

MALAWI

MARKET PERFORMANCE REPORT FOR THE PERIOD 25 MAY TO 29 MAY 2020

Symbol	Open	High	Low	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B	
AIRTEL	17.50	17.50	17.50	17.50	0.0%	160,322	2,805,635.00	4	192,500,000,000	18,088.00	##	10.64	103.61
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	34.00	34.00	34.00	34.00	0.0%	2,880	97,920.00	1	83,580,500,000	12,053.97	\$\$	6.93	1.44
ICON	10.40	10.40	10.40	10.40	0.0%	42,242	439,316.80	3	69,472,000,000	7,248.62		9.58	0.94
ILLOVO	94.50	94.50	94.50	94.50	0.0%	0	0.00	0	67,420,494,950	10,083.00		6.69	0.95
MPICO	24.99	24.99	24.99	24.99	0.0%	5,000	124,950.00	1	57,428,206,025	5,532.02		10.38	1.47
NBM	550.00	550.00	550.00	550.00	0.0%	33,306	18,318,300.00	10	256,812,455,900	17,106.00		15.01	2.55
NBS	17.50	17.50	17.49	17.50	0.0%	3,924,795	68,679,388.00	10	50,935,033,730	4,457.61		11.43	3.32
NICO	48.44	48.44	48.40	48.43	0.0% ↓	23,037,752	969,795,700.00	17	50,514,480,279	8,011.00		6.31	1.59
NITL	95.00	95.00	95.00	95.00	0.0%	0	0.00	0	12,825,000,000	1,779.69		7.21	1.11
OMU	2,499.99	2,499.99	2,499.99	2,499.99	0.0%	0	0.00	0	32,422,930,308	1,313.71		24.68	3.10
PCL	1,400.00	1,400.00	1,400.00	1,400.00	0.0%	0	0.00	0	168,358,148,000	8,157.00		20.64	1.07
STANDARD	758.34	758.34	758.34	758.34	0.0%	0	0.00	0	177,958,253,971	15,879.00		11.21	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	22.00	22.00	22.00	0.0%	501,089	11,023,960.00	15	220,889,900,000	15,063.00		14.66	4.81
Week totals						27,707,386	1,071,285,169.80	61	1,483,373,686,885.72				
<i>b/f totals</i>						<i>157,791,352</i>	<i>6,126,879,052.29</i>	<i>1,150</i>	<i>1,483,384,117,296.68</i>				
<i>Year to date totals</i>						<i>185,498,738</i>	<i>7,198,164,222.09</i>	<i>1,211</i>	<i>1,483,373,686,885.72</i>				
USD						9,769,362.82	2,004,559,036.33						

MSE ALL SHARE INDEX

	Opening	Closing	%
Week change	28502.17	28501.97	0.0% ↓
Year to date -29 May 20	30252.20	28501.97	-5.8% ↓
Prior year comparison 29-May-19	29062.24	28501.97	-1.9% ↓

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

EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

	29-May-20	31-Dec-19	29-May-19
USD	736.81	738.87	746.86
ZAR	42.00	52.43	50.78
GBP	909.37	969.19	945.67

INTEREST RATES

	May-20	Jan-20	May-19
Policy rate	13.50	13.50	13.50
Base rate	13.20	13.10	13.90
TB rate 91 dy	7.50	6.20	8.80

Foot note to company earnings

We have applied Airtel's forecast earnings for FY19 which were in the December 2019 prospectus
 \$\$ This is based on FY18 earnings for FMBCH. FY19 expected to drop by at least 70% as per Trading statement

Our analysis is on page 3

Market Statistics Report



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MARKET PERFORMANCE REPORT FOR THE MONTH OF MAY 2020

Symbol	Open	High	Low	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B	
AIRTEL	17.50	17.50	17.50	17.50	0.0%	17,075,272	298,817,220.50	49	192,500,000,000	18,088.00	##	10.64	103.61
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	34.00	34.00	34.00	34.00	0.0%	2,880	97,920.00	1	83,580,500,000	12,053.97	\$\$	6.93	1.44
ICON	10.45	10.45	10.40	10.40	-0.5% ↓	254,149	2,643,149.60	12	69,472,000,000	7,248.62		9.58	0.94
ILLOVO	94.50	94.50	94.50	94.50	0.0%	33,700	3,184,650.00	7	67,420,494,950	10,083.00		6.69	0.95
MPICO	24.99	24.99	24.99	24.99	0.0%	8,598	214,864.02	5	57,428,206,025	5,532.02		10.38	1.47
NBM	550.00	552.00	550.00	550.00	0.0%	693,636	382,400,065.00	29	256,812,455,900	17,106.00		15.01	2.55
NBS	14.00	17.50	14.00	17.50	25.0% ↑	6,932,253	116,150,242.85	43	50,935,033,730	4,457.61		11.43	3.32
NICO	48.44	48.44	48.40	48.43	0.0% ↓	23,045,207	970,156,820.20	22	50,514,480,279	8,011.00		6.31	1.59
NITL	95.00	95.00	95.00	95.00	0.0%	40,225	3,821,375.00	10	12,825,000,000	1,779.69		7.21	1.11
OMU	2,499.99	2,499.99	2,499.99	2,499.99	0.0%	22	54,999.78	3	32,422,930,308	1,313.71		24.68	3.10
PCL	1,400.00	1,400.00	1,400.00	1,400.00	0.0%	0	0.00	0	168,358,148,000	8,157.00		20.64	1.07
STANDARD	750.01	760.00	750.00	758.34	1.1% ↑	89,517	67,884,600.00	9	177,958,253,971	15,879.00		11.21	2.04
SUNBIRD	120.00	120.00	120.00	120.00	0.0%	7,368	884,160.00	7	31,389,909,600	2,594.55		12.10	1.34
TNM	24.99	24.99	22.00	22.00	-12.0% ↓	52,028,762	1,144,632,738.00	76	220,889,900,000	15,063.00		14.66	4.81
May 2020 month						100,211,589	2,990,942,804.95	273	1,483,373,686,885.72				
b/f totals						85,287,149	4,207,221,417.14	938	1,501,597,270,261.22				
Year to date totals						185,498,738	7,198,164,222.09	1,211	1,483,373,686,885.72				
USD						9,769,362.82	2,004,559,036.33						
Previous months comparatives													
Apr-20						14,400,820	2,384,558,649.69	177	1,501,597,270,261.22				
Mar-20						36,746,715	791,098,926.11	279	1,518,677,101,525.80				
Feb-20						14,722,356	421,390,547.14	268	1,519,822,088,545.02				
Jan-20						19,417,258	610,173,294.20	214	1,368,877,592,423.98				
b/f totals						85,287,149	4,207,221,417.14	938					
Prior year comparatives													
May-19						139,056,337	9,091,064,127.64	381.00	1,383,916,041,950.29				
YTD to May-19						613,341,757	28,486,712,347.17	1,439.00	1,383,916,041,950.29				

MSE ALL SHARE INDEX

	Opening	Closing	%
Month change 30-Apr-20	28857.39	28501.97	-1.2% ↓
Year to date -31 May 20	30252.20	28501.97	-5.8% ↓
Prior year comparison 31-May-19	29246.08	28501.97	-2.5% ↓

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

EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

	31-May-20	30-Apr-20	31-May-19
USD	736.81	736.44	750.57
ZAR	42.00	40.63	50.65
GBP	909.37	917.75	946.32

INTEREST RATES

	May-20	Jan-20	May-19
Policy rate	13.50	13.50	13.50
Base rate	13.20	13.10	13.90
TB rate 91 dy	7.50	6.20	8.80

Foot note to company earnings

We have applied Airtel's forecast earnings for FY19 which were in the December 2019 prospectus
 \$\$ This is based on FY18 earnings for FMBCH. FY19 expected to drop by at least 70% as per Trading statement

Our analysis is on the next page

COMMENTS ON THE WEEKLY REPORT

No notable share price changes were recorded during the week. The biggest trades were done in NICO through the negotiated window at a price below market.

ICON EARNING UPDATED

We have inadvertently been showing last year's numbers for ICON Plc- a property company which listed in January 2019. We have updated the company's FY19 earnings which were released on or around 12 May 2020 and the metrics do look more attractive than those of its listed peer; MPICO. We thank our readers who pointed out this oversight on our part.

COMMENTARY ON THE MONTHLY REPORT

The month of May saw a total of 100.2m shares traded worth K2.9bn (\$4m) in 273 trades. This compares to 14.4m shares worth K2.3bn in 177 trades in the previous month of April.

The month tends to be the busiest as most institutional investors enter the closed period in June. According to Malawi Stock Exchange rules, a closed period in any listed stock starts 30 days before the end of a reporting period; this includes both annual and interim reporting periods. During such a period directors and senior management of a particular company are prohibited from dealing in the stocks of that company until the results are released. The rationale being that they will have information regarding the company's performance which might place them at an advantage against other investors.

By comparison the month's results were 67.1% lower than May 2019 – which recorded traded value of K9.1bn. Year-to-date figures were equally depressing with five months to May 2020 at K7.2bn compared to K28.4bn for a similar period last year representing a 74.7% drop. We think this is a result of a number of factors but Covid-19 has played a major part as fund managers and other investors exercise caution as the real impact of the pandemic on the economy and businesses is hard to fathom. We think generally prices have to come down in order to attract interest from the buyers.

Other causes of the fall in trading activity would be the irrational exuberance of yester years that pushed prices of some stocks to unrealistic levels and are maintained too high (due to illiquidity) for investors' liking. The beginning of the year also saw the largest IPO on the MSE worth K27.9bn (\$37.9m) in Airtel which was supported by the local pension funds. This meant that a generous allocation of funds was made to the IPO leaving little room for other stocks – we think it likely that pension contributions by companies might have been affected by fears of Covid-19 impact given the fact that there have been underperforming companies in this area before.

Covid 19 in Malawi

As of 3 June, Malawi had registered 358 cases (from 101 on 26 May) of Covid-19 infections since the first three cases were registered on 2 April 2020 with four deaths – 102 new cases were registered within 24 hours on 28 May followed by 70 cases on 29 May and 52 cases on 1 June. These spikes are mostly coming from imported cases by returning residents who were mostly bussed in from South Africa and others from across the border in Tanzania.

This demonstrates that there is lack of inter-country coordination on the fight against the pandemic. The World Health Organisation has not yet achieved cooperation among nations. If one nation can repatriate infected people back to their nation of origin and put them on the same buses with others; the picture is every nation for themselves.

Infection rate in Malawi has grown dramatically from three to 358 in two months. The infection rate is set to increase as people do not generally take the pandemic seriously. Big crowds are gathering in political party rallies, entertainment joints continue to operate and we think there are a lot of other cases that have not been tested.

Cedar Capital Limited
4th Floor, Livingstone Towers
Sir Glyn Jones Road
P O Box 3340
Blantyre, Malawi
+265 1 831 995
Feedback: nzimar@cedarcapital.mw

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