

MALAWI

Political and economic news

Mining boom looms

As the mining sector is set to boom within three years starting from 2025, the government through the Ministry of Finance and Economic Affairs has assured the public that regulatory tools are ready to deal with exploitation. In an interview, the Minister, acknowledged the extraction sector's exposure to exploitation forms like illicit financial flows and labour laws violations, among others, which could undermine the sector's economic benefits. He has, however, attributed exploitation in the mining sector to lack of oversight or regulations and expertise which give room for players to bypass the system and behave in a manner that only benefits its financial interests. To counter this, we are implementing transparent licensing processes, establishing legal frameworks that enforce fair partnerships, and strengthening institutional capacity through the Malawi Mining Authority. The involvement of the Malawi Development Corporation (MDC) ensures that every ton of mineral extracted is properly evaluated and accounted for, with benefits directly flowing into our economy, he said. According to him, by developing robust mechanisms and hiring professionals in resource evaluation and management, there could be assurance of the minerals benefiting the nation. Mining revenues will now be tracked transparently, and contracts will prioritise local benefits," he adds. His remarks come at a time Lotus Resources Limited is set to restart Kayelekera Uranium Mine in the third-quarter this year, 10 years after its closure in 2014, marking the re-emergence of a large-scale mining activity in a decade. The Chamber of Mines and Minerals coordinator has since projected that the re-opening of Kayelekera will increase mining sector contribution to the country's Gross Domestic Product (GDP) to 6 percent in 2025 from 0.7 percent in the past years. *(Source: The Nation)*

RBM tips on price stability

The Reserve Bank of Malawi (RBM) has clarified that the monetary policy only works on demand side; hence, it is coordinating with fiscal policy authorities to improve production and fix supply challenges. This was highlighted during the bank's Monetary Policy Technical Committee forum held in Lilongwe, Blantyre and Mzuzu where the Monetary Policy Committee (MPC) policy decision of its first meeting of 2025 was disseminated to market players. Key of the MPC decisions was maintaining the policy rate, the benchmark rate for interest rates, at 26 percent after inflation rate averaged 32.2 percent in 2024, but with some hope that the rate will ease to 24 percent in 2025 given the anticipated improved agricultural production. In an interview, chairperson of the technical committee, who is also RBM's director of financial markets, described the engagements as critical, saying the bank has used the forum to communicate and ensure clear understanding on how monetary policy works and the need to complement it. The main lacking thing was the understanding that the monetary policy only works on the demand side so today we communicated the importance of having supply side also playing a role and the fact that the coordination is there only that we can't see the results on short time." On the actual issues concerning the collaboration, she said it is mainly to do with how the bank is going to foster production and engage with other stakeholders. What we appreciate most is that the private sector understands the role that RBM plays and, also, what our mandate is. But there was also a lot of encouragement from what we have been doing and the direction we need to take going forward," she said. In his remarks, Financial Market Dealers Association (Fimda) president while stressing the need for value addition, described production as key to solving the country's supply challenges and foreign exchange scarcity issues as the produced products can either be used as import substitutes or as exports. *(Source: The Nation)*

Market activity and colour

Market commentary

The market traded 9.8m shares in 861 trades recording a market turnover of MWK 4bn during the week ended. AIRTEL (+2.3%), FMBCH (+31.8%), NBM (2.2%), NICO (+3.5%), NITL (+32.2%), OMU, STANDARD (+0.7%) and TNM (+15.3%) were the market gainers whilst FDHB, ICON (-0.1%) and NBS (-0.1%) dropped in prices. The significant price adjustments on the counters mentioned pushed MASI up by 5.6%.

However, the index went up by 42.9% rise on year-to-date.

Weekly Market Report



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SYMBOL SUMMARY



Trading Summary for the week ending
14 February 2025

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	85.02	87.01	2.3% ↑	823,960	70,632,064.00	66	957,110,000,000
BHL	14.55	14.55	0.0%	189,352	2,755,071.50	11	85,528,609,304
FDHB	315.03	315.02	0.0% ↓	2,163,908	681,658,910.00	253	2,173,962,864,375
FMBCH	739.04	974.00	31.8% ↑	593,781	476,547,700.00	91	2,394,335,500,000
ICON	18.03	18.02	-0.1% ↓	43,372	781,563.44	7	120,373,600,000
ILLOVO	1,355.09	1,355.09	0.0%	31,265	42,366,794.00	29	966,781,359,800
MPICO	19.00	19.00	0.0%	333,908	6,344,252.00	13	43,662,901,740
NBM	6,000.00	6,133.32	2.2% ↑	91,631	558,924,436.00	94	2,863,841,767,310
NBS	349.98	349.54	-0.1% ↓	972,541	340,331,760.00	154	1,017,361,810,856
NICO	419.56	434.44	3.5% ↑	4,282,555	1,806,201,836.00	78	453,138,773,746
NITL	441.00	583.00	32.2% ↑	30,176	15,616,535.00	27	78,705,000,000
OMU	1,950.01	1,950.02	0.0% ↑	2,778	5,417,156.00	6	31,209,038,539
PCL	2,500.00	2,500.00	0.0% ↑	660	1,650,000.00	1	300,639,550,000
STANDARD	6,901.03	6,950.01	0.7% ↑	2,077	14,405,299.50	13	1,630,946,072,582
SUNBIRD	276.12	276.12	0.0%	0	0.00	0	72,228,181,990
TNM	17.02	19.62	15.3% ↑	261,123	5,023,092.86	18	196,993,629,000
Totals				9,823,087	4,028,656,470.30	861	13,386,818,659,243

					14-Feb-25	7-Feb-25	31-Dec-24
INDEX (week)	232,733.35	245,870.36	5.6% ↑	MWK/USD	1734.01	1734.01	1734.01
INDEX (month)	214,428.46	245,870.36	14.7% ↑	MWK/GBP	2241.83	2219.15	2240.22
INDEX (year to date)	172,039.93	245,870.36	42.9% ↑	MWK/ZAR	96.66	96.73	95.03

Market cap (MWK'm)	13,386,818.66	3,348,012.68
Market cap (USD'm)	7720.142769	1930.790021

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