

MONTHLY MARKET REPORT

MAY 2023



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.co.mw
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>

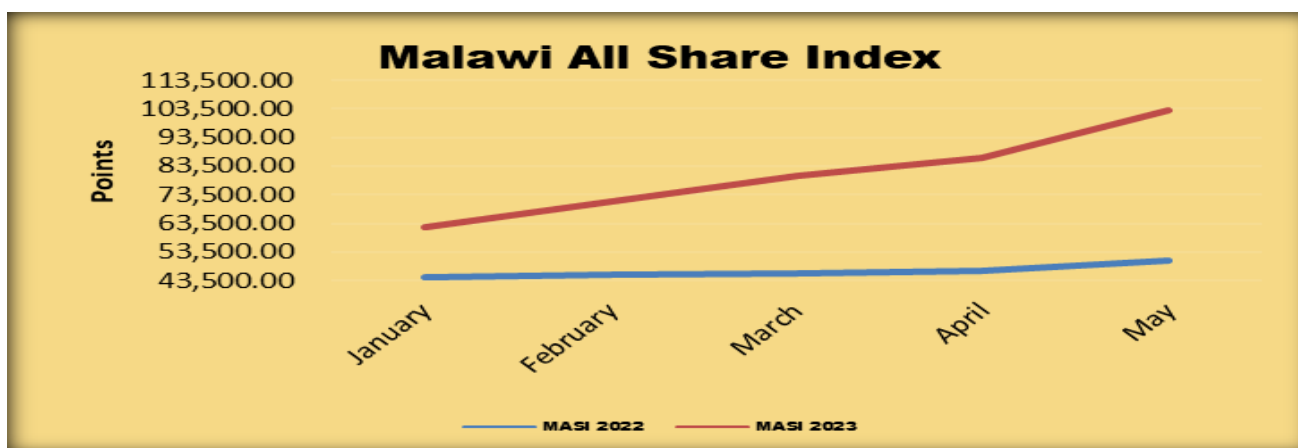
1. TRADING SUMMARY

The market registered a positive month-on-month return on index of 18.94%(18.94% in US\$ terms), 65.77% YTD . The market also registered an increase in both total traded value and volume of shares.

There were no trades on the Debt Securities Board.

Index Levels and Return – May 2023

INDEX	May 2023	April 2023	% Monthly Δ 2023	% Monthly Δ 2022	% Δ YTD. 2023
MASI	102,837.75	86,462.61	18.94 ▲	7.17 ▲	65.77 ▲
DSI	83,365.40	70,512.35	18.23 ▲	4.70 ▲	64.09 ▲
FSI	10,396.15	8,202.52	26.74 ▲	27.72 ▲	85.17 ▲



	May 2023	April 2023	Monthly % Δ	May 2022	Y-O-Y %Δ
Traded Value (MK)	11,316,451,770.53	1,518,686,328.86	645.15 ▲	3,630,199,189.34	211.73 ▲
Traded Value (US\$)	11,025,006.82	1,479,573.94	645.15 ▲	4,308,278.87	155.90 ▲
Traded Vol. Shares	119,471,956	19,494,634	512.85 ▲	46,207,730	158.55 ▲
No. of Transactions	1,330	657	102.44 ▲	330	303.03 ▲
Index Close (MASI)	102,837.75	86,462.61	18.94 ▲	50300.44	104.45 ▲
Listed Debt Securities	58	60		46	
Traded Debt Securities	00	00		00	
Listed companies	16	16		16	
Traded Companies	16	16		15	
Not Traded Companies	00	00		01	
Gainers	13	10		07	
Decliners	02	05		05	
Unchanged	01	01		03	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 119,471,956 shares at a total consideration of MK11,316,451,770.53 (US\$11,025,006.82) in 1,330 trades in the month of May 2023. In the previous month of April 2023, the market transacted a total of 19,494,634 shares at a total consideration of MK1,518,686,328.86 (US\$1,479,573.94) in 657 trades. This reflects a **512.85%** increase in terms of share volume traded and a **645.15%** (**645.15%** in US Dollar terms) increase in share value traded. Of the shares traded 2,802,062 NICO shares traded as a negotiated deal at a total consideration of MK448.33 million.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 5,689,141 shares compared to 1,146,743 shares traded in April 2023, reflecting an increase of **396.11%**.

The average daily turnover for May 2023 was MK538,878,655.74 (US\$525,000.32) compared to MK89,334,489.93 (US\$87,033.76) in April 2023, reflecting an increase of **503.21%** (**503.21%** 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 86,462.61 points registered in April 2023 to 102,837.75 points registered in May 2023, giving a month-on-month return on index of **18.94%** (**18.94%** in US\$ terms). The price gains registered by FDHB (65.84%), TNM(58.64%), SUNBIRD(50.40%), NITL(32.00%), ILLOVO(31.93%), FMBCH (27.01%), AIRTEL(24.94%), NBS(10.95%), OMU(10.00%), NICO(9.72%), STANDARD (2.22%), MPICO(0.05%) and NBM(0.01%) were enough to offset share price losses registered by BHL(-8.76%), and PCL(-0.001%) resulting into an upward movement of the Malawi All Share Index. The Domestic and the Foreign Share Indices inched upwards by 18.23% to 83,365.40 points and by 26.74% to 10,396.15 points respectively.

Equity market capitalization increased in both Malawi Kwacha and US Dollar terms from MK4.66 trillion (US\$4.54 billion) to MK5.54 trillion (US\$5.40 billion).

C. Market Liquidity

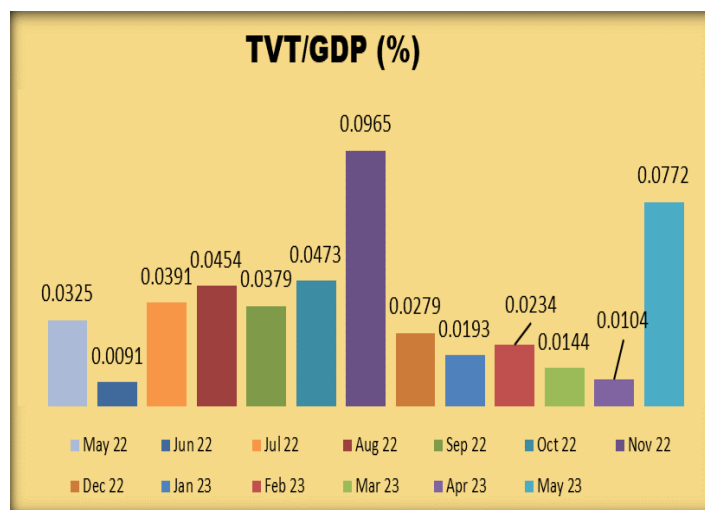
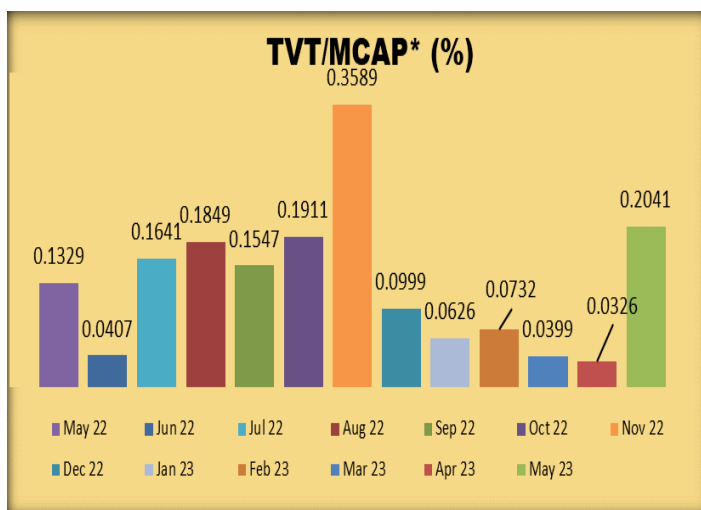
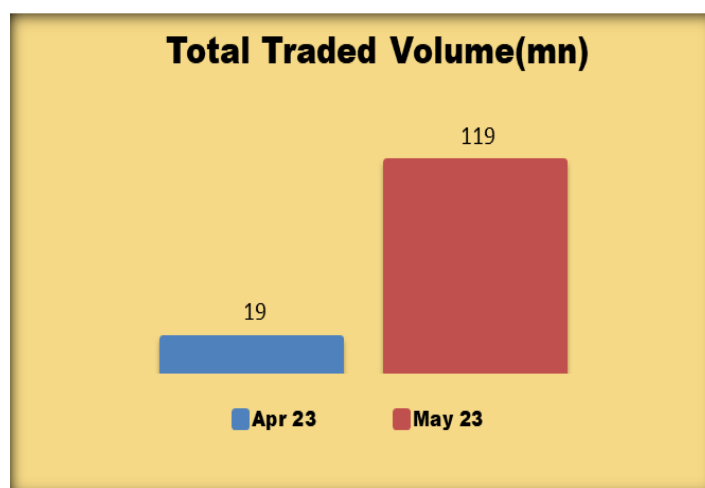
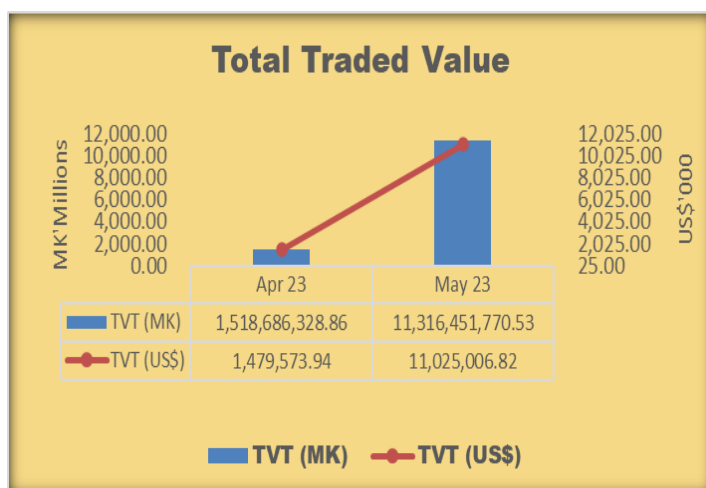
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***), an indicator of the liquidity of assets traded on the market, in May 2023 was recorded at 0.20%, higher than 0.03% registered in April 2023. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.08% in May 2023 while during the previous month, April 2023, liquidity was at 0.013%.

Market capitalization as a percentage of GDP was at 37.82% in May 2023 and 31.80% in April 2023.



MALAWI STOCK EXCHANGE

2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers:
Thirteen counters
registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
FDHB	MWFDHB001166	FDH Bank plc	65.84 ▲
TNM	MWTNM0010126	Telekom Networks Malawi plc	58.64 ▲
SUNBIRD	MWSTL0010085	Sunbird tourism plc	50.40 ▲
NITL	MWNITL010091	NITL plc	32.00 ▲
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	31.93 ▲

B. Top 5 Losers: Two
counters registered
capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
BHL	MWBHL0010029	Blantyre Hotels plc	-8.76
PCL	MWPCL0010053	Press Corporation plc	-0.001

C. Top 5 Volume
Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	34,764,493	29.10
FDHB	MWFDHB001166	FDH Bank plc	25,289,094	21.17
ICON	MWICON001146	ICON Properties plc	23,093,293	19.33
NITL	MWNITL010091	NITL plc	7,689,093	6.44
NICO	MWNICO010014	NICO Holdings plc	7,680,871	6.43

D. Top 5 Value
Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NITL	MWNITL010091	NITL plc	2,533,320,270.00	22.39
NBM	MWNB0010074	NBM plc	2,576,459,930.00	22.77
FDHB	MWFDHB001166	FDH Bank plc	1,592,295,558.00	14.07
NICO	MWNICO010014	NICO Holdings plc	1,236,517,568.35	10.93
TNM	MWTNM0010126	Telekom Networks Malawi plc	942,311,241.00	8.33



3. COMPANY TRADING PERFORMANCE

In the secondary market, 119.47 million shares were transacted at a total consideration of MK11.32 billion (US\$11.03 million) in 1,330 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	80.08	100.05	80.09	100.05	24.94%	971,698	93,903,433.81	98	1,100,550,000,000.00
BHL	10.96	10.96	10.00	10.00	-8.76%	5,935,895	59,459,496.56	15	8,397,507,050.00
FDHB	38.90	65.06	42.00	64.51	65.84%	25,289,094	1,592,295,558.00	304	445,185,525,937.50
FMBCH	163.00	207.02	162.99	207.02	27.01%	1,085,644	193,619,804.42	43	508,906,915,000.00
ICON	11.26	11.26	11.25	11.26	0.00%	23,093,293	260,029,623.60	41	75,216,800,000.00
ILLOVO	850.03	1,121.42	850.03	1,121.42	31.93%	130,375	145,695,596.29	73	800,070,808,955.22
MPICO	20.57	20.58	20.00	20.58	0.05%	4,077,297	83,662,806.74	65	47,293,816,726.80
NBM	2,000.09	2,000.30	2,000.10	2,000.29	0.01%	1,288,044	2,576,459,930.00	52	933,998,886,204.02
NBS	80.00	94.30	80.00	88.76	10.95%	6,678,606	615,209,278.00	185	258,342,491,078.56
NICO	150.00	165.00	150.00	164.58	9.72%	7,680,871	1,236,517,568.35	92	171,663,703,579.68
NITL	250.00	330.00	250.00	330.00	32.00%	7,689,093	2,533,320,270.00	47	44,550,000,000.00
OMU	1,025.01	1,127.52	1,025.01	1,127.51	10.00%	619,008	697,937,784.23	25	15,803,928,826.64
PCL	2,181.29	2,181.29	2,181.27	2,181.27	-0.001%	123,736	269,902,652.53	21	262,310,412,491.40
STANDARD	2,250.04	2,300.01	2,250.04	2,300.01	2.22%	4,031	9,095,692.00	3	539,739,119,281.62
SUNBIRD	120.01	180.50	120.01	180.50	50.40%	40,778	7,031,035.00	14	47,215,655,690.00
TNM	17.94	30.00	17.96	28.46	58.64%	34,764,493	942,311,241.00	252	285,751,207,000.00
Total						119,471,956	11,316,451,770.53	1,330	5,544,996,777,821.44



4. BOND TRADING PERFORMANCE

In the period under review, there were 58 Malawi Government Treasury Notes with a total nominal value of MK2.39 trillion as at 31 May 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
3TNR	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
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



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
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
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	192,466,668,758,078.00

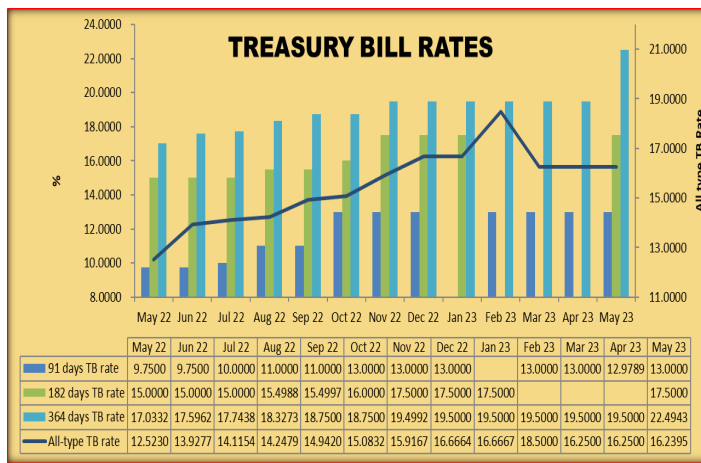
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

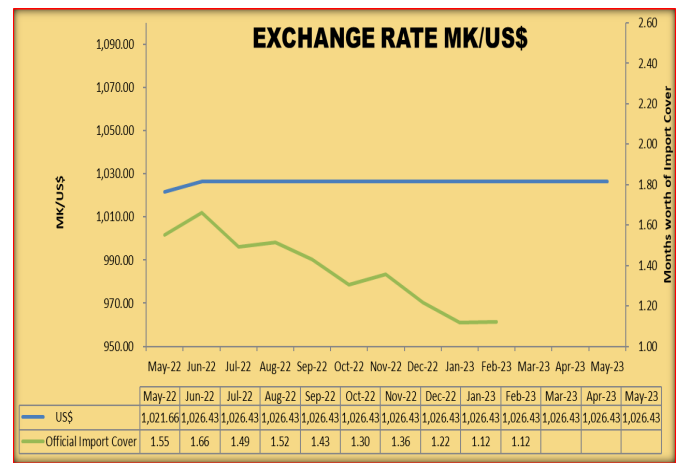
Interest Rates

During the period under review, the 91 day Tbill and the 364 day Tbill inched upwards by 0.0211% from 12.9789% to 13.0000% and by 2.9943% from 19.5000% to 22.4943% respectively. The yield on the 182 days Tbill was at 17.5000%.



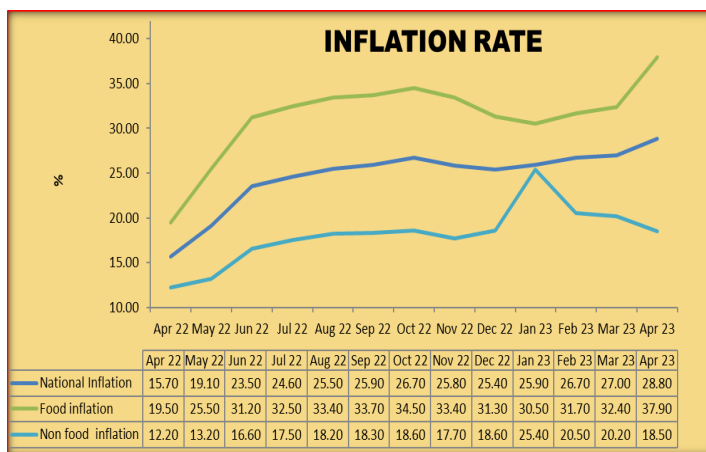
Exchange Rates

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.



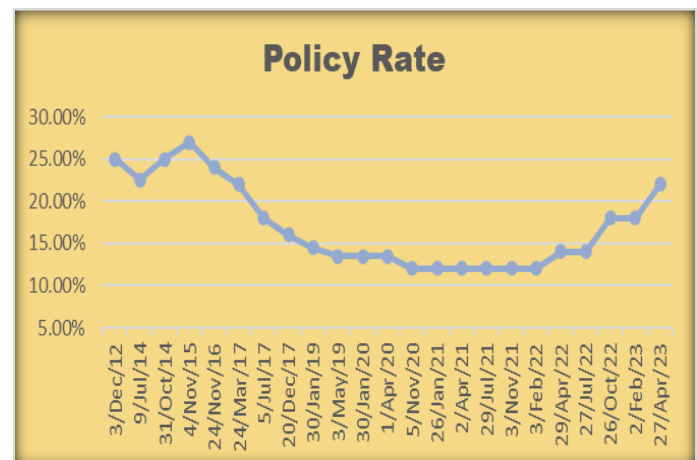
Inflation Rates

Headline inflation inched upwards by 1.80 percentage points from 27.00% in March, 2023 to 28.80% in May, 2023.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held from 26-27 April 2023 increased the policy rate by 400 basis points to 22%.



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