

MALAWI

Political and economic news

Mining sector set to boom, meet targets

Ministry of Mining and key stakeholders are optimistic that the establishment of the Mines and Minerals Regulatory Authority will help to streamline the sector to push the country into a lower middle-income economy by 2030. The ministry's acting director of mines and minerals said that with limited resources, they are making progress as the authority will unlock the sector's fortunes. He said some programmes and reforms to achieve the sector's long-term objectives do not necessarily require financial resources. "The establishment of the Mines and Mineral Authority, for instance, is a key milestone that will streamline operations on mineral rights administration, strengthen regulations and attract more investments in the sector, he said. "Shortly, a Malawi Mining Company will be established to undertake among others, in-depth exploration, joint ventures, act as State equity partner and mineral beneficiation under the Malawi Development Corporation Holdings Limited." He said the ministry is working with partners on capacity building, human resources development and technology, citing the recent block chain technology which it is implementing with support from United Nations Development Programme. "We are also reconfiguring the cadaster system with support from the World Bank. "This demonstrates our commitment to continuous improvement and we are optimistic that we will fully unlock the sector's potential to achieve our GDP [gross domestic product] targets by 2030 and 2063," he said. In a separate interview, newly appointed Mines and Mineral Regulatory Authority director general said the authority will ensure policies are timely formulated without bureaucracy-induced delays from the ministry. "This shows the right pace that we have taken collectively as a sector to ensure coordinated and quick decisions on policy issues, among others, like how to fix the artisanal small-scale miners which we believe is a sub-sector with great potential in the mining industry," he said. Mining along with agriculture and tourism under what is called ATM strategy, were earmarked to anchor the Malawi 2063, the country's long-term development plan, which targets attainment of middle income status by 2063, but analysts believe mining can play a key role to boost the economy. (Source: Business Times)

Commission retains half of nested tobacco proceeds

Tobacco Commission (TC) says owners of nested or mixed tobacco will only get half of their proceeds as the regulator has imposed a 50% penalty on the earnings to discourage the malpractice. In a statement, TC said about 170 223 kilogrammes (kg) of nested tobacco raked in USD 374 033.74 (about K655m), which means owners will only access K327.5m. Reads the statement in part: "The confiscated nested tobacco bales were re-handled by commercial graders and were re-offered for sale on Tobacco Commission registration number. "The commission has since imposed on the owners of the confiscated nested tobacco a penalty of 50% of the proceeds from the sales." However, the commission said from the 2025 marketing season, it shall be retaining all proceeds from confiscated nested tobacco bales to ensure that the malpractice is entirely curbed. In an interview, TC spokesperson said owners of the confiscated nested tobacco bales will get their proceeds through bank accounts registered with AHL Group. He said: "The payments are expected to start before the end of the week beginning November 4 2024. "We have been lenient this year by imposing 50% penalty because the law against nesting, which involves mixing of tobacco and non-tobacco materials among others, was enacted this year so we did not have enough time for sensitisation." Tama Farmers Trust president described nesting as a form of cheating, saying it is meant to deceive buyers on quality and volume and has the potential to dent the image of the country's tobacco industry. (Source: The Nation)

Transport and land compact set to roll

Millennium Challenge Account Malawi II (MCA-M II) has signed implementing entity agreements with key partners responsible for executing the compact's transport component, signalling roll out of the USD 350m (about K612bn) transport and land compact. The signing of the agreements formalises partnerships to improve over 300 kilometres (km) of roads across four strategic corridors. The compact requires MCA-M II to finalise the agreements with all implementing entities before the funds are released. The project will, among other improvements, upgrade to paved standard an 83km Mkanda-Linga corridor in Mchinji, 53km Chileka-Likuni corridor in Lilongwe, 77km Chantulo-Mkutumula corridor in Balaka and Mangochi and 67km Euthini-Chikwawa corridor in Mzimba and Rumphu and spot rehabilitation of the 57km road between Golomoti and Monkey Bay Turn-Off in Mangochi District. Speaking during the signing ceremony, MCA-M II chief executive officer expressed optimism that when completed, the four road corridors will improve access to markets and other strategic zones, thereby paving the way for socio-economic empowerment in the project areas. He said: "We have locations such as Chantulo, which have arable and productive land, but are underutilised because farmers do not have access to markets. "If we can improve the roads, access will improve, transport costs will go down and smallholder farmers will have better economic prospects." He said rehabilitating the Golomoti -Monkey Bay Turn-Off section will also boost the tourism sector by connecting Lilongwe and other key tourism sites in Mangochi as well as other lakeshore districts. *(Source: The Nation)*

Market activity and colour

Market commentary

The market traded 42.8m shares in 346 trades recording a market turnover of MWK 10.1bn during the week ended. AIRTEL (+9.8%), NBM, NICO, STANDARD (3.0%) and TNM (+12.2%) were the market gainers whilst FDHB, FMBCH, ICON (-0.2%), NBS, NITL and PCL (-0.1%) dropped in prices. The price gains on the counters mentioned pushed MASI up by 1.5%.

However, the index recorded a 32.9% rise on year-to-date and 0.1% on index per month.

Weekly Market Report



Equity research | News & Analysis

SYMBOL SUMMARY



Trading Summary for the week ending 01 November 2024

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.03	56.03	9.8% ↑	259,838	14,088,830.00	15	616,330,000,000
BHL	14.21	14.21	0.0%	0	0.00	0	11,932,857,518
FDHB	149.19	149.16	0.0% ↓	2,231,014	332,780,714.00	67	1,029,357,821,250
FMBCH	398.65	398.57	0.0% ↓	67,489	26,900,372.14	21	979,784,702,500
ICON	15.84	15.81	-0.2% ↓	6,016,632	95,139,501.67	11	105,610,800,000
ILLOVO	1,355.10	1,355.10	0.0%	198,426	268,886,546.16	15	966,788,494,244
MPICO	14.88	14.85	-0.2% ↓	200,366	2,975,437.30	2	34,126,004,781
NBM	3,449.93	3,449.99	0.0% ↑	114,567	395,255,158.28	37	1,610,909,826,783
NBS	149.61	149.60	0.0% ↓	30,194,528	4,517,400,515.00	67	435,421,774,058
NICO	198.78	198.81	0.0% ↑	41,026	8,156,338.54	10	207,367,000,296
NITL	409.96	409.93	0.0% ↓	15,187	6,225,728.00	4	55,340,550,000
OMU	1,866.50	1,866.50	0.0%	0	0.00	0	23,151,457,521
PCL	2,499.82	2,499.81	0.0% ↓	5,831	14,576,390.21	6	300,616,701,394
STANDARD	5,335.11	5,495.22	3.0% ↑	808,928	4,445,164,910.00	39	1,289,553,177,186
SUNBIRD	240.03	240.03	0.0%	0	0.00	0	62,787,666,677
TNM	20.50	23.01	12.2% ↑	2,707,417	60,137,739.00	52	231,030,754,500
Totals				42,861,249	10,187,688,180.30	346	7,960,109,588,707

				1-Nov-24	25-Oct-24	31-Dec-23	
INDEX (week)	145,230.00	147,416.01	1.5% ↑	MWK/USD	1734.01	1734.01	1683.37
INDEX (month)	147,216.86	147,416.01	0.1% ↑	MWK/GBP	2303.27	2316.13	2212.41
INDEX (year to date)	110,951.21	147,416.01	32.9% ↑	MWK/ZAR	101.33	100.96	93.54

Market cap (MWK'm)	7,960,109.59	3,348,012.68
Market cap (USD'm)	4590.57406	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

This document is confidential and issued for the information of internal and external clients of Cedar Capital Limited registration 8700. It is subject to copyright and may not be reproduced in whole or in part without written permission. The information, opinions and recommendations contained herein are and must be construed solely as statements of opinion and not statements of fact. No warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such recommendation or information is given or made by Cedar Capital in any form or manner whatsoever. Each recommendation or opinion must be weighed solely as one factor in any investment or other decision made by or on behalf of any user of the information contained herein and such user must accordingly make its own study and evaluation of each strategy/ security that it may consider purchasing, holding or selling and should appoint its own investment or financial or other advisors to assist the user in reaching any decision. Cedar Capital will accept no responsibility of whatsoever nature in respect of any statement, opinion, recommendation or information contained in this document.