

## MALAWI

### Political and economic news

#### *Real estate sector reacts to Kwacha devaluation*

The Surveyors Institute of Malawi (SIM) stated that players in real estate sector will be affected differently by the recent 44% devaluation of the Kwacha. Sim President mentioned that landlords are likely to feel the pinch in the short-term because as the people buying power dwindles but may not raise rentals because they are using leases that already exist. He mentioned that land developers will also feel the pinch because prices of construction materials have gone up. As much as these will be corrected by raising rentals, it will be unfortunate to increase the rentals by 44% because real estate is affected by location and it is what should determine the percentage of the raise. Since the devaluation, prices of different goods and services have been rising. Presenting the mid-year budget statement in Parliament, Minister of Finance stated that the policy shock to align the exchange rate was tough but important. After months of hesitation, the Reserve Bank of Malawi (RBM) recently announced a whopping 44% devaluation of the Kwacha, coming closer to the 49% slump effected by the Joyce Banda administration in May 2012. *(Times Business)*

#### *Min moves to woo investors in mining*

The Ministry of Mining has affirmed commitment to creating an enabling environment and promoting private enterprises role in the mining sector as key drivers of economic growth. Minister of Mining stated this when she inaugurated the Salambidwe airborne high-resolution geophysical survey project in Blantyre. She further stated that the initiative, funded by DY6 Metals from Australia and executed by Green Exploration Limited, is poised to revolutionize the mining sector in Malawi. The mining sector is placed as the main contributor to sustainable economic growth and is particularly regarded as important, she lamented. The Salambidwe project will foster socio-economic development and contribute towards poverty reduction through the efficient utilization and management of minerals and other geological resources. One of the critical aspects of the initiative is the establishment of an Integrated Geographic Information System (GIS) Database, encompassing geological, mineral resources, remote sensing, geophysical prospecting and geochemical data. The targeted exploration area is Salambidwe, situated 50km west of Chikwawa Boma, known for its rare elements, crucial for green energy and currently in high demand globally. Local Malawian companies, Green Exploration and Akatswiri/NRG, were commended for advancing the airborne survey project. *(Times Business)*

#### *Private sector credit remains below par*

Private sector credit to the manufacturing and agricultural sectors have risen by 3% and 17%, respectively, but economic experts say the changes are not significant enough to expand production in critical sectors of the economy. Data contained in September issue of the Reserve Bank of Malawi (RBM) Monthly Economic Review shows that private sector credit to the manufacturing sector has risen to 11.4% at the end of September, the last month where official data is available from 9.4% at the corresponding period last year. Likewise, credit to the agriculture, forestry, fishing and hunting sector grew 0.2 percentage points from 17.9% at the end of September 2022 to 18.6% at the end of September this year. The developments show that the agriculture and manufacturing sectors, which are earmarked as the main drivers of economic growth in Malawi 2063, have secured more loans from the private sector. The second iteration of the National Export Strategy II (2021-2026) is also anchored on industrial development through manufacturing Value-added products for exports to reduce the growing trade balance in the country. *(The Nation)*

## Market activity and colour

### Market commentary

The market traded 17.6m shares in 216 trades recording a market turnover of MWK 4bn during the week ended. ILLOVO (+2.6%) and STD (+12.9%) were the only market gainers whilst AIRTEL (-11.3%), FDHB, NBS (-0.3%), NICO (-3.5%) and TNM (-3.8%) dropped in prices. The significant price drops on the counters registered pushed MASI down by -0.1%.

However, on year-to-date the index went up by 82.3% whilst index for the month went up by 0.3%. As a result, the market capitalisation rose 82.42% in MWK and 11.23% USD terms.

# Weekly Market Report



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## SYMBOL SUMMARY



### Trading Summary for the week ending 01 December 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	90.14	79.99	-11.3% ↓	218,275	18,875,531.00	19	879,890,000,000
BHL	10.06	10.06	0.0%	0	0.00	0	8,447,892,092
FDHB	67.95	67.94	0.0% ↓	2,308,500	156,839,655.78	33	468,856,063,125
FMBCH	300.00	300.00	0.0%	65,179	19,553,700.00	15	737,475,000,000
ICON	17.93	17.93	0.0%	1,087	19,489.91	1	119,772,400,000
ILLOVO	1,218.10	1,250.00	2.6% ↑	5,737	7,103,773.00	20	891,805,488,750
MPICO	15.00	15.00	0.0%	10,025,528	150,382,920.00	7	34,470,711,900
NBM	2,101.18	2,101.18	0.0%	1,120,798	2,354,998,200.00	41	981,107,629,251
NBS	107.07	106.73	-0.3% ↓	2,095,659	223,806,288.35	29	310,645,494,286
NICO	150.00	150.00	0.0%	807,595	121,139,300.00	23	156,456,164,400
NITL	410.00	410.00	0.0%	8,782	3,600,620.00	7	55,350,000,000
OMU	1,500.00	1,500.00	0.0%	0	0.00	0	20,245,039,500
PCL	2,507.00	2,507.00	0.0%	417,420	960,396,800.00	7	301,481,340,740
STANDARD	3,100.02	3,500.00	12.9% ↑	12,900	45,150,000.00	4	821,338,567,000
SUNBIRD	191.06	191.06	0.0%	0	0.00	0	49,977,967,735
TNM	27.97	26.90	-3.8% ↓	533,819	14,361,328.25	10	270,088,105,000
Totals				17,621,279	4,076,227,606.29	216	6,107,407,863,779

					1-Dec-23	24-Nov-23	31-Dec-22
INDEX (week)	113,206.94	113,079.47	-0.1% ↓	MWK/USD	1683.37	1683.37	1026.43
INDEX (month)	112,790.18	113,079.47	0.3% ↑	MWK/GBP	2192.13	2174.27	1273.64
INDEX (year to date)	62,036.05	113,079.47	82.3% ↑	MWK/ZAR	92.16	92.18	62.35

Market cap (MWK'm)	6,107,407.86	3,348,012.68
Market cap (USD'm)	3628.092034	3261.787967

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