

MALAWI

Political and economic news

UN tips Malawi on export potential

The United Nations Conference on Trade and Development (Unctad) says Malawi has an opportunity to explore other commodities to diversify its export base, which could boost exports by 35%. In the 2022 Catalogue for Diversified Export Opportunities published on Tuesday, Unctad said Malawi has consistently performed poorly on export diversification, which has remained minimal and concentrated on a few agro-products. But the UN trade agency says Malawi has about 3,956 potential products which it could be focusing on, including machinery, electrical and electronic appliances, plastics, organic chemicals and iron and steel. The catalogue, the first issue of the Unctad aimed at informing governments and private sector about possible product areas to diversify economies for structural transformation, has indicated that Malawi has market potential in countries such as United States of America, France, China, Germany and India. *(Source: The Nation)*

Elevated food price piles extra pressure

The Reserve Bank of Malawi (RBM) stated that food prices will continue to rise on the back of myriad factors including recent droughts reported in East Africa as well as floods in Ghana, China and some parts of Europe. These, the central bank fears, will continue affecting food supply on the global market, thereby piling more pressure on economies like that of Malawi. The central bank has expressed this in its Market Intelligence report issued. RBM indicates in the report that rising prices, coupled with lingering effects of Covid pandemic, geopolitical tensions and the continued conflict between Russia and Ukraine threaten the stability of inflation. *(Source: Times Business)*

RBM lowers 2022 inflation target

The Reserve Bank of Malawi (RBM) has adjusted downwards the average inflation rate target for 2022 to 21.5% from an earlier projection of 23.2% which the central bank set in July. The revised figure is contained in the fourth Monetary Policy Committee (MPC) statement released on Friday. The MPC also adjusted upwards the policy rate to 18% from 14%. The MPC statement, however, says inflation pressures continue to heighten, as evidenced by the upsurge in average headline inflation to 25.3% in the third quarter of 2022 from 19.4% in the second quarter. Looking ahead, the central bank says delayed pass-through of past increases in food and energy prices from global commodity markets to domestic consumer prices could sustain high inflation for some time. *(Source: Times Business)*

Embrace digital banking, RBM advises local banks

The Reserve Bank of Malawi (RBM) has urged local banks to embrace digital transformation, saying the age of tech-savvy has arrived. RBM Deputy Governor stated this in Mangochi during the 2022 Bankers Association of Malawi (BAM) Seventh Annual Lakeshore Conference held under the theme, Catching tomorrow today. He mentioned that the financial services industry across the world is in the midst of a digital transformation, as such, there is need for each and every banking player to adapt to such changes for survival and customer satisfaction. There is need for the bankers to position themselves digitally because what is happening throughout the world is that there is financial technology that has come and that wind will not stop until it sweeps everyone along the way. Therefore, what the bankers should do is to position themselves in a way that embraces change of digital innovation today, so that tomorrow when things change, they will not be caught unawares, but be ready and able to move forward with the rest of the world. *(Source: Times Business)*

Market activity and colour

Market commentary

The market traded 12.8m shares in 114 trades recording a market turnover of MWK 3bn during the week ended. Airtel (+1.5%), FMBCH (+10.7%) NBM, FDHB (+0.1%), Nico (+7.9%), Sunbird (+15%), TNM and STD were the market gainers whilst OMU (-15%) and NBS dropped in price. The MSE All share index went up at the back of significant jumps in FMBCH (+10.7%) and Sunbird (+15%) covering a significant drop in price of OMU (-15%) during the week.

However, on year-to-date the index went up by 50.4%. The market capitalisation in MWK rose by 22.35% y-t-d to K3trn but lost in USD terms by -2.69% y-t-d from \$3bn down to \$2.9bn on account of a -25.7% devaluation in the exchange rate.

SYMBOL SUMMARY



Trading Summary for the week ending 04 November 2022

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.26	52.01	1.5% ↑	750,187	38,765,542.44	27	572,110,000,000
BHL	10.99	10.99	0.00	0	0.00	0	9,228,860,248
FDHB	14.87	14.88	0.1% ↑	1,385,670	20,592,819.49	26	102,687,345,000
FMBCH	100.07	110.82	10.7% ↑	74,825	8,292,325.00	2	272,423,265,000
ICON	11.97	11.97	0.00	0	0.00	0	79,959,600,000
ILLOVO	500.10	500.10	0.00	4,550	2,275,455.00	1	356,793,539,939
MPICO	20.67	20.67	0.00	0	0.00	0	47,500,640,998
NBM	1,230.00	1,230.01	0.0% ↑	9,919	12,200,470.00	8	574,330,707,057
NBS	22.62	22.61	0.0% ↓	4,390,800	99,274,281.16	15	65,808,063,579
NICO	50.96	54.97	7.9% ↑	1,148,554	62,540,362.00	10	57,335,969,047
NITL	125.00	125.00	0.00	46,450	5,806,250.00	6	16,875,000,000
OMU	1,359.99	1,156.00	-15.0% ↓	744	860,064.00	5	18,846,717,684
PCL	2,181.38	2,181.38	0.00	1,359	2,964,495.00	1	262,323,640,632
STANDARD	1,841.04	1,841.05	0.0% ↑	588	1,082,537.00	1	432,035,819,650
SUNBIRD	80.03	92.03	15.0% ↑	10,000	920,300.00	2	24,073,444,837
TNM	12.01	12.02	0.1% ↑	5,073,095	60,928,542.70	10	120,686,209,000
Totals				12,896,741	316,503,443.79	114	3,013,018,822,672

				4-Nov-22	28-Oct-22	31-Dec-21	
INDEX (week)	55,011.16	55,751.01	0.01 ↑	MWK/USD	1026.43	1026.43	816.40
INDEX (month)	55,046.26	55,751.01	0.01 ↑	MWK/GBP	1185.26	1219.72	1102.14
INDEX (year to date)	37,061.70	55,751.01	50.4% ↑	MWK/ZAR	57.70	58.68	51.35

Market cap (MWK'm)	3,013,018.82	2,462,680.71
Market cap (USD'm)	2935.421541	3016.511645

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