

MONTHLY MARKET REPORT

FEBRUARY 2023



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CONTENTS

<i>Trading Summary</i>	1
<i>Market performance</i>	2
<i>Trade performance analysis</i>	2
<i>Market capitalization and index</i>	2
<i>Market liquidity</i>	2
<i>Company trading performance</i>	3
<i>Bond trading performance</i>	4
<i>Economic review</i>	5

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>

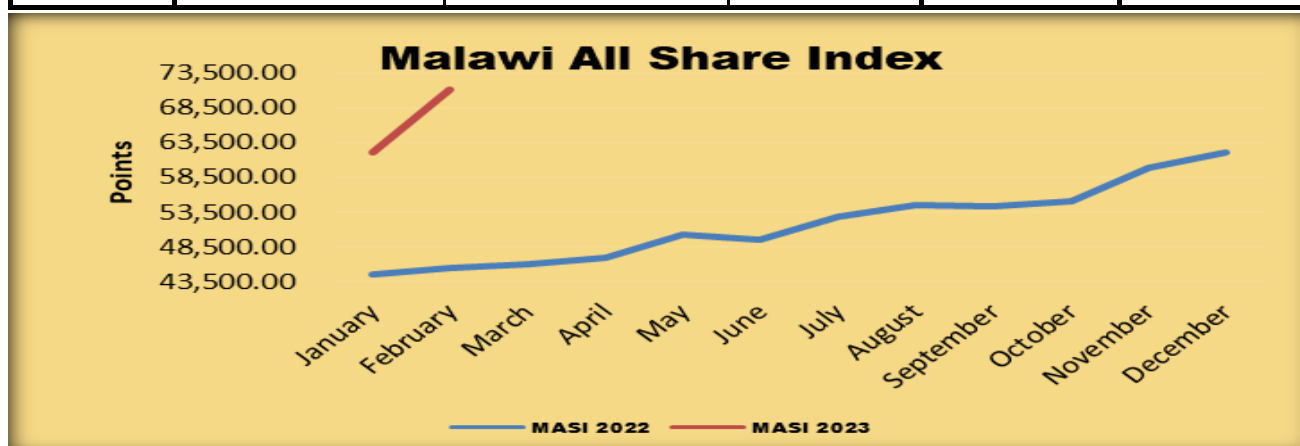
1. TRADING SUMMARY

The market registered a positive month-on-month return on index of **3.82%** (3.82% in US\$ terms), **14.56%** YTD. It 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 – February 2023

INDEX	February 2023	January 2023	% Monthly Δ 2023	% Monthly Δ 2022	% Δ YTD. 2023
MASI	71,069.31	68,451.77	3.82 ▲	2.18 ▲	14.56 ▲
DSI	56,674.50	54,351.80	4.27 ▲	2.38 ▲	11.56 ▲
FSI	8,382.28	8,374.09	0.10 ▲	-0.02	49.30 ▲



	February 2023	January 2023	Monthly % Δ	February 2022	Y-O-Y %Δ
Traded Value (MK)	2,809,273,235.20	2,315,457,887.73	21.33 ▲	1,401,245,776.80	100.48 ▲
Traded Value (US\$)	2,736,923.22	2,255,825.59	21.33 ▲	1,716,371.18	59.46 ▲
Traded Vol. Shares	28,502,498	62,928,670	-54.71	38,280,230	-25.54
No. of Transactions	507	439	15.49 ▲	267	89.89 ▲
Index Close (MASI)	71,069.31	68,451.77	3.82 ▲	45472.09	56.29 ▲
Listed Debt Securities	62	62		46	
Traded Debt Securities	00	00		00	
Listed companies	16	16		16	
Traded Companies	15	16		16	
Not Traded Companies	01	00		00	
Gainers	09	10		05	
Decliners	05	05		04	
Unchanged	01	01		07	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 28,502,923 shares at a total consideration of MK2,809,273,235.20 (US\$2,736,923.22) in 507 trades in the month of February 2023. In the previous month of January 2023, the market transacted a total of 62,928,670 shares at a total consideration of MK2,315,457,887.73 (US\$2,255,825.59) in 439 trades. This reflects a **-54.71%** decrease in terms of share volume traded but a **21.33%** (21.33% in US Dollar terms) increase in share value traded. Of the shares traded 509,420 PCL shares traded as a negotiated deal at a total consideration of MK1.1 billion.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,425,125 shares compared to 3,146,434 shares traded in January 2023, reflecting a decrease of **-54.71%**.

The average daily turnover for February 2023 was MK140,463,661.76 (US\$136,846.16) compared to MK115,772,894.39 (US\$112,791.28) in January 2023, reflecting an increase of **21.33%** (21.33% 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 68,451.77 points registered in January 2023 to 71,069.31 points registered in February 2023, giving a month-on-month return on index of **3.82%** (3.82% in US\$ terms). The price gains registered by NICO (36.36%), FDHB(20.69%), NITL(15.00%), OMU(8.68%), AIRTEL(6.80%), NBM(3.69%), TNM(0.21%), ILLOVO(0.01%) and STANDARD(0.001%) were enough to offset share price losses registered by NBS(-0.16%), ICON(-0.08%), MPICO(-0.05%), FMBCH (-0.01%) and PCL(-0.0005%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share and the Foreign Share Indices inched upwards by 4.27% to 56,674.50 points and by 0.10% to 8,382.28 points respectively.

Equity market capitalization increased in both Malawi Kwacha and US Dollar terms from MK3.70 trillion (US\$3.60 billion) to MK3.84 trillion (US\$3.74 billion). Debt market capitalization was at MK204.02 trillion (US\$198.76 billion) as at 28 February 2023.

C. Market Liquidity

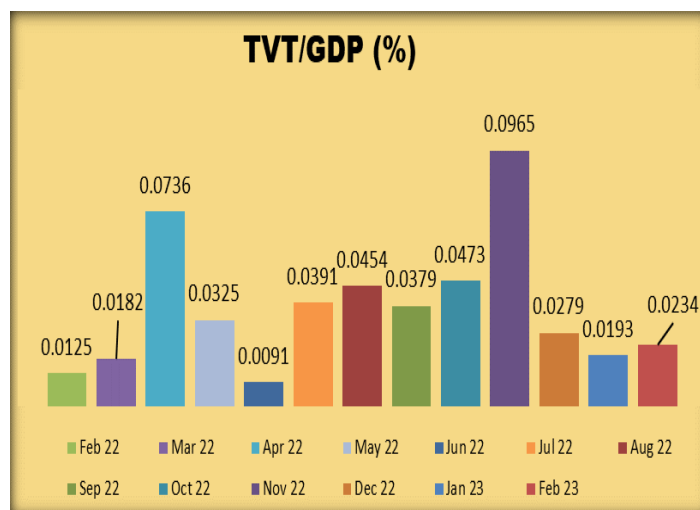
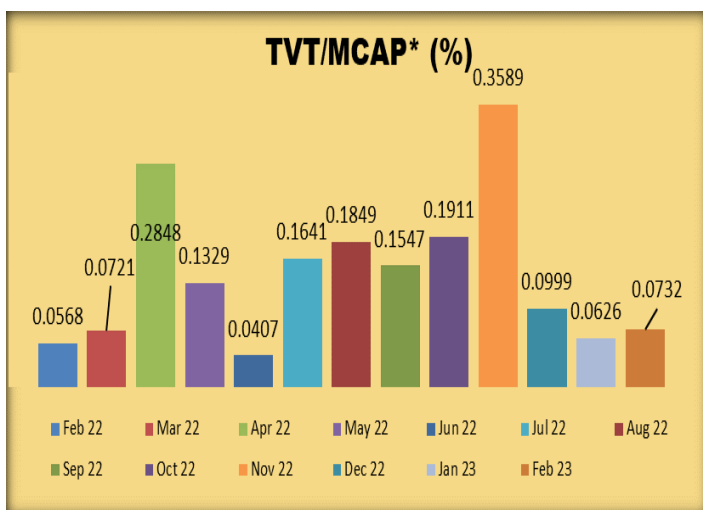
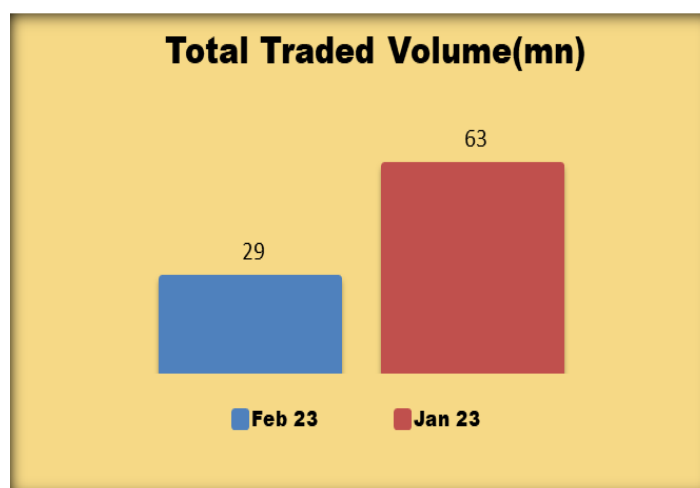
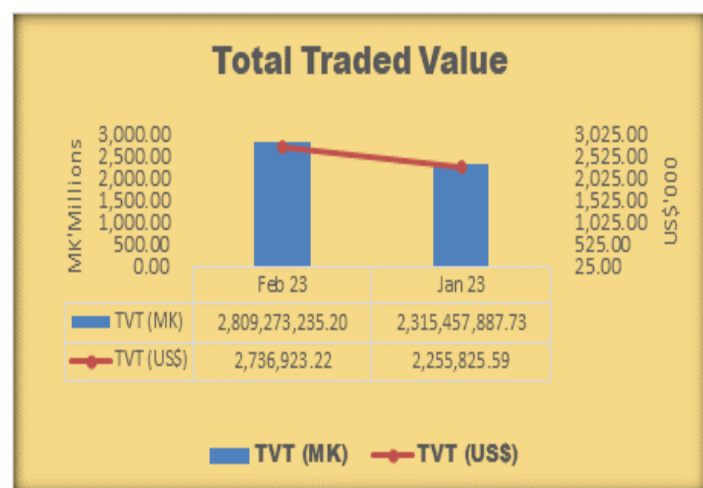
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***), an indicator of the liquidity of assets traded on the market, in February 2023 was recorded at 0.07%, higher than 0.06% registered in January 2023. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.023% in February 2023 while during the previous month, January 2023, liquidity was at 0.019%.

Market capitalization as a percentage of GDP was at 31.96% in February 2023 and 30.79% in January 2023.



MALAWI STOCK EXCHANGE

2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers: Nine counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
NICO	MWNICO010014	NICO Holdings plc	36.36 ▲
FDHB	MWFDHB001166	FDH Bank plc	20.69 ▲
NITL	MWNITL010091	NITL plc	15.00 ▲
OMU	ZAE000255360	Old Mutual Limited	8.68 ▲
AIRTEL	MWAIRT001156	Airtel Malawi plc	6.80 ▲

B. Top 5 Losers: Five counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
NBS	MWNBS0010101	NBS Bank plc	-0.16
ICON	MWICON001146	ICON Properties plc	-0.08
MPICO	MWMPI0010116	MPICO plc	-0.05
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-0.01
PCL	MWPCL0010053	Press Corporation plc	-0.0005

C. Top 5 Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	15,500,537	54.38
NBS	MWNBS0010101	NBS Bank plc	5,360,515	18.81
TNM	MWTNM0010126	Telekom Networks Malawi plc	4,633,185	16.26
OMU	ZAE000255360	Old Mutual Limited	752,458	2.64
AIRTEL	MWAIRT001156	Airtel Malawi plc	601,128	2.11

D. Top 5 Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
PCL	MWPCL0010053	Press Corporation plc	1,096,376,389.93	39.03
OMU	ZAE000255360	Old Mutual Limited	639,111,766.00	22.75
FDHB	MWFDHB001166	FDH Bank plc	530,875,384.06	18.90
NBS	MWNBS0010101	NBS Bank plc	206,166,457.68	7.34
TNM	MWTNM0010126	Telekom Networks Malawi plc	64,943,235.03	2.31



3. COMPANY TRADING PERFORMANCE

In the secondary market, 28,502,498 shares were transacted at a total consideration of MK2,809,273,235.20 (US\$2,736,923.22) in 507 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	58.05	62.00	58.06	62.00	6.80%	601,128	35,033,792.58	45	682,000,000,000.00
BHL	10.96	10.96	10.96	10.96	0.00%	4,453	48,804.88	1	9,203,667,726.80
FDHB	29.00	35.50	29.01	35.00	20.69%	15,500,537	530,875,384.06	139	241,536,093,750.00
FMBCH	167.00	167.00	166.99	166.99	-0.006%	275,059	45,933,664.00	26	410,503,167,500.00
ICON	11.92	11.92	11.91	11.91	-0.08%	209,011	2,489,822.85	10	79,558,800,000.00
ILLOVO	600.00	600.05	600.01	600.05	0.008%	24,025	14,415,655.28	20	428,102,306,819.55
MPICO	20.59	20.59	20.58	20.58	-0.05%	1,200	24,696.00	2	47,293,816,726.80
NBM	1,543.11	1,600.05	1,543.11	1,600.05	3.69%	38,346	60,432,706.91	42	747,114,127,386.90
NBS	38.50	38.50	38.44	38.44	-0.16%	5,360,515	206,166,457.68	78	111,882,439,804.64
NICO	66.00	90.00	66.00	90.00	36.36%	334,128	26,592,270.00	11	93,873,698,640.00
NITL	164.00	188.60	164.00	188.60	15.00%	236,816	39,083,820.00	33	25,461,000,000.00
OMU	809.73	880.01	838.00	880.01	8.68%	752,458	639,111,766.00	36	13,404,654,643.89
PCL	2,181.35	2,181.35	2,181.34	2,181.34	-0.0005%	509,935	1,096,376,389.93	4	262,318,830,398.80
STANDARD	2,200.00	2,200.02	2,200.00	2,200.02	0.001%	21,702	47,744,770.00	14	516,274,649,763.24
SUNBIRD	105.00	105.00	105.00	105.00	0.00%	0	0.00	0	27,466,170,900.00
TNM	14.00	14.03	13.99	14.03	0.21%	4,633,185	64,943,235.03	46	140,867,513,500.00
Total						28,502,498	2,809,273,235.20	507	3,836,860,937,560.62



4. BOND TRADING PERFORMANCE

In the period under review, there was 1 Corporate Medium Term Notes by MyBucks Banking Corporation and 61 Malawi Government Treasury Notes with a total nominal value of MK2.49 trillion as at 28 February 2023.

There were no trades in the secondary market.

Symbol	Open	High	Low	Close	Price Δ	Volume '000'	Value	Trades Count	Market Capitalization
03TNY	80.7182	80.7182	80.7182	80.7182	0.00%	0	0.00	0	9,095,949,355,476.60
3TNRY	76.8326	76.8326	76.8326	76.8326	0.00%	0	0.00	0	801,467,742,010.00
DB07I	72.5761	72.5761	72.5761	72.5761	0.00%	0	0.00	0	863,408,831,260.00
DB10Y	72.0496	72.0496	72.0496	72.0496	0.00%	0	0.00	0	49,923,167,840.00
DB820	72.3338	72.3338	72.3338	72.3338	0.00%	0	0.00	0	1,335,506,182,780.00
N02T	87.5763	87.5763	87.5763	87.5763	0.00%	0	0.00	0	10,338,279,925,881.60
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
T0119	69.2256	69.2256	69.2256	69.2256	0.00%	0	0.00	0	583,641,033,600.00
T012	81.0399	81.0399	81.0399	81.0399	0.00%	0	0.00	0	10,209,502,877,401.20
T0127	74.9917	74.9917	74.9917	74.9917	0.00%	0	0.00	0	2,317,666,483,188.00
T02MZ	91.8528	91.8528	91.8528	91.8528	0.00%	0	0.00	0	4,887,163,798,732.80
T02NA	88.7905	88.7905	88.7905	88.7905	0.00%	0	0.00	0	5,020,549,166,232.50
T02XN	89.1022	89.1022	89.1022	89.1022	0.00%	0	0.00	0	1,536,166,479,100.00
T03BN	81.6864	81.6864	81.6864	81.6864	0.00%	0	0.00	0	7,753,203,963,004.80
T03SD	87.3825	87.3825	87.3825	87.3825	0.00%	0	0.00	0	8,118,054,453,900.00
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
T05QZ	78.6668	78.6668	78.6668	78.6668	0.00%	0	0.00	0	10,171,281,647,431.20
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
T10BZ	70.6450	70.6450	70.6450	70.6450	0.00%	0	0.00	0	353,225,000,000.00
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
T2511	73.3232	73.3232	73.3232	73.3232	0.00%	0	0.00	0	546,888,419,520.00
T2MM	84.6553	84.6553	84.6553	84.6553	0.00%	0	0.00	0	5,854,946,789,660.00
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



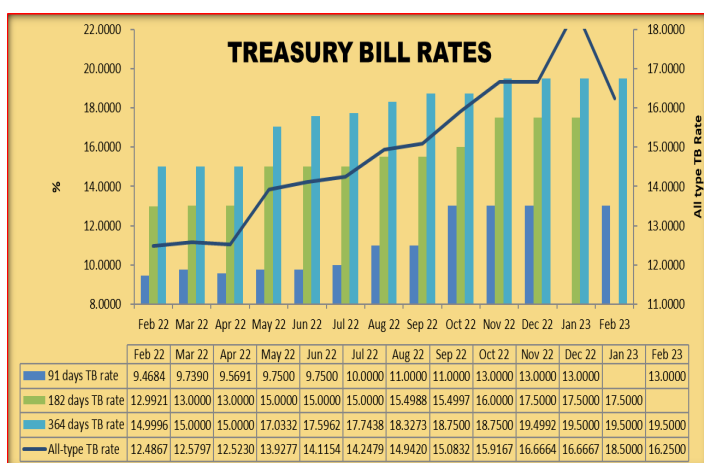
4. BOND TRADING PERFORMANCE

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
TN03L	82.2589	82.2589	82.2589	82.2589	0.00%	0	0.00	0	4,581,166,442,709.40
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
TN102	87.9849	87.9849	87.9849	87.9849	0.00%	0	0.00	0	1,655,120,379,648.60
TN10F	61.5493	61.5493	61.5493	61.5493	0.00%	0	0.00	0	953,934,135,910.00
TN12H	91.9173	91.9173	91.9173	91.9173	0.00%	0	0.00	0	7,625,818,236,973.80
TN2	82.9777	82.9777	82.9777	82.9777	0.00%	0	0.00	0	1,634,818,347,630.00
TN201	71.7603	71.7603	71.7603	71.7603	0.00%	0	0.00	0	1,028,064,609,111.00
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
TN5YC	74.7614	74.7614	74.7614	74.7614	0.00%	0	0.00	0	6,278,539,899,571.80
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
Y05TN	68.6804	68.6804	68.6804	68.6804	0.00%	0	0.00	0	4,491,061,767,413.60
Total						0	0.00	0	204,017,728,570,381.00

MALAWI STOCK EXCHANGE

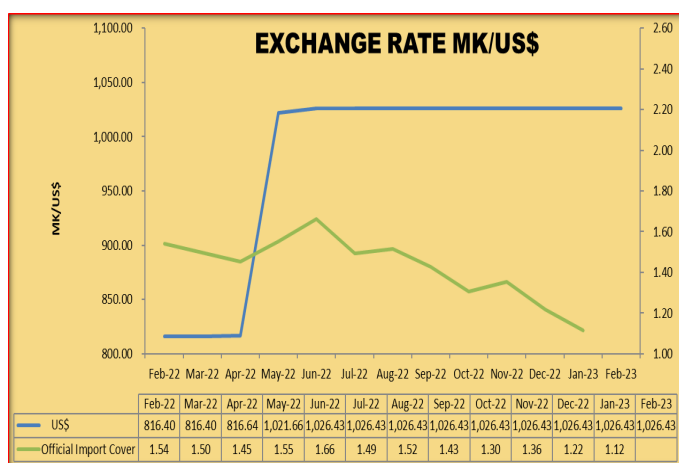
Interest Rates

During the period under review, the 91 day and 364 day Tbills were at 13.0000% and 19.5000% respectively. The auctions for the 182 day Tbill have been temporarily suspended due to an over allotment on the 182 days Tbill for Q1 2023 in line with Government's planned issuance of Treasury Bills.



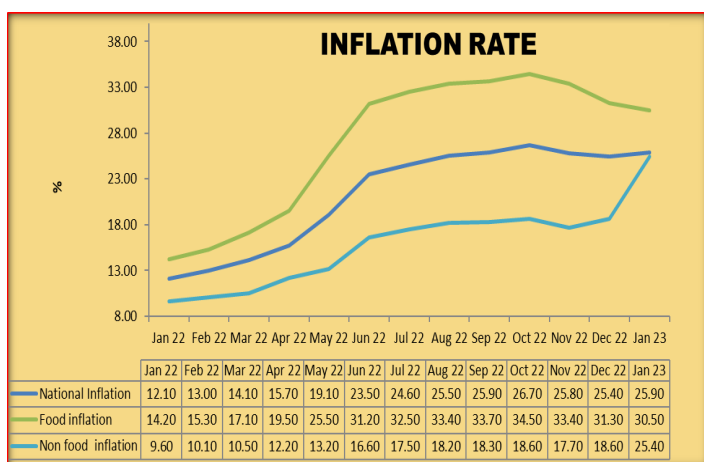
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves were at 1.12 months worth of import cover as at 31 January 2023.



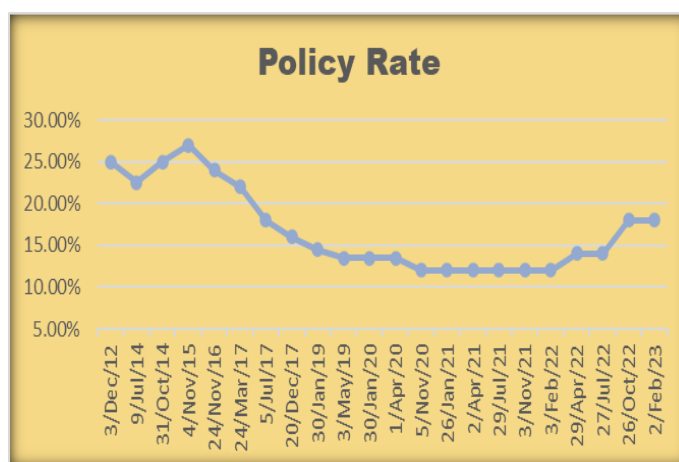
Inflation Rates

Headline inflation inched upwards by 0.50 percentage points from 25.40% in December, 2022 to 25.90% in January, 2023.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held from 01-02 February 2023 maintained the policy rate at 18%.



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