

MALAWI

Political and economic news

RBM governor calls for economic diversification

Reserve Bank of Malawi Governor urged Malawians to channel their investments in other promising sectors of the economy beyond agriculture. Speaking during a Financial Literacy Public lecture at Lilongwe University of Agriculture and Natural Resources (Luanar), he stated, currently, the mining sector has registered progress through the buying and selling of gold, among others. We also need to improve our tourism, manufacturing sectors and import substitution. Previously, Malawi did well but, over the years, we have lost it. We need to restore that momentum, he stated. According to the governor, Malawi is registering a minimum growth rate of 3% against 6% required in order to achieve the Malawi 2063 vision. We are falling far from achieving the target. As a country we have faced a number of shocks, including Covid19 and natural disasters but we need to find ways of reviving our efforts, he mentioned. *(Source: The Business Times)*

Slow growth in agri-sector

The agriculture sector's in national economy continued to decline in 2022, registering a 0.9% growth rate, according to a Financial and Economic Review published by the Reserve Bank of Malawi. This is the lowest growth rate in recent years compared to the 5.9% recorded in 2019, 3.4% in 2020 and 3.8% growth rate recorded in 2021. According to the review, this followed reduced production of large-scale agriculture on account of adverse weather conditions and Cyclone Ana, which greatly affected production of crops including tobacco. However, it projects that in, 2023, the sector will grow by 3.5%. Tea production amounted to 8.4m kgs in the last quarter of 2022, significantly higher than 6.9m kg produced in the third quarter and 5.2m kg produced in the last quarter of 2021. Consequently, tea proceeds decreased to USD 1.1m during the quarter under review from USD 1.8m realised in the preceding quarter. Price for tea averaged USD 1.31 registered in the third quarter, the review reads. *(Source: The Business Times)*

FDH Bank profit after-tax up 97% to MWK 23bn.

FDH Bank plc has reported a 97% rise in after-tax profit for the year ended December 31 2022, pushed up by the increase in interest and non-interest income as well as digital revenue. Published financial results show that FDH Bank plc has posted a profit after-tax of MWK 22.9bn from the previous year's MWK 11.6bn amid a tough operating environment characterised by the cost of living crisis, rising inflation rate and impact of the 25% devaluation of the kwacha in May 2022. During the year, net interest income grew by 47% from MWK 25.4bn to MWK 37.3bn. Non-interest income jumped by 74% from MWK 18.6bn to MWK 32.5bn largely due to the picking up of business after the Covid-19 pandemic restrictions and lockdowns were lifted in most of the trading partner countries. Reads the statement jointly signed by FDH Bank plc board chairperson and directors: As a result, this registered significant growth in our transaction banking space. *(Source: The Nation)*

February inflation rate rises to 26.7%-NSO

Malawi's y/y headline inflation rate continues to rise, hitting 26.7% in February 2023, figures from the National Statistical Office (NSO) show. This is a 0.8%-point increase from 25.9% registered in the previous month. The increase has been explained by a 1.2 percentage point rise in food inflation rate to 31.7% in February from 30.5% in the preceding month. On the other hand, non-food inflation rate declined by 4.9 percentage points from 25.4% in January to 20.5% in February, according to NSO. This means that prices of food items increased at a higher rate in February compared to January while prices of non-food items slowed in February compared to January. Speaking in an interview, Consumers Association of Malawi executive director stated that most Malawians are going through hard times as inflation continues to rise. *(Source: The Nation)*

Market activity and colour

Market commentary

The market traded 7m shares in 116 trades recording a market turnover of MWK 325m during the week ended. AIRTEL (+10.3%), FDHB (+10.3%), FMBCH, NBM, NBS (+13.0%), NICO (+14.2%), OMU, STD and TNM (+0.9%) were the market gainers. The significant jump in the prices on the counters registered pushed MASI up with 3.5%.

However, the index per month rose by 9.1% whilst on year-to-date the index went up by 25.0%. As a result, the market capitalisation rose 25.0% in both MWK and USD terms.

Weekly Market Report



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SYMBOL SUMMARY

Trading Summary for the week ending
24 March 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	68.02	75.00	10.3% ↑	91,245	6,555,899.35	11	825,000,000,000
BHL	10.96	10.96	0.0%	0	0.00	0	9,203,667,727
FDHB	34.89	38.50	10.3% ↑	5,317,982	203,889,489.00	39	265,689,703,125
FMBCH	166.98	166.99	0.0% ↑	97,741	16,321,651.00	10	410,503,167,500
ICON	11.90	11.90	0.0%	3,500	41,650.00	1	79,492,000,000
ILLOVO	700.00	700.00	0.0%	0	0.00	0	499,411,073,700
MPICO	20.58	20.58	0.0%	0	0.00	0	47,293,816,727
NBM	1,600.16	1,600.17	0.0% ↑	1,500	2,400,255.00	1	747,170,159,195
NBS	50.00	56.50	13.0% ↑	1,279,968	65,949,397.50	29	164,447,394,614
NICO	119.00	135.85	14.2% ↑	94,817	12,796,641.35	7	141,697,132,892
NITL	200.00	200.00	0.0%	6,550	1,310,000.00	4	27,000,000,000
OMU	880.01	880.02	0.0% ↑	10,087	8,876,760.87	2	13,404,806,968
PCL	2,181.32	2,181.32	0.0%	906	1,976,276.00	1	262,316,425,282
STANDARD	2,200.37	2,200.50	0.0% ↑	1,554	3,419,467.00	5	516,387,290,481
SUNBIRD	120.00	120.00	0.0%	0	0.00	0	31,389,909,600
TNM	14.07	14.20	0.9% ↑	125,231	1,771,536.65	6	142,574,390,000
Totals				7,031,081	325,309,023.72	116	4,182,980,937,811

					24-Mar-23	17-Mar-23	31-Dec-22
INDEX (week)	74,925.62	77,528.64	3.5% ↑	MWK/USD	1026.43	1026.43	1026.43
INDEX (month)	71,069.31	77,528.64	9.1% ↑	MWK/GBP	1298.70	1284.95	1273.64
INDEX (year to date)	62,036.05	77,528.64	25.0% ↑	MWK/ZAR	58.41	57.68	62.35

Market cap (MWK'm)	4,182,980.94	3,348,012.68
Market cap (USD'm)	4075.271512	3261.787967

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

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