

FIRST QUARTER MARKET REPORT JANUARY – MARCH 2023



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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



"Malawi's Global Portal"



MALAWI STOCK EXCHANGE

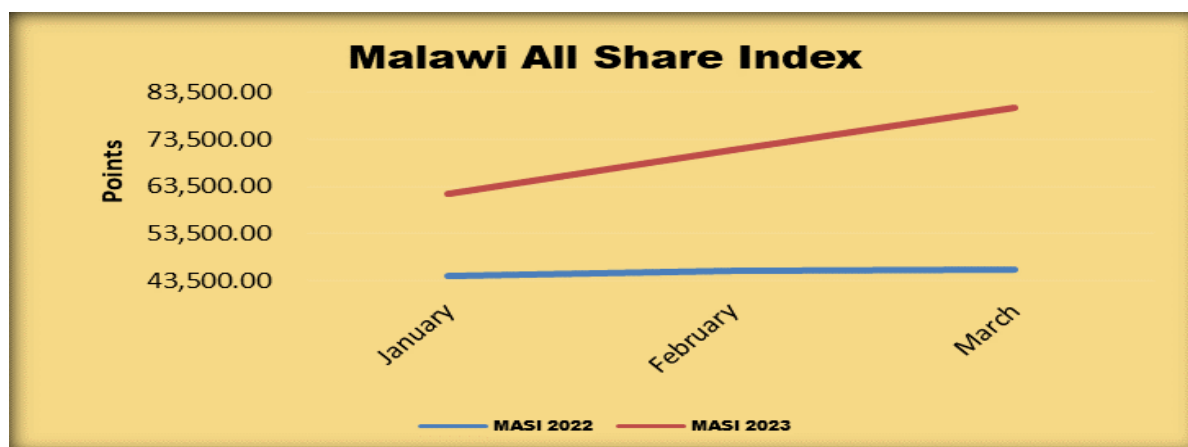
1. TRADING SUMMARY

The market registered a positive return on index of 29.44% (29.44% in US\$ terms) in Q1 2023 higher than the corresponding period 2022 of 1.22% (1.22% in US\$ terms). It also, registered an increase in both total volume of shares and total value traded.

There was neither any listing nor a trade on the debt market during Q1 2023.

Index Levels and Return – 1st Qtr. 2023

INDEX	JAN., 2023	MAR., 2023	% Δ 1st QTR. 2023	% Δ 1st QTR. 2022	% Δ YTD. 2023
MASI	62,036.05	80,298.12	29.44 ▲	1.22 ▲	29.44 ▲
DSI	50,804.03	64,886.76	27.72 ▲	1.41 ▲	27.72 ▲
FSI	5,614.30	8,381.79	49.29 ▲	-0.91	49.29 ▲



	1st Qtr. 2023	1st Qtr. 2022	Y-O-Y% Δ
Traded Value (MK)	6,853,106,604.91	4,422,039,628.86	54.98 ▲
Traded Value (US\$)	6,676,611.71	5,416,509.73	23.26 ▲
Traded Vol. Shares	118,816,338	112,057,459	6.03 ▲
No. of Transactions	1,545	848	82.19 ▲
Index Close (MASI)	80,298.12	45,921.23	74.86 ▲
Listed Debt Securities	60	46	
Traded Debt Securities	00	00	
Listed companies	16	16	
Traded Companies	16	16	
Not Traded Companies	00	00	
Gainers	11	07	
Decliners	05	05	
Unchanged	00	04	

2. MARKET PERFORMANCE

- A. Trade Performance Analysis
- The market transacted a total of 118,816,338 shares at a total consideration of MK6,853,106,604.91 (US\$6,676,611.71) in 1,545 trades. In the corresponding period 2022, the market transacted a total of 112,057,459 shares at a total consideration of MK4,422,039,628.86 (US\$5,416,509.73) in 848 trades. This reflects a 6.03% increase in terms of share volume and a 54.98% (23.26% in US Dollar terms) increase in share value. Of the shares traded 102,727,570 ICON, 1,528,260 PCL and 30,000,000 TNM shares traded as a negotiated deal at a total consideration of MK4.8 billion.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 1,916,393 shares in Q1 2023 compared to 1,778,690 shares traded in the corresponding Q1 2022 reflecting an increase of 7.74%.

The average daily turnover for Q1 2023 was MK110,533,977.50 (US\$107,687.29) compared with MK70,191,105.22 (US\$85,976.34) for the corresponding Q1 2022, reflecting an increase of 57.48% (25.25% 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 62,036.05 points registered on 1 January 2023 to 80,298.12 points registered on 31 March 2023, giving a return on index of 29.44%, (29.44% in US\$ terms) compared to 1.22%, (1.22% in US\$ terms) registered in Q1 of 2022. The price gains registered on NICO(126.67%), FDHB(124.41%), NBS(84.97%), NITL(60.02%), FMBCH(50.62%), ILLOVO(38.89%), AIRTEL(32.43%), SUNBIRD (30.35%), NBM(14.54%), TNM(10.71%) and STANDARD(10.02%) were enough to offset share price losses on OMU(-10.66%), ICON(-0.50%), MPICO(-0.29%), BHL(-0.09%) and PCL(-0.003%) resulting into an upward movement of the Malawi All Share Index. The Domestic and Foreign Share Indices inched upwards by 27.72% to 64,886.76 and by 49.29% to 8,381.79 respectively.

Market capitalization, increased in both Kwacha and US Dollar terms from K3.35 trillion (US\$3.26 billion) in January 2023 to K4.33 trillion (US\$4.22 billion) in March 2023.

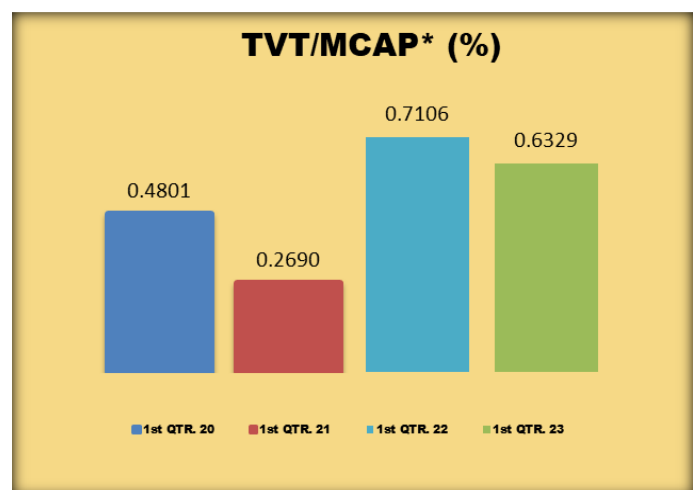
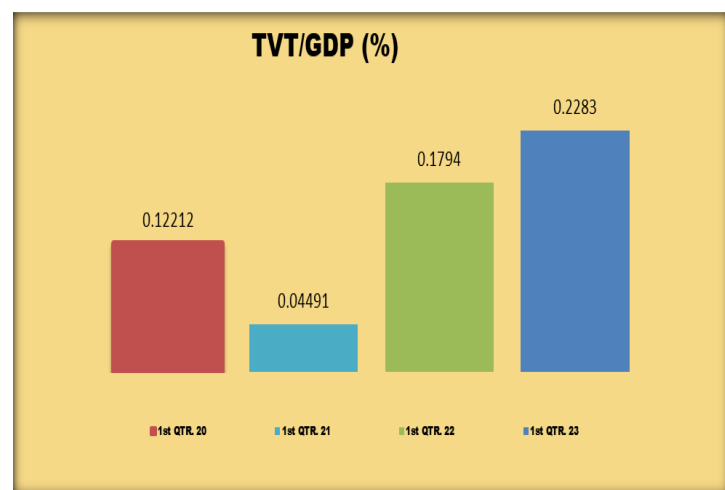
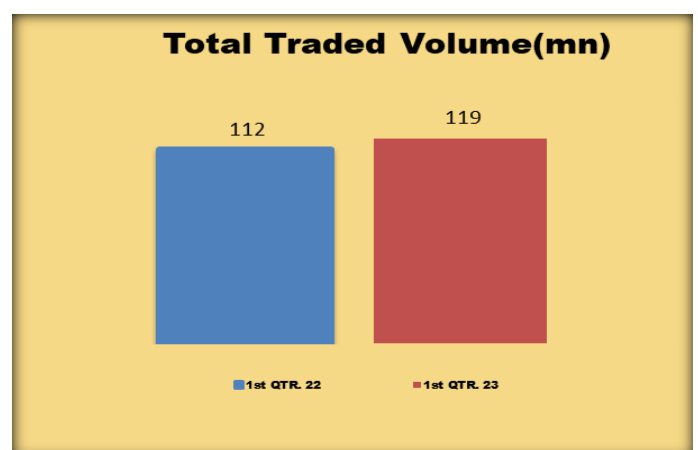
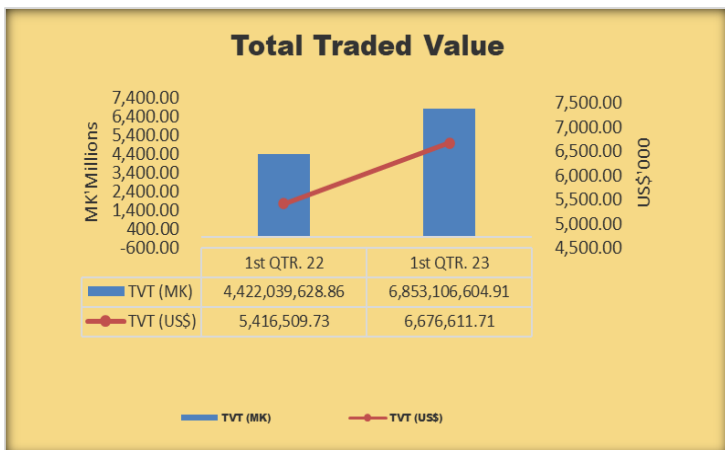
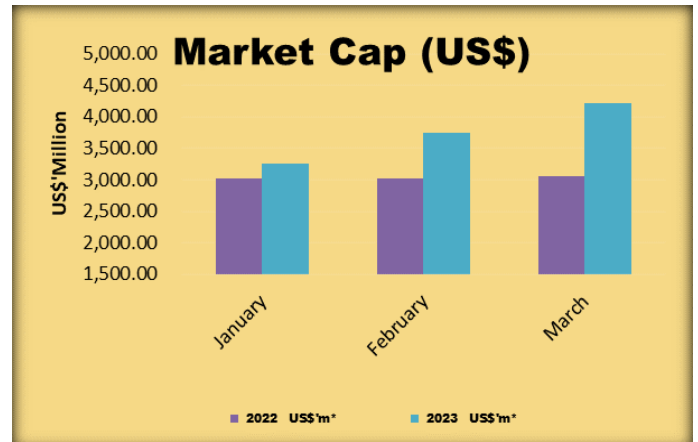
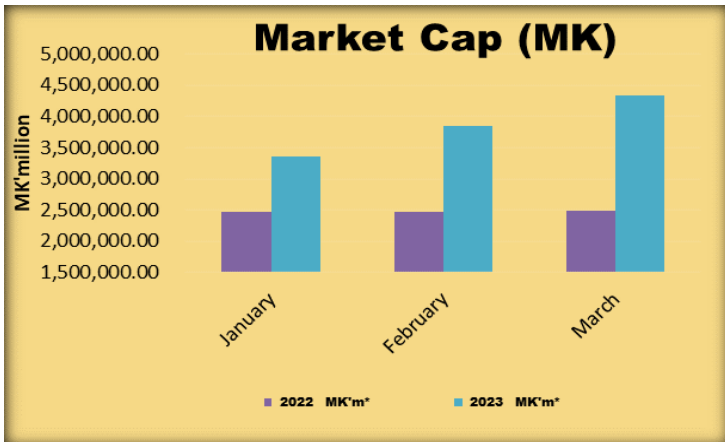
- C. Market Liquidity
- The turnover velocity as measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***), an indicator of the liquidity of assets traded on the market, in the quarter under review was recorded at 0.63%, lower than 0.71% registered in Q1 2022. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.23% in the review period while during the corresponding period of 2022 liquidity was at 0.18%.

Market capitalization as a percentage of GDP was at 36.08% in Q1 2023 whilst in Q1 2022 it was at 25.24%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Eleven counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
NICO	MWNICO0010014	NICO Holdings plc	126.67 ▲
FDHB	MWFDHB001166	FDH Bank plc	124.41 ▲
NBS	MWNBS0010101	NBS Bank plc	84.97 ▲
NITL	MWNITL010091	NITL plc	60.02 ▲
FMBCH	MWFMB0010138	FMB Capital Holdings plc	50.62 ▲

B. Top Losers: Five counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
OMU	ZAE000255360	Old Mutual Limited	-10.66
ICON	MWICON001146	ICON Properties plc	-0.50
MPICO	MWMPI0010116	MPICO plc	-0.29
BHL	MWBHL0010029	Blantyre Hotels plc	-0.09
PCL	MWPCL0010053	Press Corporation plc	-0.003

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	37,144,944	31.26
ICON	MWICON001146	ICON Properties plc	26,713,802	22.48
NBS	MWNBS0010101	NBS Bank plc	20,086,932	16.91
TNM	MWTNM0010126	Telekom Networks Malawi plc	19,351,961	16.29
AIRTEL	MWAIRT001156	Airtel Malawi plc	5,568,237	4.69

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
OMU	ZAE000255360	Old Mutual Limited	1,511,467,689.84	22.06
FDHB	MWFDHB001166	FDH Bank plc	1,184,381,283.16	17.28
PCL	MWPCL0010053	Press Corporation plc	1,102,165,643.66	16.08
NBS	MWNBS0010101	NBS Bank plc	842,715,884.68	12.30
NICO	MWNICO0010014	NICO Holdings plc	409,629,374.23	5.98

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	56.64	75.01	56.65	75.01	32.43%	5,568,237	347,715,556.53	209	825,110,000,000.00
BHL	10.97	10.97	10.96	10.96	-0.09%	13,742	150,667.21	4	9,203,667,726.80
FDHB	17.37	40.00	17.37	38.98	124.41%	37,144,944	1,184,381,283.16	374	269,002,198,125.00
FMBCH	110.86	167.00	110.86	166.98	50.62%	1,675,809	278,422,623.72	84	410,478,585,000.00
ICON	11.95	11.95	11.89	11.89	-0.50%	26,713,802	283,577,824.45	29	79,425,200,000.00
ILLOVO	540.00	750.00	540.00	750.00	38.89%	146,770	90,183,124.28	72	535,083,293,250.00
MPICO	20.64	20.64	20.58	20.58	-0.29%	31,316	644,972.20	11	47,293,816,726.80
NBM	1,542.05	1,767.00	1,542.07	1,766.29	14.54%	174,517	277,434,142.11	130	824,736,859,512.02
NBS	34.00	63.00	34.00	62.89	84.97%	20,086,932	842,715,884.68	244	183,045,958,358.84
NICO	60.00	136.00	60.00	136.00	126.67%	4,471,747	409,629,374.23	57	141,853,589,056.00
NITL	124.99	200.01	124.99	200.01	60.02%	609,075	101,506,704.24	55	27,001,350,000.00
OMU	985.00	985.00	800.00	880.04	-10.66%	1,770,123	1,511,467,689.84	81	13,229,103,615.56
PCL	2,181.37	2,181.37	2,181.30	2,181.30	-0.003%	512,589	1,102,165,643.66	12	262,314,020,166.00
STANDARD	2,000.16	2,200.60	2,000.16	2,200.60	10.02%	44,242	96,939,636.10	40	516,410,757,297.20
SUNBIRD	92.06	120.01	92.06	120.00	30.35%	500,532	59,983,400.00	15	31,389,909,600.00
TNM	14.00	16.10	13.98	15.50	10.71%	19,351,961	266,188,078.50	128	155,626,975,000.00
Total						118,816,338	6,853,106,604.91	1,545	4,331,205,283,434.22

4. BOND TRADING PERFORMANCE

There was 1 Corporate Medium Term Notes by Centenary Bank Malawi (formerly MyBucks Banking Corporation) and 59 Malawi Government Treasury Notes with a total nominal value of MK2.39 trillion (US\$2.32 billion) as at 31 March 2023.

There were no trades registered on the 60 listed debt securities.

Symbol	Open	High	Low	Close	Price Δ	Volume '000'	Value	Trades Count	Nominal Value
03TNY	80.7182	80.7182	80.7182	80.7182	0.00%	0	0.00	0	112,687,713,000.00
3TNRY	76.8326	76.8326	76.8326	76.8326	0.00%	0	0.00	0	10,431,350,000.00
DB07I	72.5761	72.5761	72.5761	72.5761	0.00%	0	0.00	0	11,896,600,000.00
DB10Y	72.0496	72.0496	72.0496	72.0496	0.00%	0	0.00	0	692,900,000.00
DB820	72.3338	72.3338	72.3338	72.3338	0.00%	0	0.00	0	18,463,100,000.00
N02T	87.5763	87.5763	87.5763	87.5763	0.00%	0	0.00	0	118,048,832,000.00
N0914	89.0915	89.0915	89.0915	89.0915	0.00%	0	0.00	0	14,268,800,000.00
NFB02	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	3,000,000,000.00
T0119	69.2256	69.2256	69.2256	69.2256	0.00%	0	0.00	0	8,431,000,000.00
T012	81.0399	81.0399	81.0399	81.0399	0.00%	0	0.00	0	125,981,188,000.00
T0127	74.9917	74.9917	74.9917	74.9917	0.00%	0	0.00	0	30,905,640,000.00
T02MZ	91.8528	91.8528	91.8528	91.8528	0.00%	0	0.00	0	53,206,476,000.00
T02NA	88.7905	88.7905	88.7905	88.7905	0.00%	0	0.00	0	56,543,765,000.00
T02XN	89.1022	89.1022	89.1022	89.1022	0.00%	0	0.00	0	17,240,500,000.00
T03BN	81.6864	81.6864	81.6864	81.6864	0.00%	0	0.00	0	94,914,257,000.00
T03SD	87.3825	87.3825	87.3825	87.3825	0.00%	0	0.00	0	92,902,520,000.00
T03TX	82.3607	82.3607	82.3607	82.3607	0.00%	0	0.00	0	22,755,930,000.00
T05NT	84.3890	84.3890	84.3890	84.3890	0.00%	0	0.00	0	19,624,020,000.00
T05QZ	78.6668	78.6668	78.6668	78.6668	0.00%	0	0.00	0	129,295,734,000.00
T0731	72.1403	72.1403	72.1403	72.1403	0.00%	0	0.00	0	6,846,500,000.00
T103	77.4237	77.4237	77.4237	77.4237	0.00%	0	0.00	0	36,495,000,000.00
T10BZ	70.6450	70.6450	70.6450	70.6450	0.00%	0	0.00	0	5,000,000,000.00
T10NX	68.4575	68.4575	68.4575	68.4575	0.00%	0	0.00	0	5,463,500,000.00
T10YR	71.7006	71.7006	71.7006	71.7006	0.00%	0	0.00	0	15,975,000,000.00
T2511	73.3232	73.3232	73.3232	73.3232	0.00%	0	0.00	0	7,458,600,000.00
T2MM	84.6553	84.6553	84.6553	84.6553	0.00%	0	0.00	0	69,162,200,000.00
T3YRX	82.3667	82.3667	82.3667	82.3667	0.00%	0	0.00	0	27,158,690,000.00
TN001	84.2591	84.2591	84.2591	84.2591	0.00%	0	0.00	0	49,078,500,000.00
TN002	83.6180	83.6180	83.6180	83.6180	0.00%	0	0.00	0	112,314,383,000.00

4. BOND TRADING PERFORMANCE



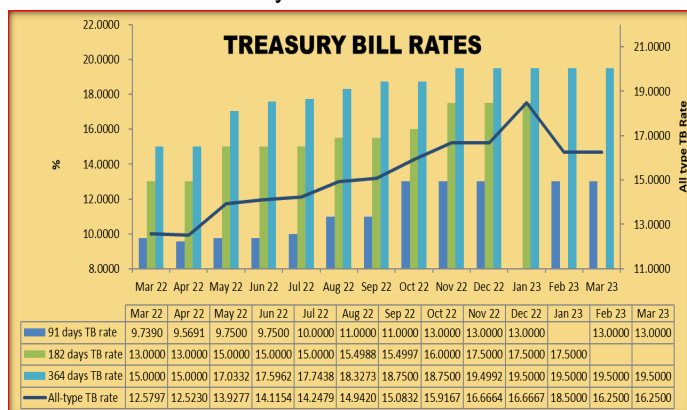
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TN023	87.5514	87.5514	87.5514	87.5514	0.00%	0	0.00	0	32,891,200,000.00
TN02Z	89.2853	89.2853	89.2853	89.2853	0.00%	0	0.00	0	17,843,324,000.00
TN03	83.3589	83.3589	83.3589	83.3589	0.00%	0	0.00	0	14,638,900,000.00
TN03L	82.2589	82.2589	82.2589	82.2589	0.00%	0	0.00	0	55,692,046,000.00
TN03N	82.3849	82.3849	82.3849	82.3849	0.00%	0	0.00	0	15,571,800,000.00
TN05	86.2716	86.2716	86.2716	86.2716	0.00%	0	0.00	0	63,097,328,000.00
TN05Y	77.3103	77.3103	77.3103	77.3103	0.00%	0	0.00	0	92,884,104,000.00
TN07	76.3317	76.3317	76.3317	76.3317	0.00%	0	0.00	0	78,959,700,000.00
TN102	87.9849	87.9849	87.9849	87.9849	0.00%	0	0.00	0	18,811,414,000.00
TN10F	61.5493	61.5493	61.5493	61.5493	0.00%	0	0.00	0	15,498,700,000.00
TN12H	91.9173	91.9173	91.9173	91.9173	0.00%	0	0.00	0	82,963,906,000.00
TN2	82.9777	82.9777	82.9777	82.9777	0.00%	0	0.00	0	19,701,900,000.00
TN201	71.7603	71.7603	71.7603	71.7603	0.00%	0	0.00	0	14,326,370,000.00
TN3	77.0438	77.0438	77.0438	77.0438	0.00%	0	0.00	0	27,253,490,000.00
TN5	70.6523	70.6523	70.6523	70.6523	0.00%	0	0.00	0	70,925,000,000.00
TN50	77.1437	77.1437	77.1437	77.1437	0.00%	0	0.00	0	13,211,000,000.00
TN5YC	74.7614	74.7614	74.7614	74.7614	0.00%	0	0.00	0	83,981,037,000.00
TN7AF	73.8329	73.8329	73.8329	73.8329	0.00%	0	0.00	0	33,927,070,000.00
TN7YR	76.7700	76.7700	76.7700	76.7700	0.00%	0	0.00	0	16,239,700,000.00
TN888	73.0590	73.0590	73.0590	73.0590	0.00%	0	0.00	0	5,960,000,000.00
TN90	88.4233	88.4233	88.4233	88.4233	0.00%	0	0.00	0	19,447,360,000.00
TN92	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	48,087,041,000.00
TN96	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	39,105,000,000.00
TNX07	76.0578	76.0578	76.0578	76.0578	0.00%	0	0.00	0	20,450,000,000.00
TNX10	70.6384	70.6384	70.6384	70.6384	0.00%	0	0.00	0	11,786,000,000.00
TNX7	74.3855	74.3855	74.3855	74.3855	0.00%	0	0.00	0	39,100,200,000.00
TNY07	75.3418	75.3418	75.3418	75.3418	0.00%	0	0.00	0	29,960,419,000.00
TT05	76.9113	76.9113	76.9113	76.9113	0.00%	0	0.00	0	37,750,900,000.00
TX07Y	74.6008	74.6008	74.6008	74.6008	0.00%	0	0.00	0	13,021,000,000.00
TX10Z	70.6213	70.6213	70.6213	70.6213	0.00%	0	0.00	0	10,740,000,000.00
Y05TN	68.6804	68.6804	68.6804	68.6804	0.00%	0	0.00	0	65,390,734,000.00
Total						0	0.00	0	2,385,459,341,000.00

5. ECONOMIC REVIEW

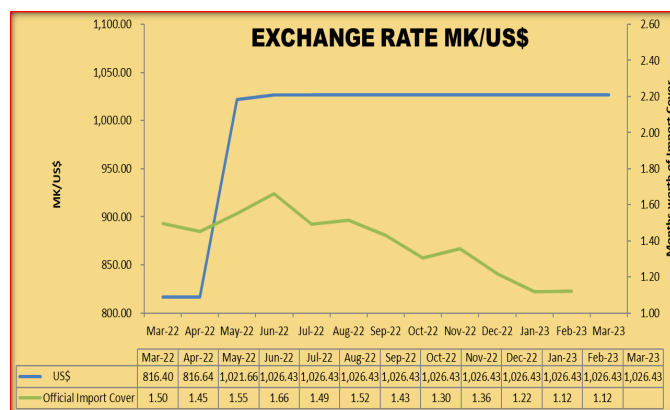
Interest Rates

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



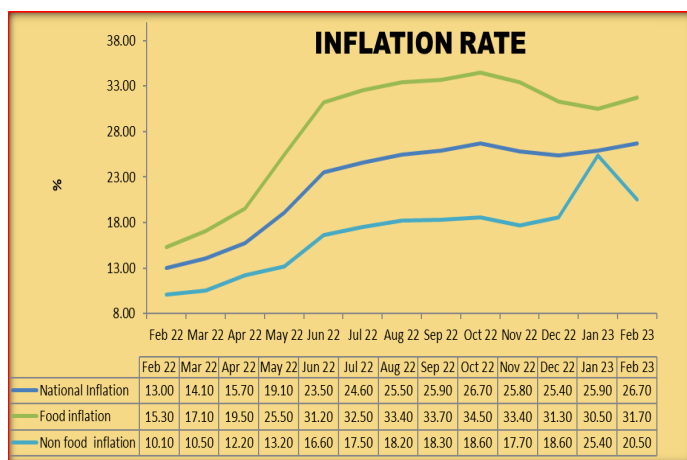
Exchange Rates

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 28 February 2023.



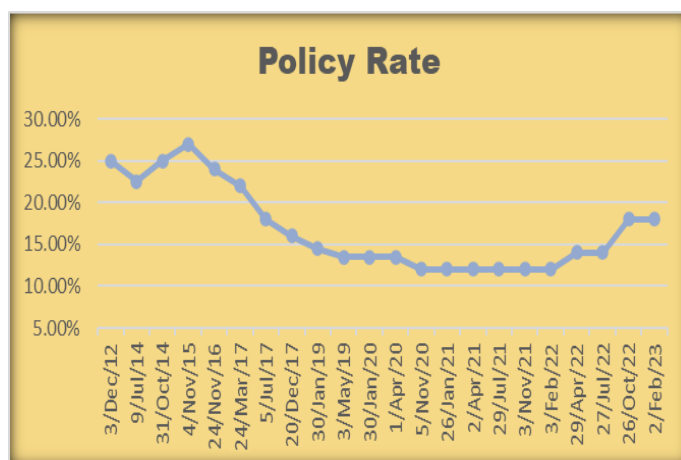
Inflation Rates

Headline inflation inched upwards by 1.3 percentage points from 25.40% in January, 2023 to 26.70% in February, 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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