

MALAWI

Political and economic news

Mining sector growth declines

Mining sector growth has declined from 7.4% in 2019 to negative 4.1% in 2022 due to negative impacts of the Covid-19 and market dynamics, Treasury stated. The 2023 Malawi Government Annual Economic Report produced by Ministry of Finance and Economic Affairs indicates that during the review period, the contribution of the sector to the gross domestic product (GDP) remained 0.7%. However, despite the subdued growth, Treasury projects the sector's growth to rebound to 7.8%. Reads the report in part: The growth rate for 2023 is projected at 7.8% with the expectation of economic recovery as electricity production, a critical input in the sector, will be reinstalled at full capacity. In addition, the updated geological map under the geological mapping and mineral assessment project is expected to potentially increase mining activities. *(Source: The Nation)*

Forex shortage hit export trade

Foreign exchange challenges the country is experiencing helped to narrow the trade balance by 685 from USD 2.07bn (about MWK 2.1tn) in 2021 to USD 564.41m (about MWK 574.26bn) in 2022. This is according to the 2023 Malawi Government Annual Economic Report, which is prepared by the Ministry of Finance and Economic Affairs as part of the budget documents. The report shows that the narrowing of the trade deficit by 68 percent was due to the foreign exchange crisis in 2022, which impeded the importation of essential commodities. According to the report, the importation of pharmaceuticals, fertiliser and diesel fell in 2022 by 80 percent, 37.11 percent and 30.04 percent respectively, as a result, imports decreased by 49% in 2022 compared to USD 3.08bn (about MWK 3.1tn) in 2021. Reads the report in part: "Trade balance narrowed in 2022 on reduction of imports. This was on the account of the scarcity of foreign exchange which restricted importation. The report further showed that exports also declined by 4.5% from USD 1.01bn (about MWK 1.02tn) in 2021 to USD 956.9m (about MWK 973.60bn) in 2022. *(Source: The Nation)*

Malawi wants Opec Fund triple portfolio

The president has requested the Opec fund for international development to consider increasing its resource envelope to Malawi to enable the country to meet its development agenda, the 2063 (MW2063) vision. Speaking on Saturday evening when he held discussions with Opec fund senior officials on the side-lines of the 5th United Nations LDCs conference in Doha, Qatar, the president said Malawi Government appreciates the support it gets from Vienna-based fund but was quick to request the officials to consider growing the resource envelope from USD 60m to USD 200m. "Such an expanded envelope would enable the Opec fund to finance projects by itself at all times", the president whose development in Malawi as opposed said. *(Source: Business Times)*

MWK 505bn to cushion vulnerable Malawians

Finance Minister has said government, with his support from the World Bank, has set aside USD 489.76m (approximately MWK 504.5bn) to cushion vulnerable Malawians in the wake of economic hardships. The minister disclosed this when he presented the 2023-24 national budget in Lilongwe. The revelation by the minister comes at a time the cost of living for Malawian households almost doubled in 2022, according to the centre for social concern (cfsc). He said through the project, the government is implementing the social cash transfer programme, enhanced public works programme and other livelihoods support programmes such as promotion of village savings and loan groups. Commenting on the development, centre for social Accountability and Transparency Executive Director said while his organisation appreciates the significant amount allocated towards the programme, the implementation of social protection programmes is shrouded in secrecy, and they do not institutionalised grievance redress mechanisms to help beneficiaries report complaints. *(Source: Business Times)*

Market activity and colour

Market commentary

The market traded 9m shares in 150 trades recording a market turnover of MWK 628m during the week ended. TNM (+0.1%), STD, SUNBIRD (+14.3%), NBM, NITL (+6.0%), NICO (+15.0%), NBS (+7.3%), ILLOVO (+11.7%) and AIRTEL (+9.7%) were the market gainers whilst PCL, FMBCH and FDHB (-0.2%) dropped in price. The price gains registered in the counters mentioned resulted in an upward movement of the MSE All Share Index.

However, on year-to-date the index went up by 19.2%. As a result, the market capitalisation rose 19.2% in both MWK and USD terms.

Weekly Market Report



Equity research | News & Analysis

SYMBOL SUMMARY



Trading Summary for the week ending
10 March 2023

| Symbol | Open | Close | | Volume | Value | Trades Count | Market Capitalization |
|---------------|----------|----------|---------|------------------|-----------------------|-----------------|--------------------------|
| AIRTEL | 62.00 | 68.00 | 9.7% ↑ | 213,154 | 14,088,804.00 | 23 | 748,000,000,000 |
| BHL | 10.96 | 10.96 | 0.0% | 0 | 0.00 | 0 | 9,203,667,727 |
| FDHB | 34.99 | 34.93 | -0.2% ↓ | 702,974 | 24,583,557.00 | 27 | 241,053,021,563 |
| FMBCH | 167.00 | 166.99 | 0.0% ↓ | 140,206 | 23,414,288.50 | 8 | 410,503,167,500 |
| ICON | 11.91 | 11.91 | 0.0% | 0 | 0.00 | 0 | 79,558,800,000 |
| ILLOVO | 600.05 | 670.01 | 11.7% ↑ | 8,682 | 5,801,359.00 | 5 | 478,014,876,414 |
| MPICO | 20.58 | 20.58 | 0.0% | 2,135 | 43,938.30 | 1 | 47,293,816,727 |
| NBM | 1,600.05 | 1,600.14 | 0.0% ↑ | 9,036 | 14,458,775.00 | 12 | 747,156,151,243 |
| NBS | 41.97 | 45.02 | 7.3% ↑ | 3,939,781 | 169,379,846.00 | 25 | 131,034,012,487 |
| NICO | 90.00 | 103.50 | 15.0% ↑ | 3,173,131 | 287,919,060.00 | 10 | 107,954,753,436 |
| NITL | 188.60 | 200.00 | 6.0% ↑ | 105,000 | 20,829,000.00 | 5 | 27,000,000,000 |
| OMU | 880.01 | 880.01 | 0.0% | 5,634 | 4,957,976.00 | 4 | 13,404,654,644 |
| PCL | 2,181.34 | 2,181.32 | 0.0% ↓ | 72 | 157,055.63 | 2 | 262,316,425,282 |
| STANDARD | 2,200.02 | 2,200.37 | 0.0% ↑ | 4,544 | 9,998,358.10 | 8 | 516,356,783,620 |
| SUNBIRD | 105.00 | 120.00 | 14.3% ↑ | 401,000 | 48,120,000.00 | 9 | 31,389,909,600 |
| TNM | 14.02 | 14.03 | 0.1% ↑ | 342,956 | 4,818,816.00 | 11 | 140,867,513,500 |
| Totals | | | | 9,048,305 | 628,570,833.53 | 150 | 3,991,107,553,743 |

| | | | | | 10-Mar-23 | 2-Mar-23 | 31-Dec-22 |
|-----------------------------|------------------|------------------|----------------|----------------|-----------|----------|-----------|
| INDEX (week) | 71,258.32 | 73,947.88 | 3.8% ↑ | MWK/USD | 1026.43 | 1036.25 | 1026.43 |
| INDEX (month) | 71,069.31 | 73,947.88 | 4.1% ↑ | MWK/GBP | 1260.64 | 1266.88 | 1273.64 |
| INDEX (year to date) | 62,036.05 | 73,947.88 | 19.2% ↑ | MWK/ZAR | 57.11 | 58.67 | 62.35 |

| | | |
|--------------------|--------------|--------------|
| Market cap (MWK'm) | 3,991,107.55 | 3,348,012.68 |
| Market cap (USD'm) | 3888.320577 | 3261.787967 |

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