

MALAWI

Political and economic news

Govt wants partnerships to improve mining sector

The Ministry of Mining has stated that there is a need for strong collaboration between different players if the country is to turn the mining sector into the next big thing. Minister of mining mentioned that the mining sector cannot grow to optimum levels unless the government works with stakeholders, including the private sector, to develop it. She stated that this requires strong support and collaboration from all relevant stakeholders, including government ministries, development partners, traditional leadership, security agencies, the media, donors and Civil Society Organisations. I wish therefore to take this opportunity to appeal to all the stakeholders; both public and private sectors, including development partners, to support my ministry's effort in order to realise a modern, efficient and effective mining sector which is able to significantly contribute to the economy of this country, she stated. *(Source: The Daily Times)*

FMBCH posts USD 61.2m profit in 2022

Malawi Stock Exchange (MSE)-listed FMB Capital Holdings (FMBCH) has posted a USD 61.2 (about MWK 63.2bn) million profit for the year ended December 31 2022, a published financial statement has shown. This represents a 51% increase in profit when compared to the USD 40.4m (about MWK 41.7bn) the company posted in 2021. The statement further indicates that the company registered a 26 percent increase in customer base over 555,000. "Net interest income for the year grew by 13% and total non-interest income by 8%, resulting in total operating income of USD 191.6m (about MWK 197.9bn)-a growth of 10% y/y. "Loans and advances to customers went up by 18% at year-end closing at USD 651.7m (MWK 673.2bn). Credit loss ratio on customer's advances was 0.77% from 1.43% in 2021". The statement reads. Further, the group's non-performing loans remain on of the lowest in the banking industry at regional level, at 2.8% of the USD 664.6m (MWK 686.5bn) gross advances portfolio. The firm has since declared a second interim dividend of USD 8.3m (MWK 8.6bn) payable on or about 12 June 2023. *(Source: The Daily Times)*

TNM brings 5G network

TNM plc has become the first mobile network operator in Malawi to launch the industry-revolutionising Fifth Generation (5G) network which delivers the fastest and highest quality mobile internet speeds. The pilot G network is being unveiled together with MAHAPE, a communication platform conveying the emotions of happiness that the G and other existing TNM products and services create. TNM Chief Executive Officer said customers in selected areas of the country can now start receiving the signal to test the G network. "In keeping with our tradition as a pioneer in mobile telecoms technology, we are excited to be the first in Malawi to bring 5G network services, just like we were the first to launch 2G, 3G & 4G network services," he said. The pilot launch proceeds following approvals by the Malawi Communications Regulatory Authority. The CEO further stated that in the past two years, TNM has invested up to MWK 5.2bn (USD 5.1 m) to upgrade and modernize its packet core network platform to support current data traffic growth, improve the 4G experience and now as a platform to launch 5G, in partnership with Huawei, the world's technology leader. *(Source: The Daily Times)*

Malawi banks on debt swaps

As pressure continues to mount on Capital Hill to pay back over USD 850m it owes to international lenders, the government mentioned that it is prying that some creditors may accept debt swaps. Presidential Economic Advisor disclosed this in Lilongwe during a panel discussion at the start of the 2023 Malawi Investment Summit. A debt swap is a transaction which the obligation the debts of a company or individual are exchanged for something of value, namely. Equity. In a debt –for- adaptation swap, countries who borrowed money from other nations or multilateral development banks could have that debt forgiven, if the money that was to be spent on repayment was instead diverted to climate adaptation and resilience projects. According to the advisor, the debt restructuring that Capital Hill has had with some lenders, it has been advancing the narrative. *(Source: The Daily Times)*

Market activity and colour

Market commentary

The market traded 18.7m shares in 311 trades recording a market turnover of MWK 1.3bn during the week ended. AIRTEL (+4.5%), ILLOVO, NBM, STD (+2.2%), SUNBIRD (+14.6%) and TNM (+3.0%) were the market gainers whilst FDHB (-0.1%), NBS (-1.1%), NICO and PCL dropped in prices. The significant jump in the prices on the counters registered pushed MASI up with 1.3%.

However, on year-to-date the index went up by 64.2%. As a result, the market capitalisation rose 63.97% in both MWK and USD terms.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
26 May 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	95.73	100.03	4.5% ↑	274,200	27,422,770.00	33	1,100,330,000,000
BHL	10.00	10.00	0.0%	4,840,000	48,400,000.00	4	8,397,507,050
FDHB	64.95	64.88	-0.1% ↓	1,141,741	74,131,242.00	58	447,738,907,500
FMBCH	180.00	180.00	0.0%	27,223	4,900,140.00	6	442,485,000,000
ICON	11.26	11.26	0.0%	538,997	6,069,105.80	12	75,216,800,000
ILLOVO	1,121.30	1,121.42	0.0% ↑	63,207	70,881,527.00	21	800,070,808,955
MPICO	20.58	20.58	0.0%	260,814	5,367,552.00	2	47,293,816,727
NBM	2,000.27	2,000.29	0.0% ↑	2,500	5,000,705.00	8	933,998,886,204
NBS	94.26	93.24	-1.1% ↓	1,051,731	98,927,416.00	30	271,381,859,713
NICO	164.99	164.98	0.0% ↓	3,224,446	518,017,071.07	20	172,080,920,018
NITL	330.00	330.00	0.0%	39,534	13,046,220.00	7	44,550,000,000
OMU	1,127.51	1,127.51	0.0%	117,562	132,552,331.23	9	15,803,928,827
PCL	2,181.28	2,181.27	0.0% ↓	54,931	119,819,737.48	6	262,310,412,491
STANDARD	2,250.11	2,300.01	2.2% ↑	511	1,175,305.00	1	539,739,119,282
SUNBIRD	157.50	180.50	14.6% ↑	29,000	5,234,500.00	10	47,215,655,690
TNM	27.19	28.00	3.0% ↑	7,111,509	195,685,860.00	84	281,132,600,000
Totals				18,777,906	1,326,631,482.58	311	5,489,746,222,457

					26-May-23	19-May-23	31-Dec-22
INDEX (week)	100,565.73	101,868.17	1.3% ↑	MWK/USD	1026.43	1026.43	1026.43
INDEX (month)	86,462.61	101,868.17	17.8% ↑	MWK/GBP	1304.30	1311.28	1273.64
INDEX (year to date)	62,036.05	101,868.17	64.2% ↑	MWK/ZAR	53.50	54.78	62.35

Market cap (MWK'm)	5,489,746.22	3,348,012.68
Market cap (USD'm)	5348.362787	3261.787967

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