

MALAWI

Political and economic news

Hope for fertiliser production, Moroccan firm gets approval

Stakeholders have expressed hope and relief following the approval of OCP Group fertilisers, paving the way for the Moroccan firm to not only bring the product in Malawi, but also localise its production. The fertiliser varieties were approved after year-long efficacy evaluation trials facilitated by the ministries of Agriculture, Foreign Affairs and Trade and Industry in collaboration with local and Moroccan scientists. A statement from the Ministry of Foreign Affairs: "A report detailing the results showed superior performance of the two fertilisers in increasing maize yields, improving soil health, but also increasing farmers' gross margins in comparison to the fertilisers currently in use." The statement further says the Agriculture Technical Clearing Committee's approval is a major milestone in increasing the availability and affordability of fertilisers in line with the Malawi Government's fertiliser policy, which advocates for customised fertilisers that offer great value for money to farmers. In an interview, National Commission for Science and Technology director general Gift Kadzamira confirmed that the two Moroccan phosphate fertilisers were approved. Ministry of Trade and Industry spokesperson described the milestone as key to its import substitution push as the country spends an average of USD 300 million (about K525bn) to import fertilisers. We are aware of the scientific processes that OCP Africa fertilisers were undergoing, but our interest for now is the benefits such localised production would bring to the economy, especially on import substitution and trade balance issues," he said. Agricultural development policy expert described the development as positive, considering that logistical costs contribute to Malawi's high prices of fertilisers as the commodity is imported from east Asia or Middle East, very far from Africa. "Buying fertiliser from Morocco would be cost-effective because really this is within Africa. This is very important for an agro-based economy like Malawi that cannot do without fertilisers," he said. Meanwhile, OCP Nutricrops, a subsidiary of OCP Group and a leader in phosphate- fertilisers, has announced a major investment to increase its fertiliser production capacity by nine million tonnes by 2028. (Source: *The Business Times*)

PCL ordered to pay 70% of award to former executives

The Industrial Relations Court (IRC) has ordered Press Corporation Limited (PCL) to pay 70 percent of the K14.1bn awarded to three former senior executives as compensation for unfair dismissal. The part payment ordered by the court in Blantyre on Thursday translates to about K9.8 billion. The IRC order followed an application PCL filed asking the court to suspend its April 25 2025 ruling awarding compensation to the trio pending an appeal of the judgement in the High Court. In that ruling, the court ordered that former PCL company secretary should be awarded about K2.7bn while former group chief executive officer should receive K3.2bn and former group financial controller should get K8.2bn. Delivering the ruling, IRC deputy chairperson granted PCL, which retained the designation of respondent, its prayer for a stay on condition that it pays each of the three claimants 70 percent of their compensation awarded for unfair dismissal. Reads the ruling: "This court agrees with a submission by the applicants that the proper application to make in the circumstances of the respondent's bleak financial position is not a stay of execution, but rather an application to pay a judgement debt by installment." In the application for stay, PCL argued that immediate payment of the compensation would disrupt the corporation and affect several other businesses, employees and the wider economy. Through the affidavit of chief finance and administration executive and company secretary, PCL told the court that the company was expected to close with a negative cash position of K5.8bn as of April 28 2025 and the cash situation would remain strained for the rest of the year. (Source: *The Nation*)

Malawi needed IMF help— ECAMA

Economics Association of Malawi (Ecama) says Malawi was supposed to be assisted to rebuild its foreign exchange reserves and provided with enough financing to build productive sectors to attain macroeconomic stability. Ecama president's sentiments come after the automatic termination of the four-year International Monetary Fund (IMF) USD 175m (about K306bn) Extended Credit Facility (ECF) programme over failure to achieve macroeconomic stability after 18 months without reviews. In a written response, she said Malawi could not rebuild its international reserves when it is not producing enough amid collapsing exports and could not curb inflation amid food shortages that came with cyclones and El Nino. She said Malawi could also not restructure its external debt, currently at around USD 4.27bn (about K7.5tn) because the lenders needed to agree to debt restructuring, which means losing their profits. However, as a country, we should not wait for the IMF to have fiscal discipline or have sustainable revenue mobilisation to improve public financial management and reduce domestic borrowing, which is a key ingredient to achieving debt sustainability and supporting appropriate monetary policy to contain money growth and curb inflation. She said while losing some of the aid might impact the country negatively and affect its aspirations, Ecama "sees this as a decisive act of wanting to have thorough discussions with the IMF on the conditions that come with ECF". Scotland-based Malawian economist said the major concern has been lack of fiscal discipline and clear policy direction, with monetary and fiscal policies often misaligned and government spending exceeding budgeted limits. He observed that although bilateral partners have provided some assistance, the absence of a comprehensive agreement with all creditors has hampered the country's ability to achieve meaningful debt relief. Furthermore, austerity measures and structural reforms have often faced resistance due to their adverse impact on the population, particularly the most vulnerable groups," he said. Secretary to the Treasury said in a statement that the programme faced a number of exogenous (external) shocks, which made it difficult for the supply side to assist both increased revenue and enhanced production.

(Source: The Business Times)

Market activity and colour

Market commentary

The market traded 2.7m shares in 140 trades recording a market turnover of MWK 516m during the week ended. NBM, NITL, PCL and SUNBIRD (+14.9%) were the market gainers whilst AIRTEL (-0.3%), FDHB, FMBCH (-0.7%), ILLOVO, NBS (-0.1%) and NICO dropped in prices. The significant price drops on the counters mentioned pushed MASI down by -0.1%.

However, the index went up by 68.0% on year-to-date and dropped by -0.3% month to date.

Weekly Market Report



Equity research | News & Analysis

SYMBOL SUMMARY



Trading Summary for the week ending
16 May 2025

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	128.80	128.39	-0.3% ↓	519,729	66,729,950.00	10	1,412,290,000,000
BHL	14.55	14.55	0.0%	0	0.00	0	85,528,609,304
FDHB	314.12	314.06	0.0% ↓	77,476	24,332,420.00	25	2,167,337,874,375
FMBCH	1,122.32	1,114.62	-0.7% ↓	5,953	6,635,361.00	8	2,740,014,615,000
ICON	17.94	17.94	0.0%	71,797	1,288,039.00	4	119,839,200,000
ILLOVO	1,791.53	1,791.52	0.0% ↓	3,862	6,918,850.00	1	1,278,149,895,364
MPICO	19.00	19.00	0.0%	0	0.00	0	43,662,901,740
NBM	6,200.14	6,200.15	0.0% ↑	3,777	23,417,960.00	21	2,895,046,815,361
NBS	343.02	342.63	-0.1% ↓	930,110	318,680,600.00	38	997,249,748,966
NICO	776.58	776.57	0.0% ↓	37,796	29,351,240.00	21	809,994,423,921
NITL	715.13	715.14	0.0% ↑	5,000	3,575,700.00	3	96,543,900,000
OMU	2,500.01	2,500.01	0.0%	0	0.00	0	42,444,047,276
PCL	3,999.98	3,999.99	0.0% ↑	988	3,951,990.00	1	481,022,077,442
STANDARD	9,502.12	9,502.12	0.0%	0	0.00	0	2,229,845,035,503
SUNBIRD	300.16	345.00	14.9% ↑	20,000	6,900,000.00	3	90,245,990,100
TNM	23.00	23.00	0.0%	1,091,538	25,105,370.00	5	265,447,608,625
Totals				2,768,026	516,887,480.00	140	15,754,662,742,977

					16-May-25	9-May-25	31-Dec-24
INDEX (week)	289,280.32	288,945.17	-0.1% ↓	MWK/USD	1734.01	1734.01	1734.01
INDEX (month)	289,692.81	288,945.17	-0.3% ↓	MWK/GBP	2380.42	2365.96	2240.22
INDEX (year to date)	172,039.93	288,945.17	68.0% ↑	MWK/ZAR	99.13	98.03	95.03

Market cap (MWK'm)	15,754,662.74	3,348,012.68
Market cap (USD'm)	9085.672164	1930.790021

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.