

## MALAWI

### Political and economic news

#### *Kwacha stable in Q1 of 2023*

The local unit, the Kwacha, was stable against the United States Dollar, but appreciated slightly against the Rand, the Pound and the Euro between January and March 2023, figures from the Reserve Bank of Malawi (RBM) have shown. According average monthly exchange rates published by RBM, the Kwacha traded against the dollar at a middle rate of MWK 1,034.72 during the period under review. The local unit was trading at MWK 62.02 against the Rand in January 2023 and closed at MWK 57.92 in March, representing a 6.61% appreciation. The Kwacha appreciated by 0.65% against the Pound from MWK 1,302 in January to MWK 1,292.48 in March and 0.57% to the Euro from MWK 1,145.89 in January to MWK 1,139.27 in March. Financial Market Dealers Association President attributed the Kwacha footing to a relative weakening of the dollar against other currencies during the period. He further stated that, when the dollar strengthens, the Euro to dollar rate goes down and similarly the Pound. He added that when the dollar to Rand rate goes up, the Kwacha appreciates against these currencies. (Source: *The Business Times*)

#### *Fiscal deficit too high -World Bank*

The World Bank states that Malawi's fiscal deficit is among the highest in Africa and a key driver of the country's growing public debt, which analysts says is fast becoming unsustainable. In its Africa Pulse for April 2023, the Bretton Woods institution stated that the fiscal deficit, which is the difference between government expenditure and revenues, is driving debt service upwards and increasing the fiscal burden. The bank further said the fiscal deficit remains elevated, thereby creating additional pressure on the fiscal plan. Reads the report in part; There are countries identified as having significant twin deficit problems, notable cases include Malawi, Ghana and Nigeria with a fiscal deficit greater than 5% of gross domestic product (GDP) and a current account deficit higher than three percent of GDP. The report said the fiscal deficit, which widened to 5.2% of GDP in 2022 in the entire Sub-Saharan Africa region, compounded by sluggish growth, resulting in an increase in the public debt-to-GDP ratio at over 57%. Meanwhile, in the current budget, Treasury has projected a fiscal deficit of MWK 1.3tn, an equivalent of one third of the MWK 3.87tn 2023/24 National Budget. (Source: *The Nation*)

#### *World economy faces weakest growth - IMF*

The global economy is set to grow at roughly 3% over the next five years -the slowest pace since 1990, the head of International Monetary Fund states. The path ahead was rough and foggy and warned that cooperation to address the problems was becoming more difficult, she stated. Speaking in Washington ahead of the IMF's annual meeting. In her remarks, she called for more help to low-income countries. For the weakest members of our global family, additional support from wealthier countries is essential, she said, calling for countries to boost funds for the IMF, which makes low-cost loans to countries in need. The organizations bracing for a wave of requests for help or debt restructuring, as the shocks from Covid crisis, the war in Ukraine and soaring cost of living continue to reverberate. Last year, global growth dropped almost in half to 3.4%, following a post-pandemic surge in 2021. That was below the 3.8% average growth of the last two decades. The slowdown has continued this year, despite strong job markets in countries such as the US. The IMF said it expected growth to dip below 3% in 2023, with India and China accounting for more than half of the growth. (Source: *Times Business*)

## Market activity and colour

### Market commentary

The market traded 3.9m shares in 131 trades recording a market turnover of MWK 254m during the week ended. AIRTEL (+6.5%), ILLOVO (+2.7%), NBM (+0.6%), STD, SUNBIRD and TNM (+0.7%) were the market gainers whilst ICON (-0.2%) and MPICO lost in prices. The significant jump in the prices on the counters registered pushed MASI up with 1.7%.

However, on year-to-date the index went up by 33.4%. As a result, the market capitalisation rose 33.31% in both MWK and USD terms.

# Weekly Market Report



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## SYMBOL SUMMARY



### Trading Summary for the week ending 14 April 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	75.11	80.02	6.5% ↑	457,333	36,489,485.00	14	880,220,000,000
BHL	10.96	10.96	0.0%	10,700	117,272.00	2	9,203,667,727
FDHB	38.98	38.98	0.0%	1,778,894	69,340,016.00	37	269,002,198,125
FMBCH	166.97	166.97	0.0%	6,374	1,064,263.73	5	410,454,002,500
ICON	11.89	11.87	-0.2% ↓	68,600	814,918.00	5	79,291,600,000
ILLOVO	750.00	770.02	2.7% ↑	6,322	4,867,944.44	5	549,366,449,958
MPICO	20.58	20.57	0.0% ↓	2,600	53,482.00	1	47,270,836,252
NBM	1,800.01	1,810.03	0.6% ↑	12,592	22,791,875.00	14	845,160,453,732
NBS	70.00	70.00	0.0%	830,193	58,113,510.00	23	203,740,134,920
NICO	144.50	144.50	0.0%	344,585	49,791,308.00	10	150,719,438,372
NITL	225.00	225.00	0.0%	12,000	2,700,000.00	4	30,375,000,000
OMU	1,025.00	1,025.00	0.0%	1,000	1,025,000.00	2	15,408,198,725
PCL	2,181.29	2,181.29	0.0%	14	30,538.06	1	262,312,817,608
STANDARD	2,200.60	2,200.61	0.0% ↑	95	209,057.95	1	516,413,103,979
SUNBIRD	120.00	120.01	0.0% ↑	400	48,004.00	1	31,392,525,426
TNM	16.10	16.21	0.7% ↑	441,995	7,121,238.95	6	162,755,694,500
<b>Totals</b>				<b>3,973,697</b>	<b>254,577,913.13</b>	<b>131</b>	<b>4,463,086,121,823</b>

				14-Apr-23	6-Apr-23	31-Dec-22
INDEX (week)	81,354.83	82,734.42	1.7% ↑	MWK/USD	1026.43	1026.43
INDEX (month)	80,298.12	82,734.42	3.0% ↑	MWK/GBP	1325.45	1316.14
INDEX (year to date)	62,036.05	82,734.42	33.4% ↑	MWK/ZAR	58.65	58.48

Market cap (MWK'm)	4,463,086.12	3,348,012.68
Market cap (USD'm)	4348.143386	3261.787967

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