

MALAWI

Political and economic news

National Bank of Malawi Plc Secures landmark USD100 million financing facility from Afreximbank to support trade finance business

In a move set to significantly boost trade financing in Malawi, African Export-Import Bank (Afreximbank) has signed a landmark USD100m Trade Finance Facilitation Facility (AFTRAF) agreement with National Bank of Malawi (NBM) Plc, the country's largest bank by assets. Representing the largest AFTRAF facility ever to be extended by Afreximbank in Malawi, the USD100m AFTRAF agreement will enhance and maximize the capacity of NBM Plc to finance trade transactions of its clients in the manufacturing, energy and agriculture sectors. Additionally, it will allow NBM Plc to issue letters of credit confirmed by Afreximbank, addressing the difficulty posed by a shortage of confirming banks lines. It will also support the importation of critical goods required by Malawi, including intermediate products for the manufacturing sector, fuel, pharmaceuticals and fertiliser. The signing ceremony was held at Afreximbank's headquarters in Cairo. The Executive Vice President, Global Trade Bank Africa at Afreximbank and Chief Executive Officer, NBM Plc inked the deal on behalf of their respective organisations. In his comments during the signing ceremony, he said: "Our support to National Bank of Malawi through the Afreximbank Trade Facilitation "AFTRAF" programme will have a significant impact on Malawi's strategic sectors including manufacturing, agriculture and energy, by empowering them to import inputs and components to generate value-added exports." He added, "this partnership seeks to sustain supply chains of these sectors to enhance the foreign exchange earning capacity of the country." He further added that the collaboration is expected to boost intra- and extra-African trade across NBM's expanding geographical footprint in the southern African region by supporting corporates with financing products as well as capacity building. On his part, National Bank of Malawi plc CEO, said the credit line is a huge step forward for the Bank and, more importantly, for the people of Malawi.

(Source: Business Times)

Comesa decries low private sector climate financing

The Common Market for Eastern and Southern Africa (Comesa) has decried the private sector's low climate financing, which has left countries, including Malawi, in chronic hunger because of lack of sustainable food production systems. Speaking at the 11th Annual Research Forum in Zambia, Comesa secretary general said there have been increasing devastating effects of climate change, with several countries facing long spells of drought and subjecting huge populations to chronic hunger because of low climate financing from the private sector. In a statement made available to Business Review, she is quoted as having said: "Climate financing is a huge investment opportunity in the region and it is important to lower the cost of capital in green projects as we scale up industrialization efforts. "Research efforts should lead in proposing innovative green investment options, futures and derivatives tailored to finding lasting solutions to our region's socio-economic problems." But she said 87% of climate finance comes from the public sector, which is not enough to foster solutions. Comesa Business Council president, a former Malawi Confederation of Chambers of Commerce and Industry president, attributed the private sector's low climate financing contribution to worsening economic environment, which is limiting most players to survival only. He said: "Most private sector players are facing challenges because of rising inflation and interest rates, which are affecting production. "I think with proper research, public private dialogue and proper partnerships such innovative climate smart projects are possible." *(Source: The Nation)*

Pension investment income declines 58%

Ministry of Energy says the Mpatamanga Hydro Power Project (MHPP) remains viable because its environmental and social impact assessment (Esia) provides mitigation plans to reduce the effects of the project on the environment. A joint statement by Mpatamanga Hydro Power Limited (MHPL) and the Malawi Government says the two stakeholders are optimistic on the 358.5 megawatts (MW) power plant on a build, own, operate and transfer (Boot) basis under a public private partnership (PPP) framework. Among others, the Esia report indicates that the power station could have some impact in all the three phases of early works, construction and operations that include soil erosion, community health and safety and climate change and cultural heritage. Reads part of the report: "The Esia identified a considerable number of potential impacts, including potential increase in noise, dust, vibration and emissions, soil erosion, waste generation, project induced in-migration, occupational health and safety and public safety impacts, water pollution, biodiversity impacts loss of land and access to land and cultural heritage impacts." Meanwhile, according to the joint statement which highlighted the mitigation plans to reduce or prevent, September 27 is the deadline for receiving feedback from the public on Esia report. Reads the report: "As part of the environmental and social impact assessment process, an environmental and social management and monitoring plan has been prepared and will be implemented by the project. "The plan summarises the proposed mitigation measures for the identified environmental and social risks and impacts including the nature of the anticipated impacts, timeframe, budget, and the roles and responsibilities of those that will be involved in addressing them." In an interview, project coordinator in the Ministry of Energy said in the ministry's view, the project remains viable because it has mitigation plans on the potential impacts highlighted in the report. *(Source: The Nation)*

Market activity and colour

Market commentary

The market traded 27.6m shares in 288 trades recording a market turnover of MWK 3.8bn during the week ended. BHL (+0.1%), STANDARD and TNM (+0.1%) were the market gainers whilst AIRTEL (-0.1%), FDHB (-0.1%), ICON (-0.1%), ILLOVO (-3.9%), NBM, NBS, NITL, OMU and PCL dropped in prices. The price drops on the counters mentioned pushed MASI down by 0.5%.

However, the index recorded a 28.6% rise on year-to-date and 1.0% on index per month.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
27 September 2024

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	44.91	44.97	0.1% ↓	931,630	41,875,935.00	27	494,670,000,000
BHL	13.50	13.51	0.1% ↑	33,000	445,830.00	2	11,345,032,025
FDHB	149.45	149.24	-0.1% ↓	20,327,303	2,843,048,778.00	59	1,029,909,903,750
FMBCH	398.68	398.68	0.0%	374,394	149,263,400.00	8	980,055,110,000
ICON	14.91	14.90	-0.1% ↓	264,863	3,946,459.00	2	99,532,000,000
ILLOVO	1,355.10	1,302.08	-3.9% ↓	20,497	26,756,242.30	11	928,961,672,633
MPICO	14.92	14.92	0.0%	36,911	550,712.12	5	34,286,868,103
NBM	3,449.97	3,449.96	0.0% ↓	15,860	54,716,262.08	28	1,610,895,818,830
NBS	149.61	149.58	0.0% ↓	850,706	127,262,610.74	51	435,363,562,590
NICO	198.70	198.70	0.0%	2,485,140	493,797,240.00	24	207,252,265,775
NITL	411.10	411.08	0.0% ↓	44,178	18,161,191.50	10	55,495,800,000
OMU	1,866.01	1,866.00	0.0% ↓	27,864	51,994,222.00	19	23,750,953,686
PCL	2,499.85	2,499.83	0.0% ↓	10	24,998.30	1	300,619,106,511
STANDARD	5,335.03	5,335.06	0.0% ↑	2,071	11,048,894.00	18	1,251,968,724,360
SUNBIRD	225.05	225.05	0.0%	0	0.00	0	58,869,159,629
TNM	18.47	18.49	0.1% ↑	2,201,498	40,717,892.84	23	185,647,920,500
Totals				27,615,925	3,863,610,667.88	288	7,708,623,898,393

					27-Sep-24	20-Sep-24	31-Dec-23
INDEX (week)	143,430.94	142,711.26	-0.5% ↓	MWK/USD	1734.01	1734.01	1683.37
INDEX (month)	141,275.06	142,711.26	1.0% ↑	MWK/GBP	2389.18	2378.99	2212.41
INDEX (year to date)	110,951.21	142,711.26	28.6% ↑	MWK/ZAR	103.71	102.07	93.54

Market cap (MWK'm)	7,708,623.90	3,348,012.68
Market cap (USD'm)	4445.54293	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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