

## MALAWI

### Political and economic news

*World Bank faults forex measures*

The World Bank has faulted monetary policy measures aimed at rebuilding foreign exchange reserves, saying they have had little impact on boosting reserves and could be investment. In its latest Malawi Economic Monitor, the Bretton Woods institution has cited the re-introduction of customs declaration forms for exports to help track forex flows and ensure that all export earnings are repatriated to Malawi. Under the measure, exporters whose export value exceeds USD 2,000 (about MWK 2m) are mandated to declare these through an electronic form in line with the Exchange Control Regulations of 2022. The bank mentioned that this measure could have an adverse impact on attracting new foreign direct investment. Reads the report in part: Other than attracting new investment, this could also and potentially undermine the competitiveness of the domestic private sector that may not be able to import critical inputs for production or services they provide. Economist Bond stated in an interview that foreign exchange shortage is a capacity issue. *(Source: The Nation)*

*Govt cherishes MWK 29bn rutile mine investment*

Ministry of Mining has described the AUD\$ 40.4m (about MWK 29bn) investment by Australian Company, Rio Tinto Mining and Exploration, in Sovereign Metals Limited as a significant step in the development of the mining sector. The movement, which has seen Rio Tinto acquiring a 15% stake in Sovereign Metals Limited, will see the firm providing technical and marketing expertise. This will enable Sovereign Metals Limited, which is exploring rutile at Kasiya in Lilongwe, to focus on the in-demand graphite for the lithium-ion battery market. A statement from the Ministry of Mining states that Rio Tinto's investment will represent a significant step towards unlocking a major new supply of low carbon dioxide footprint natural rutile and flake graphite. Speaking in an interview, Ministry of Mining spokesperson mentioned that the development is a milestone towards realising the country's aspirations outlined in Malawi 2063, the country's long-term development strategy and the First 10-Year Implementation Plan that runs up to 2030. *(Source: The Nation)*

*TNM assures of turning the corner, to post profit*

TNM plc board chairperson stated that the firm has picked up speed to turn around the situation to achieve profitability and pay out dividends to its shareholders. In the year ended December 31, 2022, TNM plc posted a loss of MWK 1.76bn from a profit of MWK 9.69bn the previous year, a development he attributed to the subdued economic environment characterised by devaluation of the kwacha, forex and fuel shortages as well as power outages. He stated that this resulted in the company not able to declare dividend in the year ended December 2022. He told the shareholders that during the year, TNM plc invested about MWK 18bn in infrastructure, which is in line with global industry trends. TNM plc chief executive reported that data revenue grew by over 9% over the previous year. He further on mentioned that the mobile money, TNM Mpamba revenue grew by 27% to MWK 14.6bn, with Mpamba users growing by 34% compared to the previous year. TNM plc minority shareholder urged the company to improve its performance to achieve profitability. *(Source: Nation)*

## *Treasury's headache*   *budget*   *deficit*

The Treasury has conceded facing intense pressure in its quest to narrowing the ever yawning budget deficit due to prevailing mismatches between public revenue and expenditure. According to the Secretary to Treasury, the country has a long way to go to achieve a zero-rated budget- where available resources tally expenditure needs. He further on stated that mandatory expenditures such as wages and social services costs continue to pile pressure on the government budget lines. We will still implement deficit budgets unless we work seriously hard on the revenue to cover our own budget without borrowing. The Treasury planned to have the budget deficit to Gross Domestic Product (GDP) ratio reduced by one percent each year, a dream which is far from being met, at least in the 2023-24 fiscal year, as the gap is seen at MWK 1.32tn or 8.7% of GDP. The budget deficit has grown by about 30% from MWK 1.01tn (or 8% of GDP) in the 2022-23 budget. *(Source: The Business Times)*

## Market activity and colour

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### Market commentary

The market traded 13.6m shares in 182 trades recording a market turnover of MWK 2.6bn during the week ended. FDHB (+0.2%), FMBCH (+4.3%), NBS and NITL (+14.6%) were the market gainers whilst ICON (-0.1%), NICO and TNM lost in prices. The significant jump on NITL pushed MASI up with 0.6%.

However, on year-to-date the index went up by 81.3%. As a result, the market capitalisation rose 76.72% in both MWK and USD terms.

# Weekly Market Report



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## SYMBOL SUMMARY



Trading Summary for the week ending  
28 July 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	100.07	100.07	0.0%	165,277	16,539,275.00	28	1,100,770,000,000
BHL	10.06	10.06	0.0%	0	0.00	0	8,447,892,092
FDHB	66.06	66.21	0.2% ↑	14,562	963,946.96	2	456,917,279,063
FMBCH	287.51	300.01	4.3% ↑	294,806	86,706,726.00	5	737,499,582,500
ICON	18.99	18.97	-0.1% ↓	280,993	5,330,407.42	11	126,719,600,000
ILLOVO	1,121.41	1,121.41	0.0%	1,135,938	1,273,852,128.89	13	800,063,674,511
MPICO	20.56	20.56	0.0%	3,452	70,973.12	4	47,247,855,778
NBM	2,050.00	2,050.00	0.0%	21,570	44,218,500.00	25	957,210,062,900
NBS	131.99	132.00	0.0% ↑	2,642,307	348,783,996.00	25	384,195,682,992
NICO	163.02	163.01	0.0% ↓	229,066	37,340,070.06	10	170,026,129,059
NITL	350.00	401.00	14.6% ↑	1,503,000	602,703,017.00	9	54,135,000,000
OMU	960.00	960.00	0.0%	0	0.00	0	13,279,170,240
PCL	2,508.00	2,508.00	0.0%	8,100	20,314,800.00	4	301,601,596,560
STANDARD	2,400.02	2,400.02	0.0%	0	0.00	0	563,208,282,163
SUNBIRD	190.01	190.01	0.0%	0	0.00	0	49,703,306,026
TNM	30.00	29.99	0.0% ↓	7,350,313	220,435,922.00	46	301,113,095,500
<b>Totals</b>				<b>13,649,384</b>	<b>2,657,259,762.45</b>	<b>182</b>	<b>6,072,138,209,384</b>

					28-Jul-23	21-Jul-23	31-Dec-22
INDEX (week)	111,803.72	112,492.50	0.6% ↑	MWK/USD	1053.44	1053.44	1026.43
INDEX (month)	107,470.16	112,492.50	4.7% ↑	MWK/GBP	1388.31	1399.49	1273.64
INDEX (year to date)	62,036.05	112,492.50	81.3% ↑	MWK/ZAR	61.01	60.58	62.35

Market cap (MWK'm)	6,072,138.21	3,348,012.68
Market cap (USD'm)	5764.117599	3261.787967

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