

MALAWI

Political and economic news

Expert speaks on mining potential

Mining expert has recommended increased financing, vacancy filling, and quick establishment of state-owned companies in the mining sector to propel growth. He also proposes the government to put up fiscal incentives to attract investment into the sector, which is seen as the next big thing for the Malawi economy. This is contained in a report he published titled 'The Role of Mining in Adding Value to Malawi 2063 Vision. In the report, he argues that the mining sector constitutes the main primary industry that can create wealth for the country in line with aspirations embedded in the Malawi 2063 (MW2063), the country's long-term development blueprint. (Source: *Times Business*)

Banks buoyant in H1

Malawi Stock Exchange (MSE) – listed commercial banks have posted good results for the half-year ended June 30, despite a subdued economic environment occasioned by the rise in commodity prices following the devaluation of the kwacha. Published financial statements from some of the banks namely National Bank of Malawi plc, NBS Bank plc and Standard Bank of Malawi plc, show that they posted higher profits than during the corresponding period last year. A Standard Bank plc financial statement published on Friday shows that profits went up by 37% to MWK 15.8bn in the half year-ended- June 30 2022, from MWK 11.5bn in the corresponding period 2021. Similarly, NBM plc, its published statement on August 1, showed that profit-after-tax also grew to MWK 22.1bn profits in the half year period ended June 30 2022, up from MWK 12.8bn reported during the same period last year. NBM plc linked the growth to net interest income which increased by 48% and other incomes which grew by 13%. Profitability of NBS Bank plc also grew by 16% to MWK 5.1bn in the half year ended June 30, up from MWK 4.4bn, on account of what the bank on Friday described as its flexibility in strategy implementation which enabled it to focus on high revenue generating activities. (Source: *The Nation*)

Economic gender gap narrows, says report

Women economic participation in Malawi has improved over the past year with data showing that the country has moved 16 places up the ladder, according to the World Economic Forum(WEF) report. The WEF 2022 Global Gender Gap Report indicates that Malawi now ranks on position 88 from 104 in 2021 out of 146 economies. This means that opportunities for Malawian women to earn income slightly improved during the year under review. On the other hand, the gender gap also narrowed this year, moving nine places to 103 from 112 in 2021 out of 146 economies on the 2022 WEF Global Gender Gap Index. (Source: *The Nation*)

Export earnings down by 11.8%

Earnings from various exports declined 11.8% to MWK 149.5bn in the first quarter of the 2022-23 financial year from MWK 169.5bn last year. This means that the country was able to generate about USD 130m (at the current rate) from exports during the period. Figures from the Ministry of Trade show that earnings from soya beans had risen by 243.9% to MWK 43.4bn, sugar earnings rose by 89.9% to MWK 6.6bn while earnings from cotton seed increased to MWK 1.1bn, representing a 35.8% rise. (Source: *Times Business*)

Market activity and colour

Market commentary

The market traded 30m shares in 77 trades recording a market turnover of MWK 837m during the week ended. Airtel, NBM, STD, FMBCH and TNM were the gainers whilst FDHB, ICON and MPICO decreased in prices respectively. The MSE All share index went up with 1.4% during the week.

However, on year-to-date the index went up by 46.9% at the back of a price increase on ILLOVO (11.1%). The market capitalisation in MWK rose by 19.69% y-t-d to K2.9trn but lost in USD terms by -4.80% y-t-d from \$3bn down to \$2.8bn on account of a 25% devaluation in the exchange rate.

SYMBOL SUMMARY



Trading Summary for the week ending 26 August 2022

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.09	51.11	0.0% ↑	863,168	44,113,230.00	8	562,210,000,000
BHL	11.00	11.00	0.00	0	0.00	0	9,237,257,755
FDHB	14.00	13.99	-0.1% ↓	5,396,676	75,547,079.00	17	96,545,427,188
FMBCH	107.99	108.00	0.0% ↑	71,451	7,716,708.00	4	265,491,000,000
ICON	12.00	11.99	-0.1% ↓	8,357,969	100,295,373.65	2	80,093,200,000
ILLOVO	450.00	500.00	11.1% ↑	212,308	106,153,980.00	15	356,722,195,500
MPICO	20.69	20.68	0.0% ↓	16,250	336,050.00	2	47,523,621,473
NBM	1,140.07	1,151.02	1.0% ↑	4,953	5,700,932.00	6	537,447,769,073
NBS	22.74	22.74	0.00	9,420,027	188,408,144.60	4	66,186,438,115
NICO	46.73	46.73	0.00	2,469,840	115,415,625.48	5	48,741,310,416
NITL	112.00	112.00	0.00	41,490	4,646,880.00	3	15,120,000,000
OMU	1,600.00	1,600.00	0.00	0	0.00	0	26,085,422,400
PCL	2,181.44	2,181.44	0.00	11	23,995.84	1	262,330,855,981
STANDARD	1,840.05	1,840.06	0.0% ↑	82,150	151,160,154.00	3	431,803,498,170
SUNBIRD	80.02	80.02	0.00	0	0.00	0	20,931,838,052
TNM	12.06	12.06	0.0% ↑	3,144,392	37,921,365.12	7	121,087,827,000
Totals				30,080,685	837,439,517.69	77	2,947,557,661,122

				26-Aug-22	19-Aug-22	31-Dec-21	
INDEX (week)	53,686.23	54,448.99	1.4% ↑	MWK/USD	1026.43	1026.43	816.40
INDEX (month)	49,596.14	54,448.99	9.8% ↑	MWK/GBP	1247.95	1258.52	1102.14
INDEX (year to date)	37,061.70	54,448.99	46.9% ↑	MWK/ZAR	62.98	62.48	51.35

Market cap (MWK'm)	2,947,557.66	2,462,680.71
Market cap (USD'm)	2871.646266	3016.511645

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