

MALAWI

Political and economic news

Malawi expects 1.2m litres fuel by rail

The country expects to receive about 1.2m litres of fuel by rail next week, the National Oil Company of Malawi (Nocma) stated. This will be third time that the country will have received fuel by rail, which is deemed as the cheapest mode of transporting the commodity. Nocma Deputy Chief Executive mentioned that increased utilization of rail transport would enable the transportation of high volumes of fuel. He also warned the people to avoid stealing and tampering with oil when the train has arrived. Stealing fuel from the train or tampering with it is an offence. People should desist from such practices. Apart from that fuel is a dangerous commodity that can only be handled and kept by authorized entities, he stated. Senior Group Village said traditional leaders have come up with by-laws to curb stealing of fuel. Any person that will be found tampering with the fuel train will be dealt with. People have been ordered to report suspects to the police. Member of Parliament for the area rallied behind the chief's view. He warned against the illegal selling of fuel on the black market, saying that those caught in the act will face the long arm of the law. I am encouraging Malawians to report illegal fuel traders and all other fuel-related malpractices. We are working hand-in-hand with the police for continued order when the fuel arrives by rail. (Source: Business Times)

Economic woes hit manufacturers

Local manufacturers have cited rising inflation, high production costs and forex scarcity among factors constraining the sector's growth. This comes as one of the players in the industry, Malawi Stock Exchange-listed sugar maker Illovo Sugar Malawi, is poised to record a 50% decline in its post-tax profit for the year ended August 31, 2024. In a statement issued, the firm says its profit-after-tax is projected to be between MWK 17bn and MWK 28bn, a sharp decrease from the MWK 56.8bn reported last year. Illovo Sugar attributed the downturn to a combination of decreased production, high inflation, foreign exchange losses and the recent additional 10% income tax on profits exceeding K10bn. In an interview, Manufacturers Association of Malawi Chairperson said most players in the sector risk reporting low profitability this year due to volatility of the operating environment. She stated that rising inflation, high interest rates, Kwacha volatility and forex scarcity top the list of factors threatening profitability for local companies. She further mentioned that the operating environment remained challenging, stifling growth chances. High inflation has led to increased costs of production. The prices of raw materials, transport and utilities like water and electricity have surged, putting immense pressure on manufacturers. (Source: Times Business)

Rail will boost tax revenue— MRA

Malawi Revenue Authority (MRA) has said the Beira-Marka railway rehabilitation will double trade between Malawi and other countries in the region resulting in more revenue for the tax collector. MRA marketing communications manager said this during a media tour of editors to some of its establishments, including the Marka Nyathando-Customs and Excise Border Post facility in Nsanje District. She said once fully operational imports and export traffic will increase on the about 400-kilometre rail line that links landlocked Malawi with the bustling port of Beira in Mozambique. She said: “The railway rehabilitation currently underway in Marka to Bangula offers great opportunity for trade. As MRA, we are excited about this development and we are preparing proper systems, infrastructure and building capacity of staff so that the country should fully benefit from it.” She said already some railway construction from China are arriving in the country through the rail line. “We also recently received a consignment of molasses for production of ethanol through the line. “The first consignment was offloaded at Villa Nova rail station on the Malawi-Mozambique border. While the most recent consignment arrived at Marka,” she said. During the tour, media practitioners also appreciated the recently completed Marka-Bangula Road which was fully-funded locally by the taxpayers. Taking his turn, the country’s Editors Forum secretary general said the tour is timely since it provides the necessary insights and foresight for editors to fully understand MRA operations and taxation issues. *(Source: The Nation)*

Market activity and colour

Market commentary

The market traded 15.5m shares in 346 trades recording a market turnover of MWK 2.5bn during the week ended. STANDARD (+10.0%), SUNBIRD (+0.4%) and TNM (+0.1%) were the market gainers whilst AIRTEL, FDHB, FMBCH, ICON (-0.1%), NBS, NICO and NITL dropped in prices. The price jump on the counters mentioned pushed MASI up by 1.5%.

However, the index recorded a 29.2% rise on year-to-date and 1.5% on index per month.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
06 September 2024

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
ARTEL	44.96	44.94	0.0% ↓	2,558,073	114,984,747.93	31	494,340,000,000
BHL	13.05	13.05	0.0%	0	0.00	0	10,958,746,700
FDHB	149.82	149.77	0.0% ↓	5,675,129	850,069,266.42	76	1,033,567,450,313
FMBCH	398.50	398.49	0.0% ↓	46,530	18,541,618.00	15	979,588,042,500
ICON	14.99	14.97	-0.1% ↓	22,357	334,936.37	4	99,999,600,000
ILLOVO	1,355.11	1,355.11	0.0%	2,604	3,528,705.99	11	966,795,628,688
MPICO	14.95	14.94	-0.1% ↓	34,122	509,782.68	4	34,332,829,052
NBM	3,450.01	3,450.01	0.0%	34,173	117,897,200.45	35	1,610,919,165,417
NBS	149.71	149.68	0.0% ↓	5,028,758	752,752,701.00	53	435,654,619,926
NICO	198.73	198.70	0.0% ↓	1,200,937	238,633,725.00	32	207,252,265,775
NITL	411.19	411.18	0.0% ↓	119,575	49,166,696.48	16	55,509,300,000
OMU	1,866.00	1,866.00	0.0%	10,581	19,744,146.00	4	23,750,953,686
PCL	2,499.86	2,499.86	0.0%	139,717	349,272,900.00	17	300,622,714,185
STANDARD	4,850.01	5,335.01	10.0% ↑	3,702	19,750,210.00	10	1,251,956,990,952
SUNBIRD	224.08	225.01	0.4% ↑	4,000	900,040.00	1	58,858,696,326
TNM	18.00	18.01	0.1% ↑	621,644	11,195,761.99	37	180,828,504,500
Totals				15,501,902	2,547,282,438.31	346	7,744,935,508,020

					6-Sep-24	30-Aug-24	31-Dec-23
INDEX (week)	141,275.06	143,389.34	1.5% ↑	MWK/USD	1734.01	1734.01	1683.37
INDEX (month)	141,275.06	143,389.34	1.5% ↑	MWK/GBP	2353.99	2341.31	2212.41
INDEX (year to date)	110,951.21	143,389.34	29.2% ↑	MWK/ZAR	100.90	99.23	93.54

Market cap (MWK'm)	7,744,935.51	3,348,012.68
Market cap (USD'm)	4466.483739	1988.879473

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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