

Market Statistics Report



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MALAWI

MARKET PERFORMANCE REPORT FOR THE PERIOD 27 JULY TO 7 AUGUST 2020

Symbol	BUY	SELL	Open	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B
AIRTEL	23.00		20.09	22.00	9.5% ↑	370,518	8,152,855.00	7	242,000,000,000	15,908.00	15.21	12.22
BHL			12.94	12.94	0.0%	1,200	15,528.00	1	10,866,374,123	466.70	23.28	1.67
FDHB	13.00	14.99	10.00	14.99	49.9% ↑	2,410,305	36,116,655.00	27	103,446,458,438	7,846.36	13.18	4.56
FMBCH	22.00	25.50	25.00	25.50	2.0% ↑	157,738	4,022,319.50	5	62,685,375,000	(3,679.93)		1.07
ICON	12.70	13.00	11.40	12.70	11.4% ↑	511,000	6,489,200.00	7	84,836,000,000	7,248.62	11.70	1.03
ILLOVO	80.50	94.50	94.00	94.50	0.5% ↑	1,037	97,996.50	1	67,420,494,950	4,009.00	##	16.82
MPICO		21.00	23.99	21.00	-12.5% ↓	100,000	2,100,000.00	2	48,258,996,660	5,532.02	8.72	1.47
NBM			550.00	550.00	0.0%	29,027	15,964,850.00	8	256,812,455,900	17,099.00	##	15.02
NBS		19.49	19.50	19.49	-0.1% ↓	1,615,158	31,464,703.01	30	56,727,074,708	5,896.48	##	9.62
NICO		47.99	47.99	47.99	0.0%	653,131	31,343,765.43	4	50,055,542,197	8,011.00	6.25	1.59
NITL		94.98	94.99	94.98	0.0% ↓	3,110	295,387.80	2	12,822,300,000	1,779.69	7.20	1.11
OMU		2,199.99	2,199.99	2,199.99	0.0%	12,602	27,724,270.00	2	33,231,152,549	1,313.71	25.30	3.10
PCL		1,345.00	1,345.00	1,345.00	0.0%	0	0.00	0	161,744,077,900	8,157.00	19.83	1.07
STANDARD	830.00		830.00	830.01	0.0% ↑	9,491	7,877,625.00	4	194,776,921,142	15,879.00	12.27	2.04
SUNBIRD			120.00	120.00	0.0%	14,000	1,680,000.00	3	31,389,909,600	2,594.55	12.10	1.34
TNM		23.49	23.99	23.49	-2.1% ↓	99,726	2,375,928.75	13	235,850,170,500	15,063.00	15.66	4.81
Period totals						5,988,043	175,721,083.99	116	1,652,923,303,665.42			
b/f totals						310,533,809	9,737,593,194.52	1,649	1,526,766,941,015.07			
Year to date totals						316,521,852	9,913,314,278.51	1,765	1,652,923,303,665.42			
USD							13,353,624.61		2,233,680,140.09			

MSE ALL SHARE INDEX

	Opening	Closing	%
Period change	29385.17	30418.11	3.5% ↑
Year to date 07-Aug-20	30252.20	30418.11	0.5% ↑
Prior year comparison 07-Aug-19	29312.31	30418.11	3.8% ↑

INFLATION FIGURES

Jun-20	8.5
Jan-20	11.1
Jun-19	9.0

EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

	7-Aug-20	31-Jul-20	31-Dec-19	7-Aug-19
USD	742.37	742.35	738.87	738.47
ZAR	42.29	44.34	52.43	49.45
GBP	972.95	975.16	969.19	897.24

INTEREST RATES

	Aug-20	Jan-20	Aug-19	
Policy rate	13.50	13.50	13.50	The guideline RBM rate. Lombard rate being 20 bps above the policy rate
Base lending rate	13.40	13.10	13.90	Also known as reference rate. The min lending rate for commercial banks
TB rate 91 dy	7.50	6.20	8.90	

% CHANGE IN RATES as at 7 Aug 20

	Week	YTD	Y/Y
USD	0.00%	-0.47%	-0.53%
ZAR	4.61%	19.33%	14.47%
GBP	0.23%	-0.39%	-8.44%

Foot note to company earnings

We have used half-year results to compute 12-mth trailing earnings.

Our analysis is on page 3

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MARKET PERFORMANCE REPORT FOR THE MONTH OF JULY 2020

Symbol	Bid	Sell	Open	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K/million	P/E	P/B
AIRTEL	22.05		20.00	22.00	10.0% ↑	536,329	11,473,915.76	24	242,000,000,000	15,908.00	15.21	12.22
BHL		12.94	12.94	12.94	0.0%	4,912	63,561.28	2	10,866,374,123	466.70	23.28	1.67
FDHB	IPO	10.00	10.00	10.00	0.0%	0	0.00	0	69,010,312,500	7,846.36	8.80	3.04
FMBCH			29.99	25.50	-15.0% ↓	1,394,990	36,462,270.00	16	62,685,375,000	(3,679.93)		1.07
ICON	11.40		11.40	12.70	11.4% ↑	3,016,033	34,778,775.60	20	84,836,000,000	7,248.62	11.70	1.03
ILLOVO	80.50		94.50	94.50	0.0%	1,137	107,396.50	2	67,420,494,950	4,009.00	##	16.82
MPICO			24.98	21.00	-15.9% ↓	154,782	3,414,509.29	10	48,258,996,660	5,532.02	8.72	1.47
NBM			550.00	550.00	0.0%	30,680	16,874,000.00	22	256,812,455,900	17,099.00	##	15.02
NBS	18.00		19.50	19.49	-0.1% ↑	55,573,051	1,026,509,172.90	38	56,727,074,708	5,896.48	##	9.62
NICO	41.50		48.42	47.99	-0.9% ↓	792,511	38,035,002.61	11	50,055,542,197	8,011.00	6.25	1.59
NITL			94.99	94.99	0.0%	681	64,688.19	2	12,823,650,000	1,779.69	7.21	1.11
OMU			2,199.99	2,199.99	0.0%	12,976	28,547,066.26	6	33,231,152,549	1,313.71	25.30	3.10
PCL			1,399.76	1,345.00	-3.9% ↓	18,127	25,318,495.00	5	161,744,077,900	8,157.00	19.83	1.07
STANDARD	830.00		790.00	830.00	5.1% ↑	16,016	12,869,760.00	10	194,774,574,460	15,879.00	12.27	2.04
SUNBIRD			120.00	120.00	0.0%	20,402	2,448,240.00	7	31,389,909,600	2,594.55	12.10	1.34
TNM			24.94	23.95	-4.0% ↓	1,110,395	26,673,026.53	20	240,468,777,500	15,063.00	15.96	4.81

July 2020 month	62,683,022	1,263,639,879.92	195	1,623,104,768,046.30
<i>b/f totals</i>	<i>250,210,303</i>	<i>8,530,669,907</i>	<i>1,510</i>	<i>1,547,860,815,090.45</i>
Year to date totals	312,893,325	9,844,309,786.86	1,705	1,623,104,768,046.30
USD	13,326,341.58	2,193,384,821.68		
<i>Previous months comparatives</i>				
Jun-20	64,711,565	1,382,505,684.85	299	1,547,860,815,090.45
May-20	100,211,589	2,990,942,804.95	273	1,483,373,686,885.72
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	250,210,303	8,580,669,906.94	1,510	1,483,373,686,885.72
<i>Prior year comparatives</i>				
Jul-19	27,022,913	2,203,627,437.99	204.00	1,396,900,237,780.69
YTD to July-19	654,488,684	31,497,974,949.66	1,835.00	1,396,900,237,780.69

MSE ALL SHARE INDEX

	Opening	Closing	%
Month change 30-Jun-20	29784.70	29851.63	0.2% ↑
Year to date -30 June 20	30252.20	29851.63	-1.3% ↓
Prior year comparison 30-Jun-19	29413.02	29851.63	1.5% ↑

INFLATION FIGURES

Jun-20	8.5
Jan-20	11.1
Jun-19	9

MONTHLY AVGE FX RATES EQUIV TO ONE UNIT OF FX

	July 2020	June 2020	Dec 2019	July 2019
USD	738.71	741.96	741.67	768.21
ZAR	44.10	44.33	51.42	54.91
GBP	935.55	935.36	971.93	957.34

INTEREST RATES

	Aug-20	Jan-20	Aug-19	
Policy rate	13.50	13.50	13.50	The guideline RBM rate. Lombard rate being 20 bps above the policy rate
Base lending r	13.40	13.10	13.90	Also known as reference rate. The min lending rate for commercial banks
TB rate 91 dy	7.50	6.20	8.90	

	% CHANGE	MM	YTD	Y/Y
USD		0.44%	0.40%	3.84%
ZAR		0.51%	14.23%	19.68%
GBP		-0.02%	3.74%	2.28%

Foot note to company earnings

We have incorporated half-year results to compute 12-mth trailing earning.

Our analysis is on the next page

COMMENTARY ON THE TWO-WEEK REPORT TO 7 AUGUST

The main highlight of the period was the initial public offer (IPO) and listing of FDH Bank Plc on the Malawi Stock Exchange on 3 August. The stock rose 50% to trade at the peak price of K15 on its first day of listing contributing to the rise in the index in all three comparative durations of: previous period, year-to-date and year on year with 3.5%, 50 bps and 3.8% respectively. The share price closed at the weighted average price of K14.99.

AIRTEL and ICON made significant contributions to the rise in index as they went up 9.5% to K22 and 11.4% to K12.70 respectively. FMBCH and ILLOVO recovered somewhat to close at K25.50 and K94.50 representing increases of 2% and 50 bps respectively. Airtel continues to maintain its bullish run as a bid at K23 remained in the market.

MPICO and TNM retreated 12.5% to K21 and 2.1% to K23.49 respectively but overall the index recorded a positive net return on account of the risers. The Malawi All Share Index closed at 30,418.11.

In terms of market turnover, a total of 5.9m shares worth K175.7m (\$236.7K) traded during the two week period. This compares to market turnover of K1.1bn (\$1.4m) from 67.6m shares in 81 trades in the week ended 24 July 2020.

The MWK advanced against the ZAR and GBP during the fortnight – a result of the foreign currencies weakening and remained flat against the USD. However on year-to-date and year-on-year comparisons, the MWK weakened against GBP and USD but strengthened against the ZAR – signalling a prolonged period of weakness of the ZAR.

COMMENTARY ON THE JULY 2020 REPORT

The month of July saw a total of 62.6m shares traded worth K1.2bn (\$1.7m) in 195 trades. This compares to 64.7m shares worth K1.38bn (\$1.8m) in 299 trades in the previous month of June – representing a 8.6% drop in value and 3.1% drop in volume; month on month.

Cumulatively year to July recorded 312.9m shares traded valued at K9.8bn (\$13.3m) in 1,705 trades compared to 654.8m shares traded for a similar period in 2019 worth K31.4bn (\$41.0m) in 1,835 trades. This represents a 52% drop in volume traded and a 68.7% drop in value on the similar period last year. Making 2020 a really tough year for the market as the impact of Covid-19 sets in.

The index gained 20 basis points during the month and 1.5% on last year while it retreated 1.3% on year-to-date comparison. The slight increase in the index during the month was a result of risers cancelling out fallers marginally. Notable risers were AIRTEL (10% to K22.00); STANDARD (5.1% to K830.00) and ICON (11.4% to K12.70). The combined effect of the risers was tapered by fallers in TNM (4% to K23.49); PCL (3.9% to K1,345.00), FMBCH (15% to K25.50) and MPICO (15.9% to K21.00). The index closed the month at 29,851.63.

Monetary Policy Committee report

The Monetary Policy Committee (MPC) chaired by the new governor; Dr Wilson Banda, at its third meeting of 2020 held on 30 and 31 July, decided to maintain the Policy Rate at 13.5 percent and the Lombard Rate at 0.2 percentage points above the Policy Rate. The Committee also maintained the Liquidity Reserve Requirement (LRR) ratio on both local currency and foreign currency deposits at 3.75 percent. In arriving at this decision, MPC noted that although inflation developments were favourable in the first half of the year, there are emerging upward risks to the medium-term inflation path. Meanwhile, economic activities have slowed down leading to a lower projection of GDP for 2020, reflecting the effects of COVID-19 pandemic on various sectors of the economy. According to the MPC, the adopted policy stance is considered appropriate to contain the impending inflationary pressures whilst at the same time providing space for supporting recovery of the economy, in the wake of the COVID-19 pandemic.

Covid 19 in Malawi

As of 9 August, Malawi had registered 4,658 cases (from 3,302 on 22 July) of Covid-19 infections since the first three cases were registered on 2 April 2020 with 146 deaths (71 on 22 July) – doubling in less than three weeks.. Number of tests has reached 34,763 a rise of 37.5% from 25,281 tests as of 22 July. The number of infections during the period went up 41% as tests increased by 37.5%. Sadly the loss of lives went up more than 100% during the same period. The increase in the death toll might imply an improvement in recording of cases due to increased testing while the number of infections seems to mirror the increase in tests – rendering credence to the thinking that there are other cases in existence which have not been tested.

The government has gazetted rules to regulate public gatherings (generally limited to 10 people) and has made it mandatory to wear face masks in public and in both public and private transport vehicles. Public transportation has been restricted to 60% capacity and entertainment joints restricted to 6 hours opening time between 2 pm and 8 pm for take away patrons only. Most sectors are subject to restrictions unless those designated as essential services.

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