

# SECOND QUARTER MARKET REPORT APRIL – JUNE 2024

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*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>Bonds/Treasury Notes</i>	4
<i>Economic review</i>	5



MALAWI STOCK EXCHANGE

## 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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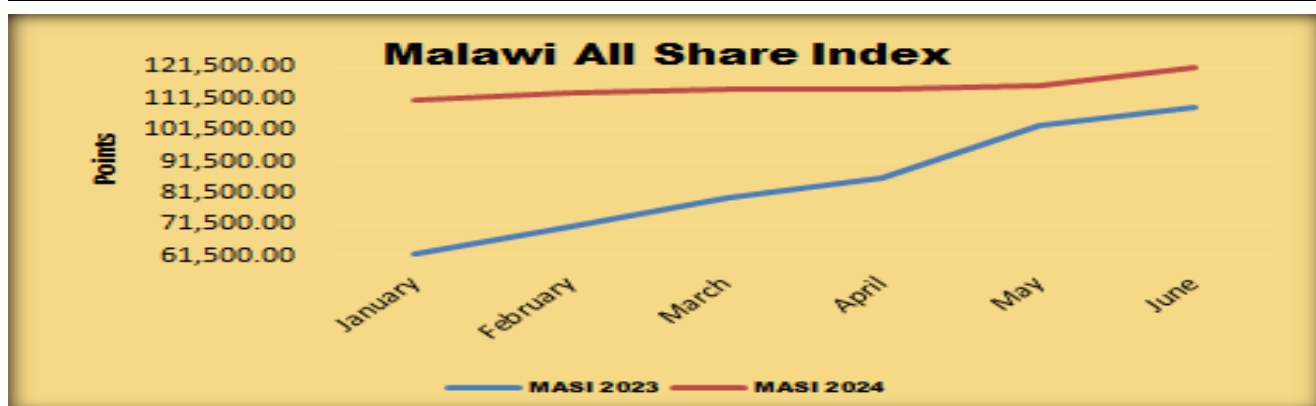
# 1. TRADING SUMMARY

The market registered a positive return on index of 6.01%(6.01% in US\$ terms) in Q2 2024, compared to 35.32% (31.85% in US\$ terms) in Q2 2023 despite registering a decrease in both total traded value and volume of shares.

There were no trades on the debt securities market.

## Index Levels and Return – 2<sup>nd</sup> Qtr. 2024

INDEX	APRIL, 2024	JUNE, 2024	% Δ 2nd QTR. 2024	% Δ 2nd QTR. 2023	% Δ YTD. 2024
MASI	114,236.98	121,101.77	6.01 ▲	35.32 ▲	9.15 ▲
DSI	86,761.71	92,949.19	7.13 ▲	34.19 ▲	7.63 ▲
FSI	19,012.48	18,911.41	-0.53	46.47 ▲	19.75 ▲



## Trading Statistics – 2<sup>nd</sup> Qtr. 2024

	2 <sup>nd</sup> Qtr. 2024	2 <sup>nd</sup> Qtr. 2023	Y-O-Y % Δ
Traded Value (MK)	22,864,228,511.84	24,959,665,828.11	-8.40
Traded Value (US\$)	13,186,846.49	24,147,924.03	-45.39
Traded Vol. Shares	185,267,589	232,382,498	-20.27
No. of Transactions	3,017	3,396	-11.16
Index Close (MASI)	121,101.77	108,656.97	11.45 ▲
Listed Debt Securities	75	57	
Traded Debt Securities	00	00	
Listed companies	16	16	
Traded Companies	16	16	
Not Traded	00	00	
<b>Gainers</b>	<b>09</b>	<b>13</b>	
<b>Decliners</b>	<b>07</b>	<b>02</b>	
Unchanged	<b>00</b>	<b>01</b>	

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

The market transacted a total of 185.27 million shares at a total consideration of MK22.86 billion (US\$13.19 million) in 3,017 trades. In the corresponding period 2023, the market transacted a total of 232.38 million shares at a total consideration of MK24.96 billion (US\$24.15 million) in 3,396 trades. This reflects a **-20.27%** decrease in terms of share volume and a **-8.40%** (**-45.39%** in US Dollar terms) decrease in share value. Of the shares traded, 19.62 million ICON shares traded as negotiated deals at a total consideration of MK196.24 million.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 3.04 million shares compared to 3.81 million shares traded in the corresponding second quarter of 2023 reflecting a decrease of **-20.27%**.

The average daily turnover for the second quarter 2024 was MK374.82 million (US\$216.18 thousand) compared with MK409.17 million (US\$395.87 thousand) for the corresponding second quarter 2023, reflecting a decrease of **-8.40%** (**-45.39%** 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 114,236.98 points registered on 2 April 2024 to 121,101.77 points registered on 30 June 2024, giving a return on index of **6.01%**, (**6.01%** in US\$ terms) compared to **35.32%**, (**31.85%** in US\$ terms) registered in Q2 of 2023. The price gains registered by TNM(33.72%), FDHB(30.69%), SUNBIRD(14.87%), NBM (12.50%), STANDARD(11.39%), MPICO(2.25%), ILLOVO(0.37%), BHL(0.08%) and OMU (0.001%) were enough to offset share price losses registered by NBS(-17.63%), ICON (-5.16%), FMBCH(-0.54%), NICO(-0.160%), AIRTEL(-0.159%), NITL(-0.01%) and PCL (-0.001%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share Index inched upwards by 7.13% to 92,949.19 points whilst the Foreign Share Index fell by -0.53% to 18,911.41 points.

Market capitalization increased in both Malawi Kwacha and United States Dollar terms from MK6.18 trillion (US\$3.56 billion) to MK6.55 trillion (US\$3.78 billion) in the period under review.

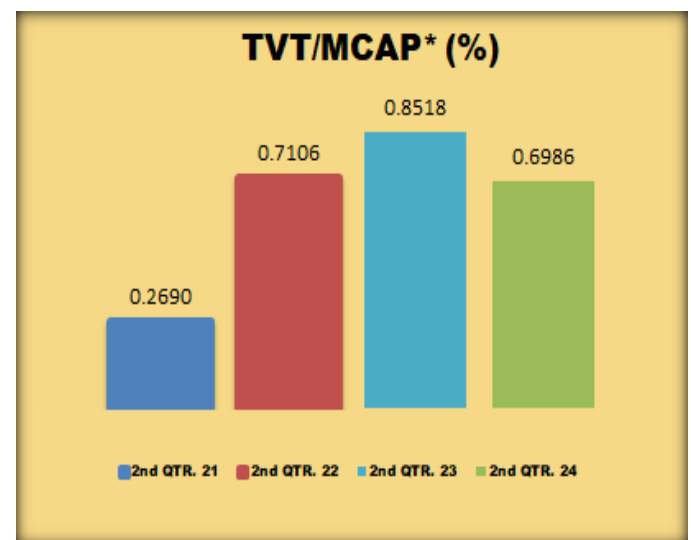
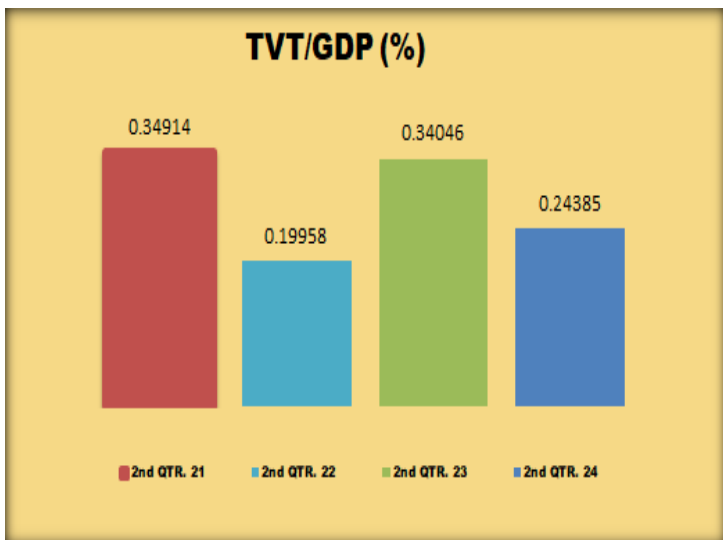
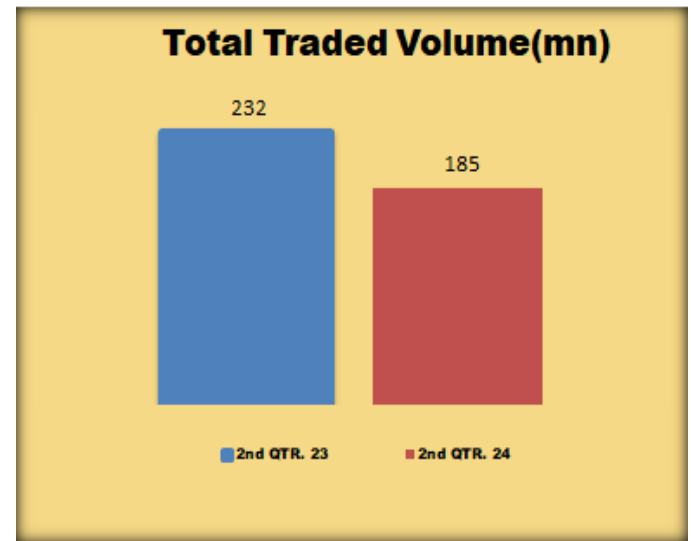
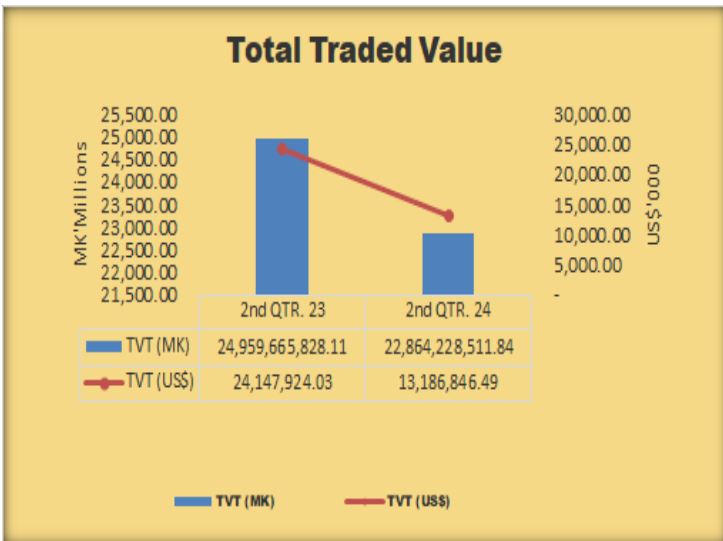
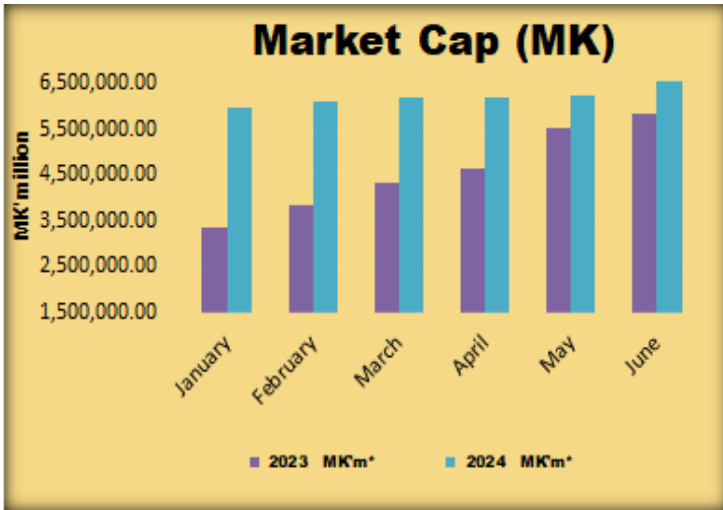
### C. Market Liquidity

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 0.70%, lower than 0.85% registered in second quarter 2023. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.24% in the review period while during the corresponding period of 2023 liquidity was at 0.34%.

Market capitalization as a percentage of GDP was at 34.91% in Q2 2024 and 39.97% in Q2 2023.



## 2. MARKET PERFORMANCE



### 3. COMPANY TRADING PERFORMANCE

#### Top 5 gainers

Nine counters registered capital gains in the period under review.

MSE CODE	ISIN	COUNTER NAME	% GAIN
TNM	MWTNM0010126	Telekom Networks Malawi plc	33.72 ▲
FDHB	MWFDHB001166	FDH Bank plc	30.69 ▲
SUNBIRD	MWSTL0010085	Sunbird Tourism plc	14.87 ▲
NBM	MWNBM0010074	NBM plc	12.50 ▲
STANDARD	MWSTD0010041	Standard Bank Malawi plc	11.39 ▲

#### Top 5 Losers

Seven counters registered capital losses in the period under review.

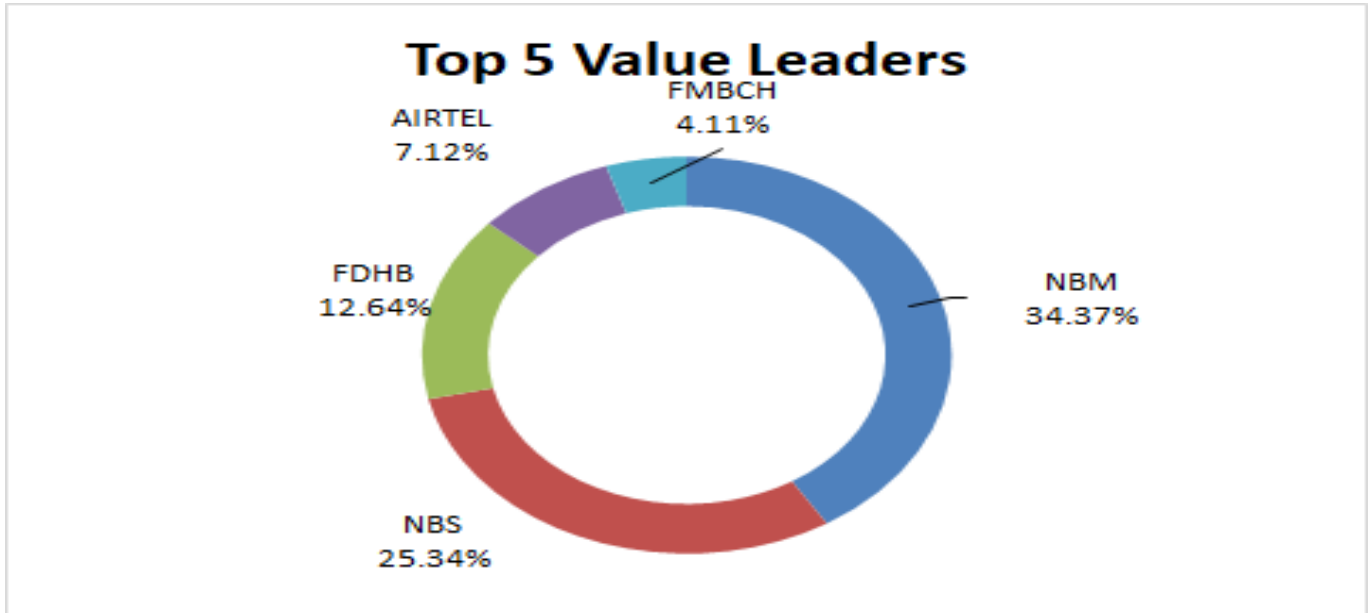
MSE CODE	ISIN	COUNTER NAME	% LOSS
NBS	MWNBS0010105	NBS Bank plc	-17.63
ICON	MWICON001146	ICON Properties plc	-5.16
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-0.54
NICO	MWNICO010014	NICO Holdings plc	-0.160
AIRTEL	MWAIRT001156	Airtel Malawi plc	-0.159

### 3. COMPANY TRADING PERFORMANCE

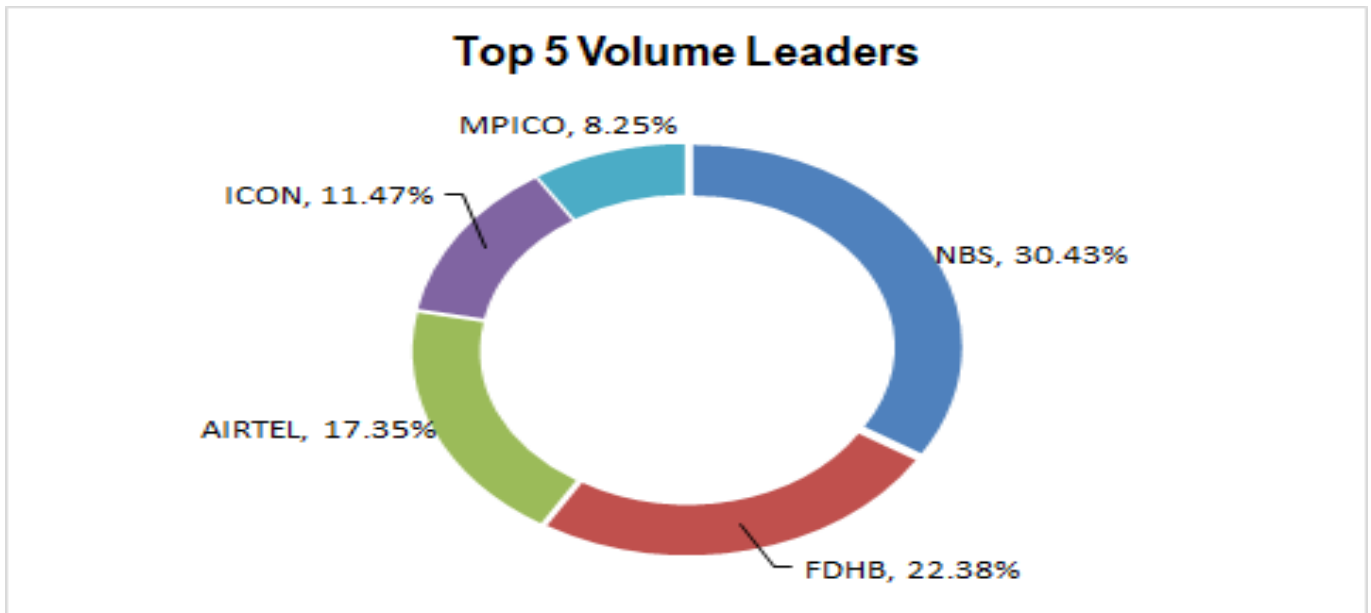


MALAWI STOCK EXCHANGE

#### Top 5 Value Leaders



#### Top 5 Volume Leaders



### 3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

In the secondary market, 185.27 million shares were transacted at a total consideration of MK22.86 billion (US\$13.19 million) in 3,017 deals with no listings in the primary market.

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	50.08	51.23	42.20	50.00	-0.1597%	32,149,454	1,626,829,708.10	267	550,000,000,000
BHL	13.04	13.05	13.04	13.05	0.08%	10,000	130,500.00	1	10,958,746,700
FDHB	65.07	85.04	65.08	85.04	30.69%	41,459,842	2,889,372,858.38	790	586,863,697,500
FMBCH	380.00	411.88	370.00	377.96	-0.54%	2,461,362	940,311,739.38	181	929,120,170,000
ICON	16.85	16.85	15.97	15.98	-5.16%	21,247,906	301,625,616.87	45	106,746,400,000
ILLOVO	1,350.12	1,355.16	1,350.12	1,355.13	0.37%	505,272	684,663,946.86	164	966,809,897,576
MPICO	14.68	15.01	14.66	15.01	2.25%	15,276,918	226,840,498.19	67	34,493,692,375
NBM	2,400.02	2,700.01	2,400.02	2,700.01	12.50%	3,193,005	7,857,475,992.64	345	1,260,720,361,917
NBS	109.90	109.91	89.98	90.53	-17.63%	56,374,013	5,793,583,777.01	424	263,494,205,919
NICO	199.67	199.65	199.34	199.35	-0.1603%	3,398,084	677,795,152.50	209	207,930,242,488
NITL	411.49	411.49	411.43	411.43	-0.01%	457,832	188,390,011.45	114	55,543,050,000
OMU	1,500.02	1,500.03	1,500.02	1,500.03	0.001%	336,413	504,629,615.87	15	19,318,887,870
PCL	2,506.99	2,507.00	2,506.97	2,506.97	-0.001%	289,068	724,686,482.17	40	301,477,733,065
STANDARD	3,950.22	4,400.00	3,950.22	4,400.00	11.39%	80,619	321,842,841.24	114	1,032,539,912,800
SUNBIRD	195.02	224.01	195.02	224.01	14.87%	29,765	6,621,714.79	21	58,597,113,746
TNM	12.01	16.10	12.01	16.06	33.72%	7,998,036	119,428,056.39	220	161,249,627,000
<b>Total</b>						<b>185,267,589</b>	<b>22,864,228,511.84</b>	<b>3,017</b>	<b>6,545,863,738,956</b>



## 4. BOND TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

In the period under review, there were 7 Development Bonds and 68 Treasury Notes issued by Malawi Government with a total nominal value of MK3.42 trillion as at 30 June 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	2/4/2025	11.0000	0.0000	0.0000	80.7182	0.0000
10TN8	11,758.9000	29/12/2032	15.0000	0.0000	0.0000	55.9618	0.0000
10TNY	47,342.2760	1/6/2033	15.0000	0.0000	0.0000	52.0498	0.0000
23TN5	46,276.0400	26/1/2028	12.5000	0.0000	0.0000	64.6972	0.0000
25TN7	26,899.4000	17/10/2029	13.5000	0.0000	0.0000	59.7366	0.0000
2DB07	28,180.8000	24/1/2029	14.5000	0.0000	0.0000	60.6393	0.0000
3TNRY	10,431.3500	28/6/2025	11.0000	0.0000	0.0000	76.8326	0.0000
3TNYR	31,446.0280	15/12/2025	11.0000	0.0000	0.0000	74.9507	0.0000
9DB05	16,069.9600	29/6/2028	13.5000	0.0000	0.0000	41.6165	0.0000
BD05Y	8,079.6910	1/12/2027	13.5000	0.0000	0.0000	66.1055	0.0000
CTN05	37,830.0000	23/3/2028	12.5000	0.0000	0.0000	63.2752	0.0000
DB07I	11,896.6000	10/3/2029	14.5000	0.0000	0.0000	72.5761	0.0000
DB10Y	692.9000	28/4/2032	16.0000	0.0000	0.0000	72.0496	0.0000
DB7FF	18,097.8000	1/9/2029	14.5000	0.0000	0.0000	62.1614	0.0000
DB7GF	29,584.6500	2/3/2030	14.5000	0.0000	0.0000	60.5778	0.0000
DB820	18,463.1000	19/8/2031	16.0000	0.0000	0.0000	72.3338	0.0000
GTN05	52,582.7000	4/5/2028	12.5000	0.0000	0.0000	61.4978	0.0000
M02TN	57,982.0000	16/3/2025	10.0000	0.0000	0.0000	81.3651	0.0000
NDT07	53,119.2200	20/4/2030	13.5000	0.0000	0.0000	55.7311	0.0000
R10TN	115,106.4200	29/9/2032	15.0000	0.0000	0.0000	59.3652	0.0000
RTN05	144,429.2000	1/8/2027	12.5000	0.0000	0.0000	68.0190	0.0000
T0119	8,431.0000	20/1/2032	15.0000	0.0000	0.0000	69.2256	0.0000
T012	125,981.1880	7/5/2025	12.5000	0.0000	0.0000	81.0399	0.0000
T0127	30,905.6400	27/1/2027	12.5000	0.0000	0.0000	74.9917	0.0000
T02DX	40,613.1000	3/1/2024	10.0000	0.0000	0.0000	82.9730	0.0000
T02JH	93,374.1250	16/2/2026	11.0000	0.0000	0.0000	75.2701	0.0000
T02KK	125,488.1330	15/9/2024	10.0000	0.0000	0.0000	83.2350	0.0000
T02QL	71,904.1650	19/1/2025	10.0000	0.0000	0.0000	82.9472	0.0000
T03BN	94,914.2570	10/2/2025	11.0000	0.0000	0.0000	81.6864	0.0000
T03SD	92,902.5200	1/11/2024	11.0000	0.0000	0.0000	87.3825	0.0000
T03VV	113,694.9950	25/8/2025	11.0000	0.0000	0.0000	76.2257	0.0000
T05NT	19,624.0200	2/9/2026	12.5000	0.0000	0.0000	84.3890	0.0000
T05QZ	129,295.7340	2/10/2026	12.5000	0.0000	0.0000	78.6668	0.0000
T05RR	26,849.4500	17/1/2027	12.5000	0.0000	0.0000	66.1551	0.0000
T0731	6,846.5000	29/7/2028	13.5000	0.0000	0.0000	72.1403	0.0000
T07GK	77,232.2000	14/7/2029	13.5000	0.0000	0.0000	62.1619	0.0000
T07JK	25,857.0000	2/2/2030	13.5000	0.0000	0.0000	59.8482	0.0000
T07YR	109,005.9580	15/6/2030	13.5000	0.0000	0.0000	54.6082	0.0000
T103	36,495.0000	23/7/2025	12.5000	0.0000	0.0000	77.4237	0.0000

## 4. BOND TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

T10BZ	5,000.0000	28/10/2031	15.0000	0.0000	0.0000	70.6450	0.0000
T10LK	93,435.2250	23/2/2033	15.0000	0.0000	0.0000	57.4336	0.0000
T10NX	5,463.5000	30/9/2031	15.0000	0.0000	0.0000	68.4575	0.0000
T10YR	15,975.0000	17/9/2030	15.0000	0.0000	0.0000	71.7006	0.0000
T2511	7,458.6000	25/11/2028	13.5000	0.0000	0.0000	73.3232	0.0000
T2MM	69,162.2000	28/7/2024	10.0000	0.0000	0.0000	84.6553	0.0000
T3YRX	27,158.6900	5/8/2024	11.0000	0.0000	0.0000	82.3667	0.0000
TN02F	14,972.8830	20/10/2024	10.0000	0.0000	0.0000	82.4461	0.0000
TN03L	55,692.0460	23/12/2024	11.0000	0.0000	0.0000	82.2589	0.0000
TN03N	15,571.8000	30/6/2024	11.0000	0.0000	0.0000	82.3849	0.0000
TN03X	89,955.8000	13/10/2025	11.0000	0.0000	0.0000	74.9966	0.0000
TN05	63,097.3280	5/12/2024	10.5000	0.0000	0.0000	86.2716	0.0000
TN05Y	92,884.1040	24/12/2025	12.5000	0.0000	0.0000	77.3103	0.0000
TN07	78,959.7000	4/6/2027	13.5000	0.0000	0.0000	76.3317	0.0000
TN102	18,811.4140	15/8/2026	14.0000	0.0000	0.0000	87.9849	0.0000
TN10F	15,498.7000	16/6/2032	15.0000	0.0000	0.0000	61.5493	0.0000
TN201	14,326.3700	24/2/2029	13.5000	0.0000	0.0000	71.7603	0.0000
TN3	27,253.4900	25/3/2026	12.5000	0.0000	0.0000	77.0438	0.0000
TN5	70,925.0000	6/5/2031	15.0000	0.0000	0.0000	70.6523	0.0000
TN50	13,211.0000	22/10/2025	12.5000	0.0000	0.0000	77.1437	0.0000
TN5YC	83,981.0370	24/3/2027	12.5000	0.0000	0.0000	74.7614	0.0000
TN7AF	33,927.0700	20/8/2027	13.5000	0.0000	0.0000	73.8329	0.0000
TN7YR	16,239.7000	9/1/2027	11.5000	0.0000	0.0000	76.7700	0.0000
TN888	5,960.0000	23/4/2030	15.0000	0.0000	0.0000	73.0590	0.0000
TN90	19,447.3600	12/9/2029	15.5000	0.0000	0.0000	88.4233	0.0000
TN92	48,087.0410	27/12/2025	15.5000	0.0000	0.0000	100.0000	0.0000
TNX07	20,450.0000	12/11/2027	13.5000	0.0000	0.0000	76.0578	0.0000
TNX10	11,786.0000	10/12/2030	15.0000	0.0000	0.0000	70.6384	0.0000
TNX7	39,100.2000	17/6/2028	13.5000	0.0000	0.0000	74.3855	0.0000
TNY07	29,960.4190	14/1/2028	13.5000	0.0000	0.0000	75.3418	0.0000
TNYR2	49,368.0710	8/6/2025	10.0000	0.0000	0.0000	78.1983	0.0000
TT05	37,750.9000	3/6/2026	12.5000	0.0000	0.0000	76.9113	0.0000
TX07Y	13,021.0000	22/4/2028	13.5000	0.0000	0.0000	74.6008	0.0000
TX10Z	10,740.0000	18/2/2031	15.0000	0.0000	0.0000	70.6213	0.0000
Y05TN	65,390.7340	2/6/2027	12.5000	0.0000	0.0000	68.6804	0.0000
YR07T	28,722.0370	5/5/2029	13.5000	0.0000	0.0000	66.3666	0.0000
<b>Total</b>	<b>3,417,116.1520</b>						<b>0.0000</b>

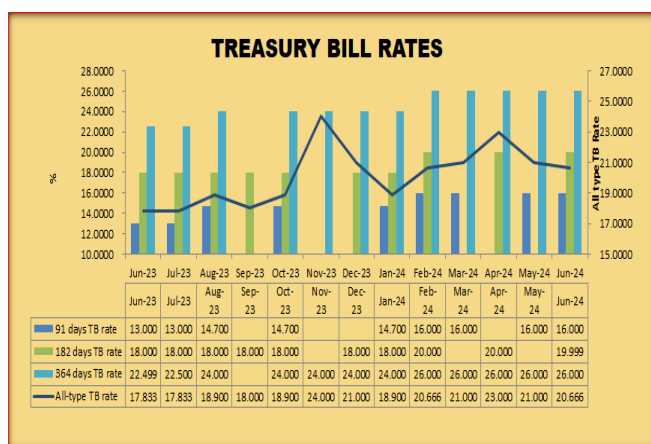
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

### Interest Rates

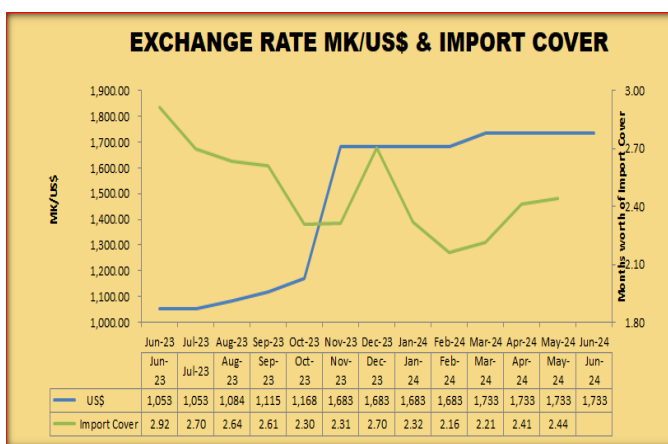
During the quarter under review, the yields on the 91 days Tbill, the 182 days Tbill and 364 days Tbill closed at 16.0000%, 19.9999% and 26.0000% respectively.



### Exchange Rates

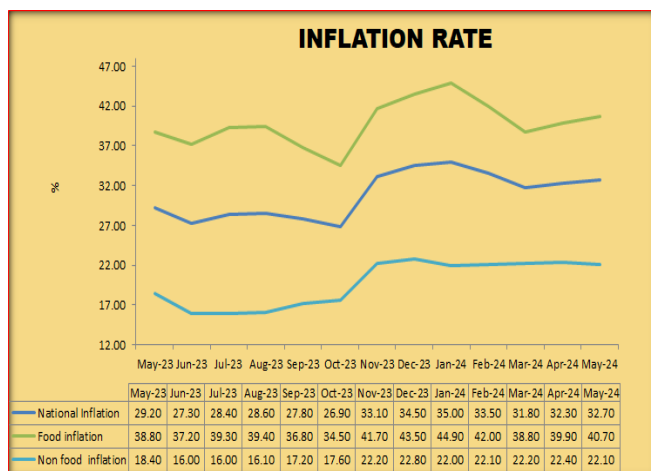
The Kwacha was stable against the United States Dollar in the period under review. Gross official reserves were at 2.44 months worth of import cover on 30 June 2024.

\*The import cover in months have been restated and comprises of an aggregate of foreign exchange reserves under the direct control of the Central Bank, Authorized Dealer Banks and Foreign Currency Denominated Account Holders.



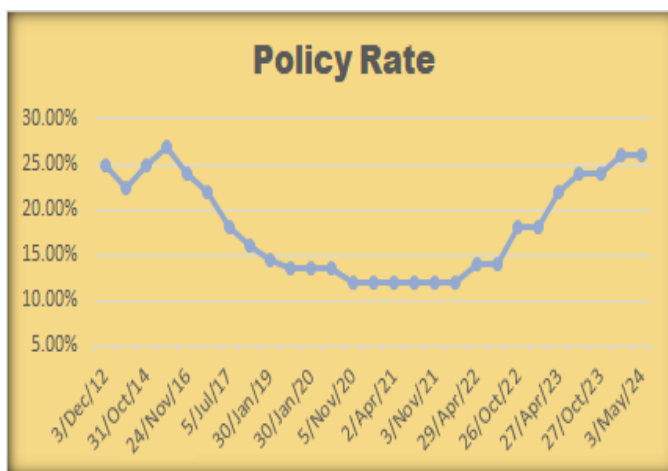
### Inflation Rates

Headline inflation inched upwards by 0.40 percentage points from 32.30% in April, 2024 to 32.70% in May, 2024.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held from 3 May 2024 maintained the policy rate at 26%.



## CONTACTS AND ADDRESSES OF MSE STOCK BROKERS

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