

## MALAWI

### Political and economic news

#### *Inflation policy rate gap sparks fresh debate*

Reserve Bank of Malawi (RBM) Governor has justified the recent monetary Policy Committee stance to maintain the policy rate, headline inflation, rating the option as a systematic move to contain further pressure on the economy. Most central bank's target the rate of inflation as a primary measure for monetary policy, which is tightened by increasing interest rates to contain inflationary pressure. But at 14%, the policy rate- the rate at which commercial banks borrow from the central bank as lender of last resort is 13.5 percentage points below the headline inflation- the rate at which prices of commodities change in a given period in an economy seen at 25.5% in July.

*(Source: Times Business)*

#### *UN exposes gender gaps in Financial Inclusion*

United Nations Economic Commission for Africa (Uneca) says women in Malawi continue to be disadvantaged in digital financial services access despite being a common tool for modern financial transactions. The trend, according to the UN agency and industry insiders, could derail the country from achieving meaningful financial inclusion if left unchecked. The report titled Digital finance: A pathway to women's economic empowerment in Africa, observes that in Malawi, the gaps exist in knowledge and understanding of digital financial services among women. Countries such as Malawi, requisite skills in digital and financial literacy, with only around 12 percent of women possessing digital finance related information and communications technology skills.

*(Source: The Nation)*

#### *Pension arrears hit MWK 27.9bn*

Pension arrears have grown by MWK 5bn within a year to MWK 27.9bn by June this year from MWK 22.9bn, the Reserve Bank of Malawi (RBM) has said. This was revealed during a luncheon organized by Zamara Pension in Blantyre. According to RBM Principal Examiner for Pension and Insurance, the pension arrears have hit that amount while in 2011 there was 100 percent compliance rate. She added that companies are attributing non-remittance of pension funds to the Covid pandemic especially in the past two years. We are issuing administrative penalties to employers that have pension arrears and recently we got guidance from our legal team and we have commenced legal proceedings against 21 employers who were initially served with administrative penalties, she added. Despite the developments, the pension sector has registered growth over years, with funds hitting MWK1.4trn by June this year. *(Source: Business Times)*

#### *MSE buoyant in Q3*

Investors on the Malawi Stock Exchange (MSE) have shown signs of resilience to economic challenges facing the landscape following a 1.7 percentage points' growth in Malawi All Share index [Masi] y/y during the third quarter of 2022. A Quarterly Market Performance Report published by the MSE shows that the market registered an increase in both total value and volume of shares traded. For example, a total of 560,112,227 shares were traded on the market at a total consideration of MWK 14.7bn in 1,147 trades. This reflects a 195.7 percent increase in share volume and a 77.13 percent increase in share value when compared to the 189,419,282 shares at a total consideration of MWK8.3bn in 975 trades recorded during the same period last year. *(Source: The Daily Times)*

## Market activity and colour

### Market commentary

The market traded 8.8m shares in 121 trades recording a market turnover of MWK 1.8bn during the week ended. FMBCH, Illovo, NBM (0.1%) and STD were the market gainers whilst NBS, FDHB (-0.1%), NITL, OMU (-15.0%) and TNM (-0.1%) dropped in price. The MSE All share index went down at the back of a significant drop in OMU during the week whilst the index per month went down with -0.3%.

However, on year-to-date the index went up by 46.7%. The market capitalisation in MWK rose by 19.37% y-t-d to K2.9trn but lost in USD terms by -5.05% y-t-d from \$3bn down to \$2.8bn on account of a -25.7% devaluation in the exchange rate.

# Weekly Market Report



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## SYMBOL SUMMARY

Trading Summary for the week ending  
07 October 2022

Symbol	Open	Close		Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.18	51.18	0.00	1,284,570	65,744,290.00	17	562,980,000,000
BHL	10.99	10.99	0.00	4,500	49,455.00	1	9,228,860,248
FDHB	14.99	14.98	-0.1% ↓	903,866	13,541,323.00	19	103,377,448,125
FMBCH	100.05	100.06	0.0% ↑	62,147	6,218,429.00	5	245,972,495,000
ICON	11.97	11.97	0.00	4,170	49,914.90	2	79,959,600,000
ILLOVO	500.01	500.02	0.0% ↑	393,949	196,974,509.92	4	356,736,464,388
MPICO	20.67	20.67	0.00	2,420	50,021.40	1	47,500,640,998
NBM	1,160.04	1,161.00	0.1% ↑	599,482	695,423,869.00	15	542,107,747,818
NBS	22.66	22.65	0.0% ↓	3,998,612	90,568,751.28	23	65,924,486,513
NICO	50.96	50.96	0.00	165,993	8,459,190.00	4	53,153,374,252
NITL	112.00	111.99	0.0% ↓	30,791	3,448,374.95	6	15,118,650,000
OMU	1,600.00	1,359.99	-15.0% ↓	4,040	5,494,399.60	3	22,172,446,006
PCL	2,181.41	2,181.41	0.00	25	54,535.25	1	262,327,248,306
STANDARD	1,840.10	1,840.12	0.0% ↑	412,100	758,309,312.00	11	431,817,578,259
SUNBIRD	80.02	80.02	0.00	9,000	720,186.10	4	20,931,838,052
TNM	12.01	12.00	-0.1% ↓	940,599	11,287,344.28	5	120,485,400,000
<b>Totals</b>				<b>8,816,264</b>	<b>1,856,393,905.68</b>	<b>121</b>	<b>2,939,794,277,966</b>

					7-Oct-22	30-Sep-22	31-Dec-21
<b>INDEX (week)</b>	<b>54,389.92</b>	<b>54,369.11</b>	<b>0.0% ↓</b>	<b>MWK/USD</b>	1026.43	1026.43	816.40
<b>INDEX (month)</b>	<b>54,543.45</b>	<b>54,369.11</b>	<b>-0.3% ↓</b>	<b>MWK/GBP</b>	1176.80	1175.11	1102.14
<b>INDEX (year to date)</b>	<b>37,061.70</b>	<b>54,369.11</b>	<b>46.7% ↑</b>	<b>MWK/ZAR</b>	58.71	58.84	51.35

Market cap (MWK'm)	2,939,794.28	2,462,680.71
Market cap (USD'm)	2864.082821	3016.511645

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