

## MALAWI

### Political and economic news

#### *Inflation outlook under scrutiny*

Analysts have expressed pessimism over government's projection that inflation will ease to 22.3 percent this year, highlighting that high public spending ahead of the elections is likely to keep prices elevated. Both the Reserve Bank of Malawi (RBM) and Ministry of Finance and Economic Affairs expects inflation, which averaged 32.3 percent in 2024, to drop this year due to improved agricultural output. However, in its analysis, Nico Asset Managers said risks remain. Reads the analysis in part: "Inflationary headwinds will continue to linger, arising from fiscal slippages [which trigger money-supply growth and drive inflation], local currency weakness, increases in electricity tariffs and higher government expenditure due to the general elections in 2025. These factors will compel the RBM to maintain a tight monetary policy in 2025 but will likely initiate cuts to the policy rate in 2026-27 as inflation falls toward the target and support growth." On their part, Economics Intelligence Unit expects the policy rate to fall to 18 percent by the end of 2027, after a significant drop of inflation is realized well after the election year. In an interview, Consumers Association of Malawi executive director said rising inflation is hurting a majority of people and the economy. He said: "One wonders why we can continue smiling at these numbers and fail to address the reasons behind the rise in inflation, most of which is our heavy borrowing, careless expenditure and high food prices that can easily be managed with better agricultural policies." In his 2025/26 National Budget Statement, Minister of Finance and Economic Affairs said the 2025/2026 budget has assumed a fiscalised real gross domestic product growth rate of 3.4 percent and average inflation rate of 22.3 percent. He said as Treasury continues with the recovery process, there is need for concerted efforts to further strengthen resilience against economic challenges that the country is facing as without macroeconomic stability, efforts to revamp it will be futile. *(Source: The Business Times)*

#### *PCL courts investors on energy projects*

Press Corporation Limited (PCL) plc group chief executive officer says they have partnered Malawi Consulate in South Africa to sell the country's investment-ready energy projects to potential investors. In a statement made available to Business News, he said this is because the energy sector is a critical enabler for economic growth. We are not only showcasing Press Energy Limited's contributions, but also the broader energy ambitions of PCL. We are committed to driving investments into solar, biomass and other renewable technologies. PCL, through its subsidiary Press Energy Limited, is advancing a renewable energy drive that will see the development of a 50-megawatts (MW) solar power project in Nkhoma in Lilongwe, which is expected to feed electricity into the national grid to support Malawi's goal of achieving 1 000 MW electricity generation capacity by 2030. PCL, through its energy company Press Energy Limited, is representing Malawi's private sector at the four-day Africa Energy Indaba at Cape Town International Convention Centre in South Africa. On his part, Malawi Consulate General said the indaba provides a platform to engage investors, financiers and technology partners to support the country's transition to a more resilient and diversified energy mix. *(Source: The Daily Times)*

## *First Capital Group's MSE capitalisation hit K3.4tn*

First Capital Group, which is listed as FMB Capital Holdings plc, has become the most valued company on Malawi Stock Exchange (MSE) with a market capitalisation of K3.4 trillion. The Mauritius incorporated group, which was founded in the country as First Merchant Bank and now operates under the banner First Capital Bank, has also seen its share price surging 34.5 percent in a week from K1 047 to K1 409 per share by Friday. In a statement, the group attributed the market cap surge to collective performance of various subsidiaries across the region which reduced the market volatility risks that are associated with one market. Reads the statement in part: "First Capital Bank Group's regional business has allowed the group to offset economic weaknesses in certain countries with strength in others, effectively spreading country-specific risks. Investors who appreciate consistent profitability have responded positively to this strategy. As a result, the group's combined operations have yielded a return on equity of 36 percent as of June 2024 and dividend growth remains robust, with dollar dividend in 2024 up by 17 percent compared to 2023. Group managing director said for instance, the group's profitability, which was mainly dependent on its Malawi subsidiary, is now spread equally by almost four businesses, including Botswana, Mozambique and Zimbabwe. He said. Today four countries contribute roughly a quarter each, with Zambia, the smallest contributor making up just under 10 percent. *(Source: The Nation)*

## *Rising debt worries Mejn*

Malawi Economic Justice Network (Mejn) executive director says the country's public debt could continue rising in the face of weak domestic resource mobilisation streams. His sentiments follow Treasury data showing that as at September 2024, public debt has hit K16.2 trillion, representing 86.4 percent of gross domestic product (GDP) In an interview on Sunday, she said: "Almost two national budgets making up the total debt stock. Measures that are put in the budget are not very encouraging because you can even appreciate that projections for revenues they say its K5.5 trillion, but with other recurrent transactions, it is adding up to K6 trillion plus, and already there is a deficit. The deficit is being financed by domestic borrowing so we continue to dig a pit and also taking much more resources into servicing debt. According to Phiri, when the remaining portion of the K1.5 trillion 2024/25 estimated borrowing is factored in, the debt stock would close the fiscal year around K17 trillion. On the other hand, with the just presented 2025/26 budget estimating borrowing at K2.4 trillion, the debt stock is likely to jump to K19 trillion within a year, exerting further pressure on projects financing as the revenues will continue being squeezed by debt servicing obligations. According to the budget statement, external debt reached K7.39 trillion, while domestic debt amounted to K8.79 trillion, but Minister of government is determined to implement fiscal consolidation and debt restructuring to make public debt sustainable. *(Source: The Daily Times)*

## Market activity and colour

### Market commentary

The market traded 6.5m shares in 630 trades recording a market turnover of MWK 2.7bn during the week ended. AIRTEL, FDHB, ILLOVO (+15.0%), NBM, NITL and STANDARD (+13.9%) were the market gainers whilst FMBCH (-0.2%), NBS, NICO (-4.8%) and TNM (-10.7%) dropped in prices. The significant price adjustments on the counters mentioned pushed MASI up by 1.9%.

However, the index went up by 68.0% on year-to-date and 1.9% month to date.

# Weekly Market Report



Equity research | News & Analysis

## SYMBOL SUMMARY



Trading Summary for the week ending  
07 March 2025

| Symbol   | Open     | Close    |          | Volume    | Value            | Trades<br>Count | Market<br>Capitalization |
|----------|----------|----------|----------|-----------|------------------|-----------------|--------------------------|
| AIRTEL   | 128.01   | 128.02   | 0.0% ↑   | 1,831,804 | 234,519,620.00   | 91              | 1,408,220,000,000        |
| BHL      | 14.55    | 14.55    | 0.0%     | 16,566    | 241,035.30       | 5               | 85,528,609,304           |
| FDHB     | 315.09   | 315.18   | 0.0% ↑   | 792,402   | 249,707,262.00   | 81              | 2,175,067,029,375        |
| FMBCB    | 1,409.47 | 1,405.99 | -0.2% ↓  | 703,378   | 988,217,210.00   | 108             | 3,456,274,917,500        |
| ICON     | 17.98    | 17.98    | 0.0%     | 40,000    | 719,200.00       | 5               | 120,106,400,000          |
| ILLOVO   | 1,355.13 | 1,558.00 | 15.0% ↑  | 2,142     | 2,943,871.00     | 7               | 1,111,546,361,178        |
| MPICO    | 19.01    | 19.00    | -0.1%    | 74,121    | 1,408,742.86     | 10              | 43,662,901,740           |
| NBM      | 6,200.01 | 6,200.07 | 0.0% ↑   | 8,084     | 50,121,235.00    | 35              | 2,895,009,460,822        |
| NBS      | 349.77   | 349.68   | 0.0% ↓   | 2,699,895 | 944,196,500.00   | 159             | 1,017,769,291,126        |
| NICO     | 828.99   | 789.00   | -4.8% ↓  | 214,148   | 171,674,530.00   | 91              | 822,959,424,744          |
| NITL     | 634.02   | 634.03   | 0.0% ↑   | 5,869     | 3,721,111.00     | 3               | 85,594,050,000           |
| OMU      | 1,950.03 | 1,950.03 | 0.0%     | 0         | 0.00             | 0               | 32,855,374,910           |
| PCL      | 2,500.02 | 2,500.02 | 0.0%     | 0         | 0.00             | 0               | 300,641,955,116          |
| STANDARD | 6,962.21 | 7,927.93 | 13.9% ↑  | 16,538    | 130,806,964.16   | 11              | 1,860,432,761,565        |
| SUNBIRD  | 300.03   | 300.03   | 0.0%     | 0         | 0.00             | 0               | 78,482,621,477           |
| TNM      | 29.44    | 26.30    | -10.7% ↓ | 152,816   | 4,297,907.60     | 24              | 264,063,835,000          |
| Totals   |          |          |          | 6,557,763 | 2,782,575,188.92 | 630             | 15,758,214,993,857       |

|                      |            |            |         |         | 7-Mar-25 | 28-Feb-25 | 31-Dec-24 |
|----------------------|------------|------------|---------|---------|----------|-----------|-----------|
| INDEX (week)         | 283,722.24 | 289,111.37 | 1.9% ↑  | MWK/USD | 1734.01  | 1734.01   | 1734.01   |
| INDEX (month)        | 283,722.24 | 289,111.37 | 1.9% ↑  | MWK/GBP | 2301.48  | 2246.47   | 2240.22   |
| INDEX (year to date) | 172,039.93 | 289,111.37 | 68.0% ↑ | MWK/ZAR | 98.47    | 96.63     | 95.03     |

|                    |               |              |
|--------------------|---------------|--------------|
| Market cap (MWK'm) | 15,758,214.99 | 3,348,012.68 |
| Market cap (USD'm) | 9087.720737   | 1930.790021  |

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