

Market Statistics Report



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MALAWI

MARKET PERFORMANCE REPORT FOR THE PERIOD 10 TO 21 AUGUST 2020

Symbol	BUY	SELL	Open	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B
AIRTEL	27.10		22.00	27.00	22.7% ↑	1,685,554	45,009,544.54	15	297,000,000,000	15,908.00	18.67	12.22
BHL		12.94	12.94	12.94	0.0%	0	0.00	0	10,866,374,123	466.70	23.28	1.67
FDHB		12.90	14.99	12.90	-13.9% ↓	2,533,035	32,953,669.49	24	89,023,303,125	7,846.36	11.35	4.56
FMBCH	24.00		25.50	24.00	-5.9% ↓	1,834,312	44,664,553.00	8	58,998,000,000	(606.92) ##		1.05
ICON		12.70	12.70	12.70	0.0%	1,639,430	20,820,757.50	24	84,836,000,000	7,248.62	11.70	1.03
ILLOVO	80.50	94.50	94.50	94.50	0.0%	102	9,639.00	1	67,420,494,950	4,009.00 ##	16.82	0.94
MPICO	21.01		21.00	24.00	14.3% ↑	11,108,538	259,381,418.00	44	55,153,139,040	5,532.02	9.97	1.47
NBM	618.75		550.00	618.75	12.5% ↑	67,576	40,688,684.25	17	288,914,012,888	17,099.00 ##	16.90	2.31
NBS	19.44	19.49	19.49	19.44	-0.3% ↓	108,048,209	1,906,832,563.29	41	56,581,546,041	5,896.48 ##	9.60	3.12
NICO	41.50		47.99	47.99	0.0%	1,210,727	58,098,744.82	13	50,055,542,197	8,011.00	6.25	1.59
NITL		94.98	94.98	94.98	0.0%	307	29,158.86	1	12,822,300,000	1,779.69	7.20	1.11
OMU		2,199.99	2,199.99	2,199.99	0.0%	0	0.00	0	33,267,425,984	1,313.71	25.32	3.10
PCL		1,344.99	1,345.00	1,344.99	0.0% ↓	4,925	6,624,108.00	6	161,742,875,342	8,157.00	19.83	1.07
STANDARD	830.00		830.01	830.00	0.0% ↓	24,102	20,726,983.25	7	194,774,574,460	15,879.00	12.27	2.04
SUNBIRD		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	23.49	22.00	-6.3% ↓	8,379,674	184,506,922.84	49	220,889,900,000	15,063.00	14.66	4.81
Period totals						136,536,491	2,620,346,746.84	250	1,713,735,397,747.92	MARKET AVERAGE	14.39	2.71
<i>b/f totals</i>						<i>316,521,852</i>	<i>9,913,314,278.51</i>	<i>1,765</i>	<i>1,652,923,303,665.42</i>			
<i>Year to date totals</i>						<i>453,058,343</i>	<i>12,533,661,025.35</i>	<i>2,015</i>	<i>1,713,735,397,747.92</i>			
USD						16,738,758.56	2,315,858,645.61					

MSE ALL SHARE INDEX

	Opening	Closing	%
Period change	30418.11	31545.73	3.7% ↑
Year to date 21-Aug-20	30252.20	31545.73	4.3% ↑
Prior year comparison 21-Aug-19	29071.28	31545.73	8.5% ↑

INFLATION FIGURES	
Jul-20	8.0
Jun-20	8.5
Jan-20	11.1
Jun-19	9.0

EXCHANGE RATES MWK EQUIV TO ONE UNIT OF FX

	21-Aug-20	14-Aug-20	31-Dec-19	21-Aug-19
USD	748.78	745.02	738.87	732.42
ZAR	43.35	42.80	52.43	47.78
GBP	989.96	973.37	969.19	889.81

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	9.97	6.20	8.90	

% CHANGE IN RATES as at 21 Aug 20		Week	YTD	Y/Y
USD	-0.51%	-1.34%	-2.23%	
ZAR	-1.29%	17.31%	9.26%	
GBP	-1.71%	-2.14%	-11.26%	

Foot note to company earnings

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

Our analysis is on the next page

COMMENTARY ON THE TWO-WEEK MARKET PERFORMANCE REPORT TO 21 AUGUST

The indices in all three comparative periods were in green for a second consecutive fortnight since the beginning of the year. The index gained 3.7% to 30,545.73 over the two-week period due to increases in the price of heavyweights; NBM (12.5% to K618.75) and AIRTEL (22.7% to K27.00). AIRTEL which was listed six months ago has continued its rally increasing over 112% on its IPO price of K12.69 and surpassing its peer; TNM which closed at K22. Positive sentiment in the counter was catalysed by its attractive dividend yield and news that its 1H20 results would be 300% higher than the comparable period last year. On the other hand, news about TNM earnings going down 20% during the first half seems to have impacted negatively on its price. NBM seems to have sustained demand as investors take a flight to quality in a counter that has limited liquidity. MPICO joined the bulls on increased demand.

Fallers during the period were outweighed by the risers hence a positive net movement. Newly listed FDHB retreated 13.9% to K12.90 but still remained in positive territory compared to its IPO price of K10.00. TNM and FMB went down during the fortnight by 6.3% and 5.9% to K22 and K24; respectively.

In terms of market turnover, a total of 136.5m shares worth K2.6bn (\$3.5m) traded during the period in 250 trades. This compares to market turnover of K175.7m (\$236.7K) from 5.9m shares in 81 trades in the previous fortnight ended 7 August 2020. This represents an increase of over 2100% in value and over 1,300% in volume compared to the previous fortnight. NBS headlined the increase in both volume and value as 108m shares for the counter changed hands to the tune of K1.9bn.

The MWK weakened against all its major trading currencies during the period. The kwacha softened against the USD and GBP in all comparative periods of week, year-to-date and 12-month comparatives. While the MWK lost ground against the ZAR during the week, it was positive on year-to date and last year comparisons. This is mainly a result of the prolonged rand weakness over the past 18 months.

July inflation eases by 50 bps to 8%

Headline inflation for July was recorded at 8% y/y – a drop of 50 basis points from June of 8.5%; a result of softening of inflation in both food and non-food categories. Compared to 2019, headline inflation has softened by 80 bps from 9.3% recorded in July 2019.

July food inflation was recorded at 12.2% y/y from 13.4% recorded in the previous month and 14.2% for July 2019. Non-food inflation was at 4.4% - a drop from 4.5% in June and 5.5% in July 2019. Both food and non-food inflation have exhibited a general decline since December 2019 with a similar impact on headline inflation. As we move towards the lean months of October to December, we expect food inflation to exert pressure while the non-food inflation remains at the mercy of world fuel prices – which tend to be the main drivers of inflation.

Covid 19 in Malawi

As of 24 August, Malawi had registered 5,419 cases (from 4,658 on 9 August) of Covid-19 infections since the first three cases were registered on 2 April 2020 with 169 deaths (146 on 9 August). Number of tests conducted so far is 42,821 from 34,763 tests as of 8 August – 8,000 tests conducted over a period of two weeks. The number of infections during the period went up 16.3% as tests increased by 23.2%. With a population of about 18m, the number of tests is negligible and is based only on people who show symptoms and contact tracing. There is need to increase the number of tests as authorities look to reopen schools and travel in the month of September. Although the country has not had a full lock down, schools have remained closed since March and international travel was restricted.

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.

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