

MALAWI

Political and economic news

Escom digests reduced tariff hike impact

Electricity Supply Corporation of Malawi (Escom) said it is still digesting the full financial impact the reduced tariff increase will have on its operations. Malawi Energy Regulatory Authority (Mera) gave Escom a four-year 31.8% tariff hike which is 28.3% shy of the 60.1% the power utility was looking for over the same four-year period. Escom's proposal was to implement a 53% tariff increase in the first year while the remaining 7% was to be spread over the remaining three years. Mera has authorised Escom to effect a 20% increase from October 2018 and spread the balance of 11.8% over the three years. Board chairman Thomson Mpinganjira said the corporation is computing the full impact of the decision. Escom has been sailing through troubled waters recently due to, among other things, bad procurement decisions which overburdened the corporation with avoidable financial obligations. Mid this year the corporation requested for K50bn (\$68m) bail-out package from Treasury which the fiscal authorities turned down. In 2H17 Escom reported a loss of K6.3bn, a development Treasury attributed to the deferred 6.7% tariff hike which was supposed to be effected in November 2016. On the other hand, Energy Generation Company (Egenco) which was formed out of unbundling of Escom into generation and distribution companies, was allowed to effect a tariff increase payable by Escom from K19/kWh to K25/kWh. *(Source: The Daily Times)*

Tobacco market closes, revenue up 58%

The tobacco marketing season has ended 25 weeks of sales, with the leaf's earnings rising by 58% to \$337.3m thanks to increases in volume. The earnings are said to have increased from \$212.5m realised last year while average prices have dropped to \$1.67/kg from \$1.99/kg reported in 2017 due to oversupply. It is believed that the country oversupplied the leaf due to unregulated influx of tobacco from neighbouring Mozambique. *(Source: The Nation)*

Corporate action

Dividends

COMPANY	YEAR	TYPE	AMOUNT	LAST CUM DATE
PCL	2018	Interim	K6.00	19-Oct-18
SUNBIRD	2018	Interim	K0.28	TBA
OMU	2018	shares	<i>In specie</i>	09-Oct-18
NITL	2018	Interim	K0.50	19-Oct-18

(Source: Company filings)

Market activity and colour

The market traded 6.4m shares with a market turnover of K312.4m (\$425K) in 86 trades. Comparatively in the previous week, the market traded 1m shares with a market turnover of K17.7m (\$24K) in 54 trades. There were three risers during the week; NBM, NBS and a 1t rise in Standard. Illovo led the fallers with a decrease of 14.6% to K205.00 while TNM shed 1.1% to close at K28.67. Slight decreases were recorded in FMBCH and BHL.

Week's Trading Summary

01 to 05 October Trading

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
BHL	11.31	11.30	↓ 0.1%	308,859	3,493,195.00	5	9,489,182,967
FMBCH	157.99	157.98	↓ 0.0%	543	85,783.14	1	369,080,775,000
ILLOVO	240.00	205.00	↓ 14.6%	2,000	410,000.00	1	146,256,100,155
MPICO	19.50	19.50		202,786	3,951,924.00	7	44,811,925,470
NBM	311.01	320.00	↑ 2.9%	33,883	10,776,505.00	8	149,418,156,160
NBS	8.95	9.01	↑ 0.7%	3,272,689	29,439,458.36	25	26,224,265,938
NICO	52.00	52.00		0	0.00	0	54,238,136,992
NITL	86.00	86.00		6,216	534,576.00	1	11,610,000,000
OMU	2,513.25	2,513.25		20,765	52,187,640.00	1	14,647,228,540
PCL	850.00	850.00		0	0.00	0	102,217,447,000
STANDARD	670.00	670.01	↑ 0.0%	214,098	143,447,703.81	11	157,230,015,222
SUNBIRD	145.00	145.00		25,907	3,756,422.00	5	37,929,474,100
TNM	29.00	28.67	↓ 1.1%	2,314,850	64,350,462.00	21	287,859,701,500
				6,402,596	312,433,669.31	86	1,411,012,409,042

(Source: MSE)

Previous week's Trading Summary

24 to 28 September Trading

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalisation
BHL	10.65	11.31	↑ 6.2%	268,223	2,971,661.98	11	9,497,580,474
FMBCH	159.96	157.99	↓ 1.20%	8,098	1,279,403.02	3	369,104,137,500
ILLOVO	240.00	240.00		0	0.00	0	171,226,653,840
MPICO	19.51	19.50	↓ 0.1%	155,965	3,041,410.74	11	44,811,925,470
NBM	311.00	311.01	↑ 0.00%	926	287,995.26	1	145,220,439,835
NBS	8.98	8.95	↓ 0.3%	457,360	4,096,293.78	9	26,049,631,536
NICO	52.00	52.00		11,387	592,124.00	1	54,238,136,992
NITL	75.00	86.00	↑ 14.6%	5,000	430,000.00	2	11,610,000,000
OMU	2,513.25	2,513.25		0	0.00	0	14,647,228,540
PCL	850.00	850.00		0	0.00	0	102,217,447,000
STANDARD	670.00	670.00		0	0.00	0	157,227,668,540
SUNBIRD	145.00	145.00		13,078	1,896,310.00	3	37,929,474,100
TNM	29.00	29.00		107,803	3,125,987.00	13	291,173,050,000
				1,027,840	17,721,185.78	54	1,434,953,373,827

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