

MALAWI

Political and economic news

MSE simplifies SMEs entry on market

Malawi Stock Exchange (MSE) has simplified the Enterprise and Development Growth Exchange (EDGE), formerly Alternative Capital Market, to ease access for long-term equity financing for small and medium enterprises (SMEs). MSE has modified the requirements for EDGE, which means a business does not need to have a profit history to access equity finance through EDGE. Further, the minimum capital requirement to list on EDGE is set at MWK 250m compared to MWK 500m on the 16-counter market. MSE operations manager stated that SMEs need to explore and access long-term financing to become more resilient, hence the development. *(Source: The Nation)*

Rising commodity prices fuelling deficit

The poor performance of exports in Malawi amid elevated global prices for most key commodities is putting pressure on the country's trade balance, thereby widening the current account balance. The World Bank has said this in the Malawi Poverty Outlook published last week. Current account deficit, a measurement of a country's trade where the value of goods and services it imports exceeds the value of produce it exports. The Bretton Woods institution stated that the current account balance, which narrowed to 11.7% in 2019 before slightly rising to 12% last year, is fast increasing due to rising commodity prices. *(Source: The Nation)*

IMF welcomes UK's minibudget U-turn

The United Kingdom (UK) government's U-turn on tax cuts will help tackle soaring inflation, the International Monetary Fund (IMF) stated. The IMF said the changes will help better align fiscal and monetary policy in the fight against inflation. The statement comes after the body had openly criticized the UK government in September over its plan for tax cuts. Last month, the IMF said the tax cut plan was likely to increase inequality and add to pressures pushing up prices. In an unusual move, it openly criticised the UK government's tax cuts plan, and then warned that rising prices would be worse in the UK. *(Source: Times Business)*

Market activity and colour

Market commentary

The market traded 44m shares in 113 trades recording a market turnover of MWK 2.6bn during the week ended. Illovo, Airtel, TNM, Niti (+10.7%) NBM (+3.3%) and STD were the market gainers whilst only FDHB (-0.5%) dropped in price. The MSE All share index went up at the back of a rise in price of Niti and NBM during the week.

However, on year-to-date the index went up by 47.7%. The market capitalisation in MWK rose by 20.18% y-t-d to K2.9trn but lost in USD terms by -5.32% y-t-d from \$3bn down to \$2.8bn on account of a -25.7% devaluation in the exchange rate.

Weekly Market Report



Equity research | News & Analysis

SYMBOL SUMMARY



Trading Summary for the week ending
21 October 2022

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.19	51.20	0.0% ↑	6,295	322,304.00	3	563,200,000.000
BHL	10.99	10.99	0.00	0	0.00	0	9,228,860,248
FDHB	14.96	14.89	-0.5% ↓	2,831,517	42,297,977.92	20	102,756,355,313
FMBCH	100.07	100.07	0.00	11,420	1,142,799.00	1	245,997,077,500
ICON	11.97	11.97	0.00	975	11,670.75	1	79,959,600,000
ILLOVO	500.05	500.10	0.0% ↑	967,071	483,632,195.00	25	356,793,539,939
MPICO	20.67	20.67	0.00	0	0.00	0	47,500,640,998
NBM	1,161.51	1,200.01	3.3% ↑	504,350	601,758,430.00	30	560,322,754,917
NBS	22.63	22.63	0.00	19,180,080	386,705,213.02	5	65,866,275,046
NICO	50.96	50.96	0.00	13,581	692,087.76	2	53,153,374,252
NITL	112.00	124.00	10.7% ↑	6,515,000	807,680,000.00	9	16,740,000,000
OMU	1,359.99	1,359.99	0.00	0	0.00	0	22,172,446,006
PCL	2,181.40	2,181.40	0.00	0	0.00	0	262,326,045,748
STANDARD	1,841.00	1,841.02	0.0% ↑	66,600	122,611,320.00	5	432,028,779,605
SUNBIRD	80.03	80.03	0.00	0	0.00	0	20,934,453,877
TNM	12.00	12.01	0.1% ↑	14,723,663	176,828,700.00	12	120,585,804,500
Totals				44,820,552	2,623,682,697.45	113	2,959,566,007,949

				14-Oct-22	21-Oct-22	31-Dec-21	
INDEX (week)	54,376.68	54,738.07	0.01 ↑	MWK/USD	1026.43	1026.43	816.40
INDEX (month)	54,543.45	54,738.07	0.00 ↑	MWK/GBP	1196.36	1184.20	1102.14
INDEX (year to date)	37,061.70	54,738.07	47.7% ↑	MWK/ZAR	58.06	57.67	51.35

Market cap (MWK'm)	2,959,566.01	2,462,680.71
Market cap (USD'm)	2883.34535	3016.511645

Cedar Capital Limited
4th Floor, Livingstone Towers
Sir Glyn Jones Road
P O Box 3340
Blantyre, Malawi
+265 1 831 995
Feedback: nzimar@cedarcapital.mw

This document is confidential and issued for the information of internal and external clients of Cedar Capital Limited registration 8700. It is subject to copyright and may not be reproduced in whole or in part without written permission. The information, opinions and recommendations contained herein are and must be construed solely as statements of opinion and not statements of fact. No warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Cedar Capital in any form or manner whatsoever. Each recommendation or opinion must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein and such user must accordingly make its own study and evaluation of each strategy/ security that it may consider purchasing, holding or selling and should appoint its own investment or financial or other advisors to assist the user in reaching any decision. Cedar Capital will accept no responsibility of whatsoever nature in respect of any statement, opinion, recommendation or information contained in this document.