

# MONTHLY MARKET REPORT

## AUGUST 2020



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MALAWI STOCK EXCHANGE

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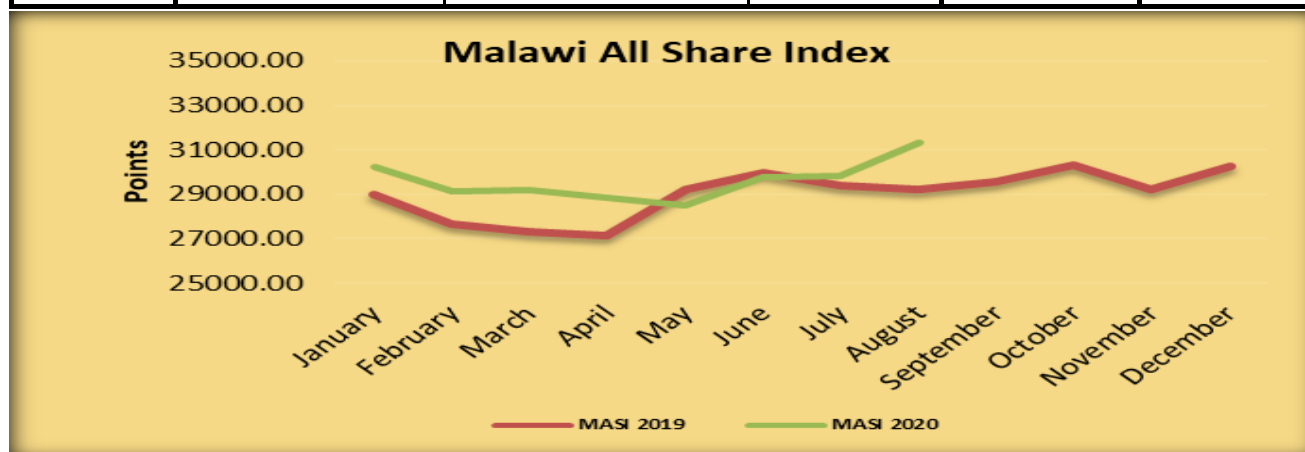
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## 1. TRADING SUMMARY

The market was bullish in the month of August as it registered a month-on-month return on index of **4.95%** (3.99% in US\$ terms), **7.30%** on a year-on-year basis. In the primary market, FDH Bank plc officially listed on 3 August 2020 and its share price inched upwards by 49.90% on first day of trading. The market also registered an increase in both total value traded and total volume of shares traded in the month under review. There were no trades on the listed debt securities.

### Index Levels and Return – August 2020

INDEX	AUGUST 2020	JULY 2020	% Monthly Δ 2020	% Monthly Δ 2019	% Δ YTD. 2020
MASI	31328.10	29851.63	4.95 ▲	-0.73	3.56 ▲
DSI	26732.01	25360.04	5.41 ▲	0.15 ▲	13.27 ▲
FSI	1460.99	1535.30	-4.84	-5.48	-63.70



	August 2020	July 2020	Monthly % Δ	August 2019	Y-O-Y %Δ
Traded Value (MK)	4,857,975,498.30	1,263,639,879.92	284.44 ▲	798,659,625.46	508.27 ▲
Traded Value (US\$)	6,503,815.93	1,707,986.54	280.79 ▲	1,086,930.15	498.37 ▲
Traded Vol. Shares	314,772,282	62,683,022	402.17 ▲	27,644,237	1038.65 ▲
No. of Transactions	407	195	108.72 ▲	271	50.18 ▲
Index Close (MASI)	31328.10	29851.63	4.95 ▲	29197.17	7.30 ▲
Listed Debt Securities	13	13		14	
Traded Debt Securities	00	00		00	
Listed companies	16	15		14	
Traded Companies	14	15		14	
Not Traded Companies	02	00		00	
Gainers	04	03		03	
Decliners	05	06		02	
Unchanged	05	06		09	

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 314,772,282 shares at a total consideration of MK4,857,975,498.30 (US\$6,503,815.93) in 407 trades. In the previous month of July 2020, the market transacted a total of 62,683,022 shares at a total consideration of MK1,263,639,879.92 (US\$1,707,986.54) in 195 trades. This reflects a **402.17%** increase in terms of share volume traded and a **284.44%** (**280.79%** in US Dollar terms) increase in share value traded. Of the total volume of shares traded, 110,000,000 NBS and 118,789,000 FDHB shares were traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 14,989,156 shares compared to 2,849,228 shares traded in July 2020, reflecting an increase of **426.08%**.

The average daily turnover for August 2020 was MK231,332,166.59 (US\$309,705.52) compared to MK57,438,176.36 (US\$77,635.75) in July 2020, reflecting an increase of **302.75%** (**298.92%** in US Dollar terms).

### B. Market Capitalization and Index

The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 29851.63 points registered in July 2020 to 31328.10 points registered in August 2020, giving a month-on-month return on index of **4.95%** (**3.99%** in US\$ terms). The price gains registered by FDHB(29.00%), AIRTEL(22.86%), MPICO(14.29%) and NBM(12.50%) were enough to offset share price losses registered by ILLOVO(14.81%), TNM(8.98%), FMBCH(5.88%), NBS(0.26%) and NITL(0.01%) resulting into an upward movement of the Malawi All Share Index. The Domestic and Foreign Share Indices closed at 26732.01 and 1460.99 points respectively.

Market capitalization increased in both Malawi Kwacha and United States dollar terms from MK1,550,744.90 million(US\$2,104.97 million) to MK1,702,073.76 million (US\$2,269.62 million) as a result of listing of FDH Bank plc and share price gains in the period under review.

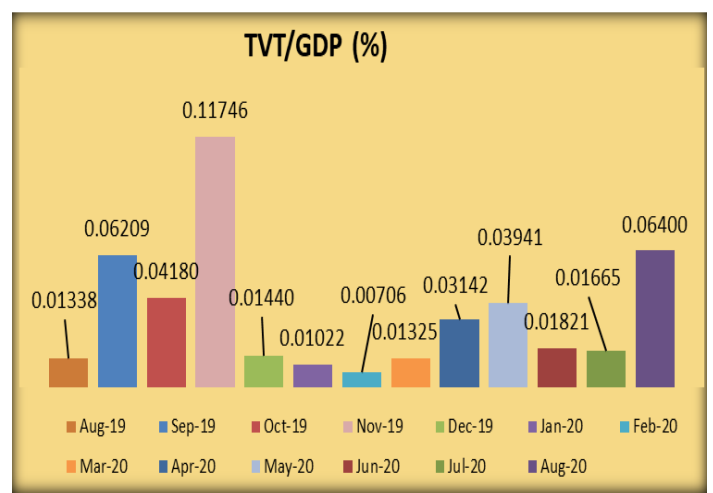
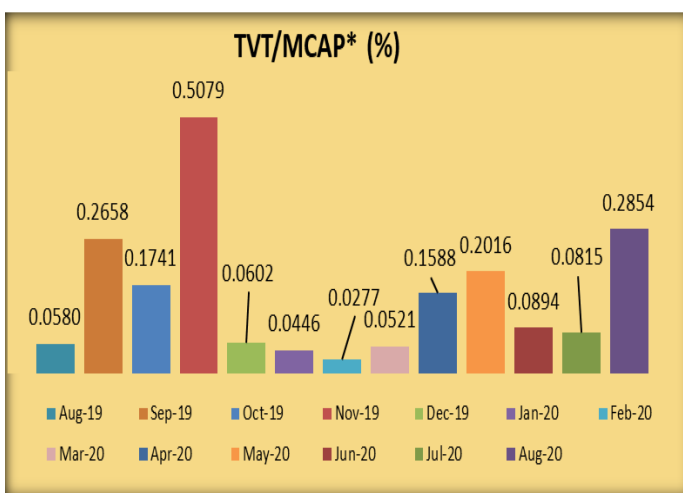
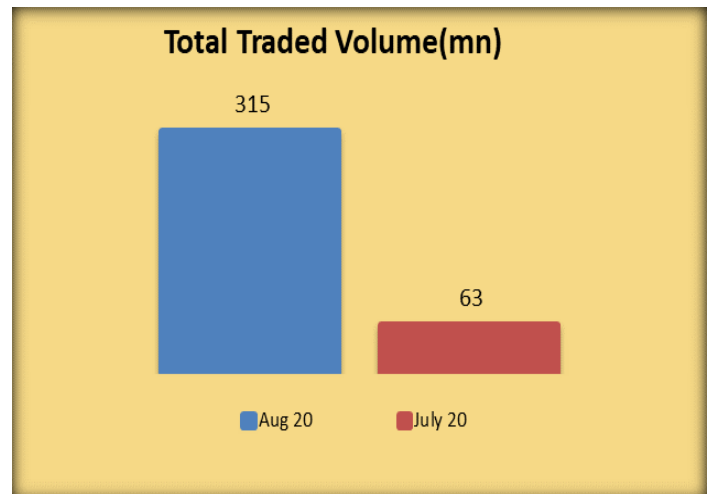
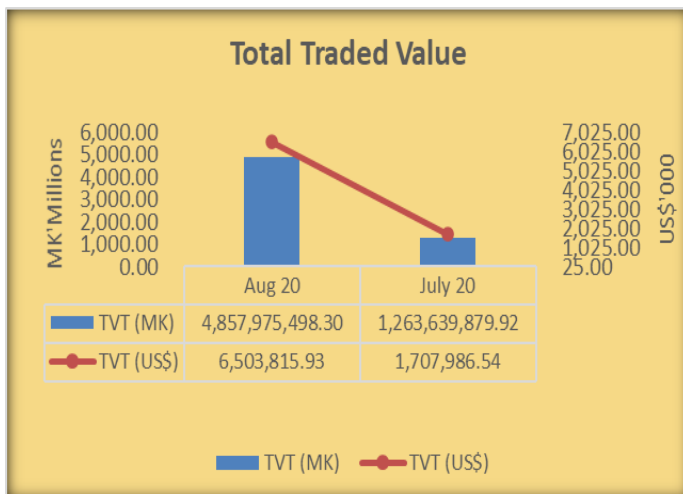
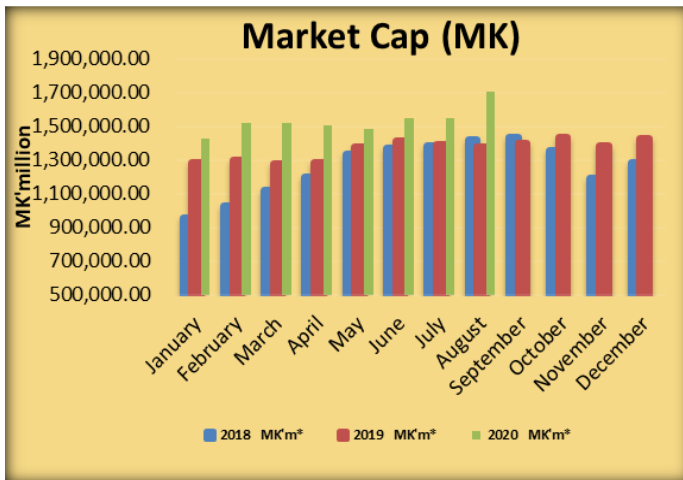
### C. Market Liquidity

The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP\***), an indicator of the liquidity of assets traded on the market, in August 2020 was recorded at 0.29%, higher than 0.08% registered in July 2020. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.06% in August 2020 while during the previous month, July 2020, liquidity was at 0.02%.

Market capitalization as a percentage of GDP was at 22.43% in August 2020 and 20.43% in July 2020.



## 2. MARKET PERFORMANCE



### 3. COMPANY TRADING PERFORMANCE

A. Top gainers: Four counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
FDHB	MWFDHB001166	FDH Bank plc	29.00 ▲
AIRTEL	MWAIRT001156	Airtel Malawi plc	22.86 ▲
MPICO	MWMP0010116	MPICO plc	14.29 ▲
NBM	MWNB0010074	National Bank of Malawi plc	12.50 ▲

B. Top Losers: Five counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	-14.81
TNM	MWTNM0010126	Telekom Networks Malawi plc	-8.98
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-5.88
NBS	MWNBS0010101	NBS Bank plc	-0.26
NITL	MWNITL010091	NITL plc	-0.01

C. Top 5 Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NBS	MWNBS0010101	NBS Bank plc	160,614,201	51.03
FDHB	MWFDHB001166	FDH Bank plc	126,168,197	40.08
MPICO	MWMP0010116	MPICO plc	12,263,138	3.90
TNM	MWTNM0010126	Telekom Networks Malawi plc	8,432,950	2.68
FMBCH	MWFMB0010138	FMB Capital Holdings plc	2,245,905	0.71

D. Top 5 Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBS	MWNBS0010101	NBS Bank plc	2,909,365,696.88	59.89
FDHB	MWFDHB001166	FDH Bank plc	1,205,230,563.19	24.81
MPICO	MWMP0010116	MPICO plc	287,091,820.00	5.91
TNM	MWTNM0010126	Telekom Networks Malawi plc	185,758,657.78	3.82
NICO	MWNICO0010014	NICO Holdings plc	62,767,691.92	1.29



### 3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Price $\Delta$	Volume	Value	Trades Count	Market Capitalization
AIRTEL	22.00	27.03	22.00	27.03	22.86%	1,700,375	45,410,036.17	20	297,330,000,000.00
BHL	12.94	12.94	12.94	12.94	0.00%	0	0.00	0	10,866,374,122.70
FDHB	10.00	15.00	12.50	12.90	29.00%	126,168,197	1,205,230,563.19	68	89,023,303,125.00
FMBCH	25.50	25.50	24.00	24.00	-5.88%	2,245,905	54,590,174.50	18	58,998,000,000.00
ICON	12.70	12.70	12.70	12.70	0.00%	1,903,366	24,172,744.70	32	84,836,000,000.00
ILLOVO	94.50	94.50	80.50	80.50	-14.81%	3,118	266,791.00	5	57,432,273,475.50
MPICO	21.00	24.00	21.00	24.00	14.29%	12,263,138	287,091,820.00	62	55,153,139,040.00
NBM	550.00	625.00	550.00	618.76	12.50%	77,080	46,088,059.25	23	288,918,682,204.88
NBS	19.49	19.49	19.43	19.44	-0.26%	160,614,201	2,909,365,696.88	79	56,581,546,040.64
NICO	47.99	47.99	47.97	47.99	0.00%	1,308,017	62,767,691.92	16	50,055,542,197.04
NITL	94.99	94.99	94.98	94.98	-0.01%	3,417	324,546.66	3	12,822,300,000.00
OMU	2,199.99	2,199.99	2,199.99	2,199.99	0.00%	0	0.00	0	33,267,425,983.74
PCL	1,345.00	1,345.00	1,344.99	1,344.99	0.00%	4,925	6,624,108.00	6	161,742,875,341.80
STANDARD	830.00	900.00	830.00	830.00	0.00%	33,593	28,604,608.25	11	194,774,574,460.00
SUNBIRD	120.00	120.00	120.00	120.00	0.00%	14,000	1,680,000.00	3	31,389,909,600.00
TNM	23.95	23.95	21.80	21.80	-8.98%	8,432,950	185,758,657.78	61	218,881,810,000.00
<b>Total</b>						<b>314,772,282</b>	<b>4,857,975,498.30</b>	<b>407</b>	<b>1,702,073,755,591.30</b>

## 4. BOND TRADING SUMMARY

There were no trades on the listed debt securities.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Nominal Value
NFBN01210621	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	1,000,000,000.00
NFBN02280621	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	3,000,000,000.00
NFBN03020721	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	50,000,000.00
NFBN04230522	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	6,000,000,000.00
NFBN05310321	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	2,350,767,576.00
TN02YR040920	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	64,659,680,000.00
TN02YR310121	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	23,791,253,000.00
TN03YR111021	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	13,776,000,000.00
TN03YR220221	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	3,000,000,000.00
TN03YR270622	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	37,867,549,000.00
TN03YR270821	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	22,570,008,000.00
TN05YR221123	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	39,105,000,000.00
TN07YR271225	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	48,087,041,000.00
<b>Total</b>						<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>265,257,298,576.00</b>



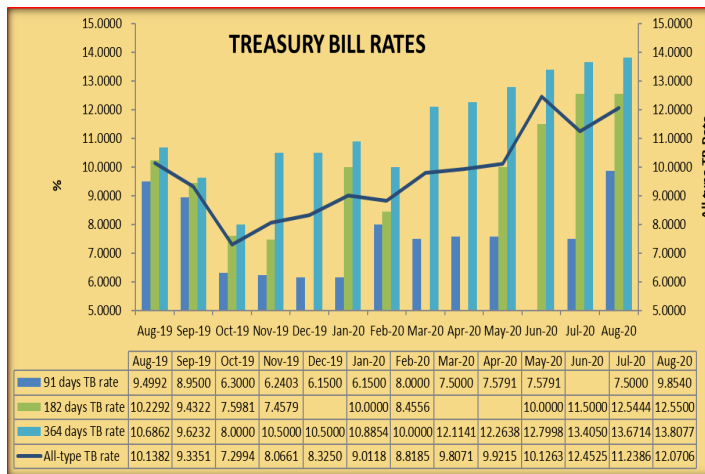
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

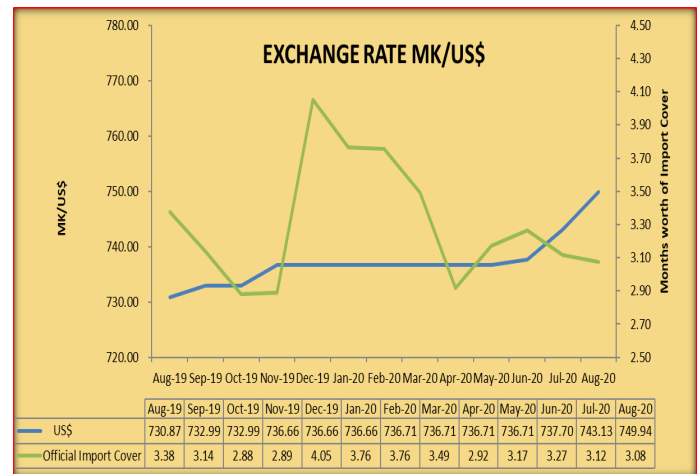
### Interest Rates

During the period under review, the yields on the 91 days, 182 days and the 364 days T-bills inched upwards by 2.3540% from 7.5000% to 9.8540%, by 0.0056% from 12.5444% to 12.5500% and by 0.1363% from 13.6714% to 13.8077% respectively.



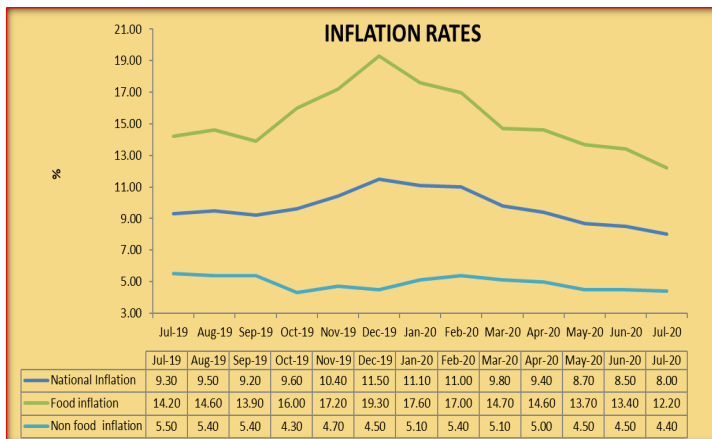
### Exchange Rates

The Kwacha marginally depreciated against the United States Dollar by 0.91% in the period under review. Gross official reserves were at 3.08 months worth of import cover on 31 August 2020.



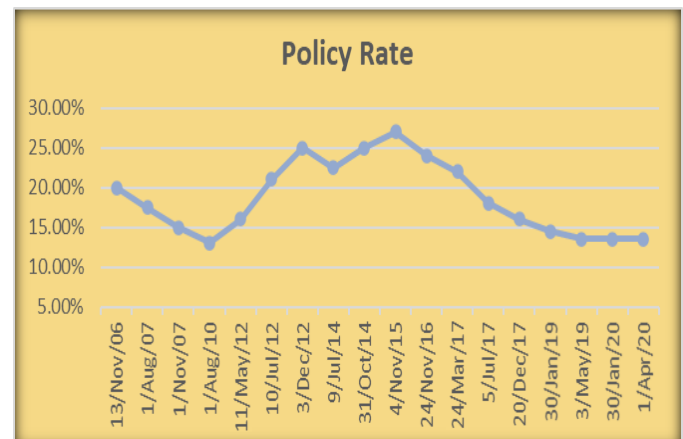
### Inflation Rates

Headline inflation eased by 0.5 percentage points from 8.5% in June, 2020 to 8.0% in July, 2020.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 31 July 2020 maintained the policy rate at 13.5%.



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