

FIRST QUARTER MARKET REPORT JANUARY – MARCH 2020



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1. TRADING SUMMARY



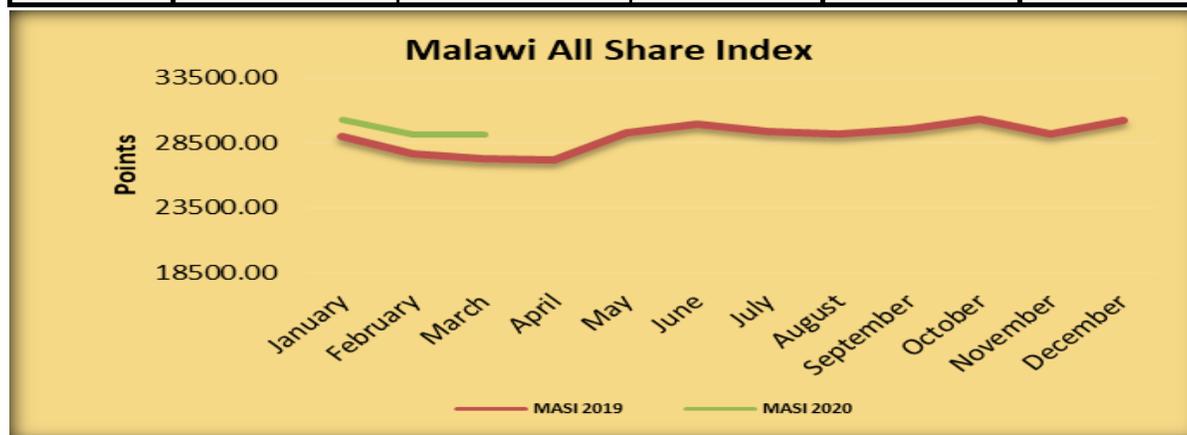
MALAWI STOCK EXCHANGE

The market listed Airtel Malawi plc on the Main Board whose share price inched upwards by 39.56% on first day of trading. The market however, was bearish in the Q1 2020 as it registered a return on index of **-3.56%** (-3.56% in US\$ terms) higher than the corresponding period 2019 of **-5.80%** (-5.97% in US\$ terms). It also registered a decrease in both total volume of shares and total value traded.

There was neither any listing nor a trade on the debt market during Q1 2020.

Index Levels and Return – 1st Qtr. 2020

INDEX	JAN., 2020	MAR., 2020	% Δ 1st QTR. 2020	% Δ 1st QTR. 2019	% Δ YTD. 2020
MASI	30252.20	29176.23	-3.56	-5.80	-3.56
DSI	23599.75	24138.22	2.28 ▲	-3.92	2.28 ▲
FSI	4024.86	2290.78	-43.08	-14.12	-43.08



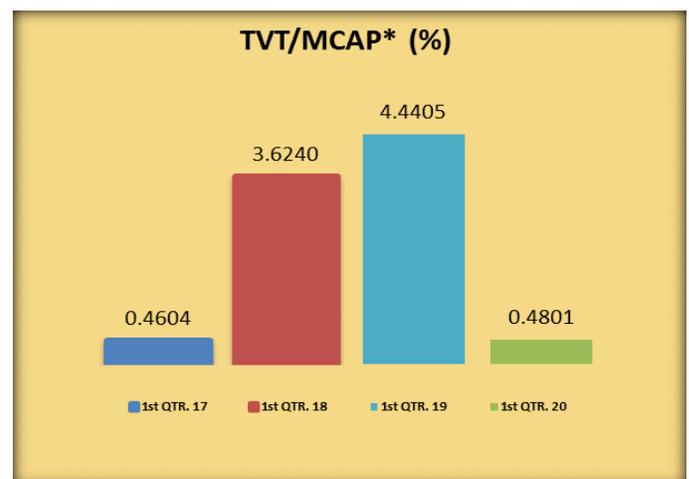
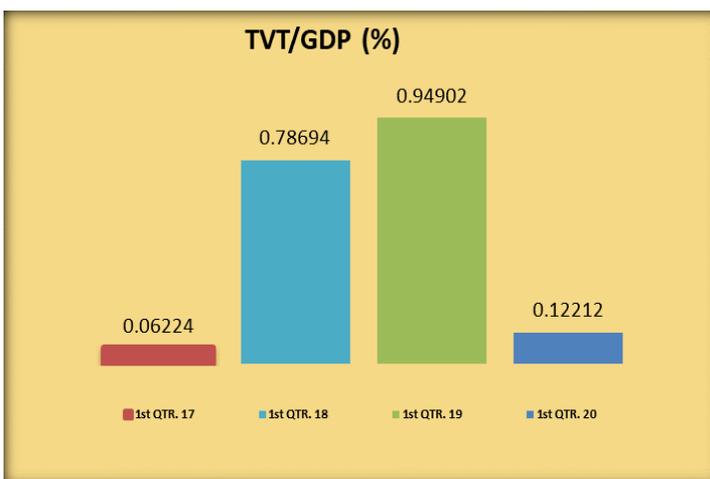
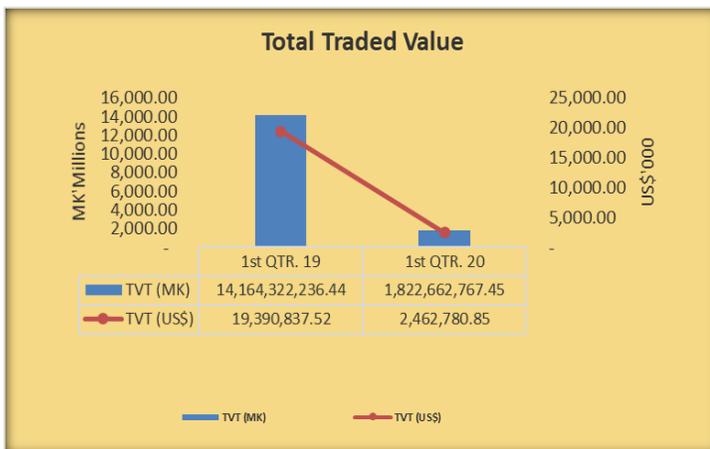
	1st Qtr. 2020	1st Qtr. 2019	Y-O-Y% Δ
Traded Value (MK)	1,822,662,767.45	14,164,322,236.44	-87.13
Traded Value (US\$)	2,462,780.85	19,390,837.52	-87.30
Traded Vol. Shares	70,886,329	420,679,180	-83.15
No. of Transactions	761	721	5.55 ▲
Index Close (MASI)	29176.23	27303.65	6.86 ▲
Listed Debt Securities	13	12	
Traded Debt Securities	00	00	
Listed companies	15	14	
Traded Companies	15	14	
Not Traded Companies	00	00	
Gainers	07	02	
Decliners	05	10	
Unchanged	03	02	

2. MARKET PERFORMANCE

- A. Trade Performance Analysis**
- The market transacted a total of 70,886,329 shares at a total consideration of MK1,822,662,767.45 (US\$2,462,780.85) in 761 trades. In the corresponding period 2019, the market transacted a total of 420,679,180 shares at a total consideration of MK14,164,322,236.44 (US\$19,390,837.52) in 721 trades. This reflects a **-83.15%** decrease in terms of share volume and a **-87.13%** (**-87.30%** in US Dollar terms) decrease in share value.
- Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,143,328 shares in Q1 2020 compared to 6,785,148 shares traded in the corresponding Q1 2019 reflecting a decrease of **-83.15%**.
- The average daily turnover for Q1 2020 was MK29,397,786.57 (US\$39,722.27) compared with MK228,456,810.27 (US\$312,755.44) for the corresponding Q1 2019, reflecting a decrease of **-87.13%** (**-87.30%** in US Dollar terms).
- B. Market Capitalization and Index**
- The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 30252.20 points registered on 1 January 2020 to 29176.23 points registered on 31 March 2020, giving a return on index of **-3.56%**, (**-3.56%** in US\$ terms) compared to **-5.80%**, (**-5.97%** in US\$ terms) registered in Q1 of 2019. The price gains registered on AIRTEL(37.90%), MPICO (28.01%), NITL(18.75%), NBS(18.52%), NBM(2.86%), SUNBIRD(1.70%) and STANDARD(0.001%) were not enough to offset share price losses registered by FMBCH(-46.67%), ILLOVO(-38.24%), TNM(-1.77%), ICON(-0.10%) and BHL(-0.08%) resulting into a downward movement of the Malawi All Share Index. The Domestic Share inched upwards by 2.28% whilst the Foreign Share Indices fell by 43.08%.
- Market capitalization however, increased in both Kwacha and United States Dollar terms from K1,428,752.94 million (US\$1,939.51 million) in January 2020 to K1,518,611.82 million (US\$2,061.35 million) in March 2020 as a result of the Airtel Malawi plc listing.
- C. Market Liquidity**
- The turnover velocity as 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 the quarter under review was recorded at 0.12%, lower than 0.95% registered in Q1 2019. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.48% in the review period while during the corresponding period of 2019 liquidity was at 4.44%. Market capitalization as a percentage of GDP was at 25.44% in Q1 2020 whilst in Q1 2019 it was at 24.21% .



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Seven counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
AIRTEL	MWAIRT001156	Airtel Malawi plc	37.90 ▲
MPICO	MWMPI0010116	MPICO plc	28.01 ▲
NITL	MWNITL010091	National Investments Trust plc	18.75 ▲
NBS	MWNBS0010101	NBS Bank plc	18.52 ▲
NBM	MWNBM0010071	National Bank of Malawi plc	2.86 ▲

B. Top Losers: Five counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-46.67
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	-38.24
TNM	MWTNM0010126	Telekom Networks Malawi plc	-1.77
ICON	MWICON001146	ICON Properties plc	-0.10
BHL	MWBHL0010029	Blantyre Hotels plc	-0.08

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NBS	MWNBS0010101	NBS Bank plc	21,007,702	29.64
ICON	MWICON001146	ICON Properties plc	16,819,810	23.73
MPICO	MWMPI0010116	MPICO plc	14,479,870	20.43
TNM	MWTNM0010126	Telekom Networks Malawi plc	10,024,281	14.14
AIRTEL	MWAIRT001156	Airtel Malawi plc	3,206,427	4.52

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBS	MWNBS0010101	NBS Bank plc	333,804,763.10	18.31
MPICO	MWMPI0010116	MPICO plc	309,922,741.58	17.00
SUNBIRD	MWSTL0010085	Sunbird tourism plc	263,830,130.00	14.47
TNM	MWTNM0010126	Telekom Networks Malawi plc	225,741,370.80	12.39
NBM	MWNBM0010071	National Bank of Malawi plc	190,139,960.32	10.43

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	% Δ	Volume	Value	Deals	Market Capitalization
AIRTEL	12.69	17.99	12.69	17.50	37.90%	3,206,427	56,446,029.60	41	192,500,000,000.00
BHL	12.95	12.95	12.94	12.94	-0.08%	150,500	1,947,470.00	9	10,866,374,122.70
FMBCH	75.00	75.00	40.00	40.00	-46.67%	37,840	1,938,310.00	10	98,330,000,000.00
ICON	10.50	10.50	10.40	10.49	-0.10%	16,819,810	176,388,372.48	81	70,073,200,000.00
ILLOVO	153.00	153.00	94.50	94.50	-38.24%	13,858	1,872,698.00	11	67,420,494,949.50
MPICO	19.53	25.00	19.50	25.00	28.01%	14,479,870	309,922,741.58	98	57,451,186,500.00
NBM	525.00	540.01	525.00	540.01	2.86%	361,550	190,139,960.32	69	252,147,807,837.38
NBS	13.50	16.00	13.50	16.00	18.52%	21,007,702	333,804,763.10	160	46,569,173,696.00
NICO	48.49	48.50	48.49	48.49	0.00%	1,066,010	51,700,078.50	48	50,577,062,745.04
NITL	80.00	95.00	80.00	95.00	18.75%	1,416,753	126,456,146.00	33	12,825,000,000.00
OMU	2,499.99	2,499.99	2,499.99	2,499.99	0.00%	360	899,996.40	2	32,357,650,568.88
PCL	1,400.00	1,400.00	1,400.00	1,400.00	0.00%	41,815	58,541,000.00	17	168,358,148,000.00
STANDARD	730.00	730.01	730.00	730.01	0.001%	31,553	23,033,700.67	17	171,310,104,941.62
SUNBIRD	118.00	120.01	118.00	120.01	1.70%	2,228,000	263,830,130.00	15	31,392,525,425.80
TNM	26.00	26.00	22.04	25.54	-1.77%	10,024,281	225,741,370.80	150	256,433,093,000.00
Total						70,886,329	1,822,662,767.45	761	1,518,611,821,786.92

4. BOND TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Volume	Value	Deals	Nominal Value
NFBN01210621	100.0000	100.0000	100.0000	100.0000	0	0.00	0	1,000,000,000.00
NFBN02280621	100.0000	100.0000	100.0000	100.0000	0	0.00	0	3,000,000,000.00
NFBN03020721	100.0000	100.0000	100.0000	100.0000	0	0.00	0	50,000,000.00
NFBN04230522	100.0000	100.0000	100.0000	100.0000	0	0.00	0	6,000,000,000.00
NFBN05310321	100.0000	100.0000	100.0000	100.0000	0	0.00	0	2,350,767,576.00
TN02YR040920	100.0000	100.0000	100.0000	100.0000	0	0.00	0	64,659,680,000.00
TN02YR250120	100.0000	100.0000	100.0000	100.0000	0	0.00	0	5,000,000,000.00
TN02YR310121	100.0000	100.0000	100.0000	100.0000	0	0.00	0	23,791,253,000.00
TN03YR111021	100.0000	100.0000	100.0000	100.0000	0	0.00	0	13,776,000,000.00
TN03YR220221	100.0000	100.0000	100.0000	100.0000	0	0.00	0	3,000,000,000.00
TN03YR270622	100.0000	100.0000	100.0000	100.0000	0	0.00	0	37,867,549,000.00
TN03YR270821	100.0000	100.0000	100.0000	100.0000	0	0.00	0	22,570,008,000.00
TN05YR221123	100.0000	100.0000	100.0000	100.0000	0	0.00	0	39,105,000,000.00
TN07YR271225	100.0000	100.0000	100.0000	100.0000	0	0.00	0	48,087,041,000.00
Total					0	0.00	0	270,257,298,576.00

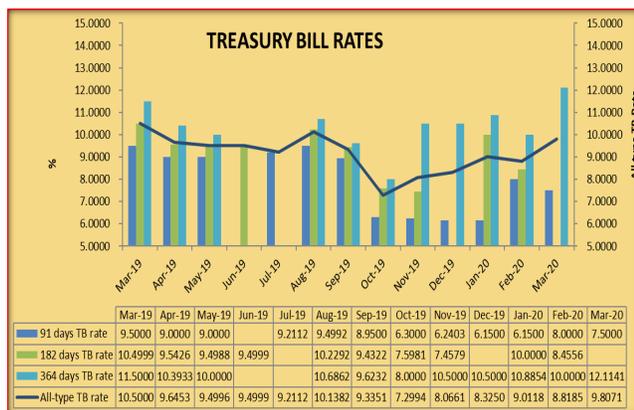
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

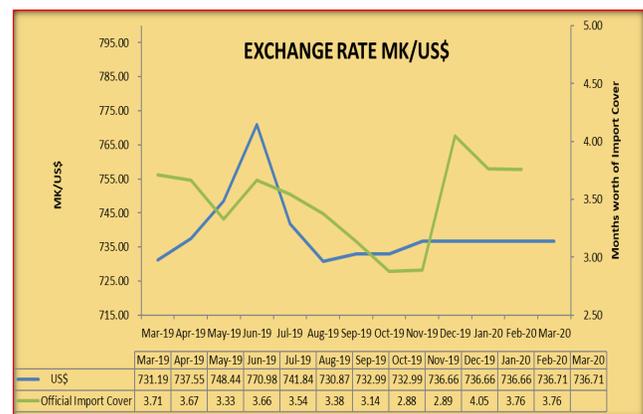
Interest Rates

During the quarter under review, the yields on the 91 Tbill and the 364 Tbill inched upwards by 1.3500% and by 1.2287%, from 6.1500% to 7.5000% and from 10.8854% to 12.1141% respectively. There were no applications for the 182 day Tbill in the last week of March 2020.



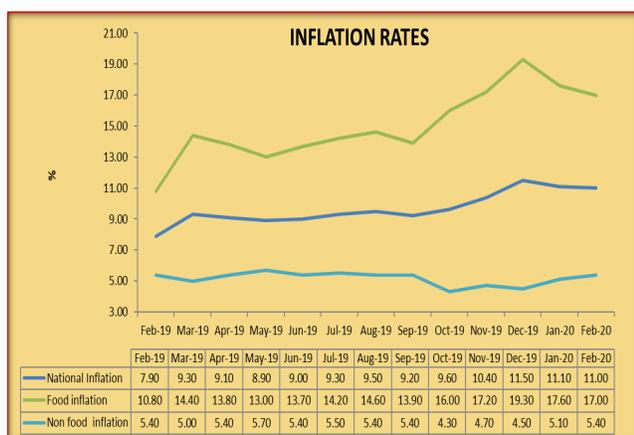
Exchange Rates

The Kwacha marginally depreciated by 0.01% against the United States Dollar in the period under review. Gross official reserves were at 3.76 months worth of import cover as at 29 February 2020.



Inflation Rates

Headline inflation eased by 0.1 percentage point from 11.1% in January, 2020 to 11.0% in February, 2020.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 1st April 2020 maintained the policy rate at 13.5%.



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