

## MALAWI

### MARKET PERFORMANCE REPORT FOR THE PERIOD 22 JUNE TO 26 JUNE 2020

Symbol	Open	High	Low	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B	
AIRTEL	20.00	20.01	20.00	20.00	0.0%	25,400	508,100.00	2	220,000,000,000	15,908.00	13.83	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	29.99	29.99	29.99	29.99	0.0%	5,500	164,945.00	1	73,722,917,500	12,053.97	\$\$\$	6.12	1.44
ICON	10.40	11.50	10.40	11.40	9.6% ↑	2,761,587	31,481,014.80	9	76,152,000,000	7,248.62	10.51	1.03	
ILLOVO	94.50	94.50	94.50	94.50	0.0%	0	0.00	0	67,420,494,950	4,009.00	##	16.82	0.94
MPICO	24.98	24.98	24.98	24.98	0.0%	8,470	211,580.60	2	57,405,225,551	5,532.02	10.38	1.47	
NBM	550.01	550.01	550.01	550.01	0.0%	0	0.00	0	256,817,125,217	17,106.00	15.01	2.55	
NBS	17.50	17.51	17.50	17.51	0.1% ↑	198,883	3,482,441.83	6	50,964,139,464	4,457.61	11.43	3.32	
NICO	48.42	48.42	48.42	48.42	0.0%	0	0.00	0	50,504,049,868	8,011.00	6.30	1.59	
NITL	94.99	94.99	94.99	94.99	0.0%	0	0.00	0	12,823,650,000	1,779.69	7.21	1.11	
OMU	2,199.99	2,199.99	2,199.99	2,199.99	0.0%	26	57,199.74	1	28,571,795,928	1,313.71	21.75	3.10	
PCL	1,399.76	1,399.76	1,399.76	1,399.76	0.0%	0	0.00	0	168,329,286,603	8,157.00	20.64	1.07	
STANDARD	790.00	790.00	790.00	790.00	0.0%	684	540,360.00	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	24.93	24.93	23.00	24.92	0.0% ↓	648,275	15,926,895.84	7	250,208,014,000	15,063.00	16.61	4.81	
<b>Week totals</b>						<b>3,648,825</b>	<b>52,372,537.81</b>	<b>31</b>	<b>1,540,562,830,783.07</b>				
<i>b/f totals</i>						<i>240,133,442</i>	<i>8,358,492,482.20</i>	<i>1,428</i>	<i>1,533,954,129,549.51</i>				
<i>Year to date totals</i>						<i>243,782,267</i>	<i>8,410,865,020.01</i>	<i>1,459</i>	<i>1,540,562,830,783.07</i>				
<b>USD</b>							<b>11,409,358.54</b>		<b>2,081,841,663.22</b>				

#### MSE ALL SHARE INDEX

	Opening	Closing	%
Week change	29539.02	29667.91	0.4% ↑
Year to date -26 Jun 20	30252.20	29667.91	-1.9% ↓
Prior year comparison 26-Jun-19	29669.58	29667.91	0.0% ↓

INFLATION FIGURES	
May-20	8.7
Jan-20	11.1
May-19	8.9

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

	26-Jun-20	31-Dec-19	26-Jun-19
USD	737.19	738.87	776.27
ZAR	42.97	52.43	54.21
GBP	916.18	969.19	983.15

#### INTEREST RATES

	Jun-20	Jan-20	Jun-19
Policy rate	13.40	13.50	13.50
Base rate	13.20	13.10	13.90
TB rate 91 dy	7.50	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 index gained 0.4% w/w to close at 29539 on the back of a 9.6% rise in ICON to K11.50 – a delayed response to its earnings report which was released in May 2020.

## EARNINGS UPDATE

### Airtel Plc earnings to rise 300%

Airtel Plc expects its half year earnings to June 2020 to be at least 300% above the 1H19. It has to be borne in mind that Airtel's 1H19 earnings were less than stellar at K2bn on account of a K4bn forex loss due to currency depreciation in June 2019. If one discounts the one-off currency loss – which eventually reversed, the company's adjusted increase in earnings will be 33.3% - which is still decent.

### NITL earnings to fall 75%

NITL Plc – a closed investment scheme- is expecting its 1H20 earnings to fall at least 75% on 1H19. NITL will have taken a battering from falling prices in TNM, Illovo and FMBCH resulting in fair value losses. The significant price drops in Illovo from K210.00 to K94.00; FMBCH from K85 to K29.99 should have been tapered by gains in NBM, Standard and NBS Bank.

## FDH IPO OPENS

FDH Bank Plc has on 29 June 2020 opened an offer for sale and subscription of its shares in an IPO with the intention to list on 3 August 2020 – the offer closes on 17 July 2020. In total FDH is offering 1.38bn shares at K10 per share and will raise K13.8bn (\$18.6m). The offer is split with 70.9% or 979.1m shares being offered for sell while the balance of 401m is an offer for subscription to existing shareholders. Of the 401m shares offered for subscription, 311m will be in form of preference shares. The total offer comprises 20% of the ordinary share capital of the bank.

## OPPOSITION MCP'S CHAKWERA WINS PRESIDENTIAL ELECTION RERUN

Dr Lazarus Chakwera of Malawi Congress Party (MCP) – which formed an alliance with UTM, Peoples Party and six other small political parties – was declared winner of the presidential elections rerun conducted on 23 June 2020. The rerun was ordered by the courts after the 2019 presidential election results in which President Mutharika was declared winner were challenged in the courts.

Dr Chakwera led the nine-party alliance called Tonse Alliance with incumbent vice president Saulos Chilima of UTM as his running mate. He amassed 2.6m votes or 58.5% of the votes cast against the incumbent Peter Mutharika who got 1.7m votes. One of the alliance partners; Peoples Party is a former ruling party of ex-president Joyce Banda.

Mutharika formed an alliance with Atupele Muluzi's United Democratic Party which was the first party to rule Malawi in a democratic state with Bakili Muluzi as president. Atupele is the former president's son. MCP is the party of the late Dr Kamuzu Banda the founding president of the Malawi nation who ruled the country for 30 years. MCP comes back in power after 26 years.

Felix Mlusu who retired in 2015 as managing director of NICO Holdings Group having served the company for 41 years, has been appointed finance minister in the new government.

## **Covid 19 in Malawi**

As of 30 June, Malawi had registered 1,224 cases (from 749 on 21 June) of Covid-19 infections since the first three cases were registered on 2 April 2020 with 14 deaths – three losses of lives occurring within the week. There are 260 recoveries leaving 950 active cases. Malawi has so far conducted 13,918 cases. (Source: Public Health Institute of Malawi)

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