

MONTHLY MARKET REPORT

AUGUST 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.

For more information, contact the Malawi Stock Exchange

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<https://www.mse.co.mw>

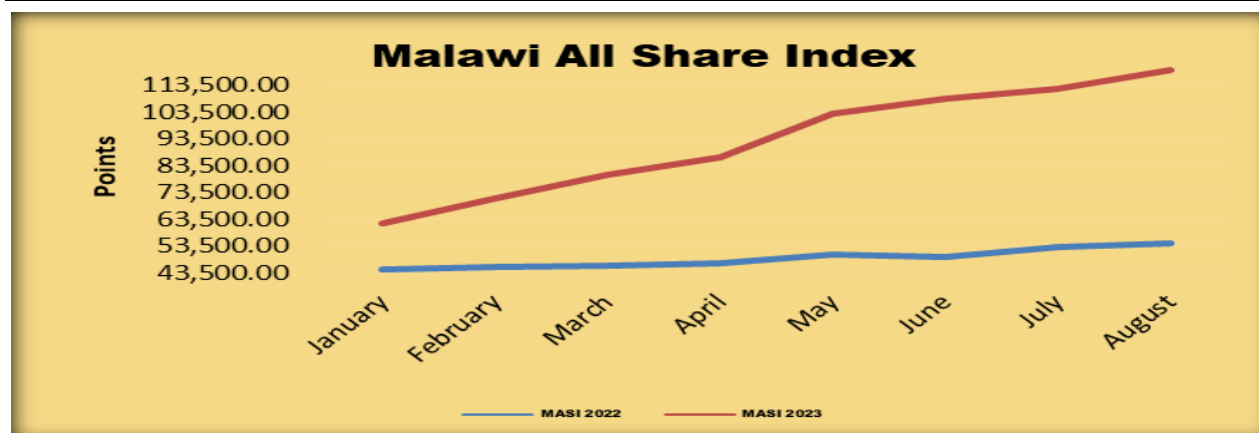
1. TRADING SUMMARY

The market registered a positive month-on-month return on index of **5.85%** (2.81% in US\$ terms), **91.95%** (81.66% in US\$ terms) 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 – August 2023

INDEX	August 2023	July 2023	% Monthly Δ 2023	% Monthly Δ 2022	% Δ YTD. 2023
MASI	119,077.99	112,497.02	5.85 ▲	2.96 ▲	91.95 ▲
DSI	90,336.93	88,368.95	2.23 ▲	3.26 ▲	77.81 ▲
FSI	19,947.76	14,982.64	33.14 ▲	0.00 ■	255.30 ▲



	August 2023	July 2023	Monthly % Δ	August 2022	Y-O-Y %Δ
Traded Value (MK)	7,825,579,322.59	5,619,236,664.99	39.26 ▲	5,451,082,198.85	43.56 ▲
Traded Value (US\$)	7,215,180.80	5,334,190.34	35.26 ▲	5,310,695.04	35.86 ▲
Traded Vol. Shares	64,967,291	37,473,913	73.37 ▲	132,789,838	-51.08
No. of Transactions	1,274	947	34.53 ▲	396	221.72 ▲
Index Close (MASI)	119,077.99	112,497.02	5.85 ▲	54,454.45	118.67 ▲
Listed Debt Securities	56	57		43	
Traded Debt Securities	00	00		00	
Listed companies	16	16		16	
Traded Companies	15	16		14	
Not Traded Companies	01	00		02	
Gainers	09	10		06	
Decliners	04	03		03	
Unchanged	02	03		05	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 64,967,291 shares at a total consideration of MK7,825,579,322.59 (US\$7,215,180.80) in 1,274 trades in the month of August 2023. In the previous month of July 2023, the market transacted a total of 37,473,913 shares at a total consideration of MK5,619,236,664.99 (US\$5,334,190.34) in 947 trades. This reflects a **73.37%** increase in terms of share volume traded and a **39.26%** (**35.26%** in US Dollar terms) increase in share value traded.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 2,824,665 shares compared to 1,784,472 shares traded in July 2023, reflecting an increase of **58.29%**.

The average daily turnover for August 2023 was MK340,242,579.24 (US\$313,703.51) compared to MK267,582,698.33 (US\$254,009.06) in July 2023, reflecting an increase of **27.15%** (**23.50%** 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 112,497.02 points registered in July 2023 to 119,077.99 points registered in August 2023, giving a month-on-month return on index of **5.85%** (**2.81%** in US\$ terms). The price gains registered by FMBCH (33.33%), FDHB(14.76%), OMU(9.38%), STANDARD(4.12%), NBM(2.49%), SUNBIRD (0.52%), AIRTEL(0.40%), NITL(0.01%) and ILLOVO(0.001%) were enough to offset share price losses registered by TNM(-0.13%), ICON(-0.05%), NBS(-0.04%) and NICO (-0.01%) resulting into an upward movement of the Malawi All Share Index. The Domestic and the Foreign Share Indices inched upwards by 2.23% to 90,336.93 points and by 33.14% to 19,947.76 points respectively.

Equity market capitalization increased in both Malawi Kwacha and US Dollar terms from MK6.07 trillion (US\$5.76 billion) to MK6.44 trillion (US\$5.94 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 August 2023 was recorded at 0.12%, higher than 0.09% registered in July 2023. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.05% in August 2023 while during the previous month, July 2023, liquidity was at 0.04%.

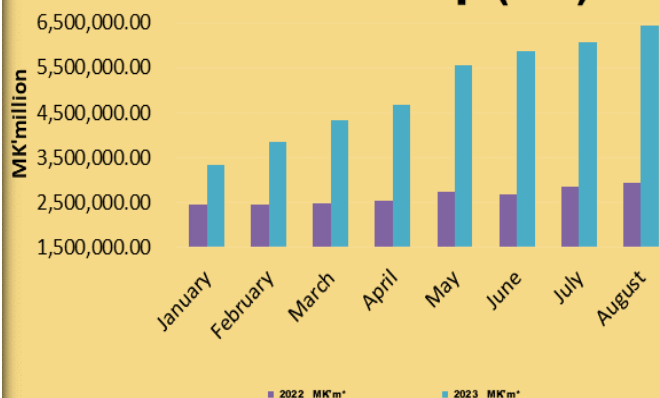
Market capitalization as a percentage of GDP was at 43.91% in August 2023 and 41.41% in July 2023.



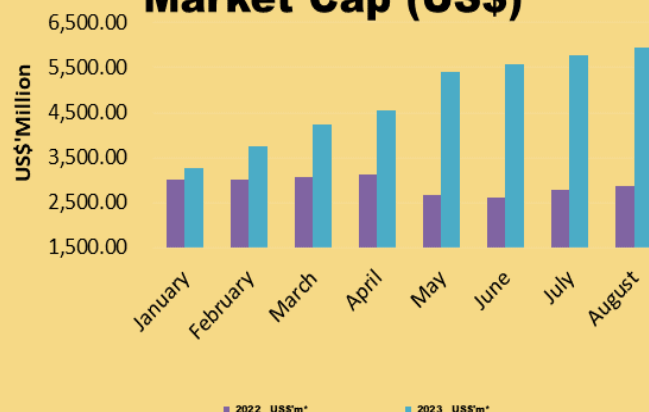
MALAWI STOCK EXCHANGE

2. MARKET PERFORMANCE

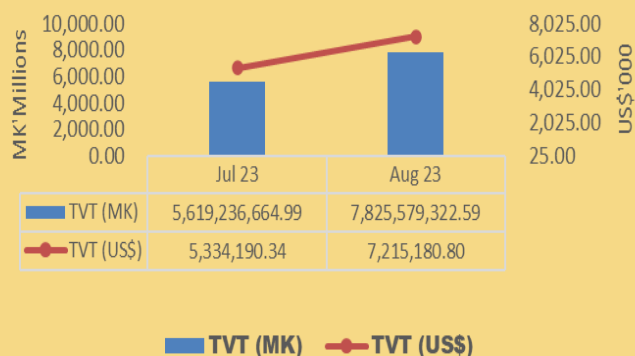
Market Cap (MK)



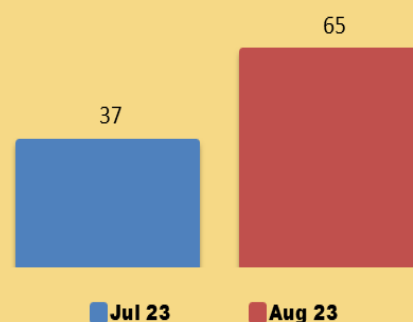
Market Cap (US\$)



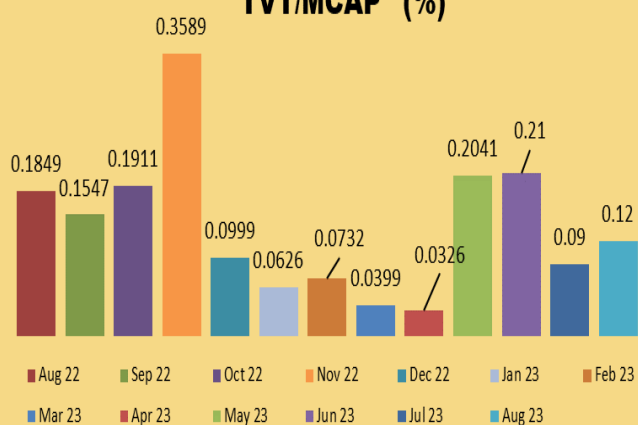
Total Traded Value



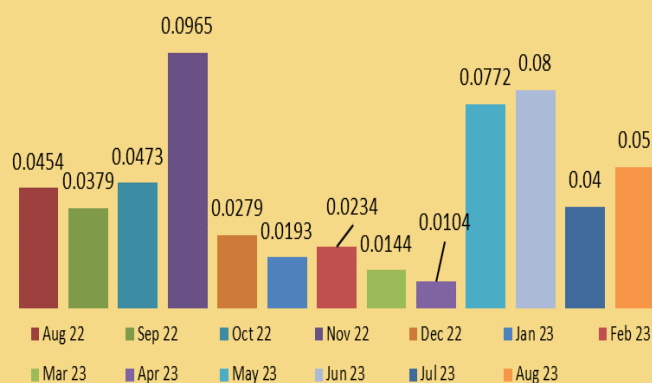
Total Traded Volume(mn)



TVT/MCAP* (%)



TVT/GDP (%)



3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers:

Nine counters
registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
FMBCH	MWFMB0010138	FMB Capital holdings plc	33.33 ▲
FDHB	MWFDHB001166	FDH Bank plc	14.76 ▲
OMU	ZAE000255360	Old Mutual Limited	9.38 ▲
STANDARD	MWSTD0010041	Standard Bank Malawi plc	4.12 ▲
NBM	MWNB0010074	NBM plc	2.49 ▲

B. Top 5 Losers: Four counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
TNM	MWTNM0010126	Telekom Networks Malawi plc	-0.13
ICON	MWICON001146	ICON Properties plc	-0.05
NBS	MWNBS0010105	NBS Bank plc	-0.04
NICO	MWNICO0010014	NICO Holdings plc	-0.01

C. Top 5 Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	32,288,643	49.70
TNM	MWTNM0010126	Telekom Networks Malawi plc	18,020,033	27.74
NBS	MWNBS0010105	NBS Bank plc	5,252,858	8.09
AIRTEL	MWAIRT001156	Airtel Malawi plc	4,237,167	6.52
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	1,534,557	2.36

D. Top 5 Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
FDHB	MWFDHB001166	FDH Bank plc	2,421,284,036.00	30.94
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	1,720,867,261.03	21.99
NBM	MWNB0010074	NBM plc	1,142,978,494.00	14.61
NBS	MWNBS0010105	NBS Bank plc	693,346,262.15	8.86
TNM	MWTNM0010126	Telekom Networks Malawi plc	540,417,397.28	6.91



3. COMPANY TRADING PERFORMANCE

In the secondary market, 64.97 million shares were transacted at a total consideration of MK7.83 billion (US\$5.31 million) in 1,274 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	100.07	101.00	100.07	100.47	0.40%	4,237,167	425,326,447.55	116	1,105,170,000,000.00
BHL	10.06	10.06	10.06	10.06	0.00%	0	0.00	0	8,447,892,092.30
FDHB	66.21	76.01	66.22	75.98	14.76%	32,288,643	2,421,284,036.00	443	524,340,354,375.00
FMBCH	300.01	400.00	300.01	400.00	33.33%	443,381	155,454,585.00	55	983,300,000,000.00
ICON	18.97	18.97	18.95	18.96	-0.05%	379,811	7,204,616.69	24	126,652,800,000.00
ILLOVO	1,121.41	1,121.42	1,121.40	1,121.42	0.00%	1,534,557	1,720,867,261.03	64	800,070,808,955.22
MPICO	20.56	20.56	20.56	20.56	0.00%	11,293	232,184.08	6	47,247,855,777.60
NBM	2,050.00	2,101.00	2,050.00	2,101.00	2.49%	544,628	1,142,978,494.00	99	981,023,581,538.00
NBS	132.00	132.00	131.95	131.95	-0.04%	5,252,858	693,346,262.15	141	384,050,154,324.20
NICO	163.01	163.05	163.00	163.00	-0.01%	947,317	154,421,079.81	78	170,015,698,648.00
NITL	401.00	402.00	401.00	401.03	0.01%	1,274,501	511,088,843.00	39	54,139,050,000.00
OMU	960.00	1,050.00	960.00	1,050.00	9.38%	15,082	15,836,100.00	6	14,171,527,650.00
PCL	2,508.00	2,508.00	2,507.00	2,508.00	0.00%	5,090	12,765,040.00	8	301,601,596,560.00
STANDARD	2,401.05	2,501.00	2,401.05	2,500.04	4.12%	9,480	23,700,726.00	11	586,679,791,726.48
SUNBIRD	190.01	191.00	190.01	191.00	0.52%	3,450	656,250.00	2	49,962,272,780.00
TNM	29.99	30.00	29.94	29.95	-0.13%	18,020,033	540,417,397.28	182	300,711,477,500.00
Total						64,967,291	7,825,579,322.59	1,274	6,437,584,861,926.80



4. BOND TRADING PERFORMANCE

In the period under review, there were 56 Malawi Government Treasury Notes with a total nominal value of MK2.31 trillion as at 31 August 2023.

There were no trades in the secondary market.

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
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
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
TN03	83.3589	83.3589	83.3589	83.3589	0.00%	0	0.00	0	14,638,900,000.00



4. BOND TRADING PERFORMANCE

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	2,314,484,317,000.00

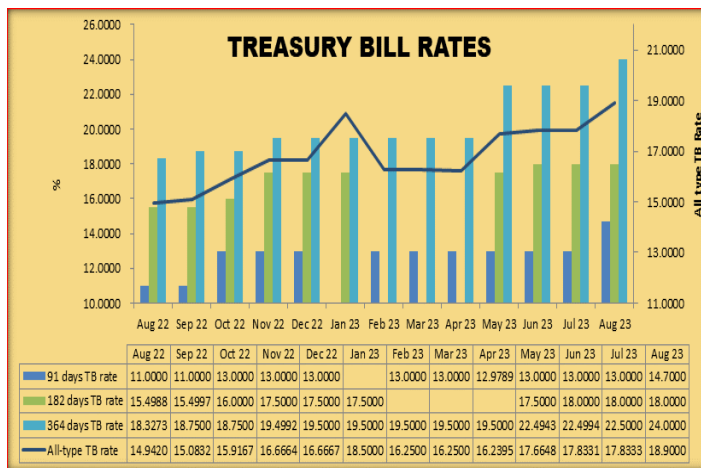
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

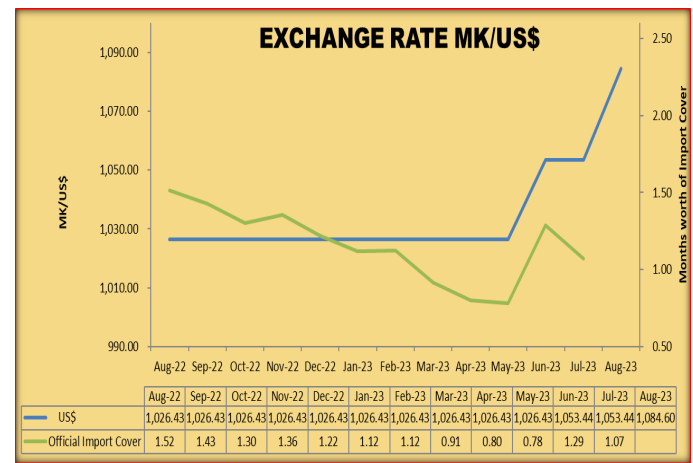
Interest Rates

During the period under review, the 91 day Tbill and the 364 day Tbill inched upwards by 1.7000% from 13.0000% to 14.7000% and by 1.5000% from 22.5000% to 24.0000% respectively whilst the yield on 182 days Tbill was steady at 18.0000%.



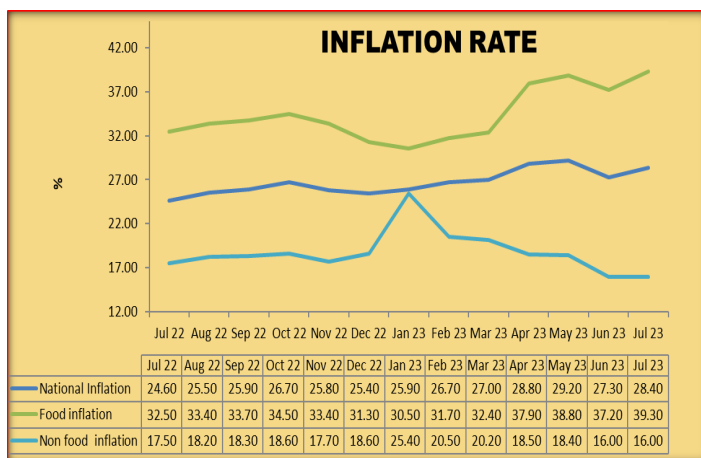
Exchange Rates

The Kwacha depreciated by 2.87% against the United States Dollar in the period under review. Gross official reserves were at 1.07 months worth of import cover as at 31 July 2023.



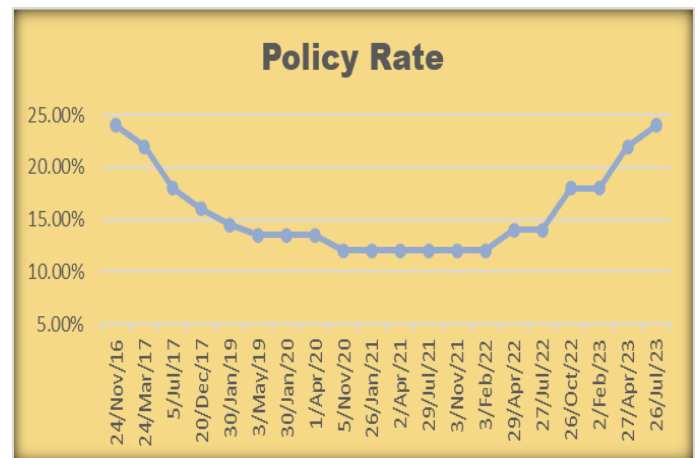
Inflation Rates

Headline inflation inched upwards by 1.10 percentage points from 27.30 in June, 2023 to 28.40% in July, 2023.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 26 July 2023 increased the policy rate by 200 basis points to 24%.



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