

# ANNUAL MARKET PERFORMANCE REVIEW 2020



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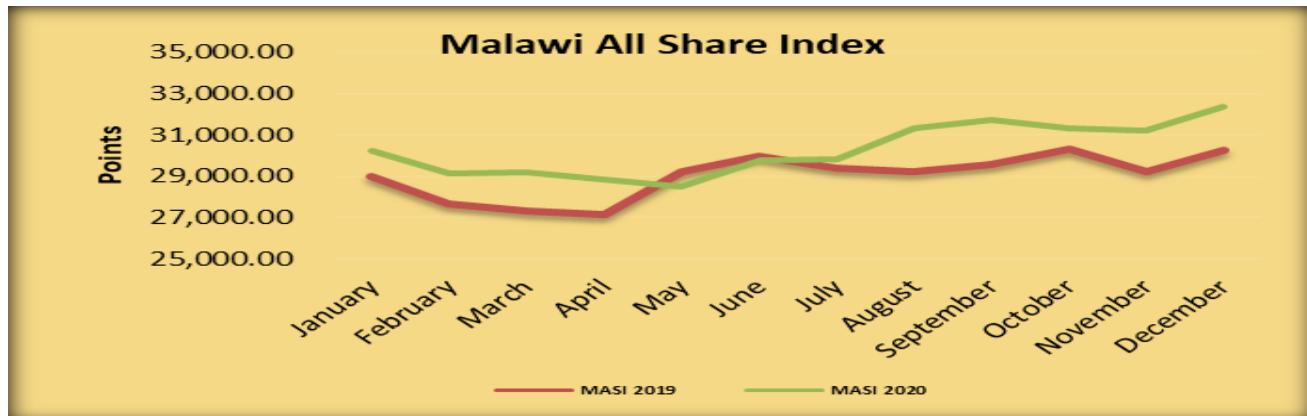
## 1. TRADING SUMMARY

The market registered a positive return on index of **7.08%** (2.21% in US\$ terms) compared to **4.38%** (3.41% in US\$ terms) in 2019. It also recorded an increase in volume of shares traded despite registering a decrease in total value traded compared to the corresponding period 2019. On the primary Equity market, two companies, Airtel Malawi plc and FDH Bank plc got listed on 24 February 2020 and 03 August 2020, respectively. This brought the total number of listed companies to 16.

In the same period under review, 16 Government of Malawi Treasury Notes were listed on the Debt market bringing the total number of listed debt securities to 28.

INDEX	JAN. 2020	DEC. 2020	% Δ 2020 (MK)	% Δ 2020 (US\$)	% Δ 2019 (MK)	% Δ 2019 (US\$)
<b>MASI</b>	30252.20	32392.84	<b>7.08 ▲</b>	<b>2.21 ▲</b>	<b>4.38 ▲</b>	<b>3.41 ▲</b>
<b>DSI</b>	23599.75	27755.46	<b>17.61 ▲</b>	<b>12.26 ▲</b>	<b>10.70 ▲</b>	<b>9.68 ▲</b>
<b>FSI</b>	4024.86	1363.88	<b>-66.11</b>	<b>-67.65</b>	<b>-23.56</b>	<b>-24.26</b>

### Year-To-Date Index Levels and Return



	Year 2020	Year 2019	% Δ
Traded Value (MK)	41,085,584,358.55	46,370,960,122.47	<b>-11.40</b>
Traded Value (US\$)	54,522,713.98	63,638,717.53	<b>-14.32</b>
Traded Vol. Shares	1,645,194,139	1,393,849,808	<b>18.03 ▲</b>
No. of Transactions	3,114	3,064	<b>1.63 ▲</b>
Index Close (MASI)	32392.84	30252.20	<b>7.08 ▲</b>
Listed Debt Securities	28	14	
Traded Debt Securities	00	00	
Listed Companies	16	14	
Traded Companies	16	14	
Not Traded Companies	00	00	
<b>Gainers</b>	<b>09</b>	<b>08</b>	
<b>Decliners</b>	<b>07</b>	<b>06</b>	
Unchanged	00	00	

## 2. MARKET PERFORMANCE

### A. Trade Performance Analysis

In the year 2020, the market transacted a total of 1,645,194,139 shares at a total consideration of MK41,085,584,358.55 (US\$54,522,713.98) in 3,114 trades. In the corresponding period 2019, the market transacted a total of 1,393,849,808 shares at a total consideration of MK46,370,960,122.47 (US\$63,638,717.53) in 3,064 trades. This reflects a **18.03%** increase in share volume traded and a **-11.40%** (**-14.32%** in US Dollar terms) decrease in share value traded. Of the shares traded, 208,956,044 NBS, 142,226,423 FDHB, 140,000,000 TNM, 36,131,224 FMBCH, 18,671,499 NICO, 6,039,132 PCL, 1,000,000 SUNBIRD and 148,666 OMU traded as negotiated deals.

Daily average share trades exhibited similar trends where the market registered an average daily volume of 6,633,847 shares compared to 5,620,362 shares traded in the corresponding period 2019 reflecting an increase of **18.03%**.

The average daily turnover for the year 2020 was MK165,667,678.87 (US\$219,849.65) compared with MK186,979,664.02 (US\$256,607.73) for the corresponding period 2019, reflecting a decrease of **-11.40%** (**-14.32%** in US Dollar terms).

### B. Market Capitalization and Index

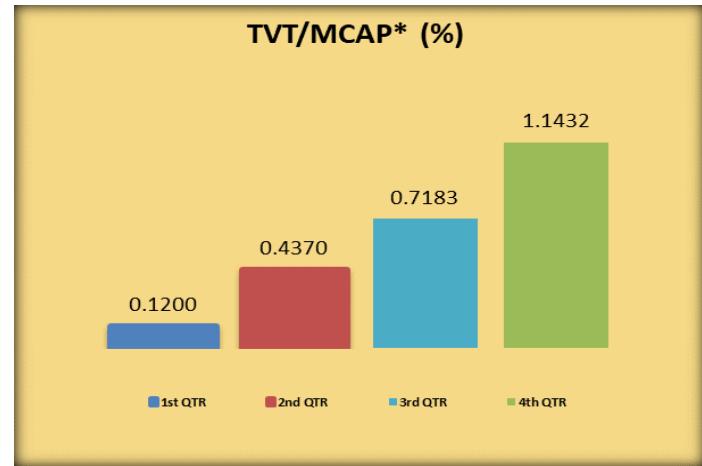
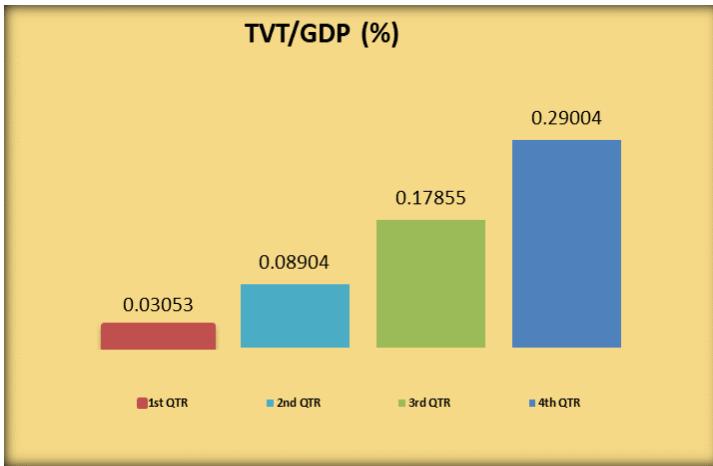
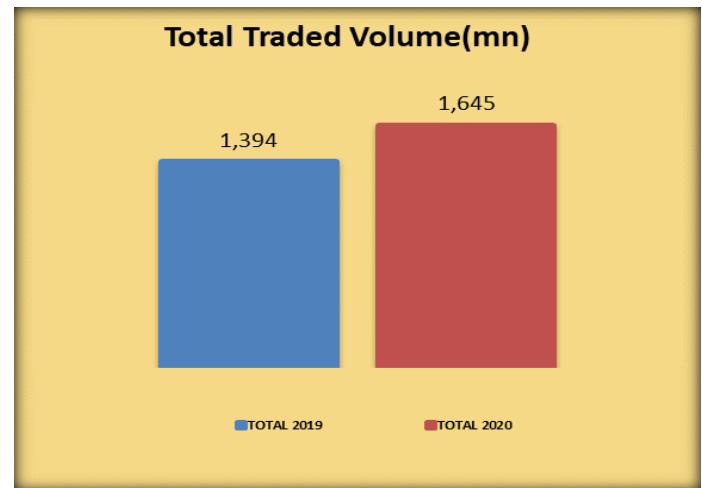
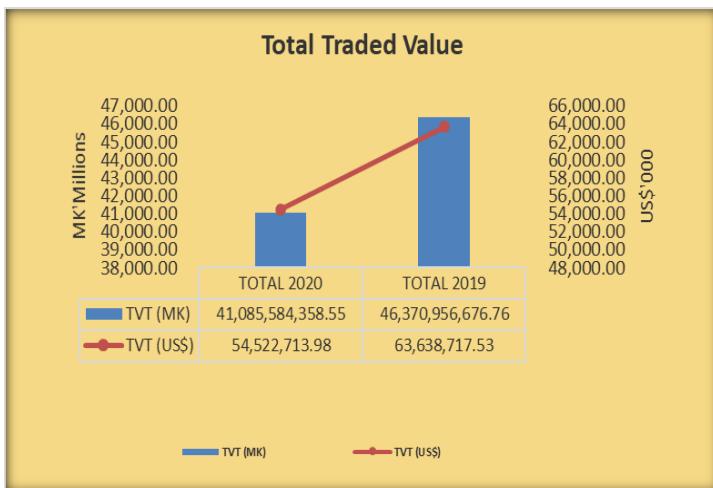
The market registered a positive return on index as reflected in the upward movement of the Malawi All Share Index (MASI) from 30252.20 points registered on 2 January 2020 to 32392.84 points registered on 31 December 2020, giving a return on index of **7.08%**, (**2.21%** in US\$ terms) compared to **4.38%**, (**3.41%** in US\$ terms) registered in 2019. The price gains registered by nine counters, AIRTEL(120.49%), NBS (60.00%), FDHB(44.50%), STANDARD(43.34%), NBM(23.81%), NITL(18.69%), ICON (16.86%), MPICO(7.53%) and NICO(7.24%) were enough to offset share price losses by FMBCH(70.61%), ILLOVO(47.40%), TNM(22.81%), OMU(12.00%), SUNBIRD(11.02%), PCL(6.47%) and BHL(0.08%) resulting into an upward movement of the Malawi All Share Index. The Domestic and Foreign Share indices closed at 27755.46 and 1363.88 points respectively.

Market capitalization increased both in Kwacha and United States Dollar terms from MK1,428,752.94 million (US\$1,939.51 million) on 02 January 2020 to MK1,759,857.40 million (US\$2,280.38 million) on 31 December 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 2020 was recorded at 2.33%, lower than 3.25% registered in 2019. The ratio of Total Value of Trades to Gross Domestic Product (**TVT/GDP**) recorded a liquidity level of 0.59% in the review period while during the corresponding period of 2019 liquidity was at 0.78%. Market capitalization as a percentage of GDP was at 25.37% in 2020 whilst in 2019 it was at 23.93%.

## 2. MARKET PERFORMANCE



## 3. COMPANY TRADING PERFORMANCE

Symbol	Open	High	Low	Close	Price Δ	Volume	Value	Trades Count	Market Capitalization
AIRTEL	12.69	30.00	12.69	27.98	120.49%	32,348,973	632,041,646.94	319	307,780,000,000.00
BHL	12.95	12.95	12.94	12.94	-0.08%	405,412	5,246,031.28	15	10,866,374,122.70
FDHB	10.00	15.28	10.00	14.45	44.50%	302,668,484	3,265,946,877.09	179	99,719,901,562.50
FMBCH	75.00	75.00	22.00	22.04	-70.61%	279,336,161	6,350,444,500.14	117	54,179,830,000.00
ICON	10.50	13.00	10.39	12.27	16.86%	83,188,273	933,411,448.53	261	81,963,600,000.00
ILLOVO	153.00	153.00	76.50	80.48	-47.40%	304,046	26,576,804.50	40	57,418,004,587.68
MPICO	19.53	25.00	19.50	21.00	7.53%	27,711,896	619,793,000.55	213	48,258,996,660.00
NBM	525.00	650.00	525.00	650.00	23.81%	2,876,524	1,638,480,503.38	285	303,505,629,700.00
NBS	13.50	22.00	13.50	21.60	60.00%	372,277,825	6,790,533,252.31	552	62,868,384,489.60
NICO	48.49	52.00	47.97	52.00	7.24%	32,540,704	1,435,273,639.92	161	54,238,136,992.00
NITL	80.00	95.01	80.00	94.95	18.69%	4,985,747	465,425,083.75	93	12,818,250,000.00
OMU	2,499.99	2,499.99	2,199.98	2,199.98	-12.00%	331,679	616,732,237.09	42	34,236,486,956.38
PCL	1,400.00	1,572.17	1,188.78	1,309.47	-6.47%	8,203,191	8,099,626,520.59	95	157,471,388,615.40
STANDARD	730.00	1,046.50	730.00	1,046.39	43.34%	365,480	296,271,247.08	103	245,554,418,035.18
SUNBIRD	118.00	120.01	105.00	105.00	-11.02%	2,284,741	270,632,220.00	39	27,466,170,900.00
TNM	26.00	26.00	19.20	20.07	-22.81%	495,365,003	9,639,149,345.40	600	201,511,831,500.00
<b>Total</b>					<b>1,645,194,139</b>	<b>41,085,584,358.55</b>		<b>3,114</b>	<b>1,759,857,404,121.44</b>

### 3. COMPANY TRADING PERFORMANCE

A. Top gainers:  
Nine counters registered capital gains

MSE CODE	ISIN	COUNTER NAME	% GAIN
AIRTEL	MWAIRTEL001156	Airtel Malawi plc	120.49 ▲
NBS	MWNBS0010101	NBS Bank plc	60.00 ▲
FDHB	MWFDB001166	FDH Bank plc	44.50 ▲
STANDARD	MWSTD0010041	Standard Bank plc	43.34 ▲
NBM	MWNBM0010074	National Bank of Malawi plc	23.81 ▲

B. Top Losers: Seven counters registered a capital loss

MSE CODE	ISIN	COUNTER NAME	% LOSS
FMBCH	MWFMB0010138	FMB Capital Holdings plc	-70.61
ILLOVO	MWILLV010032	Illovo Sugar Malawi plc	-47.40
TNM	MWTNM0010126	Telekom Networks Malawi plc	-22.81
OMU	ZAE000255360	Old Mutual Limited	12.00
SUNBIRD	MWSTL0010085	Sunbird Tourism plc	-11.02

C. Volume Leaders

MSE CODE	ISIN	COUNTER NAME	SHARES	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	495,365,003	30.11
NBS	MWNBS0010101	NBS Bank plc	372,277,825	22.63
FDHB	MWFDB001166	FDH Bank plc	302,668,484	18.40
FMBCH	MWFMB0010138	FMB Capital Holdings plc	279,336,161	16.98
ICON	MWICON001146	ICON Properties plc	83,188,273	5.06

D. Value Leaders

MSE CODE	ISIN	COUNTER NAME	VALUE	% of Total
TNM	MWTNM0010126	Telekom Networks Malawi plc	9,639,149,345.40	23.46
PCL	MWPCL0010053	Press Corporation plc	8,099,626,520.59	19.71
NBS	MWNBS0010101	NBS Bank plc	6,790,533,252.31	16.53
FMBCH	MWFMB0010138	FMB Capital Holdings plc	6,350,444,500.14	15.46
FDHB	MWFDB001166	FDH Bank plc	3,265,946,877.09	7.95

#### 4. DEBT SECURITIES TRADING PERFORMANCE

There were 5 Corporate Medium Term Notes by MyBucks Banking Corporation and 23 Malawi Government Treasury Notes with a total nominal value of MK916,585,046,576.00. There were no trades registered on the 28 listed debt securities.

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
<b>Total</b>					<b>0</b>	<b>0.0000</b>		<b>916,585,046,576.00</b>

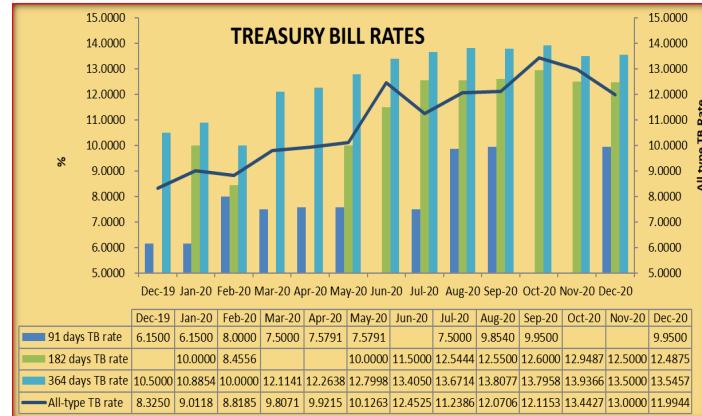
## 5. ECONOMIC REVIEW



MALAWI STOCK EXCHANGE

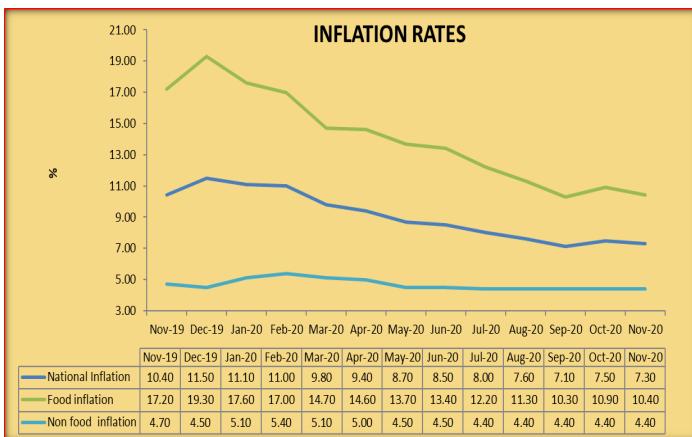
### Interest Rates

During the period under review, the yields on the 91 days Tbill, 182 days Tbill and the 364 days Tbill increased by 3.8000% from 6.1500% to 9.9500%, by 2.4875% from 10.0000% to 12.4875% and by 2.6603% from 10.8854% to 13.5457% respectively.



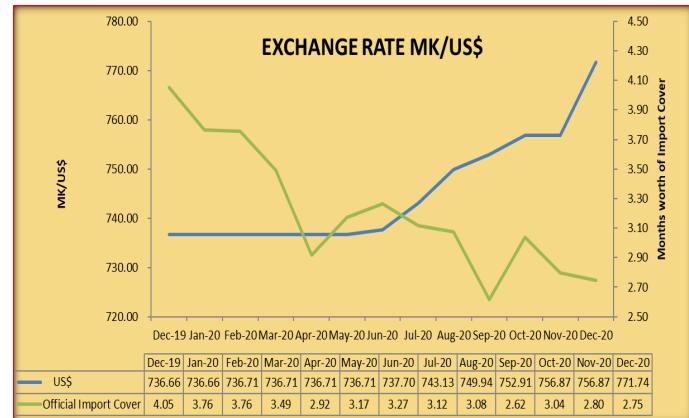
### Inflation Rates

Headline inflation eased by 4.2 percentage points from 11.50% on 1 January 2020 to 7.30% in November 2020.



### Exchange Rates

The Kwacha depreciated against the United States Dollar by **4.55%** in 2020. Gross official reserves fell from 3.76 months of import cover in January 2020 to 2.75 months import cover in December 2020.



### Monetary Policy Rate

The Monetary Policy Committee at its meeting held 04 and 05 November 2020 reduced the policy rate from 13.5% to 12%.



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