

# Market Statistics Report



Equity research | News & Analysis

## MALAWI

### MARKET PERFORMANCE REPORT FOR THE PERIOD 7 SEP TO 18 SEP 2020

Symbol	BUY	SELL	Open	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B
AIRTEL			28.50	28.80	1.1% ↑	329,100	9,455,615.00	14	316,800,000,000	25,307.00	##	11.66
BHL			12.94	12.94	0.0%	0	0.00	0	10,866,374,123	466.70		1.67
FDHB			12.89	12.49	-3.1% ↓	23,611,728	220,146,439.92	14	86,193,880,313	7,904.84	##	3.71
FMBCH			24.00	24.00	0.0%	1,954,363	46,904,710.00	10	58,998,000,000	(606.93)	##	1.05
ICON			12.69	12.50	-1.5% ↓	171,098	2,140,496.96	7	83,500,000,000	6,991.35	##	1.10
ILLOVO			80.50	80.50	0.0%	278	22,379.00	2	57,432,273,476	4,009.00	##	0.38
MPICO			24.00	24.00	0.0%	212,659	4,903,816.00	5	55,153,139,040	4,545.92	##	1.35
NBM			618.76	618.76	0.0%	2,534	1,567,938.00	4	288,918,682,205	17,056.00	##	2.60
NBS			19.44	19.44	0.0%	21,631,229	383,911,082.83	27	56,581,546,041	5,896.48	##	3.12
NICO			48.00	48.00	0.0%	223	10,704.00	1	50,065,972,608	8,745.00	##	1.42
NITL			94.98	94.98	0.0%	0	0.00	0	12,822,300,000	1,779.69		1.11
OMU			2,199.99	2,199.99	0.0%	9	19,799.91	1	33,267,425,984	1,313.71		3.10
PCL			1,344.99	1,343.99	-0.1% ↓	2,063,208	1,567,133,140.00	12	161,622,619,522	8,841.00	##	1.01
STANDARD			830.00	851.00	2.5% ↑	21,300	17,821,000.00	10	199,702,605,862	20,418.00	##	1.95
SUNBIRD			120.00	120.00	0.0%	0	0.00	0	31,389,909,600	2,594.55		1.34
TNM			21.50	20.50	-4.7% ↓	1,510,507	31,615,384.00	16	205,829,225,000	13,141.00	##	4.27
<b>Period totals</b>						<b>51,508,236</b>	<b>2,285,652,505.62</b>	<b>123</b>	<b>1,709,143,953,771.76</b>	<b>MARKET AVERAGE</b>	<b>13.71</b>	<b>2.55</b>
<i>b/f totals</i>						<i>629,737,410</i>	<i>14,747,634,526.56</i>	<i>2,150</i>	<i>1,715,106,240,689.76</i>			
<i>Year to date totals</i>						<i>681,245,646</i>	<i>17,033,287,032.18</i>	<i>2,273</i>	<i>1,709,143,953,771.76</i>			
<b>USD</b>							<b>22,669,696.83</b>		<b>2,309,653,991.58</b>			

#### MSE ALL SHARE INDEX

	Opening	Closing	%
Period change	31571.37	31459.77	-0.4% ↓
Year to date 18-Sep-20	30252.20	31459.77	4.0% ↑
Prior year comparison 18-Sep-19	29550.18	31459.77	6.5% ↑

#### INFLATION FIGURES

Aug-20	7.6
Jul-20	8.0
Jun-20	8.5
Jan-20	11.1
Aug-19	9.5

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

	18-Sep-20	4-Sep-20	31-Dec-19	18-Sep-19
USD	751.37	748.77	738.87	735.68
ZAR	46.60	44.60	52.43	50.07
GBP	975.28	993.69	969.19	918.50

#### INTEREST RATES

	Sep-20	Aug-20	Jan-20	Sep-19
Policy rate	13.50	13.50	13.50	13.50
Base lending rate	13.60	13.40	13.10	13.40
TB rate 91 dy	10.12	9.98	6.20	9.10

*The guideline RBM rate. Lombard rate being 20 bps above the policy rate  
Also known as reference rate. The min lending rate for commercial banks*

#### % CHANGE IN RATES as at 21 Aug 20

	Week	YTD	Y/Y
USD	-0.35%	-1.69%	-2.13%
ZAR	-4.48%	11.11%	6.93%
GBP	1.85%	-0.63%	-6.18%

#### 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 18 SEPTEMBER

The Malawi All Share Index retreated 40 bps during the week as a result of falling prices in TNM, FDHB and ICON despite increases in STANDARD and AIRTEL. TNM went down 4.7% to K20.50; FDHB lost 3.1% to K12.49 while ICON went down 1.5% to K12.50. AIRTEL continued its four-week rally to rise 1.1% to K28.80 and Standard Bank rose 2.5% to K851.00. The overall impact was a 40 bps reduction in the all share index to 31,459.77. However the index remained in green on year to date with a 4% increase and year-on-year with 6.5%.

In terms of market turnover, a total of 51.5m shares worth K2.3bn (\$3m) traded during the period in 123 trades. This compares to market turnover of K2.2bn (\$2.9m) from 176.7m shares in 135 trades in the previous fortnight ended 4 September 2020. This represents 3 bps increase in value and over 70% decrease in volume compared to the previous fortnight. While the value was comparable between the consecutive fortnights, the volume traded went down significantly as high value shares dominated the current period compared to low value/high volume shares in the previous one. The main driver of value in the current period was 1.3m shares of PCL which were traded at a special bargain price of K750 whereas the previous week was driven by a combination of 121.4m shares of FDH at K9.30 and 51.4m NBS shares at around K19.00.

The MWK weakened against the ZAR (-4.48%) and the USD (-0.35%) while it recovered 1.8% against the GBP during the period. On ytd and y/y comparisons MWK is only resilient against the ZAR while it softened against the other two currencies.

### August inflation eases by 40 bps to 7.6%

Headline inflation for August was recorded at 7.6% y/y – a drop of 40 basis points from July of 8%. However month-on-month, inflation increased 1.2% in August compared to an increase of 40 bps in July.

July food inflation was recorded at 11.3% y/y from 12.2% recorded in the previous month and 14.6% for August 2019. Non-food inflation remained flat at 4.4% over the two months of July and August and was recorded at 5.4% in August 2019. Inflation has remained on a declining trend for the eighth straight month reaching the lowest level since December 2017. Much as the drop in inflation is seasonal due to availability of food, it is believed that the reduction in consumer spending due to the effect of Covid-19 has dampened inflation further.

### Covid 19 in Malawi

As of 24 September, Malawi had registered 5,747 cases (from 5,653 on 9 September) of Covid-19 infections since the first three cases were registered on 2 April 2020 with 179 deaths (176 on 9 September). Number of tests has reached 51,773 a rise of 9.3% from 47,351 tests as of 9 September.

### Previous fortnight comparisons

In the fortnight to 9 September; the number of tests had gone up 10.6% to 47,351 while the increase in current period has slowed to 9.3% to 51,773. The number of infections have gone up 1.7% to 5,747 compared to an increase of 4.3% to 5,653 in the previous fortnight. There were seven additional lives lost in the previous fortnight compared to three in the current fortnight. The number of recovered cases stands at 4,163 from 5,747 – representing 72.4% of recorded cases. By comparison, the number of patients that recovered from the pandemic in the previous fortnight was 3,624 out of 5,653 representing 64% of recorded cases.

From the above statistics, one would conclude that although the number of tests has reduced, there are significant reductions in infection and death rates and an increase in the percentage of recovered cases. We are therefore cautiously optimistic that the virus spread has slowed down. We think the reduction in the number of tests is a result of a drop in the number of people showing symptoms – as we believe tests are prioritised for those with symptoms and contact tracing. Our view is also supported by an increase in the recovery rate of 72% of recorded cases in the current period compared to 64% recovered in the previous fortnight.



The peak of infections in the country was a result of imported cases and the maintenance of this declining trend will largely depend on how vigilant the authorities are when borders are expected to be fully opened in October.

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