

SECOND QUARTER MARKET REPORT APRIL – JUNE 2020



Old Reserve Bank Building, Victoria Avenue
P/Bag 270
Blantyre
Malawi

Telephone: (265) 01 824 233; Fax: (265) 01 823 636
E-mail: info@mse-mw.com
Website: www.mse.co.mw

CONTENTS



MALAWI STOCK EXCHANGE

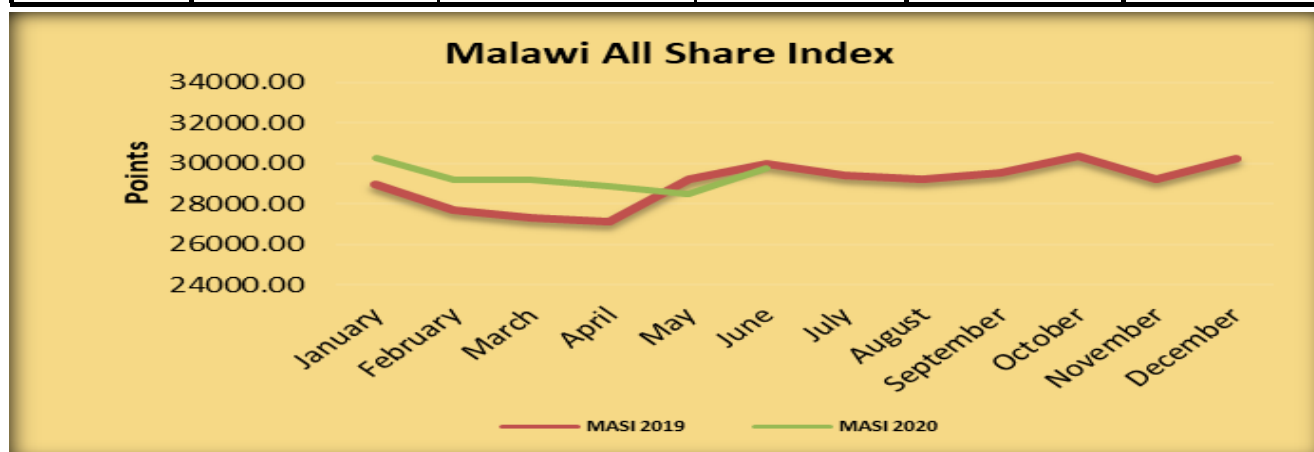
<i>Trading Summary</i>	1
<i>Market performance</i>	2
<i>Trade performance analysis</i>	2
<i>Market capitalization and index</i>	2
<i>Market liquidity</i>	2
<i>Company trading performance</i>	3
<i>Bonds/Treasury Notes</i>	4
<i>Economic review</i>	5

1. TRADING SUMMARY

The market was bullish in Q2 2020 as it registered a positive return on index of 2.09%(1.95% in US\$ terms), 9.71% (4.05% in US\$ terms) in Q2 2019. It however, registered a decrease in total traded value and total volume of shares traded. There were no trades on the listed debt securities.

Index Levels and Return – 2nd Qtr. 2020

INDEX	APRIL, 2020	JUNE, 2020	% Δ 2nd QTR. 2020	% Δ 2nd QTR. 2019	% Δ YTD. 2020
MASI	29176.23	29784.70	2.09 ▲	9.71 ▲	-1.55
DSI	24138.22	25117.92	4.06 ▲	11.69 ▲	6.43 ▲
FSI	2290.78	1757.76	-23.27	- 0.04	-56.33



Trading Statistics – 2nd Qtr. 2020

	2 nd Qtr. 2020	2 nd Qtr. 2019	Y-O-Y % Δ
Traded Value (MK)	6,758,007,139.49	15,135,991,829.52	-55.35
Traded Value (US\$)	9,172,776.83	20,404,866.73	-55.05
Traded Vol. Shares	179,323,974	206,786,591	-13.28
No. of Transactions	749	921	-18.68
Index Close (MASI)	29784.70	29956.00	-0.57
Listed Debt Securities	13	12	
Traded Debt Securities	00	00	
Listed companies	15	14	
Traded Companies	15	14	
Not Traded	00	00	
Gainers	05	08	
Decliners	08	04	
Unchanged	02	02	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 179,323,974 shares at a total consideration of MK6,758,007,139.49 (US\$9,172,776.83) in 749 trades. In the corresponding period 2019, the market transacted a total of 206,786,591 shares at a total consideration of MK15,135,991,829.52 (US\$20,404,866.73) in 921 trades. This reflects a **-13.28%** decrease in terms of share volume and a **-55.35%** (**-55.05%** in US Dollar terms) decrease in share value. Of the shares traded, 18,671,499 NICO and 1,879,000 PCL traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,892,322 shares compared to 3,335,268 shares traded in the corresponding second quarter of 2019 reflecting a decrease of **-13.28%**.

The average daily turnover for the second quarter 2020 was MK109,000,115.15 (US\$147,948.01) compared with MK244,128,900.48 (US\$329,110.75) for the corresponding second quarter 2019, reflecting a decrease of **-55.35%** (**-55.05%** 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 28857.39 points registered on 1 April 2020 to 29784.70 points registered on 30th June 2020, giving a return on index of **2.09%**, (**1.95%** in US\$ terms) compared to **9.71%** (**4.05%** in US\$ terms) registered in Q2 of 2019. The price gains registered by NBS(21.88%), AIRTEL(14.29%), ICON(8.67%), STANDARD(8.22%) and NBM(1.85%) were enough to offset share price losses registered by FMBCH(25.03%), OMU(12.00%), TNM(2.35%), NICO(0.14%), MPICO(0.08%), PCL(0.02%), NITL(0.01%) and SUNBIRD(0.01%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share index inched upwards by 4.06% whilst the Foreign Share Index fell by -23.27%.

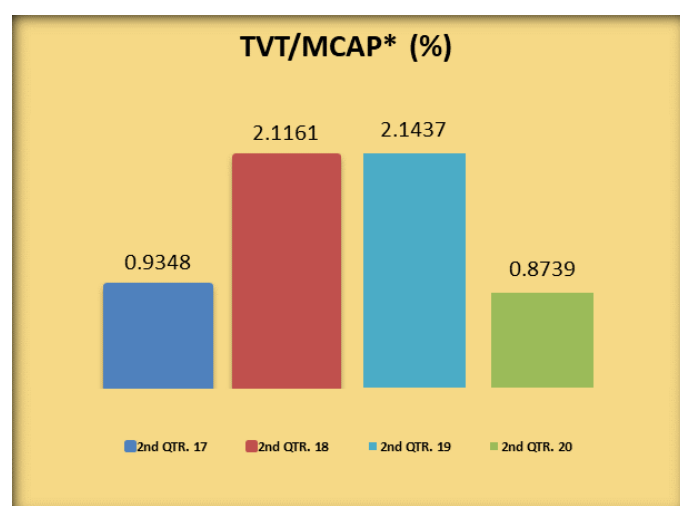
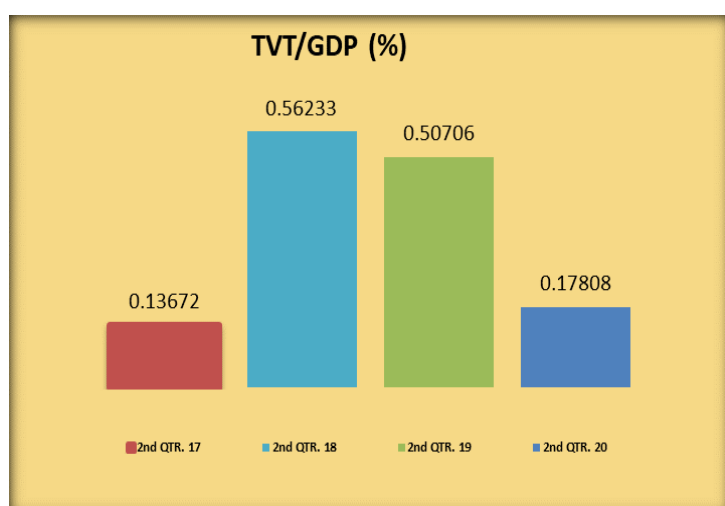
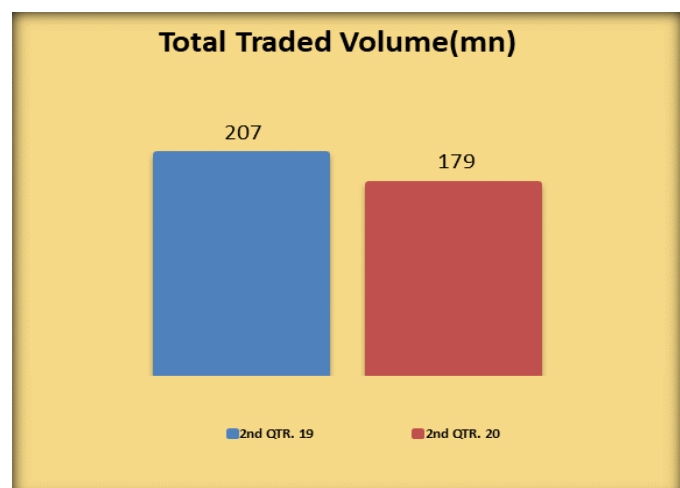
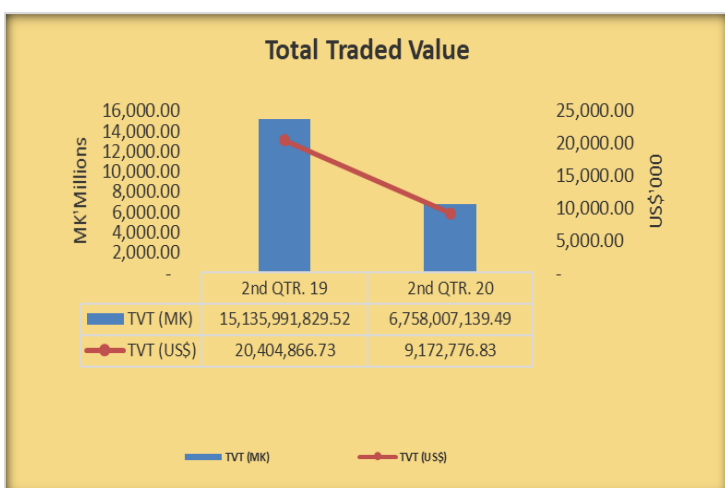
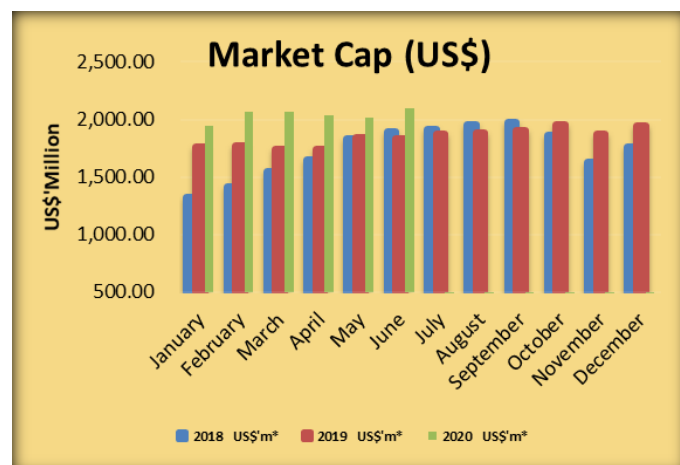
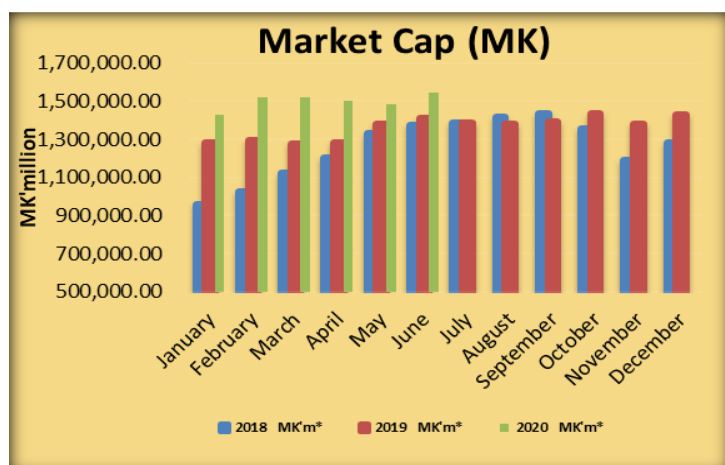
Market capitalization increased in both Kwacha and United States Dollar terms from MK1,518,611.82 million (US\$2,061.35 million) in April 2020 to MK1,546,551.01 million (US\$2,096.44 million) in June 2020.

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 the quarter under review was recorded at 0.87%, lower than 2.14% registered in second quarter 2019. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.18% in the review period while during the corresponding period of 2019 liquidity was at 0.51%. Market capitalization as a percentage of GDP was at 20.38% in Q2 2020 whilst in Q2 2019 it was at 23.65% .



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Five Counters registered gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
NBS	MWNBS0010101	NBS Bank plc	21.88 ▲
AIRTEL	MWAIRT001156	Airtel Malawi plc	14.29 ▲
ICON	MWICON001146	ICON Properties plc	8.67 ▲
STANDARD	MWSTD0010041	Standard Bank Malawi plc	8.22 ▲
NBM	MWNB0010074	National Bank of Malawi plc	1.85 ▲

B. Top Losers: Eight Counter registered losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB00101138	FMB Capital Holdings plc	-25.03
OMU	ZAE000255360	Old Mutual Limited	-12.00
TNM	MWTNM0010126	Telekom Networks Malawi plc	-2.35
NICO	MWNICO0010014	NICO Holdings plc	-0.14
MPICO	MWMPIC0010116	MPICO plc	-0.08

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	81,841,162	45.64
ICON	MWICON001146	ICON Properties plc	32,099,400	17.90
NICO	MWNICO0010014	NICO Holdings plc	25,215,964	14.06
AIRTEL	MWAIRT001156	Airtel Malawi plc	23,142,208	12.91
NBS	MWNBS0010101	NBS Bank plc	12,103,869	6.75

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	1,852,383,872.94	27.41
PCL	MWPCL0010053	Press Corporation plc	1,809,391,640.00	26.77
NICO	MWNICO0010014	NICO Holdings plc	1,075,404,461.89	15.91
NBM	MWNB0010074	National Bank of Malawi plc	795,683,051.00	11.77
AIRTEL	MWAIRT001156	Airtel Malawi plc	411,501,896.50	6.09

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	17.50	20.01	16.00	20.00	14.29%	23,142,208	411,501,896.50	97	220,000,000,000.00
BHL	12.94	12.94	12.94	12.94	0.00%	250,000	3,235,000.00	4	10,866,374,122.70
FMBCH	40.00	40.00	29.99	29.99	-25.03%	109,406	3,487,632.00	18	73,722,917,500.00
ICON	10.49	11.50	10.39	11.40	8.67%	32,099,400	337,119,644.40	65	76,152,000,000.00
ILLOVO	94.50	94.50	94.50	94.50	0.00%	94,008	8,883,756.50	15	67,420,494,949.50
MPICO	25.00	24.99	22.48	24.98	-0.08%	412,327	10,269,967.90	33	57,405,225,550.80
NBM	540.01	552.00	540.00	550.00	1.85%	1,455,040	795,683,051.00	85	256,812,455,900.00
NBS	16.00	19.50	14.00	19.50	21.88%	12,103,869	194,097,776.68	100	56,756,180,442.00
NICO	48.49	48.50	48.40	48.42	-0.14%	25,215,964	1,075,404,461.89	39	50,504,049,868.32
NITL	95.00	95.01	94.99	94.99	-0.01%	454,101	43,140,492.00	28	12,823,650,000.00
OMU	2,499.99	2,499.99	2,199.99	2,199.99	-12.00%	48,977	107,790,894.52	25	29,877,529,592.43
PCL	1,400.00	1,400.00	1,300.00	1,399.76	-0.02%	1,940,640	1,809,391,640.00	10	168,329,286,603.20
STANDARD	730.01	790.00	730.01	790.00	8.22%	134,997	102,991,923.16	26	185,387,847,980.00
SUNBIRD	120.01	120.01	120.00	120.00	-0.01%	21,875	2,625,130.00	13	31,389,909,600.00
TNM	25.54	25.54	22.00	24.94	-2.35%	81,841,162	1,852,383,872.94	191	250,408,823,000.00
Total						179,323,974	6,758,007,139.49	749	1,547,856,745,108.95

4. BOND TRADING PERFORMANCE



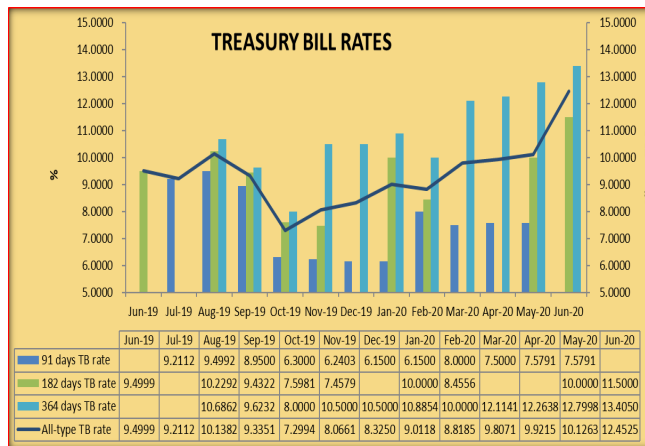
MALAWI STOCK EXCHANGE

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
TN07YR271125	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	48,087,041,000.00
Total						0	0.0000	0	265,257,298,576.00

5. ECONOMIC REVIEW

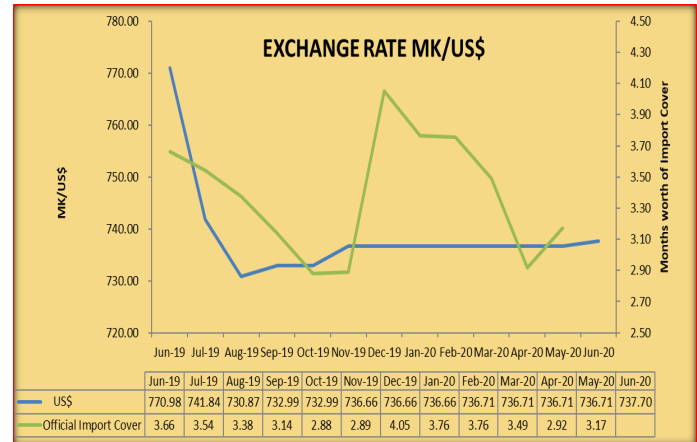
Interest Rates

During the quarter under review, the yield on the 182 and 364 days Tbill were at 11.5000% and 13.4050% respectively. There were no applications for the 91 days Tbills at an auction held on 30 June 2020.



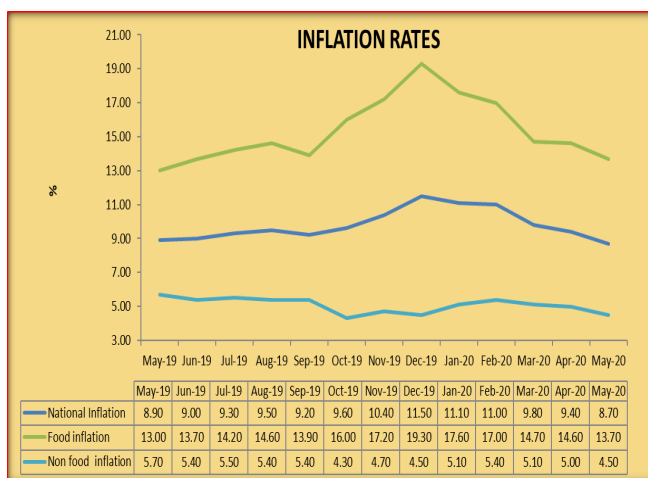
Exchange Rates

The Kwacha marginally depreciated against the United States Dollar by 0.14% in the period under review. Gross official reserves were at 3.17 months worth of import cover on 31 May 2020.



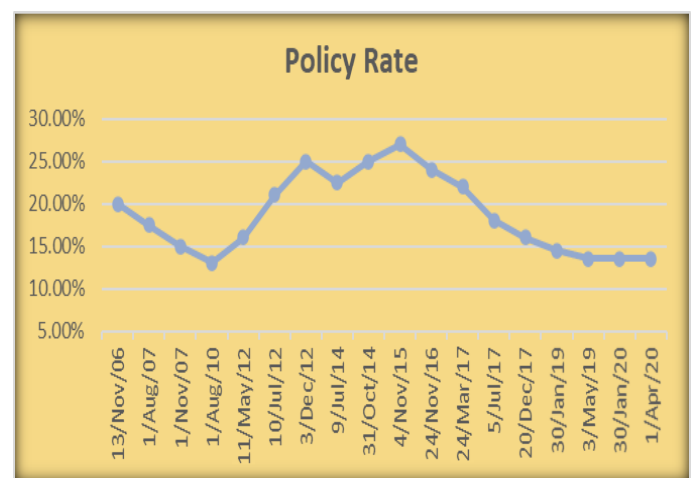
Inflation Rates

Headline inflation eased by 0.7 percentage points from 9.4% in April, 2020 to 8.7% in May, 2020.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 01 April 2020 maintained the policy rate at 13.5%.



CONTACTS AND ADDRESSES OF MSE STOCK BROKERS

Stockbrokers Malawi Limited
NBM Business Complex
P.O Box 31180
Blantyre
Tel: +265 1 836 213
Fax: +265 1 824 353
Email: sml@smlmw.com

Continental Capital Limited
1st Floor, Unit House
P.O Box 1444
Blantyre
Tel: +265 1 830 638
Email: capital@continental.mw
capital@cdh-malawi.com

Cedar Capital Ltd (Formerly African Alliance Securities)
4th Floor, Livingstone Towers
P.O Box 3340
Blantyre
Tel: +265 1 831 995
Fax: +265 1 831 859
Email: kamphonia@cedarcapital.mw

Alliance Stockbrokers Limited
Old Air Malawi Building
P.O Box 510
Blantyre
Tel: +265 1 830 704
Email: asl@aclmw.com