

THIRD QUARTER MARKET REPORT JULY – SEPTEMBER 2020

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Malawi's global portal

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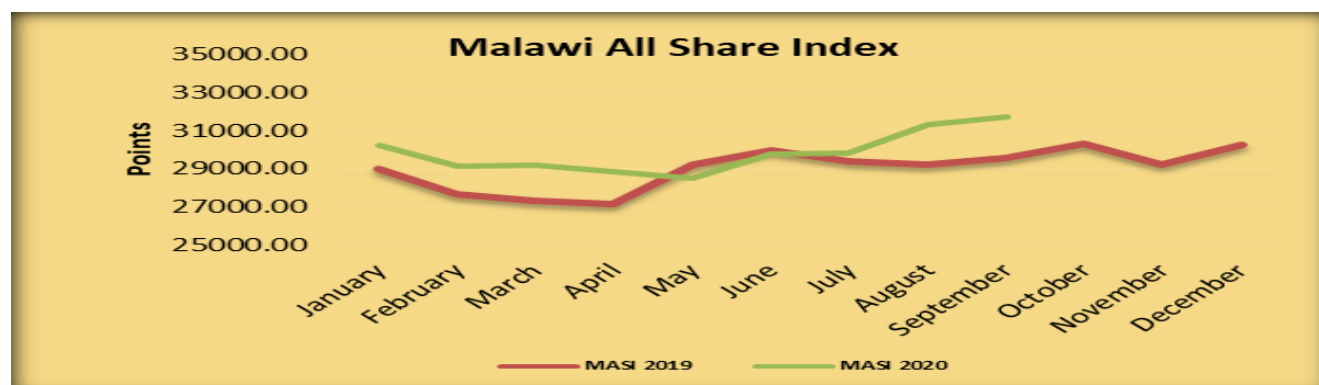
1. TRADING SUMMARY

In Q3 of 2020, the market registered a positive return on index of 6.58% (5.19% in US\$ terms), 4.93% YTD, compared to -1.37% (3.74% in US\$ terms) in Q3 2019. It also registered an increase in both total value of shares and total volume of shares traded. In the primary market, FDH Bank plc officially listed on the mainboard on 3 August 2020 bringing the total number of listed companies to 16. On 28 September 2020, the Exchange also listed 16 Malawi Government Treasury Notes on the debt market bringing the total number of debt securities to 28.

Index Levels and Return – 3rd Qtr. 2020

INDEX	1 JULY 2020	30 SEPT. 2020	% Δ 3rd QTR. 2020	% Δ 3rd QTR. 2019	% Δ YTD. 2020
MASI	29784.70	31743.36	6.58 ▲	-1.37	4.93 ▲
DSI	25117.92	27101.51	7.90 ▲	-0.62	14.84 ▲
FSI	1757.76	1460.99	-16.88	-5.48	-63.70

Trading Statistics – 3rd Qtr. 2020



	3rd Qtr. 2020	3rd Qtr. 2019	Y-O-Y% Δ
Traded Value (MK)	12,385,612,653.56	6,709,006,554.78	84.61 ▲
Traded Value (US\$)	16,543,859.04	9,152,898.07	80.75 ▲
Traded Vol. Shares	551,047,767	209,366,267	163.20 ▲
No. of Transactions	923	721	28.02 ▲
Index Close (MASI)	31743.36	29546.27	7.44 ▲
Listed Debt Securities	28	14	
Traded Debt Securities	00	00	
Listed companies	16	14	
Traded Companies	16	14	
Not Traded Companies	00	00	
Gainers	05	03	
Decliners	08	04	
Unchanged	03	07	

2. MARKET PERFORMANCE

A. Trade Performance Analysis

The market transacted a total of 551,047,767 shares at a total consideration of MK12,385,612,653.56 (US\$16,543,859.04) in 923 trades. In the corresponding period 2019, the market transacted a total of 209,366,267 shares at a total consideration of MK6,709,006,554.78 (US\$9,152,898.07) in 721 trades. This reflects a **163.20%** increase in terms of share volume traded and a **84.61%** (**80.75%** in US Dollar terms) increase in share value traded. Of the total volume of shares traded, 142,226,423 FDHB, 188,956,044 NBS, 148,666 OMU, 2,452,132 PCL and 40,000,000 TNM shares traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 8,477,658 shares compared to 3,376,875 shares traded in the corresponding third quarter of 2019 reflecting an increase of **151.05%**.

The average daily turnover for the third quarter 2020 was MK190,547,886.98 (US\$254,520.91) compared with MK108,209,783.14 (US\$147,627.39) for the corresponding third quarter 2019, reflecting an increase of **76.09%** (**72.41%** 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 29784.70 points registered on 1 July 2020 to 31743.36 points registered on 30th September 2020, giving a return on index of **6.58%**, (**5.19%** in US\$ terms) compared to **-1.37%**, (**3.47%** in US\$ terms) registered in Q3 of 2019. The price gains registered on AIRTEL(50.00%), FDHB(20.60%), NBM(12.50%), ICON(9.56%) and STANDARD(7.72%) were enough to offset share price losses in FMBCH(19.97%), TNM(15.80%), ILLOVO(14.81%), PCL(3.98%) MPICO (3.92%), NICO(0.87%), NBS(0.31%) and NITL(0.01%) resulting into an upward movement of the Malawi All Share Index. The Domestic Share inched upwards to by 7.90% to 27101.51 points whilst the Foreign Share index fell by 16.88% to 1460.99 points.

Market capitalization increased in both Kwacha and US dollar terms from MK1,550,744.90 million (US\$2,086.79 million) on 1st July 2020 to MK1,724,325.27 million (US\$2,290.22 million) on 30th September 2020.

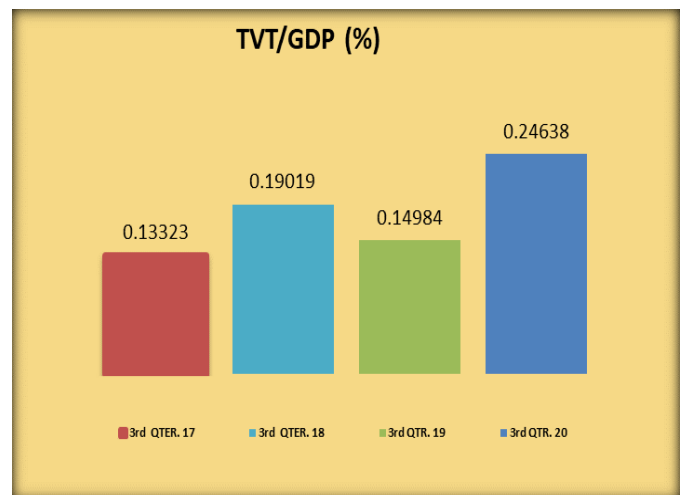
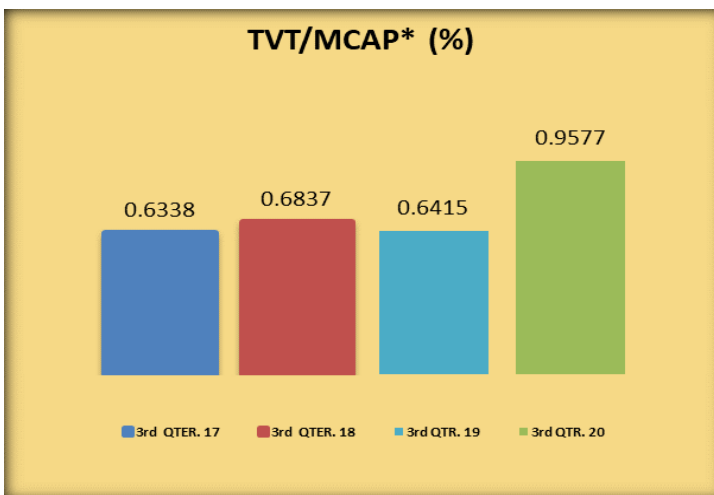
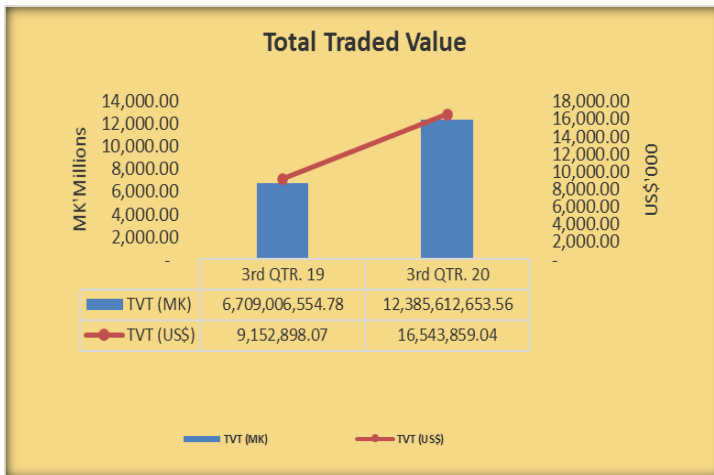
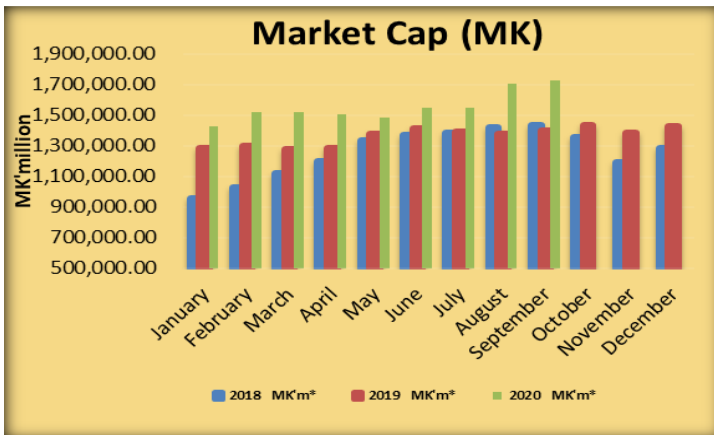
C. Market Liquidity

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 0.96%, higher than 0.64% registered in third quarter 2019. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.25% in the review period while during the corresponding period of 2019 liquidity was at 0.15%.

2. MARKET PERFORMANCE



MALAWI STOCK EXCHANGE



3. COMPANY TRADING PERFORMANCE

A. Top gainers: Five counters registered Capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
AIRTEL	MWAIRT001156	Airtel Malawi plc	50.00 ▲
FDHB	MWFDHB001166	FDH Bank plc	20.60 ▲
NBM	MWNB0010074	National Bank of Malawi plc	12.50 ▲
ICON	MWICON001146	ICON Properties plc	9.56 ▲
STANDARD	MWSTD0010040	Standard Bank Malawi plc	7.72 ▲

B. Top Losers: Eight counters registered capital losses

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB0010137	FMB Capital Holdings plc	-19.97
TNM	MWTNM0010127	Telekom Networks Malawi plc	-15.80
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	-14.81
PCL	MWPCL0010053	Press Corporation plc	-3.98
MPICO	MWMPI0010118	MPICO plc	-3.92

C. Volume leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
NBS	MWNBS0010101	NBS Bank plc	312,079,631	56.63
FDHB	MWFDHB001166	FDH Bank plc	150,143,726	27.25
TNM	MWTNM0010127	Telekom Networks Malawi plc	53,249,360	9.66
MPICO	MWMPI0010118	MPICO plc	12,630,579	2.29
FMBCH	MWFMB0010137	FMB Capital Holdings plc	7,829,224	1.42

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
NBS	MWNBS0010101	NBS Bank plc	5,729,622,630.61	46.26
PCL	MWPCL0010053	Press Corporation plc	2,350,197,503.00	18.98
FDHB	MWFDHB001166	FDH Bank plc	1,429,913,303.44	11.54
TNM	MWTNM0010127	Telekom Networks Malawi plc	1,010,657,467.31	8.16
NBM	MWNB0010074	National Bank of Malawi plc	547,952,270.25	4.42

3. COMPANY TRADING PERFORMANCE



MALAWI STOCK EXCHANGE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	20.00	30.00	20.00	30.00	50.00%	3,373,722	89,480,816.93	91	330,000,000,000.00
BHL	12.94	12.94	12.94	12.94	0.00%	4,912	63,561.28	2	10,866,374,122.70
FDHB	10.00	15.00	10.00	12.06	20.60%	150,143,726	1,429,913,303.44	94	83,226,436,875.00
FMBCH	29.99	29.99	24.00	24.00	-19.97%	7,829,224	191,572,334.50	60	58,998,000,000.00
ICON	11.40	13.00	11.40	12.49	9.56%	5,504,092	66,306,628.75	73	83,433,200,000.00
ILLOVO	94.50	94.50	80.50	80.50	-14.81%	4,533	396,566.50	9	57,432,273,475.50
MPICO	24.98	24.98	21.00	24.00	-3.92%	12,630,579	295,410,145.29	77	55,153,139,040.00
NBM	550.00	625.00	550.00	618.75	12.50%	891,570	547,952,270.25	60	288,914,012,887.50
NBS	19.50	19.50	18.00	19.44	-0.31%	312,079,631	5,729,622,630.61	194	56,581,546,040.64
NICO	48.42	48.43	47.97	48.00	-0.87%	2,109,619	101,239,062.53	30	50,065,972,608.00
NITL	94.99	94.99	94.98	94.98	-0.01%	4,803	456,195.75	7	12,822,300,000.00
OMU	2,199.99	2,199.99	2,199.98	2,199.99	0.00%	281,342	505,841,366.17	14	33,267,425,983.74
PCL	1,399.76	1,399.76	1,343.99	1,343.99	-3.98%	2,831,700	2,350,197,503.00	30	161,622,619,521.80
STANDARD	790.00	900.00	790.00	851.00	7.72%	74,552	62,374,561.25	34	199,702,605,862.00
SUNBIRD	120.00	120.00	120.00	120.00	0.00%	34,402	4,128,240.00	10	31,389,909,600.00
TNM	24.94	24.94	20.50	21.00	-15.80%	53,249,360	1,010,657,467.31	138	210,849,450,000.00
Total						551,047,767	12,385,612,653.56	923	1,724,325,266,016.88



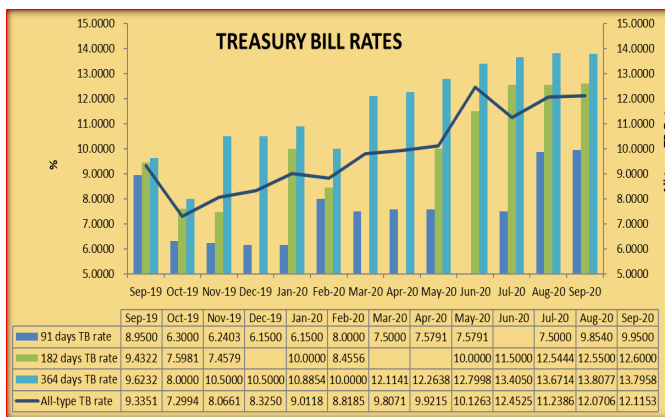
4. BOND TRADING SUMMARY

Symbol	Open	High	Low	Close	Volume	Value	Trades Count	Nominal Value
NFBN01210621	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	1,000,000,000.00
NFBN02280621	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	3,000,000,000.00
NFBN03020721	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	50,000,000.00
NFBN04230522	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	6,000,000,000.00
NFBN05310321	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	2,350,767,576.00
TN02YR040920	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	64,659,680,000.00
TN02YR060829	100.0000	100.0000	89.3564	89.3564	0	0.0000	0	24,146,600,000.00
TN02YR081021	100.0000	100.0000	96.2465	96.2465	0	0.0000	0	20,645,602,000.00
TN02YR210523	100.0000	100.0000	93.2903	93.2903	0	0.0000	0	55,366,500,000.00
TN02YR310121	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	23,791,253,000.00
TN03YR071122	100.0000	100.0000	95.7335	95.7335	0	0.0000	0	54,305,586,000.00
TN03YR100921	100.0000	100.0000	84.2591	84.2591	0	0.0000	0	49,078,500,000.00
TN03YR111021	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	13,776,000,000.00
TN03YR180626	100.0000	100.0000	87.5514	87.5514	0	0.0000	0	32,891,200,000.00
TN03YR220221	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	3,000,000,000.00
TN03YR270622	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	37,867,549,000.00
TN03YR270821	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	22,570,008,000.00
TN05YR051221	100.0000	100.0000	86.2716	86.2716	0	0.0000	0	63,097,328,000.00
TN05YR070528	100.0000	100.0000	81.0399	81.0399	0	0.0000	0	125,981,188,000.00
TN05YR221123	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	39,105,000,000.00
TN05YR230726	100.0000	100.0000	77.4237	77.4237	0	0.0000	0	36,495,000,000.00
TN07YR040628	100.0000	100.0000	76.3317	76.3317	0	0.0000	0	78,959,700,000.00
TN07YR090128	100.0000	100.0000	76.7700	76.7700	0	0.0000	0	16,239,700,000.00
TN07YR150826	100.0000	100.0000	87.9849	87.9849	0	0.0000	0	18,811,414,000.00
TN07YR200826	100.0000	100.0000	73.8329	73.8329	0	0.0000	0	33,927,070,000.00
TN07YR271225	100.0000	100.0000	100.0000	100.0000	0	0.0000	0	48,087,041,000.00
TN10YR120929	100.0000	100.0000	88.4233	88.4233	0	0.0000	0	19,447,360,000.00
TN10YR170933	100.0000	100.0000	71.7006	71.7006	0	0.0000	0	15,975,000,000.00
TN10YR230430	100.0000	100.0000	73.0590	73.0590	0	0.0000	0	5,960,000,000.00
Total					0	0.0000		916,585,046,576.00

4. ECONOMIC REVIEW

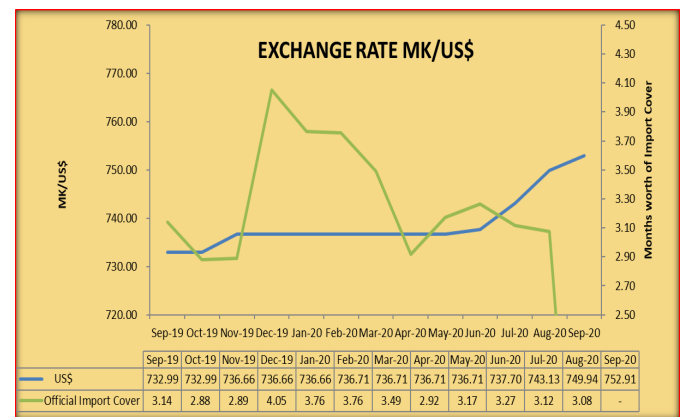
Interest Rates

During the quarter under review, the yields on the 91, 182 and 364 days Tbills inched upwards by 2.4500% from 7.5000% to 9.9500%, by 0.0556% from 12.5444% to 12.6000% and by 0.1244% from 13.6714% to 13.7958% respectively.



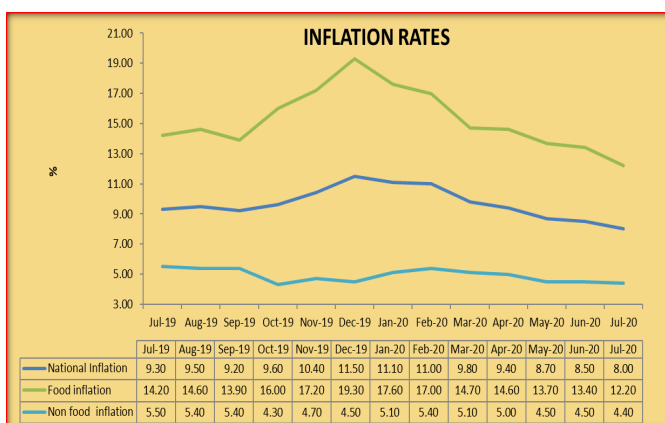
Exchange Rates

The Malawi Kwacha depreciated against the United States Dollar by 2.02% in the period under review. Gross official reserves were at 3.08 months of import cover on 31 August 2020.



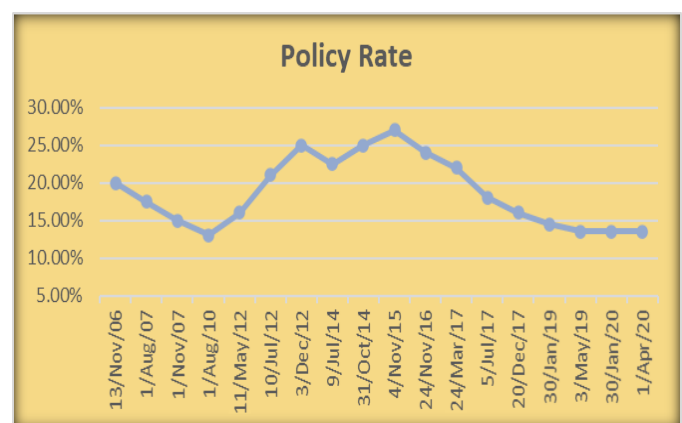
Inflation Rates

Headline inflation eased by 0.5 percentage points from 8.5% in June, 2020 to 8.0% in July, 2020.



Monetary Policy Rate

The Monetary Policy Committee at its meeting held on 31 July 2020 maintained the policy rate at 13.5%.



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