

ANNUAL MARKET PERFORMANCE REVIEW 2022



Old Reserve Bank Building, Victoria Avenue
P/Bag 270
Blantyre
Malawi

Telephone: (265) 01 824 233/0884 824 233

Fax: (265) 01 823 636

E-mail: info@mse.co.mw

Website: www.mse.co.mw

Malawi's global portal

CONTENTS

<i>Trading Summary</i>	1
<i>Market performance</i>	2
<i>Trade performance analysis</i>	2
<i>Market capitalization and index</i>	2
<i>Market liquidity</i>	2
<i>Company trading performance</i>	3
<i>Debt Securities</i>	4
<i>Economic review</i>	5

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>



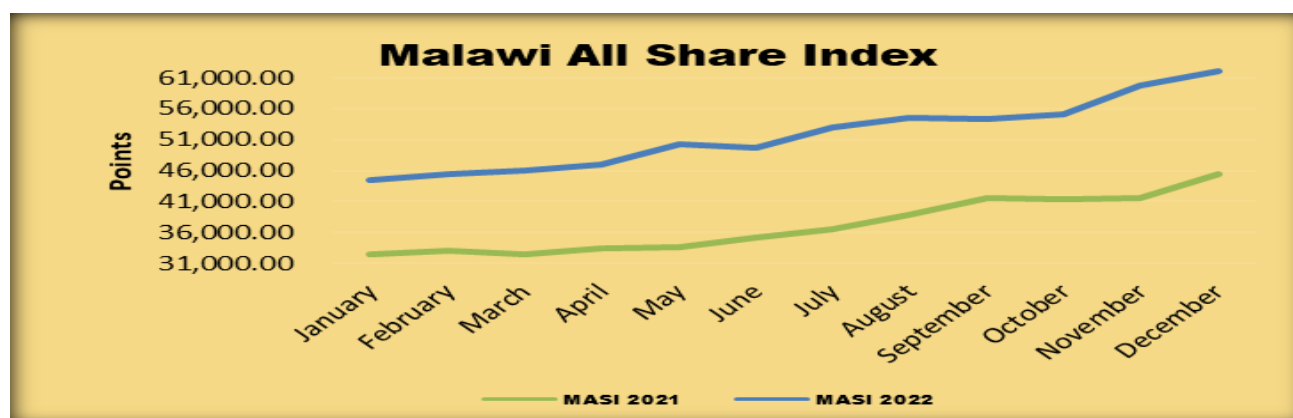
1. TRADING SUMMARY

The market registered a positive return on index of **36.74%** (8.76% in US\$ terms) compared to **40.05%** (33.92% in US\$ terms) in 2021. It however, registered an increase in both volume of shares traded and total value traded compared to the corresponding period 2021.

In the same period under review, the market registered a first trade on one of the debt securities issued by the Malawi Government and also listed 21 Government of Malawi Treasury Notes bringing the total number of listed debt securities to 62.

INDEX	JAN. 2022	DEC. 2022	% Δ 2022 (MK)	% Δ 2022 (US\$)	% Δ 2021 (MK)	% Δ 2021 (US\$)
MASI	45,367.68	62,036.05	36.74 ▲	8.76 ▲	40.05 ▲	33.92 ▲
DSI	37,061.72	50,804.03	37.08 ▲	9.03 ▲	33.53 ▲	28.56 ▲
FSI	4,223.15	5,614.30	32.94 ▲	5.74 ▲	209.64 ▲	151.46 ▲

Year-To-Date Index Levels and Return



	Year 2022	Year 2021	% Δ
Traded Value (MK)	51,719,845,760.25	37,690,252,891.52	37.22 ▲
Traded Value (US\$)	54,088,354.47	43,751,349.63	23.63 ▲
Traded Vol. Shares	1,402,901,021	1,301,122,424	7.82 ▲
No. of Transactions	4,271	3,304	29.27 ▲
Index Close (MASI)	62,036.05	45,367.68	36.74 ▲
Listed Debt Securities	62	46	
Traded Debt Securities	01	01	
Listed Companies	16	16	
Traded Companies	16	16	
Not Traded Companies	00	00	
Gainers	11	12	
Decliners	05	04	
Unchanged	00	00	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

In the year 2022, the market transacted a total of 1,402,901,021 shares at a total consideration of MK51,719,845,760.25 (US\$43,751,349.63) in 4,271 trades. In the corresponding period 2021, the market transacted a total of 1,301,122,424 shares at a total consideration of MK37,690,252,891.52 (US\$43,751,349.63) in 3,304 trades. This reflects a 7.82% increase in share volume traded and a 37.22% (23.63% in US Dollar terms) increase in share value traded. Of the shares traded, 1,300,000 FMBCH, 39,231,138 ICON, 5,750,000 ILLOVO, 78,469,009 NBS and 23,828,130 TNM traded as negotiated deals at a total consideration of MK4,923,335,590.00.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 5,589,247 shares compared to 5,183,755 shares traded in the corresponding period 2021 reflecting an increase of 7.82%.

The average daily turnover for the year 2022 was MK206,055,162.39 (US\$215,491.45) compared with MK150,160,370.09 (US\$174,308.17) for the corresponding period 2021, reflecting an increase of 37.22% (23.63% 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 45,367.68 points registered on 3 January 2022 to 62,036.05 points registered on 31 December 2022, giving a return on index of 36.74%, (8.76% in US\$ terms) compared to 40.05%, (33.92% in US\$ terms) registered in 2021. The price gains registered by eleven counters, NBM(90.35%), ILLOVO(80.00%), NBS(48.47%), STANDARD(42.87%), AIRTEL(41.60%), FMBCH (38.58%), NITL(31.60%), PCL(14.81%), FDHB(9.87%), NICO(9.09%) and SUNBIRD (2.28%) were enough to offset share price losses by OMU(-53.10%), TNM(-38.92%), ICON(-7.29%), BHL(-0.36%) and MPICO(-0.29%) resulting into an upward movement of the Malawi All Share Index. The Domestic and Foreign Share indices inched upwards by 37.08% and 32.94% to close at 50,804.03 and 5,614.30 points respectively.

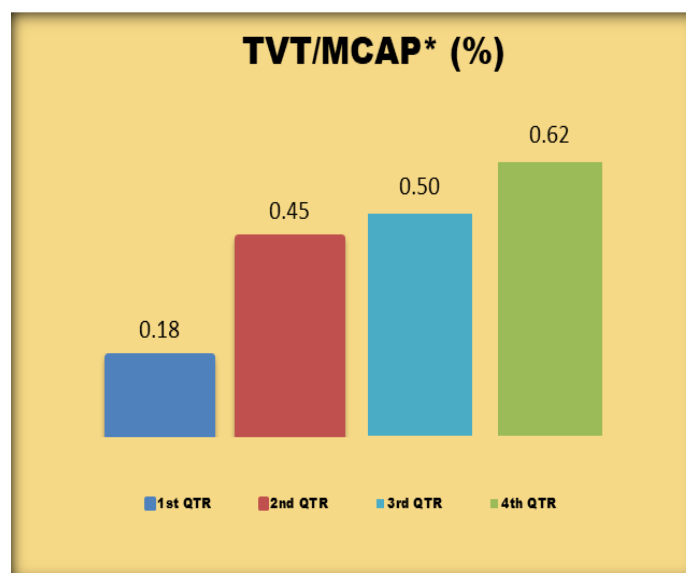
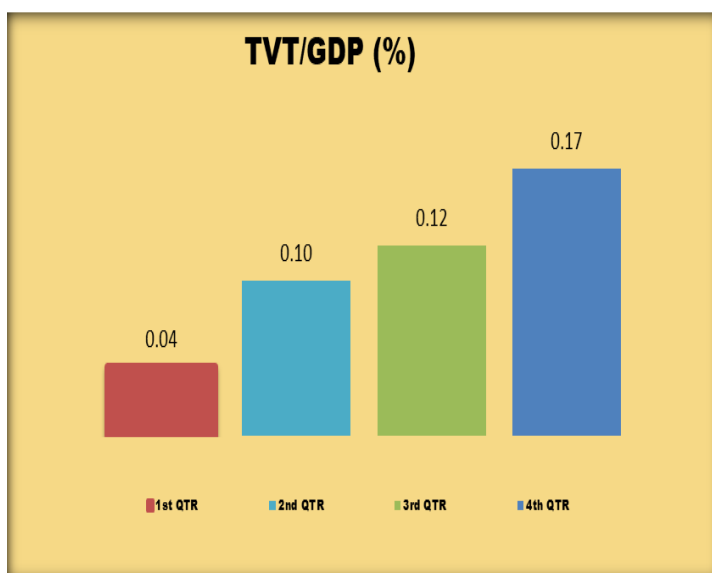
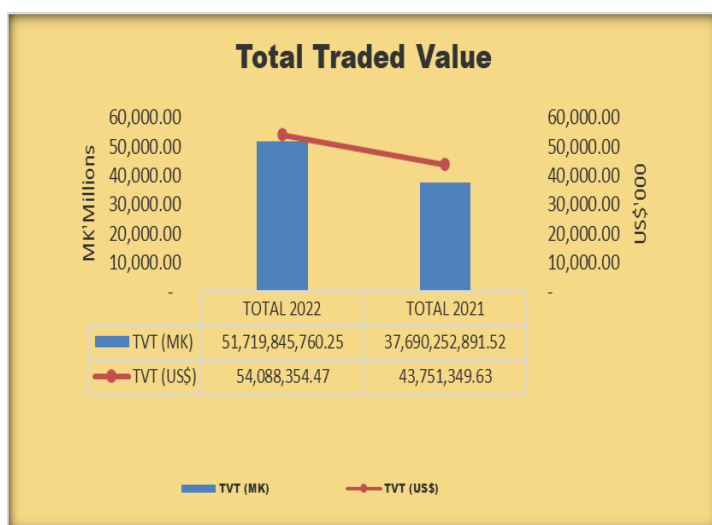
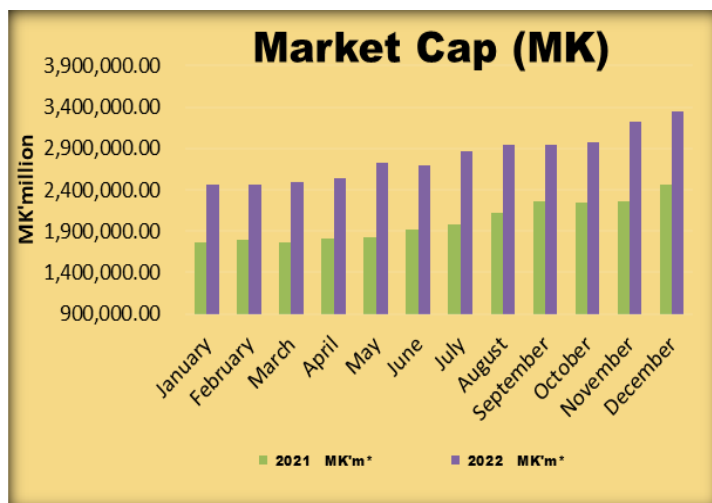
Market capitalization increased both in Kwacha and United States Dollar terms from MK2.46 trillion (US\$3.02 billion) on 01 January 2022 to MK3.35 trillion (US\$3.26 billion) on 31 December 2022.

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 2022 was recorded at 1.54%, higher than 1.53% registered in 2021. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.43% in the review period while during the corresponding period of 2021 liquidity was at 0.38%. Market capitalization as a percentage of GDP was at 27.89% in 2022 whilst in 2021 it was at 25.31%.



2. MARKET PERFORMANCE



3. COMPANY TRADING PERFORMANCE

A. Top 5 gainers:
Eleven counters
registered capital
gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
NBM	MWNB0010074	National Bank of Malawi plc	90.35 ▲
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	80.00 ▲
NBS	MWNB0010101	NBS Bank plc	48.47 ▲
STANDARD	MWSTD0010041	Standard Bank plc	42.87 ▲
AIRTEL	MWAIRT001156	Airtel Malawi plc	41.60 ▲

B. Top 5 Losers: Five
counters
registered
capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
OMU	ZAE000255360	Old Mutual Limited	-53.10
TNM	MWTNM0010126	Telekom Networks Malawi plc	-38.92
ICON	MWICON001146	ICON Properties plc	7.29
BHL	MWBHL0010029	Blantyre Hotels plc	-0.36
MPICO	MWMP0010116	MPICO plc	-0.29

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
FDHB	MWFDHB001166	FDH Bank plc	499,333,405	35.59
TNM	MWTNM0010126	Telekom Networks Malawi plc	468,309,010	33.38
NBS	MWNB0010101	NBS Bank plc	162,637,452	11.59
AIRTEL	MWAIRT001156	Airtel Malawi plc	89,038,536	6.35
ICON	MWICON001146	ICON Properties plc	69,580,378	4.96

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBM	MWNB0010074	National Bank of Malawi plc	8,766,963,967.62	16.95
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	8,178,538,961.41	15.81
FDHB	MWFDHB001166	FDH Bank plc	7,257,253,670.10	14.03
TNM	MWTNM0010126	Telekom Networks Malawi plc	6,449,991,876.55	12.47
AIRTEL	MWAIRT001156	Airtel Malawi plc	4,367,678,910.88	8.44

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	40.00	56.64	40.00	56.64	41.60%	89,038,536	4,367,678,910.88	722	623,040,000,000.00
BHL	11.01	11.01	10.97	10.97	-0.36%	50,000	549,583.00	12	9,212,065,233.85
FDHB	15.81	17.50	12.00	17.37	9.87%	499,333,405	7,257,253,670.10	566	119,870,912,812.50
FMBCH	80.00	145.00	79.94	110.86	38.58%	22,199,847	2,229,872,892.13	279	272,521,595,000.00
ICON	12.89	12.89	11.95	11.95	-7.29%	69,580,378	807,163,346.67	75	79,826,000,000.00
ILLOVO	300.00	540.00	297.00	540.00	80.00%	19,993,476	8,178,538,961.41	283	385,259,971,140.00
MPICO	20.70	20.70	20.64	20.64	-0.29%	7,501,891	155,026,688.50	53	47,431,699,574.40
NBM	810.12	1,542.05	810.12	1,542.05	90.35%	8,537,171	8,766,963,967.62	570	720,032,086,582.90
NBS	22.90	34.25	21.00	34.00	48.47%	162,637,452	3,586,346,471.21	387	98,959,494,104.00
NICO	55.00	60.00	46.72	60.00	9.09%	20,738,142	1,044,518,812.79	181	62,582,465,760.00
NITL	94.98	125.35	94.98	124.99	31.60%	31,405,875	3,864,397,388.51	231	16,873,650,000.00
OMU	2,099.99	2,099.99	985.00	985.00	-53.10%	1,232,795	1,225,107,403.60	22	16,058,838,165.00
PCL	1,900.00	2,182.00	1,899.00	2,181.37	14.81%	298,146	593,947,328.64	87	262,322,438,073.40
STANDARD	1,400.00	2,000.16	1,400.00	2,000.16	42.87%	1,737,744	3,166,404,530.73	154	469,373,870,905.92
SUNBIRD	90.01	92.06	80.00	92.06	2.28%	307,153	26,083,927.91	57	24,081,292,314.80
TNM	22.92	22.92	11.90	14.00	-38.92%	468,309,010	6,449,991,876.55	592	140,566,300,000.00
Total						1,402,901,021	51,719,845,760.25	4,271	3,348,012,679,666.77



4. DEBT SECURITIES TRADING PERFORMANCE

There were 61 Treasury Notes issued by Malawi Government and 1 Corporate Medium Term Note issued by MyBucks Banking Corporation in the year under review. The Debt market registered a trade on one of the Treasury Notes (Trading symbol T05NT) issued by Malawi Government with a nominal value of MK1,000,000.00 at a price of MK84.3890 giving a total value traded of MK843,390.00.

In the primary market, 21 Government securities comprising two Development Bonds and 19 Treasury notes with a total nominal value of MK1.12 trillion were listed on 14 November 2022.

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
3TNRV	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
NFB02	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	300,000,000,000.00
NFB04	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	600,000,000,000.00
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
T02AD	89.3564	89.3564	89.3564	89.3564	0.00%	0	0.00	0	2,157,653,248,240.00
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	76.2976	84.3890	76.2976	84.3890	10.61%	1,000	843,890.00	1	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

4. DEBT SECURITIES TRADING PERFORMANCE



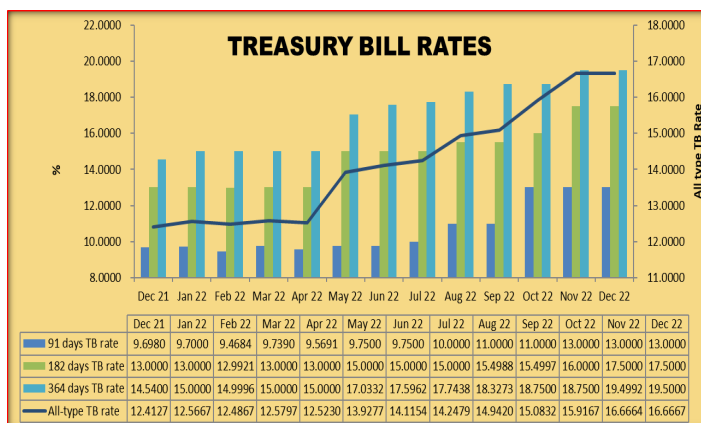
MALAWI STOCK EXCHANGE

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
TN02	89.3006	89.3006	89.3006	89.3006	0.00%	0	0.00	0	3,886,951,495,960.00
TN023	87.5514	87.5514	87.5514	87.5514	0.00%	0	0.00	0	2,879,670,607,680.00
TN02Z	89.2853	89.2853	89.2853	89.2853	0.00%	0	0.00	0	1,593,146,536,337.20
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
TN06	93.2903	93.2903	93.2903	93.2903	0.00%	0	0.00	0	5,165,157,394,950.00
TN07	76.3317	76.3317	76.3317	76.3317	0.00%	0	0.00	0	6,027,128,132,490.00
TN100	95.7335	95.7335	95.7335	95.7335	0.00%	0	0.00	0	5,198,863,817,331.00
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
TN99	100.0000	100.0000	100.0000	100.0000	0.00%	0	0.00	0	3,786,754,900,000.00
TNX02	89.2899	89.2899	89.2899	89.2899	0.00%	0	0.00	0	5,770,961,780,005.80
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						1,000	843,890.00	1	220,926,157,930,902.00

5. ECONOMIC REVIEW

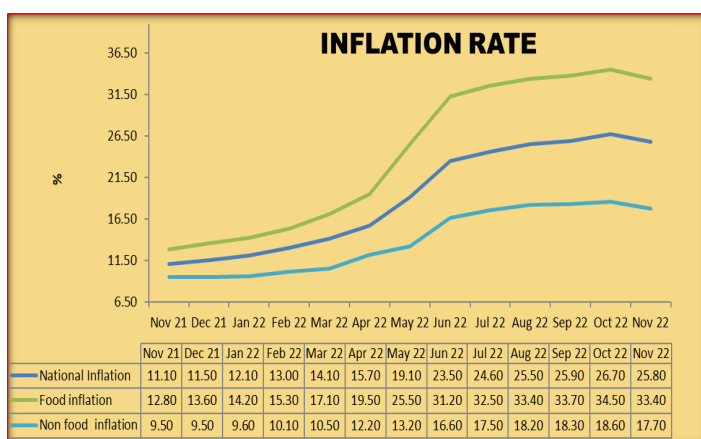
Interest Rates

During the period under review, the yields on the 91 days Tbill, 182 days Tbill and the 364 days Tbill inched upwards by 3.3020% from 9.6980% to 13.0000%, by 4.500% from 13.0000% to 17.5000% and by 4.9600% from 14.5400% to 19.5000% respectively.



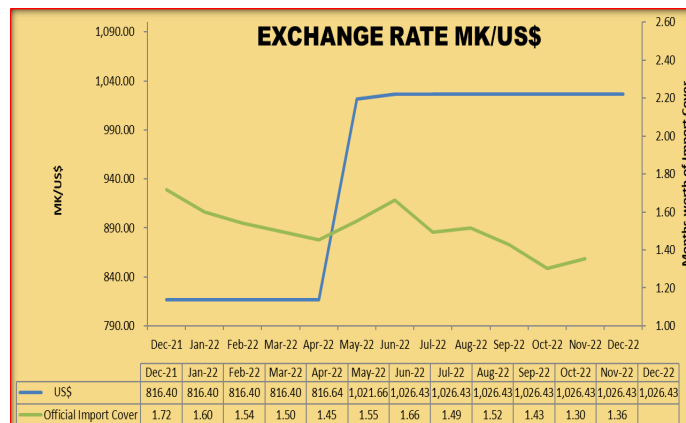
Inflation Rates

Headline inflation inched upwards by 14.30 percentage points from 11.50% on 1 January 2022 to 25.80% in November 2022.



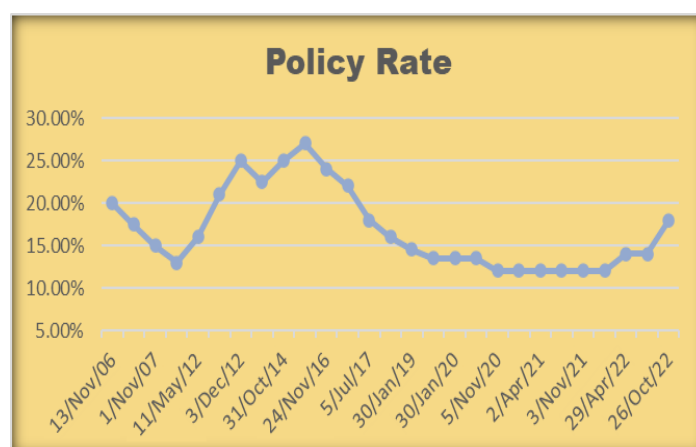
Exchange Rates

The Kwacha depreciated against the United States Dollar by 20.46% in 2022. Gross official reserves fell from 1.72 months of import cover in January 2022 to 1.36 months import cover in November 2022.



Monetary Policy Rate

In the period under review, the Monetary Policy Committee increased the policy rate by 6 percentage points from 12% to 18%.



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