

MONTHLY MARKET REPORT

FEBRUARY 2024



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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>



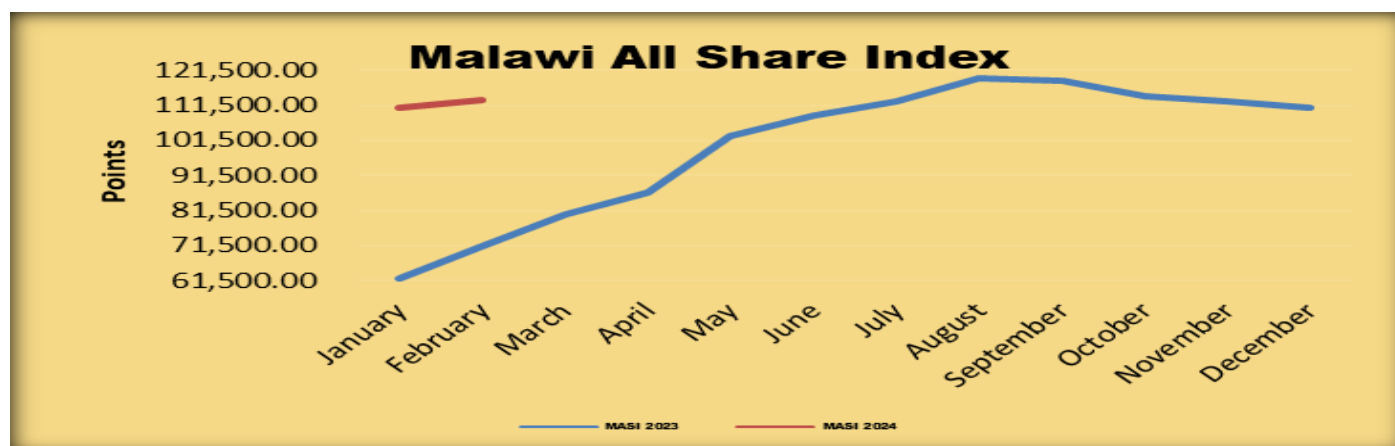
1. TRADING SUMMARY

In the month of February 2024, the market registered a negative month-on-month return on index of **-2.27%** (-2.27% in US\$ terms), **1.88%** YTD. The market however, registered an increase in both total traded value and volume of shares.

There were no trades on the 78 Debt Securities Board.

Index Levels and Return – February 2024

INDEX	February 2024	January 2024	% Monthly Δ 2024	% Monthly Δ 2023	% Δ YTD. 2024
MASI	113,039.66	115,670.54	-2.27	3.82 ▲	1.88 ▲
DSI	84,454.87	86,383.46	-2.23	4.27 ▲	-2.21
FSI	20,597.92	21,124.59	-2.49	0.10 ▲	30.43 ▲



	February 2024	January 2024	Monthly % Δ	February 2023	Y-O-Y % Δ
Traded Value (MK)	3,275,820,728.05	2,072,775,239.46	58.04 ▲	2,809,273,235.20	16.61 ▲
Traded Value (US\$)	1,945,994.01	1,231,327.51	58.04 ▲	2,736,923.22	-28.90
Traded Vol. Shares	21,645,195	11,982,617	80.64 ▲	28,502,498	-24.06
No. of Transactions	893	870	2.64 ▲	507	76.13 ▲
Index Close (MASI)	113,039.66	115,670.54	-2.27	71,069.31	59.06 ▲
Listed Debt Securities	78	79		62	
Traded Debt Securities	00	00		00	
Listed companies	16	16		16	
Traded Companies	16	16		15	
Not Traded Companies	00	00		01	
Gainers	07	10		09	
Decliners	07	06		05	
Unchanged	02	00		01	

2. MARKET PERFORMANCE

A. Trade Performance Analysis The market transacted a total of 21,645,195 shares at a total consideration of MK3,275,820,728.05 (US\$1,945,994.01) in 893 trades in the month of February 2024. In the previous month of January 2024, the market transacted a total of 11,982,617 shares at a total consideration of MK2,072,775,239.46 (US\$1,231,327.51) in 870 trades. This reflects an **80.64%** increase in terms of share volume traded and a **58.04%** (**58.04%** 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 1,030,724 shares compared to 570,601 shares traded in January 2024, reflecting an increase of **80.64%**.

The average daily turnover for February 2024 was MK155,991,463.24 (US\$92,666.38) compared to MK98,703,582.83 (US\$58,634.64) in January 2024, reflecting an increase of **58.04%** (**58.04%** in US Dollar terms).

B. Market Capitalization and Index The market registered a negative return on index as reflected in the downward movement of the Malawi All Share Index (MASI) from 115,670.54 points registered in January 2024 to 113,039.66 points registered in February 2024, giving a month-on-month return on index of **-2.27%** (**-2.27%** in US\$ terms). The price gains registered by FDHB(0.23%), BHL(0.08%), NITL(0.015%), ILLOVO(0.008%), NBM(0.004%), STANDARD(0.003%) and PCL(0.002%) were not enough to offset share price losses registered by TNM(-25.00%), AIRTEL(-9.26%), NBS(-4.32%), FMBCH(-2.52%), NICO (-2.46%), MPICO(-1.67%) and ICON(-0.71%) resulting into a downward movement of the Malawi All Share Index. The Domestic Share and the Foreign Share Indices fell by -2.23% to 84,454.87 points and by -2.49% to 20,597.92 points respectively.

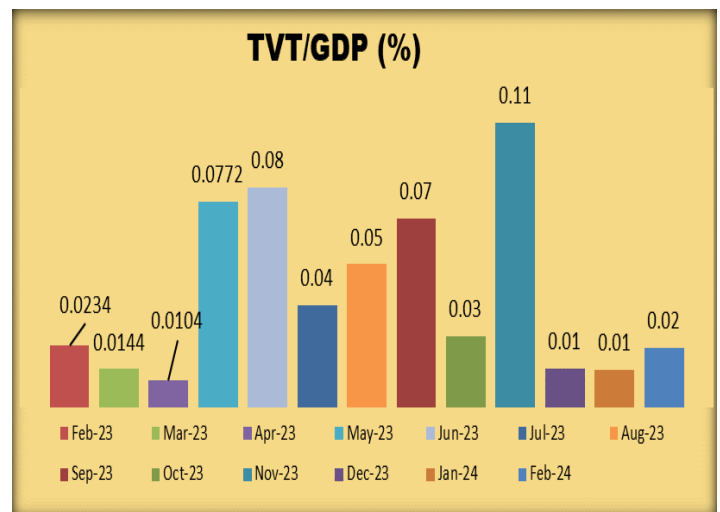
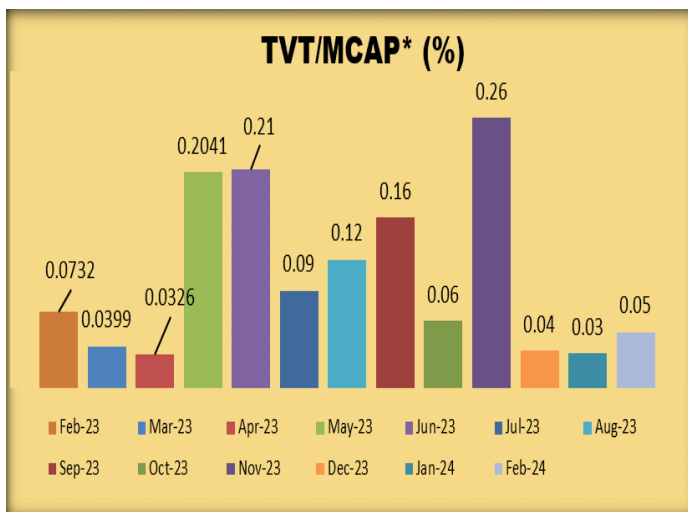
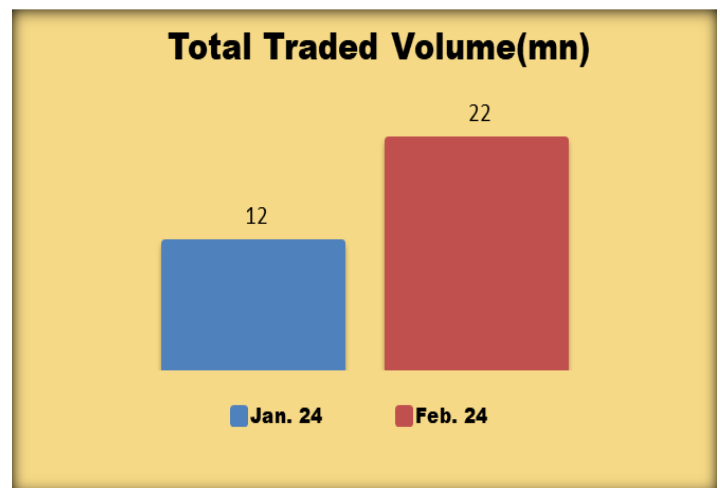
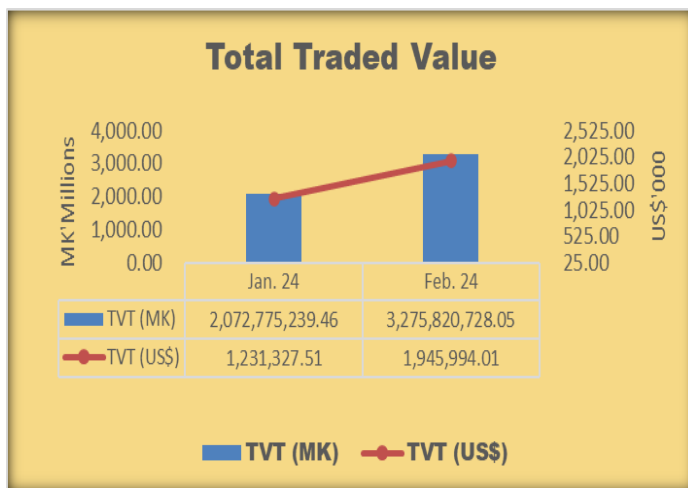
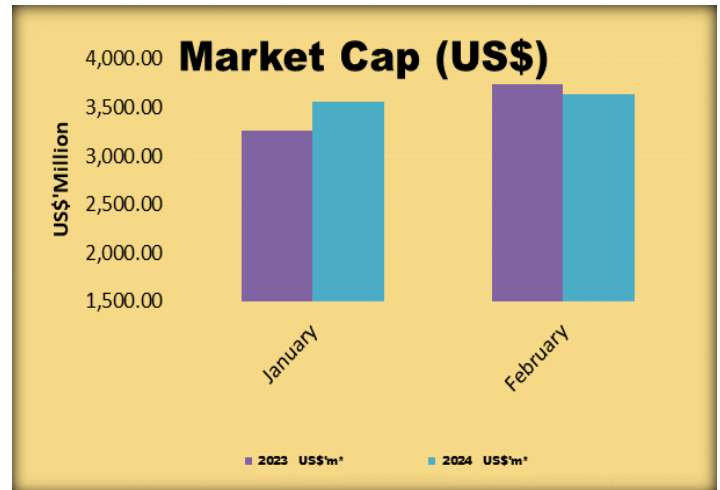
Equity market capitalization decreased in both Malawi Kwacha and US Dollar terms from MK6.26 trillion (US\$3.72 billion) to MK6.12 trillion (US\$3.63 billion).

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 February 2024 was recorded at 0.05%, higher than 0.03% registered in January 2024. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.02% in February 2024 while during the previous month, January 2024, liquidity was at 0.01%.

Market capitalization as a percentage of GDP was at 41.92% in February 2024 and 42.90% in January 2024.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers:

Seven counters
registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
FDHB	MWFDHB001166	FDH Bank plc	0.23 ▲
BHL	MWBHL0010029	Blantyre Hotels plc	0.23 ▲
NITL	MWNITL010091	National Investment Trust plc	0.015 ▲
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	0.008 ▲
NBM	MWNB0010074	NBM plc	0.004 ▲

B. Top 5 Losers: Seven counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
TNM	MWTNM0010126	Telekom Networks Malawi plc	-25.00
AIRTEL	MWAIRT001156	Airtel Malawi plc	-9.26
NBS	MWNBS0010105	NBS Bank plc	-4.32
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-2.52
NICO	MWNICO010014	NICO Holdings plc	-2.46

C. Top 5 Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	6,206,564	28.67
MPICO	MWMPI0010116	MPICO plc	4,928,367	22.77
TNM	MWTNM0010126	Telekom Networks Malawi plc	4,282,637	19.79
AIRTEL	MWAIRT001156	Airtel Malawi plc	2,711,258	12.53
NBS	MWNBS0010105	NBS Bank plc	1,645,405	7.60

D. Top 5 Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBM	MWNB0010074	NBM plc	2,071,609,681.30	63.24
FDHB	MWFDHB001166	FDH Bank plc	403,640,460.00	12.32
NBS	MWNBS0010105	NBS Bank plc	181,669,420.63	5.55
AIRTEL	MWAIRT001156	Airtel Malawi plc	144,856,966.90	4.42
NICO	MWNICO010014	NICO Holdings plc	88,584,355.69	2.70



3. COMPANY TRADING PERFORMANCE

In the secondary market, 21.65 million shares were transacted at a total consideration of MK3.28 billion (US\$1.95 million) in 893 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	55.10	55.11	49.99	50.00	-9.26%	2,711,258	144,856,966.90	126	550,000,000,000.00
BHL	13.02	13.03	13.02	13.03	0.08%	31,200	406,536.00	1	10,941,951,686.15
FDHB	65.00	65.15	64.99	65.15	0.23%	6,206,564	403,640,460.00	183	449,602,185,937.50
FMBCH	422.63	422.63	412.00	412.00	-2.52%	201,598	83,810,581.60	58	1,012,799,000,000.00
ICON	17.00	16.90	16.88	16.88	-0.71%	48,746	823,658.44	6	112,758,400,000.00
ILLOVO	1,350.00	1,350.12	1,350.01	1,350.11	0.008%	49,936	67,416,636.00	68	963,228,406,733.01
MPICO	14.97	14.97	14.72	14.72	-1.67%	4,928,367	72,781,226.35	32	33,827,258,611.20
NBM	2,101.72	2,101.81	2,101.72	2,101.80	0.004%	985,636	2,071,609,681.30	116	981,397,126,928.40
NBS	114.94	114.97	106.99	109.98	-4.32%	1,645,405	181,669,420.63	106	320,104,857,692.88
NICO	204.97	204.98	199.90	199.92	-2.46%	441,771	88,584,355.69	70	208,524,775,912.32
NITL	411.42	411.48	411.43	411.48	0.015%	84,433	34,739,719.08	35	55,549,800,000.00
OMU	1,500.02	1,500.02	1,500.02	1,500.02	0.00%	493	739,509.86	5	19,469,151,085.22
PCL	2,506.95	2,507.00	2,506.95	2,507.00	0.002%	13,594	34,079,994.00	12	301,481,340,740.00
STANDARD	3,950.05	3,950.17	3,950.05	3,950.17	0.003%	7,057	27,876,237.44	24	926,979,133,487.54
SUNBIRD	195.02	195.02	195.02	195.02	0.00%	6,500	1,267,630.00	3	51,013,834,751.60
TNM	16.00	16.00	12.00	12.00	-25.00%	4,282,637	61,518,114.76	48	120,485,400,000.00
Total						21,645,195	3,275,820,728.05	893	6,118,162,623,565.82



4. BOND TRADING PERFORMANCE

In the period under review, there were 8 Development Bonds and 70 Treasury Notes issued by Malawi Government with a total nominal value of MK3.61 trillion as at 29 February 2024.

There were no trades in the secondary market.

Counter Bonds	Nominal Value Issued (MKmn)	Maturity Date	Coupon Rate	BID	OFFER	LAST	Face Value traded (K'000)
03TNY	112,687.7130	21-Apr-25	11.00	0.0000	0.0000	80.7182	0.0000
10TN8	11,758.9000	29-Dec-32	15.00	0.0000	0.0000	55.9618	0.0000
10TNY	47,342.2760	1-Jun-33	15.00	0.0000	0.0000	52.0498	0.0000
23TN5	46,276.0400	26-Jan-28	12.50	0.0000	0.0000	64.6972	0.0000
25TN7	26,899.4000	17-Oct-29	13.50	0.0000	0.0000	59.7366	0.0000
2DB07	28,180.8000	24-Nov-29	14.50	0.0000	0.0000	60.6393	0.0000
3TNRY	10,431.3500	28-Jun-25	11.00	0.0000	0.0000	76.8326	0.0000
3TNYR	31,446.0280	15-Dec-25	11.00	0.0000	0.0000	74.9507	0.0000
9DB05	16,069.9600	29-Jun-28	13.50	0.0000	0.0000	41.6165	0.0000
BD05Y	8,079.6910	1-Dec-27	13.50	0.0000	0.0000	66.1055	0.0000
CTN05	37,830.0000	23-Mar-28	12.50	0.0000	0.0000	63.2752	0.0000
DB07I	11,896.6000	10-Mar-29	14.50	0.0000	0.0000	72.5761	0.0000
DB10Y	692.9000	28-Apr-32	16.00	0.0000	0.0000	72.0496	0.0000
DB7FF	18,097.8000	1-Sep-29	14.50	0.0000	0.0000	62.1614	0.0000
DB7GF	29,584.6500	2-Mar-30	14.50	0.0000	0.0000	60.5778	0.0000
DB820	18,463.1000	19-Aug-31	16.00	0.0000	0.0000	72.3338	0.0000
GTN05	52,582.7000	4-May-28	12.50	0.0000	0.0000	61.4978	0.0000
M02TN	57,982.0000	16-Mar-25	10.00	0.0000	0.0000	81.3651	0.0000
N02T	118,048.8320	19-May-24	10.00	0.0000	0.0000	87.5763	0.0000
NDT07	53,119.2200	20-Apr-30	13.50	0.0000	0.0000	55.7311	0.0000
R10TN	115,106.4200	29-Sep-32	15.00	0.0000	0.0000	59.3652	0.0000
RTN05	144,429.2000	11-Aug-27	12.50	0.0000	0.0000	68.0190	0.0000
T0119	8,431.0000	20-Jan-32	15.00	0.0000	0.0000	69.2256	0.0000
T012	125,981.1880	7-May-25	12.50	0.0000	0.0000	81.0399	0.0000
T0127	30,905.6400	27-Jan-27	12.50	0.0000	0.0000	74.9917	0.0000
T02DX	40,613.1000	3-Nov-24	10.00	0.0000	0.0000	82.9730	0.0000
T02JH	93,374.1250	16-Feb-26	11.00	0.0000	0.0000	75.2701	0.0000
T02KK	125,488.1330	15-Sep-24	10.00	0.0000	0.0000	83.2350	0.0000
T02NA	56,543.7650	4-Mar-24	10.00	0.0000	0.0000	88.7905	0.0000
T02QL	71,904.1650	19-Jan-25	10.00	0.0000	0.0000	82.9472	0.0000
T03BN	94,914.2570	10-Feb-25	11.00	0.0000	0.0000	81.6864	0.0000
T03SD	92,902.5200	11-Nov-24	11.00	0.0000	0.0000	87.3825	0.0000
T03TX	22,755.9300	8-Apr-24	11.00	0.0000	0.0000	82.3607	0.0000
T03VV	113,694.9950	25-Aug-25	11.00	0.0000	0.0000	76.2257	0.0000
T05NT	19,624.0200	2-Sep-26	12.50	0.0000	0.0000	84.3890	0.0000
T05QZ	129,295.7340	21-Oct-26	12.50	0.0000	0.0000	78.6668	0.0000
T05RR	26,849.4500	17-Nov-27	12.50	0.0000	0.0000	66.1551	0.0000
T0731	6,846.5000	29-Jul-28	13.50	0.0000	0.0000	72.1403	0.0000



4. BOND TRADING PERFORMANCE

T07GK	77,232.2000	14-Jul-29	13.50	0.0000	0.0000	62.1619	0.0000
T07JK	25,857.0000	2-Feb-30	13.50	0.0000	0.0000	59.8482	0.0000
T07YR	109,005.9580	15-Jun-30	13.50	0.0000	0.0000	54.6082	0.0000
T103	36,495.0000	23-Jul-25	12.50	0.0000	0.0000	77.4237	0.0000
T10BZ	5,000.0000	28-Oct-31	15.00	0.0000	0.0000	70.6450	0.0000
T10LK	93,435.2250	23-Feb-33	15.00	0.0000	0.0000	57.4336	0.0000
T10NX	5,463.5000	30-Sep-31	15.00	0.0000	0.0000	68.4575	0.0000
T10YR	15,975.0000	17-Sep-30	15.00	0.0000	0.0000	71.7006	0.0000
T2511	7,458.6000	25-Nov-28	13.50	0.0000	0.0000	73.3232	0.0000
T2MM	69,162.2000	28-Jul-24	10.00	0.0000	0.0000	84.6553	0.0000
T3YRX	27,158.6900	5-Aug-24	11.00	0.0000	0.0000	82.3667	0.0000
TN02F	14,972.8830	20-Oct-24	10.00	0.0000	0.0000	82.4461	0.0000
TN03L	55,692.0460	23-Dec-24	11.00	0.0000	0.0000	82.2589	0.0000
TN03N	15,571.8000	30-Jun-24	11.00	0.0000	0.0000	82.3849	0.0000
TN03X	89,955.8000	13-Oct-25	11.00	0.0000	0.0000	74.9966	0.0000
TN05	63,097.3280	5-Dec-24	10.50	0.0000	0.0000	86.2716	0.0000
TN05Y	92,884.1040	24-Dec-25	12.50	0.0000	0.0000	77.3103	0.0000
TN07	78,959.7000	4-Jun-27	13.50	0.0000	0.0000	76.3317	0.0000
TN102	18,811.4140	15-Aug-26	14.00	0.0000	0.0000	87.9849	0.0000
TN10F	15,498.7000	16-Jun-32	15.00	0.0000	0.0000	61.5493	0.0000
TN201	14,326.3700	24-Feb-29	13.50	0.0000	0.0000	71.7603	0.0000
TN3	27,253.4900	25-Mar-26	12.50	0.0000	0.0000	77.0438	0.0000
TN5	70,925.0000	6-May-31	15.00	0.0000	0.0000	70.6523	0.0000
TN50	13,211.0000	22-Oct-25	12.50	0.0000	0.0000	77.1437	0.0000
TN5YC	83,981.0370	24-Mar-27	12.50	0.0000	0.0000	74.7614	0.0000
TN7AF	33,927.0700	20-Aug-27	13.50	0.0000	0.0000	73.8329	0.0000
TN7YR	16,239.7000	9-Jan-27	11.50	0.0000	0.0000	76.7700	0.0000
TN888	5,960.0000	23-Apr-30	15.00	0.0000	0.0000	73.0590	0.0000
TN90	19,447.3600	12-Sep-29	15.50	0.0000	0.0000	88.4233	0.0000
TN92	48,087.0410	27-Dec-25	15.50	0.0000	0.0000	100.0000	0.0000
TNX07	20,450.0000	12-Nov-27	13.50	0.0000	0.0000	76.0578	0.0000
TNX10	11,786.0000	10-Dec-30	15.00	0.0000	0.0000	70.6384	0.0000
TNX7	39,100.2000	17-Jun-28	13.50	0.0000	0.0000	74.3855	0.0000
TNY07	29,960.4190	14-Jan-28	13.50	0.0000	0.0000	75.3418	0.0000
TNYR2	49,368.0710	8-Jun-25	10.00	0.0000	0.0000	78.1983	0.0000
TT05	37,750.9000	3-Jun-26	12.50	0.0000	0.0000	76.9113	0.0000
TX07Y	13,021.0000	22-Apr-28	13.50	0.0000	0.0000	74.6008	0.0000
TX10Z	10,740.0000	18-Feb-31	15.00	0.0000	0.0000	70.6213	0.0000
Y05TN	65,390.7340	2-Jun-27	12.50	0.0000	0.0000	68.6804	0.0000
YR07T	28,722.0370	5-May-29	13.50	0.0000	0.0000	66.3666	0.0000
Total	3,614,464.6790						0.0000

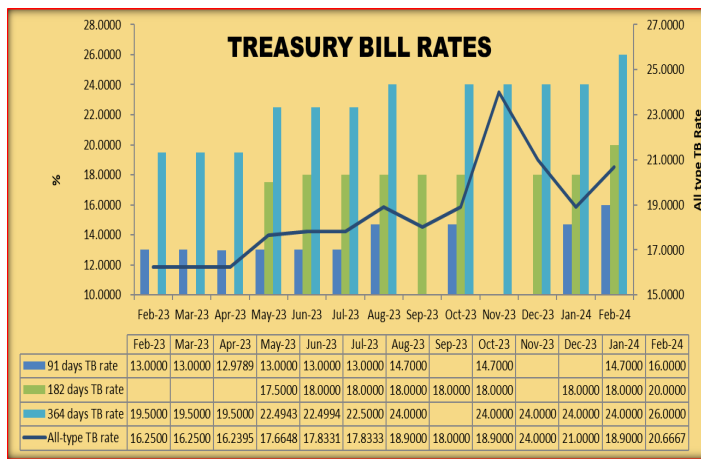
5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

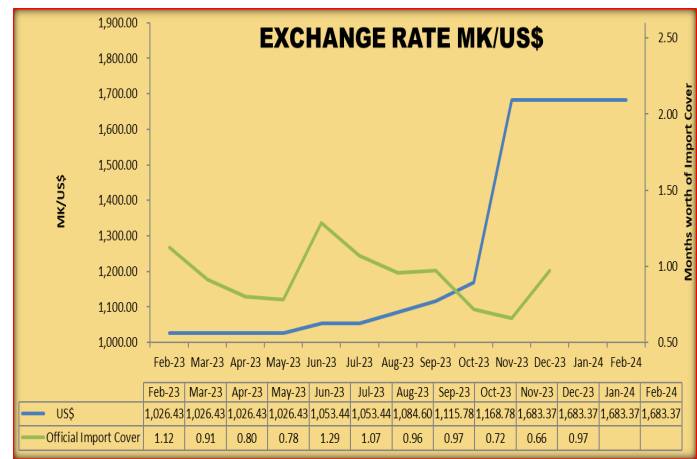
Interest Rates

During the period under review, the yields on the 91 day Tbill, the 182 Tbill and the 364 day Tbill inched upwards by 1.3000% from 14.7000% to 16.0000%, by 2.0000% from 18.0000% to 20.0000% and by 2.0000% from 24.0000% to 26.0000% respectively.



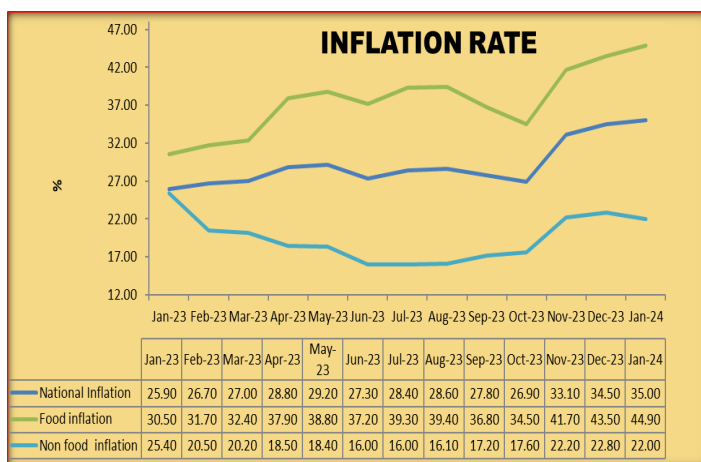
Exchange Rates

The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves were at 0.97 months worth of import cover as at 31 December 2023.



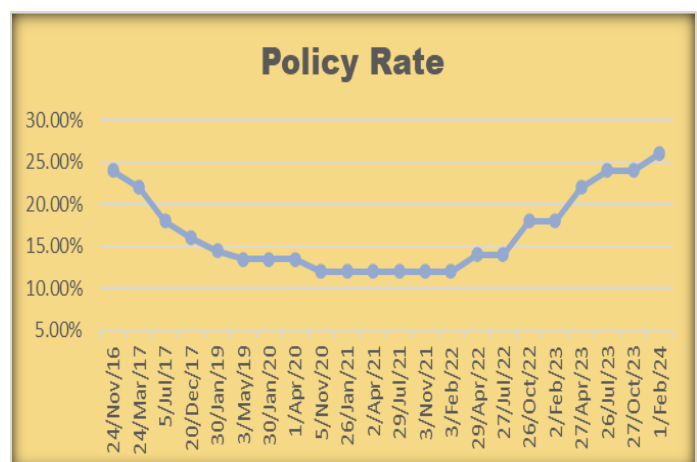
Inflation Rates

Headline inflation inched upwards by 50 basis points from 34.50 in December, 2023 to 35.00% in January, 2024.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 01 February 2024 increased the policy rate by 200 basis points from 24% to 26%.



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