

MALAWI

Political and economic news

Cotton rakes in MWK 8bn

Earnings from cotton have risen to MWK 8bn this season from MWK 3.6bn realised at the end of the 2021 season, officials from the Cotton Council of Malawi (CCM) have stated. This represents a 122% growth. CCM executive director mentioned that 15,800 metric tonnes of cotton seed have been sold on the market this season out of the projected 20,688mt. He indicated that the remaining cotton is in the Northern region, especially in Karonga and the market is expected to close at the end of the month. *(Source: The Daily Times)*

Bank simplifies access to long-term finance

NBM development bank says it is geared to ease access to long-term financing for small and medium enterprises (SMEs) by providing debt and equity capital to both start-ups and existing businesses. NBM development bank, a subsidiary of Malawi Stock Exchange-listed National Bank of Malawi (NBM) plc which has been in operation since 2019, provides capital of between MWK 20m and MWK 250m to SMEs in agribusiness, education, information and communications technology, manufacturing, health, energy and tourism sectors. Speaking in an interview on Friday in Blantyre, the bank's general manager mentioned that they want to bring meaningful social and development impact to the economy. *(Source: The Nation)*

Malawi to reap from UK trading scheme

The United Kingdom (UK) has unveiled an international trade arrangement aimed at improving access of goods from developing countries, including Malawi, into its market with lower tariffs. The UK will replace the Developing Countries Trading Scheme (DCTS) with current Generalised Scheme of Preferences (GSP). UK International Trade Secretary launched the new trading scheme which will extend tariff cuts to products exported from developing countries, going further than the EU's GSP. This is on top of the thousands of products which developing countries can already export to the UK duty-free. *(Source: The Business Times)*

RBM says no to devaluation

The Reserve Bank of Malawi (RBM) has expressed worry over persistent speculations and uninformed opinion about the future direction of the exchange rate. There has been speculation of another devaluation in recent weeks following the 25% devaluation effected on May 27 2022. In a statement on Tuesday evening RBM Governor stated that the development is exerting unnecessary pressure on the exchange rate. He further stated that, the speculation is leading to market participants taking a wait and see approach to foreign exchange transactions, which is compounding the situation further. *(Source: The Business Times)*

Market activity and colour

Market commentary

The market traded 12.8m shares in 50 trades recording a market turnover of MWK 182m during the week ended. Airtel, NBM and TNM were the gainers and the market registered no losers. The MSE All share index slightly went up during the week.

However, on year-to-date the index went up by 44.9% at the back of a price increase on TNM. The market capitalisation in MWK rose by 18.03% y-t-d to K2.9trn but lost in USD terms by -6.12% 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 19 August 2022

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
ARTEL	51.08	51.09	0.0% ↑	70,000	3,576,633.00	7	561,990,000,000
BHL	11.00	11.00	0.00	0	0.00	0	9,237,257,755
FDHB	14.00	14.00	0.00	8,893,871	124,514,192.00	12	96,614,437,500
FMBCH	107.99	107.99	0.00	2,964	320,082.36	1	265,466,417,500
ICON	12.00	12.00	0.00	0	0.00	0	80,160,000,000
ILLOVO	450.00	450.00	0.00	0	0.00	0	321,049,975,950
MPICO	20.69	20.69	0.00	0	0.00	0	47,546,601,947
NBM	1,140.02	1,140.07	0.0% ↑	2,518	2,870,681.00	4	532,334,866,542
NBS	22.74	22.74	0.00	21,907	498,165.18	3	66,186,438,115
NICO	46.73	46.73	0.00	31,710	1,481,808.00	1	48,741,310,416
NITL	112.00	112.00	0.00	0	0.00	0	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	789	1,721,156.40	2	262,330,855,981
STANDARD	1,840.05	1,840.05	0.00	0	0.00	0	431,801,151,488
SUNBIRD	80.02	80.02	0.00	28,000	2,240,560.00	6	20,931,838,052
TNM	12.03	12.06	0.2% ↑	3,763,043	45,289,695.00	14	121,087,827,000
Totals				12,814,802	182,512,972.94	50	2,906,684,400,646

					19-Aug-22	30-Jun-22	31-Dec-21
INDEX (week)	53,678.12	53,686.23	0.0% ↑	MWK/USD	1026.09**	1026.43	816.40
INDEX (month)	49,596.14	53,686.23	8.2% ↑	MWK/GBP	1272.47**	1247.94	1102.14
INDEX (year to date)	37,061.70	53,686.23	44.9% ↑	MWK/ZAR	62.46**	63.23	51.35

Market cap (MWK'm) 2,906,684.40 2,462,680.71
 Market cap (USD'm) 2831.825656 3016.511645

** Source: First Capital Bank

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