

THIRD QUARTER MARKET REPORT JULY – SEPTEMBER 2022

MALAWI STOCK EXCHANGE
Phone: 01 624 233. Fax: 01 623 636. email: mse@mse-mw.com



**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**

Malawi's global portal

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FACTS ABOUT INVESTING ON MSE

1. You can buy as little as one share on the Equities Secondary Market.
2. You can invest as little as MK1,000.00 on the Debt Securities Secondary Market.

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>



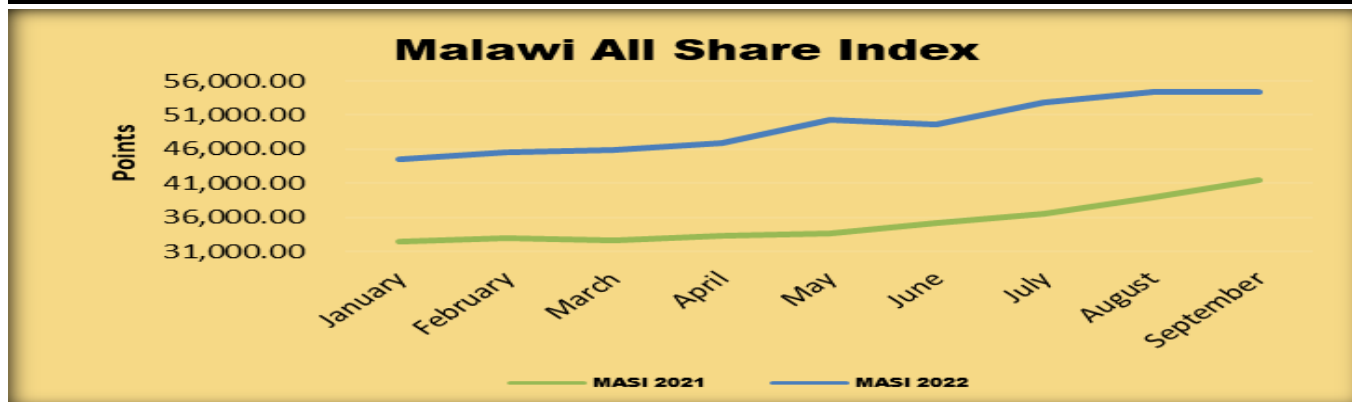
1. TRADING SUMMARY

In Q3 of 2022, the market registered a positive return on index of 9.67%(9.67% in US\$ terms), 19.89% YTD, compared to 18.23%(16.79% in US\$ terms) in Q3 2021. The market also registered an increase in both total value of shares and total volume of shares traded.

There were no trades on the listed debt securities.

Index Levels and Return – 3rd Qtr. 2022

INDEX	1 JULY 2022	30 SEPT. 2022	% Δ 3rd QTR. 2022	% Δ 3rd QTR. 2021	% Δ YTD. 2022
MASI	49596.14	54389.92	9.67 ▲	18.23 ▲	19.89 ▲
DSI	39011.21	44360.30	13.71 ▲	19.23 ▲	19.69 ▲
FSI	6538.52	5154.73	-21.16	6.81▲	22.06 ▲



Trading Statistics – 3rd Qtr. 2022

	3rd Qtr. 2021	3rd Qtr. 2021	Y-O-Y% Δ
Traded Value (MK)	14,704,227,803.86	8,301,397,301.65	77.13 ▲
Traded Value (US\$)	14,325,535.15	7,226,505.26	98.24 ▲
Traded Vol. Shares	560,112,227	189,419,282	195.70 ▲
No. of Transactions	1,147	975	17.64 ▲
Index Close (MASI)	54389.92	41550.15	30.90 ▲
Listed Debt Securities	42	22	
Traded Debt Securities	00	00	
Listed companies	16	16	
Traded Companies	16	15	
Not Traded Companies	00	01	
Gainers	09	09	
Decliners	06	05	
Unchanged	01	01	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 560,112,227 shares at a total consideration of MK14,704,227,803.86 (US\$14,325,535.15) in 1,147 trades. In the corresponding period 2021, the market transacted a total of 189,419,282 shares at a total consideration of MK8,301,397,301.65 (US\$7,226,505.26) in 975 trades. This reflects a **195.70%** increase in terms of share volume traded and a **77.13%** (**98.24%** 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 8,617,111 shares compared to 2,959,676 shares traded in the corresponding third quarter of 2021 reflecting an increase of **191.15%**.

The average daily turnover for the third quarter 2022 was MK226,218,889.29 (US\$220,392.85) compared with MK129,709,332.84 (US\$112,914.14) for the corresponding third quarter 2021, reflecting an increase of **74.40%** (**95.19%** 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 on 1 July 2022 to 54389.92 points registered on 30 September 2022, giving a return on index of **9.67%**, (**9.67%** in US\$ terms) compared to **18.23%**, (**16.79%** in US\$ terms) registered in Q3 of 2021. The price gains registered on ILLOVO(63.65%), NBM(15.98%), STANDARD(15.00%), PCL(14.81%), NICO(9.01%), FDHB(7.15%), AIRTEL(5.165%), NITL(1.79%) and SUNBIRD(0.01%) were enough to offset share price losses in FMBCH(21.82%), TNM(14.21%), NBS(0.48%), ICON(0.25%) and BHL(0.18%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share Index inched upwards by **13.71%**(**13.71%** in US\$ terms) to 44360.30 points whilst the Foreign Share Index fell by **-21.16%** (**-21.16%** in US\$ terms) to 5154.73 points.

Equity market capitalization increased in both Kwacha and US dollar terms from MK2.69 trillion (US\$2.62 billion) on 1st July 2022 to MK2.94 trillion (US\$2.87 billion). Debt market capitalization was at MK117.50 trillion (US\$114.40 billion) as at 30 September 2022.

C. Market Liquidity

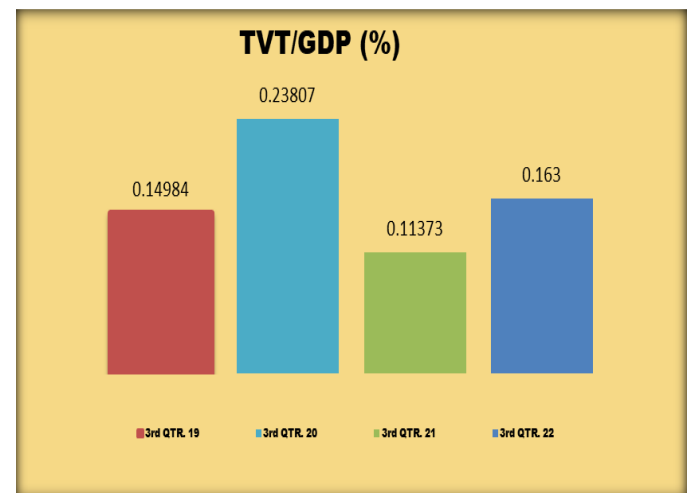
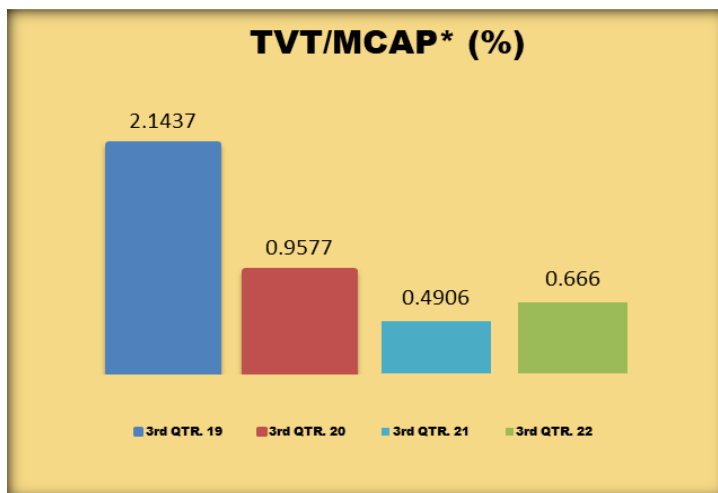
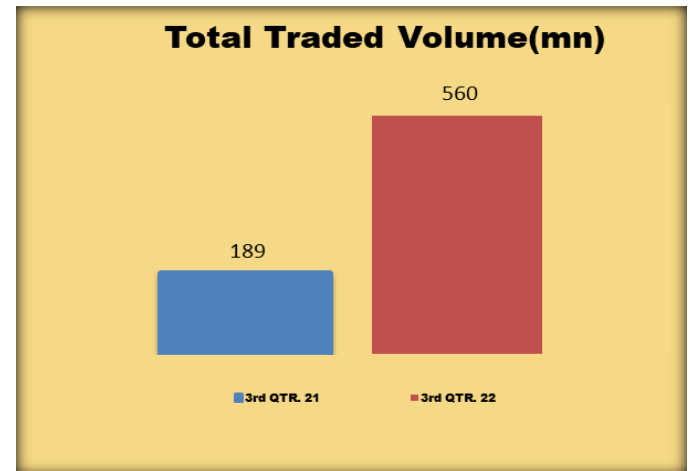
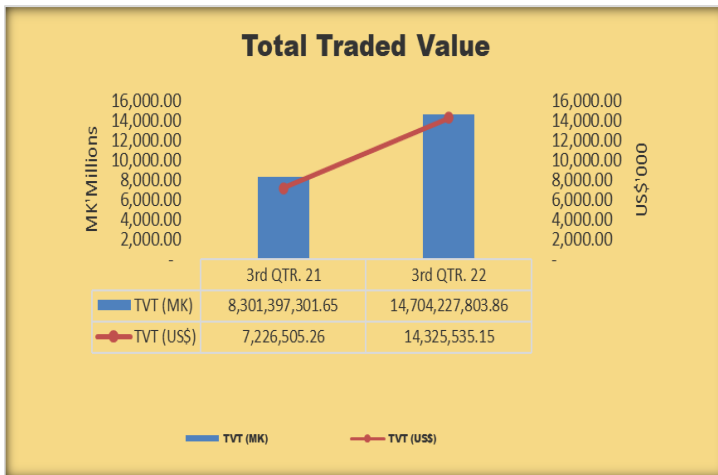
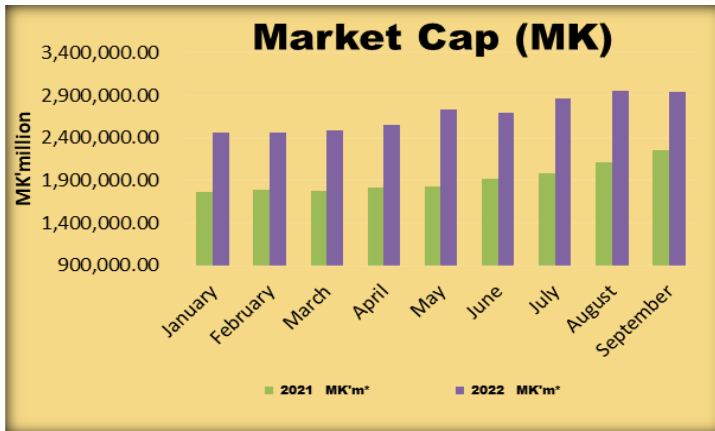
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***), an indicator of the liquidity of assets traded on the market, in the quarter under review was recorded at 0.67%, higher than 0.49% registered in third quarter 2021. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.16% in the review period while during the corresponding period of 2021 liquidity was at 0.11%.

Market capitalization as a percentage of GDP was at 24.52% in Q3 2022 whilst in Q3 2021 it was at 23.18%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Nine counters registered Capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	63.65 ▲
NBM	MWNB0010074	National Bank of Malawi plc	15.98 ▲
STANDARD	MWSTD0010041	Standard Bank Malawi plc	15.00 ▲
PCL	MWPCL0010053	Press Corporation plc	14.81 ▲
NICO	MWNICO010014	NICO Holdings plc	9.01 ▲

B. Top Losers: Six counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB0010137	FMB Capital Holdings plc	-21.82
TNM	MWTNM0010127	Telekom Networks Malawi plc	-14.21
NBS	MWNBS0010105	NBS Bank plc	-0.48
ICON	MWICON001146	ICON Properties plc	-0.25
BHL	MWBHL0010029	Blantyre Hotels plc	-0.18

C. Volume leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	405,309,606	72.36
TNM	MWTNM0010127	Telekom Networks Malawi plc	63,588,051	11.35
AIRTEL	MWAIRT001156	Airtel Malawi plc	18,890,496	3.37
NBS	MWNBS0010105	NBS Bank plc	18,321,491	3.27
FMBCH	MWFMB0010137	FMB Capital Holdings plc	17,342,814	3.10

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
FDHB	MWFDHB001166	FDH Bank plc	5,770,223,895.07	39.24
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	3,346,012,426.80	22.76
FMBCH	MWFMB0010137	FMB Capital Holdings plc	1,753,288,887.23	11.92
AIRTEL	MWAIRT001156	Airtel Malawi plc	964,915,069.06	6.56
TNM	MWTNM0010127	Telekom Networks Malawi plc	766,676,939.93	5.21

3. COMPANY TRADING PERFORMANCE

In the secondary market, 560,112,227 shares were transacted at a total consideration of MK14,704,227,803.86 (US\$14,325,535.15) in 1,147 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	48.67	51.18	48.67	51.18	5.16%	18,890,496	964,915,069.06	206	562,980,000,000.00
BHL	11.01	11.01	10.99	10.99	-0.18%	22,200	244,185.00	5	9,228,860,247.95
FDHB	13.99	15.00	13.97	14.99	7.15%	405,309,606	5,770,223,895.07	199	103,446,458,437.50
FMBCH	127.98	127.98	100.00	100.05	-21.82%	17,342,814	1,753,288,887.23	84	245,947,912,500.00
ICON	12.00	12.00	11.97	11.97	-0.25%	17,279,319	207,350,658.41	22	79,959,600,000.00
ILLOVO	305.53	500.01	305.53	500.01	63.65%	7,933,187	3,346,012,426.80	104	356,729,329,943.91
MPICO	20.70	20.70	20.66	20.67	-0.14%	79,398	1,641,316.40	14	47,500,640,998.20
NBM	1,000.25	1,160.04	1,000.25	1,160.04	15.98%	94,617	105,318,193.07	96	541,659,493,349.52
NBS	22.77	22.76	21.00	22.66	-0.48%	18,321,491	388,907,650.17	83	65,953,592,246.96
NICO	46.75	51.00	46.72	50.96	9.01%	9,683,368	472,021,007.41	62	53,153,374,252.16
NITL	110.03	112.00	110.03	112.00	1.79%	1,030,372	115,181,771.35	46	15,120,000,000.00
OMU	1,600.00	1,600.00	1,600.00	1,600.00	0.00%	50	80,000.00	1	26,085,422,400.00
PCL	1,900.00	2,182.00	1,899.99	2,181.41	14.81%	139,777	288,667,761.57	46	262,327,248,306.20
STANDARD	1,600.03	1,840.10	1,600.03	1,840.10	15.00%	279,481	514,256,349.00	30	431,812,884,896.20
SUNBIRD	80.01	80.05	80.01	80.02	0.01%	118,000	9,441,693.39	20	20,931,838,051.60
TNM	14.00	14.00	11.90	12.01	-14.21%	63,588,051	766,676,939.93	129	120,585,804,500.00
Total						560,112,227	14,704,227,803.86	1,147	2,943,422,460,130.20



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 MK1.45 trillion.

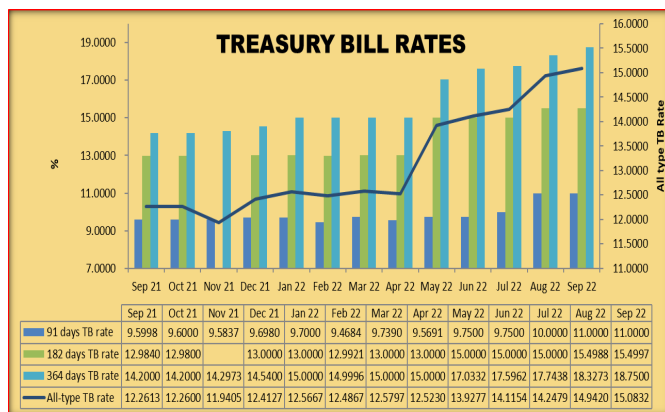
There were no listings on the Debt Securities Market in the period under review.

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

4. ECONOMIC REVIEW

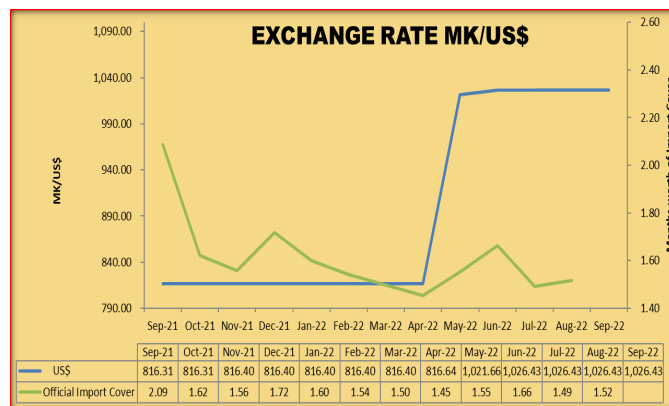
Interest Rates

During the quarter under review, the yields on the 91, the 182 and 364 days Tbills inched upwards by 1.2500% from 9.7500% to 11.0000%, by 0.4997% from 15.0000% to 15.4997% and by 1.1538% from 17.5962% to 18.7500% respectively.



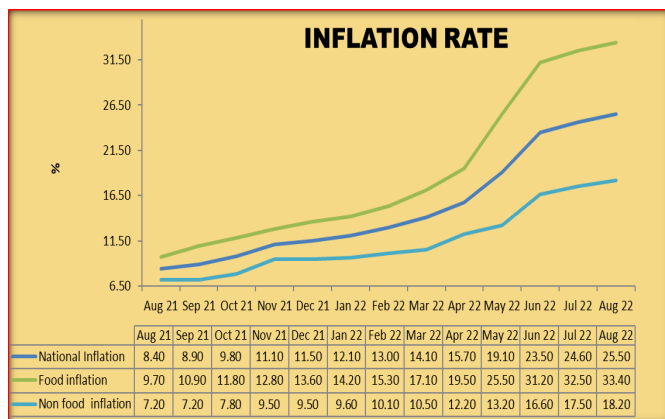
Exchange Rates

The Malawi Kwacha was stable against the United States Dollar in the period under review. Gross official reserves were at 1.52 months of import cover as of 31 August 2022.



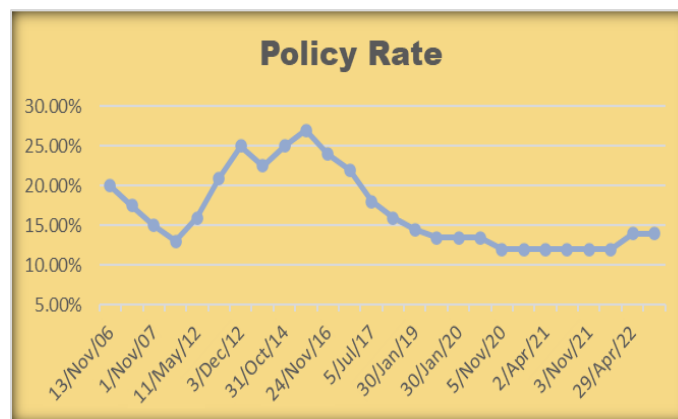
Inflation Rates

Headline inflation inched upwards by 0.9 percentage points from 24.60% in July, 2022 to 25.50% in August, 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

FACTS ABOUT INVESTING ON MSE

1. You can buy as little as one share on the Equities Secondary Market.
2. You can invest as little as MK1,000.00 on the Debt Securities Secondary Market.