

MONTHLY MARKET REPORT

AUGUST 2022



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

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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

Email: info@mse-mw.com

Tel: 01 824 233

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

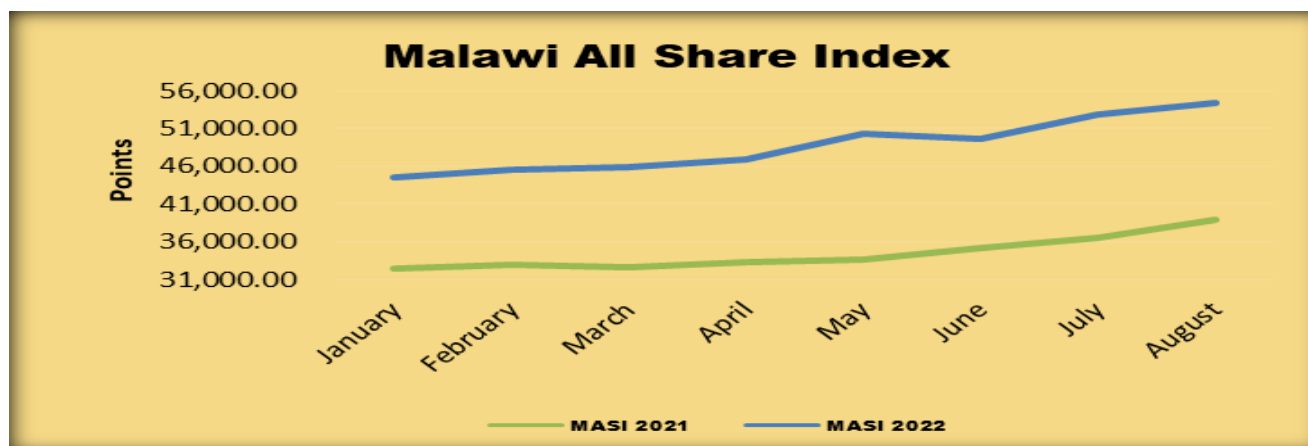
1. TRADING SUMMARY

The market registered a positive month-on-month return on index of **2.96%** (2.96% in US\$ terms), **20.03%** YTD. The market also registered an increase in total traded value despite registering a decrease in volume of shares.

There were no trades on the Debt Securities Board.

Index Levels and Return – August 2022

INDEX	August 2022	July 2022	% Monthly Δ 2022	% Monthly Δ 2021	% Δ YTD. 2022
MASI	54454.45	52889.87	2.96 ▲	6.71 ▲	20.03 ▲
DSI	44109.31	42717.13	3.26 ▲	7.33 ▲	19.02 ▲
FSI	5548.61	5548.61	0.00 ■	0.00 ■	31.39 ▲



	August 2022	July 2022	Monthly % Δ	August 2021	Y-O-Y %Δ
Traded Value (MK)	5,451,082,198.85	4,699,257,991.85	16.00 ▲	4,879,313,860.38	11.72 ▲
Traded Value (US\$)	5,310,695.04	4,578,233.31	16.00 ▲	5,999,107.95	-11.48
Traded Vol. Shares	132,789,838	270,135,789	-50.84	65,834,055	101.70 ▲
No. of Transactions	396	360	10.00 ▲	295	34.24 ▲
Index Close (MASI)	54454.45	52889.87	2.96 ▲	38945.62	39.82 ▲
Listed Debt Securities	43	43		23	
Traded Debt Securities	00	00		00	
Listed companies	16	16		16	
Traded Companies	14	15		13	
Not Traded Companies	02	01		03	
Gainers	06	08		07	
Decliners	03	06		03	
Unchanged	05	01		03	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 132,789,838 shares at a total consideration of MK5,451,082,198.85 (US\$5,310,695.04) in 396 trades in the month of August 2022. In the previous month of July 2022, 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. This reflects a **-50.84%** decrease in terms of share volume traded and a **16.00%** (**16.00%** in US Dollar terms) increase in share value traded. Of the shares traded 5,750,000 Illovo and 9,417,237 NBS shares traded as negotiated deals at a total consideration of MK2,488,344,740.00.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 5,773,471 shares compared to 13,506,789 shares traded in July 2022, reflecting a decrease of **-57.26%**.

The average daily turnover for August 2022 was MK237,003,573.86 (US\$230,899.78) compared to MK234,962,899.59 (US\$228,911.67) in July 2022, reflecting an increase of **0.87%** (**0.87%** 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 52889.87 points registered in July 2022 to 54454.45 points registered in August 2022, giving a month-on-month return on index of **2.96%** (**2.96%** in US\$ terms). The price gains registered by ILLOVO (25.00%), NBM(1.86%), NITL(1.77%), TNM(1.26%), AIRTEL(0.20%) and STANDARD (0.001%) were enough to offset share price losses registered by ICON(0.17%), NBS (0.09%) and MPICO(0.05%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share Index inched upwards by 3.26% to 44109.31 points whilst the Foreign Share Index was steady at 5548.61 points.

Market capitalization increased in both Malawi Kwacha and US Dollar terms from MK2.86 trillion (US\$2.79 billion) to MK2.94 trillion (US\$2.87 billion).

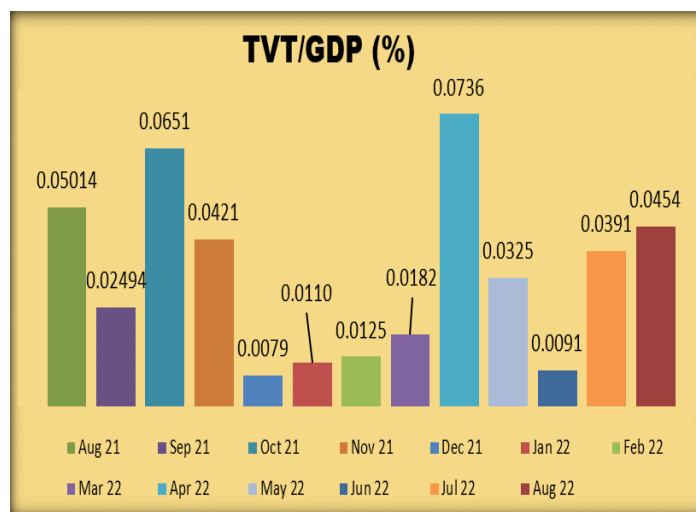
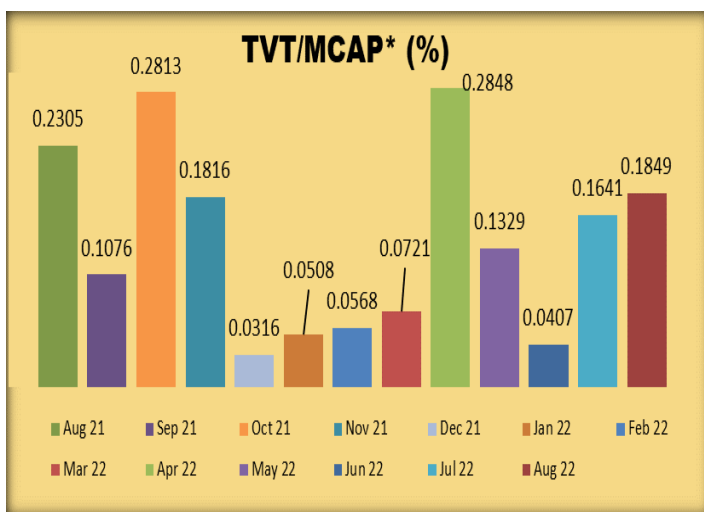
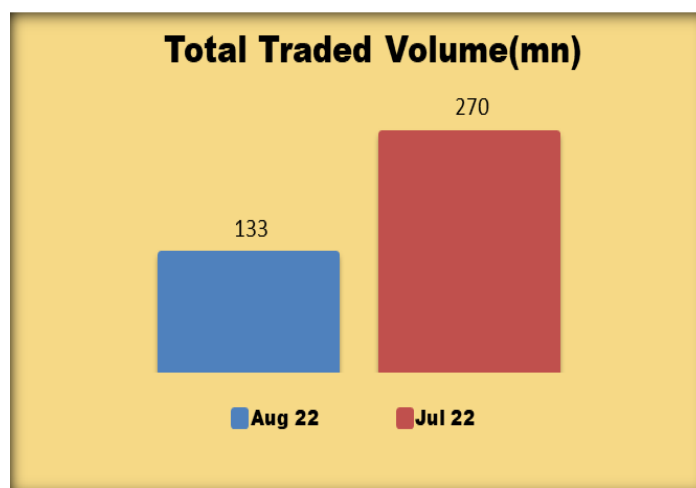
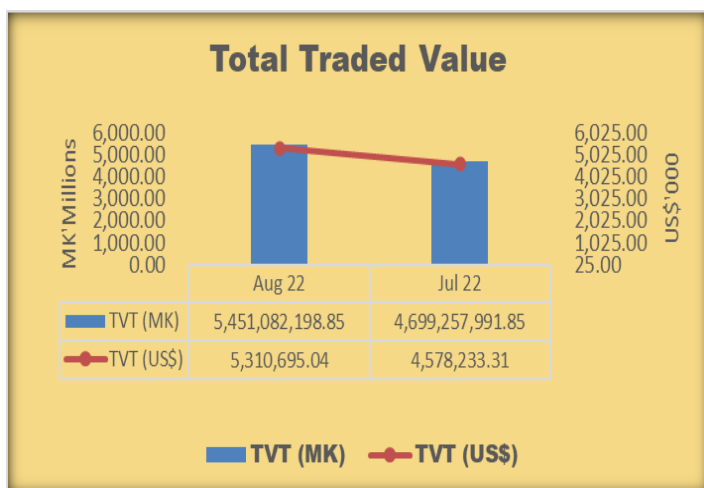
C. Market Liquidity

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 August 2022 was recorded at 0.18%, higher than 0.16% registered in July 2022. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.05% in August 2022 while during the previous month, July 2022, liquidity was at 0.04%.

Market capitalization as a percentage of GDP was at 24.56% in August 2022 and 23.86% in July 2022.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Six counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	25.00 ▲
NBM	MWNBM0010074	National Bank of Malawi plc	1.86 ▲
NITL	MWNITL010091	NITL plc	1.77 ▲
TNM	MWTNM0010126	Telekom Networks Malawi plc	1.26 ▲
AIRTEL	MWAIRT001156	Airtel Malawi plc	0.20 ▲

B. Top Losers: Three counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
ICON	MWICON001146	ICON Properties plc	-0.17
NBS	MWNBS0010101	NBS Bank plc	-0.09
MPICO	MWMPI0010116	MPICO plc	-0.05

C. Top 5 Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	59,274,770	44.64
FDHB	MWFDHB001166	FDH Bank plc	38,911,991	29.30
NBS	MWNBS0010101	NBS Bank plc	10,363,938	7.80
ICON	MWICON001146	ICON Properties plc	8,363,779	6.30
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	7,567,294	5.70

D. Top 5 Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	3,195,609,580.00	58.62
TNM	MWTNM0010126	Telekom Networks Malawi plc	714,562,284.51	13.11
FDHB	MWFDHB001166	FDH Bank plc	544,762,029.00	9.99
NBS	MWNBS0010101	NBS Bank plc	209,858,857.20	3.85
AIRTEL	MWAIRT001156	Airtel Malawi plc	203,207,385.09	3.73

3. COMPANY TRADING PERFORMANCE

In the secondary market, 132,789,838 shares were transacted at a total consideration of MK5,451,082,198.85 (US\$5,310,695.04) in 396 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.04	51.14	51.05	51.14	0.20%	3,978,459	203,207,385.09	57	562,540,000,000.00
BHL	11.00	11.00	11.00	11.00	0.00%	0	0.00	0	9,237,257,755.00
FDHB	14.00	14.01	13.98	14.00	0.00%	38,911,991	544,762,029.00	89	96,614,437,500.00
FMBCH	108.00	108.01	100.00	108.00	0.00%	594,304	63,947,827.36	25	265,491,000,000.00
ICON	12.00	12.00	11.98	11.98	-0.17%	8,363,779	100,364,993.65	4	80,026,400,000.00
ILLOVO	400.00	500.00	420.00	500.00	25.00%	7,567,294	3,195,609,580.00	54	356,722,195,500.00
MPICO	20.69	20.69	20.68	20.68	-0.05%	17,250	356,730.00	3	47,523,621,472.80
NBM	1,130.00	1,151.06	1,130.00	1,151.06	1.86%	12,782	14,631,677.12	17	537,466,446,342.28
NBS	22.74	22.74	22.72	22.72	-0.09%	10,363,938	209,858,857.20	29	66,128,226,648.32
NICO	46.73	46.73	46.72	46.73	0.00%	2,725,994	127,385,630.87	25	48,741,310,416.08
NITL	110.05	112.00	110.05	112.00	1.77%	845,360	94,628,622.00	19	15,120,000,000.00
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	2,181.44	2,181.44	2,181.44	2,181.44	0.00%	1,387	3,025,657.52	5	262,330,855,980.80
STANDARD	1,840.04	1,840.06	1,840.04	1,840.06	0.001%	95,530	175,780,151.00	5	431,803,498,169.72
SUNBIRD	80.02	80.03	80.02	80.02	0.00%	37,000	2,960,773.53	10	20,931,838,051.60
TNM	11.91	12.06	11.91	12.06	1.26%	59,274,770	714,562,284.51	54	121,087,827,000.00
Total						132,789,838	5,451,082,198.85	396	2,947,850,337,236.60



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 August 2022.

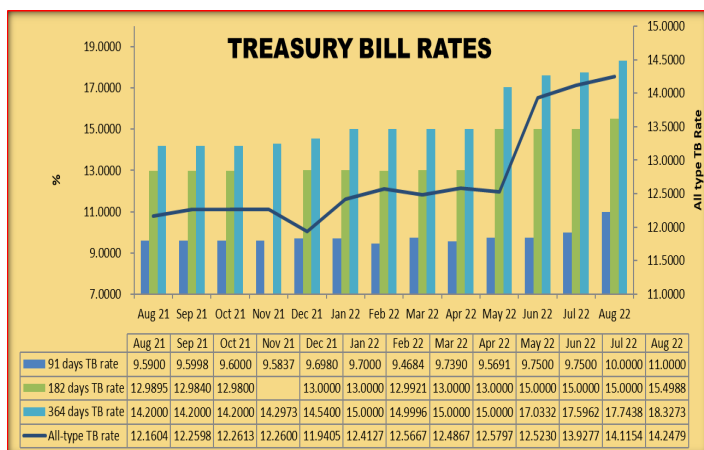
There were no listings on the Debt Securities Market in the period under review.

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

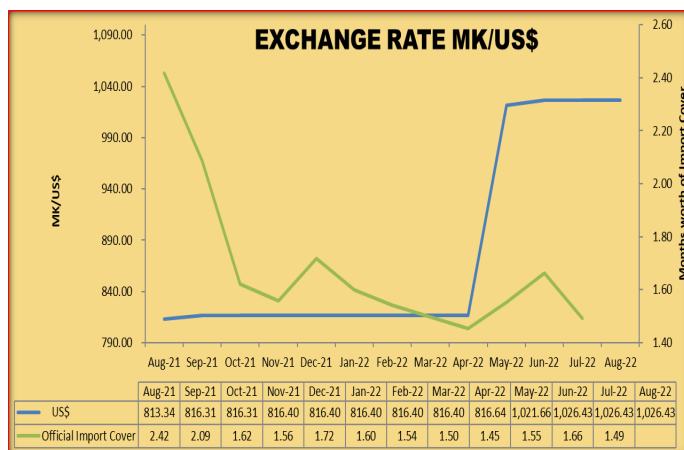
Interest Rates

During the period under review, the 91 days, the 182 days, the 364 days Tbills, inched upwards by 1.0000% from 10.0000% to 11.0000%, by 0.4988% from 15.0000% to 15.4988% and by 0.5835% from 17.7438% to 18.3273% respectively.



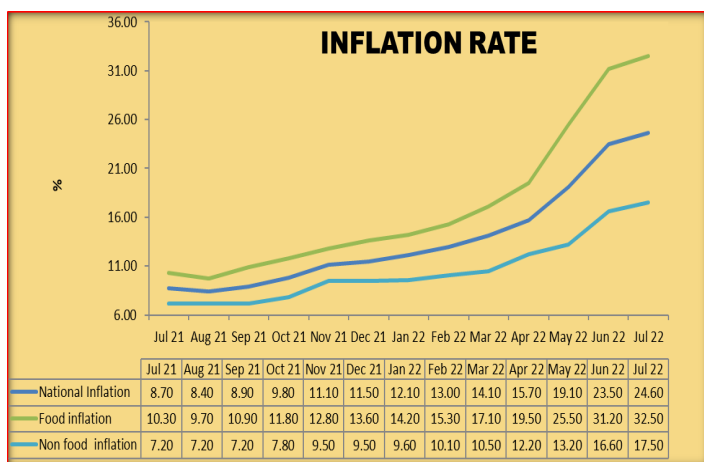
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves were at 1.49 months worth of import cover as at 31 July 2022.



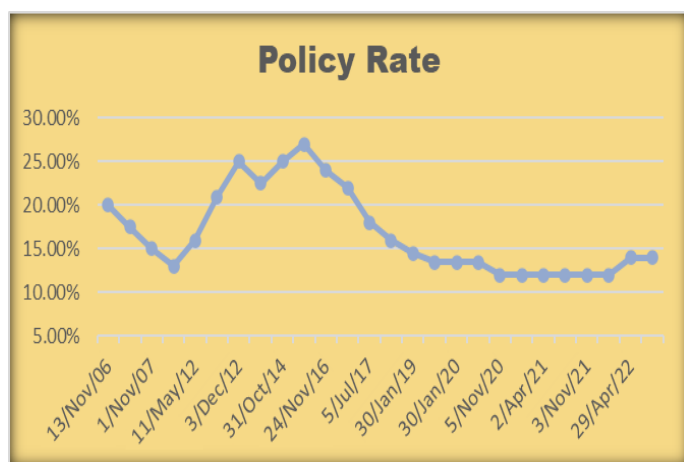
Inflation Rates

Headline inflation inched upwards by 1.1 percentage points from 23.50% in June, 2022 to 24.60% in July, 2022.



Monetary Policy Rate

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



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, Ulimi House
P.O Box 1444
Blantyre
Tel: +265 1 830 638
Email: capital@continental.mw
capital@cdh-malawi.com

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