

MALAWI

Political and economic news

El Nino threatens economic growth

Malawi's 2023/24 gross domestic product (GDP) could contract by between four and 8.6% due to adverse climatic conditions influenced by El Nino weather pattern, it has emerged. In a joint analysis on the effects of El Nino condition on Malawi's economy by researchers from the International Food Policy Research Institute, National Planning Commission, Malawi Liverpool Welcome Trust, Department of Climate Change and Meteorological Services, University of Malawi, MwAPATA Institute and the Lilongwe University of Agriculture and Natural Resources established the threat nationwide. The analysis shows that El Nino will affect the country's maize production, hitting hard 60% of maize areas that were affected by low maize yields of between 15 and 30% in the past El Nino years. Consequently, maize production could decline by a maximum of 20% in worst case scenario, with household consumption capacity falling by up to 6.7% eroded consumption capacity more pronounced in urban (12.2%) than rural areas (2%). In the worst case scenario, the erosion of household production and livelihood capacities by the forecasted El Nino conditions could augment household poverty by 2.6%. *(The Nation)*

Escom loses MWK 83bn to devaluation

Electricity Supply Corporation of Malawi (Escom) has lost MWK 83bn in monetary value as a result of the 44% devaluation of the Kwacha which was announced by the Reserve Bank of Malawi (RBM) early last month. This was revealed by the corporation's chief operations officer in Times radio programme called Kulinji. According to him, 80% of the products Escom uses are imported and suppliers are demanding upward price adjustments ranging from 40% to 60%, hence the registered losses. He indicated that Escom will now squeeze itself to cover up for the loss and the recently announced suspension of the 44.92% electricity tariff increase. The squeezing means that some things which were supposed to be done in providing quality electricity and having reliable electricity, the way things are now, will not be done, he stated. Consumers Association of Malawi Executive Director mentioned that it is disappointing that the corporation has pushed the whole cost of devaluation to consumers. He suggested that the system that Escom uses to raise electricity, called Automatic Tariff Adjustment Formula should be reviewed so that it also puts the interest of consumers first. *(Times Business)*

Market activity and colour

Market commentary

The market traded 1.5m shares in 112 trades recording a market turnover of MWK 322m during the week ended. ILLOVO and BHL (+15%) were the only market gainers whilst AIRTEL (-10.0%), FDHB, ICON (-0.1%), NBS (-0.4%), NITL, PCL and TNM (-14.5%) dropped in prices. The significant price drops on the counters registered pushed MASI down by -2.1%.

However, on year-to-date the index closed at 78.5% whilst index for the month went down by -1.8%. As a result, the market capitalisation dropped to close at 78.62% in MWK and 8.91% USD terms.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
08 December 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	79.99	71.99	-10.0% ↓	26,158	1,905,008.51	12	791,890,000,000
BHL	10.06	11.57	15.0% ↑	143,000	1,654,510.00	3	9,715,915,657
FDHB	67.94	67.93	0.0% ↓	556,135	37,780,987.06	29	468,787,052,813
FMBCH	300.00	300.00	0.0%	37,010	11,103,140.00	2	737,475,000,000
ICON	17.93	17.92	-0.1% ↓	85,413	1,530,601.00	4	119,705,600,000
ILLOVO	1,250.00	1,250.03	0.0% ↑	68,488	85,610,151.00	13	891,826,892,082
MPICO	15.00	15.00	0.0%	0	0.00	0	34,470,711,900
NBM	2,101.18	2,101.18	0.0%	53,960	113,379,695.00	8	981,107,629,251
NBS	106.73	106.33	-0.4% ↓	308,188	32,811,437.00	12	309,481,264,943
NICO	150.00	150.00	0.0%	173,491	26,023,567.00	13	156,456,164,400
NITL	410.00	409.99	0.0% ↓	18,062	7,405,239.38	4	55,348,650,000
OMU	1,500.00	1,500.00	0.0%	0	0.00	0	20,245,039,500
PCL	2,507.00	2,506.99	0.0% ↓	525	1,316,169.69	4	301,480,138,182
STANDARD	3,500.00	3,500.00	0.0%	100	350,000.00	1	821,338,567,000
SUNBIRD	191.06	191.06	0.0%	0	0.00	0	49,977,967,735
TNM	26.90	23.00	-14.5% ↓	50,579	1,206,803.80	7	230,930,350,000
Totals				1,521,109	322,077,309.44	112	5,980,236,943,462

				8-Dec-23	1-Dec-23	31-Dec-22	
INDEX (week)	113,079.47	110,706.19	-2.1% ↓	MWK/USD	1683.37	1683.37	1026.43
INDEX (month)	112,790.18	110,706.19	-1.8% ↓	MWK/GBP	2182.07	2174.27	1273.64
INDEX (year to date)	62,036.05	110,706.19	78.5% ↓	MWK/ZAR	92.43	92.18	62.35

Market cap (MWK'm)	5,980,236.94	3,348,012.68
Market cap (USD'm)	3552.546432	3261.787967

Cedar Capital Limited
4th Floor, Livingstone Towers
Sir Glyn Jones Road
P O Box 3340
Blantyre, Malawi
+265 1 831 995
Feedback: nzimar@cedarcapital.mw

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