

MALAWI

Political and economic news

High-level trade committee wants improved trade ties

Secretary for Transport and Public Works has urged delegates to the Nacala Development Management Committee (NDMC) meeting in Lilongwe to use the meeting to advance regional trade and address key barriers to trade. He said this during the opening of the meeting. The high-level week-long meeting comes at a time stakeholders seek to evaluate the impact of the Nacala Development Corridor Agreement, the Tripartite Road Transport Agreement and the Tripartite Rail Transport Agreement. In his remarks, he observed that Malawi, Zambia and Tanzania, the signatories to the three agreements, have registered several key achievements since signing the three trilateral agreements. He noted that the three countries have harmonised trade and transport regulations, are collaborating to establish a Nacala Development Committee secretariat in Maputo, Mozambique to enhance trade efficiency, reduce costs and promote economic competitiveness among member States. The NDMC meeting offers an opportunity to review these initiatives, assess their effectiveness, and identify remaining obstacles to smooth regional trade. Despite notable progress, challenges that include bureaucratic delays, inconsistent customs procedure and infrastructure gaps, continue to hinder the seamless movement of goods along the corridor. In addition, the meeting takes place in the shadow of recent post-election unrest in Mozambique, which has disrupted trade and affected both Malawi and Zambia. Another discussion point at the meeting is the sustainability of the corridor beyond donor support. The World Bank, through its Southern Africa Trade and Connectivity Project, has played a significant role in financing trade facilitation efforts. *(Source: The Business Times)*

Treasury in delicate fiscal plan balance

At a time, the proposed K8 trillion 2025/26 National Budget is undergoing scrutiny, observers have said Treasury will be under pressure to balance funding for social services and productive sectors due to statutory obligations. The stakeholders expressed the sentiments at a public hearing in Lilongwe on the proposed fiscal plan's spending on social and productive sectors. The stakeholders and technocrats discussed how the budget responds to the two sectors. The concerns come against the backdrop of data showing that in the proposed budget, the social services sector allocation has increased to 33% from 31% of the budget in the proposed fiscal plan. The European Union and Unicef have commended this development, but highlighted that there are still more funding needs. On the contrary, development budget allocation has dropped from 30% of the total budget in 2024/25 fiscal year to 27% of the proposed 2025/26 budget at K2 trillion. During the discussions, some stakeholders said the social sector, which looks at child welfare, education, health and general social services should not be left out while others favored the production sector which can generate money. In his remarks, EU Ambassador said although the production sector is key to fixing the country's macroeconomic challenges such as balance of payments needs, social protection must not be neglected. He said: "Social protection, whether it is education, health or social services in general, is necessary. Of course, there are dilemmas that are presented particularly in Malawi where there is limited fiscal space to do all the things right.

(Source: The Daily Times)

How to make carbon pricing work for Africa

Carbon pricing is a crucial climate-policy tool. By assigning a monetary value to greenhouse-gas emissions, it creates incentives for firms to emit less and generates revenue that can be spent on sustainable development. More than 70 jurisdictions worldwide have already implemented carbon taxes or emissions-trading systems, as a way to reconcile economic growth with climate objectives. The international community has recently focused on strengthening the frameworks for global carbon markets. At last year's United Nations Climate Change Conference (COP29) in Baku, Azerbaijan, countries finalized negotiations on Article 6 of the Paris climate agreement, which aims to standardise such markets. This involved adopting rules to facilitate cross-border cooperation on emissions-reduction projects. While the transparency and accountability provided by these rules will almost surely build trust in carbon markets, a standardised framework poses some risks for Africa. Specifically, it could fail to address the continent's needs, exacerbating inequality and impeding development. Nearly 600m Africans still lack access to electricity, while biomass accounts for 45 percent of the continent's energy supply, leaving rural and low-income households particularly vulnerable to carbon-pricing policies that are not tailored to Africa's unique socioeconomic and environmental realities. A flat carbon tax, for example, that is not accompanied by targeted subsidies, government investment, and international financing could disproportionately burden rural and low-income households, keeping them in poverty and hindering electrification efforts. The shift to renewables requires significant upfront spending on infrastructure, and carbon pricing must be structured to facilitate, not obstruct, this transition. Moreover, Africa is acutely vulnerable to climate shocks, as shown by recurring droughts in the Sahel and catastrophic floods in Mozambique. African countries on average lose two to five percent of GDP per year to climate change, and many divert up to nine percent of their annual budget to respond to extreme weather events, putting a severe strain on their economies. *(Source: The Nation)*



Market activity and colour

Market commentary

The market traded 8.5m shares in 939 trades recording a market turnover of MWK 3.3bn during the week ended. AIRTEL, FDHB, FMBCH (+0.5%), ILLOVO (+15.0%), NBM, NICO (+0.8%), NITL, PCL and STANDARD were the market gainers whilst ICON (-0.1%), NBS and TNM (-0.1%) dropped in prices. The significant price adjustments on the counters mentioned pushed MASI up by 1.2%.

However, the index went up by 70.1% on year-to-date and 3.1% month to date.

SYMBOL SUMMARY



Trading Summary for the week ending
14 March 2025

Symbol	Open	Close		Volume	Value	Trades	Market
						Count	Capitalization
AIRTEL	128.02	128.04	0.0% ↑	2,571,027	329,150,671.00	109	1,408,440,000,000
BHL	14.55	14.55	0.0%	309,006	4,495,900.50	7	85,528,609,304
FDHB	315.18	315.19	0.0% ↑	2,072,050	653,072,990.00	273	2,175,136,039,688
FMBCH	1,405.99	1,412.54	0.5% ↑	229,547	324,470,640.00	79	3,472,376,455,000
ICON	17.98	17.97	-0.1% ↓	27,452	493,312.44	2	120,039,600,000
ILLOVO	1,558.00	1,791.70	15.0% ↑	257,976	462,092,893.10	22	1,278,278,315,355
MPICO	19.00	19.00	0.0%	33,539	637,241.00	5	43,662,901,740
NBM	6,200.07	6,200.09	0.0% ↑	27,071	167,842,648.00	64	2,895,018,799,456
NBS	349.68	349.57	0.0% ↓	1,380,754	482,723,290.00	178	1,017,449,128,057
NICO	789.00	795.24	0.8% ↑	193,778	154,329,346.00	81	829,468,001,183
NITL	634.03	634.08	0.0% ↑	16,247	10,301,777.60	20	85,600,800,000
OMU	1,950.03	1,950.03	0.0%	0	0.00	0	32,855,374,910
PCL	2,500.02	2,500.03	0.0% ↑	293,721	734,315,920.00	31	300,643,157,675
STANDARD	7,927.93	7,930.04	0.0% ↑	3,865	30,649,590.19	10	1,860,927,911,386
SUNBIRD	300.03	300.03	0.0%	0	0.00	0	78,482,621,477
TNM	26.30	26.27	-0.1% ↓	1,133,000	29,776,160.00	58	263,762,621,500
Totals				8,549,033	3,384,352,379.83	939	15,947,670,336,731

					14-Mar-25	7-Mar-25	31-Dec-24
INDEX (week)	289,111.37	292,632.10	1.2% ↑	MWK/USD	1734.01	1734.01	1734.01
INDEX (month)	283,722.24	292,632.10	3.1% ↑	MWK/GBP	2301.48	2246.47	2240.22
INDEX (year to date)	172,039.93	292,632.10	70.1% ↑	MWK/ZAR	98.47	96.63	95.03

Market cap (MWK'm)	15,947,670.34	3,348,012.68
Market cap (USD'm)	9196.979131	1930.790021

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