

MALAWI

Political and economic news

Gold deposits in Nkhata Bay

A preliminary investigation by the Ministry of Mining has confirmed the presence of gold deposits in the farm of the late Aleke Banda in Tukombo, Nkhata Bay district. According to the ministry, other gold deposits have been found a kilometre away from the late Banda's farm and over 100 communities are conducting illegal mining activities in the area. The ministry's public relations officer confirmed this to Times Business but dismissed reports that foreigners have already invaded the area. Further on he stated that the ministry will soon engage the late Banda family for licence issuing procedures for the formalisation of the mining activities. *(Source: The Daily Times)*

External debt service rises to MWK 91bn-RBM

The rising external debt is costing Treasury more in debt service, as the Reserve Bank of Malawi(RBM) figures show a 279% increase in the past 5yrs. RBM data shows that in 2021 alone, Treasury paid MWK 91bn in external debt service, a rise from MWK 71bn paid in the previous year. The figures further show that in 2019, Treasury paid MWK 50bn in debt service from MWK 32bn in 2018. In 2017, Treasury paid MWK 24bn to service the debt. During the 5yr period, external debt has increased from MWK 1.5tn in 2017 to MWK 2.8tn in 2021, the figures show. *(Source: The Nation)*

Inflation rate now at 23.5%

Malawi's y/y headline inflation rate for June 2022 rose by 4.4 percentage points to 23.5% from 19.1% the previous month pushed up by rising commodity prices. In its Stats Flash released yesterday, National Statistical Office said during the month under review, food and non-food inflation rose to 31.2 and 16.6% from the previous month's 19.5% and 12.2%, respectively. Speaking in an interview, Malawi University of Business and Applied Sciences associate professor of economics Betchani Tchereni stated that the rising maize prices. He further stated that, we are now importing goods at a higher price, that is why prices of most of the goods have gone up. *(Source: Nation)*

Market activity and colour

Market commentary

The market registered trading activity in 14 of the 16 listed counters. Airtel, Illovo, NBS, NITL, STD and NBM were the market gainers whilst PCL, TNM, FMBCH, NICO and MPICO dropped in price respectively. The MSE All share index went up with 5.4% during the week at the back of Airtel, NITL, NBM, NBS, STD and Illovo. However, on year-to-date the index went up significantly by 42% on account of increases in heavyweights; ILLOVO (29.2%) and STD (15%) which outweighed a loss in FMBCH (-6.8%). The market capitalisation in MWK rose by 15.76% y-t-d to K2.8 trn but lost in USD terms by -7.93% y-t-d from \$3bn down to \$2.7bn on account of a 25% devaluation in the exchange rate.

Weekly Market Report



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Trading Summary for the week ending 22 July 2022

Symbol	Open	Close		Volume	Value	Trades	Market	31-Dec-21	YTD Change	
						Count	Capitalization			
AIRTEL	50.13	51.01	1.8% ↑	3,128,700	159,469,531.00	14	561,110,000,000	40.00	25.3%	
BHL	11.01	11.01	0.00	0	0.00	0	9,245,655,262	11.01	0.0%	
FDHB	13.99	13.99	0.00	17,599	246,210.01	1	96,545,427,188	15.81	-11.5%	
FMBCH	118.00	110.00	-6.8% ↓	557,713	61,369,196.87	8	270,407,500,000	80.00	47.5%	
ICON	12.00	12.00	0.00	8,527,603	102,331,194.00	3	80,160,000,000	12.89	-6.9%	
ILLOVO	305.60	394.78	29.2% ↑	251,000	96,850,500.00	24	281,653,576,679	300.00	1.9%	
MPICO	20.70	20.69	0.0% ↓	10,000	206,900.00	1	47,546,601,947	20.70	0.0%	
NBM	1,100.01	1,100.04	0.0% ↑	7,000	7,700,280.00	1	513,643,589,070	810.12	35.8%	
NBS	22.76	22.75	0.0% ↓	12,378	281,599.50	2	66,215,543,849	22.90	-0.6%	
NICO	46.74	46.73	0.0% ↓	20,000	934,600.00	1	48,741,310,416	55.00	-15.0%	
NITL	110.03	110.05	0.0% ↑	17,822	1,961,311.10	5	14,856,750,000	94.98	15.8%	
OMJ	1,600.00	1,600.00	0.00	0	0.00	0	26,079,102,400	2,099.99	-23.8%	
PCL	2,182.00	2,181.45	0.0% ↓	35,576	77,625,634.00	4	262,332,058,539	1,900.00	14.8%	
STANDARD	1,600.03	1,840.03	15.0% ↑	163,042	300,002,200.00	2	431,796,458,125	1,400.00	14.3%	
SUNBIRD	80.01	80.01	0.00	10,000	800,180.00	4	20,929,222,226	90.01	-11.1%	
TNM	11.90	11.90	0.0% ↓	99,008	1,178,195.20	8	119,481,355,000	22.92	-48.1%	
Totals				12,857,441	810,957,531.68	78	2,850,744,150,700			
									Exchange rate %	
						22-Jul-22	30-Jun-22	31-Dec-21	YTD	MTD
INDEX (week)	49,936.72	52,637.81	5.4% ↑	MWK/USD	1026.43	1026.43	816.40	-25.7%	0.00%	
INDEX (month)	49,596.14	52,637.81	6.1% ↑	MWK/GBP	1227.41	1247.94	1102.14	-11.4%	1.65%	
INDEX (year to date)	37,061.70	52,637.81	42.0% ↑	MWK/ZAR	60.19	63.23	51.35	-17.2%	-4.81%	

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