

MONTHLY MARKET REPORT

JULY 2022



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INVESTING IN BONDS ON THE MALAWI STOCK EXCHANGE

What is a bond?

Bonds are essentially tradeable loans from an investor to a company, statutory corporation or government.

Who is a bondholder?

An individual who lends money to a company, statutory corporation or government.

Who is a bond issuer?

An entity such as corporate, statutory corporation or government who borrows money from the bondholder for the purpose of raising funds.

Did you know?

You can invest as little as MK1,000.00 and earn interest ranging from 10-17.84% by investing on any of the listed bonds on the Malawi Stock Exchange.

Benefits of investing in Bonds

Provides a predictable income stream in the form of cash interest payments which are based on the interest rate on the bond.

Bonds are considered less risky, especially when considering government bonds, thus, offer a good starting point to investing for beginners.

Bondholders get priority of payment in the event of liquidation or when the borrower goes bankrupt. They enjoy a measure of legal protection to get their money back.

Bondholders can benefit from capital gains.

For more information, contact the Malawi Stock Exchange

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<https://www.mse.co.mw>

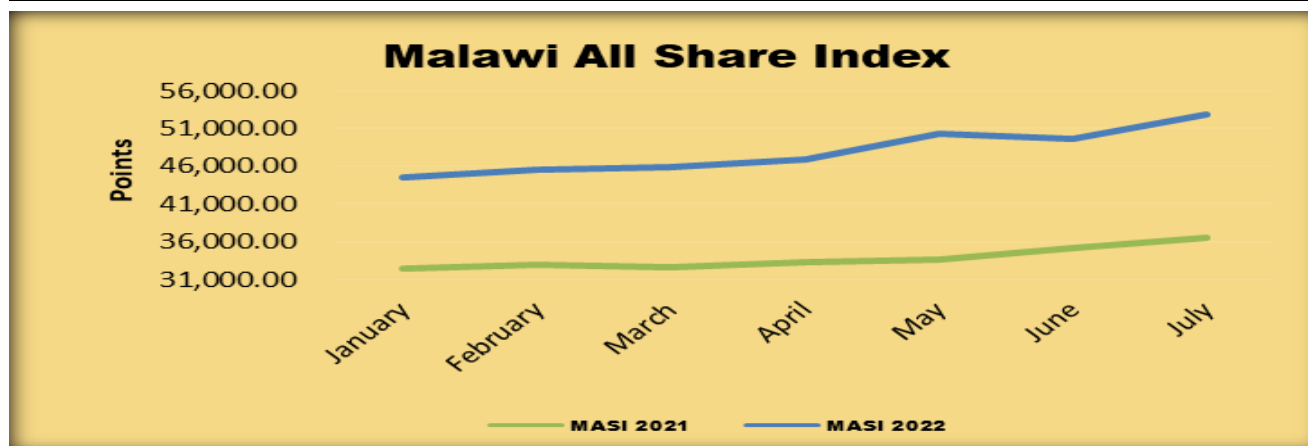
1. TRADING SUMMARY

The market registered a positive month-on-month return on index of **6.64%** (6.64% in US\$ terms), **16.58%** YTD. The market also registered an increase in both total traded value and volume of shares.

There were no trades on the Debt Securities Board.

Index Levels and Return – July 2022

INDEX	July 2022	June 2022	% Monthly Δ 2022	% Monthly Δ 2021	% Δ YTD. 2022
MASI	52889.87	49596.14	6.64 ▲	3.85 ▲	16.58 ▲
DSI	42717.13	39011.21	9.50 ▲	3.52 ▲	15.26 ▲
FSI	5548.61	6538.52	-15.14	7.59 ▲	31.39 ▲



	July 2022	June 2022	Monthly % Δ	July 2021	Y-O-Y %Δ
Traded Value (MK)	4,699,257,991.85	1,094,757,875.18	329.25 ▲	994,831,445.53	372.37 ▲
Traded Value (US\$)	4,587,233.31	1,071,441.26	327.30 ▲	1,227,397.31	273.00 ▲
Traded Vol. Shares	270,135,789	63,165,048	327.67 ▲	21,990,398	1128.43 ▲
No. of Transactions	360	287	25.44 ▲	298	20.81 ▲
Index Close (MASI)	52889.87	49596.14	6.64 ▲	36496.03	44.92 ▲
Listed Debt Securities	43	44		24	
Traded Debt Securities	00	00		00	
Listed companies	16	16		16	
Traded Companies	15	16		14	
Not Traded Companies	01	00		02	
Gainers	08	06		07	
Decliners	06	03		04	
Unchanged	01	07		03	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 270,135,789 shares at a total consideration of MK4,699,257,991.85 (US\$4,578,233.31) in 360 trades in the month of July 2022. In the previous month of June 2022, the market transacted a total of 63,165,048 shares at a total consideration of MK1,094,757,875.18 (US\$1,071,441.26) in 287 trades. This reflects a **327.67%** increase in terms of share volume traded and a **329.25%** (**327.30%** in US Dollar terms) increase in share value traded.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 13,506,789 shares compared to 2,871,139 shares traded in June 2022, reflecting an increase of **370.43%**.

The average daily turnover for July 2022 was MK234,962,899.59 (US\$228,911.67) compared to MK49,761,721.60 (US\$48,701.88) in June 2022, reflecting an increase of **372.18%** (**370.03%** 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 49596.14 points registered in June 2022 to 52889.87 points registered in July 2022, giving a month-on-month return on index of **6.64%** (**6.64%** in US\$ terms). The price gains registered by ILLOVO (30.92%), STANDARD(15.00%), PCL(14.81%), NBM(12.97%), AIRTEL(4.87%), FDHB (0.07%), NITL(0.02%) and SUNBIRD(0.01%) were enough to offset share price losses registered by FMBCH(15.61%), TNM(14.93%), NBS(0.13%), BHL(0.09%), MPICO (0.05%) and NICO(0.04%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share Index inched upwards by 9.50% to 42717.13 points whilst the Foreign Share Index fell by 15.14% to 5548.61 points.

Market capitalization increased in both Malawi Kwacha and US Dollar terms from MK2.69 trillion (US\$2.62 billion) to MK2.86 trillion (US\$2.79 billion).

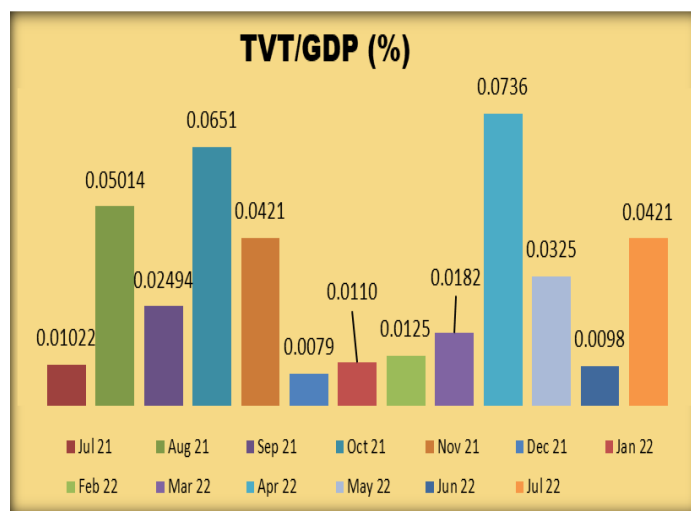
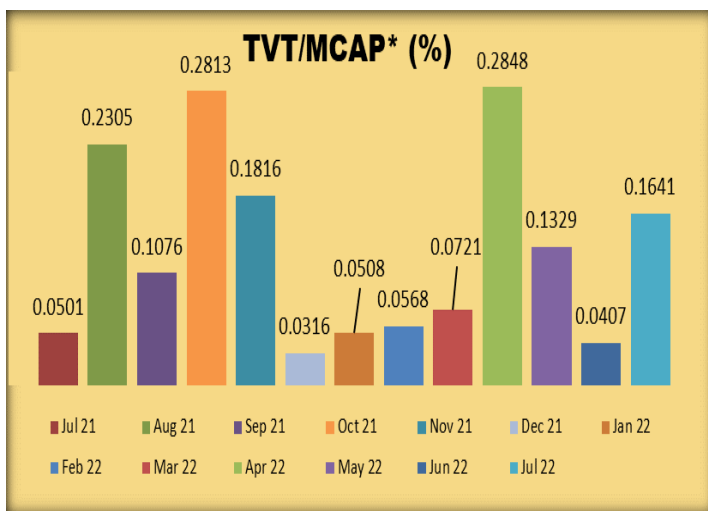
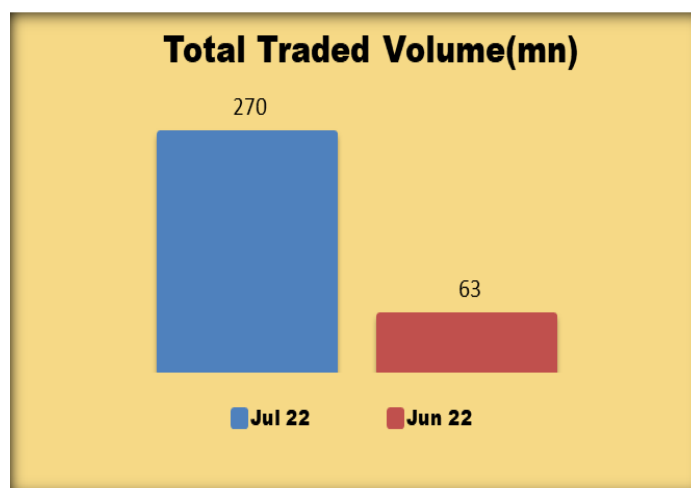
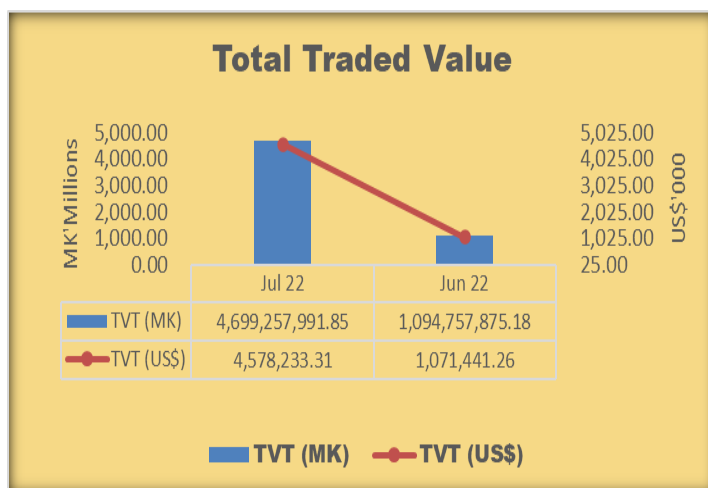
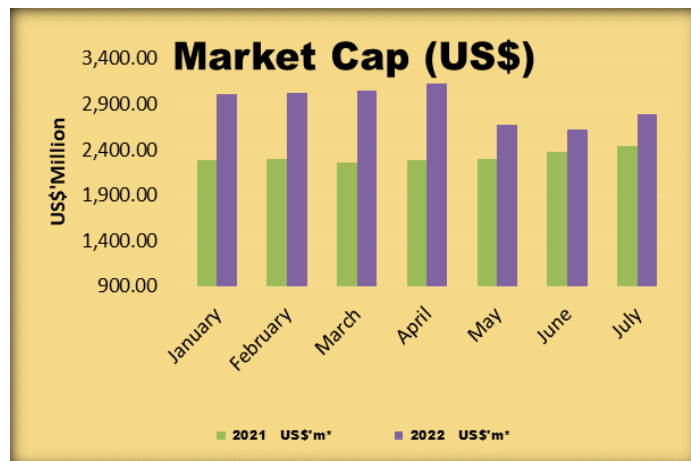
C. Market Liquidity

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 July 2022 was recorded at 0.16%, higher than 0.04% registered in June 2022. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.04% in July 2022 while during the previous month, June 2022, liquidity was at 0.01%.

Market capitalization as a percentage of GDP was at 25.64% in July 2022 and 24.08% in June 2022.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Eight counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	30.92 ▲
STANDARD	MWSTD0010041	Standard Bank Malawi plc	15.00 ▲
PCL	MWPCL0010053	Press Corporation plc	14.81 ▲
NBM	MWNB0010074	National Bank of Malawi plc	12.97 ▲
AIRTEL	MWAIRT001156	Airtel Malawi plc	4.87 ▲

B. Top Losers: Six counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB0010138	FMB Capital holdings plc	-15.61
TNM	MWTNM0010126	Telekom Networks Malawi plc	-14.93
NBS	MWNBS0010101	NBS Bank plc	-0.13
BHL	MWBHL0010029	Blantyre Hotels plc	-0.09
MPICO	MWMPI0010116	MPICO plc	-0.05

C. Top 5 Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	253,906,163	93.99
ICON	MWICON001146	ICON Properties plc	8,905,432	3.30
AIRTEL	MWAIRT001156	Airtel Malawi plc	4,072,695	1.51
FMBCH	MWFMB0010138	FMB Capital holdings plc	988,372	0.37
TNM	MWTNM0010126	Telekom Networks Malawi plc	752,702	0.28

D. Top 5 Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
FDHB	MWFDHB001166	FDH Bank plc	3,552,146,952.07	75.59
STANDARD	MWSTD0010041	Standard Bank Malawi plc	308,650,388.00	6.57
AIRTEL	MWAIRT001156	Airtel Malawi plc	207,188,625.97	4.41
PCL	MWPCL0010053	Press Corporation plc	190,964,145.70	4.06
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	112,070,276.80	2.38

3. COMPANY TRADING PERFORMANCE

In the secondary market, 270,135,789 shares were transacted at a total consideration of MK4,699,257,991.85 (US\$4,578,233.31) in 360 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	48.67	51.04	48.67	51.04	4.87%	4,072,695	207,188,625.97	66	561,440,000,000.00
BHL	11.01	11.01	11.00	11.00	-0.09%	11,700	128,790.00	2	9,237,257,755.00
FDHB	13.99	14.00	13.97	14.00	0.07%	253,906,163	3,552,146,952.07	56	96,614,437,500.00
FMBCH	127.98	127.98	108.00	108.00	-15.61%	988,372	112,039,220.87	25	265,491,000,000.00
ICON	12.00	12.00	11.99	12.00	0.00%	8,905,432	106,864,672.00	13	80,160,000,000.00
ILLOVO	305.53	400.00	305.53	400.00	30.92%	289,228	112,070,276.80	33	285,377,756,400.00
MPICO	20.70	20.70	20.68	20.69	-0.05%	16,700	345,476.52	5	47,546,601,947.40
NBM	1,000.25	1,130.00	1,000.25	1,130.00	12.97%	56,675	61,632,776.95	44	527,632,863,940.00
NBS	22.77	22.76	22.00	22.74	-0.13%	453,684	10,316,848.04	24	66,186,438,115.44
NICO	46.75	46.75	46.73	46.73	-0.04%	253,121	11,831,468.54	13	48,741,310,416.08
NITL	110.03	110.05	110.03	110.05	0.02%	85,587	9,417,549.35	12	14,856,750,000.00
OMU	1,600.00	1,600.00	1,600.00	1,600.00	0.00%	0	0.00	0	26,085,422,400.00
PCL	1,900.00	2,182.00	1,899.99	2,181.44	14.81%	94,988	190,964,145.70	28	262,330,855,980.80
STANDARD	1,600.03	1,840.04	1,600.03	1,840.04	15.00%	167,742	308,650,388.00	7	431,798,804,806.48
SUNBIRD	80.01	80.05	80.01	80.02	0.01%	81,000	6,480,919.86	10	20,931,838,051.60
TNM	14.00	14.00	11.90	11.91	-14.93%	752,702	9,179,881.18	22	119,581,759,500.00
Total						270,135,789	4,699,257,991.85	360	2,864,013,096,812.80



4. BOND TRADING SUMMARY

In the period under review, there was 1 Corporate Medium Term Notes by MyBucks Banking Corporation and 42 Malawi Government Treasury Notes with a total nominal value of MK 1.45 trillion as at 31 July 2022.

There were no listings on the Debt Securities Market in the period under review.

Symbol	Open	High	Low	Close	Price Δ	Volume '000'	Value	Trades Count	Market Capitalization
DB820	72.3338	72.3338	72.3338	72.3338	0.00%	0	0.00	0	1,335,506,182,780.00
N0914	89.0915	89.0915	89.0915	89.0915	0.00%	0	0.00	0	1,271,228,795,200.00
NFB02	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	300,000,000,000.00
T012	81.0399	81.0399	81.0399	81.0399	0.00%	0	0.00	0	10,209,502,877,401.20
T02AD	89.3564	89.3564	89.3564	89.3564	0.00%	0	0.00	0	2,157,653,248,240.00
T02XN	89.1022	89.1022	89.1022	89.1022	0.00%	0	0.00	0	1,536,166,479,100.00
T03TX	82.3607	82.3607	82.3607	82.3607	0.00%	0	0.00	0	1,874,194,323,951.00
T05NT	84.3890	84.3890	84.3890	84.3890	0.00%	0	0.00	0	1,656,051,423,780.00
T0731	72.1403	72.1403	72.1403	72.1403	0.00%	0	0.00	0	493,908,563,950.00
T103	77.4237	77.4237	77.4237	77.4237	0.00%	0	0.00	0	2,825,577,931,500.00
T10NX	68.4575	68.4575	68.4575	68.4575	0.00%	0	0.00	0	374,017,551,250.00
T10YR	71.7006	71.7006	71.7006	71.7006	0.00%	0	0.00	0	1,145,417,085,000.00
T3YRX	82.3667	82.3667	82.3667	82.3667	0.00%	0	0.00	0	2,236,971,671,623.00
TN001	84.2591	84.2591	84.2591	84.2591	0.00%	0	0.00	0	4,135,310,239,350.00
TN002	83.6180	83.6180	83.6180	83.6180	0.00%	0	0.00	0	9,391,504,077,694.00
TN02	89.3006	89.3006	89.3006	89.3006	0.00%	0	0.00	0	3,886,951,495,960.00
TN023	87.5514	87.5514	87.5514	87.5514	0.00%	0	0.00	0	2,879,670,607,680.00
TN02Z	89.2853	89.2853	89.2853	89.2853	0.00%	0	0.00	0	1,593,146,536,337.20
TN03	83.3589	83.3589	83.3589	83.3589	0.00%	0	0.00	0	1,220,282,601,210.00
TN03N	82.3849	82.3849	82.3849	82.3849	0.00%	0	0.00	0	1,282,881,185,820.00
TN05	86.2716	86.2716	86.2716	86.2716	0.00%	0	0.00	0	5,443,507,442,284.80
TN05Y	77.3103	77.3103	77.3103	77.3103	0.00%	0	0.00	0	7,180,897,945,471.20
TN07	76.3317	76.3317	76.3317	76.3317	0.00%	0	0.00	0	6,027,128,132,490.00
TN100	95.7335	95.7335	95.7335	95.7335	0.00%	0	0.00	0	5,198,863,817,331.00
TN102	87.9849	87.9849	87.9849	87.9849	0.00%	0	0.00	0	1,655,120,379,648.60
TN2	82.9777	82.9777	82.9777	82.9777	0.00%	0	0.00	0	1,634,818,347,630.00
TN3	77.0438	77.0438	77.0438	77.0438	0.00%	0	0.00	0	2,099,712,432,862.00
TN5	70.6523	70.6523	70.6523	70.6523	0.00%	0	0.00	0	5,011,014,377,500.00
TN50	77.1437	77.1437	77.1437	77.1437	0.00%	0	0.00	0	1,019,145,420,700.00
TN7AF	73.8329	73.8329	73.8329	73.8329	0.00%	0	0.00	0	2,504,933,966,603.00
TN7YR	76.7700	76.7700	76.7700	76.7700	0.00%	0	0.00	0	1,246,721,769,000.00
TN888	73.0590	73.0590	73.0590	73.0590	0.00%	0	0.00	0	435,431,640,000.00
TN90	88.4233	88.4233	88.4233	88.4233	0.00%	0	0.00	0	1,719,599,747,488.00
TN92	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	4,808,704,100,000.00
TN96	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	3,910,500,000,000.00
TNX02	89.2899	89.2899	89.2899	89.2899	0.00%	0	0.00	0	5,770,961,780,005.80
TNX07	76.0578	76.0578	76.0578	76.0578	0.00%	0	0.00	0	1,555,382,010,000.00
TNX10	70.6384	70.6384	70.6384	70.6384	0.00%	0	0.00	0	832,544,182,400.00
TNX7	74.3855	74.3855	74.3855	74.3855	0.00%	0	0.00	0	2,908,487,927,100.00
TNY07	75.3418	75.3418	75.3418	75.3418	0.00%	0	0.00	0	2,257,271,896,214.20
TT05	76.9113	76.9113	76.9113	76.9113	0.00%	0	0.00	0	2,903,470,795,170.00
TX07Y	74.6008	74.6008	74.6008	74.6008	0.00%	0	0.00	0	971,377,016,800.00
TX10Z	70.6213	70.6213	70.6213	70.6213	0.00%	0	0.00	0	758,472,762,000.00
Total						0	0.00	0	119,660,010,766,525.00

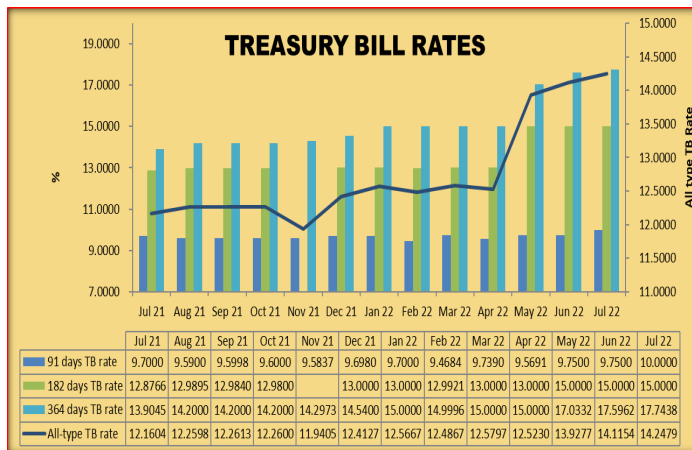
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

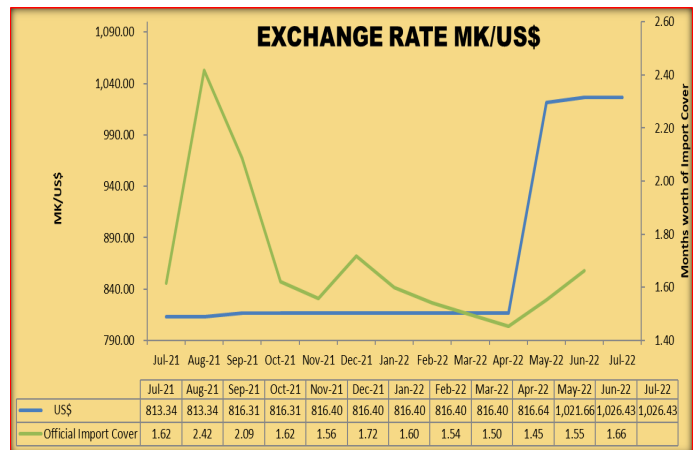
Interest Rates

During the period under review, the 91 days and the 364 days Tbills, inched upwards by 0.2500% from 9.7500% to 10.0000% and by 0.1476% from 17.5962% to 17.7438% whilst the 182 days Tbill was steady at 15.0000%.



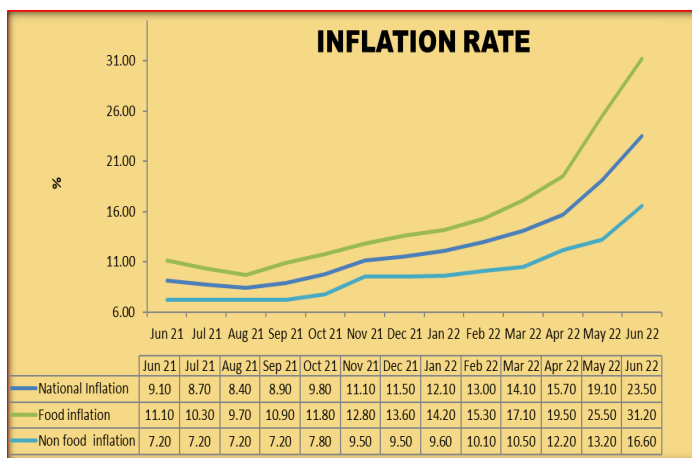
Exchange Rates

The Kwacha closed was stable against the United States Dollar in the period under review. Gross official reserves were at 1.66 months worth of import cover as at 30 June 2022.



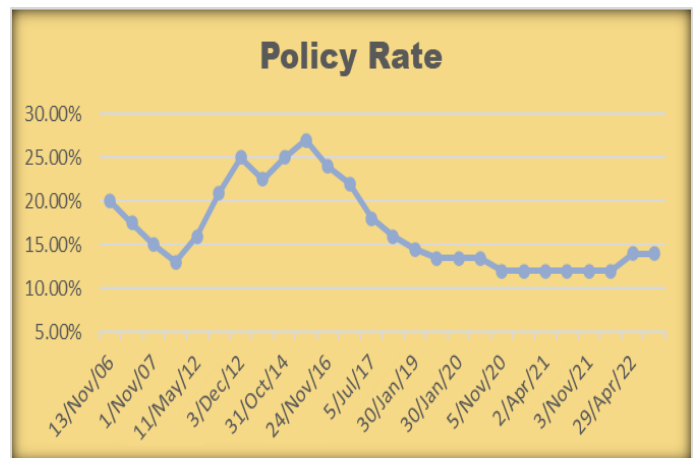
Inflation Rates

Headline inflation inched upwards by 4.4 percentage points from 19.10% in May, 2022 to 23.50% in June, 2022.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 27 July 2022 maintained the policy rate at 14%.



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