST RATES

	Sep-20	Aug-20	Jan-20	Sep-19	
Policy rate	13.50	13.50	13.50	13.50	The guideline RBM rate. Lombard rate being 20 bps above the policy rate
Base lending rate	13.60	13.40	13.10	13.40	Also known as reference rate. The min lending rate for commercial banks
TB rate 91 dy	10.12	9.98	6.20	9.10	

% CHANGE IN RATES as at 2 Oct 20

	2-Week	YTD	Y/Y
USD	0.00%	-1.69%	-2.30%
ZAR	3.32%	14.06%	6.82%
GBP	0.86%	0.23%	-7.07%

Foot note to company earnings

We have used half-year results to compute 12-mth trailing earnings.

Our analysis is on page 3

Market Statistics Report



Equity research | News & Analysis

MARKET PERFORMANCE REPORT FOR THE MONTH OF SEPTEMBER 2020

Symbol	Bid	Sell	Open	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B		
AIRTEL	28.81	30.00	27.03	30.00	11.0% ↑	1,137,018	32,596,865.00	47	330,000,000,000	25,307.00	##	13.04	12.15	
BHL	0.00	12.94	12.94	12.94	0.0%	0	0.00	0	10,866,374,123	466.70		23.28	1.67	
FDHB	12.00	12.40	12.90	12.06	-6.5% ↓	23,975,529	224,682,740.25	26	83,226,436,875	7,904.84	##	10.53	3.58	
FMBCH	23.00	24.00	24.00	24.00	0.0%	4,188,329	100,519,890.00	26	58,998,000,000	(606.93)	##		1.05	
ICON	0.00	12.49	12.70	12.49	-1.7%	584,693	7,355,108.45	21	83,433,200,000	6,991.35	##	11.93	1.10	
ILLOVO	68.50	0.00	80.50	80.50	0.0%	278	22,379.00	2	57,432,273,476	4,009.00	##	14.33	0.38	
MPICO	0.00	23.95	24.00	24.00	0.0%	212,659	4,903,816.00	5	55,153,139,040	4,545.92	##	12.13	1.35	
NBM	0.00	618.75	618.76	618.75	0.0%	783,810	484,990,211.00	15	288,914,012,888	17,056.00	##	16.94	2.60	
NBS	0.00	21.00	19.44	19.44	0.0%	95,892,379	1,793,747,760.83	77	56,581,546,041	5,896.48	##	9.60	3.12	
NICO	0.00	48.00	47.99	48.00	0.0%	9,091	436,368.00	3	50,065,972,608	8,745.00	##	5.73	1.42	
NITL	0.00	94.98	94.98	94.98	0.0%	705	66,960.90	2	12,822,300,000	1,471.47	##	8.71	1.07	
OMU	0.00	2,199.95	2,199.99	2,199.99	0.0%	268,366	477,294,299.91	8	33,267,425,984	1,313.71		25.32	3.10	
PCL	0.00	1,343.00	1,344.99	1,343.99	-0.1%	2,808,648	2,318,254,900.00	19	161,622,619,522	8,841.00	##	18.28	1.01	
STANDARD	851.00	0.00	830.00	851.00	2.5%	24,943	20,900,193.00	13	199,702,605,862	20,418.00	##	9.78	1.95	
SUNBIRD	0.00	120.00	120.00	120.00	0.0%	0	0.00	0	31,389,909,600	60.91	##	515.37	1.43	
TNM	0.00	21.00	21.80	21.00	-3.7% ↓	43,706,015	798,225,783.00	57	210,849,450,000	13,141.00	##	16.05	4.38	
Sep 2020 month						173,592,463	6,263,997,275.34	321	1,724,325,266,016.88	MARKET AVERAGE			47.40	2.58
<i>b/f totals</i>						<i>627,665,607</i>	<i>14,702,285,285</i>	<i>2,112</i>	<i>1,702,073,755,591.30</i>					
<i>Year to date totals</i>						<i>801,258,070</i>	<i>20,966,282,560.50</i>	<i>2,433</i>	<i>1,724,325,266,016.88</i>					
USD						27,940,408.06			2,330,169,278.40					
<i>Previous months comparatives</i>														
Aug-20						314,772,282	4,857,975,498.30	407	1,702,073,755,591.30					
Jul-20						62,683,022	1,263,639,879.92	195	1,623,104,768,046.30					
Jun-20						64,711,565	1,382,505,684.85	299	1,547,860,815,090.45					
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						627,665,607	14,702,285,285.16	2,112	1,702,073,755,591.30					
<i>Prior year comparatives</i>														
Sep-19						154,699,117	3,706,719,491.33	246.00	1,402,507,795,274.55					
YTD to Sep-19						836,832,038	36,003,354,066.45	2,352.00	1,402,507,795,274.55					

MSE ALL SHARE INDEX

	Opening	Closing	%
Month change Aug - Sep 20	31328.10	31743.36	1.3% ↑
Year to date 30-Sep-20	30252.20	31743.36	4.9% ↑
Prior year comparison 30-Sep-19	29546.27	31743.36	7.4% ↑

INFLATION FIGURES

Aug-20	7.6
Jul-20	8.0
Jun-20	8.5
Jan-20	11.1
Jun-19	9.0

MONTHLY AVGE FX RATES EQUIV TO ONE UNIT OF FX

	Sep 2020	Aug 2020	Dec 2019	Sep 2019
USD	750.39	745.73	741.67	739.41
ZAR	44.87	43.24	51.42	48.03
GBP	973.52	979.05	971.93	894.98

INTEREST RATES

	Sep-20	Jan-20	Aug-19	
Policy rate	13.60	13.50	13.50	The guideline RBM rate. Lombard rate being 20 bps above the policy rate
Base lending	13.40	13.10	13.90	Also known as reference rate. The min lending rate for commercial banks
TB rate 91 dy	10.07	6.20	8.90	

	% CHANGE	MM	YTD	Y/Y
USD		-0.63%	-1.18%	-1.49%
ZAR		-3.75%	12.75%	6.59%
GBP		0.56%	-0.16%	-8.77%

Foot note to company earnings

We have incorporated half-year results to compute 12-mth trailing earning.

Our analysis is on the next page

COMMENTARY ON THE TWO-WEEK REPORT TO 2 OCTOBER

The index inched up 10 bps during the two-week period to 13,477.62 on account of 70 bps and 8% increases in Airtel and NBS respectively tapered by decreases in FDHB (3.9% down to K12.00) and FMBCH (4.2% down to K23.00). Airtel seems to plateau around K29 as demand stabilises while FDHB may be affected by increased supply. The index performance remained positive on year-to-date and y/y comparisons returning 4.1% and 6.5% respectively.

In terms of market turnover, a total of 130.9m shares worth K4.1bn (\$5.5m) traded in 171 trades during the two week period. This compares to market turnover of K2.3bn (\$2.9m) from 51.5m shares in 123 trades in the previous two-week period ended 18 September 2020. The major volume and value drivers were NBS, PCL and TNM. NBM and OMU were also significant contributors.

The MWK performance against the USD was flat over the two-week period but weakened on y-t-d (-1.69%) and y-o-y (-2.3%). Against the rand; the MWK remained in positive territory for all the three comparable periods. The kwacha showed a weakened trend against the GBP shedding 7% y-o-y; while registering some gains y-t-d and against the previous fortnight.

Gross official foreign reserves position as at 30 September was \$546.99m representing 2.62 months of import cover. This compares to \$642.86m or 3.08 months of import cover at the end of the previous month of August - a drop of 14.9 % m-o-m. As of September 2019, the gross foreign reserves were registered at \$656.04m or 3.14 months of import cover – representing 16.6% drop y-o-y. The import requirement per month is pegged at \$209m.

COMMENTARY ON THE SEPTEMBER 2020 REPORT

The month of September saw a total of 173.6m shares worth K6.3bn (\$8.3m) traded in 321 trades – setting a new monthly record for value traded since the beginning of the year. This compares to 314.8m shares worth K4.8bn (\$6.5m) in 407 trades in the previous month of August – representing 29% increase in value and 45% decrease in volume; month on month – this is explained by high value shares that drove value during the month. PCL contributed the most to the market turnover with K2,3bn worth of shares changing hands representing over a third of the entire market value – the PCL shares were traded at a discount price of K750.00 through the negotiated window.

Cumulatively year to September recorded 801.2m shares traded valued at K21bn (\$27.9m) in 2,433 trades compared to 836.8m shares traded for a similar period in 2019 worth K36bn (\$48.6m) in 2,352 trades. This represents 3% rise in volume traded and a 41.7% drop in value on the similar period last year.

The index gained 1.3% during the month and 7.4% on last year and has risen 4.9% on year-to-date comparison. The increase in the index during the month was a result of risers cancelling out fallers. Notable risers were AIRTEL (11% to K30.00) and STANDARD (2.5% to K831.00). The fallers were FDHB (6.5% to K12.06) TNM (3.7% to K21.00) and ICON (1.7% to K12.49). The index closed the month at 31,743.36.

FMBCH MD QUILTS

Dheeraj Dikshit, Group Managing director of FMBCapital Holdings will quit the Group on 1 November 2020 following the expiration of his contract on 31 October 2020 due to “personal reasons” after over nine years at the helm. During his tenor, the Group evolved from FMB to FMBCH registered in Mauritius. He has overseen growth of the group through acquisitions in Malawi and in the region including that of International Commercial Bank and Barclays Zimbabwe and the rebranding to First Capital Bank. Mahendra Gursahani; currently a non-executive director of FMBCH, will fill in as an interim Group CEO until a suitable replacement is identified. Mahendra is a qualified chartered accountant and a career banker having worked for Standard Chartered Bank in a number of countries as CFO and as CEO in their Malaysian bank.

Covid 19 in Malawi

As of 11 October, Malawi had registered 5,821 cases (from 5,747 on 24 September) of Covid-19 infections since the first three cases were registered on 2 April 2020 with 180 deaths (179 on 24 September). Number of tests has reached 56,135 a rise of 8.4% from 51,773 tests as of 24 September.

Previous period comparisons (24 Sep vs 11 October)

In the fortnight to 24 September; the number of tests had gone up 9.3% to 51,773 while the increase in the current period has slowed down 8.4% to 56,135. The number of infections has gone up 1.2% to 5,821 compared to an increase of 1.7% to 5,747 in the previous fortnight. There were three additional lives lost in the previous fortnight compared to one in the current fortnight. The number of recovered cases stands at 4,647 from 5,821 –representing 79.8% of recorded cases. By comparison, the number of patients that recovered from the pandemic in the previous fortnight was 4,163 out of 5,747 representing 72.4% of recorded cases.

From the above statistics, one would conclude that although the number of tests has reduced, there are significant reductions in infection and death rates and an increase in the percentage of recovered cases. We are therefore cautiously optimistic that the virus spread has slowed down. We think the reduction in the number of tests is a result of a drop in the number of people showing symptoms – as we believe tests are prioritised for those with symptoms and contact tracing. Our view is also supported by an increase in the recovery rate of 79.8% of recorded cases in the current period compared to 72.4% recovered in the previous fortnight.

The peak of infections was a result of imported cases and we will continue to watch the situation as the government contemplates opening the borders to international travel.

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