

## MALAWI

### Political and economic news

*February Inflation drops to 7.9pc*

Malawi's headline inflation as measured by the Consumer Price Index (CPI) continued on a downward spiral in February 2019, hitting 7.9pc y/y, figures from the National Statistical Office have shown. The rate is down from 8.8pc registered in January 2019 representing a drop of 90bps m/m. However compared to February 2018, the CPI has worsened 10bps from 7.8pc recorded a year ago. The NSO figures show that food inflation worsened m/m by 10bps to 10.8pc while non-food inflation went down to 5.4pc from 7.1pc in January. The rise in food inflation was partly influenced by a rise in the price of maize. *(Source: Daily Times)*

*Manufacturing sector set to grow by 3.5pc in 2019*

The country's manufacturing sector is expected to grow by 3.5pc in 2019, partly due to the anticipated growth in agriculture, the RBM has predicted. The projected growth is 30bps shy of the 3.8pc forecast for 2018 and 150bps higher than the 2pc realised in 2017. Analysts have argued that Malawi needs a robust manufacturing sector to add value to the agricultural products and create much needed jobs. In its 4Q18 Economic Review, RBM says manufacturing would have been higher in 2018 if not for weak agricultural production and the persistence of cheap, smuggled products which created unfair competition with locally produced products. The report further points out that unreliable power supply impacted negatively on the profitability of companies in the sector despite the cost remaining constant. However the report notes that in the medium term, electricity supply will be stable due to expected finalisation of the Malawi-Mozambique power interconnection project which should translate into more growth. *(Source: Nation and Daily Times)*

### Company news

#### Trading statements update

##### Increase in earnings

- NBS bank expects its FY18 earnings to be at least 13pc better than its loss of K1.1bn reported in FY17. This puts its expected earnings at a minimum of K1.4bn and forward PE of 20.5x.
- MPICO earnings expected to be at least 30pc higher than FY17. This puts its estimated FY18 earnings around K6.6bn
- TNM earnings to be at least 25pc higher than FY17 – earnings to be around K16.3bn with a forward PE of 15.4x at current levels.

##### Decrease in earnings

- NITL expects its FY18 to be 25pc lower than FY17 – thus earnings are expected at K1.6bn mainly due to a reduction in share value gains.
- BHL expects its FY18 earnings to 30 September 2018 to be 30pc lower than FY2017. This puts its earnings around K358m and forward PE of 30.4x

### Market activity and colour

The index retreated mildly week on week due to a 0.9pc drop in the price of NBS to K9.90. Token gains in Mpico and NITL had little impact. The index closed the week at 27,445.85.

The market traded 10.6m shares worth K325.7m (\$440.2K) in 51 trades. This compares to 6.8m shares worth K706.9m (\$955K) in 73 trades recorded in the previous week.

## Trading Summary for the week

Trading Summary for  
18 to 22 March 2019

Symbol	Open	Close	Volume	Value	Trades Count	Market Capitalization
BHL	12.97	12.96 -0.1% ↓	18,586	240,874.56	3	10,883,169,137
FMBCH	85.00	85.00	140,152	11,912,920.00	5	208,951,250,000
ICON	11.95	11.95	0	0.00	0	79,826,000,000
ILLOVO	200.00	200.00	0	0.00	0	142,688,878,200
MPICO	13.06	13.07 0.1% ↑	10,000	130,700.00	1	30,035,480,302
NBM	315.01	315.01	10,156	3,199,242.00	5	147,088,166,787
NBS	9.99	9.90 -0.9% ↓	77,000	762,300.00	3	28,814,676,224
NICO	41.99	41.98 0.0% ↓	695,798	29,209,610.00	10	43,786,865,210
NITL	74.99	75.00 0.0% ↑	700,500	52,537,500.00	9	10,125,000,000
OMU	2,513.23	2,513.23	0	0.00	0	14,647,111,980
PCL	1,200.00	1,200.00	0	0.00	0	144,306,984,000
STANDARD	570.00	570.00	5,000	2,850,000.00	3	133,760,852,340
SUNBIRD	138.00	138.00	0	0.00	0	36,098,396,040
TNM	25.05	25.05	8,978,520	224,913,019.72	12	251,513,272,500
<b>Totals</b>			<b>10,635,712</b>	<b>325,756,166.28</b>	<b>51</b>	<b>1,282,526,102,721</b>

<b>INDEX (week)</b>	<b>27,451.38</b>	<b>27,445.85</b>	<b>0.0%</b> ↓
<b>INDEX (month)</b>	<b>27,687.33</b>	<b>27,445.85</b>	<b>-0.9%</b> ↓
<b>INDEX (year)</b>	<b>28,983.64</b>	<b>27,445.85</b>	<b>-5.3%</b> ↓

(Source: MSE)

## Trading Summary for the previous week

Trading Summary for  
11 to 15 March 2019

Symbol	Open	Close	Volume	Value	Trades Count	Market Capitalization
BHL	12.98	12.97 -0.1% ↓	100	1,297.00	1	10,891,566,644
FMBCH	85.00	85.00	516,452	43,898,425.00	14	208,951,250,000
ICON	11.94	11.95 0.1% ↑	13,967	166,905.65	3	79,826,000,000
ILLOVO	200.00	200.00	0	0.00	0	142,688,878,200
MPICO	13.04	13.06 0.2% ↑	345,692	4,513,660.00	10	30,012,499,828
NBM	315.01	315.01	11,100	3,496,611.00	2	147,088,166,787
NBS	9.99	9.99	325,216	3,248,907.84	9	29,076,627,826
NICO	41.99	41.99	142,093	5,965,485.00	4	43,797,295,621
NITL	75.00	74.99 0.0% ↓	80,000	5,999,200.00	1	10,123,650,000
OMU	2,513.23	2,513.23	0	0.00	0	14,647,111,980
PCL	1,200.00	1,200.00	420,634	504,760,800.00	3	144,306,984,000
STANDARD	670.00	570.00 -14.9% ↓	600	352,000.00	2	133,760,852,340
SUNBIRD	138.00	138.00	90,100	12,433,800.00	2	36,098,396,040
TNM	25.01	25.05 0.2% ↑	4,873,675	122,063,628.62	22	251,513,272,500
<b>Totals</b>			<b>6,819,629</b>	<b>706,900,720.11</b>	<b>73</b>	<b>1,282,782,551,766</b>

<b>INDEX (week)</b>	<b>27,946.78</b>	<b>27,451.38</b>	<b>-1.8%</b> ↓
<b>INDEX (month)</b>	<b>27,687.33</b>	<b>27,451.38</b>	<b>-0.9%</b> ↓
<b>INDEX (year)</b>	<b>28,983.64</b>	<b>27,451.38</b>	<b>-5.3%</b> ↓

(Source: MSE)

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