

MALAWI

Political and economic news

Inflation rate jumps to 25.9%, consumers hit hard

Malawi's y/y headline inflation for September 2022 rose by 0.4 percentage points to 25.9% largely due to soaring prices of food and non-food items, National Statistical Office (NSO) figures show. The NSO figures show that food inflation for the same month went up to 33.7%, a rise from 33.4% the previous month while non-food inflation marginally rose to 18.3% from 18.2% the previous month. This means prices of goods and services during the period under review rose fastest compared to the same period last year. During the same period last year, inflation rate was at 8.9%. Consumers Association of Malawi executive director stated that rising inflation is pushing Malawians to extreme ends as the cost of food and non-food items continue to rise. *(Source: The Nation)*

New telco to invest USD 280m

New entrant in the telecommunications industry, Malcel, stated that it will invest over USD280m in the next five years in putting up infrastructure for its services. This came out when the Malawi Communications Regulatory Authority (Macra) issued an operating licence to the firm. Malcel founder and Chief Executive Officer mentioned the firm plans to establish 1,300 sites for its infrastructure including rural areas to match the reach of the two key players already in the industry. He also stated that the company will launch its services on the market on October 1, 2023. We want to challenge the 2 operators that have been dominating the industry for over 20 years and to do that, we need to match their network and compete on the services. *(Source: Times Business)*

MRA collects MWK 748bn in H1

The Malawi Revenue Authority (MRA) has collected MWK 748.89bn during the first half of the 2022-23 Financial Year, beating the target for the period by about MWK 6.68bn. Revenue target for the period between April and October was MWK 742.22bn. MRA Commissioner General told journalists that the positive performance is due to a number of factors including Pay As You Earn rate restructuring and salary increments, advance income tax implementation, increase in value for duty due to devaluation and outstanding performance in some taxes. He further stated that MRA beat its target despite the volatility of the operating environment which is characterized by foreign exchange shortage, reduced fuel importation and changes in government Policies such as removal of withholding tax and tax on cooking oil. *(Source: Times Business)*

Market activity and colour

Market commentary

The market traded 3.3m shares in 64 trades recording a market turnover of MWK 2.9bn during the week ended. Airtel (+0.1%), Nitl (+0.8%) NBM (+2.5%) and STD were the market gainers whilst FDHB (-0.1%), NBS and PCL dropped in price. The MSE All share index went up at the back of a rise in price of NBM during the week.

However, on year-to-date the index went up by 48.4%. The market capitalisation in MWK rose by 20.77% y-t-d to K2.9trn but lost in USD terms by -3.94% y-t-d from \$3bn down to \$2.8bn on account of a -25.7% devaluation in the exchange rate.

SYMBOL SUMMARY



Trading Summary for the week ending
28 October 2022

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.20	51.26	0.1% ↑	127,350	6,527,956.00	9	563,860,000,000
BHL	10.99	10.99	0.00	0	0.00	0	9,228,860,248
FDHB	14.89	14.87	-0.1% ↓	2,036,203	30,291,918.00	12	102,618,334,688
FMBCH	100.07	100.07	0.00	63,420	6,346,439.00	6	245,997,077,500
ICON	11.97	11.97	0.00	3,150	37,705.50	2	79,959,600,000
ILLOVO	500.10	500.10	0.00	0	0.00	0	356,793,539,939
MPICO	20.67	20.67	0.00	0	0.00	0	47,500,640,998
NBM	1,200.01	1,230.00	2.5% ↑	15,613	19,103,990.00	14	574,326,037,740
NBS	22.63	22.62	0.0% ↓	573,701	12,977,120.44	3	65,837,169,313
NICO	50.96	50.96	0.00	304,500	15,514,320.00	3	53,153,374,252
NITL	124.00	125.00	0.8% ↑	219,141	27,120,262.00	6	16,875,000,000
OMU	1,359.99	1,359.99	0.00	0	0.00	0	22,172,446,006
PCL	2,181.40	2,181.38	0.0% ↓	11,418	24,906,995.10	3	262,323,640,632
STANDARD	1,841.02	1,841.04	0.0% ↑	1,642	3,022,981.00	2	432,033,472,968
SUNBIRD	80.03	80.03	0.00	0	0.00	0	20,934,453,877
TNM	12.01	12.01	0.00	30,134	362,000.61	4	120,585,804,500
Totals				3,386,272	146,211,687.65	64	2,974,199,452,661

				28-Oct-22	21-Oct-22	31-Dec-21	
INDEX (week)	54,738.07	55,011.16	0.00 ↑	MWK/USD	1026.43	1026.43	816.40
INDEX (month)	54,389.92	55,011.16	0.01 ↑	MWK/GBP	1219.72	1184.20	1102.14
INDEX (year to date)	37,061.70	55,011.16	48.4% ↑	MWK/ZAR	58.68	57.67	51.35

Market cap (MWK'm)	2,974,199.45	2,462,680.71
Market cap (USD'm)	2897.601925	3016.511645

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