

MALAWI

Political and economic news

Forex shortage pushes up local cement prices

Consumers are being forced to pay about MWK 19,000 per 50kg bag of cement, which is MWK 7,000 above the recommended average price due to shortage of the commodity on the market attributed to foreign scarcity. In a statement issued, Ministry of Trade and Industry stated that following their engagement with the local manufacturers, it was found that the under supply on the market is due to halted production caused by lack of foreign exchange for importation of key raw materials. Reads the statement in part: Among other reasons, the manufacturers indicated that the main cause has been limited access to forex, which has affected the importation of gypsum, clinker and coal. The ministry has in this regard engaged the Reserve Bank of Malawi (RBM) to prioritise supply of forex to the cement manufacturers to address the problem. Published data from the ministry shows that Shayona Cement Corporation's Build Plast costs MWK 9,500, Akshar costs MWK 10,793 while Thantwe costs MWK 11,566. (Source: *The Nation*)

Icon Properties positive, outlines upcoming projects

Property management firm Icon Properties plc stated that the company has aligned itself to benefit from the MWK 4.7tn infrastructure needs as outlined in the country's development agenda. The firm's chief executive officer mentioned this in an interview in Blantyre on the side-lines of the firm's first stakeholder engagement where they shared how the firm has performed in the last four years and plans for the future. On a case-by-case basis, we will be looking at a balance approach in terms of benefits of the country and our investors, she added that the company is working on existing and other big projects to grow the company. We are working on an automated parking management system at Chichiri Shopping Centre and a four-star hotel project in Lilongwe which is going towards the end of its first phase. She further stated that they have a seven-storey office project in Lilongwe which is still in planning phase and will cost the firm USD 30m while the hotel project being implemented in partnership with others will cost USD 44m. One of the Icon Properties plc shareholders expressed satisfaction with the performance of the company, but urged directors to be forward-looking in terms of investments. (Source: *Business News*)

PCL says on expansion strategy through M&As

Press Corporation plc (PCL) states that it is working on an expansion strategy through mergers and acquisitions (M&As) and has lined up a number of projects to achieve the objective. Speaking during the 39th Annual General Meeting in Blantyre, PCL chairperson who reported a MWK 36.31bn profit after-tax in the year ended December 31 2022, mentioned that the group remains committed to achieving strategic priorities while navigating the broader market and economic challenges. The group's current strategy is centred around optimising existing assets and investing in capacity for the future, he stated. It is with this in mind that the group envisages organic growth through expansion projects in ethanol business to unlock its performance and sustainable potential. PCL has also engaged in portfolio rebalancing to pursue greenfield projects in the renewable energy as well as processing and manufacturing. He mentioned that following the execution of the sale and purchase agreement on People's Trading Centre (PTC), PCL group completed the exit process from the firm. (Source: *Nation*)

Inflation to average 29% in 2023

The Reserve Bank of Malawi (RBM) has revised upwards its annual average inflation target to 29.5%, the second time since Minister of Finance presented the 2023-24 national budget to Parliament in March. The estimate is contained in the central bank's Monetary Policy Committee (MPC) statement published on Friday. The MPC also raised the policy rate to 24% and the liquidity reserve requirement ratio on domestic currency deposits to 7.75%. The inflation estimate represents a five percentage point climb from 24.5% projected in April, and is 8.6 percentage points higher than the average inflation projection of 18.2% in the 2023-24 national budget. The MPC noted that inflationary pressures persisted during the second quarter of 2023, as evidenced by a surge in headline inflation to an average of 28.4%, from 26.5% in the first quarter, and compared to 19.4% for the second quarter last year. The outturn was driven by acceleration in food inflation, which rose to an average of 38% in the second quarter from 31.7% between January and March and compared to 25.4% for second quarter of 2022, the MPC report reads. *(Source: Times Business)*

Market activity and colour

Market commentary

The market traded 5.5m shares in 155 trades recording a market turnover of MWK 457m during the week ended. AIRTEL, FDHB (+9.0%), FMBCH (+3.8%), NICO, OMU (+9.4%) and STD (+4.2%) were the market gainers and NBS was the only counter that dropped in price. The significant jump in the prices on the counters registered pushed MASI up with 1.5%.

However, on year-to-date the index went up by 84.1%. As a result, the market capitalisation rose 84.17% in MWK and 74.30% USD terms.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
04 August 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	100.07	100.08	0.0% ↑	95,449	9,588,947.55	23	1,100,880,000,000
BHL	10.06	10.06	0.0%	0	0.00	0	8,447,892,092
FDHB	66.21	72.16	9.0% ↑	3,604,522	258,875,993.00	25	497,978,415,000
FMBCH	300.01	311.47	3.8% ↑	27,385	8,529,498.00	6	765,671,127,500
ICON	18.97	18.97	0.0%	115,498	2,190,997.25	6	126,719,600,000
ILLOVO	1,121.41	1,121.41	0.0%	9,684	10,859,734.32	5	800,063,674,511
MPICO	20.56	20.56	0.0%	9,226	189,686.56	4	47,247,855,778
NBM	2,050.00	2,050.00	0.0%	7,427	15,225,364.00	16	957,210,062,900
NBS	132.00	131.99	0.0% ↓	591,479	78,069,763.00	24	384,166,577,258
NICO	163.01	163.02	0.0% ↑	202,941	33,082,502.44	16	170,036,559,470
NITL	401.00	401.01	0.0%	11,277	4,522,190.00	1	54,136,350,000
OMU	960.00	1,050.00	9.4% ↑	1,398	1,467,900.00	1	14,524,092,450
PCL	2,508.00	2,508.00	0.0%	984	2,467,872.00	1	301,601,596,560
STANDARD	2,400.02	2,500.00	4.2% ↑	2,200	5,311,995.00	2	586,670,405,000
SUNBIRD	190.01	190.01	0.0%	0	0.00	0	49,703,306,026
TNM	29.99	29.99	0.0%	897,885	26,927,101.00	25	301,113,095,500
Totals				5,577,355	457,309,544.12	155	6,166,170,610,045

					4-Aug-23	28-Jul-23	31-Dec-22
INDEX (week)	112,492.50	114,207.81	1.5% ↑	MWK/USD	1084.60	1053.44	1026.43
INDEX (month)	112,497.02	114,207.81	1.5% ↑	MWK/GBP	1420.55	1388.31	1273.64
INDEX (year to date)	62,036.05	114,207.81	84.1% ↑	MWK/ZAR	59.79	61.01	62.35

Market cap (MWK'm)	6,166,170.61	3,348,012.68
Market cap (USD'm)	5685.206674	3261.787967

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