

MONTHLY MARKET REPORT JULY 2022



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Malawi's global portal

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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.

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MALAWI STOCK EXCHANGE



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MALAWI STOCK EXCHANGE

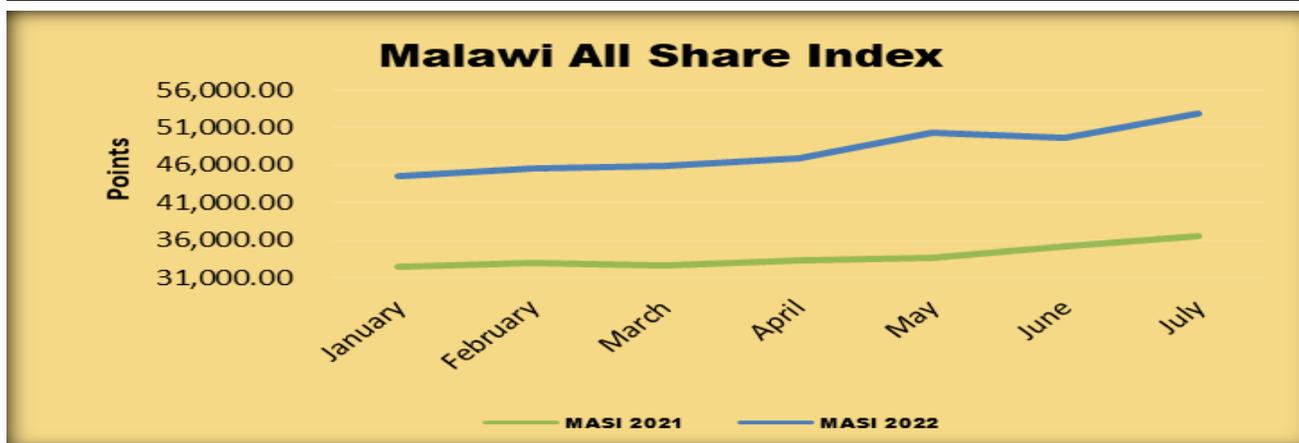
1. TRADING SUMMARY

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).

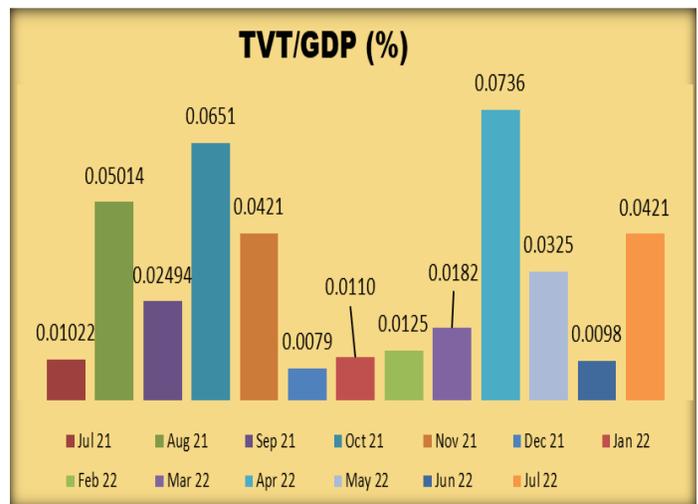
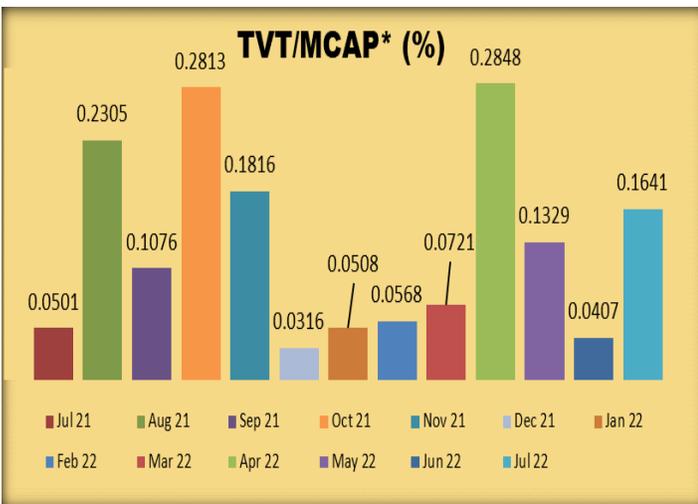
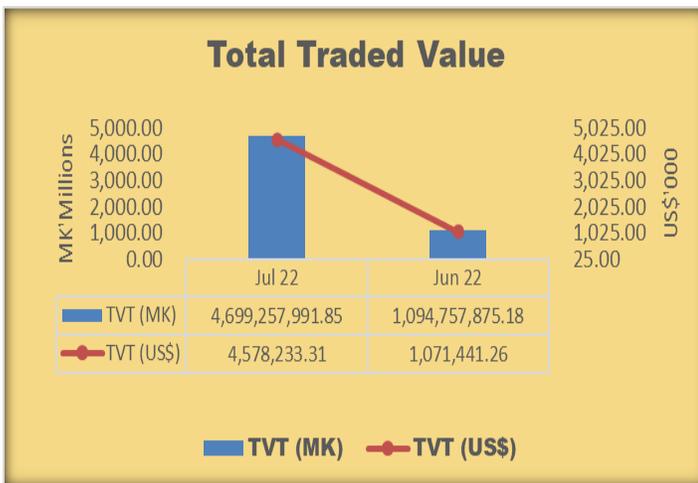
C. Market Liquidity

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



MALAWI STOCK EXCHANGE

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 | MWNBM0010074 | 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



MALAWI STOCK EXCHANGE

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



MALAWI STOCK EXCHANGE

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 |

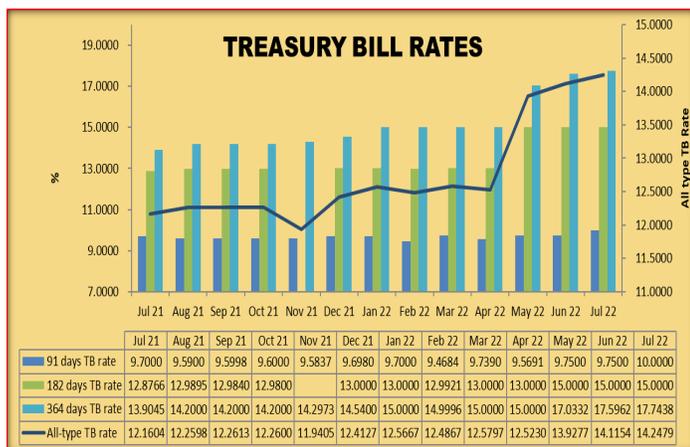
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

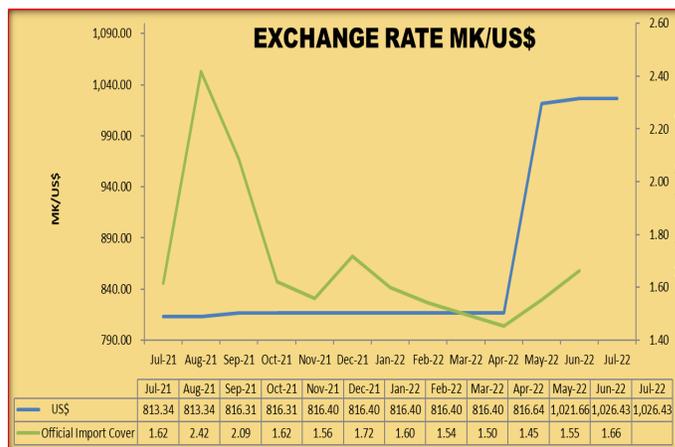
Interest Rates

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%.



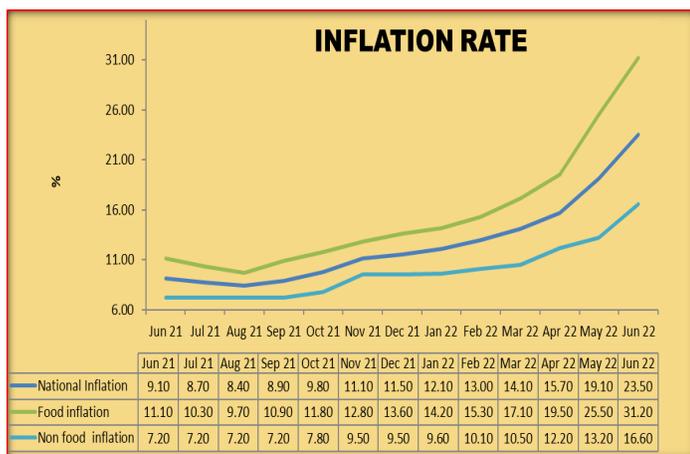
Exchange Rates

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.



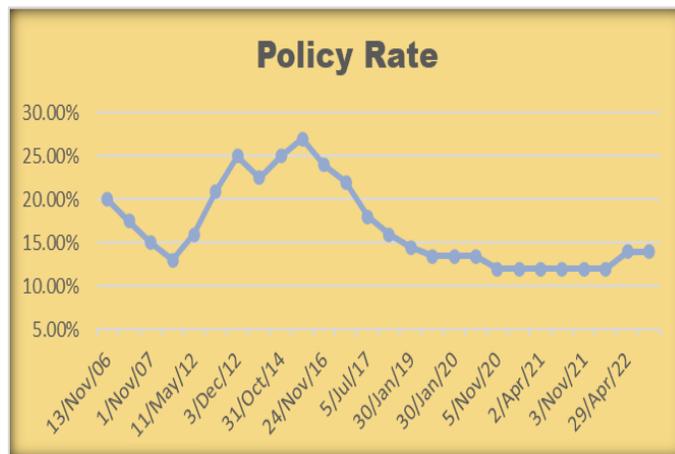
Inflation Rates

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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