

## MALAWI

### Political and economic news

#### *RBM admits pressure to manage forex*

Reserve Bank of Malawi Governor has admitted facing pressure to manage foreign exchange as supply and demand imbalances continue to escalate. He stated this in an interview in Mangochi on the side-lines of the Economics Association of Malawi (Ecama) Annual Economic Conference that the central bank is working on various modalities to ease the pressure in the short to medium-term. He further stated that the central bank is banking on inflows from development partners in the short-term and operationalisation of mega farms in the medium-term to bring in foreign exchange. We are going through a difficult period, he stated. Our foreign currency inflows have been low this year. In particular, looking at tobacco, our main export earner, we realised less than USD 200m (about MWK 207bn) in foreign currency. Out of these earnings, if you check our import bill for fuel, for instance, we are way too far. He mentioned that in the short-term, they are looking at interventions from development partners, adding that the Rapid Credit Facility by the International Monetary Fund (IMF) is the country's hope in the short-term. (Source: *The Nation*)

#### *Gambia needs 96,000mt MW rice/year*

Expectations are high that Malawi will maximise export earnings from rice following the discovery of a market for the commodity in the Gambia. A statement published by the Malawi Investment and Trade Centre (MITC) indicates that talks are advancing with firms from the country, which have shown interest in procuring 96,000mt of the commodity annually. This follows a virtual business meeting held recently between Malawi's private sector and buyers from Gambia. According to a statement, a finance and economic affairs specialist and owner of Niro Company Ltd in Gambia, mentioned that they are ready to start importing rice from Malawi. Gambia requires 96,000mt of rice per year based on its relatively low population. So we are ready to start importing that from Malawi and we are mostly interested in buying 100% broken rice of any variety from Malawi because that is what is on demand, Cham stated. (Source: *Times Business*)

#### *MSE maintains positive trajectory in October*

The Malawi Stock Exchange (MSE) continued its positive run in the month of October following a 1.21% m/m return on index. However, the local bourse has dropped 8 percentage points in the year-to-date when compared to the same period last year. A Monthly Market Performance report published by the MSE indicates that the market registered an upward movement of the Malawi All Share Index (Masi) to 55046.26 points in October from 54389.92 points registered in September 2022. This means that the net gain on share prices among listed companies was greater than the net loss. (Source: *Times Business*)

#### *Economic woes fuelling poverty*

Economic expert working with the International Monetary Fund (IMF), says Malawi has in recent years registered slow economic growth which has failed to meaningfully reduce poverty. Speaking during a financial sector lawyers conference at the weekend when he made a presentation on recent economic developments in Malawi. The conference deliberated on financial services laws and delivery of economic justice. In his presentation, he stated that historically, Malawi's economic growth has been below 6% with an average of 3.9% between 2011 and 2020. He mentioned that erratic weather patterns have also dealt the country a heavy blow, citing tropical storms, delayed rains and dry spells among some catastrophes that have choked the country's economy in recent times. (Source: *Times Business*)

## Market activity and colour

### Market commentary

The market traded 27m shares in 86 trades recording a market turnover of MWK 3.1bn during the week ended. Airtel (+5.8%), FMBCH (+3.8%), NBM (+13.8%) and STD (+8.6%) were the market gainers whilst Mpico, Icon (-0.1%), FDHB (-0.1%), Nico and Nitl (-10.4%) dropped in price. The price gains registered in the counters mentioned above were enough to cover the significant loss in Nitl (-10.4%), resulting in an upward movement of the MSE All Share Index.

However, on year-to-date the index went up by 50.4%. The market capitalisation in MWK rose by 28.76% y-t-d to K3.1trn but remained the same in USD terms (3bn).

## SYMBOL SUMMARY



### Trading Summary for the week ending 11 November 2022

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	52.01	55.01	5.8% ↑	1,504,461	82,000,650.00	12	605,110,000,000
BHL	10.99	10.99	0.00	0	0.00	0	9,228,860,248
FDHB	14.88	14.87	-0.1% ↓	3,139,048	46,705,902.03	15	102,618,334,688
FMBCH	110.82	115.00	3.8% ↑	567,506	65,263,190.00	2	282,698,750,000
ICON	11.97	11.96	-0.1% ↓	1,002,256	11,986,981.76	3	79,892,800,000
ILLOVO	500.10	500.10	0.00	0	0.00	0	356,793,539,939
MPICO	20.67	20.66	0.0% ↓	6,358,429	131,365,100.00	3	47,477,660,524
NBM	1,230.01	1,400.03	13.8% ↑	14,315	20,041,246.00	10	653,718,441,152
NBS	22.61	22.61	0.00	6,221,876	140,632,085.48	15	65,808,063,579
NICO	54.97	54.96	0.0% ↓	126,366	6,946,138.91	6	57,325,538,636
NITL	125.00	112.01	-10.4% ↓	21,788	2,440,473.88	6	15,121,350,000
OMU	1,156.00	1,156.00	0.00	0	0.00	0	18,846,717,684
PCL	2,181.38	2,181.38	0.00	0	0.00	0	262,323,640,632
STANDARD	1,841.05	2,000.02	8.6% ↑	8,676	17,352,088.00	2	469,341,017,363
SUNBIRD	92.03	92.03	0.00	500	46,015.00	2	24,073,444,837
TNM	12.02	12.02	0.00	8,602,735	103,404,876.00	10	120,686,209,000
<b>Totals</b>				<b>27,567,956</b>	<b>628,184,747.06</b>	<b>86</b>	<b>3,171,064,368,282</b>

					11-Nov-22	4-Nov-22	31-Dec-21
INDEX (week)	55,751.01	58,690.96	0.05 ↑	MWK/USD	1026.43	1026.43	816.40
INDEX (month)	55,046.26	58,690.96	0.07 ↑	MWK/GBP	1238.12	1185.26	1102.14
INDEX (year to date)	37,061.70	58,690.96	58.4% ↑	MWK/ZAR	60.91	57.70	51.35

Market cap (MWK'm)	3,171,064.37	2,462,680.71
Market cap (USD'm)	3089.396782	3016.511645

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