

SECOND QUARTER MARKET REPORT APRIL – JUNE 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.



MALAWI STOCK EXCHANGE

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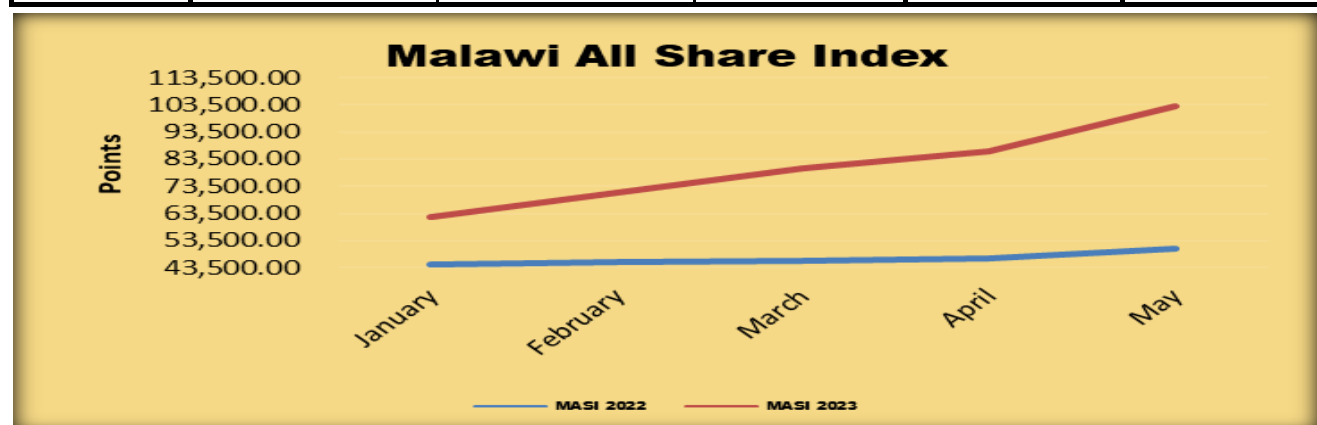
1. TRADING SUMMARY

The market was bullish in Q2 2023 as it registered a positive return on index of **35.32%**(**31.85%** in US\$ terms), compared to **8.00%**(**-14.10%** in US\$ terms) in Q2 2022. The market also registered an increase in both total traded value and volume of shares.

There were no trades on the debt securities market.

Index Levels and Return – 2nd Qtr. 2023

INDEX	APRIL, 2023	JUNE, 2023	% Δ 2nd QTR. 2023	% Δ 2nd QTR. 2022	% Δ YTD. 2023
MASI	80,298.12	108,656.97	35.32 ▲	8.00 ▲	75.15 ▲
DSI	64,886.76	87,071.03	34.19 ▲	3.80 ▲	71.39 ▲
FSI	8,381.79	12,276.49	46.47 ▲	56.25 ▲	118.66 ▲



Trading Statistics – 2nd Qtr. 2023

	2 nd Qtr. 2023	2 nd Qtr. 2022	Y-O-Y % Δ
Traded Value (MK)	24,959,665,828.11	11,979,481,753.40	108.35 ▲
Traded Value (US\$)	24,147,924.03	14,263,108.43	69.30 ▲
Traded Vol. Shares	232,382,498	166,088,409	39.91 ▲
No. of Transactions	3,396	929	265.55 ▲
Index Close (MASI)	108,656.97	49,596.14	119.08 ▲
Listed Debt Securities	57	46	
Traded Debt Securities	00	01	
Listed companies	16	16	
Traded Companies	16	16	
Not Traded	00	00	
Gainers	13	06	
Decliners	02	07	
Unchanged	01	03	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 232,382,498 shares at a total consideration of MK24,959,665,828.11 (US\$24,147,924.03) in 3,396 trades. In the corresponding period 2022, the market transacted a total of 166,088,409 shares at a total consideration of MK11,979,481,753.40 (US\$14,263,108.43) in 929 trades. This reflects a **39.91%** increase in terms of share volume and a **108.35%** (**69.30%** in US Dollar terms) increase in share value. Of the shares traded, 8.8 million AIRTEL and 2.8 million NICO shares traded as negotiated deals at a total consideration of MK1.30 billion.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 3,809,549 shares compared to 2,722,761 shares traded in the corresponding second quarter of 2022 reflecting an increase of **39.91%**.

The average daily turnover for the second quarter 2023 was MK409,174,849.64 (US\$395,867.61) compared with MK196,384,946.78 (US\$233,821.45) for the corresponding second quarter 2022, reflecting an increase of **108.35%** (**69.30%** 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 80,298.12 points registered on 3 April 2023 to 108,656.97 points registered on 30th June 2023, giving a return on index of **35.32%**, (**31.85%** in US\$ terms) compared to **8.00%**, (**-14.10%** in US\$ terms) registered in Q2 of 2022. The price gains registered by NBS(109.73%), TNM(93.35%), NITL(74.99%), FDHB (64.06%), ICON(59.71%), SUNBIRD(50.43%), ILLOVO(49.52%), FMBCH(46.96%), AIRTEL(33.40%), NICO(19.88%), NBM(15.88%), OMU(9.09%) and STANDARD(6.79%) were enough to offset share price losses registered by BHL(-8.21%) and PCL(-0.002%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share and the Foreign Share indices inched upwards by 34.19% and 46.47% to 87,071.03 and 12,276.49 points respectively.

Market capitalization increased in both Malawi Kwacha and United States Dollar terms from MK4.33 trillion (US\$4.22 billion) to MK5.86 trillion (US\$5.56 billion) in the period under review.

C. Market Liquidity

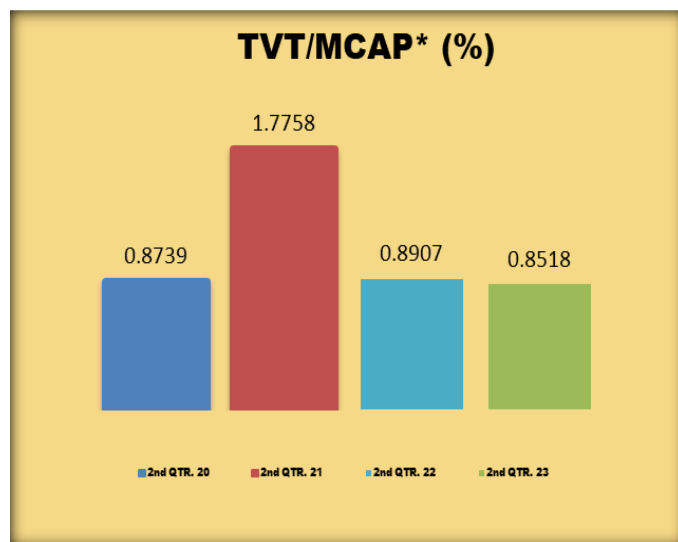
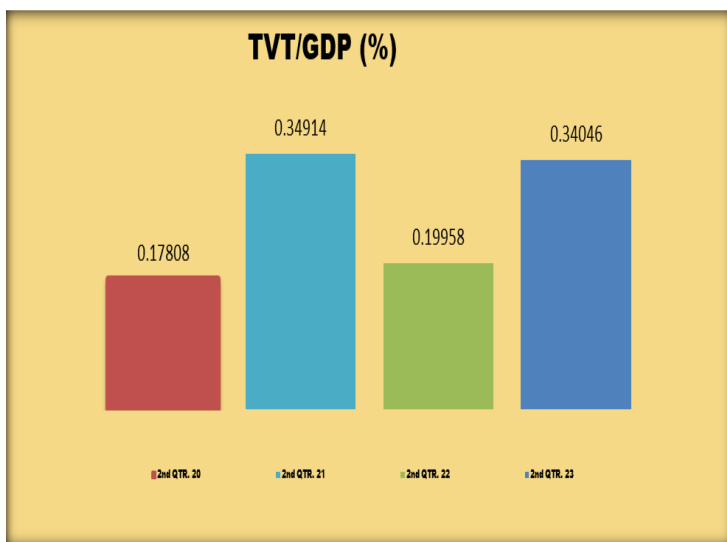
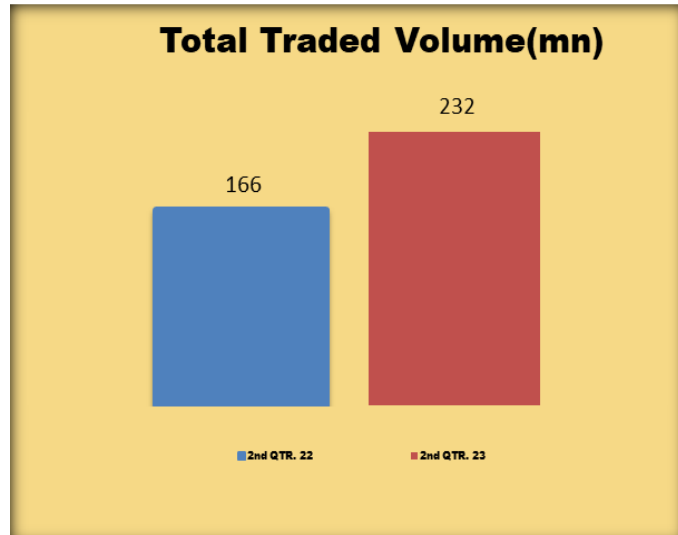
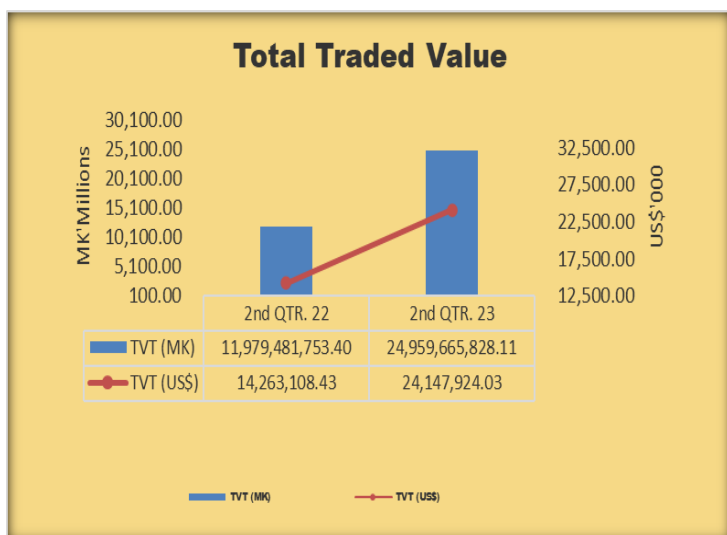
The turnover velocity measured by the ratio of Total Value of Trades to Market Capitalisation (**TVT/MCAP***), an indicator of the liquidity of assets traded on the market, in the quarter under review was recorded at 0.85%, lower than 0.89% registered in second quarter 2022. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.34% in the review period while during the corresponding period of 2022 liquidity was at 0.20%.

Market capitalization as a percentage of GDP was at 39.97% in Q2 2023 whilst in Q2 2022 it was at 24.08% .

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Thirteen Counters registered gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
NBS	MWNBS0010105	NBS Bank plc	109.73 ▲
TNM	MWTNM0010126	Telekom Networks Malawi plc	93.35 ▲
NITL	MWNITL010091	NITL plc	74.99 ▲
FDHB	MWFDHB001166	FDH Bank plc	64.06 ▲
ICON	MWICON001146	ICON Properties plc	59.71 ▲

B. Top Losers: Two Counter registered losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
BHL	MWBHL0010029	Blantyre Hotels plc	-8.21
PCL	MWPCL0010053	Press Corporation plc	-0.002

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	56,062,768	24.13
TNM	MWTNM0010126	Telekom Networks Malawi plc	49,718,261	21.40
ICON	MWICON001146	ICON Properties plc	47,611,647	20.49
AIRTEL	MWAIRT001156	Airtel Malawi plc	19,014,231	8.18
NBS	MWNBS0010105	NBS Bank plc	17,721,096	7.63

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBM	MWNBM0010074	National Bank of Malawi plc	8,305,619,462.77	33.28
FDHB	MWFDHB001166	FDH Bank plc	3,343,992,079.35	13.40
NITL	MWNITL010091	NITL plc	2,687,089,310.00	10.77
AIRTEL	MWAIRT001156	Airtel Malawi plc	1,803,809,986.74	7.23
NICO	MWNICO010014	NICO Holdings plc	1,665,786,057.13	6.67

3. COMPANY TRADING PERFORMANCE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	75.01	100.06	75.02	100.06	33.40%	19,014,231	1,803,809,986.74	332	1,100,660,000,000.00
BHL	10.96	10.96	10.00	10.06	-8.21%	9,339,245	93,736,730.46	34	8,447,892,092.30
FDHB	38.98	65.06	38.70	63.95	64.06%	56,062,768	3,343,992,079.35	678	441,320,948,437.50
FMBCH	166.98	250.00	162.99	245.39	46.96%	3,467,299	706,639,979.55	129	603,229,967,500.00
ICON	11.89	19.00	11.25	18.99	59.71%	47,611,647	540,810,093.85	98	126,853,200,000.00
ILLOVO	750.00	1,121.44	750.00	1,121.41	49.52%	363,787	386,466,814.92	181	800,063,674,511.31
MPICO	20.58	20.58	20.00	20.58	0.00%	4,703,125	96,538,940.35	91	47,293,816,726.80
NBM	1,766.29	2,050.00	1,766.29	2,046.71	15.88%	4,153,810	8,305,619,462.77	273	955,673,857,481.98
NBS	62.89	132.01	63.00	131.90	109.73%	17,721,096	1,577,684,663.00	508	383,904,625,656.40
NICO	136.00	165.00	136.00	163.04	19.88%	10,407,145	1,665,786,057.13	197	170,057,420,291.84
NITL	200.01	350.01	200.01	350.00	74.99%	8,199,979	2,687,089,310.00	113	47,250,000,000.00
OMU	880.04	1,127.52	960.00	960.00	9.09%	724,648	810,164,904.25	48	13,279,170,240.00
PCL	2,181.30	2,181.30	2,181.26	2,181.26	-0.002%	135,064	294,612,254.25	36	262,309,209,933.20
STANDARD	2,200.60	2,350.01	2,200.60	2,350.01	6.79%	537,117	1,234,199,391.95	135	551,472,527,381.62
SUNBIRD	120.00	180.52	120.00	180.52	50.43%	223,276	37,446,030.00	44	47,220,887,341.60
TNM	15.50	30.00	16.00	29.97	93.35%	49,718,261	1,375,069,129.54	499	300,912,286,500.00
Total						232,382,498	24,959,665,828.11	3,396	5,859,949,484,094.55



4. BOND TRADING PERFORMANCE

In the period under review, there were 57 Malawi Government Treasury Notes with a total nominal value of MK2.33 trillion.

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
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
TN03	83.3589	83.3589	83.3589	83.3589	0.00%	0	0.00	0	1,220,282,601,210.00

4. BOND TRADING PERFORMANCE



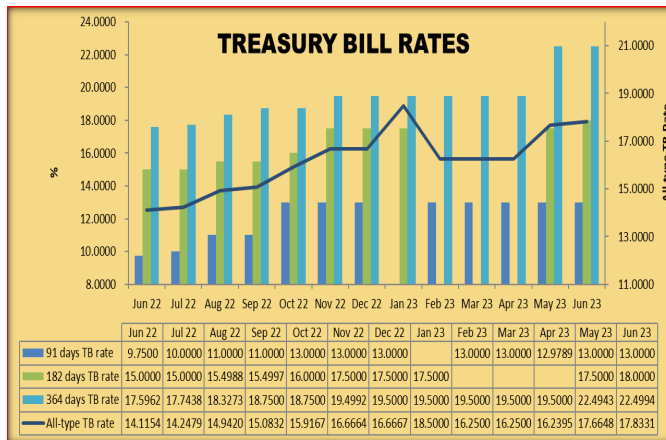
MALAWI STOCK EXCHANGE

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	189,586,998,150,398.00

5. ECONOMIC REVIEW

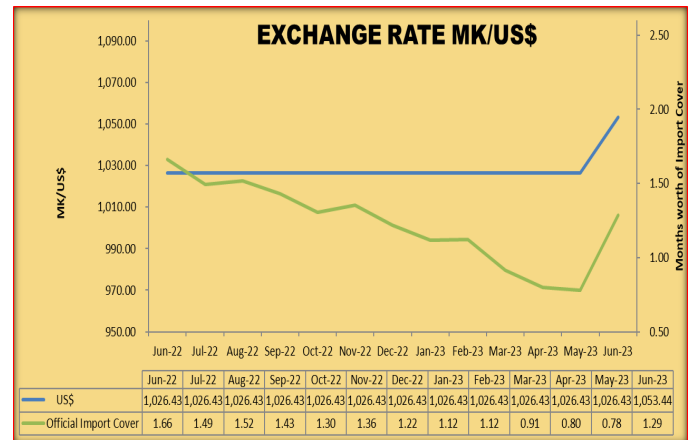
Interest Rates

During the quarter under review, the yields on the 91 days Tbills and the 182 days Tbill were at 13.0000% and 18.0000% respectively whilst the 364 days Tbill inched upwards from 19.5000% to 22.4994%.



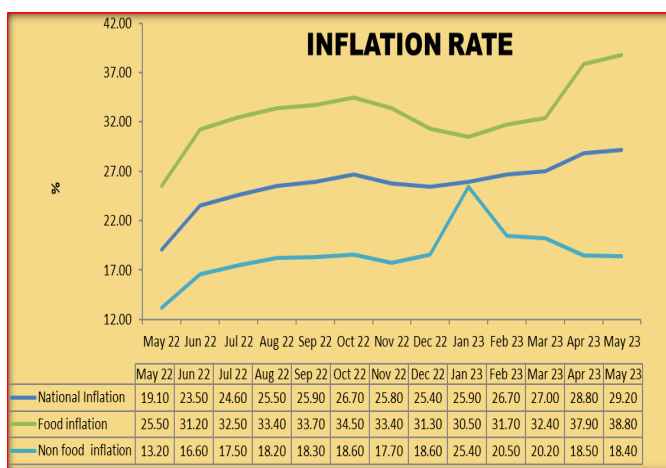
Exchange Rates

The Kwacha depreciated against the United States Dollar by 2.56% in the period under review. Gross official reserves were at 1.29 months worth of import cover on 30 June 2023.



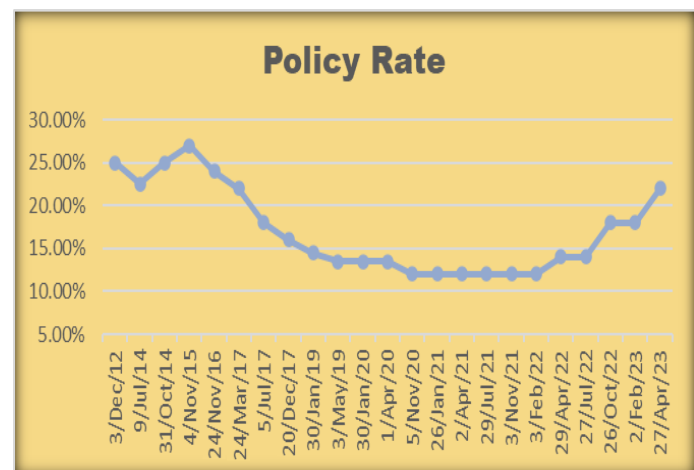
Inflation Rates

Headline inflation inched upwards by 0.04 percentage points from 28.80% in April, 2023 to 29.20% 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%.



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