

MALAWI

Political and economic news

Cyclone dims MSE outlook

The 16-counter Malawi Stock Exchange (MSE) fears that the chaos triggered by Cyclone Freddy could affect its performance in the short to medium terms. Over 72 hours of non-stop rains and heavy winds caused floods and mudslides which damaged power lines, roads and farmlands and livestock in about 10 districts of the Southern Region. In an interview yesterday, MSE Chief Operations stated that the short-term outlook is dim. She further stated that the cyclone could have a negative effect on the economy, which will affect the industry. There will obviously be an impact, but as to what extent that impact can be, we have to wait for the month to last and see how much the market will be affected. She mentioned the performance of the market is likely to be affected as investors are expected to be reacting. *(Source: Times Business)*

MSE braves economic storm in 2 months

The 16 counter Malawi Stock Exchange (MSE) has performed well in the first two months 2023, braving the subdued economic environment characterised by high inflation and interest rates as well as depreciating kwacha. Bridge path Capital Economic review report for February shows that MSE return on investment (ROI) has recovered to 14.8 percent this year from a -1.4 percent recorded during a similar period last year. The figures also show share price gains on 13 out of the 16 counters on the local bourse. The report further shows a rise in share prices for Airtel Malawi plc, FDH Bank plc, FMB Capital Holdings plc, Ikon Properties, Illovo Sugar (Malawi) plc and Mpico plc. Similarly, share prices for National Bank of Malawi plc, NBS Bank plc, Nico Holdings plc, National Investment Trust Limited, Press Corporation plc and Standard Bank plc also registered gains, the report shows. On the other hand, three stocks, namely Blantyre Hotels Limited plc, Old Mutual plc and TNM plc registered share price losses. Minority Shareholders Association of Listed Companies secretary general said in an interview that this is a positive development on investors who have this year gained more than they did last year. *(Source: The Nation)*

Firms in long wait for normal power supply

Businesses will have to wait longer for the resumption of normal electricity supply following the devastating impact of Tropical Cyclone Freddy which has affected generation, worsening the already challenging power supply status. The storm has led to intermittent power supply over the past six days, taking away another 56 megawatts (MW) from the national power grid. This has left Electricity Generation Company (Egenco) with 231MW against an estimated total hydro power generation 390MW. The current deficit is on top of another one caused by the damage to Kapichira Hydro Power Station in January last year by Tropical Cyclone Ana, which knocked off 129MW from the national power grid. Speaking in an interview, Malawi Confederation of Chambers of Commerce and Industry president said businesses are already languishing due to inadequate power supply and the much higher cost of using diesel-powered generators. He said: "Though understandable looking at Tropical Cyclone Freddy impact, this will add to the enormous challenges already being faced by the business community." *(Source: The Nation)*

Malawi markets MW2063 in Doha

A Malawi delegation led by the President seized an opportunity at the 5th United Nations Conference on Least Development Countries (LDCs) to market and promote the country's second national development plan, the Malawi 2063 vision. Since March 5, a day when the 46 country officially high-level conference officially took off, Malawi authorities have tirelessly presented a lot about guiding, blueprint, in the process stimulating a lot of interest among other participating LDCs. The vision articulates the aspiration of Malawians of becoming an inclusively wealthy and self-reliant industrialised upper-middle income country by the year 2063. Championing the narrative during the conference, the president who was the outgoing chairperson for the LDCs grouping, repeatedly said during the conference that in pursuit of becoming a middle income country, Malawi is diligently implementing the vision despite multiple shocks affecting the country. *(Source: Business Times)*

Import cover down to 1.12 months

Malawi's import cover continued to deteriorate in January, declining to 1.12 months down from 1.22 months in December, the Reserve Bank of Malawi stated. Import cover measures the number of months of imports that can be covered with foreign exchange reserves available with the central bank of the country. Eight to 10 months of import cover are essential for the stability of a currency but, for small economies like Malawi, anything above three months is considered enough. With Malawi requiring about USD 250m to meet its imports needs monthly, the country's gross foreign reserves were seen at USD 279.22m on January 31 2023 down from USD 304.65m in December 2022. Private sector reserves, on the other hand, shrunk from 1.6 months in December to 1.54 months in January 2023. Delivering the state of the Nation Address last month, the President admitted that the structural challenges in generating foreign exchange have impeded the importation of commodities critical to the economy of Malawi, resulting in foreign exchange supply shortages that have impacted the import input productive sector and the consumer industry, which includes the supply of fuel and pharmaceuticals. *(Source: Business Times)*

Market activity and colour

Market commentary

The market traded 4.4m shares in 145 trades recording a market turnover of MWK 339m during the week ended. TNM (+0.3%), AIRTEL, NBS (+11.1%), NBM, NICO (+15.0%), ILLOVO (+4.5%) were the market gainers whilst ICON (-0.1%), FMBCH and FDHB (-0.1%) 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 20.8%. As a result, the market capitalisation rose 20.8% in both MWK and USD terms.

Weekly Market Report



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SYMBOL SUMMARY

Trading Summary for the week ending
17 March 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	68.00	68.02	0.0% ↑	197,880	13,458,498.00	26	748,220,000,000
BHL	10.96	10.96	0.0%	0	0.00	0	9,203,667,727
FDHB	34.93	34.90	-0.1% ↓	1,781,776	62,180,637.10	29	240,845,990,625
FMBCH	166.99	166.98	0.0% ↓	23,178	3,870,274.22	4	410,478,585,000
ICON	11.91	11.90	-0.1% ↓	415,252	4,941,499.00	1	79,492,000,000
ILLOVO	670.01	700.00	4.5% ↑	31,300	21,271,420.00	13	499,411,073,700
MPICO	20.58	20.58	0.0%	235	4,836.30	1	47,293,816,727
NBM	1,600.14	1,600.16	0.0% ↑	73,648	117,848,270.00	22	747,165,489,878
NBS	45.02	50.00	11.1% ↑	1,492,008	74,175,500.00	28	145,528,667,800
NICO	103.50	119.00	15.0% ↑	202,925	24,148,080.00	9	124,121,890,424
NITL	200.00	200.00	0.0%	5,000	1,000,000.00	3	27,000,000,000
OMU	880.01	880.01	0.0%	0	0.00	0	13,404,654,644
PCL	2,181.32	2,181.32	0.0%	0	0.00	0	262,316,425,282
STANDARD	2,200.37	2,200.37	0.0%	6,368	14,011,955.00	2	516,356,783,620
SUNBIRD	120.00	120.00	0.0%	0	0.00	0	31,389,909,600
TNM	14.03	14.07	0.3% ↑	217,856	3,061,216.80	7	141,269,131,500
Totals				4,447,426	339,972,186.42	145	4,043,498,086,527

					17-Mar-23	10-Mar-23	31-Dec-22
INDEX (week)	73,947.88	74,925.62	1.3% ↑	MWK/USD	1026.43	1026.43	1026.43
INDEX (month)	71,069.31	74,925.62	5.4% ↑	MWK/GBP	1284.95	1260.64	1273.64
INDEX (year to date)	62,036.05	74,925.62	20.8% ↑	MWK/ZAR	57.68	57.11	62.35

Market cap (MWK'm)	4,043,498.09	3,348,012.68
Market cap (USD'm)	3939.380266	3261.787967

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