

# Market Statistics Report



Equity research | News & Analysis

## MALAWI

### MARKET PERFORMANCE REPORT FOR THE PERIOD 8 JUNE TO 12 JUNE 2020

Symbol	Open	High	Low	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B	
AIRTEL	17.50	19.00	17.50	19.00	8.6% ↑	870,774	16,534,710.00	19	209,000,000,000	15,908.00	13.14	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	30.00	30.00	30.00	30.00	0.0%	10,000	300,000.00	1	73,747,500,000	12,053.97	\$\$\$	6.12	1.44
ICON	10.40	10.40	10.39	10.40	0.0%	3,355,091	34,882,950.00	12	69,472,000,000	7,248.62	9.58	0.94	
ILLOVO	94.50	94.50	94.50	94.50	0.0%	48,454	4,578,903.50	4	67,420,494,950	4,009.00	##	16.82	0.94
MPICO	24.98	24.98	24.98	24.98	0.0%	7,466	186,500.68	3	57,405,225,551	5,532.02	10.38	1.47	
NBM	550.00	550.00	550.00	550.00	0.0%	8,293	4,561,150.00	4	256,812,455,900	17,106.00	15.01	2.55	
NBS	17.49	17.50	17.50	17.50	0.1% ↑	491,398	8,599,465.50	10	50,935,033,730	4,457.61	11.43	3.32	
NICO	48.43	48.43	48.43	48.43	0.0%	0	0.00	0	50,514,480,279	8,011.00	6.31	1.59	
NITL	95.00	95.00	94.99	94.99	0.0% ↓	60,000	5,699,400.00	2	12,823,650,000	1,779.69	7.21	1.11	
OMU	2,499.95	2,199.99	2,199.99	2,199.99	-12.0% ↓	34	74,799.66	2	28,571,795,928	1,313.71	21.75	3.10	
PCL	1,400.00	1,400.00	1,300.00	1,399.77	0.0% ↓	60,140	84,182,000.00	2	168,330,489,161	8,157.00	20.64	1.07	
STANDARD	760.00	790.00	760.00	790.00	3.9% ↑	20,000	15,800,000.00	3	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	23.31	6.0% ↑	20,054,445	467,358,100.00	30	234,042,889,500	15,063.00	15.54	4.81	
<b>Week totals</b>						<b>24,986,095</b>	<b>642,757,979.34</b>	<b>92</b>	<b>1,506,720,146,701.29</b>				
<b>b/f totals</b>						<b>187,018,158</b>	<b>7,248,141,293.31</b>	<b>1,274</b>	<b>1,473,881,543,479.27</b>				
<b>Year to date totals</b>						<b>212,004,253</b>	<b>7,890,899,272.65</b>	<b>1,366</b>	<b>1,506,720,146,701.29</b>				
<b>USD</b>							<b>10,705,911.69</b>		<b>2,036,108,306.35</b>				

#### MSE ALL SHARE INDEX

	Opening	Closing	%
Week change	28326.28	29007.83	2.4% ↑
Year to date - 12 Jun 20	30252.20	29007.83	-4.1% ↓
Prior year comparison 12-Jun-19	29670.98	29007.83	-2.2% ↓

INFLATION FIGURES	
Apr-20	9.4
Jan-20	11.1
Apr-19	9.1

#### EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

	12-Jun-20	31-Dec-19	12-Jun-19
USD	737.06	738.87	765.40
ZAR	43.07	52.43	52.24
GBP	927.82	969.19	973.59

#### INTEREST RATES

	May-20	Jan-20	Jun-19
Policy rate (Jun)	13.40	13.50	13.50
Base rate	13.20	13.10	13.90
TB rate 91 dy	7.58	6.20	9.00

#### Foot note to company earnings

\$\$ This is based on FY18 earnings for FMBCH. FY19 expected to drop by at least 70% as per Trading statement  
 ## We have used Illovo's half-year results to compute 12mth trailing earning.

Our analysis is on the next page

## COMMENTARY ON THE WEEK

The bulls fought back during the week to record a 2.4% rise in the Malawi All Share Index during the week. Leading the onslaught were the telecomms; Airtel rising 8.6% to a new high of K19 – representing a 49.7% rise on its February IPO price of K12.69. Airtel was buoyed by its FY19 earnings report and a good dividend pay out. TNM staged a recovery of sorts as it traded at K25 during the week but closed at K23.31 – 6% above the previous week. Standard Bank continues to rise due to demand outstripping supply and a positive mid-year trading statement. NBS inched back after releasing positive news on its interim results.

OMU went down 12% to K2199.99 on 34 shares but still has a huge arbitrage gap with JSE price of around ZAR12.36 (K540.00). The share is illiquid on the MSE which we think is a result of the unrealistic price.

TNM was the volume and value leader of the week with 20m shares worth K467m (\$634K) with total market turnover at K642.7m. The index closed at 29007 but was still down year-to-date and y/y.

## EARNINGS UPDATES

### NBS Bank

NBS expects its HY20 results to be at least 50% better than the similar period last year. Put into perspective, NBS reported K1.4bn earnings in June 2019 and the Board is expecting at least K2.1bn by June 2020. Full year 2019 earnings were reported at K4.8bn. This shows that the bank's recovery is well and truly on track. Save any negative impact of Covid-19, we think the bank is poised to build on its achievements going forward.

### Standard Bank

Standard Bank put out a positive earnings update for its half year results disclosing it expects 1H20 earnings to be at least 50% higher than 1H19. 1H19 earnings were K8.1bn – making minimum expected earnings to June 2020 of K12bn – the full year 2019 earnings were K15.8bn. While we do not have enough information to determine the drivers of earnings, we suspect that a substantial portion could be from loan loss recoveries. In FY18, the bank was hit by K4.9bn in credit impairment provisions and we think there might be some recoveries coming back to the income statement. All in all, very exciting news for investors.

### TNM Plc

TNM issued an update on its HY20 results and expects earnings to decrease by at least 20% on HY19. TNM reported K6.7bn half year profit in 2019 and indicatively, this is expected to reduce to around K5.3bn.

### Sunbird and BHL

The hospitality industry is one of the main sectors that have been directly hit by Covid-19 effects as businesses almost came to a halt with both occupancy and food and beverage going down as the world was on locked down. Resultantly, Sunbird expects its 1H20 earnings to be 150% down while BHL will be 50% down on 1H19.

### Illovo Sugar Plc

Illovo released its interim results to February 2020 in mid-May. Earnings were reported at K2bn – 74.8% down on FY19 which was at K8.1bn. Despite an increase of 17.8% in revenues to K73.5bn, operating profit margins shrank significantly from 22.9% in HY19; 15.4% for FY19 down to 6.8% in HY20 - which impacted negatively on earnings despite a favourable variance in finance cost. Key challenges in domestic market brought about by cheaper imports (both formal and informal) of sugar from neighbouring countries forced Illovo to reduce margins. Devaluation of currencies in neighbouring countries contributed to the increase in imports. We have adjusted the FY19 earnings in our stats report on page one so we that we reflect the recent 12-month trailing metrics.

## **Covid 19 in Malawi**

As of 15 June, Malawi had registered 555 cases (from 443 on 8 June) of Covid-19 infections since the first three cases were registered on 2 April 2020 with six deaths – two losses of lives occurring within the month of June. There are 69 recoveries leaving 480 active cases. Malawi has so far conducted 8,438 cases. (Source: Public Health Institute of Malawi)

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