

MONTHLY MARKET REPORT

OCTOBER 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>

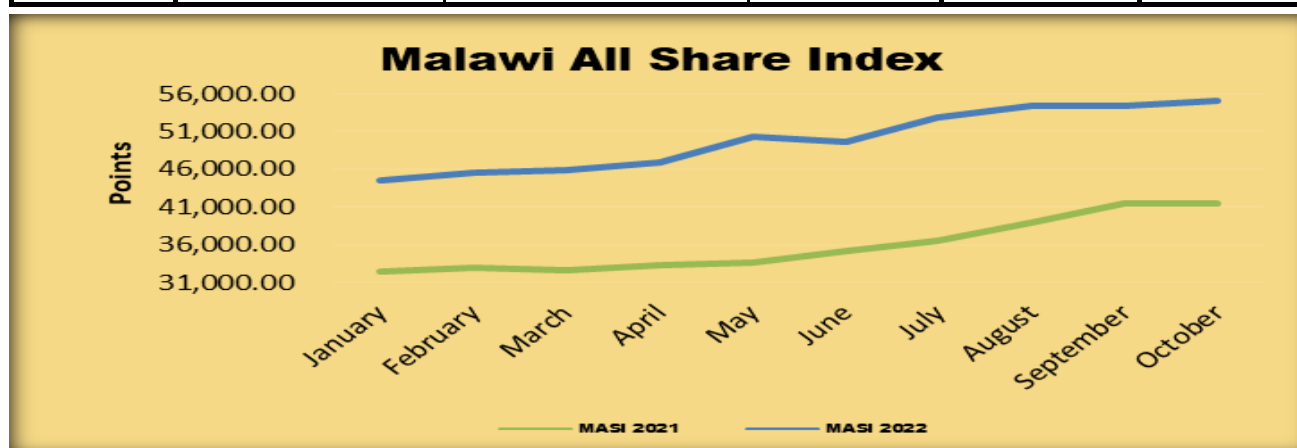
1. TRADING SUMMARY

The market registered a positive month-on-month return on index of 1.21% (1.21% in US\$ terms), 21.33% 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 – October 2022

INDEX	October 2022	September 2022	% Monthly Δ 2022	% Monthly Δ 2021	% Δ YTD. 2022
MASI	55046.26	54389.92	1.21 ▲	-0.22	21.33 ▲
DSI	44986.52	44360.30	1.41 ▲	-0.23	21.38 ▲
FSI	5100.84	5154.73	-1.05	-0.13	20.78 ▲



	October 2022	September 2022	Monthly % Δ	October 2021	Y-O-Y %Δ
Traded Value (MK)	5,682,569,869.60	4,553,887,613.16	24.79 ▲	6,333,938,688.68	-10.28
Traded Value (US\$)	5,536,220.98	4,436,606.80	24.79 ▲	7,759,213.96	-28.65
Traded Vol. Shares	68,420,228	157,186,600	-56.47	163,038,125	-58.03
No. of Transactions	506	391	29.41 ▲	274	84.67 ▲
Index Close (MASI)	55046.26	54389.92	1.211 ▲	41458.37	32.77 ▲
Listed Debt Securities	42	42		22	
Traded Debt Securities	00	00		00	
Listed companies	16	16		16	
Traded Companies	16	15		15	
Not Traded Companies	00	01		01	
Gainers	07	05		04	
Decliners	03	06		05	
Unchanged	06	04		06	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 68,420,228 shares at a total consideration of MK5,682,569,869.60 (US\$5,536,220.98) in 506 trades in the month of October 2022. In the previous month of September 2022, the market transacted a total of 157,186,600 shares at a total consideration of MK4,553,887,613.16 (US\$4,436,606.80) in 391 trades. This reflects a **-56.47%** decrease in terms of share volume traded and a **24.79%** (**24.79%** in US Dollar terms) increase in share value traded. Of the shares traded 18 million NBS shares traded as negotiated deals at a total consideration of MK360,000,000.00.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 3,421,011 shares compared to 7,144,845 shares traded in September 2022, reflecting a decrease of **-52.12%**.

The average daily turnover for October 2022 was MK284,128,493.48 (US\$276,811.05) compared to MK206,994,891.51 (US\$201,663.95) in September 2022, reflecting an increase of **37.26%** (**37.26%** 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 54389.92 points registered in September 2022 to 55046.26 points registered in October 2022, giving a month-on-month return on index of **1.21%** (**1.21%** in US\$ terms). The price gains registered by SUNBIRD(15.01%), NITL(11.61%), NBM(6.03%), AIRTEL(0.16%), STANDARD(0.05%), FMBCH(0.02%) and ILLOVO(0.018%) were enough to offset share price losses registered by OMU(27.75%), FDHB(0.87%) and NBS(0.18%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share Index inched upwards by 1.41% to 44986.52 points whilst the Foreign Share Index fell by 1.05% to 5100.84 points.

Market capitalization increased in both Malawi Kwacha and US Dollar terms from MK2.94 trillion (US\$2.87 billion) to MK2.97 trillion (US\$2.90 billion).

C. Market Liquidity

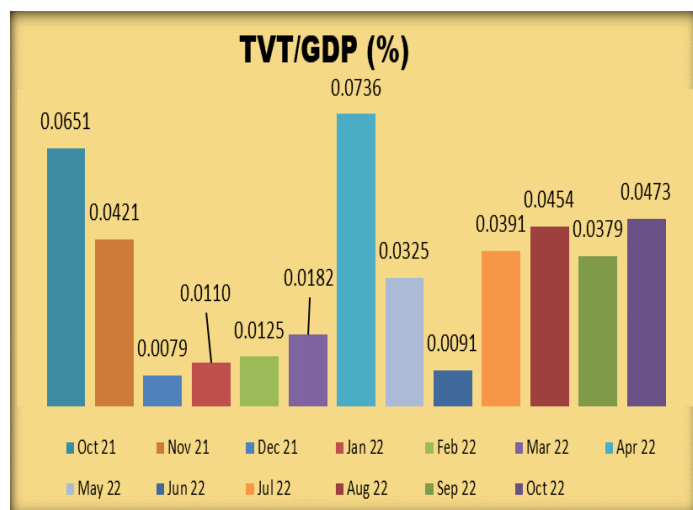
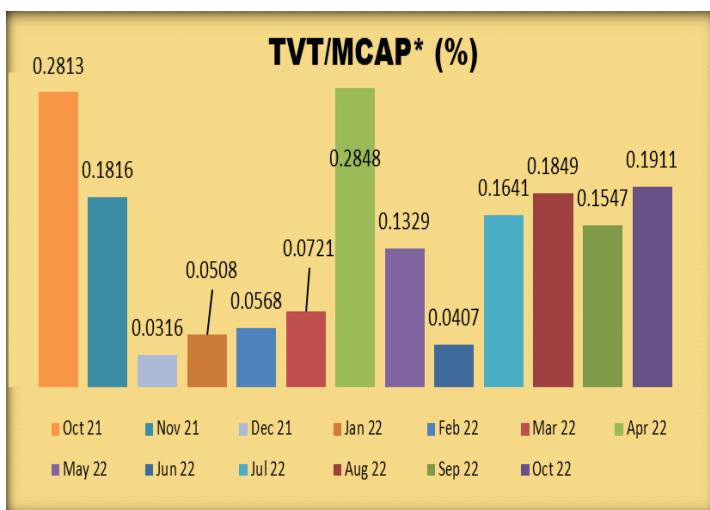
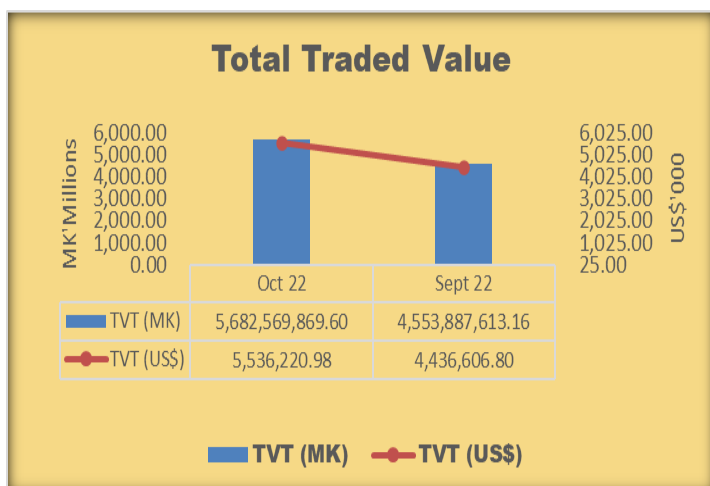
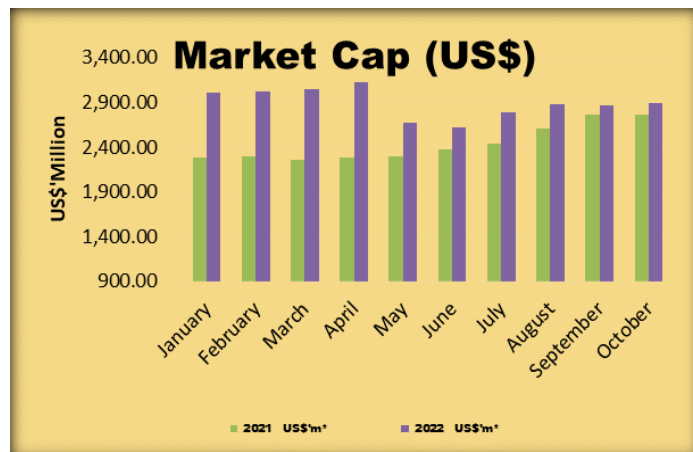
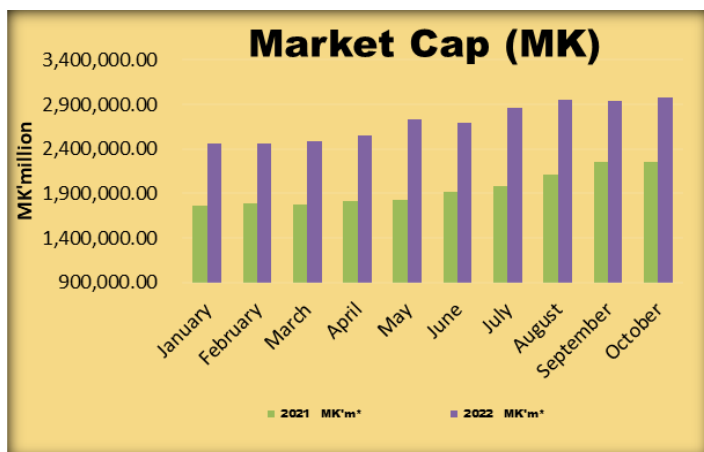
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***), an indicator of the liquidity of assets traded on the market, in October 2022 was recorded at 0.19%, higher than 0.15% registered in September 2022. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.05% in October 2022 while during the previous month, September 2022, liquidity was at 0.04%.

Market capitalization as a percentage of GDP was at 24.77% in October 2022 and 24.52% in September 2022.



MALAWI STOCK EXCHANGE

2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Seven counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
SUNBIRD	MWSTL0010085	Sunbird tourism plc	15.011 ▲
NITL	MWNITL010091	NITL plc	11.61 ▲
NBM	MWNBM0010074	National Bank of Malawi plc	6.03 ▲
AIRTEL	MWAIRT001156	Airtel Malawi plc	0.16 ▲
STANDARD	MWSTD0010041	Standard Bank plc	0.05 ▲

B. Top Losers: Three counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
OMU	ZAE000255360	Old Mutual Limited	-27.75
FDHB	MWFDHB001166	FDH Bank plc	-0.87
NBS	MWNBS0010101	NBS Bank plc	-0.18

C. Top 5 Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NBS	MWNBS0010101	NBS Bank plc	27,042,725	39.52
TNM	MWTNM0010126	Telekom Networks Malawi plc	17,768,095	25.97
NITL	MWNITL010091	NITL plc	7,317,429	10.69
FDHB	MWFDHB001166	FDH Bank plc	7,056,521	10.31
NICO	MWNICO010014	NICO Holdings plc	3,444,026	5.03

D. Top 5 Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBM	MWNBM0010074	National Bank of Malawi plc	1,434,369,314.00	25.24
STANDARD	MWSTD0010041	Standard Bank plc	1,347,837,110.00	23.72
NITL	MWNITL010091	NITL plc	900,134,196.95	15.84
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	784,907,123.92	13.81
NBS	MWNBS0010101	NBS Bank plc	564,732,195.74	9.94



3. COMPANY TRADING PERFORMANCE

In the secondary market, 68,420,228 shares were transacted at a total consideration of MK5,682,569,869.60 (US\$5,536,220.98) in 506 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	51.18	51.26	51.18	51.26	0.16%	1,910,715	97,806,400.00	62	563,860,000,000.00
BHL	10.99	10.99	10.99	10.99	0.00%	4,500	49,455.00	1	9,228,860,247.95
FDHB	14.99	14.99	14.86	14.86	-0.87%	7,056,521	105,255,973.55	62	102,549,324,375.00
FMBCH	100.05	100.07	100.05	100.07	0.020%	221,607	22,175,591.00	23	245,997,077,500.00
ICON	11.97	11.97	11.97	11.97	0.00%	91,795	1,098,786.15	6	79,959,600,000.00
ILLOVO	500.01	500.10	500.00	500.10	0.018%	1,569,608	784,907,123.92	38	356,793,539,939.10
MPICO	20.67	20.67	20.67	20.67	0.00%	2,420	50,021.40	1	47,500,640,998.20
NBM	1,160.04	1,230.00	1,160.04	1,230.00	6.03%	1,221,143	1,434,369,314.00	116	574,326,037,740.00
NBS	22.66	22.66	22.62	22.62	-0.18%	27,042,725	564,732,195.74	41	65,837,169,312.72
NICO	50.96	50.97	50.95	50.96	0.00%	3,444,026	175,505,010.76	18	53,153,374,252.16
NITL	112.00	125.00	111.99	125.00	11.61%	7,317,429	900,134,196.95	63	16,875,000,000.00
OMU	1,600.00	1,360.00	1,156.00	1,156.00	-27.75%	4,723	6,283,947.60	7	18,846,717,684.00
PCL	2,181.41	2,181.41	2,181.38	2,181.38	0.00%	12,544	27,363,251.35	7	262,323,640,631.60
STANDARD	1,840.10	1,841.04	1,840.11	1,841.04	0.05%	732,322	1,347,837,110.00	28	432,033,472,968.48
SUNBIRD	80.02	92.03	80.02	92.03	15.01%	20,055	1,618,777.75	6	24,073,444,837.40
TNM	12.01	12.02	12.00	12.01	0.00%	17,768,095	213,382,714.43	27	120,585,804,500.00
Total						68,420,228	5,682,569,869.60	506	2,973,943,704,986.61



4. BOND TRADING SUMMARY

In the period under review, there was 1 Corporate Medium Term Notes by MyBucks Banking Corporation and 41 Malawi Government Treasury Notes with a total nominal value of MK 1.43 trillion as at 31 October 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	0.0000	0	1,335,506,182,780.00
N0914	89.0915	89.0915	89.0915	89.0915	0.00%	0	0.0000	0	1,271,228,795,200.00
NFB02	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	300,000,000,000.00
T012	81.0399	81.0399	81.0399	81.0399	0.00%	0	0.0000	0	10,209,502,877,401.20
T02XN	89.1022	89.1022	89.1022	89.1022	0.00%	0	0.0000	0	1,536,166,479,100.00
T03TX	82.3607	82.3607	82.3607	82.3607	0.00%	0	0.0000	0	1,874,194,323,951.00
T05MT	84.3890	84.3890	84.3890	84.3890	0.00%	0	0.0000	0	1,656,051,423,780.00
T0731	72.1403	72.1403	72.1403	72.1403	0.00%	0	0.0000	0	493,908,563,950.00
T103	77.4237	77.4237	77.4237	77.4237	0.00%	0	0.0000	0	2,825,577,931,500.00
T10NX	68.4575	68.4575	68.4575	68.4575	0.00%	0	0.0000	0	374,017,551,250.00
T10YR	71.7006	71.7006	71.7006	71.7006	0.00%	0	0.0000	0	1,145,417,085,000.00
T3YRX	82.3667	82.3667	82.3667	82.3667	0.00%	0	0.0000	0	2,236,971,671,623.00
TN001	84.2591	84.2591	84.2591	84.2591	0.00%	0	0.0000	0	4,135,310,239,350.00
TN002	83.6180	83.6180	83.6180	83.6180	0.00%	0	0.0000	0	9,391,504,077,694.00
TN02	89.3006	89.3006	89.3006	89.3006	0.00%	0	0.0000	0	3,886,951,495,960.00
TN023	87.5514	87.5514	87.5514	87.5514	0.00%	0	0.0000	0	2,879,670,607,680.00
TN022	89.2853	89.2853	89.2853	89.2853	0.00%	0	0.0000	0	1,593,146,536,337.20
TN03	83.3589	83.3589	83.3589	83.3589	0.00%	0	0.0000	0	1,220,282,601,210.00
TN03N	82.3849	82.3849	82.3849	82.3849	0.00%	0	0.0000	0	1,282,881,185,820.00
TN05	86.2716	86.2716	86.2716	86.2716	0.00%	0	0.0000	0	5,443,507,442,284.80
TN05Y	77.3103	77.3103	77.3103	77.3103	0.00%	0	0.0000	0	7,180,897,945,471.20
TN07	76.3317	76.3317	76.3317	76.3317	0.00%	0	0.0000	0	6,027,128,132,490.00
TN100	95.7335	95.7335	95.7335	95.7335	0.00%	0	0.0000	0	5,198,863,817,331.00
TN102	87.9849	87.9849	87.9849	87.9849	0.00%	0	0.0000	0	1,655,120,379,648.60
TN2	82.9777	82.9777	82.9777	82.9777	0.00%	0	0.0000	0	1,634,818,347,630.00
TN3	77.0438	77.0438	77.0438	77.0438	0.00%	0	0.0000	0	2,099,712,432,862.00
TN5	70.6523	70.6523	70.6523	70.6523	0.00%	0	0.0000	0	5,011,014,377,500.00
TN50	77.1437	77.1437	77.1437	77.1437	0.00%	0	0.0000	0	1,019,145,420,700.00
TN7AF	73.8329	73.8329	73.8329	73.8329	0.00%	0	0.0000	0	2,504,933,966,603.00
TN7YR	76.7700	76.7700	76.7700	76.7700	0.00%	0	0.0000	0	1,246,721,769,000.00
TN888	73.0590	73.0590	73.0590	73.0590	0.00%	0	0.0000	0	435,431,640,000.00
TN90	88.4233	88.4233	88.4233	88.4233	0.00%	0	0.0000	0	1,719,599,747,488.00
TN92	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	4,808,704,100,000.00
TN96	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.0000	0	3,910,500,000,000.00
TNX02	89.2899	89.2899	89.2899	89.2899	0.00%	0	0.0000	0	5,770,961,780,005.80
TNX07	76.0578	76.0578	76.0578	76.0578	0.00%	0	0.0000	0	1,555,382,010,000.00
TNX10	70.6384	70.6384	70.6384	70.6384	0.00%	0	0.0000	0	832,544,182,400.00
TNX7	74.3855	74.3855	74.3855	74.3855	0.00%	0	0.0000	0	2,908,487,927,100.00
TNY07	75.3418	75.3418	75.3418	75.3418	0.00%	0	0.0000	0	2,257,271,896,214.20
TT05	76.9113	76.9113	76.9113	76.9113	0.00%	0	0.0000	0	2,903,470,795,170.00
TX07Y	74.6008	74.6008	74.6008	74.6008	0.00%	0	0.0000	0	971,377,016,800.00
TX10Z	70.6213	70.6213	70.6213	70.6213	0.00%	0	0.0000	0	758,472,762,000.00
Total						0	0.0000	0	117,502,357,518,285.00

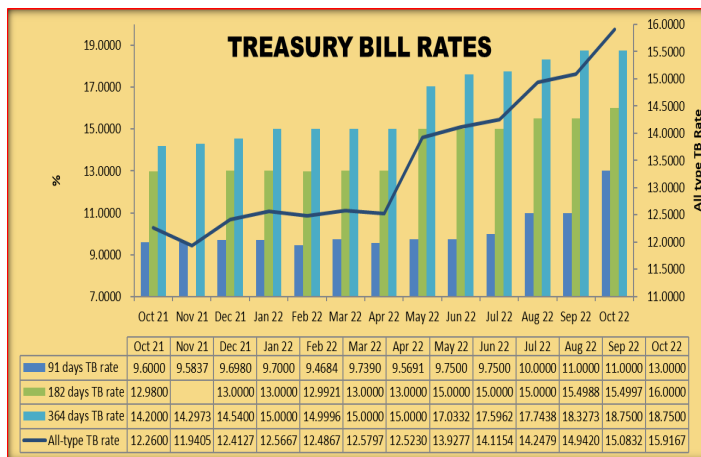
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

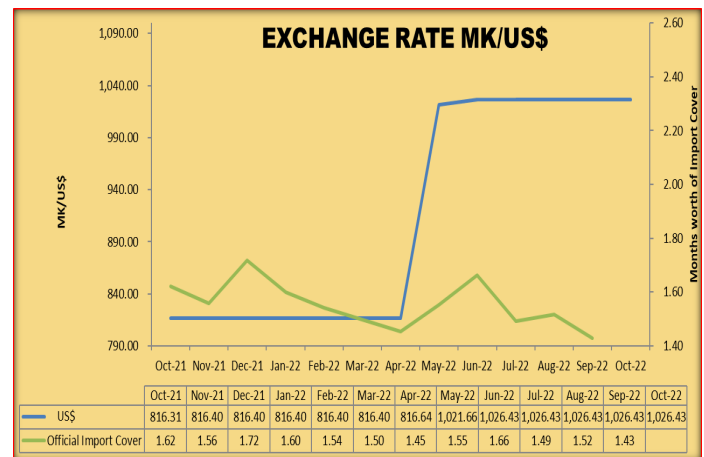
Interest Rates

During the period under review, the 91 days and the 182 days inched upwards by 2.0000% from 11.0000% to 13.0000% and by 0.5003% from 15.4997% to 16.0000% respectively whilst the 364 days Tills was steady at 18.7500%.



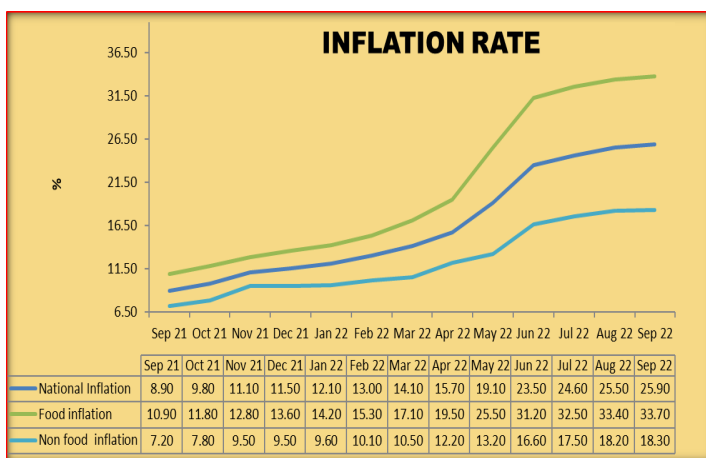
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves were at 1.43 months worth of import cover as at 30 September 2022.



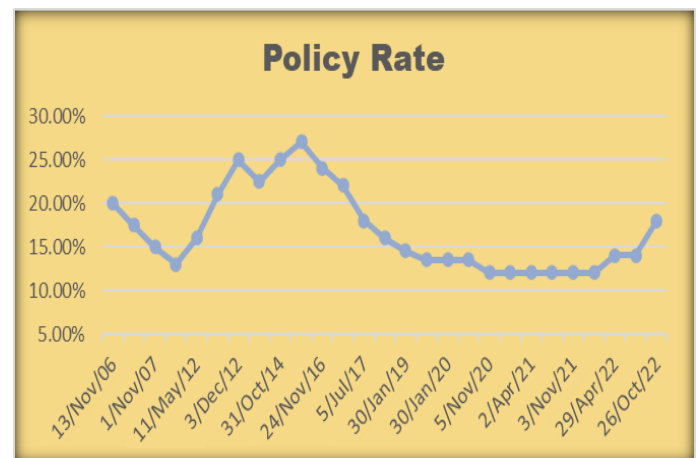
Inflation Rates

Headline inflation inched upwards by 0.40 percentage points from 25.50% in August, 2022 to 25.90% in September, 2022.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held from 25-26 October 2022 increased the policy rate by 4 percentage points from 14% to 18%.



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