

Chart - MSE vs Africa >



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Malawi USD/MWK 795.90 0.00 Economic Monitor OVERVIEW OV
 Republic of Malawi All Share Index 44,705.26 Reuters Polls Send us Feedback

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FACT SHEET		MARKETS >	
Currency	Malawian Kwacha (USD/MWK)	Total GDP *(2019)	\$7.546B
Exchange Rate Regime	Floating	GDP % Chng Y/Y *(2019)	5.45%
Capital City	Lilongwe	Population (Apr 2021)	19,500,000
Government Type	Presidential Republics without Prime Minister	GDP per Capita *(2019)	\$404.741
President	Lazarus Chakwera	Debt/GDP Ratio *(2020)	75.99%
Vice President	Saulos Klaus Chilima	StarMine 1Y Default Probability	14.898652
Finance Minister	Felix Miusu	StarMine Implied Rating	CCC
Governor, Reserve Bank of		Total Covid-19 Cases	85,257
		Total People Vaccinated %	7.71%

MARKETS >

.MALSVM 44,705.26 Mwt MWK= 795.90 USD

TRADING UPDATES



Armstrong Kamphoni

01 March 2022

Equity Research

Introduction...

BUY
SBM
NBM
FMBCH
ILLOVO
TNM
AIRTEL
HOLD
FDH
NBS
NEUTRAL
ICON
MPICO
PCL
NICO

The months of December, January, February, June, July, and August are some of the busiest months on the Malawi Stock Exchange (MSE). This is due to the flurry of trading statements/updates released by companies ahead of the publication of results, either full year (FY) or half-year (HY). Trading updates prepare the market for what to expect from the forthcoming release of results and give a glimpse of how the business has fared over the past six months or twelve months.

Trading updates reveal the latest state of health of the business and just like temperature readings are usually short in nature. At the same time, trading statements are obviously historical by nature but can be a crucial piece of information for use in decision-making when looking at businesses one is currently invested in or wants to invest in.

However, it is important to note that trading statements are not voluntary but are part of listing requirements. That is why most of the companies start trading statements by saying; “*In terms of the Listings Requirements of the Malawi Stock Exchange, a listed company is required to publish a trading statement as soon as there is a reasonable degree of certainty that the financial statements for the period to be reported upon will differ by at least 20% from that of the previous corresponding period.*”

Use of trading updates...

The information in the trading updates is usually combined with economic data releases such as the inflation rate, broad money supply growth rates, and other pertinent statistics from the Reserve Bank of Malawi and Treasury. Investors should also consider that FY20, because of Covid-19 restrictions is not exactly a comparable base. FY19 could be more appropriate. Tabulated below are the indicated EPS outcomes as per the company trading statements.

MACRO DATA	
2021 GDP Growth Rate (MPC Estimate)	4,10%
Broad Money Supply Growth (Nov - 21)	25,10%
12 Month Average Inflation (Core)	8,24%
December 2021 Annual Inflation (Core)	9,50%
MWK Depreciation in 2021	5,86%
Bank Deposit Growth (Q3)	17,39%
Loan & Advances Growth (Q3)	16,16%
TBs Growth (Q3)	28,03%
Banking Sector PAT Growth (HY)	26,00%

PAT Growth (FY21)	Minimum	FY20 EPS
Airtel	35%	2,01
BHL	(93%)	(0,54)
FDH Bank		2,03
FMB Capital	75%	0.542 US cents
ICON		1,29
Illovo (HY22)	45%	8,57
MPICO	40%	1,84
NBM	30%	47,99
NBS Bank	20%	2,42
NICO		9,59
NITL	200%	10,96
PCL	50%	29,85
SBM		101,47
Sunbird	150%	(4,51)
TNM	20%	0,77

What to do now...?

The information above and the trading updates published by the companies should allow investors to make informed decisions. The question is “what will one do now?”