

Market Statistics Report



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MALAWI

MARKET PERFORMANCE REPORT FOR THE PERIOD 5 OCTOBER TO 16 OCTOBER 2020

Symbol	BUY	SELL	Open	Close	%	Volume	Value	Trades	Market Capitalization	Earnings K'million	P/E	P/B	
AIRTEL	0.00	29.00	29.00	29.00	0.0%	841,697	24,409,217.00	17	319,000,000,000	25,307.00	##	12.61	11.74
BHL	0.00	12.94	12.94	12.94	0.0%	0	0.00	0	10,866,374,123	466.70	##	23.28	1.67
FDHB	0.00	12.00	12.00	12.00	0.0%	396,618	4,759,416.00	9	82,812,375,000	7,904.84	##	10.48	3.57
FMBCH	0.00	22.00	23.00	22.00	-4.3% ↓	735,572	16,818,160.00	6	54,081,500,000	(606.93)	##		0.96
ICON	0.00	12.30	12.49	12.49	0.0%	0	0.00	0	83,433,200,000	6,991.35	##	11.93	1.10
ILLOVO	0.00	0.00	80.50	80.50	0.0%	0	0.00	0	57,432,273,476	4,009.00	##	14.33	0.38
MPICO	0.00	23.94	24.00	24.00	0.0%	0	0.00	0	55,153,139,040	4,545.92	##	12.13	1.35
NBM	0.00	618.70	618.73	618.70	0.0% ↓	34,075	21,082,207.00	8	288,890,666,301	17,056.00	##	16.94	2.60
NBS	0.00	20.99	21.00	21.00	0.0%	1,147,611	24,092,174.00	16	61,122,040,476	5,896.48	##	10.37	3.37
NICO	0.00	47.98	48.00	47.98	0.0% ↓	605,379	29,046,110.00	12	50,045,111,786	8,745.00	##	5.72	1.42
NITL	0.00	94.98	94.98	94.98	0.0%	0	0.00	0	12,822,300,000	1,471.47	##	8.71	1.07
OMU	0.00	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	0.00	1,343.99	1,343.99	1,343.99	0.0%	36	48,383.64	1	161,622,619,522	8,841.00	##	18.28	1.01
STANDARD	851.00	0.00	851.00	851.00	0.0%	16,441	13,991,323.00	7	199,702,605,862	20,418.00	##	9.78	1.95
SUNBIRD	0.00	105.00	120.00	105.00	-12.5% ↓	464	48,720.00	1	27,466,170,900	60.91	##	450.95	1.25
TNM	0.00	20.29	20.50	20.39	-0.5% ↓	49,370	1,011,472.30	2	204,724,775,500	13,141.00	##	15.58	4.25
Period totals						3,827,263	135,307,182.94	79	1,702,442,577,968.42	MARKET AVERAGE	43.09	2.55	
<i>b/f totals</i>						<i>812,233,396</i>	<i>21,168,367,880.40</i>	<i>2,444</i>	<i>1,709,963,884,942.48</i>				
<i>Year to date totals</i>						<i>816,060,659</i>	<i>21,303,675,063.34</i>	<i>2,523</i>	<i>1,702,442,577,968.42</i>				
USD						28,278,375.09	179,605.97		2,300,598,078.34				

MSE ALL SHARE INDEX

	Opening	Closing	%
Period change	31477.62	31339.53	-0.4% ↓
Year to date 16-Oct-20	30252.20	31339.53	3.6% ↑
Prior year comparison 16-Oct-19	29714.95	31339.53	5.5% ↑

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

	16-Oct-20	2-Oct-20	31-Dec-19	16-Oct-19
USD	753.36	751.37	738.87	734.45
ZAR	45.26	45.06	52.43	49.28
GBP	970.92	966.94	969.19	936.94

INTEREST RATES

	Oct-20	Sep-20	Jan-20	Oct-19	
Policy rate	13.50	13.50	13.50	13.50	The guideline RBM rate. Lombard rate being 20 bps above the policy rate
Base lending rate	13.60	13.60	13.10	12.00	Also known as reference rate. The min lending rate for commercial banks
TB rate 91 dy	10.07	10.07	6.20	7.30	

	% CHANGE IN RATES as at 16 Oct 20	2-Week	YTD	Y/Y
USD	-0.26%	-1.96%	-2.57%	
ZAR	-0.44%	13.68%	8.16%	
GBP	-0.41%	-0.18%	-3.63%	

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 16 OCTOBER

The Malawi All Share Index retreated 40 bps during the week as a result of falling prices in SUNBIRD, FMBCH and TNM as the bears dominated. SUNBIRD went down 12.5% to K105.00 on the back of its reported loss for 1H20 of K1.3bn against a profit of K1.2bn in the comparable period in 2019. The tourism and hospitality industry including travel have been the worst hit with Covid-19 pandemic as travel restrictions and locked downs brought the business to a screeching halt. Even with the drop in the price, SUNBIRD still remains an outlier on a 12-month rolling PE valuation of over 450.9x. FMBCH and TNM continue to slide on weak earnings. The overall impact was a 40 bps reduction in the All share index to 31,339.53 – it is generally a buyers' market as supply seems abundant with little or no bids about. However the index remained in green year to date with a 3.6% increase and year-on-year with 5.5%.

The market had an equally gloomy outlook in terms of market turnover as only 3.8m shares worth K135.3m (\$179K) traded during the period in 79 trades. This compares to market turnover of K4.1bn (\$5.5m) from 130.9m shares in 171 trades in the previous fortnight ended 2 October 2020. This may be a signal that major investors view the market as overvalued and are holding back to allow market correction before they rediscover their appetite for stocks. Thus we see the index weakening further as we draw close to the end of the year unless there is some positive trading news.

The MWK continues to retreat against its major trading currencies – a reflection of the times as forex reserves shrink. As of 30 September total forex reserves stood at \$546.99m representing 2.62 months of import cover from a 12-month high of 4.05 months recorded in December 2019. Importers are struggling to get forex allocations from the banks as the pipeline remains long. In fact the performance of the MWK seems to benefit from an invisible hand as we think the currency should have been weaker than where it currently sits.

SUNBIRD Board appoints Partridge as chairman

The Board of directors of Sunbird Tourism Plc has appointed George Partridge as chairman. George; CEO of PCL sits on the board of the tourism and hospitality chain courtesy of a 15% stake held by PCL. Malawi government retains a majority stake in SUNBIRD of 71% while the balance is with public shareholders.

Covid 19 Malawi update

As of 17 October, Malawi had registered 5,852 cases (from 5,821 on 11 October) of Covid-19 infections since the first three cases were registered on 2 April 2020 with 181 deaths (180 on 11 October). Number of tests has reached 57,671 a rise of 2.7% from 56,135 tests as of 11 October.

Previous period comparison

In the period to 11 October; the number of tests had gone up 8.4% to 56,135 while the increase in the current period to 17 October has slowed down 2.7% to 57,671. The number of infections has gone up 50 bps to 5,852 compared to an increase of 1.2% to 5,821 in the previous fortnight. In both periods; one more death has occurred. The number of recovered cases stands at 4,740 from 5,852 –representing 81% of recorded cases. By comparison, the number of patients that recovered from the pandemic in the previous fortnight was 4,647 out of 5,821 representing 79.8% 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 tests are prioritised for those with symptoms and contact tracing. It is possible that a good number of carriers are asymptomatic and therefore do not render themselves to testing.



The peak of infections was a result of imported cases and we will continue to monitor the situation as the government contemplates opening the borders to international travel.

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