

## MALAWI

### Political and economic news

#### *Malawi could reap 50% revenue from Kayelekera*

Malawi Government may have a 15% stake in Kayelekera Uranium Mine in Karonga, but the country stands to earn at least 50% of total revenue generated, it has emerged. Lotus Resources Limited managing director, whose company has a majority stake in the mine, said this when Minister of Mining and Presidential Delivery Unity (PDU) head visited the mine to appreciate progress of the work. Responding to the minister who urged the company to expand its corporate social responsibility beyond the community surrounding the mine to other sectors and areas nationwide. He said: "My promotion and discussion with Australian investors is that the government of Malawi has more than half in this partnership through direct interests, royalties, corporate tax and indirect payments. "So, it's not just the 15% in the project. It's well past 50%. From an economic perspective, you are the majority partner. We are here at your privilege and approval." Besides the 15% stake, Lotus will be paying Malawi 30% in corporate tax, a royalty of five percent of the gross revenue at minegate, resource rent tax and other indirect taxes through employment as per the mine development agreement (MDA). The company, according to him, plans to recruit about 600 people, 90% of them Malawians. Lotus has also signed a community development agreement (CDA) where, as per Section 164 of the Mines and Minerals Act (MMA 2023), it will be providing 0.45% of its annual gross sales to the community. It was also learnt during the meeting that some containers carrying technical equipment and vehicles imported by the company are being held, a development which may affect some works of the company. (Source: *The Business Times*)

#### *MSE capitalisation slightly drops, investors cautious*

The 16-counter Malawi Stock Exchange (MSE) market capitalisation has weakened by K100 billion or 0.7 percent midway in the second quarter (Q2), in a move analysts attributed to investor caution spurred by profit-taking. Market data shows that the market capitalisation has slightly dropped from K15.86 trillion on April 1 to K15.75 trillion on May 16, as some shares dropped, affecting the Malawi All Share Index, which lost 2 200 points. During the corresponding period in the second quarter of 2024, the market capitalisation gained 6.4 percent from K6.1 trillion to K6.5 trillion, which means it almost tripled within 12 months. Some of the companies that experienced share price drop during the period include FMB Capital Holdings plc from K1 374.48 to K1 114.62, NBS Bank plc from K347.89 to K342.63, FDH Bank plc from K315.19 to 314.06 and TNM plc from K24.92 to K23.00. In an interview, stock market investor described the development as a cooling off period of the market as stocks have lost some momentum though share prices have not significantly plunged. He said: "While it is a perennial trend that share prices drop a bit in April every year as some retail investors try to balance their investment from shares into agro-produce, this year seems to be elevated because there was significant increase in the share market prices across several counters such that significant capital gains were made in the first quarter." However, he said the situation is temporary as the increasing number of investors willing to offload shares resulted in oversupply of shares, leading to marginal decrease in the stock prices, a scenario likely to change from June. One important factor to note is that there is no real capital loss for many investors who have held shares for at least a quarter of the year. Perhaps the speculators looking for short-term holding might be the ones to be concerned. Those looking for long term investment opportunities will surely make huge capital gains by the third quarter of 2025, he said. (Source: *The Nation*)

## Govt explores new K1tn bank

President announced plans to transform National Economic Empowerment Fund (Neef) into a K1 trillion bank to empower women and youths to access capital. Speaking during the official opening of the 35th Malawi International Trade Fair organised by the Malawi Confederation of Chambers of Commerce and Industry (MCCCI) at Chichiri Trade Fair Grounds in Blantyre, he said in the next five years, government will provide over K1 trillion in business capital to women and youths. The President said Malawi Government has already engaged the African Development Bank (AfDB) for financial support. He said: "Our job in government is to ensure that Malawians who want to venture into business have access to finance. This is why in the past four years, we have disbursed over K300 billion in loans to women and youths who have established 100 000 businesses. "Our goal is to see to it that in the next five years, we disburse business capital of not less than K1 trillion to women and youths. We have already discussed with the AfDB for financial support to help us turn Neef into that bank." But former minister of Finance in the Democratic Progressive Party administration, an economist and former senior banker, said a government bank can succeed with a proper governance structure and a public-private partnership (PPP) arrangement. He said a development bank concept can work provided there is good governance structure, right people with requisite qualifications and is private-sector driven. The former minister, who served as chief executive officer and later board chairperson of the disposed of government wholly-owned Malawi Savings Bank (MSB), observed that with government ownership, senior appointments are politically-influenced, a development that scares away investors, leading to collapse. He said: "We have failed to come up with a development bank for a long time because investors are not keen to invest as long as it is government-driven. Investors want to be assured that funds are managed properly." In a separate interview, Secretary to the Treasury (ST) said Ministry of Finance and Economic Affairs has constantly engaged financial institutions, including AfDB to help marginalised groups, especially women, with access to bigger loans. *(Source: The Business Times)*

## Market activity and colour

### Market commentary

The market traded 48.3m shares in 696 trades recording a market turnover of MWK 15.7bn during the week ended. ICON (-0.1%), NITL, OMU, STANDARD BANK and PCL were the market gainers whilst AIRTEL (-0.3%), FDHB, FMBCH (-11.2%), ILLOVO, NBM, NBS (-0.6%), NICO and PCL dropped in prices. The significant price drops on the counters mentioned pushed MASI down by -2.0%.

However, the index went up by 64.7% on year-to-date and dropped by -2.2% month to date.

# Weekly Market Report



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## SYMBOL SUMMARY



Trading Summary for the week ending  
23 May 2025

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	128.39	127.95	-0.3% ↓	1,503,666	192,444,692.95	36	1,407,450,000,000
BHL	14.55	14.55	0.0%	1,217,514	17,714,490.00	7	85,528,609,304
FDHB	314.06	313.92	0.0% ↓	945,048	296,717,820.00	118	2,166,371,730,000
FMBCH	1,114.62	989.80	-11.2% ↓	1,080,616	1,070,645,280.20	33	2,433,175,850,000
ICON	17.94	17.95	0.1% ↑	125,127	2,246,029.75	7	119,906,000,000
ILLOVO	1,791.52	1,791.42	0.0% ↓	8,362	14,980,225.84	21	1,278,078,550,925
MPICO	19.00	19.00	0.0%	261,183	4,962,477.00	5	43,662,901,740
NBM	6,200.15	6,200.14	0.0% ↓	48,493	300,663,000.00	64	2,895,042,146,043
NBS	342.63	340.52	-0.6% ↓	37,662,334	12,860,188,500.00	220	991,108,439,185
NICO	776.57	776.43	0.0% ↓	142,267	110,471,746.00	73	809,848,398,167
NITL	715.14	715.16	0.0% ↑	616,162	440,653,800.00	45	96,546,600,000
OMU	2,500.01	2,500.03	0.0% ↑	1,927	4,817,558.00	1	42,444,386,827
PCL	3,999.99	3,999.98	0.0% ↓	13,147	52,587,794.55	7	481,020,874,884
STANDARD	9,502.12	9,504.71	0.0% ↑	31,959	303,694,060.00	29	2,230,452,826,043
SUNBIRD	345.00	345.01	0.0% ↑	54,650	18,854,297.00	14	90,248,605,926
TNM	23.00	23.00	0.0%	4,627,313	106,428,125.00	16	265,447,608,625
Totals				48,339,768	15,798,069,896.29	696	15,436,333,527,669

					23-May-25	16-May-25	31-Dec-24
INDEX (week)	288,945.17	283,288.66	-2.0% ↓	MWK/USD	1734.01	1734.01	1734.01
INDEX (month)	289,692.81	283,288.66	-2.2% ↓	MWK/GBP	2401.14	2380.42	2240.22
INDEX (year to date)	172,039.93	283,288.66	64.7% ↑	MWK/ZAR	99.47	99.13	95.03

Market cap (MWK'm)	15,436,333.53	3,348,012.68
Market cap (USD'm)	8902.092551	1930.790021

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