

MALAWI

Political and economic news

FDH Bank eyes 30% profit rise

Malawi Stock Exchange (MSE)-listed FDH Bank plc stated that it expects its profit-after-tax for the period ending December 31 2023 to grow by a range of 27% and 31%. The financial institution has made the projection in its trading statement released this week. The statement indicates that the increase in monetary value presents an increase in the ranges of between MWK 29.1bn to MWK 30bn compared to the corresponding period, when the bank made MWK 22.932bn post-tax profit. In its 2023 first half financial statement, the bank announced that its directors approved a first interim dividend of MWK 9.040bn in respect of 2023 profits, which represented MWK 1.31 per share. The statement adds that the bank remains committed to creating value for customers, shareholders and other stakeholders by focusing on growing revenue and market share, reducing operating cost for sustainable performance and profitability, among others. This is being delivered through the bank strategic objectives which are focusing on providing first class customer-centric financial solutions while leveraging effective and reliable digital platforms, widest distribution network and strong financial performance, the statement reads. *(Times Business)*

Madinga for exchange rate management consistency

Standard Bank Malawi Chief Executive has called for consistency in the management of the exchange rate. Speaking in Lilongwe on Thursday during a panel discussion when the World Bank launched the Malawi Economic Memorandum: A Narrow Path to Prosperity. According to the CEO, all the crises that Malawi has had, in terms of balance of payment, have happened on the back of a fixed exchange rate. He further stated that the recovery of the economy has always happened on the back of floated exchange rate. What we need to do is sustain the measures that are being put in place, he stated. Associate Professor of Economics at the University of Malawi (Unima) described Malawi as an isomorphic country where people know the right things to say, the right things to put in documents and know the language that donors want but do not execute. He also lamented policy inconsistency, saying it is difficult to guarantee that a policy implemented today will remain valid a year later. We commit to policies, and then, in a year or so, we start back tracking. So we do not implement policies in full and those which we have been implemented in full are also reversed, he stated. Delivering closing remarks at the launch, Trade Minister mentioned that Malawi is doomed as a country if politics makes more sense than business. Any country is doomed if importing is more lucrative than exporting. Increase in trade and increase in foreign direct investment are among the strong pillars for us to achieve economic growth henceforth, he outlined. *(Times Business)*

Inequalities persist in capital markets-experts

Officials from Malawi Stock Exchange (MSE) and financial advisers have decried inequalities in accessing financing from the capital markets despite huge finance available in capital markets. Speaking during a business meeting in Lilongwe on Tuesday, MSE board chair stated that there is more than MWK 2.1tn worth of capital in the 16-counter MSE but most businesses do not access it because they have not formalized their businesses. We have two platforms on how companies can raise the funds, the main board and also the alternative board. So, for small companies they can come over the alternative board and access financing through the enterprise development and growth exchange programme, he stated. MSE chief executive officer urged investors to explore the financing options available on the stock market to raise capital to grow their businesses and ultimately contribute to economic growth. Businesses need to do away with the myth that the capital markets are expensive, he stated. The cost of capital in the capital markets has gone down to as low as 3.5%, but businesses do not approach us to access them. You will note that this is significantly below the rates offered by the commercial banks. *(The Nation)*

MW2063 Roll-out plan slow despite strides

The National Planning Commission (NPC) says implementation of the first -10-year targets in the execution of Malawi 2063 (MW2063) has been slow despite making some strides. This, it says, is despite strides made in putting in place the requisite institutional and policy frameworks for the effective and efficient implementation of the development plan, through which the MW2063 Implementation Plan (MIP)-milestones remain attainable if supported by domestic and foreign direct investments into the economy. In its NPC 2023 Annual Report published, the commission stated that while implementation of about 80% of the interventions that were to start between 2021 and 2022 started, 60% of them were either off-track or are registering very slow progress. This was the case in all the three MW2063 pillars of agricultural productivity and commercialization: industrialization and urbanization, including the critical MW2063 enabler of private sector dynamism. Reads the report in part: This has mainly been due to both exogenous shocks and, in general, the nation's low implementation capacities as well as lack of urgency in executing the MIP-1 in certain cases. As for the other Sustainable Development Goals (SDGs), the commission mentioned that Malawi is making moderate or very slow progress on gender equality; affordable and clean energy; decent work and economic growth; industry innovation and infrastructure; climate action; and partnerships critical to the realization of the inclusive wealth creation agenda and the achievement of two of the most important SDGs on no poverty and reducing inequality. *(The Nation)*

Market activity and colour

Market commentary

The market traded 1.7m shares in 164 trades recording a market turnover of MWK 169bn during the week ended. BHL (+12.4%), FMBCH, ILLOVO and SUNBIRD were the market gainers whilst AIRTEL (-2.8%), FDHB (-1.4%), ICON (-0.1%), NBS (-3.2%), NICO (-0.1%) and TNM (-4.3%) dropped in prices. The significant price drops on the counters registered pushed MASI down by -0.8%.

However, on year-to-date the index closed at 77.0% whilst index for the month went down by -2.6%. As a result, the market capitalisation dropped to close at 77.21% in MWK and 8.05% USD terms.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
15 December 2023

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	71.99	70.00	-2.8% ↓	111,001	7,770,070.00	18	770,000,000,000
BHL	11.57	13.00	12.4% ↑	20,000	260,002.70	2	10,916,759,165
FDHB	67.93	66.99	-1.4% ↓	1,049,177	70,287,807.00	52	462,300,083,438
FMBCH	300.00	300.03	0.0% ↑	36,105	10,832,079.00	9	737,548,747,500
ICON	17.92	17.91	-0.1% ↓	16,575	296,977.45	3	119,638,800,000
ILLOVO	1,250.03	1,250.02	0.0% ↑	7,384	9,230,194.00	12	891,819,757,638
MPICO	15.00	15.00	0.0%	280,535	4,208,025.00	7	34,470,711,900
NBM	2,101.18	2,101.18	0.0%	15,555	32,683,998.00	4	981,107,629,251
NBS	106.33	102.92	-3.2% ↓	114,849	11,830,926.26	16	299,556,209,800
NICO	150.00	149.88	-0.1% ↓	52,805	7,914,618.32	18	156,330,999,468
NITL	409.99	409.99	0.0%	27,121	11,119,339.98	13	55,348,650,000
OMU	1,500.00	1,500.00	0.0%	0	0.00	0	20,245,039,500
PCL	2,506.99	2,506.99	0.0%	904	2,266,319.04	4	301,480,138,182
STANDARD	3,500.00	3,500.00	0.0%	0	0.00	0	821,338,567,000
SUNBIRD	191.06	191.07	0.0% ↑	4,000	764,280.00	1	49,980,583,561
TNM	23.00	22.00	-4.3% ↓	11,673	256,806.00	5	220,889,900,000
Totals				1,747,684	169,721,442.75	164	5,932,972,576,402

					15-Dec-23	8-Dec-23	31-Dec-22
INDEX (week)	110,706.19	109,824.07	-0.8% ↓	MWK/USD	1683.37	1683.37	1026.43
INDEX (month)	112,790.18	109,824.07	-2.6% ↓	MWK/GBP	2211.20	2182.07	1273.64
INDEX (year to date)	62,036.05	109,824.07	77.0% ↓	MWK/ZAR	94.54	92.43	62.35

Market cap (MWK'm)	5,932,972.58	3,348,012.68
Market cap (USD'm)	3524.46914	3261.787967

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